

Case Study

**Investment Potential Assessment of the
US Car Rental Market**



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About the Client



- A US-based private equity firm that typically invests in middle market buy-out transactions and growth platforms in the financial and healthcare sectors

Client Objectives / Goals



- The client wanted to understand the investment potential in the US car rental market
- They also tasked us to identify revenue models in the industry, and analyse select companies basis pre-defined criteria

Approach and Methodology



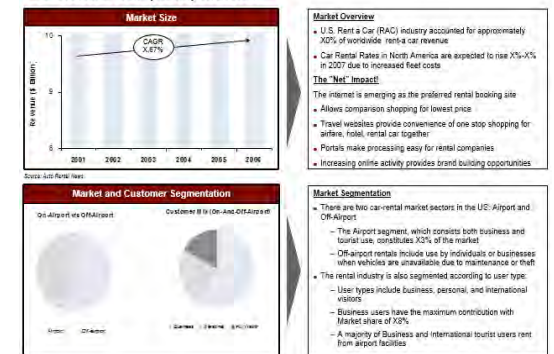
We used a top-down approach, breaking down the project into three phases.

- Phase 1: Analysed the global car rental market covering challenges faced by the industry, geographic segmentation, key global brands and their market share, etc.
- Phase 2: Analysed the US Rent-a-Car market covering market size and growth, customer segmentation, key trends, drivers & inhibitors, key players and their share, Porter's five forces analysis, etc., to evaluate the investment potential
- Phase 3: Identified car rental companies basis pre-defined criteria to understand their revenue models and evaluate their attractiveness from a strategic viewpoint

Sample Output



US Rent-a-Car (RAC) Market



Results / Value-add



Our study helped the client's investment team build a case to explore acquisition/investment opportunities in this sector. It also aided in challenging certain preconceived notions, such as the fact that a car rental company does not make money from renting out cars, but from buying and selling cars as well as charging insurance premium