



LOXAM – 2020 THIRD QUARTER RESULTS
**STRONG REBOUND OF ACTIVITY & POSITIVE FREE CASH FLOW FOR A
5TH CONSECUTIVE QUARTER**

Paris – November 24, 2020

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

Third quarter highlights

- Revenue of €528 million up by 1% (-9% at constant perimeter and FX)
- EBITDA of €226 million up by 10% with a margin of 43% (38% before IFRS 16)
- Positive recurring free cash-flow of € 91 million (before IFRS 16)
- Net debt to EBITDA ratio at 4.95x

Gérard Déprez, Chairman and CEO of Loxam commented:

"I am very pleased with the strong performance of the Group during Q3 and how the Group has adapted to the health and economic crisis.

As the COVID-19 pandemic abated during Q3, Loxam experienced a catch-up of business in the countries mostly affected by the pandemic in Q2 such as France, Spain, and Italy. In other countries that were less affected during the spring, our revenue trend continued to be in line with the previous quarter. Overall, the Group's revenue decrease was limited to -9% at constant perimeter in Q3, demonstrating the resilience of our business model.

We continued to diversify our business with a focus on SMEs, which are increasingly turning to rental solutions. In France, we also launched Loxamed, a new business platform which provides telemedicine service for the benefit of public authorities and private businesses. In the current context, this solution illustrates Loxam's commitment to assist communities in the response to COVID-19. In addition, in line with its CSR policy, a key pillar of its strategy, the Group held its Safety Day event, now a reference in the industry.

The Group's financial performance during Q3 has been truly impressive. After having successfully preserved its EBITDA margin during Q2, we have delivered a record-breaking 43% EBITDA margin in Q3 thanks to a strict cost management policy.

In line with our previous communication, the Group has continued to generate strong recurring free cash flow. This evidences our capacity to adapt and to take appropriate decisions in period of uncertainties."

KEY FIGURES (in millions of euros and post IFRS 16 unless otherwise indicated)

	Q3 2019	Q3 2020	Change	9M 2019	9M 2020	Change
Revenue						
Generalist France	170.4	160.7	-5.7%	506.9	421.6	-16.8%
Specialist France	64.4	60.2	-6.6%	180.4	153.1	-15.1%
International	288.8	307.2	6.4%	596.8	880.7	47.6%
Total Revenue	523.6	528.1	0.9%	1 284.2	1 455.5	13.3%
EBITDA						
Generalist France	69.0	77.1	11.8%	203.0	169.0	-16.8%
Specialist France	24.3	26.5	8.9%	64.2	57.4	-10.6%
International	110.8	121.2	9.3%	211.5	300.5	42.1%
Total EBITDA⁽¹⁾	205.6	226.3	10.1%	483.6	531.7	9.9%
EBITDA margin						
Generalist France	40.5%	48.0%	+7.5 pts	40.1%	40.1%	0 pt
Specialist France	37.8%	44.0%	+6.3 pts	35.6%	37.5%	+1.9 pts
International	38.4%	39.4%	+1.1 pt	35.4%	34.1%	-1.3 pts
Total EBITDA⁽¹⁾ margin	39.3%	42.9%	+3.6 pts	37.7%	36.5%	-1.1 pts
EBIT	85.6	93.7	9.4%	180.4	123.1	-31.8%
Recurring Free Cash-Flow (pre-IFRS 16)	77.1	90.6	NS	(6.1)	240.6	NS
Gross capex	59.0	56.4	-4.5%	321.6	154.7	-51.9%

⁽¹⁾ including contribution from real estate

REVENUE

The Group's Q3 2020 consolidated revenue amounted to €528 million, an increase of 1% compared to Q3 2019 revenue. At constant perimeter (including Ramirent) and exchange rates, the Group's consolidated revenue decreased by 9% year on year.

In France, the construction sector benefited from a catch-up of activity during Q3, following the strict lockdown in Q2, thereby limiting the decrease in the Group's French revenue to 6%, compared with a decrease of 33% in Q2.

Revenue of our Generalist France division was €161 million in Q3 2020, a decrease of 5.7% compared to Q3 2019. Our Specialist France division revenue was €60 million in Q3 2020, a decrease of 6.6% compared to Q3 2019, which we believe to be a good performance, given that there were no events and a continuous slump in industrial maintenance projects.

Revenue of the International division stood at €307 million in Q3 2020, an increase of 6.4% compared with Q3 2019, as a result of the change in our consolidation scope due to the acquisition of Ramirent (consolidated from August 1, 2019). At constant perimeter and exchange rates, revenue of the International Division decreased by 11.8%, compared with a decrease of 17.8% in Q2. Within this division, the Group's performance varied from country to country however, with revenue in Spain and Italy, similarly to the trend observed in France, catching-up from the low level of Q2, while the Middle East and the UK continued to underperform because of a prolonged business shutdown. Ramirent also recorded a decrease in its revenue, mainly due to lower activity in the Baltic countries.

EBITDA

EBITDA for Q3 2020 was €226 million, an increase of 10% compared with Q3 2019. At constant perimeter and exchange rates, EBITDA remained stable. Our EBITDA margin level reached a record level of 42.9%, as all divisions reported improved margins. The Group benefited from its strict cost management policy. Also, during the quarter, the Group resumed the disposal of obsolete fleet which was stopped during Q2. Capital gains reached €23.5 million, compared with €11.4 million in Q3 2019 at constant perimeter. On a cumulative basis at the end of Q3, capital gains were stable year on year at constant perimeter.

The Q3 2020 EBITDA of our Generalist France division increased by 11.8%, resulting in a record high EBITDA margin of 48.0%, while Specialist France EBITDA increased by 8.9% (margin increased to 44.0%). The International Division posted a 9.3% increase of its Q3 2020 EBITDA over Q3 2019, however, at constant perimeter and exchange rates, its EBITDA decreased by 8.1%, notably penalized by performance in the Middle East. Thanks to effective cost cutting measures, the EBITDA margin of the division however improved by one point to 39.4%.

NET FINANCIAL EXPENSE

We recorded a net financial expense of €39 million for Q3 2020, in line with Q2 2020. In comparison to Q3 2019, financial expense decreased by €9.4 million as last year's quarter was impacted by costs linked to the financing of the Ramirent acquisition.

In order to optimize our financial costs, we have repaid certain bilateral lines, repurchased certain of our high yield bond tranches and fully repaid outstanding drawings on our €75 million RCF. Our RCF remains however fully available at any time, and Loxam benefits from a suspension of its financial covenant until and including March 31, 2021.

Cash on balance sheet at September 30, 2020 stood at €676.3 million, which adequately covers upcoming debt maturities.

CASH FLOW AND INDEBTEDNESS

The Group's strong commercial and financial performance drove recurring free cash flow to a positive record high €90.6 million in Q3 2020 (pre-IFRS 16 add-ins). During Q3, Loxam resumed its fleet capital expenditure plan in line with the Group's activity levels.

Positive recurring free cash flow for the first nine months totaled €240.6 million (pre-IFRS 16 add-ins), demonstrating the Group's ability to generate a strong positive free cash flow in a downturn, thereby reducing its financial indebtedness.

As of September 30, 2020, our net financial debt amounted to €3,714 million, and the net debt to pro forma LTM EBITDA leverage ratio further improved during the quarter to reach 4.95x as at September 30, 2020.

OUTLOOK FOR Q4 2020

We will continue to carefully monitor the level of activity in each of our geographic regions. The overall slowdown recorded in Q3 2020 is expected to continue at a similar pace during Q4 2020. Unlike those

taken in the spring, the new lockdown measures taken by governments at the end of October across most of the Group's geographies are not limiting construction activities. All branches across countries remain open and have not been operationally restricted.

In Q4 2020, we expect to record a sixth consecutive quarterly positive free cash flow, which will further strengthen the Group's financial structure. The Group's net debt to EBITDA leverage ratio guidance is reviewed at around 5.2x at year end. Loxam will remain profitable for the full year 2020.

FINANCIAL CALENDAR

Publication of Q4 2020 results on March 16, 2021 (after market close) and conference call on March 17, 2021.

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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 fourth largest player in the world with €2.3 billion of total pro forma revenue in 2019 and a network of 1,069 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.