LOXAM – 2020 SECOND QUARTER RESULTS
PERFORMANCE BENEFITS FROM GEOGRAPHICAL DIVERSIFICATION, COMFORTABLE LIQUIDITY

Paris – August 25th, 2020

Loxam, Europe's leading equipment rental company to professionals, published today its financial statements for the second quarter of 2020.

Second quarter highlights

- All operations affected by Covid-19, yet to a different degree across geographies
- Revenue of €433 million up by 10% (-24% at constant perimeter and FX)
- EBITDA of €157 million up by 4% with a margin of 36%
- Positive free cash-flow of € 114 million

H1 highlights

- Revenue of €927 million up by 22% (-17% at constant perimeter and FX)
- EBITDA of €305 million up by 10% with a margin of 33%
- Comfortable liquidity at €826 million as at June 30, 2020
- Net debt / pro forma LTM EBITDA ratio at 5.08x

Gérard Déprez, Chairman and CEO of Loxam commented:
"Considering the circumstances of the Covid-19 pandemic disrupting our operations from March, we are pleased with the Group's performance in the second quarter. The results of Q2 confirm the pertinence of our strategy to diversify from our domestic market and the soundness of our model of operations which showed its ability to maintain a high level of EBITDA margin thanks to cost cutting measures.
I am satisfied that we have been able to continue to serve our customers as we successfully implemented a continuity plan when the pandemic broke out and then rapidly rolled out a recovery plan when business conditions quickly improved. The Group is now trading almost everywhere under normal conditions even though the level of activity has not recovered its pre-crisis level.
I would like to thank all the staff who showed a relentless dedication to maintaining a high quality of service to our customers despite the complicated circumstances during the last quarter. I also address my thanks to our executives who managed skillfully their business units and departments in this unprecedented crisis.
This exceptional situation did not stop us from moving forward on medium-term projects such as our digital transformation and also on the integration of Ramirent. Our rigorous financial policy has enabled us to achieve a strong free cash flow generation of €114 million in the quarter. In addition, the

confidence of financial institutions has enabled us to increase our liquidity to a comfortable level of € 826 million.
Finally, I am pleased to announce the publication of our 2019 CSR report which details our recent achievements and commitments and lays the path for sustainable performance in the long term."

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

In millions of Euro	Q2 2019	Q2 2020	H1 2019	H1 2020
Revenue				
Generalist France	174	117	337	261
Specialist France	61	42	116	93
International	158	275	308	574
Total Revenue	**393**	**433**	**761**	**927**
EBITDA (post IFRS 16)				
Generalist France	74	50	134	92
Specialist France	22	16	40	31
International	54	90	101	179
Total EBITDA(1)	**152**	**157**	**278**	**305**
EBITDA margin				
Generalist France	42.5%	42.4%	39.8%	35.2%
Specialist France	36.4%	37.9%	34.4%	33.3%
International	34.2%	32.8%	32.7%	31.3%
Total EBITDA(1) margin	**38.6%**	**36.3%**	**36.5%**	**32.9%**
EBIT	**60**	**21.2**	**94.9**	**29.4**
Free Cash Flow	(64)	114	(80)	181
Gross capex	84	43	263	98

(1) *including contribution from real estate*

REVENUE

Our consolidated revenue during Q2 2020 was €433 million, an increase of 10.2% compared to Loxam's Q2 2019 revenue. At constant perimeter (including Ramirent), and exchange rates, consolidated revenue decreased by 23.9% compared with Q2 2019.

Overall, Loxam's revenue in France decreased by 32.7% as compared with Q2 2019, as the French construction market was brought to a standstill in the early part of Q2 2020 before recovering gradually. In June 2020, a month benefitting from two trading days more than June 2019, the decrease in our French revenue was limited to 6%.
Revenue of our Generalist France division was €117 million in Q2 2020, a decrease of 32.8% compared to Q2 2019. Revenue of our Generalist France division was affected by the strict lockdown measures introduced to curb the Covid-19 outbreak from mid-March to Mid-May. During the lockdown period, activity on construction sites was sharply reduced but increased rapidly thereafter. Our Specialist France division revenue was €41 million in Q2 2020, a decrease of 32.4% compared to Q2 2019, as the division was hampered by the cancellation of events due to the pandemic.

Revenue of the International division was €275 million in Q2 2020, an increase of 74.2% compared with Q2 2019, as a result of the change in our consolidation scope due to the acquisition of Ramirent. At constant perimeter and exchange rates, revenue of the International Division decreased by 17.8%. Trading conditions were affected by the pandemic in most countries, especially the UK, which suffered from a prolonged lock-down, and the Middle East, where the market has remained weak. Mitigating the decrease in revenue, Ramirent enjoyed a satisfactory performance with a decrease of its revenue limited to 9%.

EBITDA

EBITDA for Q2 2020 was €157 million, an increase of 3.6% compared with Q2 2019. At constant perimeter and exchange rates, EBITDA decreased by 24.9% in line with the decrease in our revenue. Our EBITDA margin level was therefore satisfactory at 36.3%, as each of our divisions maintained a high level of EBITDA margin. Variable costs were cut in the second quarter of 2020. We also benefited temporarily from the support of furlough mechanisms, where applicable.

In France EBITDA decreased by 31.5% during the quarter. Across divisions, Q2 2020 EBITDA of our Generalist France division decreased by 32.9%, resulting in a stable and high EBITDA margin of 42.4%. Q2 2020 Specialist France EBITDA decreased by 29.7% and the margin increased to 37.9% of revenue. The International Division posted a 67.3% increase of its Q2 2020 EBITDA over Q2 2019. At constant perimeter and exchange rates, International division Q2 2020 EBITDA decreased by 19.2%. Its Q2 2020 EBITDA margin stood at 32.8%.

FINANCIAL INCOME

We recorded a net financial expense of €39 million for Q2 2020, a decrease of €5 million compared to the same period last year, as Q2 2019 was impacted by non-recurring expenses related to the bridge financing for the Ramirent acquisition.

CASH FLOW AND INDEBTEDNESS

Despite the low level of activity, free cash flow for Q2 2020 was high at €114 million. This was bolstered by the positive change in trading working capital requirement at € 58 million, of which we consider non recurring items of €31 million to be the result measures that allowed us to postpone certain payments (including social expenses and property lease payments) from Q2 to the following quarters. Fleet capex payments were also limited to €36 million.

Our positive free cash flow of € 181 million for the six months ended June 30, 2020 exceeded our initial expectations for the period.

During Q2 2020, we have been able to secure new financing facilities from financial institutions with favorable conditions, for a total aggregate principal amount of €247 million, which together with our free cash flow for the period, helped us to increase the level of cash on our balance sheet to €826 million as of June 30, 2020, up from €492 million on March 31, 2020.

As of June 30, 2020, our net financial debt amounted to €3,801 million, resulting in a net debt to pro forma LTM EBITDA leverage ratio of 5.08x.

OUTLOOK FOR H2

We believe that while construction markets will return to their usual cyclical trend, they will not recover in the months ahead the level of activity experienced before the Covid-19 pandemic. We therefore expect demand in most markets to decrease in the second half of the year and have anticipated this trend in the management of our operations. Our management will continue to monitor the level of activity and our market share in each of the geographic regions in which we conduct operations.

We intend to pursue our deleveraging strategy and anticipate recording a positive free cash flow in the second half of the year, although at a lower level in comparison to H1. Thanks to the comfortable level of liquidity and expected cash generation for the year, we may consider options to optimize our financing structure.

We believe that over the long term, rental penetration will increase given the benefits provided by the sharing economy. We further believe that our unique diversified geographical presence and portfolio of activities will benefit from secular market trends.

Our 2019 CSR report, which is available online, provides a comprehensive overview of our commitment and achievements for which we are very proud as they lay the path for our future performance.

FINANCIAL CALENDAR

Publication of Q3 2020 results on November 24, 2020 (after market close) and conference call on November 25, 2020.

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This press release constitutes a public disclosure of inside information by Loxam under Regulation (EU) 596/2014 (16 April 2014) and Implementing Regulation (EU) No 2016/1055 (10 June 2016).

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.