

Case study: NMT Crane Hire, UK

Rising to the challenge

Challenge

To finance the investment of a Tadano Demag mobile crane to expand a rental fleet in challenging financial times due to Brexit-related uncertainty and the impact of Covid-19.

Solution

Mitsubishi HC Capital UK (formerly Hitachi Capital (UK) PLC) provided an affordable solution in the form of a standard hire purchase agreement with a deferred first payment and a three-month VAT deferral over a seven-year term.

Result

The crane was successfully delivered and has had a high utilisation rate for NMT Crane Hire. With Mitsubishi HC Capital UK, the business now has a new funder to rely on for large investments, improving its credit line availability and easing cash flow.



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Understanding the needs of the business



“It’s been about people who understand our business.”

Tim Ambridge, Director, NMT Crane Hire

Background

NMT Crane Hire was established in 1976 by brothers Nick, Mark and Tim Ambridge as a small plant hire and breakdown recovery company based in Bedford. The increase in crane usage within the recovery business encouraged them to purchase more machines in the early 1980s and the company then started to grow.

Today, NMT Crane Hire has 40 cranes in its fleet, ranging from 13 to 500 tonnes. With 80 employees, and depots in Bedford, Birmingham, Rochester and Heathrow, the company serves a wide range of customers working on diverse projects. These include large contractors in the construction, and oil and gas industries, as well as the film and music sectors – erecting film sets and stages for concerts.

Business challenges

The company had decided to invest in a new Tadano Demag mobile crane in mid-2019 to add to its rental fleet. However, due to uncertainties and delays in decision-making caused by the Brexit process, its turnover started to drop significantly compared to previous years. “Customers didn’t want to commit to new contracts,” says NMT Crane Hire Director Tim Ambridge. “Business growth had always been steady, with around 15% increase in turnover year on year, but this was the first time there had been a downturn.”

Tadano Demag agreed to a redelivery date of February 2020, but then the impact of the COVID-19 lockdown caused a further drop in monthly turnover. The company’s previous funder would not approve the credit for the new crane due to this and their existing credit exposure.

The solution

Tadano Demag then introduced Mitsubishi HC Capital UK, its recently appointed funding partner to NMT Crane Hire, who was able to provide a standard hire purchase agreement with a deferred first payment and a three-month VAT deferral over a seven-year term. Two of NMT’s existing leases were soon ending, which freed up capital for the company to invest in the new crane.

“It was a quick process, with people who understood our business and how it operates,” says Tim. “They put a structure together with these flexible terms that were affordable and suited our needs. I’d definitely be happy to do business with Mitsubishi HC Capital UK again.”

The result

The new Tadano Demag AC 160-5 crane is a versatile addition to the NMT Crane Hire fleet due to its compact size, manoeuvrability and long reach. Since it was delivered, it has been regularly hired

out on a variety of projects including work on a film set.

After a challenging period for the business, the outlook for the future is much brighter. Large infrastructure projects have now been confirmed, such as HS2, as well as new shopping centres, hotels and redevelopment projects. “The year ahead looks more promising with the new building contracts coming up,” says Tim.

“Mitsubishi HC Capital UK has really helped us out, with a willingness to fund despite the recent financial situation of the business, and a competitive and affordable solution. It was an excellent first-time customer experience.”

