



## LOXAM – 2013 SECOND QUARTER RESULTS

### Results in line with expectations

Paris - August 28, 2013

LOXAM, Europe's leading equipment rental company to professionals, today announces its unaudited financial results for the second quarter of 2013.

#### Second quarter highlights:

- Revenue down 3.4% - a smaller decrease, as announced in Q1 2013;
- EBITDA margin representing 32.2% of revenue ;
- Gross fleet capex of €52.4M versus €25.8M in Q1 2012 ;
- 2013 results to be affected by the adverse weather conditions in Q1 2013

*“We experienced an improvement in our business environment in Q2 2013, which confirms that the sharp slowdown in Q1 2013 was due to bad weather conditions. We recorded stabilization of our activity in the Specialist Division in France, and a slight recovery in the International Division. Because of the weak environment in France, the Generalist Division recorded a 5.5% decrease in revenue. In this context, it is satisfactory that Loxam succeeded in maintaining its EBITDA margin, at 32.2%. For the rest of 2013, we expect that construction markets will remain challenging in Europe, and LOXAM will continue to focus on selective organic growth and CAPEX diversification while protecting its margins”* said Gérard Déprez, Chairman and CEO of LOXAM.

#### KEY FIGURES

M€	<u>Q2 2013</u> <u>(unaudited)</u>	<u>Q2 2012</u> <u>(unaudited)</u>	<u>H1 2013</u> <u>(unaudited)</u>	<u>H1 2012</u> <u>(unaudited)</u>
<b>Revenues</b>				
Generalist France	140.1	148.4	256.9	287.2
Specialist France	34.3	34.0	65.4	66.9
International	30.8	30.0	54.2	56.9
<b>Total Revenues</b>	<b>205.2</b>	<b>212.4</b>	<b>376.5</b>	<b>411.0</b>
<b>Adjusted EBITDA <sup>(1)</sup></b>				
Generalist France	45.0	49.3	70.4	94.9
Specialist France	12.1	12.1	21.8	24.3
International	8.7	9.6	12.5	16.1
Real Estate	0.3	0.3	0.7	0.6
<b>Total Adjusted EBITDA <sup>(1)</sup></b>	<b>66.1</b>	<b>71.3</b>	<b>105.4</b>	<b>135.9</b>
<b>Adjusted EBITDA <sup>(1)</sup> margin</b>				
Generalist France	32.1%	33.2%	27.4%	33.0%
Specialist France	35.3%	35.6%	33.3%	36.3%
International	28.2%	32.0%	23.1%	28.3%
<b>Total Adjusted EBITDA <sup>(1)</sup> margin</b>	<b>32.2%</b>	<b>33.6%</b>	<b>28.0%</b>	<b>33.1%</b>
<b>Adjusted EBIT <sup>(1)</sup></b>	<b>33.7</b>	<b>32.1</b>	<b>37.8</b>	<b>55.0</b>
<b>Net Income</b>	<b>13.8</b>	<b>13.6</b>	<b>5.4</b>	<b>22.7</b>
Free Cash Flow	- 20.9	19.0	- 41.9	22.0
CAPEX	54.8	30.7	92.3	58.6
<b>Leverage Ratio <sup>(2)</sup></b>			<b>3.4x</b>	<b>2.9x</b>

<sup>(1)</sup> Adjusted EBITDA excludes the non-recurring costs

<sup>(2)</sup> Leverage ratio is the net debt against the LTM EBITDA

## **REVENUE**

LOXAM's consolidated Q2 2013 revenue reached €205.2 million, down 3.4% compared to Q2 2012, a trend that is more in line with the current environment.

In France, Generalist division revenue was down 5.6% in Q2 2013 at €140.1 million, due to its exposure to a decreasing construction market. Specialist division revenue was slightly up 0.9% at €34.3 million compared to €34.0 million in Q2 2012 helped by the performance of our businesses in civil engineering, modular construction and scaffolding.

In our international markets, we noticed the start of a recovery in Q2 2013, at €30.8 million up 2.7%, as businesses in Northern Europe performed better after the bad winter months.

## **EBITDA**

Given the decrease of activity, the adjusted EBITDA margin is slightly down at 32.2% of revenue in Q2 2013 compared to 33.6% in Q2 2012. By division, adjusted EBITDA margin remained high at the Specialist division. The adjusted EBITDA margin for the International division was satisfying at 28.2%. Generalist division in France still benefits from good margins, at 32.1% in Q2 2013 compared to 33.2% in Q2 2012.

## **CASH FLOW AND INDEBTEDNESS**

In Q2 2013, LOXAM recorded a negative free cash flow of €20.9 million mainly driven by a high level of capital expenditures amounting to €54.8 (increasing by €24.1 million as compared to last year). Over the first half of the year, the negative free cash flow amounted to 41 M€ as Loxam stayed committed to its capex plan, despite the weakness of the first quarter.

At the end of June 2013, the net financial debt amounted to €825 million. The Group's leverage ratio (calculated as the ratio of the net financial debt over the LTM Adjusted EBITDA) stood at 3.4x on 30/06/13.

On 30/06/13, Loxam had €212 million in cash position of which €150 million is dedicated to fund growth projects.

## **BUSINESS OUTLOOK**

In France, the economic environment is expected to remain challenging in 2013 but the Group still considers that major infrastructure projects should partly compensate the decrease in the construction market. However, Q2 has demonstrated a clear improvement compared to Q1, and confirms that a significant proportion of the sharp slowdown in the beginning of the year was due to bad weather conditions. The group's strategy to maintain capex policy in line with an average spend is relevant and allowed the group to benefit already from the recovery of some Business Units.

LOXAM remains confident for the full year's outlook, and, as mentioned in May, will continue investing to renew and diversify its fleet and attract new customers, with total capex for 2013 to reach €200 million. Financial performance for the remaining of 2013 (second half) will be in line with our initial forecast.

## INVESTOR CONTACTS

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## ABOUT LOXAM

LOXAM is the leading equipment rental Company in Europe with consolidated revenue of €828 million in 2012 and approximately 4,300 employees. LOXAM's network of 600 branches extends over 10 countries in Europe (France, Germany, the United Kingdom, Ireland, Belgium, Switzerland, Spain, Luxemburg, the Netherlands and Denmark) as well as in Morocco.

## 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.