



LOXAM – 2016 FOURTH QUARTER AND FULL YEAR RESULTS **GROWTH OF REVENUE ACROSS ALL DIVISIONS, STEADY EBITDA MARGIN**

Paris - MARCH 14th, 2017

LOXAM, Europe's leading equipment rental company to professionals, published today its financial statements for the fourth quarter of 2016 and its audited accounts for 2016

2016 financial and business highlights:

- Revenue up by 11% at €927 million (+5% like-for-like and at constant FX)
- EBITDA of €305 million, with a stable margin at 33%
- Positive Free Cash Flow excluding bond refinancing costs and share buy-back
- Net financial debt of €1,141 million and leverage ratio at 3.7x
- In Q4, LOXAM recorded a good performance with a revenue growth of +4% and an increase in EBITDA of +15%.
- Confirmation of market recovery, notably in France

Other 2016 key highlights:

- Successful integration of HERC
- Change of depreciation policy as from 1 January 2016
- Share buy-back mostly completed

Post quarter: successful completion of the Hune and Lavendon Group Plc acquisitions

Gérard Déprez, Chairman and CEO of LOXAM commented:

“2016 was a year of solid growth, with an acceleration of the increase in revenue and EBITDA compared to the previous year. For the first time since the crisis, our revenue has grown in all our divisions in every quarter of the year, confirming the recovery in the equipment rental sector.

We are pleased to have completed the integration of HERC within our operations. We have also maintained our focus on cost discipline throughout the year, allowing us to deliver a steady EBITDA margin of 33% and a positive Free Cash Flow excluding the impact of bond refinancing and share buyback performed in Q4.

LOXAM is now entering 2017 with an optimized financing structure, and the Group will be in a position to work on the integration of the acquisitions of 2017, Hune and Lavendon, and benefit from the market growth in the geographies where they operate.”

KEY FIGURES (millions of Euro; IFRS)

| | Q4 2015 | Q4 2016 | FY 2015 | FY 2016 |
|---|--------------|--------------|--------------|--------------|
| Revenue | | | | |
| Generalist France | 142.2 | 148.1 | 514.7 | 573.3 |
| Specialist France | 36.7 | 43.1 | 141.4 | 163.6 |
| International | 48.6 | 50.3 | 182.1 | 189.9 |
| Total Revenues | 227.5 | 241.5 | 838.3 | 926.8 |
| EBITDA | | | | |
| Generalist France | 47.5 | 56.1 | 181.0 | 198.0 |
| Specialist France | 12.1 | 13.0 | 47.9 | 50.8 |
| International | 13.8 | 15.0 | 46.0 | 50.9 |
| Total EBITDA ⁽¹⁾ | 74.1 | 85.2 | 277.3 | 304.8 |
| EBITDA margin | | | | |
| Generalist France | 33.4% | 37.9% | 35.2% | 34.5% |
| Specialist France | 33.0% | 30.2% | 33.9% | 31.1% |
| International | 28.4% | 29.9% | 25.2% | 26.8% |
| Total EBITDA ⁽¹⁾ margin | 32.6% | 35.3% | 33.1% | 32.9% |
| EBIT | 24.8 | 100.1 | 90.0 | 161.1 |
| Recurring Free Cash Flow ⁽²⁾ | 23.0 | 14.8 | 60.0 | 11.2 |
| Gross capex | 41.3 | 71.0 | 150.8 | 230.9 |

⁽¹⁾ including contribution from real estate

⁽²⁾ Free cash flow before acquisitions, dividends, FX effects, HY issuance cost amortization and refinancing costs, share buy-back

The financial statements for Q4-2016 have been prepared according to IFRS and Q4-2015 financial statements have been restated under IFRS to provide a comparable basis.

REVENUE

LOXAM's consolidated revenue increased by 10.6% in 2016 to €927 million. Like-for-like, and at constant exchange rates, consolidated revenue increased by 5.1% thanks to an increase of utilization rates.

Revenue at the Generalist France division was up by 11.4% in 2016 at €573 million. This increase was driven by the organic growth of the depots over the year and the change of perimeter. This positive evolution, which reflects the French construction market recovery, was also observed in Q4, with a revenue growth of 3% at comparable structure.

The Specialist France division revenue increased by 15.7% in 2016 (+12.4% like-for-like) at €164 million, thanks to the same positive French market environment, as well as the additional revenue stemming from fleet expansion and new depots. During Q4, Specialist France revenue increased by 17.6% (16.5% like-for-like).

Overall, our revenue in France increased by 5.5% like-for-like in 2016, and 4.3% like-for-like during Q4-2016.

Outside of France, our International division recorded a revenue increase of 4.3% in 2016 at €190 million, or +3.7% like-for-like and at constant exchange rate. General market conditions have been favorable throughout the year, which helped to increase organically the revenue of most of our international business units. During the fourth quarter, the division has increased its revenue by 3.4%, or 4.2% like-for-like and at constant exchange rates.

EBITDA

Over the year, EBITDA increased by 9.9% to €305m. It stood at 32.9% of revenue, in line with the previous year. During Q4, EBITDA increased by 15.0% or +8.7% excluding capital gains on fleet disposals.

Across divisions, the EBITDA of Generalist France increased by 9.4% during the year, and upheld at 34.5% margin on revenue, a satisfactory level given the integration of the ex HERC depots. Specialist France increased its EBITDA by 6.1%, but the margin decreased at 31.1%, due to branch openings and an unfavorable price evolution. The international division posted a healthy 10.7% increase of its EBITDA, with a margin of 26.8%, benefiting from additional revenue while its cost structure remained broadly stable.

EBIT AND FINANCIAL INCOME

FY 2016 EBIT was significantly up at €161 million (+79%), reflecting the higher EBITDA, but mostly impacted by the change of our depreciation policy. In order to better reflect the actual useful life of our rental fleet, LOXAM has decided to change its depreciation policy. In accordance with industry standards, LOXAM now uses longer depreciation periods and residual values. The FY 2016 impact of this change on depreciation (including a retroactive effect as from 1 January 2016) was reduction of €68m.

The net financial expense of 2016 increased by €21 million, at €88 million, notably because of costs relating to the May 2016 early redemption of our 2020 Senior Subordinated Notes, and a foreign exchange hedging for our offer for the Lavendon Group Plc. Excluding non-recurring items, our net financial expense would have decreased by €6 million.

CASH FLOW AND INDEBTEDNESS

Free cash flow from operations for the year was positive, at +€11 million, thanks to higher EBITDA, lower cash financial interest, lower taxes and positive working capital requirement evolution. After the impact of the May 2016 early redemption of our 2020 Senior Subordinated Notes and the share buy-back, net financial debt increased by €116 million.

LOXAM completed most of its 11% share buy-back, as funds managed by 3i Plc and some minority shareholders participated to this offer in December 2016. Subsequently in January 2017, an additional 1% of the shares were bought back and cancelled.

At the end of December 2016, the net financial debt amounted to €1,141 million (vs. €1,025 million on year earlier) and the net debt to EBITDA leverage ratio stood at 3.7x.

POST QUARTER EVENTS

On 6 February 2017, LOXAM completed the acquisition of Hune, after having entered into exclusive negotiations in November 2016. Hune is one of the leading equipment rental companies in Spain with a network of 34 branches. It also operates a branch network in Portugal and joint-ventures in Saudi

Arabia and Colombia. In 2016, Hune consolidated revenue amounted to €66 million.

On 14 February 2017, LOXAM's recommended offer for Lavendon Group Plc ("Lavendon") became wholly unconditional as valid acceptances had been received for an equivalent of 59.5% of the Lavendon's issued capital. As of 14 March 2017, LOXAM owns 96% of Lavendon's fully diluted capital. Lavendon is Europe's largest access equipment rental company; it operates a network of 70 depots in Western Europe and the Middle East and recorded consolidated revenue of €344m in 2016. The acquisition of Lavendon has been financed by a bridge loan of € 795 million, while a new revolving credit facility of €75 million has also been put in place.

BUSINESS OUTLOOK

In France, we expect the building construction market to continue to grow in 2017. All of our divisions should see a revenue growth thanks to higher capex and favorable market environment. LOXAM will continue to take advantage of the opportunity offered in France concerning extra fiscal depreciation for capex.

FINANCIAL CALENDAR

Publication of first quarter 2017 results on May 23rd, 2017 (after market close) and conference call on May 24th, 2017.

INVESTOR CONTACTS

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ABOUT LOXAM

LOXAM is the leading equipment rental Company in Europe with consolidated revenue of €927 million in 2016 and approximately 5,000 employees. LOXAM's network of more than 640 branches extends over 11 countries in Europe (France, Germany, the United Kingdom, Ireland, Belgium, Switzerland, Spain, Luxemburg, the Netherlands, Denmark and Norway) as well as in Morocco and Brazil.

FORWARD-LOOKING STATEMENTS

This document includes "forward-looking statements" about LOXAM and its subsidiaries (the "Group"), including in relation to its strategy, plans or intentions. These statements may also address management's expectations regarding the Group's business, growth, future financial condition, LOXAM – FY & Q4 2016 Results

results of operations and prospects. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, the Group's actual results may differ materially from those that management expected. The Group has based these forward-looking statements on its current views and assumptions about future events. While it believes that these assumptions are reasonable, it is very difficult to predict the impact of known factors, and, of course, it is impossible to anticipate all factors that could affect the Group's actual results. All forward-looking statements are based upon information available to management on the date of this document. Investors are cautioned not to place undue reliance on such forward-looking statements.