

# PRESS RELEASE

## Bobcat Equipment South Africa to grow rental, aftermarket offering

*23 June 2017: Bobcat Equipment South Africa, part of the Goscor Group, will leverage its main complementary brands to drive growth in the rental and aftermarket segments, according to incoming Managing Director **Barry Owen**.*

With close over 100 machines on rental in the Johannesburg area alone, Owen highlights it is his mandate to grow this number significantly. Thus it is imperative for the company's service department to be top-notch as well, as machines sent for repair need to be turned around as quickly as possible.

"Our aftermarket proposition is the most important part of the business. This has to be world-class in order to attract customers who buy or rent machines from us to continue doing so, and to entrust us with all of their maintenance and service requirements," Owen highlights.

In addition to perennially popular products such as Bobcat skidsteer loaders, the company also offers excavators, front-end loaders, and road equipment such as graders and rollers from Sany, a major Chinese OEM. To date, Sany excavators have been available up to 33.5 t, with the most common model being 21.5 t.

The company has just taken delivery of its first 50 t excavator from its Chinese principal for a major mining application. Owen says that the perception about Chinese equipment being inferior in terms of build and component quality has changed, to the extent that Sany is now perceived as a premium brand, with it about to launch a benchmark 80 t excavator onto the international market.

"Sany is an interesting challenge because it comprises such magnificent machines. How do you provide the necessary aftermarket support in order to uphold its reputation in the industry? There is no longer an issue of Chinese-made equipment being inferior to other brands from major OEMs," Owen stresses.

"Construction is probably the biggest sector we are focusing on here, in addition to smaller applications such as surface mining and civil infrastructure. Our policy is not to have all our assets in a single basket, but to focus on multiple applications, including niche sectors such as agriculture," Owen elaborates.

Looking at the rental side of the business, Owen points out that Bobcat skidsteer loaders continue to dominate, in addition to related equipment such as telehandlers, mini-excavators, and tractor loader backhoes (TLBs). Currently there are only four Sany machine in the rental fleet. "Obviously we are looking to grow that, not only to increase our share of the rental market, but to increase our brand exposure for Sany as well."

Owen believes that the downturn in the construction and infrastructure sectors has bottomed out, although there is unlikely to be a rebound as early as the end of the year. Despite this, he remains optimistic about growth for the company in the short- to long-term. "Personally, I am quite excited, as there remains a lot we can do to improve our business, which will translate into a pretty good year for us at the end."

While challenges include the recent financial downgrades impacting on access to affordable financing for customers, Owen says the company has focused strongly on remaining as cost-competitive as possible, in order to best serve the lower and higher ends of the market with premium, yet affordable equipment.

In this regard, being part of the larger Goscor Group gives the company a leading edge in the market. "The Goscor Group is an impressive, well-run, well-established organisation with exciting brands. In addition, it has a progressive corporate culture that thrives on successfully meeting any challenges." The Goscor Group, in turn, forms part of the blue-chip InServe, which itself contains companies with construction applications, amongst others.

"A construction site requires scaffolding, cranes, earthmoving equipment and access equipment, which gives us the opportunity to leverage both the Goscor Group and InServe to best exploit our synergies in being able to offer a complete solution at the lowest total cost," Owen explains. On the sales front, the potential exists for cross-selling these complete solutions to major customers as a single service offering.

"Apart from our different businesses talking to each other, there is a lot of system and process overlap. For example, how do we optimise our technicians in order to maximise their productivity? Obviously, we also have access to capital, being part of InServe, while in the longer term there is the distinct possibility of further acquisitions, in order to answer the question of '*where to next*'," Owen concludes.

## **Ends**

### **Notes to the Editor**

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### **About Bobcat Equipment South Africa**

Bobcat Equipment South Africa is a leading provider of compact equipment for global construction, rental, landscaping, agriculture, grounds maintenance, government, utility, industrial, and mining markets. We strive to empower our customers to do their jobs more efficiently and effectively. We have the most extensive compact equipment distribution network in the world.

### **About the Goscor Group**

Industrial equipment group Goscor is part of Industrial Services Holdings (InServe). Goscor represents leading equipment brands across several sectors. These include Crown, Doosan, Bendi, Hubtex and Taylor Dunn (forklifts and materials handling equipment); Bobcat (construction); Sany (earthmoving); Tennant, Maer, Delfin and High Point Vacuums (industrial cleaning); RATO, Meiwa, Lutian, H-Power (industrial power product solutions); Genie (aerial lift equipment); Sullair and Ozen (compressed air solutions), and many more.

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