



2026 • ASSET VALUATION SUMMIT

MACHINE TOOLS

Market Conditions, Value Drivers & Where This Market Is Headed

PRESENTED BY MACHINERY MANAGEMENT, LLC

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Where We're Headed Today

01

Where the Market Stands Today

Up, down, or stable, and why.

02

What's Driving Value

How appraisers and equipment managers price machines.

03

Supply & Demand Forces

Tariffs, reshoring, and today's trend drivers.

04

The Road Ahead

Outlook, trends, and signals not yet priced in.

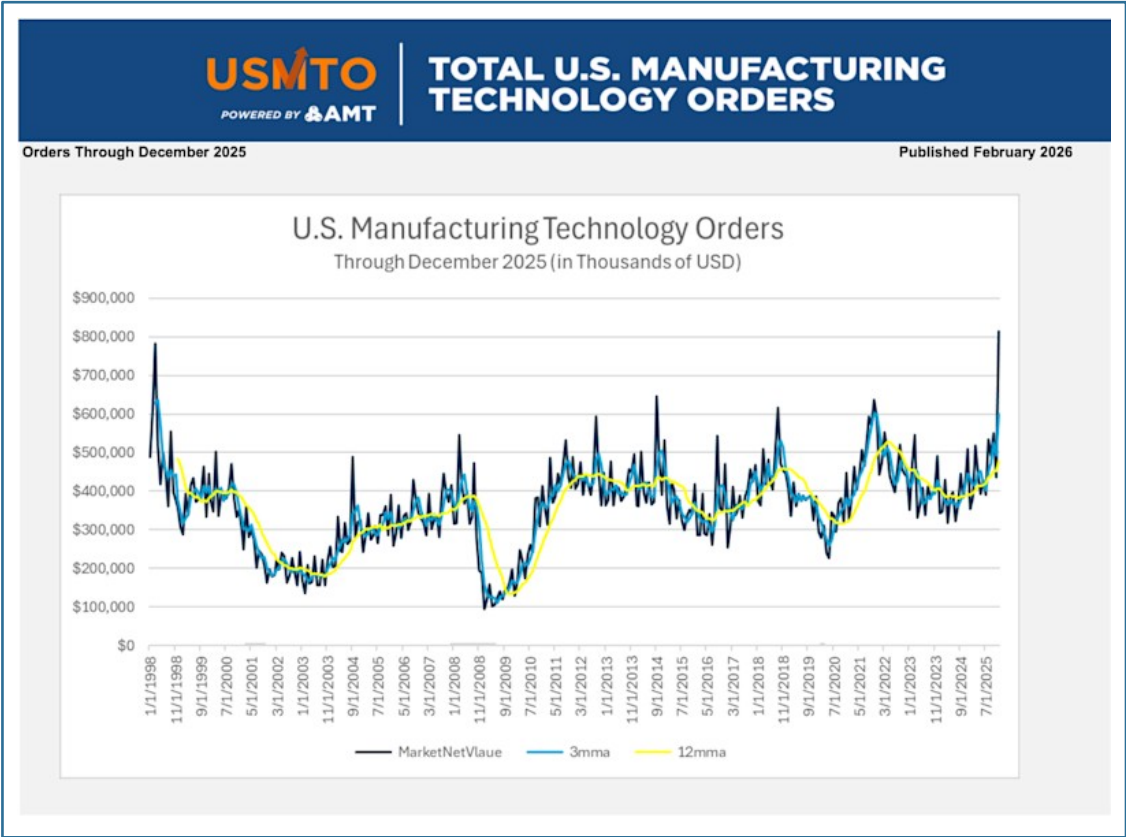
01

Where the Market Stands Today

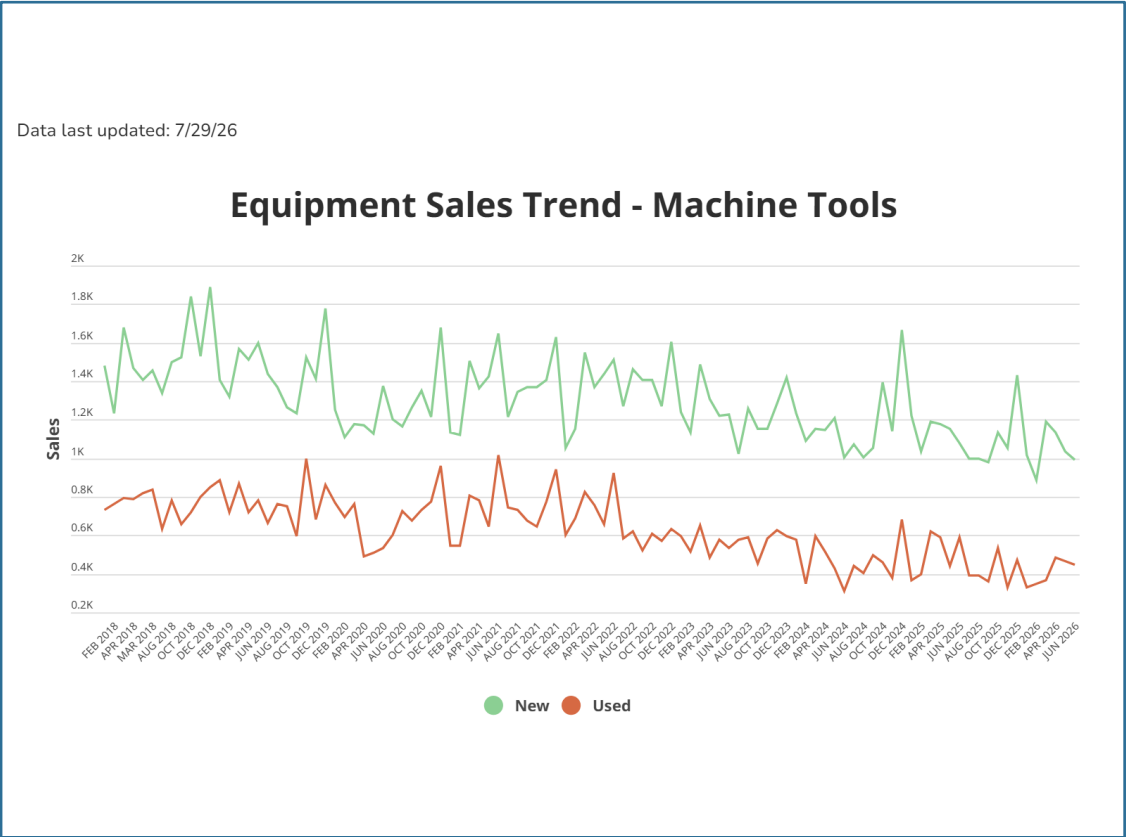
Up, down, or stable, and why

THE EVIDENCE

Record Order Value. Declining Unit Sales. Same Market.



U.S. manufacturing technology orders, 1998 to 2025. Late-2025 spike is the highest point on record.



New and used unit sales, both declining since 2018. Used declining faster.

Sales Volume Trending Up, Units Decline.

\$3.44B in H1 2026 orders. Up 36.0% over H1 2025. Strongest half-year on record since 1998. June alone hit \$672.7M, up 56.8% year-over-year.

Record Value, Fewer Machines

- Order value hit a record in H1 2026
- Units fell 2.6% from H2 2025
- Job shops: record value, units down 8%
- OEMs insourcing more production

Resilient Through Headwinds

- Absorbed the U.S.-Iran war
- Rising inflation, tariff uncertainty
- Political Uncertainty
- Industrial production kept improving

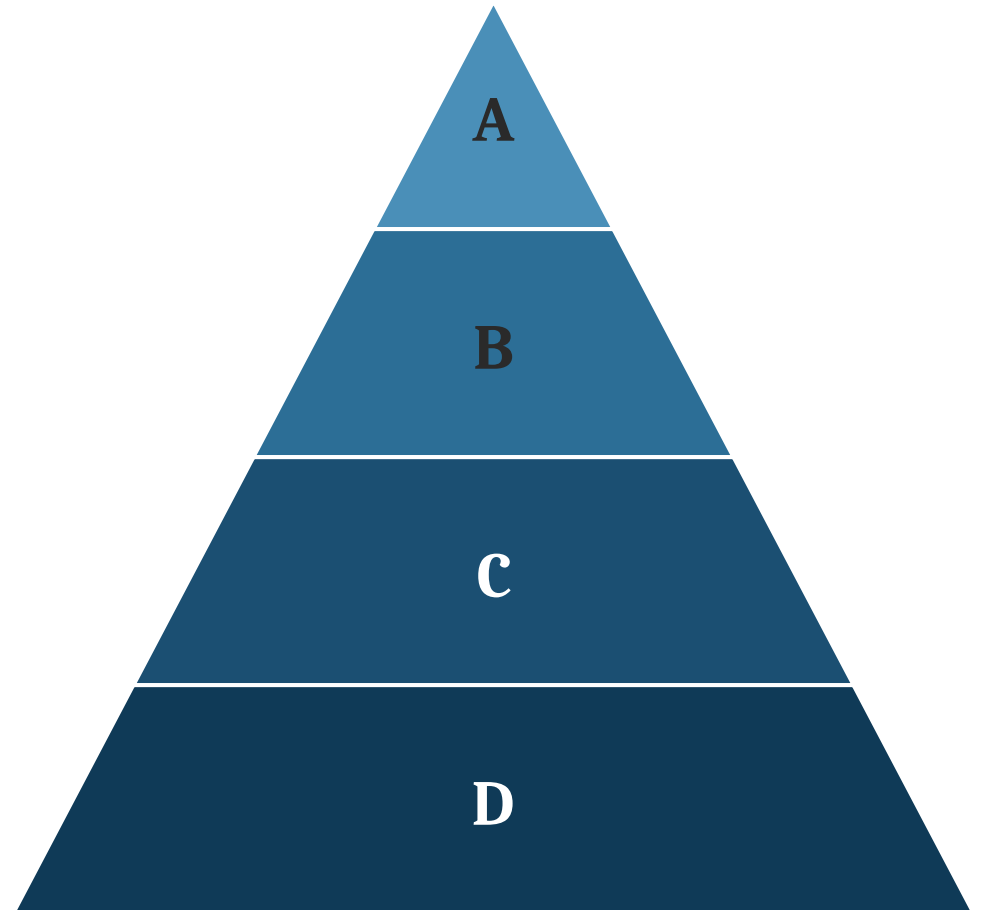
Secondary Market Tightening

- Buyers shifting to used equipment
- Dodging new-machine cost inflation
- Tighter supply, firmer used pricing

Record value. But growth is concentrated, not broad-based.

Builders And Who Buys Them

1. DMG Mori (Germany/Japan)
2. Mazak (Japan)
3. Haas (USA)
4. DN Solutions (South Korea)
5. Amada Group (Japan)
6. Trumpf, Machine Tools Division (Germany)
7. Makino (Japan)
8. Okuma (Japan)
9. JTEKT, Machine Tools Division (Japan)
10. Grob (Germany)



Custom Production Equipment Isn't Discounted the Same Way

Custom Production / Turnkey Equipment

- Engineered turnkey solutions
- Integrated automation, application-specific tooling
- Built to order, not held as stock
- Not discounted the same way

Because it's built to order, not held as dealer inventory, there's no volume pressure pushing builders to discount it. That's a very different dynamic from commodity equipment.

Builders Are Discounting Commodity Equipment

Up to 35% off. Haas Automation, on new equipment. DN Solutions, Okuma, and DMG Mori (Davis-built) offering similar discounts.

Commodity / Standard Equipment

- Off-the-shelf VMCs, lathes, general-purpose machines
- Held as dealer inventory
- Discounted to move volume, defend share
- Squeezing margin, not sitting on stock

This pulls used prices down on the same commodity models only. Expect it to normalize. New pricing firms up, used follows. Buyers who bought during this window keep that value.

REAL TRANSACTION

DMG Mori NLX2500|700SY



\$400,000

Quoted, November 2025

\$260,000

Actual purchase price, recent

About 35% below the November 2025 quote. A real, recent example of the discounting playing out on standard equipment.

Heller HF-5500



Used Value Hasn't Held Against Rising New Cost

- New equipment prices have increased
- But it's an engineered solution, built to order
- Buyers typically request their own engineering and turnkey setup
- Heller has to re-tool and rebuild for each application
- That engineering doesn't transfer, so used value lags new cost

The Used Market Is Tightening, Not Softening

North America leads global demand in the secondary machine tool market. U.S. buyers are driving much of that growth: capex caution and reshoring hedges, trading new-build wait times for equipment that's ready now.

- Tighter supply, stronger pricing, faster transactions
- Clean, late-model CNC holds value best
- Buyers price total acquisition cost, not just the sticker
- Demand in one category doesn't lift the whole floor

02

What's Driving Value

The primary factors appraisers and equipment managers should weigh today

Demand Is Shifting Toward Turnkey & Automated Solutions

The work being purchased today needs less standalone commodity capacity, and more configured, ready-to-run capability.

The Shift in What's Being Bought

- Buyers increasingly want equipment configured for a specific part or process, not general capacity
- That favors turnkey cells and automation over standalone commodity machines
- It's a demand shift, not just a pricing swing. It changes what counts as a good comp

This shift also carries new risk on the resale side. More on that shortly.

What a Machine Makes Matters as Much as What It Is

Order value is concentrated in aerospace, defense, and power generation, not broad manufacturing. That concentration is now a real value lever.

Commanding a Premium

- Aerospace-grade five-axis equipment
- Power generation and AI-infrastructure-adjacent equipment
- Defense production capacity

Seeing Wider Discounts

- General-purpose VMCs and lathes
- Equipment tied to flat or declining end markets
- Commodity iron with no application specialization

Two machines, same age and condition, can carry very different values today depending on which end market they're configured to serve.

What Actually Moves a Machine's Number



Age & Hours

Duty cycle and total usage relative to normal service life.



Condition & Records

Maintenance history, PM logs, and rebuild documentation.



Brand Reputation

OEM support, parts availability, and resale liquidity by make.



Controls & Software

Control version and connectivity now drive real value spread.



Accessories

Bar feeders, rotaries, and application tooling like live tool holders on a lathe.

What Doesn't Increase Value



Engineering & Integration Cost

- Cost of designing a turnkey solution
- Doesn't transfer to resale value
- Buyer isn't paying for someone else's engineering



Generic Tooling & Toolholders

- CT-40, static blocks, standard holders
- Commodity items, no added value
- Widely available, easily replaced



Shipping, Install & Rigging

- Freight, rigging, electrical hookup
- A necessary cost, not a value driver
- Doesn't change what a buyer will pay

These are costs, not value. They keep a machine running, but a buyer in the resale market won't pay extra for them.

Why Automated Cells Depreciate Faster Than the Machine Inside Them

A CNC machine is general-purpose. It can be re-tooled and resold into countless applications. **An automation cell is not.** Fixturing and programs are built for one part family, not one-size-fits-all. When the program ends, that investment doesn't transfer to a resale buyer.

Why the Automation Layer Doesn't Hold Value

- Fixtures & grippers sized to one part's geometry
- PLC logic and vision tuned to one process
- Little to no secondary market
- Heavily discounted at resale

Standalone Front Loader



Automation Tower



03

Supply & Demand Forces

The forces actually moving the needle behind today's trend

The Forces Shaping Supply & Demand

- Tariffs
- Type of work: DOD, Aerospace, AI Infrastructure
- Questionable automotive market
- Reshoring



04

The Road Ahead

Where this heads over the next 12 to 24 months, and beyond

What the Next 12–24 Months Likely Look Like



New-Machine Pricing

- Stays elevated while Section 232 tariffs hold
- A legal shift could move it fast



Used Equipment

- Tight supply, firm pricing for automation-ready CNC
- Wider spread for general-purpose iron



Capital Spending

- Oxford Economics: +1.5% in H2 2026
- Nearly \$7B full-year, an already-record pace



Skilled Labor Pressure

- Machinist shortages keep a value floor
- Under automation-ready equipment

LONGER-TERM TREND

AI Won't Just Change Demand. It Could Change How Value Gets Measured

Predictive Maintenance & Condition Monitoring

Sensor and AI-driven diagnostics could make true condition far more transparent, changing how much weight condition carries in an appraisal.

AI-Enabled Retrofit & Upgrade Kits

Software and controls upgrades could extend useful life on existing platforms, softening depreciation for retrofit-ready machines specifically.

The Commodity-vs-Configured Gap Widens

As AI accelerates automation adoption, the split between commodity and configured equipment likely widens further, not stabilizes.

AI-Assisted Comp Analysis

Faster, broader comp analysis could let appraisers and lenders catch value shifts sooner, closing today's comp-lag problem.

None of this shows up in today's numbers yet. It's the structural trend most likely to reshape how this asset class gets valued over the next several years.

DISRUPTIONS TO WATCH

Technological, Regulatory, Economic & Financing Signals

1	REGULATORY / ECONOMIC	Tariff & Trade Policy Volatility	Section 232/301 actions and court rulings move pricing fast. Renewed uncertainty resurfaced mid-2026.
2	ECONOMIC	ISM Manufacturing PMI	Clearest real-time read on backlogs and capacity. Watch for readings above 50.
3	INDUSTRY / ECONOMIC	Automotive Production Outlook	North American vehicle output is easing toward 15M units in 2026, with a return to 2019 levels not expected until 2030 as automakers rebalance EV and ICE capacity.
4	INDUSTRY	Reshoring Follow-Through	Announced investment vs. actual construction spend. The gap is the real signal.
5	INDUSTRY / ECONOMIC	Geopolitical & Defense Demand Shock	The U.S.-Iran conflict and depleted munitions stockpiles are driving urgent defense production. A demand tailwind for aerospace equipment, but also broader uncertainty.
6	TECHNOLOGICAL	AI & Other Advanced Technology Upgrades	A longer-term factor, but one that will increasingly separate which equipment holds value as adoption accelerates.

SUMMARY

Five Signals to Carry Out of This Room

1 Record H1 2026 order value. Unit growth lagged, concentrated in aerospace and power generation. Watch composition, not just the topline.

2 Sales Comparison still rules for machine tools, but with tariffs and thin comps, valuation now demands more data discipline, not less.

3 Condition, controls, and documentation separate winners from losers within the same category more than they did five years ago.

4 Over the next 12–24 months, expect firm new- and used-pricing, modest capex growth, and a persistent labor-driven floor under automation-ready equipment.

5 AI and other advanced technology upgrades are a longer-term factor, but one that will increasingly separate which equipment holds value.



THANK YOU

Questions & Discussion

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