

AVS

— 2026 —

ASSET VALUATION SUMMIT

CLEVELAND, OHIO

Evolve or Die: The Asset Management Profession

Will Tefft | EverBank



irontrax

**Asset Valuation
Summit 2023**



Impairment Testing:

What Do The Regulations Really Say?



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THE EVOLUTION OF HUMANS

FROM OUR BEGINNINGS TO THE PRESENT



AUSTRALOPITHECUS

4 – 2 million
years ago



Early hominins
live in trees and
open savannas

HOMO HABILIS

2.4 – 1.4 million
years ago



First tool use
and more
brain development

HOMO ERECTUS

1.9 million –
150,000 years ago



Control of fire,
hunting, and longer
range migration

HOMO NEANDERTHALENSIS

400,000 – 40,000
years ago



Advanced tools,
shelter, and
complex social life

HOMO SAPIENS (EARLY MODERN HUMAN)

300,000 – 10,000
years ago



Language, art,
culture, and
innovation

HOMO SAPIENS (MODERN HUMAN)

10,000 years ago – 1986



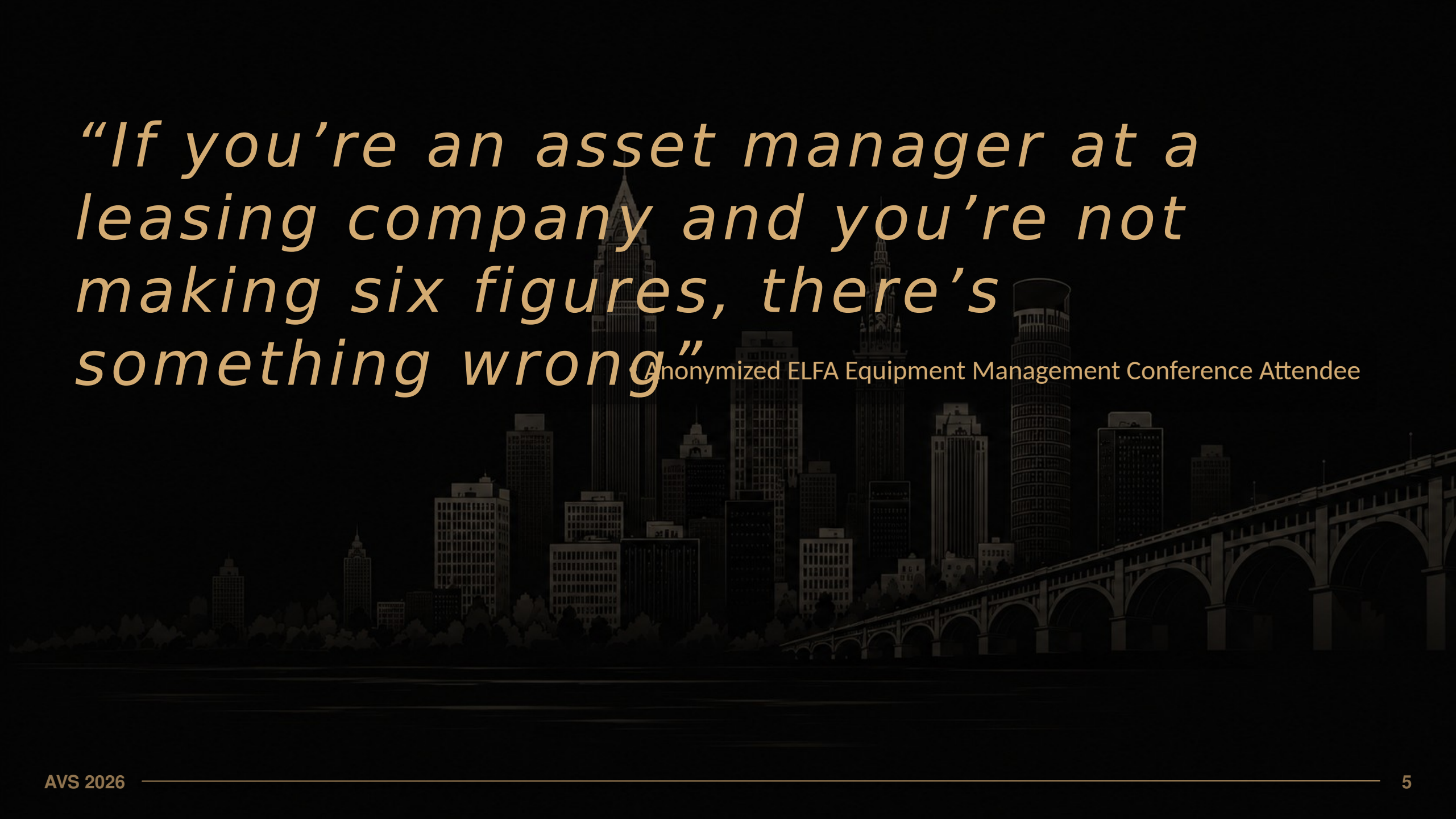
Civilizations,
technology, and a
connected world

ASSET MANAGER

1986 – Present



Equipment finance,
data analytics, and
portfolio optimization



“If you’re an asset manager at a leasing company and you’re not making six figures, there’s something wrong”

Anonymized ELFA Equipment Management Conference Attendee

Manager of Asset Management/Remarketing is responsible for remarketing and management of leased equipment assets. Responsibilities for this position may also include evaluating residual values in structuring lease contracts, working with legal department on remarketing repossessed equipment, or participating in inspection programs to ensure that equipment on lease is well maintained.

	Number of Responding Companies	Total Number of Employees in Position	Annual Base Salary				Most Recent Bonus/Commission			
			Mean	25th Percentile	50th Percentile	75th Percentile	Mean	25th Percentile	50th Percentile	75th Percentile
All Participants	24	49	\$99,646	\$68,958	\$85,000	\$120,000	\$43,065	\$7,875	\$20,000	\$40,000
Location										
Northeast	4	4	\$137,375	\$108,625	\$144,750	\$173,500	\$27,797	\$22,500	\$35,000	\$36,695
South	4	9	\$111,272	\$66,268	\$92,091	\$153,760	N/A	N/A	N/A	N/A
Midwest	8	14	\$96,138	\$68,650	\$86,919	\$95,750	\$42,799	\$6,194	\$19,406	\$61,591
West	8	22	\$90,262	\$69,402	\$74,756	\$111,100	\$20,961	\$7,521	\$13,858	\$22,965
New Business Volume										
Group 1 (< \$25 MM)	4	4	\$76,392	\$59,000	\$70,784	\$88,176	\$14,781	\$10,690	\$13,858	\$18,412
Group 2 (\$25 MM - < \$75 MM)	5	5	\$131,580	\$102,398	\$120,000	\$173,000	\$37,073	\$22,594	\$32,945	\$47,424
Group 3 (\$75 MM - < \$150 MM)	6	19	\$102,822	\$72,274	\$80,000	\$119,800	\$87,322	\$9,606	\$42,133	\$119,849
Group 4 (>= \$150 MM)	9	21	\$93,598	\$60,619	\$77,250	\$116,500	\$36,244	\$4,750	\$19,750	\$38,750
Organization Type										
Captive	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bank	8	20	\$87,592	\$60,619	\$75,172	\$92,818	\$26,888	\$6,256	\$19,500	\$30,000
Independent	16	29	\$107,958	\$72,406	\$87,549	\$129,600	\$51,154	\$8,406	\$25,232	\$64,313
Market Segment										
Small Ticket	12	15	\$98,576	\$65,100	\$85,000	\$123,050	\$29,125	\$3,744	\$10,000	\$31,482
Medium Ticket	7	28	\$89,994	\$68,759	\$73,303	\$89,859	\$78,301	\$13,222	\$20,679	\$85,758
Large Ticket	5	6	\$147,360	\$128,440	\$156,880	\$169,750	\$45,132	\$23,750	\$36,695	\$65,493

N/A: Data Not Available

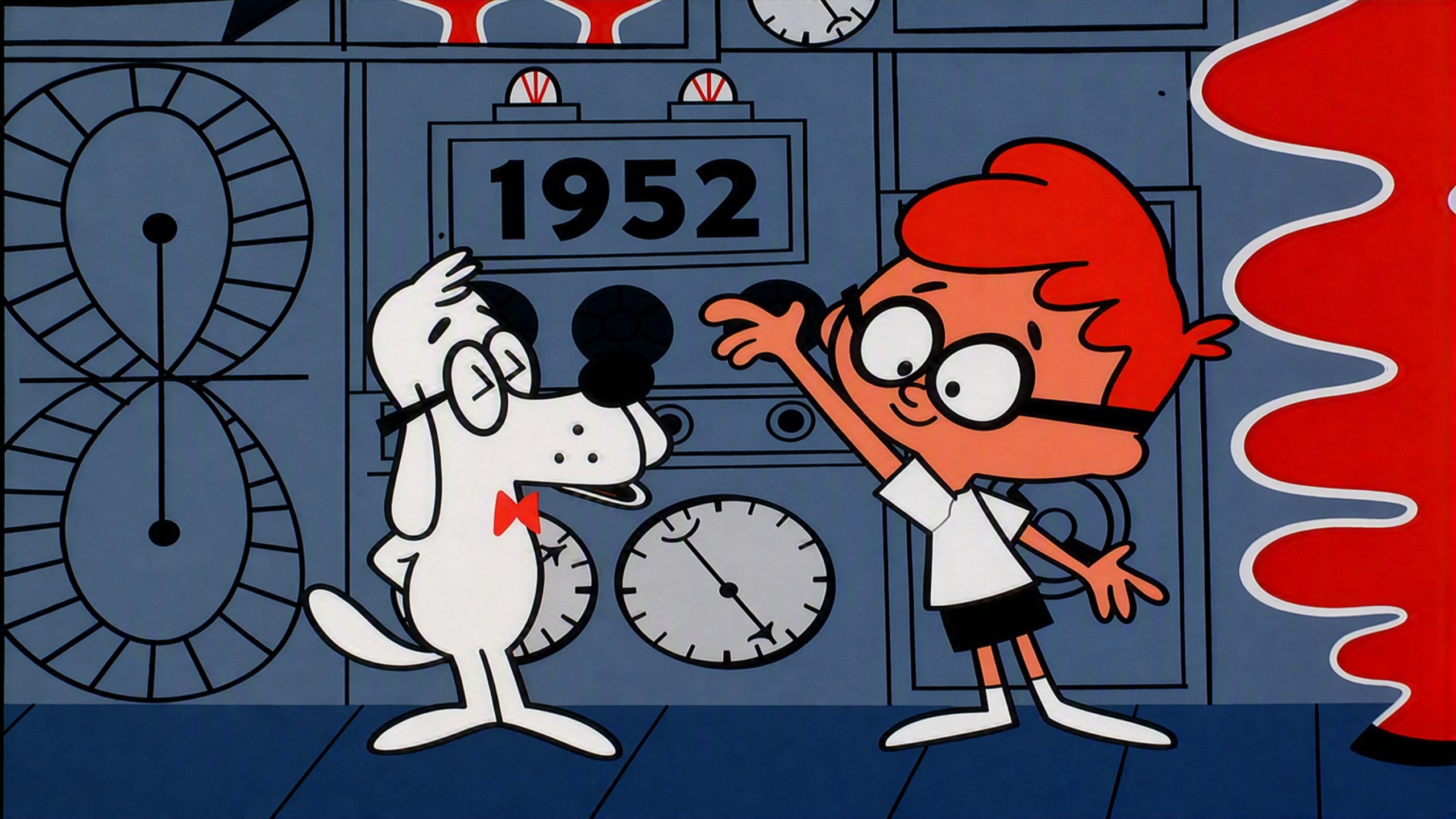


“If you’re an asset manager at a leasing company and you’re not making six figures, there’s something wrong”

Anonymous 1991 ELFA Equipment Management Conference Attendee

1991	Inflation Adjusted 2026
\$105,000	\$260,000

Average Bonus/Commission as a % of Base Salary		
Position	2025 Survey	2024 Survey
Team Leader	108%	75%
Senior Sales Representative	88%	111%
Sales Representative	69%	93%
Head of Sales	67%	55%
Chief Executive Officer/President	51%	63%
Chief Financial Officer	43%	48%
Operations Manager	30%	31%
Head of Credit	25%	41%
Sales Assistant	24%	43%
Marketing Manager/Director of Marketing	21%	17%
Collection Manager	21%	47%
Manager of Asset Management/Remarketing	19%	12%
Controller	17%	10%
Head of Pricing/Pricing Specialist	16%	23%
Entry Level Sales Representative	16%	11%
Collection Staff	11%	32%
Lease Accountant	9%	7%
Credit Analyst/Underwriter	8%	11%
IT Manager	7%	9%
Documentation Specialist	6%	6%



1952

**MOONDOG
CORONATION BALL
CLEVELAND ARENA**
3717 EUCLID AVENUE - CLEVELAND, OHIO
FRIDAY NITE, MAR. 21
10 P.M. to 2 A.M.
IN PERSON FEATURING THESE SENSATIONAL STARS IN PERSON

PAUL WILLIAMS ★ **TINY GRIMES**
HUCKLEBUCKERS ROCKIN' HIGHLANDERS
THE DOMINOES ★ **DANNY COBB**
★ **VARETTA DILLARD** ★
★ **THE MOONDOG RADIO SHOW** ★
WITH **ALAN FREED** IN PERSON
BROADCAST OVER WJW DIRECT FROM THE BALL

THE MOST TERRIBLE BALL OF THEM ALL! THE MOST TERRIBLE BALL OF THEM ALL!

Adv. Sale Tickets \$1.50 Including All Taxes Adm. at Door \$1.75
TICKETS NOW ON SALE IN CLEVELAND AT RECORD RENDEZVOUS, 300 PROSPECT
AND AT RICHMAN'S AND THE ARENA BOX OFFICE
ALSO AT MANY LEADING RECORD SHOPS IN OTHER NORTHERN OHIO CITIES



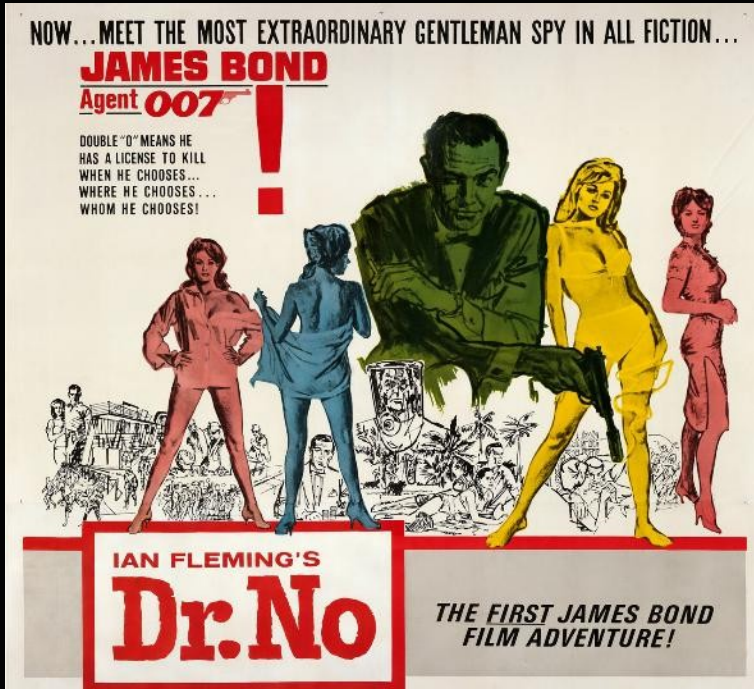
Why is 1952 a Milestone Year?

History of Leasing in the US

Dyas Power Boothe

- ▶ US Leasing Corp
- ▶ Boothe Leasing
- ▶ First commercial aircraft lease
- ▶ Greyhound

1962

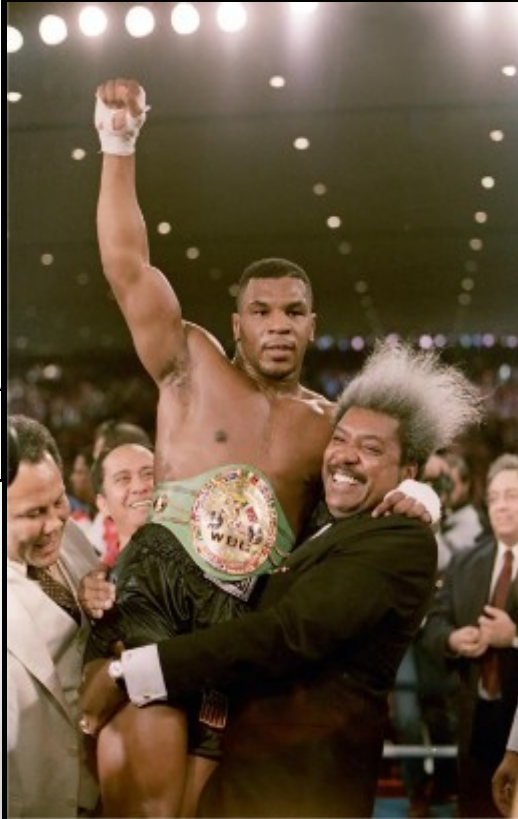


An "Industry"

First Meeting of Association of Equipment Lessors

"The fast growth of our industry has created and the limitless possibility for its future growth have generated the need for a body of men who may be members of the general Association of Equipment Lessors meeting on Jan. 26, 1962, in the Esplanade Hotel, Memphis, Tennessee, to discuss the equipment leasing business."

1986



Need for Specialization

First Meeting of Equipment Management Panel of AAEL

To promote the professional development and establishment of departments in equipment leasing companies to specialize in the management and administration of equipment under lease and coming off lease has become essential. These departments are headed by and include individuals with technical expertise and background in appraising, maintaining and reselling used equipment, as well as documentation of such transactions"

- Peter Nevitt - Creator of the Leveraged Lease

1991

Issues then...

The organizational structure of an equipment management function is dependent on company emphasis. Requirements will vary between operating lessors and financial lessors. Purposes will be different when assessing the needs of a specialty lessor versus a general lessor. The one common thread is the need to develop and capitalize upon equipment expertise in a way that effectively uses that added expertise for the overall benefit of the company.

Within the leasing industry, there are organizations with asset specialties as well as general equipment financiers. Equipment management needs transcend this focus, since secured lenders require the same level of equipment knowledge as lessors if true collateral lending is being done.

Organizational structures run the gamut: Some are based on equipment type, some report to credit, some report to marketing, some report to executive management. Generally, the more equipment oriented a company is, the higher up the organizational chain the equipment management department reports.

A LEASING COMPANY'S GUIDE TO EQUIPMENT MANAGEMENT

Carl C. Chrappa
Tom E. Flickinger

AEL
American Association of Equipment Lessors

The sale of equipment is the major vehicle for providing added income at the end of the lease term. Recoveries in excess of booked residuals provide a meaningful source of profit to lessors. However, as market forces push residual risk positions higher and terms become longer, profits from equipment sales are becoming endangered. Loss containment instead of profit generation may be a significant reality in the future. Whatever happens, a professional equipment selling effort is needed to do the best in either loss mitigation or profit generation.

are issues now.

1991...

76	First Security Leasing Company	USB	\$186	-10.17%
77	Kansallis Finance, Ltd.	FOR	\$174	1.89%
78	Keycorp Leasing	USB	\$167	175.58%
79	INB Leasing, Inc.	USB	\$164	4.53%
80	El Camino Resources, Ltd.	IND	\$162	6.46%
81	Senstar Capital Corp	IND	\$157	24.31%
82	Manubank Leasing Corp	USB	\$145	70.59%
83	Suntrust Leasing Group	USB	\$142	1.00%
84	IFA Incorporated	FOR	\$140	35.00%
85	Zions Credit Corporation	USB	\$129	10.73%
86	Center Capital Corporation	USB	\$126	41.57%
87	Atlantic Leasing & Financial	USB	\$120	-6.98%
88	The Bennett Funding Group	USB	\$110	4.76%
89	Charter Financial	IND	\$105	5.00%
90	Trans Leasing International, Inc.	IND	\$101	65.20%
91	Lease Programs, Inc.	IND	\$93	-24.47%
92	Leasing Solutions, Inc.	IND	\$92	157.58%
93	Chancellor Corporation	IND	\$90	-30.72%
94	CDS Computer Systems	IND	\$89	-9.26%
95	American Finance Group	IND	\$80	-41.05%
96	Financing For Science & Industry	IND	\$80	9.40%
97	M&T Financial Corporation	USB	\$75	2.45%
98	Lease Partners	IND	\$59	22.77%
99	ICX Corporation	IND	\$45	55.17%
100	Oliver-Allen Corporation	IND	\$40	14.29%

Measurable Growth

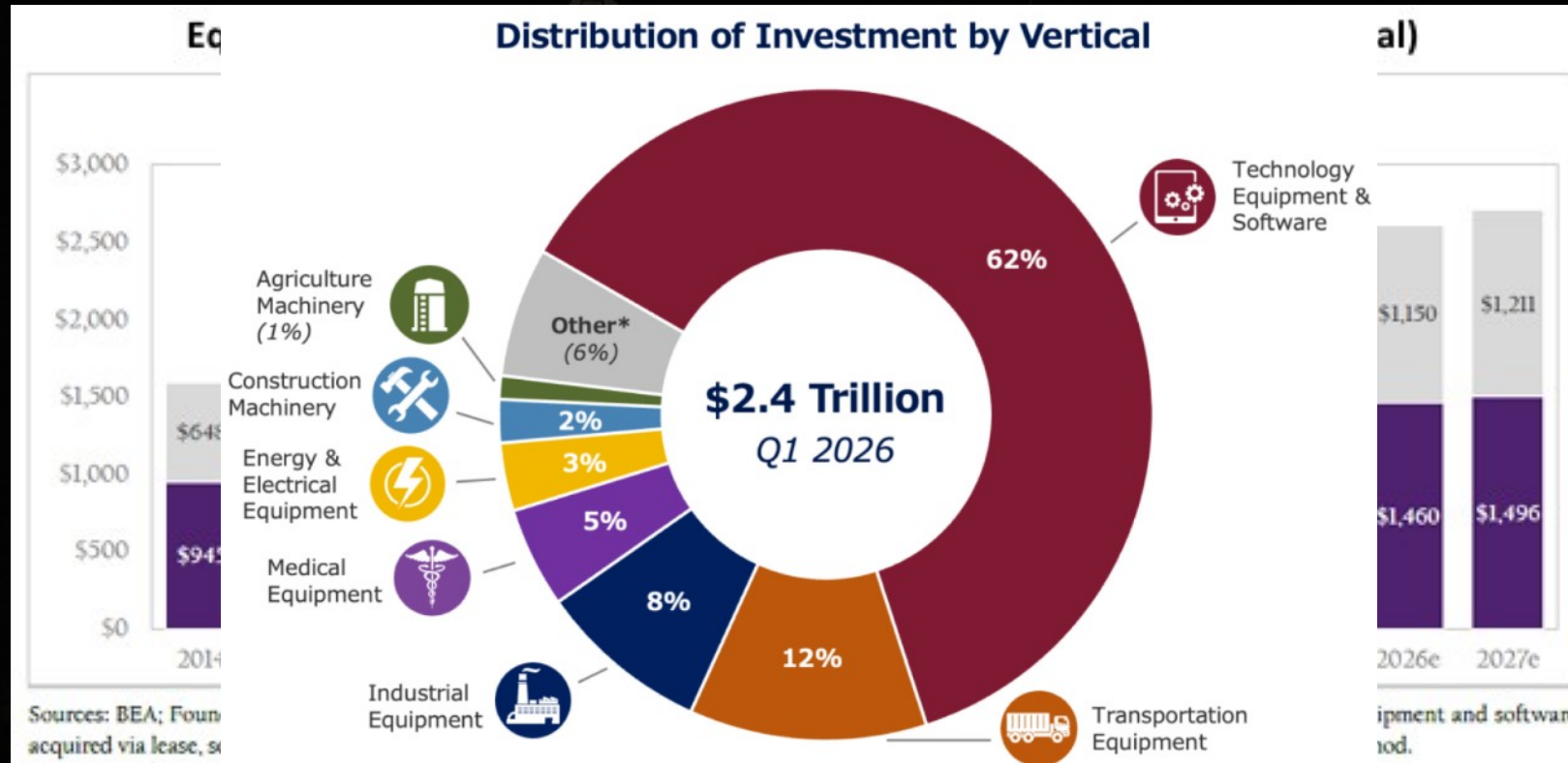
“The fast growth of our industry was cited, and the limitless possibility for future growth were noted.”
- From the minutes of an Association of Equipment Lessors meeting on Jan. 26, 1962

- Fastest (Recorded) Growth of Industry
- \$135B in Booked Assets
- Strong Demand for Asset Professionals

Acknowledgement to Rita Garwood and The Monitor for providing the data for this slide.

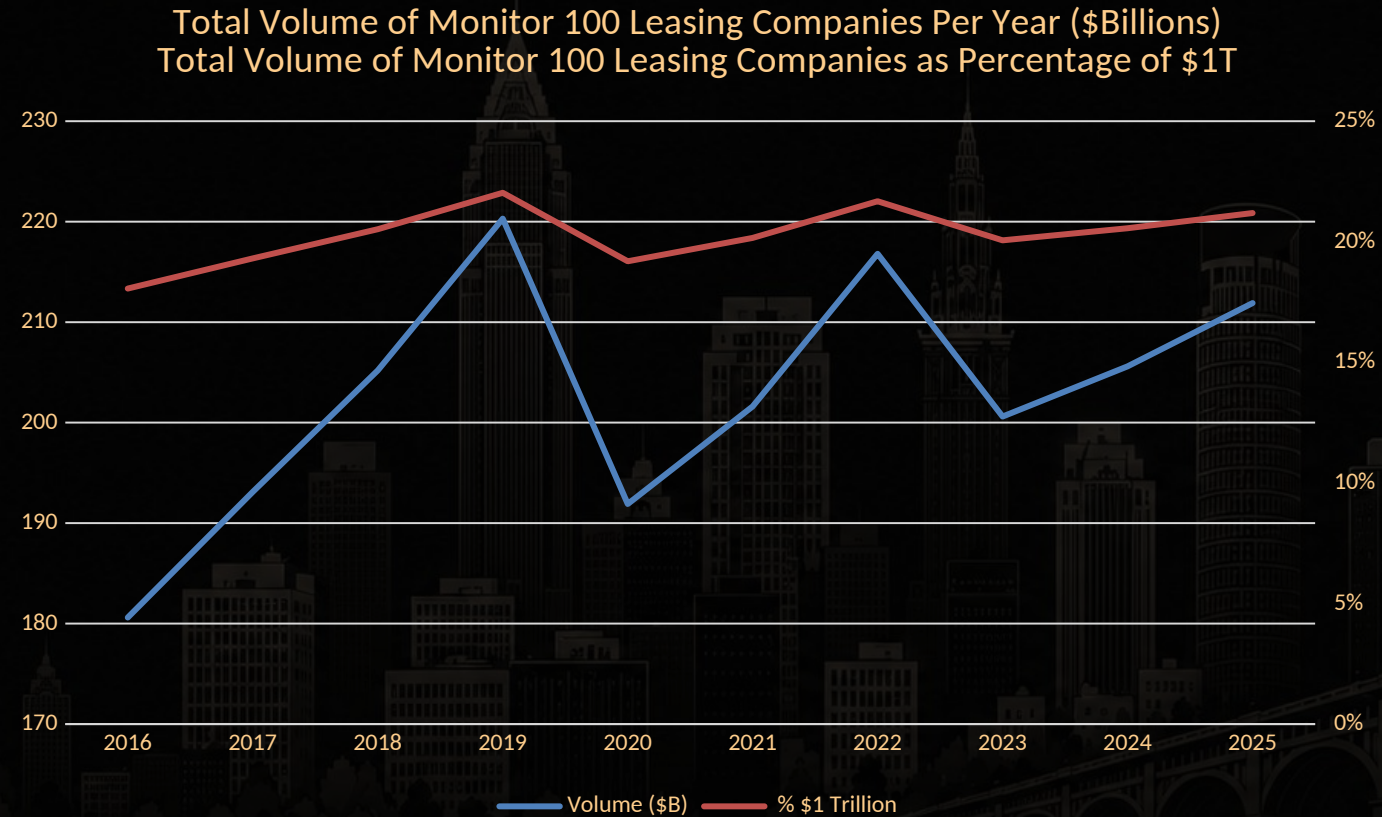
“The Trillion Dollar Industry”

\$2.3 trillion was invested by U.S. businesses, nonprofits and government agencies in plant, equipment and software.



Approximately 57.7%, or \$1.34 trillion of that investment, was financed through loans, leases and lines of credit.

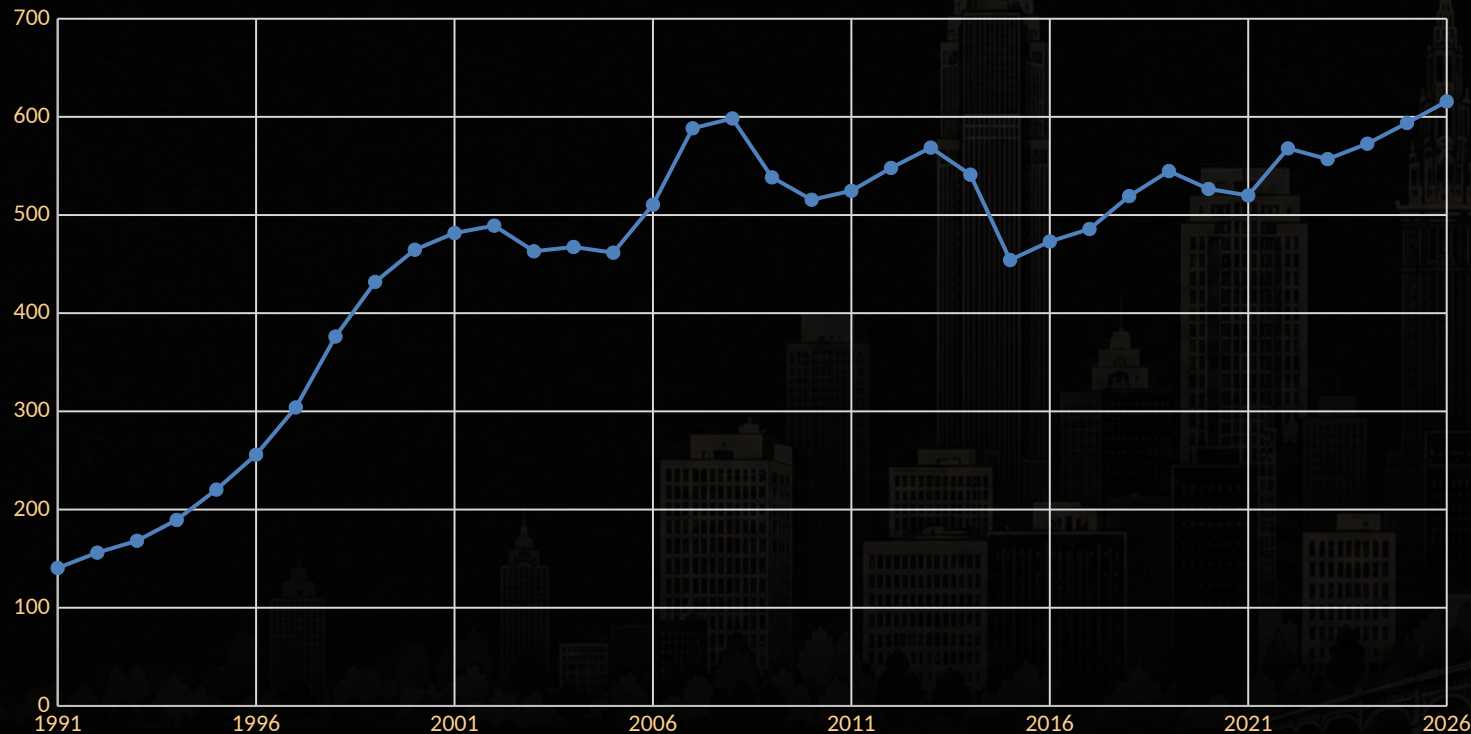
The Trillion Dollar Mirage



- Market share remains persistently below 20%
- Volume is range bound below \$220MM

Our industry characterized by “Fast and Limitless Future Growth”

Assets of the Monitor 100 Leasing Companies by Year
(\$ Billions)



Mature Industry

- Limited Asset Growth
- Modest Revenue Growth
- Intense Price Competition
- Large Established Firms Dominate
- Great Financial Crisis

...found it's from its 2008

Today

Rank	Company	Segment	2026 Net Assets	Percentage Change
1	Bank of America Global Leasing	USB	\$62,284	2.90%
2	John Deere Financial	CAP	\$61,144	-3.20%
3	Wells Fargo Equipment Finance	USB	\$39,723	0.90%
4	Caterpillar Financial Services	CAP	\$35,875	12.60%
5	Air Lease	IND	\$29,053	3.10%
6	BMO Financial Group	USB	\$20,771	-10.30%
7	CNH Capital	CAP	\$20,065	5.40%
8	Huntington Asset Finance	USB	\$18,561	4.30%
9	Dell Financial Services	CAP	\$18,416	20.30%
10	PNC Equipment Finance	USB	\$17,899	4.50%
11	First Citizens Bank Equipment Finance	USB	\$17,705	2.00%
12	DLL USA	FOR	\$16,232	2.00%
13	HPE Financial Services	CAP	\$13,180	-3.00%
14	GATX	IND	\$11,509	9.00%
15	U.S. Bank Equipment Finance	USB	\$11,419	5.90%
16	Regions Equipment Finance	USB	\$11,357	0.00%
17	MassMutual Asset Finance	INS	\$9,714	4.00%
18	M&T Equipment Finance	USB	\$9,316	2.90%
19	Key Equipment Finance	USB	\$8,180	-15.30%
20	Fifth Third Bank	USB	\$7,733	8.90%
21	Eldridge Capital Management	IND	\$7,456	-3.20%
22	Cisco Systems Capital	CAP	\$6,612	-3.30%
23	JP Morgan Chase Bank	USB	\$5,746	0.10%
24	Flagstar Equipment Finance	USB	\$5,739	1.20%
25	First American Equipmnet Finance	USB	\$5,314	12.60%

Prevailing Conditions

Size Matters...

- Banks and Captives Dominate
- Headcount/Efficiency Pressure
- Asset De-Risking
- Declining Gain on Sale
- Compensation Uncoupled from Performance

Outcomes

01

Rise of the Banks

KEY POINT

Credit focused lending

Prohibited activities

Regulatory derisking of transactions

Maslow's Hammer

02

“What do you guys do, anyway?”

KEY POINT

How do the most senior people view this role?

LGD = Credit
Repo Man = Collections

03

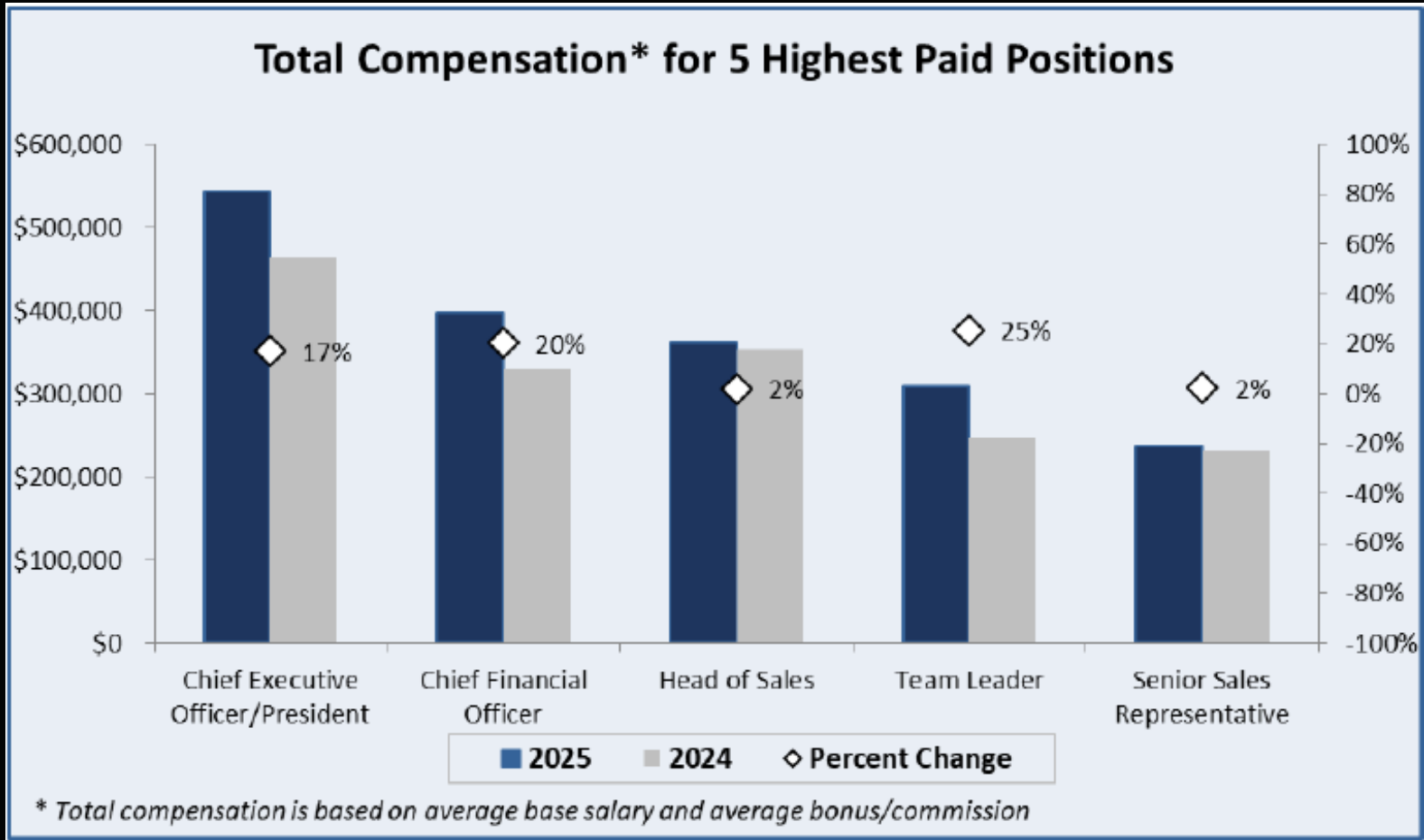
Information Age

KEY POINT

Availability of Information

Low Cost and No Cost Data
Ubiquitous Data
Smaller Markets

Is All Income Valued Equally?



How much volume is \$1MM income?

Margin	Volume
100	\$39MM
150	\$25.9MM
200	\$19.4MM

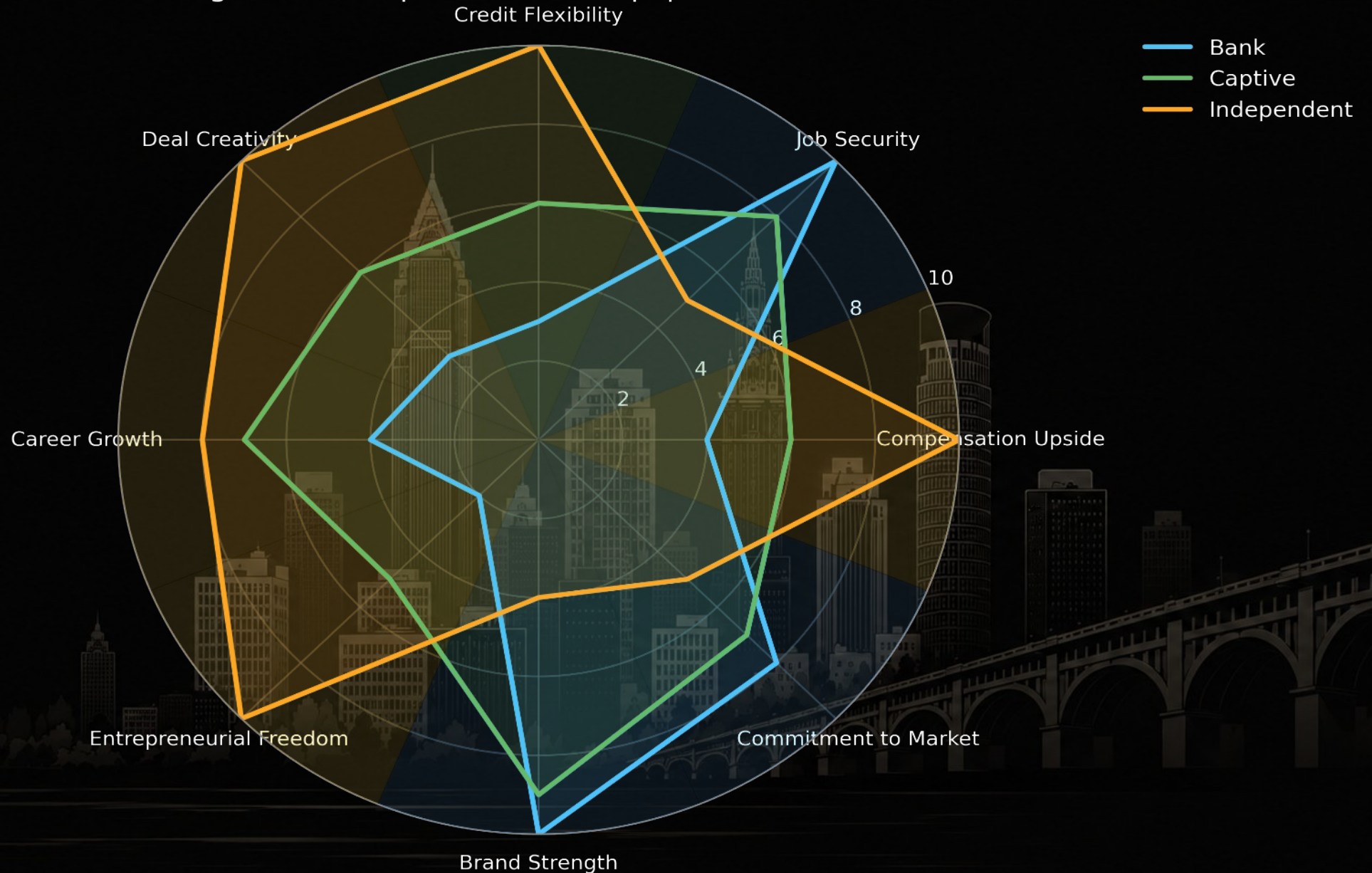
What is the value of \$1MM GOS?

Margin	Value
100	\$240K
150	\$250K
200	\$275K

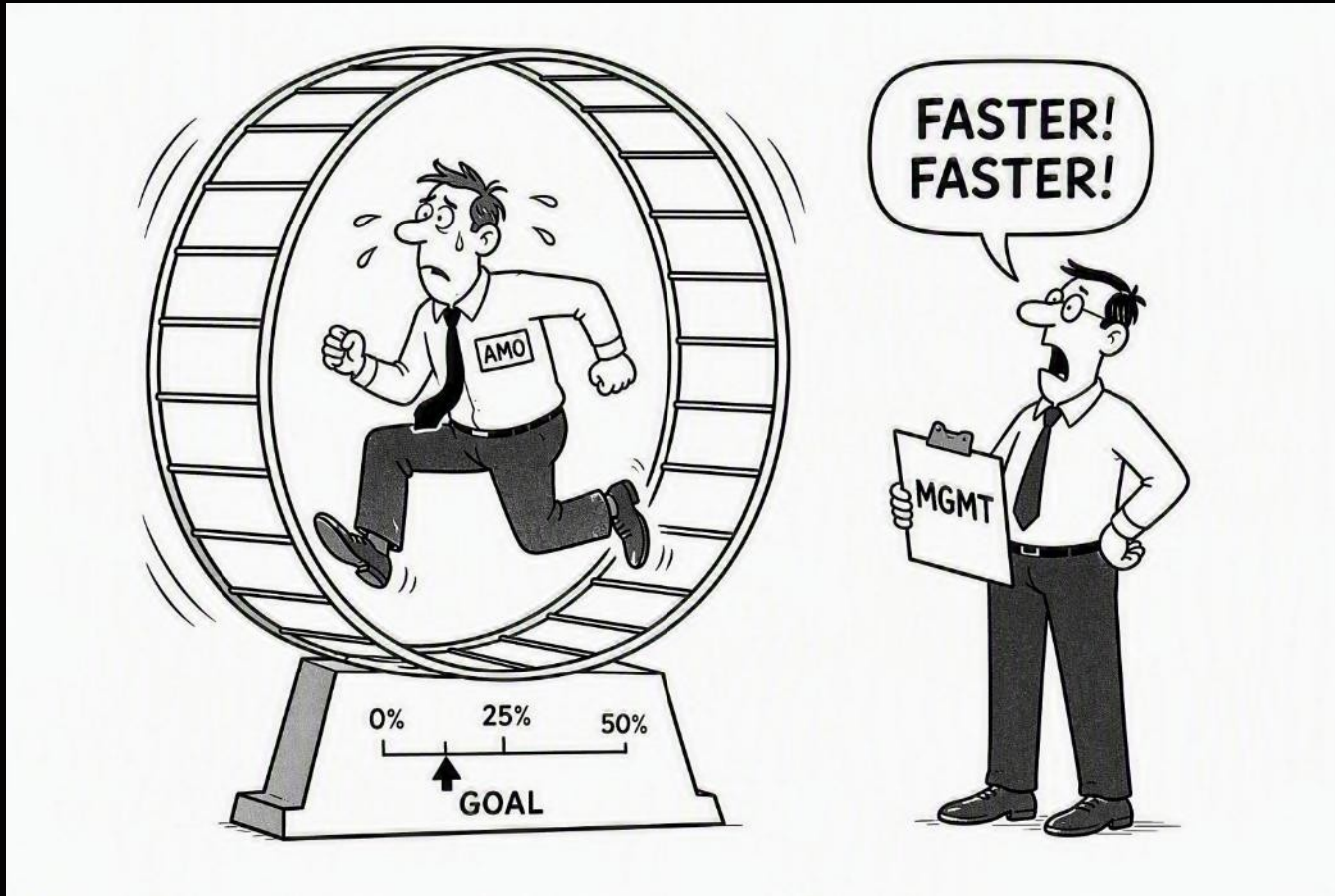
THOUGHT POINT: Compensation data suggests otherwise... with disproportionate value assigned to origination efforts.



Asset Management Prospects Across Equipment Finance Platforms



Tomorrow



Next-Gen Asset Management

Change is the only Constant

- Automation
- People Lite Model – Outsourcing
- Narrow Vertical Asset Expertise
- Higher Compensation Alternatives
- “Pockets” of rapid growth and opportunity within the overall “big picture”

Automation

For standardized equipment with deep data—class 8 tractors, standard trailers, common forklift models—well-implemented models achieve mean absolute percentage error (MAPE) of 8-12%. This outperforms human expert judgment, which shows 12-18% MAPE in controlled studies. On these categories, AI valuations were accurate—within 10% of realized disposition value roughly 80% of the time—but the process was slow, inconsistent across the team, and entirely dependent on institutional knowledge that would retire within a decade.

Total investment for a mid-sized equipment finance portfolio typically ranges \$1.5-3 million including technology, data acquisition, implementation resources, and organizational change management. ROI emerges from the process was slow, inconsistent across the team, and entirely dependent on institutional knowledge that would retire within a decade. (reduced risk otherwise retires).

Automated equipment valuation works. It does not work as easily, as quickly, or as universally as vendor presentations suggest. The implementations that succeed acknowledge the data reality, match model

The AI implementation that eventually succeeded looked nothing like the original project plan. What was projected as a twelve-month, \$800,000 initiative became a thirty-month, \$2.1 million program. The model that emerged outperforms human judgment on standardized equipment categories while failing notably on specialized assets. Understanding why reveals the implementation realities that matter.

The honest accuracy conversation acknowledges these category-specific realities rather than claiming universal improvement. Marketing materials that promise '90% accuracy across all equipment types' do not survive contact with implementation.

Artificial Intelligence

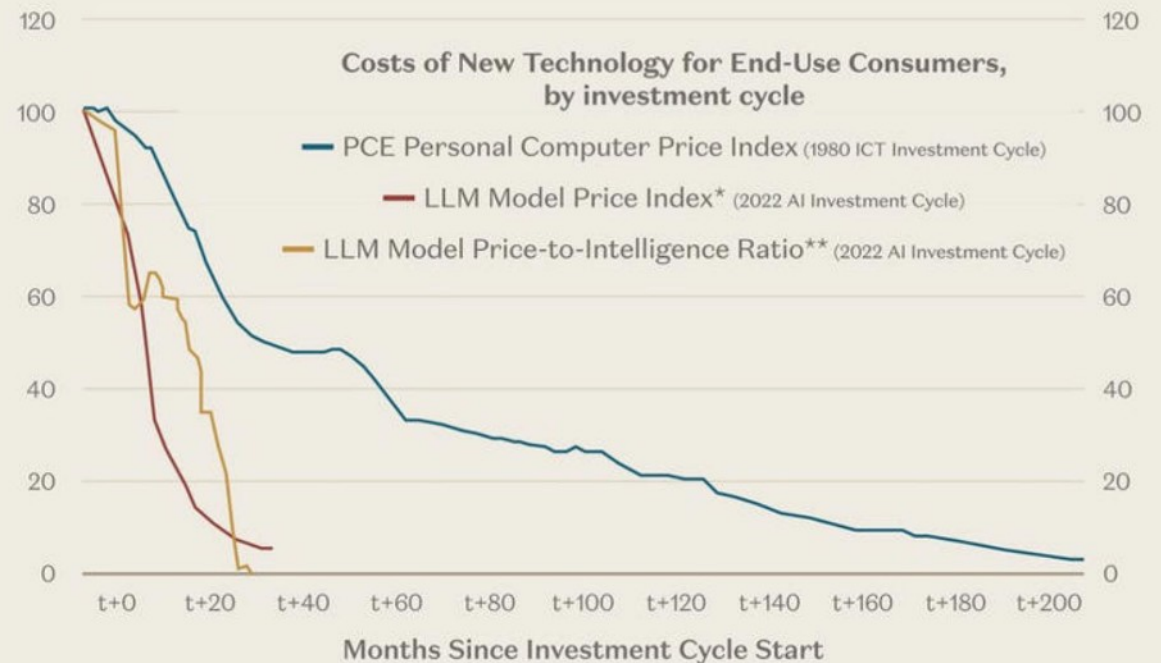
Automation

The future is now

- Lean into Artificial Intelligence
- High Price Solutions are Available Now
- Lower Price Solutions are Coming
- Headcount Reallocation to Higher Value Work

The Price of Intelligence Is Falling Quickly

Cost of AI has deflated as much in ~3 years, as PCs deflated in ~1.5 decades



Notes: *Price per million tokens averaged across difference LLM models, indexed to March 2023; **Quality-adjusted LLM model price index from Demirer, Fradkin, Tadelis, and Peng, 2025

Future Focused Statements

01

People Lite Models

KEY POINT

Best for General Equipment Lessors

Balancing Internal vs External Expertise

Agile

02

Vertical Market Expertise

KEY POINT

Long Time Horizon

Commitment to Market

Competitive Advantage

Deep Understanding of Equipment

Deep Understanding of End Users

03

Higher Compensation Alternatives

KEY POINT

Equipment Focused

Commercial Aviation
Operating Rail Lessor
Bluewater Marine

Ownership Focused

Private Equity
Independent

Opportunity Focused

Start Up
Turn Around

Conclusion

Not an existential crisis...but Evolution is necessary

- Public Relations Crisis
- Quantify the Asset Management Role and Value Proposition
- Embrace Automation
- Experience Translates to Ever Increasing Value
- Seek Out Committed Growth Stories

No longer “limitless possibilities for growth,” ... but definitely a future with possibilities.