

Home improvement retail group



International home improvement retail group renews trailer fleet with customised financing

The challenge

In line with the company's ambitions to cut carbon emissions, a home improvement retail group, one of the largest in Europe, wanted to update its trailer fleet for the UK retail arm from single deck trailers to step-frame double-deck trailers. Although the group had sufficient capital to purchase the new fleet, it needed to reserve its working capital for the maintenance of the retail stores. The company therefore required a flexible financing solution that could make the investment affordable while optimising cash flow.

Our solution

Siemens Financial Services (SFS) offered the retail group a finance lease arrangement for over 200 step-frame double-deck trailers. The bespoke financing solution of over £6 million removed the need for a large capital expenditure by spreading payments over the financing period. With the new trailer fleet, the retailer could load twice the amount of products per trailer, resulting in fewer trips between distribution centres and their retail stores. This in turn has reduced mileage, petrol costs and CO2 emissions, as well as operating costs.

Making it easier

Because of SFS's specialist knowledge of the UK's truck and trailer industry, it was able to expertly evaluate the business model and the risks involved in the deal. Its highly competitive financing package was supported by a smooth and efficient application process. Committed to furthering its efforts on environmental preservation, the retail group has pledged to reduce its transport related CO2 emissions significantly in the next 10 years, and is looking forward to financing additional projects with SFS in the future.

“As a company that fully embraces the principle of sustainability, we recognised the financial and environmental benefits the project could bring. We are delighted to have the opportunity to help the retailer realise this large-scale investment and are pleased that this project has laid the foundation for a long-term working relationship.”

Steve Levison, Head of Transportation – Truck and Trailer

