



**LOXAM – 2019 FOURTH QUARTER AND FULL YEAR RESULTS**  
**A YEAR OF MAJOR TRANSFORMATION AND SOLID PERFORMANCE**  
**RESILIENT 4<sup>th</sup> QUARTER**

**Paris - MARCH 17<sup>th</sup>, 2020**

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*Note: all financial data mentioned in this document, in particular EBITDA and Net debt, do not include adjustments resulting 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 fourth quarter and full year 2019.

**FY 2019 highlights**

- Creation of a “pan-European leader” in equipment rental thanks to the acquisition of Ramirent
- Revenue of €1,871 million, up by 26.2% (+1.9% at constant perimeter and FX)
- EBITDA of €609 million, solid margin at 32.5% of the annual revenue
- Net debt / proforma EBITDA ratio as of 31 December: 4.91x (4.72x post-IFRS 16)
- Positive recurring free cash flow generation of €86 million

**Q4-2019 Highlights**

- Revenue of €587 million, growing by 52%
- Loxam Q4 revenue flat at constant perimeter and FX; Ramirent Q4 revenue -1.9% at constant perimeter and FX
- EBITDA with a seasonal margin of 30.4% including Ramirent
- Significant positive recurring free cash flow
- ISO 45001 certification (health & safety) obtained

Gérard Déprez, Chairman and CEO of LOXAM commented:

*“2019 has been an outstanding year of transformation for the Loxam Group. Thanks to the acquisition of Ramirent we have created a pan-European leader in equipment rental with attractive positions in the main European markets.*

*The economic conditions have remained positive throughout the year enabling the Group to grow organically for a fourth consecutive year. In France, we are pleased to have established the benchmark for organic growth in the profession with an annual organic growth rate of +4.5% in 2019 and a three year organic growth rate of 6.3%.*

*On a pro forma basis, including a 12 months contribution from Ramirent, our revenue reached €2.3 billion with an EBITDA margin of 31.8% before synergies.*

Thanks to a strict financial policy, we have started to reduce our indebtedness and already generated a positive free cash flow before M&A.

We are also extremely proud of our progress on the implementation of our CSR policies as we achieved 75% of our 20 goals set for 2019. Among these targets, we managed to reduce even further the number of accidents of our workforce, obtained an ISO 45001 certification which reviews our policies in terms of health and safety, and increased our investment in low GHG emission equipment.

We will monitor closely the situation regarding Covid-19, which at the end of February has had no major impact to our operations. Our liquidity is high and we have no major debt repayment in the year.”

## KEY FIGURES (millions of Euro; excluding IFRS 16)

	<u>Q4 2018</u>	<u>Q4 2019</u>	<u>FY 2018</u>	<u>FY 2019</u>
<b>Revenue</b>				
Generalist France	173.7	174.6	655.8	681.5
Specialist France	59.4	62.3	228.5	242.8
International	154.4	350.4	598.3	947.2
<b>Total Revenues</b>	<b>387.5</b>	<b>587.3</b>	<b>1482.6</b>	<b>1871.4</b>
<b>EBITDA</b>				
Generalist France	59.8	57.7	225.5	237.8
Specialist France	19.0	20.4	78.2	80.6
International	49.4	99.8	195.3	287.8
<b>Total EBITDA<sup>(1)</sup></b>	<b>128.7</b>	<b>178.6</b>	<b>500.7</b>	<b>609.0</b>
<b>EBITDA margin</b>				
Generalist France	34.4%	33.1%	34.4%	34.9%
Specialist France	32.0%	32.7%	34.2%	33.2%
International	32.0%	28.5%	32.6%	30.4%
<b>Total EBITDA<sup>(1)</sup> margin</b>	<b>33.2%</b>	<b>30.4%</b>	<b>33.8%</b>	<b>32.5%</b>
<b>EBIT</b>	<b>51.6</b>	<b>58.0</b>	<b>212.9</b>	<b>235.3</b>
Recurring Free Cash-Flow	40	92	2	86
Gross capital expenditures	97	61	412	383

<sup>(1)</sup> Including contribution from real estate.

## REVENUE

LOXAM’s consolidated revenue for the year increased by 26.2% in 2019 to €1,871 million. At constant perimeter and exchange rates, consolidated revenue increased by 1.9%.

Revenue of the Generalist France division was up by 3.9% in 2019 to €681 million. The revenue growth recorded during the last quarter of the year at +0.5%, has been affected by the number of trading days.

Specialist France division revenue increased significantly by +6.2% in 2019 to €243 million thanks to the capex spent to expand its fleet. The revenue was up by 4.9% during the fourth quarter.

Overall, LOXAM’s organic revenue in France increased by a satisfying +4.5% in 2019 and by 1.6% during Q4-2019.

Outside of France, the Group’s International division revenue increased by 58.3% in 2019 to €947 million. At constant perimeter and exchange rates, the revenue of the International division decreased by -2.0% in 2019 because of the Middle East.

During Q4-2019, the international division revenue decreased by 3.5% at constant perimeter and exchange rates. Ramirent revenue decreased by 1.9% at constant perimeter and exchange rates as a consequence of the decrease in the Swedish construction market.

On a pro forma basis, the Group revenue amounted to €2,295 million and was spread across a network of 1069 branches in 30 countries.

## **EBITDA**

Over the year, EBITDA increased by 21.6% to €609 million and was stable at constant perimeter and currency exchange rates. The EBITDA margin remained strong at 32.5%.

During Q4-2019, EBITDA increased by 38.7% to €179 million.

Across divisions, the EBITDA of Generalist France increased by 5.5% during the year, resulting in a robust EBITDA margin of 34.9% (+0.5pts vs. FY 2018). Specialist France increased its EBITDA by 3.0% and reached a margin of 33.2% (-1.4pts vs. FY 2018) because of lower capital gains.

The International division posted a 47.4% increase of its EBITDA, boosted by the contribution of Ramirent. At constant perimeter and exchange rates, EBITDA of the International division posted a decrease of 8.1%, as a consequence of a decrease of the EBITDA margin in the Middle East. The Group's International division margin reached 30.4%.

On a pro forma basis, including a contribution from Ramirent over 12 months, the Group EBITDA amounts to €730 million, excluding any synergies from Ramirent and Stavdal acquisitions. Including IFRS 16 adjustments, the Group pro forma EBITDA stood at €832 million, at a margin of 36.2%.

## **FINANCIAL INCOME**

The net financial expense for the year amounted to €154 million. Financial expense included non-recurring costs of €28 million for the call premium paid in April 2019 and for the cost of the bridge to finance the acquisition of Ramirent. The financial cost on the operating leases (IFRS 16) amounted to €10 million. The interest charge also includes a cost of €24 million for five months interest cost on the €1,400 million bonds issued in July 2019.

## **CASH FLOW AND INDEBTEDNESS**

Recurring free cash flow was positive, at €86 million, vs. €2 million in FY 2018 thanks to higher EBITDA and to the decrease of capex. The fleet capex decreased by 8% to €345 million. Excluding Ramirent, the capex decreased by 18%.

At the end of the year, the liquidity of the Group was high with € 230 million of cash on the balance sheet and a €75 million undrawn RCF. The net financial debt amounted to €3,675 million as of 31 December 2019, which represents a net debt to proforma EBITDA leverage ratio of 4.91x (4.72x post IFRS 16).

## BUSINESS OUTLOOK

In 2020, we expect the overall construction sector and economic environment to slowdown gradually. We will continue to manage our costs strictly and will lower our capex in line with the cycle.

We will generate a positive amount of free cash flow which will help to reduce our financial debt.

Our liquidity has remained high and we do have a low level of debt amortization in 2020 and 2021.

To this date, the Covid 19 pandemic has had no major impact on our financial performance and cash flow.

We will manage the shutdown caused by Covid-19 pandemic as a unusual winter disruption.

We monitor closely the situation and have adapted our organization to continue to serve some customers and protect our employees

## FINANCIAL CALENDAR

Publication of Q1 2020 results on May 27<sup>th</sup> 2020.

## INVESTOR CONTACTS

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## ABOUT LOXAM

The Loxam Group is the leading equipment rental company in Europe with consolidated revenue of €1,871 million in 2019 and approximately 11,300 employees. The Group has become the 3rd largest player in the world with €2.3 billion of total pro forma revenue in 2019 and a network of 1069 branches over 30 countries on four continents.

## 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.