



# Q2 2013 FINANCIAL RESULTS

*29 August 2013*


LOXAM, European Leader in the Equipment Rental Market

# LOXAM AT A GLANCE AS AT 31/12/2012

### Business description

- Europe's leading equipment rental company to professionals:
  - #1 in France with 2012 c. 18% market share<sup>1</sup>
  - #1 in Europe with 2012 c. 4.2% market share<sup>1</sup>
  - #8 worldwide player
- Loxam owns the largest fleet (188,000) and the most important network in Europe with 600 branches across 11 countries
- Client portfolio includes mainly construction and public works, industry and events companies
- Loxam is owned by management (88%) and 3i and Pragma Capital (together 12%)

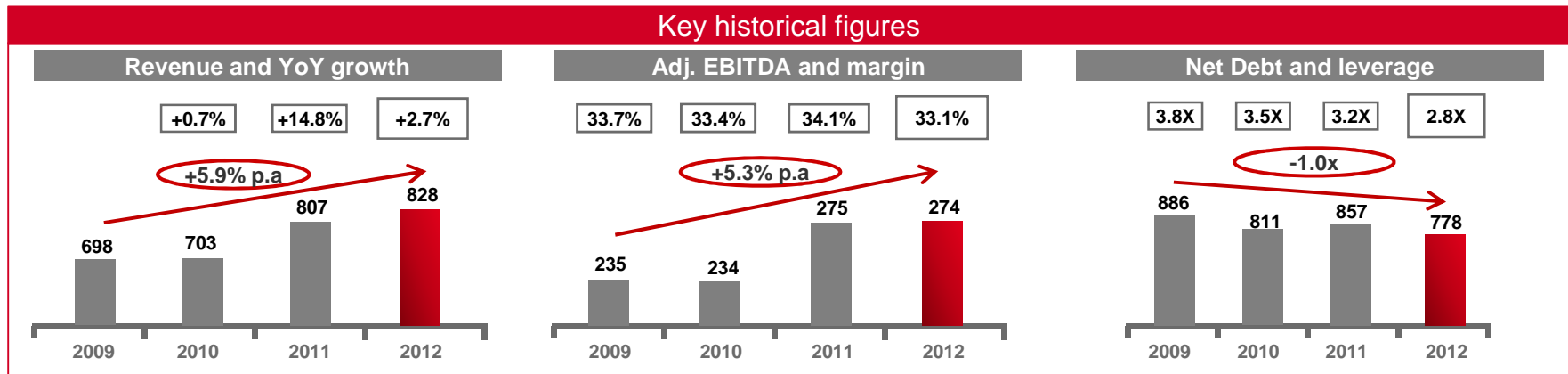
### Geographical presence



- France**
  - 512 branches
  - 86% of 2012 sales<sup>1</sup>
- Rest of Europe**
  - 88 branches
  - 14% of 2012 sales<sup>1</sup>

1. Based on European rental industry 2012 report for market sizes

1. 2012 revenues: €828m



Sources Company, European Rental Industry 2012 report

## Q2 2013 HIGHLIGHTS: BACK TO NORMAL TRADING CONDITIONS

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➤ **Slower decrease in revenue**

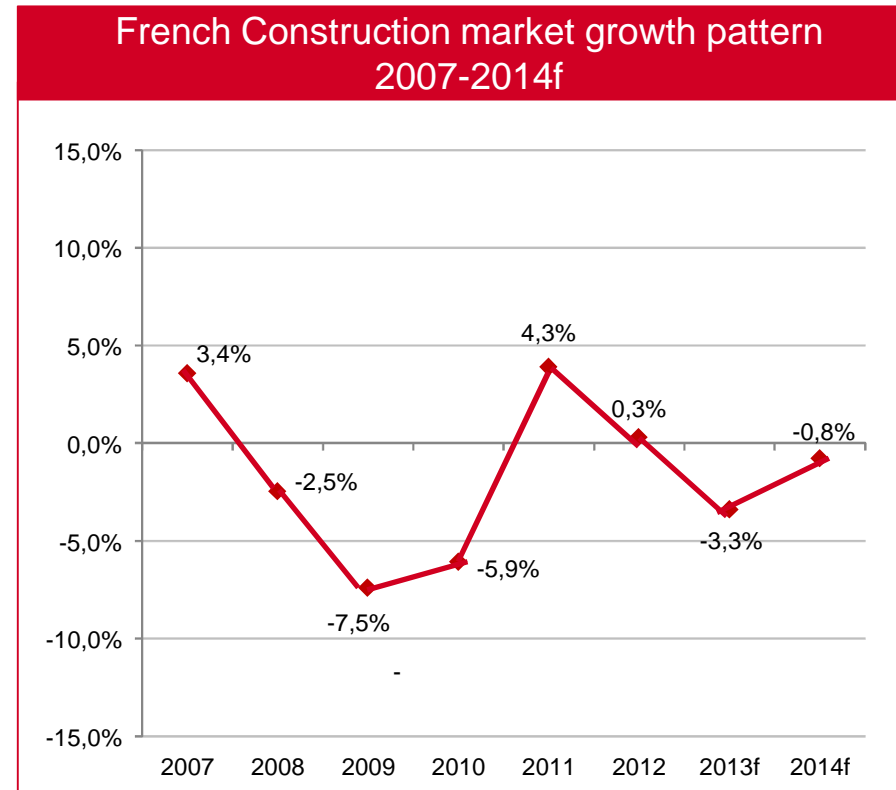
- Revenue down 3% to €205m as announced
- International business started to recover
- Specialized French market stabilized
- Stable prices in Q2 as compared to Q1 and volume increase

➤ **Commitment to our 2013 plan**

- Continuous increase of Capex spent to stimulate organic growth
- ERP rollout

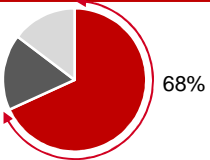
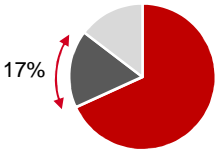
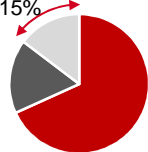



## MIXED CONSTRUCTION MARKETS IN 2013

- Construction French market expectation of a 3,3% decrease of the activity in 2013 was confirmed by Euroconstruct in June 2013
- Denmark, Switzerland and Germany construction markets expected to recover in 2013
- UK, Dutch and Spanish construction markets expected down in 2013

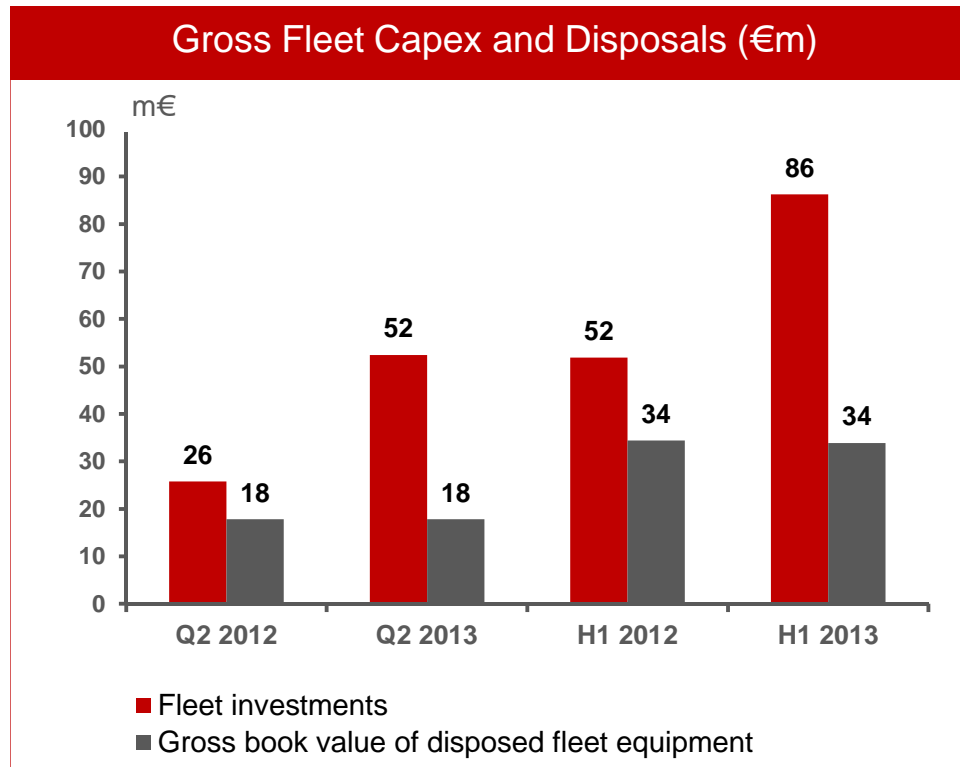


Source: EuroConstruct

# ACTIVITY BY STRATEGIC DIVISION

Key figures	Generalist division - France	Specialist division - France	International division
<b>Contribution to LTM June 13 revenues</b>	 68%	 17%	 15%
<b>Brief description</b>	<ul style="list-style-type: none"> <li>Equipment for all construction, industrial, landscaping and local authorities activities</li> </ul>	<ul style="list-style-type: none"> <li>Specialist equipment, such as aerial work platforms, generators, portable accommodation, heavy equipment for compaction</li> </ul>	<ul style="list-style-type: none"> <li>Generalist and specialist agencies in 9 European countries and Morocco</li> </ul>
<b>KPIs</b>	<ul style="list-style-type: none"> <li>Number of BUs: 3</li> <li>Number of branches: 452</li> <li>Headcount: 3,237 FTE</li> <li>Number of equipment: 133,500</li> </ul>	<ul style="list-style-type: none"> <li>Number of BUs: 7</li> <li>Number of branches: 60</li> <li>Headcount: 517 FTE</li> <li>Number of equipment: 19,500</li> </ul>	<ul style="list-style-type: none"> <li>Number of BUs: 10</li> <li>Number of branches: 88</li> <li>Headcount: 583 FTE</li> <li>Number of equipment: 35,000</li> </ul>
<b>Key financial elements Q2 2013</b>	<ul style="list-style-type: none"> <li>Total revenue: €140m (Vs €148m)</li> <li>EBITDA: €45m (Vs €49m)</li> <li>Q2 2013 Capex: €41m (Vs €20m)</li> </ul>	<ul style="list-style-type: none"> <li>Total revenue: €34m (Vs €34m)</li> <li>EBITDA: €12m (Vs €12m)</li> <li>Q2 2013 Capex: €6m (Vs €7m)</li> </ul>	<ul style="list-style-type: none"> <li>Total revenue: €31m (Vs €30m)</li> <li>EBITDA: €9m (Vs €10m)</li> <li>Q2 2013 Capex: €7m (Vs €3m)</li> </ul>
<b>Brands</b>	  	<ul style="list-style-type: none"> <li>LOXAM Power</li> <li>LOXAM Module</li> <li>LOXAM Access</li> <li>LAHO TEC</li> <li>LOXAM LEV</li> <li>LOXAM TP</li> <li>LOXAM Event</li> </ul>	<ul style="list-style-type: none"> <li>LOXAM Switzerland</li> <li>LOXAM Belgium</li> <li>LOXAM Germany</li> <li>LOXAM Access UK</li> <li>LOXAM Ireland</li> <li>LOXAM Spain</li> <li>LOXAM Netherlands</li> <li>LOXAM Denmark</li> <li>LOXAM Morocco</li> <li>LOXAM Luxembourg</li> </ul>

## CONTINUOUS GROWTH IN FLEET SIZE



- Gross fleet Capex Q2 13: €52m
- Over 50% of Capex spent in
  - Aerial work platforms (long term trend)
  - Earth moving equipment (civil engineering work)
- Further developments in tools (diversification)

# Q2 2013 Financial Presentation



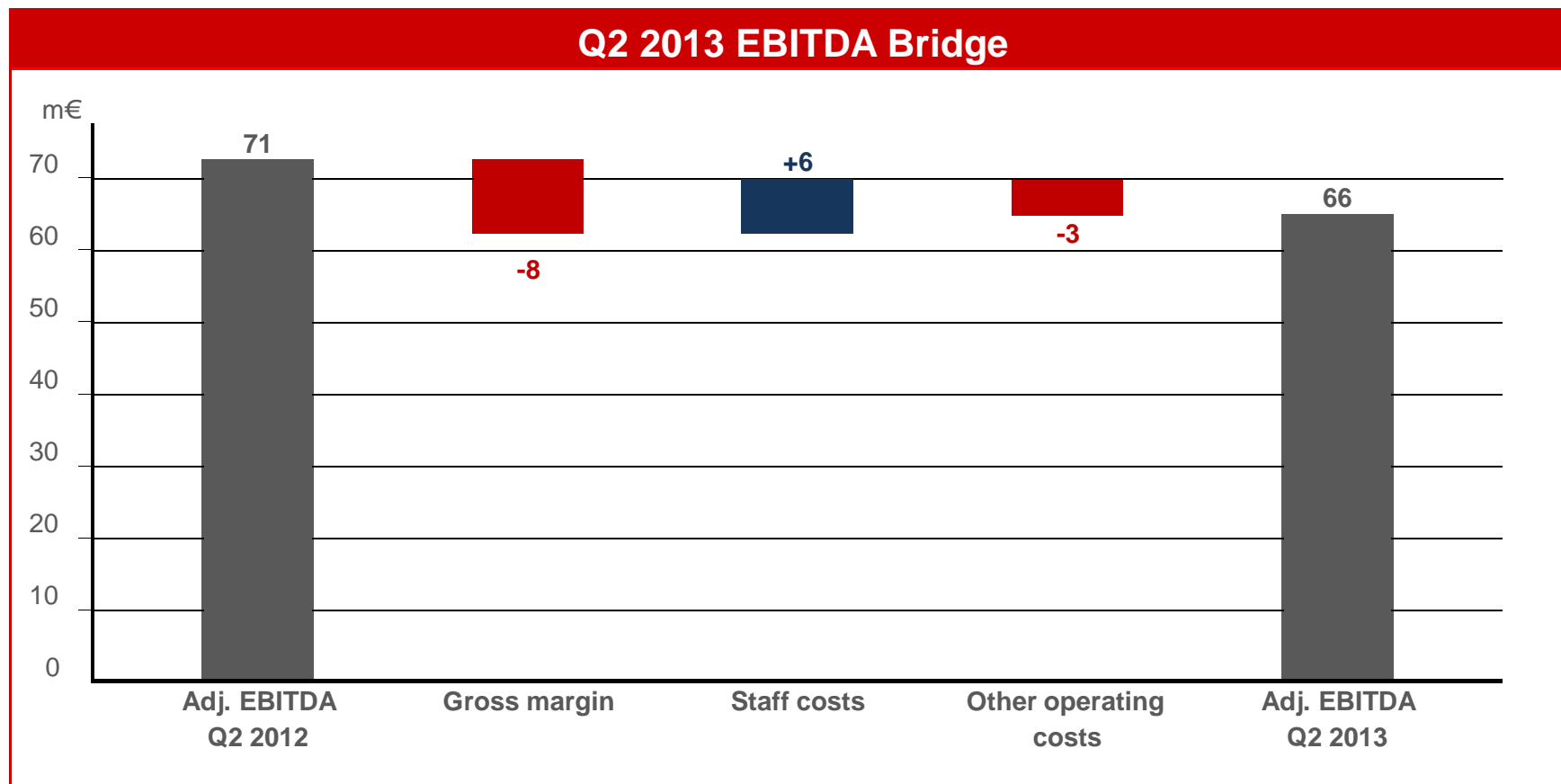
## SLOWER DECREASE IN REVENUE IN Q2 WITH STABLE PROFITABILITY

(€m)	Q2 2012 (3 months)		Q2 2013 (3 months)		H1 2012 (6 months)		H1 2013 (6 months)	
<b>Revenues</b>				<i>% of change</i>				<i>% of change</i>
Generalist France	148		<b>140</b>	<b>-5.6%</b>	287		<b>257</b>	<b>-10.6%</b>
Specialist France	34		<b>34</b>	<b>+0.9%</b>	67		<b>65</b>	<b>-2.2%</b>
International	30		<b>31</b>	<b>+2.7%</b>	57		<b>54</b>	<b>-4.7%</b>
<b>Total Revenues</b>	<b>212</b>		<b>205</b>	<b>-3.4%</b>	<b>411</b>		<b>376</b>	<b>-8.4%</b>
<b>Adj. EBITDA <sup>(a)</sup></b>		<i>Margin</i>		<i>Margin</i>		<i>Margin</i>		<i>Margin</i>
Generalist France	49	33%	<b>45</b>	<b>32%</b>	95	33%	<b>70</b>	<b>27%</b>
Specialist France	12	35%	<b>12</b>	<b>35%</b>	24	36%	<b>22</b>	<b>34%</b>
International	10	33%	<b>9</b>	<b>29%</b>	16	28%	<b>13</b>	<b>24%</b>
<b>Total adj. EBITDA</b>	<b>71</b>	<b>33%</b>	<b>66</b>	<b>32%</b>	<b>136</b>	<b>33%</b>	<b>105</b>	<b>28%</b>
<b>Adj. EBIT <sup>(a)</sup></b>	<b>32</b>	<b>15%</b>	<b>34</b>	<b>17%</b>	<b>55</b>	<b>13%</b>	<b>38</b>	<b>10%</b>
<b>Net income</b>	<b>14</b>	<b>7%</b>	<b>14</b>	<b>7%</b>	<b>23</b>	<b>6%</b>	<b>5</b>	<b>1%</b>
<b>Free Cash Flow</b>	<b>19</b>		<b>-21</b>		<b>22</b>		<b>-42</b>	
<b>Gross Capex</b>	<b>31</b>		<b>55</b>		<b>59</b>		<b>92</b>	
<b>Leverage ratio</b>					<b>2.9x</b>		<b>3.4x</b>	

(a) Adjusted EBITDA and Adjusted EBIT exclude non-recurring costs. These adjustments amounted to €0m in Q1 2012 and €5.1m in Q1 and have been allocated to generalist France.



## DECREASE IN REVENUE PARTIALLY OFFSET BY SAVINGS IN STAFF COSTS



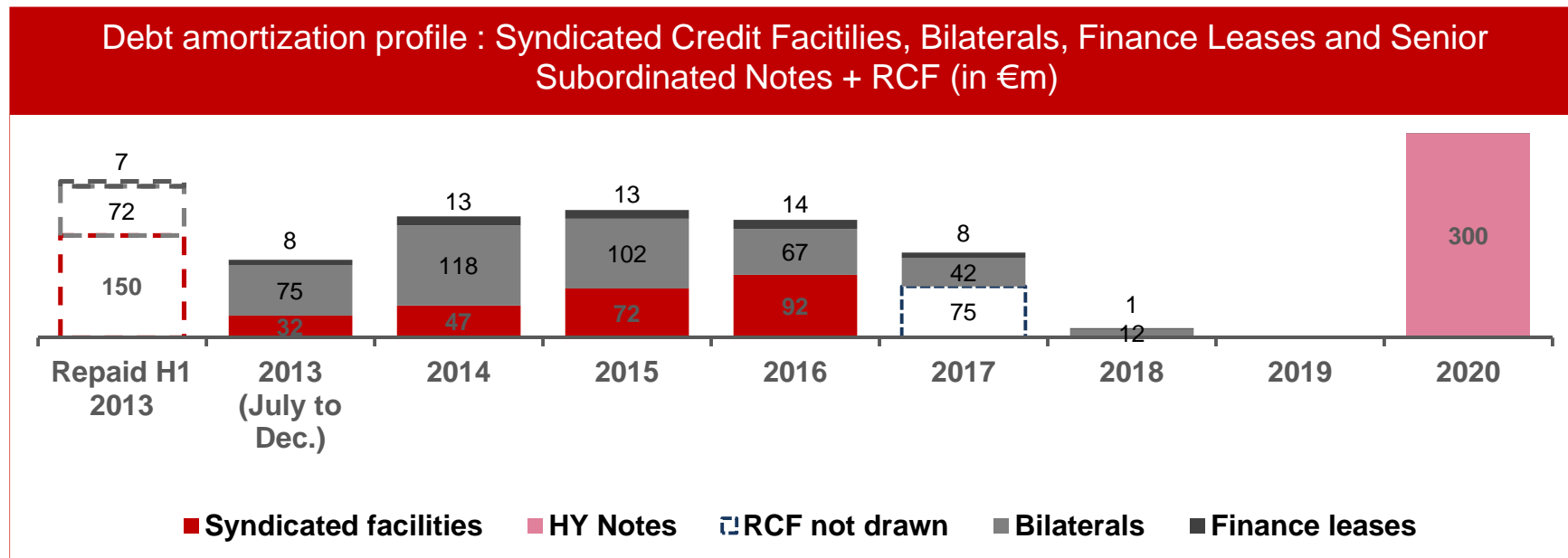
## CHANGE IN WORKING CAPITAL REQUIREMENT

(€m)	H1 2012 (6 months)	H1 2013 (6 months)
Change in trade WCR	(10)	(16)
Change in WCR related to corporate income tax	4	(20)
Change in WCR related to fixed assets	(17)	11
<b>Total - Change in WCR</b>	<b>(23)</b>	<b>(25)</b>

## €(42) M FREE CASH FLOW IN FIRST HALF 2013

(€m)	H1 2012 (6 months)	H1 2013 (6 months)
EBITDA before capital gains on fleet disposal	130	<b>93</b>
Proceeds from disposals of fixed assets	9	<b>9</b>
Gross capital expenditure	(59)	<b>(92)</b>
Financial income and expense	(15)	<b>(22)</b>
Income tax	(20)	<b>(5)</b>
Change in working capital requirement	(23)	<b>(25)</b>
<b>Free cash flow</b>	<b>22</b>	<b>(42)</b>

# NET DEBT AS OF JUNE 2013 AT €825M (Gross Debt at €1,017M<sup>(1)</sup>)



(1) Excluding accruals on financial expenses (€13M) and bank overdrafts (€7M).

# 2013 Outlook



## 2013: STAY COMPETITIVE

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- Uncertain environment in 2013 in France, but civil engineering remains attractive
- Q1 may have an impact on the yearly performance
- Back to a standard level of Capex
- H2 should meet our expectations