

TO LEASE 2021 – ABSTRACT 2020/21 DATA

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# TO LEASE LE POTENZIALITÀ DELLA RIPRESA

I NUMERI DEL LEASING  
E DEL NOLEGGIO



## Italy – Market review (2020)

2020 was a particular year, where the outbreak of the Covid-19 pandemic produced the most serious recession crisis in recent times. A crisis born of an unexpected shock, widespread globally and prolonged. In 2020, the Italian GDP decreased by 8.9% compared to 2019; this is a return to the 1994 levels. Among the components, Family consumption have been reduced by 10.7% and investments by 9.1%, while the fall in foreign demand was more marked (exports down 13.8%); Labour unit decreased by 10.3% and Public debt in relation to GDP is 9.5% (**Table 1**).

**Table 1 - Forecast on Italy from CSC Confindustria (Var. %)**

	2020	2021	2022
GDP	-8.9	4.1	4.2
Family consumption	-10.7	3.6	4.6
Gross fixed capital formation	-9.1	9.2	9.8
Exports	-13.8	11.4	6.8
Labour units	-10.3	3.8	3.7
Public debt/GDP (as %)	9.5	7.8	4.8

Source: Confindustria processing on ISTAT data

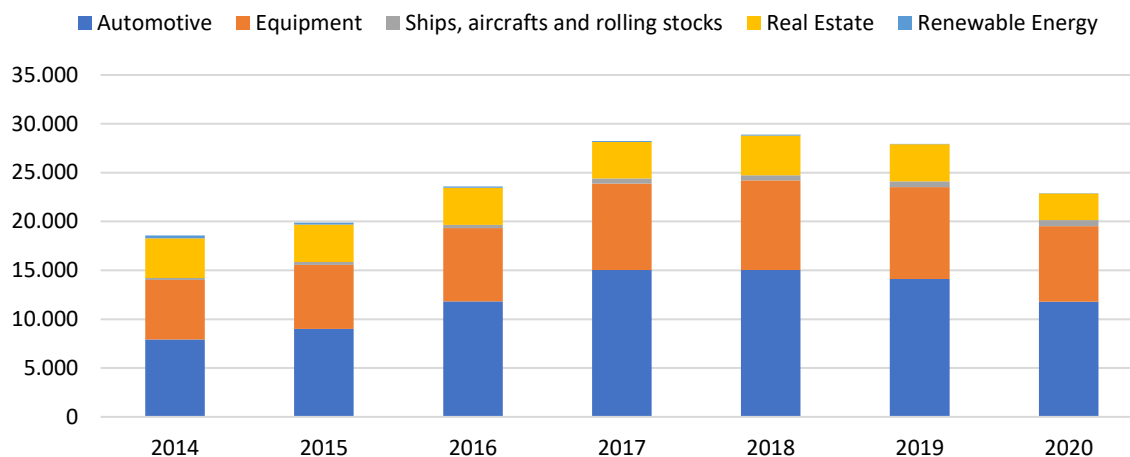
The leasing and long-term rental market closed 2020 with 537 thousand new contracts and 22.9 billion euros. Following the strong slowdown in the demand for investments by companies and the continuing climate of economic uncertainty due to the Covid-19 pandemic, the lease recorded a sharp decline in 2020, with a negative sign both in the number of contracts (-23.2%) and in the financed values (-18.0%). **Table 2** shows the performance of the new leasing business in value and number for each segment. In contrast to the general decline in 2020, ships, aircrafts and rolling stocks, recorded an increasing of + 20.7% in number and + 9.1% in value, driven by the growth of leisure boat. **Chart 1** shows how the new business - after five uninterrupted years of growth - had already slowed down in 2019, which in 2020 due to Covid-19 recorded an even more significant slowdown.

**Table 2 – New leasing business (values in million €)**

	2020		% Change	
	Number	Value	Number	Value
Car Financial Leasing*	64,687	2,612,146	-31.7%	-20.7%
Car Operating L./LT Renting*	210,867	5,451,429	-24.2%	-16.7%
Commercial vehicle Fin. Leasing*	33,497	1,203,069	-19.3%	-14.2%
Commercial vehicle Op.L./LT Renting*	33,224	689,757	-10.6%	-7.5%
Industrial vehicle Leasing	17,827	1,818,369	-16.0%	-14.7%
<b>AUTOMOTIVE</b>	<b>360,102</b>	<b>11,774,770</b>	<b>-23.8%</b>	<b>-16.6%</b>
Equipment Financial Leasing	86,408	6,422,297	-15.7%	-16.8%
Equipment Operating Leasing	86,920	1,315,240	-27.1%	-21.1%
<b>EQUIPMENT</b>	<b>173,328</b>	<b>7,737,537</b>	<b>-21.8%</b>	<b>-17.6%</b>
<b>SHIPS, AIRCRAFTS AND ROLLING STOCKS</b>	<b>437</b>	<b>631,493</b>	<b>20.7%</b>	<b>9.1%</b>
Real estate	2,344	1,492,755	-25.2%	-26.7%
Real estate under construction	639	1,227,475	-27.1%	-30.6%
<b>REAL ESTATE</b>	<b>2,983</b>	<b>2,720,230</b>	<b>-25.6%</b>	<b>-28.5%</b>
<b>RENEWABLE ENERGY</b>	<b>77</b>	<b>23,753</b>	<b>-28.7%</b>	<b>-41.9%</b>
<b>TOTAL</b>	<b>536,927</b>	<b>22,887,783</b>	<b>-23.2%</b>	<b>-18.0%</b>

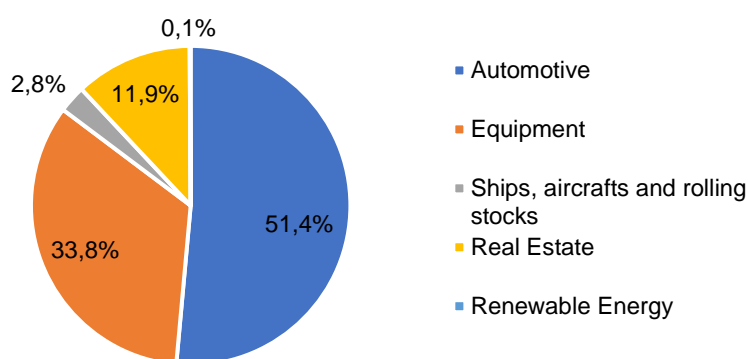
(\*) Source: Assilea processing on UNRAE data

**Chart 1 - Leasing contract trends (values in million €)**



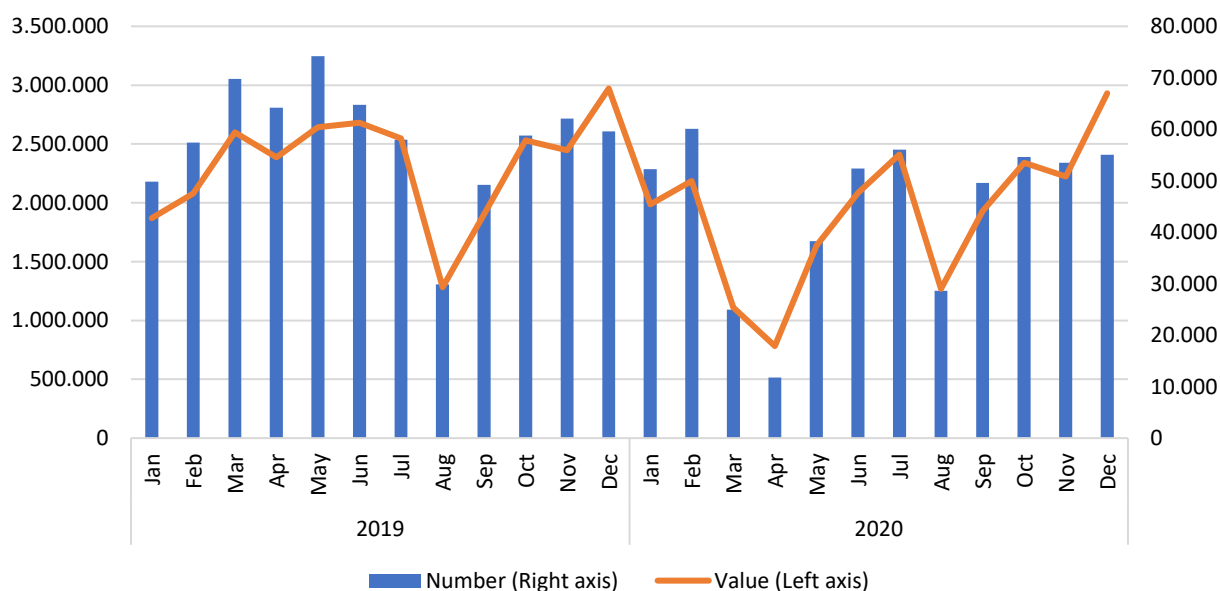
An analysis of the share of each sector in the value of the new leasing business (**Chart 2**) shows that, as in the previous year, the automotive sector accounted for half of the new leasing business contracts in 2020 (51.4%). Then we find the equipment sector that representing more than one-third of the total new contracts (33.8%). The real estate sector, on the other hand, saw its share of the total decrease by 1.7 percentage points (11.9%).

**Chart 2- Breakdown of leasing contracts by sector in 2020 (value of new contracts)**



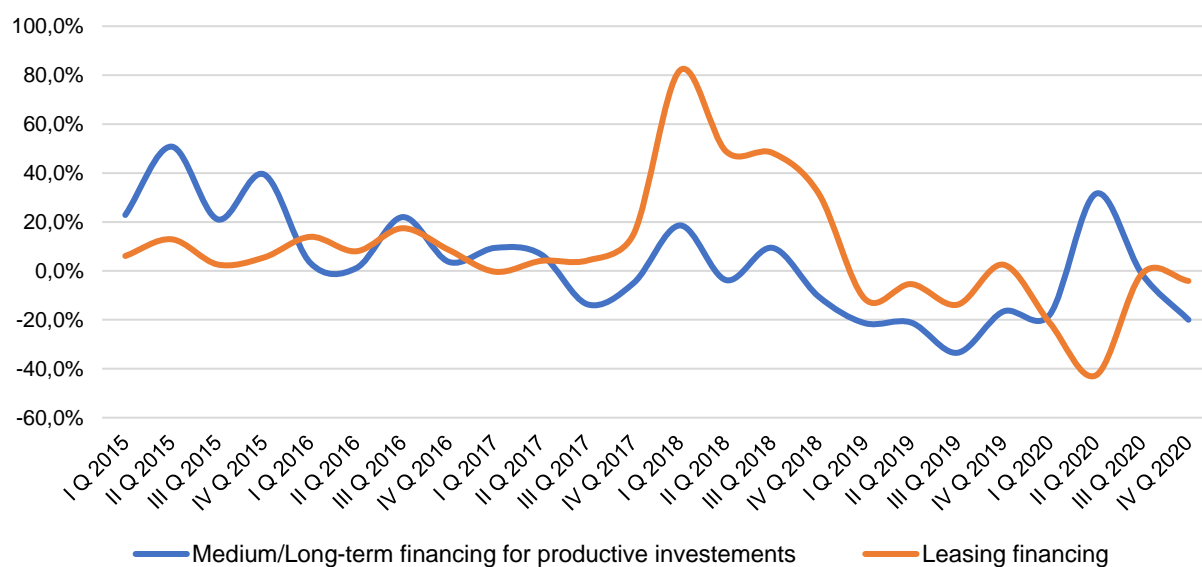
From the monthly dynamics shown in **Chart 3**, it is possible to observe how much the Coronavirus emergency has influenced the new leasing business: the months of March and April report a significant decline, while starting from May the number and the value of contracts show a recovery. In particular, the month of December marked the best performance. Overall, in percentage terms, the new leasing business of this last month grow by + 31.8% compared to November.

**Chart 3 – Monthly leasing market trend (number and value - % change over the same month of previous year)**

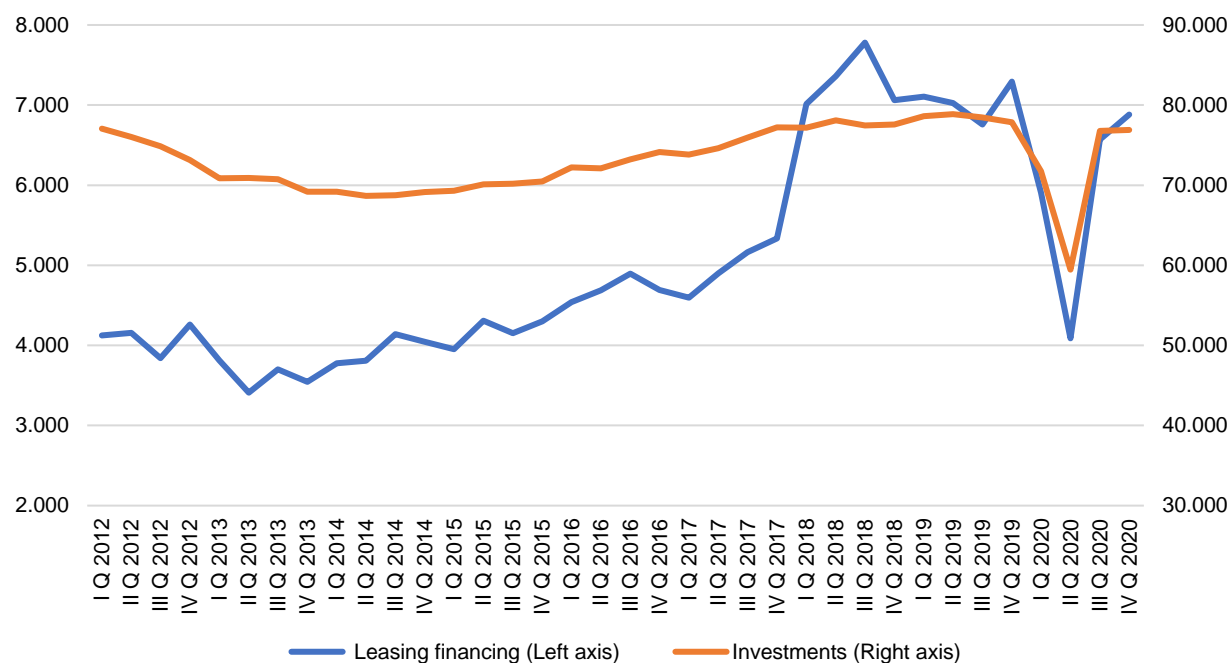


The penetration of leasing with respect to medium/long-term financing for productive investments in 2020 approached 30%, reaching an incidence of 35% of financing for investments in mobile assets. Leasing has seen the correlation between investments and leasing loans grow in recent years. There is a strong link between these two variables (**Chart 4 and 5**).

**Chart 4 - Leasing penetration rate (values in million €)**

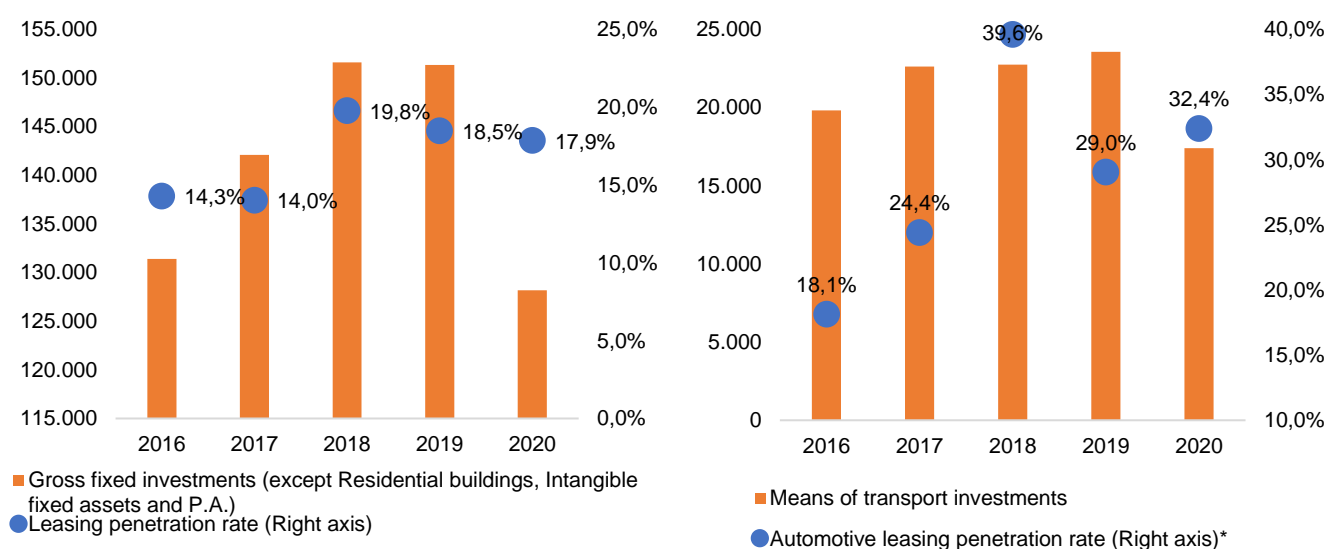


Source: Assilea processing on Banca Italia data

**Chart 5 - Leasing vs. Investments (Value mio €)**


Source: Assilea processing on ISTAT data

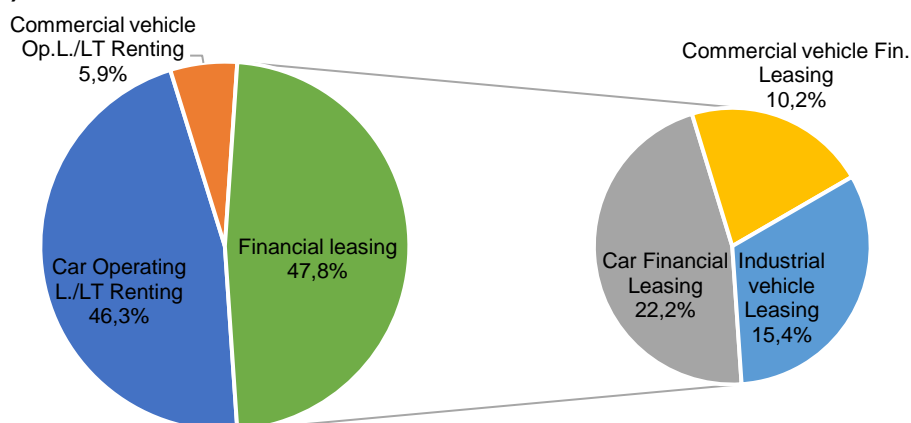
**Chart 6** shows that Leasing continues to maintain a penetration of private sector tangible gross fixed capital formation (excluding residential) close to 18% of the total in 2020. Moreover, the penetration rate of investment in transport equipment rose to 33%.

**Chart 6 – Leasing penetration rate on gross fixed investments (values in million €)**


Source: Assilea processing on ISTAT data

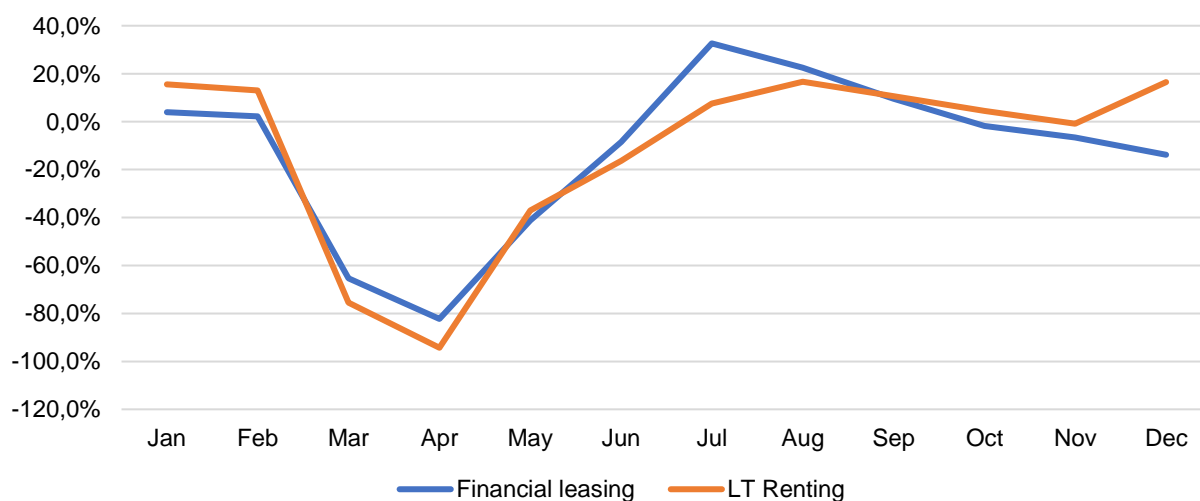
Despite the different dynamics of 2020, the weight of the automotive continues to be important within the various sectors of the leasing and long-term rental market with a share of the total value of the contract of over 51.5%. In 2020, the automotive sector recorded a drop in numbers (-23.8%) and values (-16.6%). The breakdown of car leasing and long-term rental in the different segments (**Chart 7**) shows similar shares observed in 2019. In particular, long-term rental accounts for 52.2% of the total, while the remaining 47.8% involved financial leasing transactions, of which 22.2% referred to cars, 10.2% to light vehicles and 15.4% to heavy vehicles. Moreover, Car leasing in the second half of the year showed positive changes compared to the same period of 2019 (**Chart 8**).

**Chart 7 – Automotive leasing and renting new business breakdown by segment in 2019 (value of new contracts)**



Source: Assilea processing on UNRAE data

**Chart 8 – Monthly dynamics of new leasing business (var.% '20/'19)**

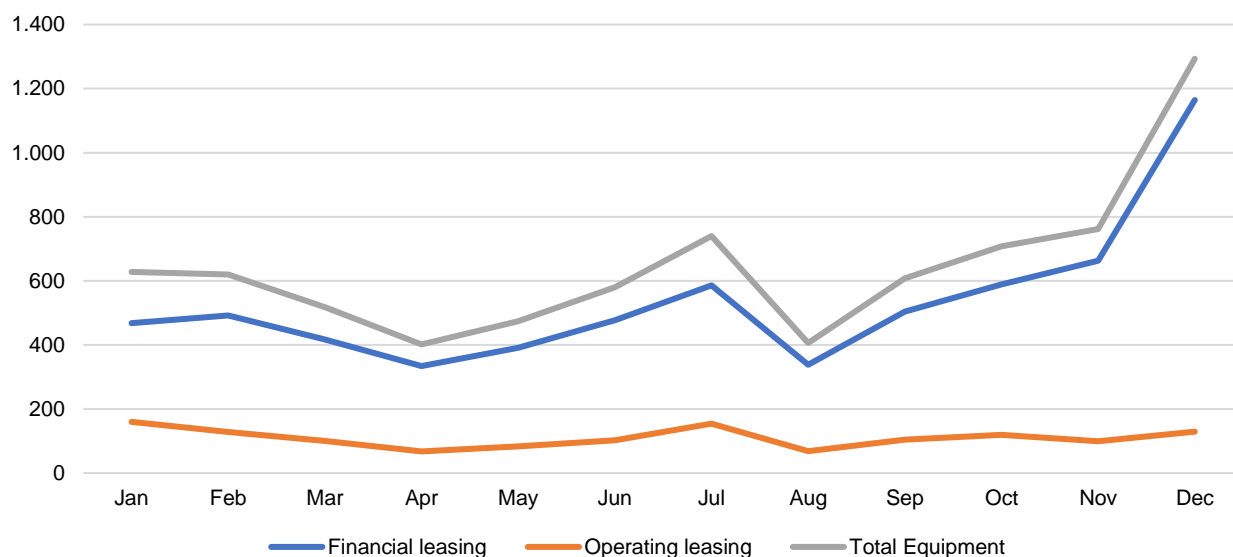


Source: Assilea processing on UNRAE data

The economic crisis caused by the Covid-19 pandemic has also strongly affected the equipment leasing sector, putting a brake on the growth trend that has characterized this sector since 2012. Compared to 2019, equipment leasing has shown a contraction of -21.8% in numbers and by -17.6% in volumes, registering 173,328 contracts for a value of € 7,7 billion.

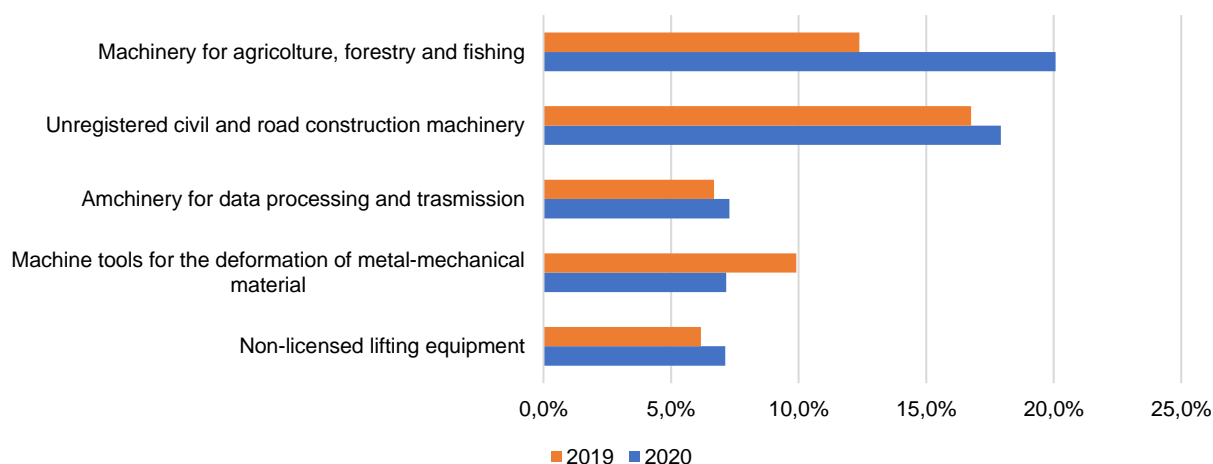
The monthly trend shows an initial decline in the first quarter of 2020, followed by a second negative peak in August, after which volumes start to rise again, reaching € 1,3 million in December. This positive trend is attributable to the incentives referred to in the “Nuova Sabatini” (Chart 9).

**Chart 9 - Monthly dynamics of new leasing business – equipment (Value in mil. €)**



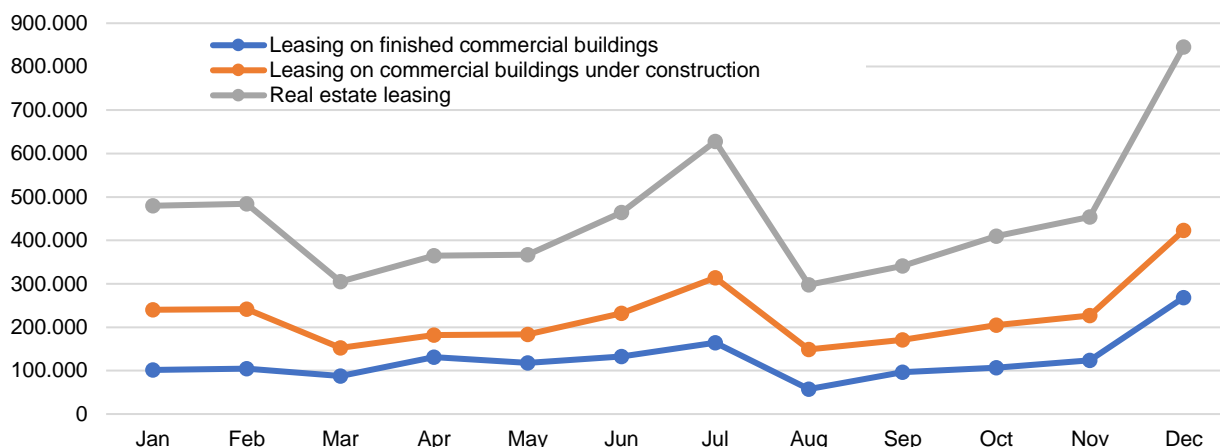
From the analysis of the main capital goods financed under leasing (Chart 10), in 2020 the category "Machinery for agriculture, forestry and fishing" rises to the first place by value, whose weight on the total of the sector recorded a growth of 7.7 p.p. compared to last year.

**Chart 10 - Top 5 types of goods (in value, incidence% on new leasing business 2020)**



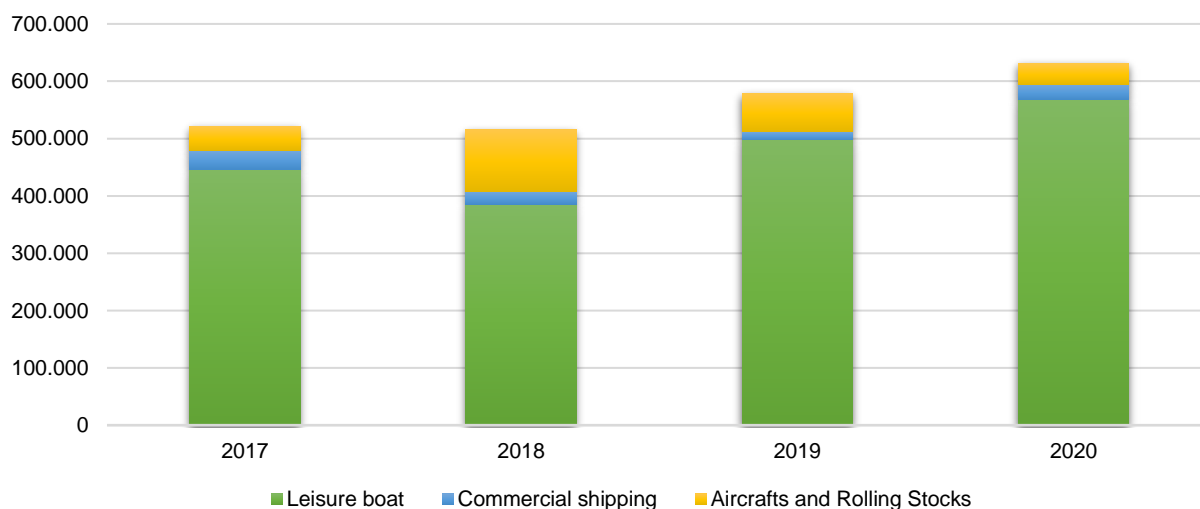
The decline in Real estate in 2020 characterized all the amount ranges and all categories of properties. Overall, in 2020, compared to 2019, it showed a contraction of -25.6% in numbers and -28.5% in volumes. The first decline was recorded in March 2020, and then rose again until July, recording a second negative peak in August 2020. In December, volumes almost doubled compared to November, reaching 422 million euros (**Chart 11**).

**Chart 11- Monthly values of new contracts for real estate leasing sector in 2020 ('000 €)**



Despite the crisis caused by the Covid-19 pandemic, the ships, aircrafts and rolling stocks new leasing business in 2020 grew by 20.7% in numbers and 9.1% in amounts (**Chart 12**). More particularly, there was a strong increase in "commercial boating", which almost doubled its stipulated value from €14 million in 2019 to €25,6 million in 2020.

**Chart 12- Ships, Aircrafts and Rolling stocks leasing contracts ('000 €)**

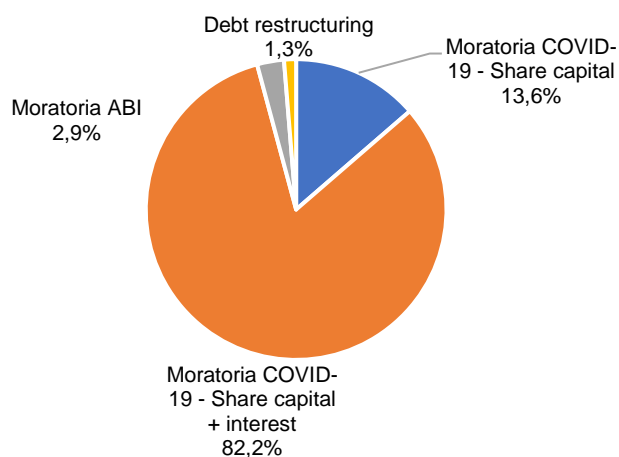




The moratoria introduced to support the economy following the crisis caused by Covid-19 have had a significant impact on leasing.

In April 2021 around 140 thousand leasing moratoria are still active, with residual debt of over 14,1 billion euros, representing 17.3% of the number of contracts in the portfolio and 25.5% of the outstanding amount. At this time, as **Chart 13** shows, there is a clear prevalence of government "share capital + interest" moratoria amounting to 82.2% by value.

**Chart 13- Types of active leasing moratoria at April 2021**



As shown in **Table 3**, leasing operators expect to end the year 2021 with a +7.4% increase and 24,6 billion in new leasing business.

Moreover, in the first half of 2021, leasing showed an important growth: 14,5 billion euros of new leasing business, with more than 333 thousand new contracts and an increase compared to the same period of the previous year, respectively of the +39.2% and +48.4%, by value and number of contracts. This growth dynamic is bringing the new leasing business to pre-covid levels.

**Table 3 - Forecast Assilea (Value in mil. €)**

	Forecast 2021		New leasing business 2020		Var.% 2021/2020	
	Number	Value	Number	Value	Number	Value
Automotive	370,905	12,245,761	360,102	11,774,770	3.0%	4.0%
Financial Equipment	103,690	7,449,865	86,408	6,422,297	20.0%	16.0%
Operating Equipment	108,650	1,709,812	86,920	1,315,240	25.0%	30.0%
Ship, aircrafts and rolling stock and more	219	284,172	437	631,493	-50.0%	-55.0%
Real Estate	3,580	2,829,039	2,983	2,720,230	20.0%	4.0%
Energy	308	71,259	77	23,753	300.0%	200.0%
<b>Total</b>	<b>587,351</b>	<b>24,589,907</b>	<b>536,927</b>	<b>22,887,783</b>	<b>9.4%</b>	<b>7.4%</b>

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The full report (in Italian) is available [here](#).