

**Case study:** Foyle and Marine Dredging Ltd, Republic of Ireland

# Going above and beyond

## Challenge

To finance the purchase of a long-reach excavator – the first of its kind in Ireland – that would enable Foyle and Marine Dredging Ltd (FMD) to complete new contracts at greater depths.

## Solution

Mitsubishi HC Capital Europe (formerly Hitachi Capital European Vendor Solutions B.V.) provided a hire purchase agreement for the special application machine, including service and maintenance activities, which will contribute to keeping a high residual value.

## Result

The new addition to FMD's Hitachi fleet has enabled the company to complete more challenging projects in terms of water depth, outreach and size of materials. FMD is reaping the benefits of paying for the machine over time, while it is working and earning an income.



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## Understanding the needs of the business

### Background

Trading since 2009, Foyle and Marine Dredging Ltd (FMD) is a family-owned company that specialises in marine projects throughout Ireland and the UK. With 25 employees, it has built up a solid track record on dredging, harbour development, beach reclamation and cable-laying projects.

FMD's customers include ports, government and environmental agencies, as well as wind farms and companies operating in the renewables sector. It has also become more involved in breakwaters and sea defences, and uniquely, can carry out work on both land and sea.

### Business challenges

In 2020, FMD ceased operations for three months due to the Covid-19 lockdown. During that time, the company re-evaluated its activities, updated its business plan, and identified potential new customers and contract work. Some of FMD's typical projects were changing and the company needed to respond.

To access new work in which a deeper dredging depth is specified, FMD needed a machine with a longer reach. This would also free up an existing machine to work on land-based projects. While FMD had traditionally purchased its equipment outright, it was starting to look at acquiring new machinery through finance.

In addition, FMD cannot afford to have any downtime on its water-based projects. "The knock-on effect would be enormous," explains Director Stephen McCormick. "Out on a barge, there would be serious consequences

if the machine needed to be repaired. The entire crew would be unable to work, so the site would effectively be down until the machine was fixed."

### The solution

Driven by customer needs, FMD decided to finance the purchase of a long-reach excavator through Mitsubishi HC Capital Europe and Hitachi Construction Machinery's authorised local dealer, TBF Thompson. With a standard five-year hire purchase agreement, FMD acquired a Hitachi EX1200, with a boom fitted with two EX1900 hydraulic rams.

These allow the special application machine to have a greater lifting capacity than a standard EX1200, as well as a 30-metre reach and 20-metre digging depth. The excavator also comes with a full service and maintenance plan to ensure a high residual value.

"We were relatively new to the world of finance, but Niall Donnelly, the Account Manager from Mitsubishi HC Capital

"They really wanted to help us achieve our business goals."

Stephen McCormick, Director, Foyle and Marine Dredging Ltd

Europe, has gone above and beyond to ensure that our deal was affordable and structured in a way that suited our business and cash flow," adds Stephen. "At all times, Mitsubishi HC Capital Europe have always been available and easy to talk to."

### The result

Although acquiring equipment on finance hadn't been part of FMD's business strategy, it has started to reap the benefits. "We're already seeing the advantages of paying for the machine over time while it is earning income, and we wish we'd taken this approach before," confirms Stephen.

"Mitsubishi HC Capital Europe took a different approach to the banks and looked beyond our company's financial position. We weren't just another transaction and they really wanted to help us achieve our business goals. Given how responsive Mitsubishi HC Capital Europe is and how efficient the process has been, we will have no hesitation in going back to them to finance our next piece of equipment."

