



LOXAM – 2017 FIRST QUARTER RESULTS **ORGANIC GROWTH ACROSS ALL DIVISIONS**

Paris - May 23rd, 2017

LOXAM, Europe's leading equipment rental company to professionals, published today its financial statements for the first quarter of 2017.

Q1-2017 financial and business highlights:

- Revenue up by 44% to €297 million (+12% like-for-like and at constant FX)
- Revenue growth in all geographies
- EBITDA of €83 million, with a margin of 28%, up by 5 pts
- Increase in utilization rates
- Strong increase in fleet capex, in line with expectations
- Net financial debt of €2,063 million and leverage ratio at 4.4x

Other Q1-2017 key highlights:

- Closing of Hune and Lavendon acquisition
- Refinancing of the Lavendon acquisition in April

Gérard Déprez, Chairman and CEO of LOXAM commented:

"We are particularly satisfied with the first quarter results, which recorded strong organic growth and a significant improvement in our EBITDA margin.

Behind our headline revenue growth, to which the consolidation of Hune and Lavendon contributed, all LOXAM business units have grown thanks to positive market conditions. Our newly acquired businesses also traded positively during the past quarter.

Our priority for the coming quarters is to continue positioning our business units in order to seize the market growth, notably by providing them with the adequate fleet capacity.

As anticipated, our free cash flow generation was impacted by the strong increase in our fleet capex during the quarter and we expect our Net debt to EBITDA ratio to reach its peak by the end of the second quarter, before starting to decrease in the second part of the year.

The integration of Hune and Lavendon will start in the course of the second semester."

KEY FIGURES (millions of Euro; IFRS)

	<u>Q1 2016</u>	<u>Q1 2017</u>
Revenue		
Generalist France	129.2	143.8
Specialist France	35.4	46.7
International	41.5	106.9
Total Revenues	206.1	297.4
EBITDA		
Generalist France	31.8	40.5
Specialist France	8.6	13.4
International	7.5	28.7
Total EBITDA ⁽¹⁾	48.3	83.3
EBITDA margin		
Generalist France	24.6%	28.2%
Specialist France	24.4%	28.7%
International	18.0%	26.9%
Total EBITDA ⁽¹⁾ margin	23.4%	28.0%
EBIT	(3.9)	31.7
Recurring Free Cash Flow ⁽²⁾	7.9	(62.1)
Gross capex	41.4	115.8

Note : consolidation of Hune and Lavendon from 1st February 2017, with their respective accounting policies left unchanged.

⁽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

REVENUE

LOXAM's consolidated revenue increased by 44.3% in Q1-2017 to €297 million. Like-for-like, and at constant exchange rates, consolidated revenue increased by 11.8% thanks to an increase in utilization rates. Hune and Lavendon have been consolidated into LOXAM accounts as of 1st February 2017; since that date, Hune and Lavendon's revenue increased by 3.8% at constant exchange rates.

Revenue for the Generalist France division was up by 11.2% in Q1-2017 to €144 million. The revenue growth was homogenous across all French regions, which reflects the division's positive market environment, notably as far as construction is concerned. The positive revenue trend was also enhanced by a calendar effect, since Q1 2016 was impacted by Easter holidays, which fall in Q2 this year.

Specialist France division revenue increased by 32.1% in Q1-2017 (+15.2% like-for-like, excluding the consolidation of Lavendon France) to €47 million. The division's revenue was supported by the same market conditions and calendar effect as Generalist France. In addition, the branches opened in 2016 have continued their ramp-up and contributed to this strong organic growth.

Overall, LOXAM's revenue in France increased by 12.1% like-for-like in Q1-2017.

Outside of France, the Group's International division revenue more than doubled during Q1-2017 at €107 million, or a +10.7% growth like-for-like and at constant exchange rate. The contribution of Hune and Lavendon, at €61 million, was the main driver of the International revenue growth. In addition, all geographies have experienced positive organic growth during the quarter.

EBITDA

During Q1-2017, EBITDA increased by 72.7%, or +27.5% like-for-like. The EBITDA margin stood at 28.0%, 4.6pts higher than during Q1-2016.

At the divisions level, Generalist France EBITDA margin increased by 3.6 points during the quarter, at 28.2%, thanks to higher revenue and the effect of the network optimization and consolidation of HERC operations carried out in 2016. The 4.3 points increase in Specialist France EBITDA margin is mostly explained by the ramp-up of depots opened in 2016, which better covered their fixed costs. The International division's EBITDA, which quadrupled compared to Q1-2016, was boosted by the contribution of Hune and Lavendon operations, while the international business units of the LOXAM perimeter improved their EBITDA by 16.3% and their EBITDA margin by 1pt.

FINANCIAL INCOME

The net financial expense was roughly stable at €18 million since the savings derived from the May 2016 refinancing of the 2020 Senior Subordinated Notes were offset by the cost of the Lavendon acquisition bridge loan.

CASH FLOW AND INDEBTEDNESS

Free cash flow from operations for the quarter was negative, at €(62) million, since higher capex and an increase in the working capital requirement of the new perimeter outweighed the EBITDA improvement.

During the quarter, LOXAM also disbursed €850 million for the acquisition of Hune and Lavendon and €10 million for the completion of the share buy-back.

As a result, the net financial debt increased to €2,063m as of 31 March 2017 (vs. €1,141 million as of 31 December 2016), which represents a net debt to EBITDA leverage ratio of 4.4x.

POST QUARTER EVENTS

On April 4th, 2017, LOXAM completed the refinancing of the Lavendon acquisition bridge loan through the issuance of €300 million Senior Secured Notes due 2022 paying a coupon of 3.50%, €300 million Senior Secured Notes due 2024 paying a coupon of 4.25% and €250 million Senior Subordinated Notes due 2025 paying a coupon of 6.00%.

BUSINESS OUTLOOK

In all geographies, notably France, the Group expects the equipment rental market to continue to grow in 2017. All of LOXAM's divisions should see a revenue growth thanks to higher capex and favorable market environment.

FINANCIAL CALENDAR

Publication of second quarter 2017 results on August 29th, 2017 (after market close) and conference call on August 30th, 2017.

INVESTOR CONTACTS

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ABOUT LOXAM

LOXAM is the leading equipment rental Company in Europe with unaudited proforma consolidated revenue of €1330 million in 2016 and approximately 7,400 employees. LOXAM's network of more than 740 branches extends over 12 countries in Europe (France, Germany, the United Kingdom, Ireland, Belgium, Switzerland, Spain, Portugal, Luxemburg, the Netherlands, Denmark and Norway) as well as in the Middle East, 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, 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.