



SIEMENS

# Debt Capital From Siemens Financial Services

Leasing for Equipment in the Energy Sector

[usa.siemens.com/finance](http://usa.siemens.com/finance)



© 2016

Siemens Financial Services, Inc.  
170 Wood Ave. South  
Iselin, NJ 08830  
1-800-327-4443  
[energy-finance.sfs@siemens.com](mailto:energy-finance.sfs@siemens.com)  
[usa.siemens.com/finance](http://usa.siemens.com/finance)

Leasing is an ideal solution for businesses focused on increasing productivity, improving cash flow, and acquiring the latest technology. Aligned with a strategic focus on the energy industry by our parent company, Siemens AG, Siemens Financial Services (SFS) builds strong relationships by providing reliable, consistent, and competitive delivery of customized leasing solutions.

#### Examples of energy equipment to be leased:

- Power generation, transmission and distribution, and ancillary services
- Power technologies: Demand Side Management, distributed generation, and AC/DC conversion
- Oil and gas: exploration and production, pipelines, oil field services, storage
- Renewables: wind, solar, and biomass
- Hydro-fracturing and drill-pipe

**Capital conservation:** Cash and other short-term assets are valuable commodities on a balance sheet. Leasing allows customers to use an asset that generates revenues, without having to own it.

**Credit preservation:** Maintaining credit lines provides both a safety net for the operation of your business and helps fuel growth. Leasing of a specific asset provides a new source of credit allowing customers to keep existing bank lines intact for other types of corporate projects.

**Affordable technology:** Lessors normally assume the risk of asset obsolescence. If cash is limited, yet you need the newest technology, leasing might be the best option. Expensive equipment can be acquired for your company's use via an affordable monthly lease payment. Customers can better manage monthly cash flows matching revenue generation with operating expense.

**Operating lease treatment:** For a variety of reasons, some customers prefer operating lease treatment where the rental payments are accounted for as an operating expense. SFS can be of assistance in structuring a lease that meets your management reporting goals even when the rules change in the future.

**Competitive rates:** Although Siemens excellent credit rating (A1/A+) allows us to offer among the most competitive rates in the industry; it is the hassle-free experience for our customers and dedication to making the equipment acquisition process easier that sets us apart.

**One – stop shopping:** We offer you one trusted source to obtain both top-performing equipment and made-to-order financing from SFS.

**Contact us:** Our leasing team is experienced in analyzing your equipment leasing needs. Please contact SFS to start a dialogue today  
Energy Finance Team at  
[energy-finance.sfs@siemens.com](mailto:energy-finance.sfs@siemens.com)

Financial Services

# Top 10 Reasons to Lease your Energy Equipment:



**1. Leasing maximizes your purchasing power:** When you lease, you're not putting down a large amount of cash at one time. Leasing allows you to lower your payments and pay over time while increasing your ability to acquire higher-end equipment.

**2. Leasing normally finances 100% of the equipment cost:** With leasing, there is often no money down which is equivalent of 100% financing. That means you will have more money to invest in revenue-generating activities. Tax lease structures are 100% financed as there cannot be any lessee funding. Tax-oriented lease refers to a lease in which the economics of the transaction include the value of tax benefits.

**3. Leasing helps you optimize tax benefits:** Operating lease payments are accounted for as rents. Because you don't own the equipment, lease payments may be tax-deductible as an overhead expense. If you lease the equipment, you can take advantage of the value of the tax benefits by transferring them to the lessor in exchange for lower rental payments for your company.

Please consult your accountant and tax advisor for consultation and advice.

**4. Leasing conserves your credit lines:** Leasing enables you to acquire necessary equipment without reducing available lines of credit or affecting other financial covenants. Your credit lines remain available for other important uses.

**5. Leasing gives you flexibility in meeting business**

**needs:** A lease program can be designed to address your unique business requirements such as cash flow and seasonal fluctuations. Your lease can also be structured to include equipment additions and upgrades as your business grows and its needs change.

**6. Leasing allows you to respond quickly:** Leasing may involve less paperwork allowing you to act more nimbly to take advantage of business opportunities. Leasing carries the advantage that public disclosure to the SEC and other regulatory agencies may be less burdensome.

**7. Leasing is convenient:** Leasing can improve your forecasting and budgeting because payments are known for the term. Rent should be fixed at the inception of the lease, making you indifferent to changes in the value of the property upward or downward.

**8. Leasing helps you to take advantage of new technology:** Leasing protects your equipment investment against obsolescence. Your right to return the equipment may allow you to keep pace with your competitors by leasing equipment that provides the newest technology in your marketplace.

**9. Leasing helps to create a hedge against inflation:** Leasing allows you to acquire new equipment at today's prices and pay with tomorrow's cheaper dollars. Your lease can lock in the rates that exist on the date that you fund and assure that the lessor absorbs the devaluation of your payments over time due to inflation and other market factors.

**10. Leasing, operating leases, provide off-balance-sheet advantages:** Lease transactions that qualify as operating leases (FASB 13) allow you to avoid recording an asset and liability on your balance sheet and to expense the periodic rentals on your profit and loss statement. Certain ratios such as return on assets and return on equity may be improved.

© Siemens Financial Services, Inc. 2016