

What Influences the Value of My Equipment?

Used machinery is a worldwide market. There are a number of factors that affect the value of any asset; the following are the key areas that need to be considered. Understanding these will allow you to make a realistic assessment of the value of equipment.

1. New Equipment Prices

As manufacturers increase or decrease new machine prices there is a direct knock on effect on equivalent used equipment values, no matter how old. In a mature market such as the printing industry the signs are that new machine prices will keep changing. Be aware of new machine prices. New equipment can be financed generally over a longer period and offer comfort of manufacturers support, latest technology and bespoke specification. Why would anyone purchase a used machine that did not offer a considerable saving in cost / monthly payments?

2. Fast Moving Technology vs. Stable Mechanical Product

Any software based equipment such as Pre Press or Digital Presses depreciate in value far more rapidly than a mechanical machine. If you consider that a new five colour B2 printing press will depreciate 35% in the first year, be realistic regarding your CTP system.

3. Exchange Rates

In a worldwide used equipment market exchange rates play a very important factor if your currency is strong then an overseas buyer will need to pay more for your machine. An equivalent machine from a country with weaker currency will be more attractive.

4. Industry Trends Relative to Your Equipment Type and Specification

If a buoyant market favours your equipments manufacturer and specification then you will realise a much better return, simple supply and demand.

5. Costs in Trading Used Equipment

Dismantling, loading, cleaning, transporting, repairing and reinstalling printing machinery costs money and is labour intensive. For example removing and reinstalling 64pp 5 unit Web Fed Printing Press will require a vast amount of skilled labour and project management. This will form a large part of the eventual selling price and has no asset value.

6. The Difference Between Trade and End User Prices

This relates to the previous topic. Trade used equipment suppliers take the risk of removing, financing, storing, shipping / reinstalling used equipment. On top of this as with any business they need to make a profit. Selling to an end user will ensure a better return however the risks and effort are far greater. A commission broker can find you a customer and as with anything if a buyer is in place your return will be higher than selling straight to the trade. Generally most used equipment companies will only purchase popular machines without a customer. It is all a question of time, risk and money. (See Tips: Selling for more information)

7. Contact Mark Stribley 07734 051 812 for any advice or assistance.

MPL Limited

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M Partners Limited Telephone: +44 (0) 208 835 2221 info@mpartners.co.uk

www.mpartners.co.uk

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Used Press Market
Check List Guides

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RMGT RYOBI MHI
Graphic Technology Ltd.

Supporting the Used Press Market

Buying, Selling and Service

Buying new equipment every few years does not fit all business models. That's why every leading manufacturer should be involved in the used sector. For RMGT the European-wide focus for both buying and selling used printing presses is managed in the UK by MPL – the company views the used market globally, seeking the best solutions for printers.

This Used Press Guide aims to take the guess work out of the used press sector. Our MPL specialists have many years of experience in dealing with used equipment for all manufacturers in the industry. This is a practical guide and offers assistance to those considering dealing in the Used Press market.

Buying Used Equipment

Buying used printing is a major investment for any business. It can set you apart from your competition, however the equipment and support has to be right. The key to a successful installation is you taking responsibility for what you buy. There is little point complaining that the machine was no good or the used machine supplier sold you the wrong kit, when it is your business that is suffering. It is a straight forward process but there is a need for awareness and forward planning. The following may assist.

Check List ✓

- 1. Know what you want and what is right for your business. **Know equipment, budget and time frame.**
- 2. Ensure you **have finance in place** based on your budget, No machine supplier will buy a press on your behalf unless you can provide confirmation of finance.
- 3. **Ascertain market prices.** Be aware of any equipment you wish to part exchange and their values. Know this early in the process.
- 4. **Select your preferred supplier.** Use references and recommendations from a trusted source. A good dealer will find you the right machine for you.
- 5. **Attend a full test of your work on the machine** you have selected. Buy time if necessary this is a major investment.
- 6. **Ensure major components are free from damage** (cylinders, gears etc).
- 7. **Hire an independent technician** to inspect machine for you.
- 8. **Ensure equipment is free from finance.**
- 9. **Confirm all conditions of your purchase are in writing.** Be specific, this will help if any future disagreements occur.
- 10. **Contact Mark Stribley 07734 051 812 for any advice or assistance.**

Selling Used Equipment

Selling used printing equipment is not a mine field. The key is to know what you want and being realistic about your expectations. The used machinery market is continually changing. Used equipment, no matter how old, is all based on new equipment prices and these vary considerably. There are a number of methods to move on your existing kit, it is all a question of what is important to your business. Factors such as time, return, effort and cost all play an important part. The following information may assist.

Check List ✓

- 1. **Know your time frame**, do you need to move it quickly or if you have several months. Please bear in mind that the quicker you have to sell it the lower the price you will achieve. Planning is extremely important. A dealer would prefer a three month lead time.
- 2. **Ensure you have the correct machine details** even the smallest thing can effect values dramatically. Be thorough, often the order confirmation from the original equipment supplier should contain this detail.
- 3. Know and **be realistic about the value of your equipment.**
- 4. **Be realistic regarding the condition of your equipment** and ensure machine looks as tidy as possible to prospective clients. This will pay in the long run. If you have **service records this would be useful** also. If there is any damage to major components, ensure interested parties are made aware, it will be found out later anyway.
- 5. **Should you wish to sell through the trade then consider working with one dealer.** If a dealer has control of your machine exclusively he will be much more focused on your equipment this will maximise your return. A shotgun approach will only bring the price down and you may lose opportunities.
- 6. **Be selective in the dealer(s) you choose** and do your homework by gaining references (new equipment suppliers, major printers etc). If you require a quick sale then you will need to select a specialist dealer who purchases for stock.
- 7. If you decide you wish **to market the machine yourself** then **be aware of the work involved** and the timewasters you will encounter. The real issue when marketing the machines yourself, particularly to an end user or foreign dealer is securing payment.
- 8. **Ensure your machine is completely owned by you** and is free from finance or charges.
- 9. Once the sale of the machine has been agreed **ensure all details regarding the deal are in place and in writing.** Do not let your machine leave site until you have cleared funds in your account.
- 10. **Contact Mark Stribley 07734 051 812 for any assistance.**