



As we move into 2025, MHEDA's Executive Committee has pinpointed 15 crucial business trends that will significantly impact the material handling industry. Several trends hold particular importance for our organization and our valued customers.

- Cautiously optimistic economic outlook in specific regions and industry segments, with unpredictable recovery in other areas as the market normalizes.
- Integrating AI-driven technologies, such as autonomous robots, predictive analytics, and real-time supply chain visibility, will transform traditional processes and set new standards for operational excellence.
- Pressures from other market segments, with manufacturers' capacities outpacing customer demand, are placing pressure on the storage and handling segment.
- There is a need for quick development of tech-driven solutions to integrate emerging technologies into traditional automation solutions.
- Continued impact on member sales and aftermarket operations from equipment electrification, mobile robots, and automated guided vehicles (AGV). Strategic partnerships between manufacturers and distributors are becoming increasingly important as demand for direct consumer business rises.
- Growing pressure on margins for distributors and manufacturers due to increased low-cost imported products.



Hello, world

https://youtu.be/qZ0VtgfmHeM

We're thrilled to announce our partnership with America In Motion to offer their customers 100% financing for AGV Mobile Robots. We handle all upfront costs, allowing customers to preserve their working capital. We take care of all upfront deposits and expenses from the initial concept to processing, delivery, and installation.

This can result in significant day-one savings and an immediate return on investment. If you're seeking to conserve cash and bring predictability to expenses while advancing your automation projects, First Financial Equipment Leasing is ready to assist you. Hello, world

Secured Research surveyed over 1400 Middle Market CFOs, 5000 Small Business Decision Makers, and 2600 Equipment Sellers on over 800 topic areas for the first six months of 2024. Here are key data points to help drive strategy for a strong year-end close:

- 58% of Middle Market CFOs and 27% of Small Business decision-makers plan to proceed with previously delayed capital expenditures due to improved economic conditions and lower interest rates.
- There is a reported "moderate to severe" contraction in credit terms from primary banks, providing opportunities for well-capitalized lenders to gain market share. This means that credit terms have become more restrictive, making it more difficult for businesses to obtain loans or financing.
- While over 60% of all audiences express concerns about the upcoming election's impact on growth investment plans, historically, the impact of elections on capital expenditures has been limited.
- The shift towards subscription-based or as-a-service-based capital expenditure consumption is evident, with a 21% increase in the middle market and a 13% increase in small businesses.
- Infrastructure spending is gaining momentum, with construction firms reporting higher backlogs and \$1.2 trillion in government funding being utilized.
- Despite revenue pressures, a significant percentage of manufacturers plan to increase automation investment to address labor issues.
- New electric vehicle and battery factory construction is on the rise, with significant capex spending expected to continue through at least 2026.
- Equipment sellers are increasingly open to new finance partnerships and seeking alternatives, reflecting a notable shift from previous years.

Our Analysis – In today's challenging economic climate, businesses may find it difficult to secure financing through traditional banking channels. At times like these, it's essential to consider alternative solutions, such as leasing arrangements offered by First Financial. As a robust and independent equipment leasing provider, First Financial stands ready to extend credit when other avenues may be closed off.

By opting for leasing solutions, businesses can confidently proceed with capital expenditures that may have been put on hold due to financial constraints. This approach not only

ensures the acquisition of necessary equipment but also brings stability to resource allocation and cost planning. Moreover, equipment financing through leasing minimizes upfront costs, bolsters cash flow, and potentially increases purchasing power. This, in turn, enables access to high-quality equipment and supports equipment customization, while also simplifying the process of replacing outdated equipment and averting maintenance costs and production inefficiencies. Hello, world

A recent study released by the Equipment Leasing & Finance Foundation has analyzed fraud in the equipment leasing and finance industry, focusing on prevention, detection, and impact. The study found a rise of 10% or more in various fraud types, including identity theft and first- and third-party borrower fraud, among equipment finance companies in the past two years.

The study identified various fraud types prevalent in the industry, including identity theft, use of legitimate credentials by criminal enterprises, first-party fraud by borrowing company owners, impersonation fraud, and fraudulent invoice creation. The financial toll of these frauds varies across small, medium, and large lenders, and a notable percentage of respondents either do not track or are unaware of the specific financial impacts, indicating a gap in fraud management advancements and prevention.

Preventive strategies are vital to every company as they are exponentially more effective than investigative approaches. They include analyzing credit over-extensions, scrutinizing bank statements, verifying state-issued documents, and employing third-party solutions for identity verification. Fraud is a constantly evolving issue in the equipment leasing and finance industry. Lenders must stay ahead of the game by adapting and being vigilant in their fraud management practices to safeguard the industry effectively. This study highlights the need for continuous improvement in fraud management practices.

If your company plans to lease equipment this year, it is essential to ensure that you protect yourself. To do this, you should follow these guidelines: conduct proper background checks, verify physical addresses and listings in trade registers, perform credit checks, obtain bank references, audit accounts analysis, review payment history, and, for some, conduct share-register reviews. It is recommended that you do these checks periodically, even if the client has made legitimate leases in the past.

Before moving forward with equipment purchases, talk to one of our industry experts, and let us help you find the right solution.

Download the full report at <http://tinyurl.com/yn68hz6v>. Hello, world

Maximize Tax Savings While Buying New or Used Equipment Through Section 179 Tax Incentives

Maximizing your tax savings is always a smart financial decision, and the Section 179 tax incentives for fixed assets make it easier than ever to do so while purchasing new or used capital equipment. By taking advantage of this rule, you can expense 100% of the cost of capital equipment (up to \$1,160,000) in the first year, allowing you to reap the benefits of significant tax deductions.

Unlike traditional depreciation methods, Section 179 lets you take the entire depreciation deduction in a single year, which can help you reduce your tax burden significantly. This means that you can deduct the full cost of your new or used qualifying equipment in the year it is purchased instead of deducting its value over the course of several years. The practice of first-year expensing is a great way to save money and reduce your tax bill.

It's worth noting that Section 179 applies to both new and used qualifying equipment as long as it is new to you. It doesn't matter if you borrow, lease, or pay cash for the equipment as long as it is placed into service before the end of 2023. This rule applies to different types of equipment, including construction and heavy equipment, tractor-trailers, computers, office equipment, and software.

The maximum amount that can be deducted in 2023 is \$1,160,000, which is an increase of \$80,000 from 2022. The maximum amount of equipment purchased (and take the full deduction) is \$2.8 million. With these tax incentives for fixed assets, you can rest assured that you're making a smart financial decision while reducing your tax liability.

SECTION 179 TAX INCENTIVES New & Used Equipment

Deductions up to \$1,160,000 on New & Used Equipment

Equipment Cost	\$750,000
Section 179 Deduction	\$750,000
Bonus Depreciation (80%)	\$0
Normal First Year Depreciation	\$0
First Year Deduction	\$750,000
Tax Savings (24% Tax Bracket)	\$180,000
Equipment Cost After Tax Savings	\$570,000

***This example presents a potential tax scenario based on assumptions that may not apply to your business. Please consult your tax advisor to determine the tax ramifications of acquiring equipment or software for your business.**

Hello, world

Investing in new equipment can be a wise decision for businesses that wish to secure their financial future in the current high-inflation environment.

A new study issued by MHEDA reported that despite warnings of a looming recession, new orders for material handling equipment are predicted to increase until early 2024.

The study highlights the resilience of these orders in the face of economic pressures, including higher interest rates, stricter banking regulations, limitations on access to capital by national and regional banks, and confusion and uncertainty in the financial industry.

Are you considering acquiring new equipment but unsure when to do so? The timing of this decision can significantly impact your business's success. To make an informed decision, there are a few factors to consider. Let's take a closer look at what you need to know.

Why Equipment Financing Remains a Viable Option Despite Rising Interest Rates

Investing in new equipment can be a wise decision for businesses that wish to secure their financial future in the current high-inflation environment. Asset finance helps you purchase the required equipment with confidence before prices rise again. This stability ensures that businesses can plan with certainty and allocate resources efficiently without worrying about rising costs.

Equipment financing offers lower upfront costs and improved cash flow, providing flexibility to access equipment with no down payment required. This preserves capital, which can

allocated to other expenses or investments, and creates more cash reserves during economic downturns.

There is the potential to significantly increase a business's purchasing power, offering access to higher-quality equipment that might otherwise have been unaffordable. Additionally, payments are generally lower than traditional debt payments. This allows for customization of the equipment configuration to match the business's unique requirements perfectly.

It also makes it easier and more cost-effective to replace outdated equipment. You can avoid the costly inconvenience of managing outdated equipment that requires constant maintenance and lowers production and efficiency rates.

For over 23 years, First Financial Equipment Leasing has been serving various markets in the US and Canada, building partnerships based on trust and transparency. We are vendor-neutral and negotiate favorable terms with competitive rates, with a deep understanding of the unique challenges and opportunities in the material handling industry. Our financial experts can help assess whether a deal meets your business' working capital or growth potential.

Please reach out today to find out how our financing solutions can empower your business to achieve long-term success.

To access MHEDA's Economic Advisory Report, visit <https://www.mheda.org/industry-resources/economic-insight-and-resources/>

Hello, world

Technology Leasing Programs for the Classroom. Solutions First.

Equip your students and educators for success by leasing new technology equipment and IT solutions.

At First Financial Equipment Leasing, we understand the specific challenges facing K-12 school districts and educational institutions. Our leasing solutions are explicitly designed to assist customers with limited resources and budgets. Our technology financing experts will work closely with you to develop programs that require minimal upfront costs, ensure you have the means for frequent updates, and keep your budget in check.

Benefits of Leasing Information Technology:

- Refresh Outdated Equipment with 100% Financing and No Down Payment Required
- Option to Bundle Equipment and Services, Maintenance, Extended Warranty, and Insurance Into One Low Payment
- Eliminate the Expensive Inconvenience of Managing and Repairing Outdated Equipment
- Easy to Budget, Predictable Monthly Payments on Flexible Terms

Contact us today to learn how we can help you acquire new computers, printers, software, security, and connectivity equipment to serve your students better and keep your institution ahead of the curve.

Let the technology consultants at First Financial outfit your classroom for success by implementing new equipment and IT solutions.

TYLER FIELDS

Regional Sales Representative

M. 714-404-7948 | O. 714-646-1657

tfields@ffequipmentleasing.comHello, world

Lease financing can equip your business for success by keeping working capital in your hands.

KEY BENEFITS OF LEASE FINANCING



ACCELERATE PROJECT ROI

Avoid large upfront costs and pay for equipment as you gain the benefit of its use.



CONSERVE WORKING CAPITAL

Leasing stabilizes your cash flow and preserves lines of credit for other operational needs, investments, or unforeseen expenditures.



BUNDLE SOFT COSTS

Wrap all project costs including engineering, software, freight, installation and service into a unitary payment.



INCREASED PURCHASING POWER

Lease payments can be substantially lower than traditional debt payments or direct cash outlay. This gives you the ability to enhance your equipment configuration based on your optimal needs.



CREATE FUTURE OPTIONALITY

Leasing can serve as a hedge against technology obsolescence as it includes an embedded evaluation mechanism to determine whether or not your equipment will continue to meet your future needs. Plan for upgrades accordingly.



100% FINANCING

By choosing to lease equipment instead of making a cash purchase, 100% of the costs are covered and no down payment is required.

PROJECT EXAMPLE: LEASE VERSUS PURCHASE COMPARISON

Total Project Cost: **\$2,500,000**

Includes **\$2,000,000** of equipment such as IT (Computers, Software, Networking Solutions, etc.), Material Handling & Automation, Medical, Construction, etc.

Includes **\$500,000** of soft costs Such as Engineering, Software, Services, Freight, and Installation

CAPITAL EXPENDITURE	LEASE OPTION
\$2,500,000	Three-year Lease
MONTHLY PAYMENT	
\$2,500,000 (Upfront)	\$66,635
ANNUAL COST	
\$933,000	\$800,000
ANNUAL PRODUCTIVITY SAVINGS	
\$0	\$100,000

PRESENT VALUE (PV)
LEASE SAVINGS vs. PURCHASE = \$300,000



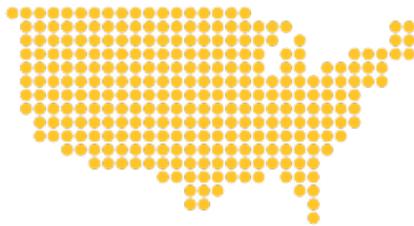
80% OF ALL U.S. BUSINESSES

Lease some or all of their equipment



8 IN 10 BUSINESSES

Finance equipment, Instead of paying one lump sum upfront, according to the Equipment Leasing and Finance Association



\$1 TRILLION

worth of equipment was financed nationally in 2021

Hello, world

Equip your business for the future by leasing new technology equipment and IT solutions.

Equipment Leasing Solutions Optimized for Small to Medium Businesses Financing \$100,000-\$500,000

First Financial Equipment Leasing understands the challenges of acquiring critical technology and software solutions at a manageable cost while remaining adaptable as your technology needs grow. When budgets are under unprecedented pressure and facing competing demands for capital, leasing equipment is a sound, fiscally responsible alternative to buying.

During the equipment acquisition process, we will work closely with you to develop tailored leasing structures that match your financial needs with your technical requirements. We will consult with you about equipment lifecycles, market pricing evaluations, and industry best practices and share ideas on maximizing your productivity and financial efficiency. Leveraging all the available options, we can tailor a cost-effective solution that works harder and smarter to promote the profitability and competitiveness of your business.

About First Financial

- Privately held lender specializing in the acquisition of Construction & Heavy Equipment, Healthcare, IT Solutions and Services, Material Handling & Automation, and Renewable Energy & Solar.
- For over 20 years, we have provided financing solutions designed to conserve capital and offer affordable access to often expensive yet increasingly critical, advanced technologies and equipment.
- Part of a global network and the JA Mitsui Leasing family of companies. JA Mitsui is a joint venture of Mitsui & Co. (2022 revenue \$96B) and Norinchukin Bank (2022 assets totaling \$1.05 Trillion).

Benefits of Lease Financing with First Financial

- Companies appreciate that by leasing their project, they gain the benefit of new technology solutions, with minimal upfront costs.
- Leasing can help drive day one savings due to the cost and productivity efficiencies that far exceed the monthly lease cost.
- Leasing conserves capital and provides 100% financing with no down payment required.
- Option to bundle equipment and services, maintenance, extended warranty, and insurance – all in one convenient payment.
- Eliminates the expensive inconvenience of managing outdated equipment.
- Flexibility at end of term allows purchase of the equipment or upgrade to newer equipment to maximize efficiency.

Dave Sanborne, National Sales Manager

480.363.7554

dsanborne@ffequipmentleasing.comHello, world