



LOXAM – 2019 FIRST QUARTER RESULTS
SOUND ORGANIC GROWTH,
EBITDA MARGIN IMPROVEMENT

Paris - May 28th, 2019

Note: all financial data mentioned in this document, in particular EBITDA and Net Debt, do not include adjustments deriving from the application of IFRS 16 accounting norm, except where otherwise stated.

LOXAM, Europe's leading equipment rental company to professionals, published today its financial statements for the first quarter of 2019.

First quarter highlights

- Revenue of €367 million up by 7% (+3% at constant perimeter and FX)
- EBITDA margin up by 1.2pts year-on-year to 30%
- Stable Net debt / proforma EBITDA ratio as of 31 March 2019: 4.26x
- Closing of the acquisition of UK Platforms
- Solid macro-economic and construction environment

Post quarter

- Refinancing of Senior Secured Notes 2021 and Subordinated Notes 2022

Gérard Déprez, Chairman and CEO of LOXAM commented:

"We are very satisfied with the results of our first quarter, which show a sound level of organic growth and an improvement of our EBITDA profitability.

In France, the early delivery of our capex has enabled our branches to respond swiftly to a strong level of demand, particularly in the civil engineering sector. Out of France, our revenue performance was satisfactory, since our International division has grown organically, to the exception of the Middle East region.

We have also been delighted to receive a gold label from Ecovadis, an independent CSR policies appraiser, which demonstrates the level of maturity reached by our group since it adhered to the UN Global Compact 5 years ago.

Going forward, we are confident that the favorable market conditions should continue; we should therefore record organic growth for the whole year 2019, as anticipated.

Nevertheless, as planned, our capex spend will decrease compared to last year, for the next quarters to come."

KEY FIGURES (millions of Euro; IFRS)

	<u>Q1 2018</u>	<u>Q1 2019</u>	<u>Q1 2019</u> <u>IFRS 16</u>
Revenue			
Generalist France	151.1	162.1	162.1
Specialist France	52.9	54.6	54.6
International	140.0	150.5	150.5
Total Revenue	343.9	367.3	367.3
EBITDA			
Generalist France	42.1	51.8	59.8
Specialist France	16.8	15.6	17.1
International	38.7	39.5	46.0
Total EBITDA⁽¹⁾	98.5	109.3	126.2
EBITDA margin			
Generalist France	27.8%	31.9%	36.9%
Specialist France	31.8%	28.6%	31.4%
International	27.7%	26.3%	30.6%
Total EBITDA⁽¹⁾ margin	28.6%	29.8%	34.4%
EBIT	34.2	34.3	35.3
Recurring Free Cash Flow	(31.7)	(24.0)	(24.0)
Gross capex	96.9	179.0	179.0

⁽¹⁾ including contribution from real estate

REVENUE

LOXAM's consolidated revenue increased by 6.8% during Q1 2019 to €367 million. At constant perimeter and FX, consolidated revenue increased by 3.4%.

Revenue of the Generalist France division was up by 7.3% during the first quarter, to €162 million. The division has benefited from the dynamic construction environment, mild weather conditions and the early delivery of new machines in France.

Specialist France division revenue increased by 3.3% during Q1 2019 to €55 million, benefiting, like Generalist France from the same favorable background.

Overall, LOXAM's revenue in France increased by 6.3% in Q1.

Outside of France, the Group's International division revenue increased by 7.5% during Q1 2019 to €150 million, or a decrease of -0.6% at constant perimeter and FX. Like during the last quarters, our Middle East operations have weighed down on the division's revenue, which was otherwise growing.

EBITDA

During the first quarter, EBITDA increased by 11.0%, or by 6.4% at constant perimeter and FX, to €109 million. The EBITDA margin stood at 29.8%, 1.2 point higher than in Q1 2018.

The application of IFRS 16, which implies a capitalization of our operating lease contracts, increases our first quarter EBITDA by €17 million, to €126 million.

Across divisions, before application of IFRS 16, the EBITDA of Generalist France increased by 23.2% during the quarter, resulting in an EBITDA margin of 31.9%. This high margin was achieved thanks to a good control of costs. Specialist France EBITDA decreased by 6.9% as Q1 2018 was a high comparison basis and the division's EBITDA performance was also impacted by certain cost

overruns. The international division posted a -8.9% decrease of its EBITDA at constant perimeter and FX. The decrease of EBITDA was due to lower capital gains, as well as the evolution of profitability in the Middle East.

FINANCIAL INCOME

The net financial expense, excluding IFRS 16 impact, at €25 million, was €2 million lower than the same period last year thanks to savings on bond coupons stemming from the summer 2018 partial early redemptions of notes.

CASH FLOW AND INDEBTEDNESS

Recurring free cash flow (before M&A and excluding non-recurring items) was negative, at €(24) million, due to the seasonally lower EBITDA and a high level of Capex disbursements.

The level of fleet capex during Q1 was particularly high, since most of our investment for France had to be delivered before mid-April, in order to fulfill the constraints of a special tax incentive. This also explains the high level of fixed asset suppliers' debt by the end of the first quarter.

The net financial debt amounted to €2,218 million as of 31 March 2019, which represents a net debt to proforma EBITDA leverage ratio of 4.26x.

POST QUARTER EVENT

On April 11th, 2019, LOXAM proceeded with the early redemption of its Senior Secured Notes due 2021 and Senior Subordinated Notes due 2022 for the totality of their outstanding amounts, respectively €239.3 million and €225 million. The redemption was funded by the issuance of €300 million of new Senior Secured Notes due 2026, paying a coupon of 2.875% and the issuance of €200 million of new Senior Subordinated Notes due 2027, paying a coupon of 4.50%.

This refinancing will generate a saving on coupons of approximately €11 million, on an annual basis.

BUSINESS OUTLOOK

We anticipate a continuation of the favorable market conditions in the vast majority of our geographies during the rest of the year. Accordingly, we should continue to record organic growth during the next quarters.

FINANCIAL CALENDAR

Publication of Q2 2019 results on September 3rd, 2019 (after market close) and conference call on September 4th, 2019.

INVESTOR CONTACTS

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ABOUT LOXAM

LOXAM is the leading equipment rental company in Europe with consolidated revenue of €1,483 million in 2018 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

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.