The Changing Role of Leasing Companies

From New Train Financiers to Asset Managers

Euan Smith, Angel Trains Ltd

RSEI Comes of Age

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Leasing Company Evolution

• Leasing companies have facilitated the renewal of the passenger fleet in Britain
• Changing Ownership & Structure
• Changing Market & Competition
• Changing Type of Project
Ownership

• Privatisation – MBOs & Nomura
• 2000s – All Owned by Banks
• Post 2008 Financial Crisis – Sold to Consortia
• 2014 / 2015 All Re-sold

Market Share

Privatisation

33.3% 33.3% 33.3% 0.1%

Angel Trains Porterbrook Leasing Eversholt Rail Other
Market Share

Present Day

Market Share

2019 (Estimate)
Competition & Challenges

- Growing Competition
- Financing Structures
- Procurement Structures
- Competition Commission Inquiry
- Rail Delivery Group

Post Privatisation Projects

- Large Fleet Renewals
  - Mk1 Replacement
  - West Coast
- National Roll-out Projects
  - TPWS
  - OTMR
New Train Financier to Asset Manager

- Still Purchasing New Trains
- Speculative Order(s)
- Continued use of Pre-Privatisation Trains
- Residual Value Risk
- Value for Money
- Environmental Impact
- Maturing Market

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Railway Systems Engineering & Integration Comes of Age
21st Anniversary Celebration
University of Birmingham, 4/5 Dec 2015

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Future Challenges

• DfT Policy & Franchising Programme
• Electrification Programme
• Changing Customer Expectations
• PRM TSI Compliance
• Supply Base
• People & Skills
• Reliability
• Digital Railway & ERTMS
Romans

Leasing companies have delivered significant projects on behalf of the industry

We have evolved and adapted to meet the changing business environment

We are well placed to continue support the UK rail industry despite increased competition