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.

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It also makes it easier and more cost-effective to replace outdated equipment. You can avoid the costly inconvenience of managing outdated equipment that requires constant maintenance and lowers production and efficiency rates.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

Technology Equipment Financing For K-12

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.

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Regional Sales Representative
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tfields@ffequipmentleasing.com

Key Benefits of Leasing Equipment

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

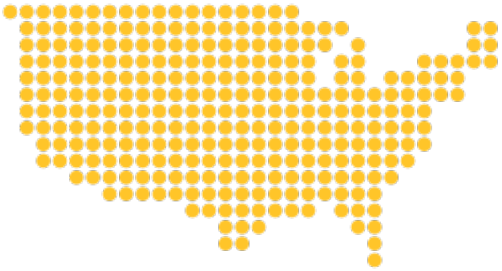
PRESENT VALUE (PV)
LEASE SAVINGS vs. PURCHASE = $300,000



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

IT Leasing Solutions for

Small to Medium Businesses

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 produc- tivity 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.

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5 Steps for Managing Automation Costs

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

FIRST FINANCIAL
MATERIAL HANDLING & AUTOMATION

5 STEPS FOR MANAGING STEEP AUTOMATION COSTS

ACCELERATE PROJECT ROI

Avoid large upfront costs and pay for automation 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.

PROJECT EXAMPLE: LEASE VERSUS PURCHASE COMPARISON

Total Project Cost: $2,500,000

Includes $2,000,000 of equipment
Material/Bulk Handling, Automation and Packaging Equipment

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

CAPITAL EXPENDITURE	LEASE OPTION
$2,500,000	Five-year Lease
ANNUAL COST	
$0	$500,000
ANNUAL PRODUCTIVITY SAVINGS	
$700,000	$700,000
YEARS TO RECOVER INITIAL INVESTMENT	
3.6 years	Day one savings equates to $17,500 per month

2X GROWTH

The warehouse automation market will grow more than 2x from $13 Billion in 2018 to $27 Billion by 2025, at a CAGR of 11.7% between 2019 and 2025.*

The growth of this market can be attributed to the growth in the e-commerce industry, emerging multichannel distribution channels, globalization of supply chain networks, increased adoption of micro-fulfilment centers, the emergence of autonomous mobile robots and rising need for same day delivery.

Don't let the high cost of automation keep you from moving faster.
>>> Find out more today at ffequipmentleasing.com.

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Get the Latest Version of IT Leasing

FIRST FINANCIAL TECHNOLOGY

Get the latest version of IT leasing.

Keep your business moving forward with our Technology Asset Refresh programs and lease virtually any IT product and solution.

We have specialized in leasing technology for decades and understand having access to the latest technology is a necessity for any organization. Our goal is to help you profit from the productivity of the technology while avoiding potentially risky investments in the equipment itself.

Our technology financing experts can help you implement a technology refresh and lease strategy that keeps your business ahead of the curve, while remaining on a predictable IT budget to conserve your working capital. You can select programs that ensure you have the means for frequent updates, offer tax benefits, and keep your budget in check.

Benefits of Leasing Information Technology:

- Refresh Outdated Equipment
- Lower Upfront IT Equipment Costs
- Predictable Monthly Payments
- Conserve and Control Cash
- Improve Your Balance Sheet



Let the technology financing experts at First Financial Technology help you choose a plan that aligns to your strategy and financial goals.

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Solutions First.

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New Name, Continued Commitment