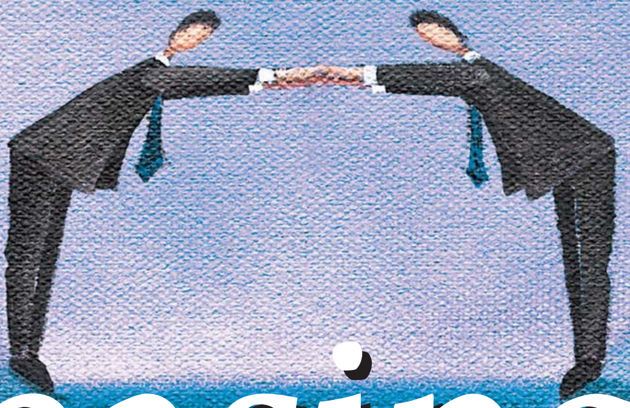
Guide to Leasing Equipment for your Laser Engraving/Cutting Business



Leasing

EPILOG LASER

epiloglaser.com

Leasing equipment for your laser engraving/cutting business

Get the equipment you need while maintaining cashflow

If you're interested in starting a laser engraving/cutting business or getting a laser system of your own, you may have questions regarding how to go about purchasing your equipment. Our associates at Geneva Capital, LLC. have put together an informative piece on the benefits of leasing to help you determine the best purchasing options to fit your needs. Read on to learn the answers to some of the most frequently asked questions regarding leasing.

What are typical lease terms?

Lease terms range from 12-60 months. The most typical lease term is 36 or 60 months (three or five years.)

Can I lease to own?

Yes. About 95 percent of Geneva Capital's clients select a "lease-to-own" plan.

Are there tax advantages to leasing?

Yes. In fact, one of the most appealing reasons new business owners lease equipment is because the Internal Revenue Service (IRS) does not consider an operating lease to be a purchase; rather it is a tax-deductible overhead expense. Therefore, you can deduct the lease payments from your corporate income.

Does leasing require a significant down payment?

No. Generally speaking, leasing requires little to no down payment. While the first and last month's payments may be required, leasing is almost identical to 100 percent financing.

How does leasing affect my cashflow?

You'll find leasing has a positive impact on your cashflow because you're not paying for the equipment in one lump sum. By selecting a lease, business owners can conserve cash for other uses like advertising, marketing or other expenses. Leasing also allows for you to forecast cash requirements more accurately as you know the amount and number of lease payments you will owe over the lease period.

Business is good – can I lease more equipment while still leasing my existing system?

Yes. Leasing opens the door for faster response to new business opportunities. Many leasing companies can approve an application for new equipment in a matter of a few days. This allows for you and/or your company to react quickly to a new opportunity before your competitors can.

How does leasing look to potential lenders?

Leasing can actually help you to look more attractive to traditional lenders when you need them. Operating leases are not considered long-term debt or liability on your balance sheet which makes you to look more stable to lenders when you need them.

Is leasing flexible?

Absolutely. Lessors offer other flexible terms which allow you to customize your lease to a program which will fit your needs and requirements – cash flow, budget, transaction structure, cyclical fluctuations, etc. For example, some leases allow you to miss one or more payments without a penalty, which is an important feature for seasonal businesses.

There are many different options to choose from when determining financing for your equipment and while leasing is the best option for many, it's not the solution for everyone. To find out if leasing is the best choice for you, or to create a leasing plan of your own, contact Geneva Capital LLC. at 800.408.9352 or visit www.gogenevacapital.com.

CASH VS. LOAN VS. LEASE

Why Leasing is the Best Option for You

CASH		LOAN		LEASE	
PRO	CON	PRO	CON	PRO	CON
Easy to use	Need to have enough cash to buy	Can get low rates	Requires credit check	Competitive rates to bank	Requires credit check
No interest or fees	No tax benefits	May have ability to consolidate with other loans	Rates and terms depend on credit quality	Creative structuring available to match business cycles	Rates and terms depend on credit quality
No credit checks	Impact on cash flow	Choose length of term	No flexibility in payments	Choose length of term	
Own equipment fast	Own equipment - responsible to sell when obsolete	Ability to stretch out purchase over time	May require downpayment	No downpayment - may require 1-2 advance payments	
			Limited tax benefits - only interest is deductible	Conserves/maximizes cash flow/working capital	
			Own equipment - responsible to sell when obsolete	Protects against obsolete equipment	
			Appears as liability on balance sheet	Flexible tax benefits - payments can be deductible	
			Reduces credit available for other needs	Leaves capital open for other purchases or investments	
				No liability on balance sheet	
				Start-ups and credit challenged can be structured	
				Option to buy, renew lease, or return equipment at end of term	

Geneva Capital L.L.C.

522 1/2 Broadway Street • Alexandria, MN 56308
PH: 800-408-9352 • Fax: 800-284-3974
sales@gogenevacapital.com • www.gogenevacapital.com