

Case study: SCAI S.p.A., Italy



Support through specialist transactions

Challenge

To finance the continual expansion of SCAI's rental fleet of Hitachi construction equipment in Italy, a regulated market.

Solution

A supplier finance model was created by Mitsubishi HC Capital Europe (formerly Hitachi Capital European Vendor Solutions B.V.), enabling it to indirectly finance construction machinery for SCAI S.p.A via Hitachi Construction Machinery (Europe).

Result

Mitsubishi HC Capital Europe listens to the unique requirements of its partner and the dealer to create a tailor-made transaction that supports both parties.

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Understanding the needs of the business



“Mitsubishi HC Capital Europe was so fast and flexible, we really appreciated this”

Alessandro Cesaretti of SCAI S.p.A.

Background

SCAI S.p.A. is the authorised dealer for Hitachi Construction Machinery (Europe) NV (HCME) in Italy, as well as Bosnia & Herzegovina, Croatia, Macedonia, Malta and Slovenia. Based in Bastia Umbra, it also distributes other brands of equipment, including Gehl, Fuchs and Bell. The company was established more than 70 years ago by the Cesaretti family and is now run by the third generation. It has nine branches across Italy – offering sales, rental, parts, services and used equipment – and employs 170 people. SCAI is owned by Cesaretti Bros Holding (51%) and Hitachi Construction Machinery Co. Ltd (49%).

Business challenges

SCAI set up its rental business in 1997 and has 1,000 assets in its fleet available for short, medium and long-term contracts. The company wanted to expand the number of Hitachi models in its fleet, while preserving its cash flow. Any rental machines must sit on SCAI's balance sheet if they are to be rented out for work on public contracts in Italy, in accordance with local legislation.

HCME wanted to support its dealer and increase the sale of its machines in the Italian market. However, it was unable to rent the equipment directly to SCAI due to

the impact on its own balance sheet. Although Mitsubishi HC Capital Europe is not authorised to supply finance directly in Italy, it created a 'supplier finance' model to support its key partner, HCME. This enabled HCME itself to enter into a finance agreement with its Italian dealer.

The solution

SCAI signed two hire purchase agreements with HCME, each over five years, the first for €2.5m and the second for €5m, which enabled it to spread the cost of its investment in new rental equipment. As Mitsubishi HC Capital Europe and HCME both have branches in The Netherlands, Mitsubishi HC Capital Europe could purchase the agreement from HCME, and the machines could be delivered to Italy.

SCAI has worked with Mitsubishi HC Capital Europe for four years. Rental Division Manager Alessandro Cesaretti says: “Mitsubishi HC Capital Europe worked with us to find the right solution to finance the rental fleet, no matter what. They were flexible, so the finance was tailor-made to our requirements, and were open to listening, so we could reach a solution.”

The result

SCAI is expanding its rental fleet with a broad variety of Hitachi excavators and wheel loaders, secured on finance, with units delivered on a monthly basis. Thanks to the supplier finance arrangement, they can be included on its balance sheet and meet the legal requirements for public works projects.

“Mitsubishi HC Capital Europe was so fast and flexible, which we really appreciated, we have a close relationship with them,” says Alessandro.

The dealer intends to continue with its expansion plans in the near future: “We want to grow as much as possible and have a big budget for investment next year. We expect to use Mitsubishi HC Capital Europe again.”

