

# Equipment Rental and Dealer State of the Market: Q4 2025



The Equipment Rental and Dealer sector continued to experience incremental growth through the third quarter of 2025, reinforcing a generally optimistic outlook for 2026. Despite headwinds from macroeconomic uncertainty – driven by tariffs, manufacturing softness and elevated interest rates – equipment demand continues to be largely driven by mega projects from manufacturers, logistics, operators and infrastructure investors looking to expand capacity and specialty solutions, while growth from commercial projects across local markets has slowed during the current high-interest rate environment. These factors are reflected in a revised 2025 growth forecast from the American Rental Association of 3.3% (compared to 3.9% previously).

While tariff-related uncertainty remains, public companies have taken actions to mitigate the impact and are confident in their abilities to avoid substantial tariff-driven disruption to full-year results. Strategies such as investment in technology and diversification across geographies, end markets and product lines reinforce executives' optimism in their ability to react to market conditions to hit year-end goals. Additionally, the One Big Beautiful Bill Act includes several policies that create interest rate relief and tax incentives across the industry, which will pull forward customer spending, augment domestic manufacturing and create a healthier construction demand landscape. Public companies are cautiously optimistic that positive trends in their business will continue and have seen early signs of the local nonresidential portion of their end markets recovering.

The Dodge Momentum Index's 2025 estimate of 4% growth in new nonresidential construction starts, combined with limited tariff exposure and positive policy tailwinds, supports a favorable demand outlook. See below for what public company executives had to say regarding the state of the market on recent earnings calls between September and November 2025.

*"While equipment sales were challenged this quarter, the underlying tone of demand improved steadily through September and into October, which turned out to be our strongest month of the year for new equipment sales, predominantly within our Construction Equipment segment. Our Construction Equipment sales in October alone topped \$75 million, which is nearly 60% of our entire equipment sales in Q3."*

*"We believe the pattern witnessed in the third quarter reflected a shift rather than an indication of softness as customers seemingly elected to push purchases from Q3 into Q4 as they awaited more definite signals on interest rate direction and year-end tax benefits under the One Big Beautiful Bill Act... as we enter the fourth quarter, we're seeing tangible signs of recovery across our business. Deferred demand from the third quarter is now flowing into the pipeline, supported by a steady acceleration in infrastructure and public works funding across our key markets."*



**Ryan Greenawalt,**  
CEO & Chairman



November 6, 2025

*"Building on our momentum from the second quarter, Custom Truck had a strong third quarter, delivering 20% adjusted EBITDA growth and 8% revenue growth versus Q3 2024. Third quarter performance was characterized by continued solid fundamental demand in our core T&D markets and excellent execution by our team, leading to strong results in both our ERS and TES segments and overall year-over-year revenue growth for the quarter."*

*"Steady business activity and strong intra-quarter order flow continue to reinforce our optimism about achieving our expected growth targets in 2025. As a result, we are reaffirming our previous fiscal 2025 revenue and adjusted EBITDA guidance... Our strong year-to-date results, robust order flow and resilient end market demand continue to drive our expected growth across our consolidated business this year. Despite some volatility in the macro environment, our business outlook remains positive."*



**Ryan McMonagle,**  
CEO & Director

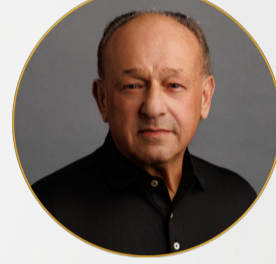


October 28, 2025

*"We continue to see robust activity across mega projects and specialty solutions, underscoring the strength of our strategic positioning... we kicked off several new mega projects in the third quarter as the push for restoring manufacturing, along with increases in LNG export capacity and the expansion of artificial intelligence are continuing to drive new construction demand."*

*"In the local markets, growth is limited as new projects in the commercial sector remain on hold due to the high-interest rate environment. In this bifurcated landscape, our scale, advanced technology platform and diversification across geographies, end markets and product lines continue to be competitive advantages is enabling us to operate with agility and resilience."*

*"Industrial info resources is projecting strong capital and maintenance spending through the end of the decade. Dodge's forecast for non-residential construction starts in 2025 is estimated at \$467 billion, a 4% increase year-over-year, with 3% to 6% growth continuing in each successive year... we estimate we are only in the early-to-middle innings of this multi-year opportunity."*



**Lawrence H. Silber,**  
President & CEO



**Aaron D. Birnbaum,**  
Senior VP & COO



October 28, 2025

*"We actively track leading indicators such as quotes, reservations, daily new contract activity and continuing contracts as a way to measure the health of our pipeline... all these indicators are trending positively and favorably to what we experienced a year ago this time. Whilst too soon for these leading indicators to form certainty, we're cautiously optimistic that these trends in our business will continue and are early signs of the local nonresidential portion of our end markets recovering."*

*"This index [the Dodge Momentum Index] represents nonresidential projects, excluding manufacturing that are below \$500 million and entering the planning phase for the first time. This is, therefore, highly representative of future velocity in what we refer to as the local nonresidential construction market. This clearly indicates strong demand and development, and we are confident that the strengthening and planning activity across our nonresidential construction end markets will lead to an increase in starts likely within a period of 12 to 24 months."*



**Brendan Horgan,**  
CEO



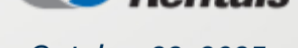
September 3, 2025

*"The year is playing out better than we originally expected, [and] our updated guidance reflects the demand environment we continue to successfully serve... In the third quarter specifically, we again saw growth across both our General Rental and Specialty businesses with optimism from the field and our customer confidence index, reinforcing our expectations going forward. The demand for used equipment also remains healthy."*

*"By vertical, our construction end markets saw strong growth across both infrastructure and nonresidential construction, while our industrial end markets saw particular strength within power. We continue to see new projects kicking off, and while data centers are certainly one area of growth, we also saw new projects across infrastructure, [semiconductors], hospitals, LNG facilities and airports to name just a few. Our end market exposure by vertical is intentionally diversified and our equipment is fungible to ensure we can serve demand no matter where it presents itself."*



**Matthew J. Flannery,**  
President & CEO



October 23, 2025

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TM Capital has successfully represented an impressive client roster in the Equipment Rental and Dealer sectors, achieving premium market valuations with both strategic and financial buyers/investors. Our substantial experience across a wide range of transactions reinforces both recurring relationships with an expanding universe of domestic and foreign strategic buyers, as well as a growing roster of private equity and family office investors that are increasingly focused on these categories. We would welcome the opportunity to discuss M&A trends, valuation dynamics and the competitive landscape with you.

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