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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

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Ownership

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



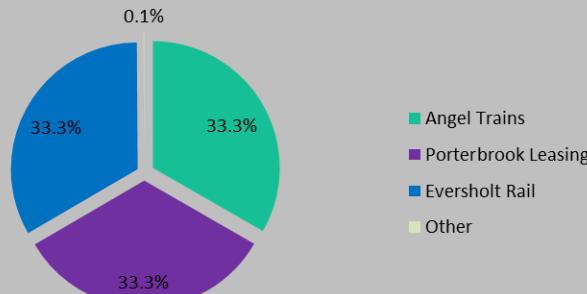
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Market Share

Privatisation



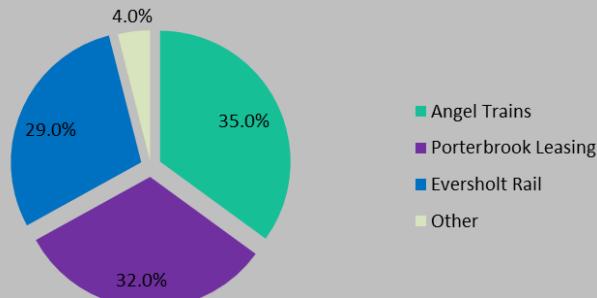
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Market Share

Present Day



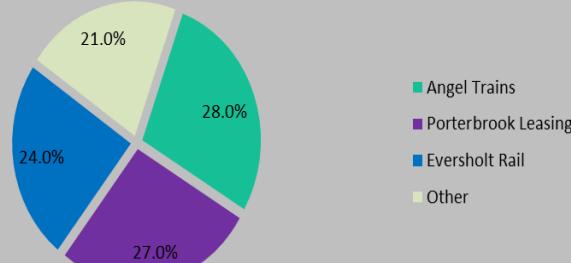
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Market Share

2019 (Estimate)



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Competition & Challenges

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

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Post Privatisation Projects

- Large Fleet Renewals
 - Mk1 Replacement
 - West Coast
- National Roll-out Projects
 - TPWS
 - OTMR

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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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New Train Financier to Asset Manager



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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

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Future Challenges

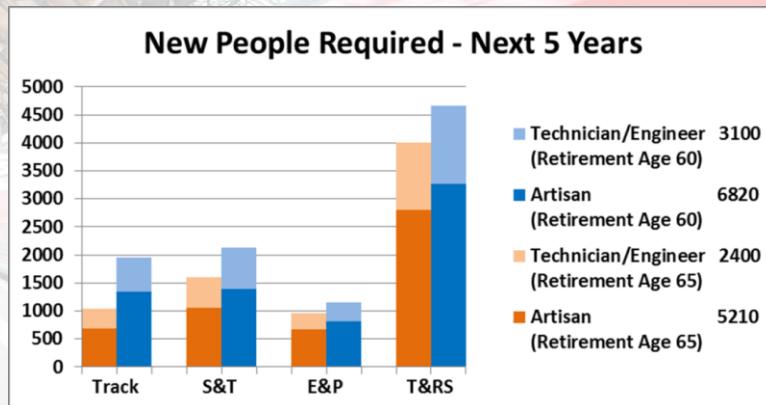


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Future Challenges



Conclusions

- 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