



LOXAM – 2019 SECOND QUARTER RESULTS **CONTINUING ORGANIC GROWTH, ROBUST EBITDA MARGIN**

Paris – September 3rd, 2019

Note: all financial data mentioned in this document exclude Ramirent and do not include adjustments deriving from the application of IFRS 16 accounting standard, except where otherwise stated.

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

Second quarter highlights

- Revenue of €393 million up by 5% (+3% at constant perimeter and FX)
- EBITDA of €137 million up by 3% (+1% at constant perimeter and FX)
- Net debt / proforma EBITDA ratio as of 30 June 2019: 4.38x
- Overall positive macro-economic and construction environment
- CSR and digital initiatives gain momentum

Post quarter

- Acquisition of Ramirent Group
- Issuance of €1,400 million of bonds to finance the acquisition

Gérard Déprez, Chairman and CEO of Loxam commented:

"We are pleased with the results of our second quarter, which show our ability to continue to grow organically and increase our EBITDA.

In France, both divisions performed well and the Specialist division had a very good quarter thanks to the increase in demand from the building construction segment. The revenue performance of our International division continued to be affected by the decrease in the Middle East. Apart from this region, our International Division continued to grow organically.

As expected, the capex spend was lower in Q2 as most of the French capex were delivered in the first quarter. As the level of capex will continue to decrease over the next quarters, Loxam will generate a positive free cash flow in 2019.

For the second half of the year, we are confident that market conditions will continue to be favorable overall, and that the Group will continue to record organic growth.

At last, we are extremely pleased with the outcome of the friendly take-over made on Ramirent shares. This strategic acquisition of the second largest rental company in Europe will enable Loxam to become the world's third biggest rental Group, with leading market positions in more than ten European markets. Now that the transaction phase is almost complete, we look forward to working with Ramirent's management on a successful integration of our two groups."

KEY FIGURES (in millions of euros; excluding IFRS 16)

	<u>Q2 2018</u>	<u>Q2 2019</u>	<u>H1 2018</u>	<u>H1 2019</u>
Revenue				
Generalist France	167.0	174.4	318.1	336.5
Specialist France	55.7	61.4	108.6	116.0
International	150.5	157.6	290.4	308.1
Total Revenues	373.2	393.3	717.1	760.6
EBITDA				
Generalist France	60.4	66.9	102.5	118.7
Specialist France	19.7	21.2	36.8	37.2
International	52.5	48.4	91.9	88.7
Total EBITDA⁽¹⁾	133.1	136.9	231.6	246.2
EBITDA margin				
Generalist France	36.2%	38.3%	32.2%	35.3%
Specialist France	35.4%	34.5%	33.9%	32.1%
International	34.9%	30.7%	31.6%	28.8%
Total EBITDA⁽¹⁾ margin	35.7%	34.8%	32.3%	32.4%
EBIT	58.8	58.5	93.0	92.8
Recurring Free Cash Flow	(20.7)	(59.1)	(52.4)	(83.1)
Gross capital expenditure	128.8	83.5	225.7	262.6

⁽¹⁾ including contribution from real estate

REVENUE

Loxam's consolidated revenue increased by 5.4% during Q2 2019 to €393 million. At constant perimeter and exchange rates, consolidated revenue increased by 2.5%.

Revenue of the Generalist France division was up by 4.5% during the second quarter to €174 million. The division enjoyed another quarter of good commercial performance benefiting from the solid construction environment in France and the early delivery of its capex.

Specialist France division revenue increased by 10.1% during Q2 2019 to €61 million. The growth rate accelerated in the quarter thanks to higher demand from building construction and industrial customers.

Overall, Loxam's revenue in France increased by 5.9% in Q2.

Outside of France, the Group's International division revenue increased by 4.7% during Q2 2019 to €158 million, or a decrease of -2.3% at constant perimeter and exchange rates. The weak market in the Middle East, exacerbated by competition from new entrants, continued to weigh down on the division performance.

EBITDA

During the second quarter, EBITDA increased by 2.8%, or 1.0% at constant perimeter and exchange rates. The EBITDA margin level was satisfying at 34.8%.

Across divisions, the EBITDA of Generalist France increased by 10.7% during the quarter, resulting in an EBITDA margin of 38.3%. The increase of the EBITDA was supported by higher capital gains made on fleet disposals following the early delivery of the capex. Specialist France EBITDA

increased by 7.3% during the quarter thanks to the growth of its revenue and its margin stood at 34.5%. The international division posted a 12.5% decrease of its EBITDA at constant perimeter and exchange rates as a consequence of the decrease of its organic revenue and lower capital gains. The margin stood at 30.7%.

FINANCIAL INCOME

The net financial expense was €42 million, vs. €25 million in Q2 2018. The increase in financial expense was entirely due to non-recurring expenses related to the bond refinancing which took place in April and a provision for the bridge loan concluded in June for the acquisition of Ramirent. Non-recurring financial costs of the quarter totaled €19 million.

CASH FLOW AND INDEBTEDNESS

Recurring free cash flow (before M&A and excluding non-recurring items) was negative, at €(59) million, vs. €(21) million in Q2 2018 as a consequence of the payments of the capex delivered in Q1 2019.

The net financial debt amounted to €2,288 million as of 30 June 2019, which represents a net debt to proforma EBITDA leverage ratio of 4.38x.

OTHER EVENT OF THE QUARTER

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.

On June 10th Loxam announced a recommended take-over on all the outstanding shares of Ramirent. The take-over has been a success and Loxam owns 98.2% of Ramirent shares.

POST QUARTER EVENTS

In parallel to the take-over process, Loxam launched in July a process to issue €1,400 million of bonds to fund the acquisition of the shares of Ramirent and refinance its financial debt.

On July 22nd, 2019, Loxam issued successfully three new tranches of bonds: €700 million of Senior Secured Notes maturing in January 2025, €450 million of Senior Secured Notes maturing in July 2026 and €250 million of Senior Subordinated Notes maturing in July 2027.

In August, the squeeze-out process for the Ramirent shares not owned by Loxam has started and should complete by the end of the year.

BUSINESS OUTLOOK

We anticipate a continuation of the favorable market conditions in the vast majority of our geographies during the rest of the year.

FINANCIAL CALENDAR

Publication of Q3 2019 results on November 26th, 2019 (after market close) and conference call on November 27th, 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.