LOXAM – 2018 FIRST QUARTER RESULTS

CONTINUED ORGANIC GROWTH
SUPPORTED BY THE CONSTRUCTION CYCLE

Paris - May 29th, 2018

LOXAM, Europe's leading equipment rental company to professionals, published today its financial statements for the first quarter of 2018.

First quarter highlights

- Revenue up by 16% (+4% like-for-like and at constant FX)
- EBITDA margin up by 0.6pts year-on-year to 29%
- Stable Net debt / proforma EBITDA ratio as of 31 March 2018: 4.46x
- Progress in integration of recently acquired companies

Gérard Déprez, Chairman and CEO of LOXAM commented:

"We are satisfied with our performance for the start of 2018. Thanks to a favorable construction environment and mild weather conditions overall, LOXAM continued to deliver a good organic growth in Q1.

Capex have been committed and delivered as planned, which enabled us to expand our fleet capacity. Our Q1 growth relied partly on volume but was also stimulated by an increase in rental prices. All of our divisions recorded organic growth and most of our countries improved their profitability at the EBITDA level.

We have also made good progress in integrating Lavendon and Hune, as we have carried out the merger of our local subsidiaries in the UK, Spain and France respectively.

We are confident that the market conditions and the implementation of our capex plan will enable LOXAM to continue recording organic growth during the rest of the year."

KEY FIGURES (millions of Euro; IFRS)

	Q1 2017	Q1 2018
Revenue		
Generalist France	143.8	151.8
Specialist France	46.7	52.2
International	106.9	140.0
Total Revenues	**297.4**	**344.0**
EBITDA		
Generalist France	40.5	42.3
Specialist France	13.4	16.5
International(2)	28.6	38.7
Total EBITDA(1)	**83.3**	**98.5**
EBITDA margin		
Generalist France	28.2%	27.9%
Specialist France	28.7%	31.6%
International	26.9%	27.7%
Total EBITDA(1) margin	**28.0%**	**28.6%**
EBIT	**31.7**	**34.2**
Recurring Free Cash Flow	(37.1)	(31.7)
Gross capex	115.8	96.9

(1) including contribution from real estate
(2) Includes in Q1 2018 a non-recurring bad debt provision of €1.2m for a Saudi Arabian JV, related to FY 2017.

REVENUE

LOXAM's consolidated revenue increased by 15.6% during Q1 2018 to €344 million. Like-for-like, and at constant exchange rates, consolidated revenue increased by 4.3%.

Revenue of the Generalist France division was up by 5.6% during the first quarter to €152 million. In addition to the positive construction environment, the division has benefited from an expanded fleet capacity as well as an encouraging pricing trend.

Specialist France division revenue increased by 11.7% during Q1 2018 to €52million (+5.2% like-for-like). The market demand was favorable for all of the division's business units, including those less exposed to the construction market.

Overall, LOXAM's revenue in France increased by 7.1% in Q1, and by 5.5% like-for-like.

Outside of France, the Group's International division revenue increased by 30.9% during Q1 2018 to €140 million driven by changes in perimeter, or +2.4% like-for-like and at constant exchange rates. This revenue development was achieved thanks to a favorable construction environment for all countries, and in the context of the implementation of our integration plans for the companies acquired in 2017.

EBITDA

During the first quarter, EBITDA increased by 18.2% thanks to the consolidation of companies acquired last year, and by 6.5% like-for-like and at constant exchange rates. The EBITDA margin stood at 28.6%, 0.6 point higher than in Q1 2017.

Across divisions, the EBITDA of Generalist France increased by 4.5% during the quarter, resulting in an EBITDA margin of 27.9%; the slightly lower margin (-0.3 points vs. 2017) was due to lower fleet capital gains. Specialist France EBITDA increased by 23.6% thanks to the integration of Lavendon France and an improvement of its underlying profitability; the division's EBITDA increased by 17.5% like-for-like during the quarter and the margin was 31.6%. The international division posted a 4.2% increase of its EBITDA like-for-like, at constant exchange rates and excluding the impact of a non-recurring bad debt provision in the Middle East. The margin reached 27.7%, 0.8 points higher than in Q1 2017, thanks to the contribution of the main acquisitions and an increase of most countries' EBITDA margin.

FINANCIAL INCOME

The net financial expense, at €25 million, increased by €7 million compared to the same period last year, as a result of the change in the Group's financing structure in the course of Q1 2017, as the financing of the Lavendon acquisition was put in place.

CASH FLOW AND INDEBTEDNESS

Recurring free cash flow (before M&A and excluding non-recurring items) was negative, at €(32) million, due to the seasonally lower EBITDA and a high level of Capex disbursements.

The net financial debt amounted to €2,151 million as of 31 March 2018, which represents a net debt to proforma EBITDA leverage ratio of 4.46x.

BUSINESS OUTLOOK

In the vast majority of our geographies, notably in France, the Group expects the equipment rental market to continue to grow throughout 2018, in line with the construction sector's prospects. All of LOXAM's divisions should continue to grow, while the process of integrating last year's acquisitions will continue.

FINANCIAL CALENDAR

Publication of Q2 2018 results on August 28th, 2018 (after market close) and conference call on August 29th, 2018.

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ABOUT LOXAM

LOXAM is the leading equipment rental company in Europe with unaudited proforma consolidated revenue of €1,435 million in 2017 and approximately 7,900 employees. LOXAM's network of more than 750 branches extends over 13 countries in Europe (France, Germany, the United Kingdom, Ireland, Belgium, Switzerland, Spain, Portugal, Luxemburg, the Netherlands, Denmark, Norway and Italy) as well as in the Middle East, Morocco and Brazil.

FORWARD-LOOKING STATEMENTS