



## **LOXAM – 2015 FOURTH QUARTER AND FULL YEAR RESULTS**

### **SOLID REVENUE AND EBITDA IN Q4 CONFIRMING A GOOD PERFORMANCE IN 2015**

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LOXAM, Europe's leading equipment rental company to professionals, today published its financial statements for the fourth quarter of 2015 and its audited accounts for 2015.

2015 financial and business highlights:

- Full year revenue up by 3% at €838 million (Q4: up by 7.6%)
- EBITDA of €277 million, or a 33.1% margin, up 1.5pts (Q4: margin of 32.2%, up 2.4pts)
- Full year proforma revenue of €897 million and EBITDA of €293 million
- Continued strong increase of International revenue (up 15%) and return to growth of the Generalist France division in Q4 after six consecutive quarters of decline
- Positive Free Cash Flow before M&A and dividends of €60m
- Completion of 4 acquisitions during the year, including HERC France and Spain in Q4.
- Net financial debt of €1,025 million and proforma leverage ratio down to 3.49x

Overall, LOXAM recorded robust results in 2015 with an increase in both revenue and EBITDA. The Group recorded a strong Q4 performance with the Generalist France division revenue growing again and positive EBITDA growth across all the divisions.

Gérard Déprez, Chairman and CEO of LOXAM commented:

*"We are very satisfied with the solid performance recorded over the year. LOXAM continued to develop in its international markets, while the network rationalization in France enabled the Generalist France division to increase its EBITDA margin. Growing revenue, strict cost discipline and fleet management drove the EBITDA up by 8% and allowed a positive Free Cash Flow before M&A and dividends of €60 million. This performance has been achieved while the French construction market was still shrinking in 2015.*

*We continue to successfully integrate our acquisitions, in particular Hertz Equipment in France and Spain and Maroc Elevation in Morocco, which were completed during the year.*

*We are also confident in LOXAM's ability to benefit from the better market conditions which are now expected for the years to come."*

## KEY FIGURES (millions of euro)

	<b>Q4 2014</b> <b>(French</b> <b>GAAP)</b>	<b>Q4 2015</b> <b>(French</b> <b>GAAP)</b>	<b>FY 2014</b> <b>(IFRS)</b>	<b>FY 2015</b> <b>(IFRS)</b>
<b>Revenue</b>				
Generalist France	127.4	141.5	511.2	512.1
Specialist France	37.6	37.3	142.8	144.1
International	46.5	48.6	158.3	182.1
<b>Total Revenue</b>	<b>211.5</b>	<b>227.5</b>	<b>812.3</b>	<b>838.3</b>
<b>EBITDA</b>				
Generalist France	39.2	46.9	167.9	181.0
Specialist France	10.9	12.1	47.4	47.9
International	12.4	13.9	38.9	46.0
<b>Total EBITDA <sup>(1)</sup></b>	<b>63.0</b>	<b>73.3</b>	<b>256.5</b>	<b>277.3</b>
<b>EBITDA margin</b>				
Generalist France	30.8%	33.2%	32.8%	35.4%
Specialist France	29.1%	32.4%	33.2%	33.2%
International	26.6%	28.6%	24.6%	25.2%
<b>Total EBITDA <sup>(1)</sup> margin</b>	<b>29.8%</b>	<b>32.2%</b>	<b>31.6%</b>	<b>33.1%</b>
<b>Operating income</b>	<b>17.9</b>	<b>24.0</b>	<b>89.5</b>	<b>90.0</b>
<b>Net Income (Loss) <sup>(2)</sup></b>	<b>(5.8)</b>	<b>2.4</b>	<b>11.8</b>	<b>8.0</b>
<i>Free Cash Flow</i>	16.7	24.4	(47.0)	60.0
<i>Gross CAPEX</i>	43.5	41.3	252.8	150.8

<sup>(1)</sup> including contribution from real estate

<sup>(2)</sup> Group share

The financial statements for 2015 have been prepared according to the IFRS for the first time. 2013 and 2014 full year financial statements have been restated under IFRS to provide a comparable basis. Quarterly financial information has not been restated yet and is still provided under French GAAP.

## REVENUE

LOXAM's consolidated revenue increased by 3.2% in the year to €838 million, and reached €897 million pro-forma for the acquisition of Hertz Equipment Rental (HERC) France and Spain. Like-for-like, and at constant exchange rates, consolidated revenue decreased by 0.5%.

In France, revenue at the Generalist France division was slightly up by 0.2% in 2015 at €512 million, thanks to the contribution of Hertz Equipment France over two months. Like-for-like, revenue at the Generalist France division decrease by 1.8% but grew by 3% in Q4. This good performance was achieved in the context of a shrinking French construction market in 2015.

The Specialist France division revenue was up by 0.9% compared to 2014. This resilient performance was achieved thanks to the network development of the division. As in Q3, revenue decreased slightly in Q4 (-1%) as the division was affected by the end of major construction projects.

Overall, our revenue in France declined by 1.2% like-for-like, in comparison with an estimated 2% decrease for the French equipment rental industry (source: DLR).

Outside of France, our International division continued its dynamic growth with an increase of revenue by 15% to €182 million, or 4.4% like-for-like. It benefitted from favorable market conditions in most of our countries, from the full year contribution of Workx, and to a lesser extent from Maroc Elévation over six months and from HERC Spanish business for two months.

## **EBITDA**

The Group's efforts to reduce operating costs in 2014 have been successful, and EBITDA has thus increased by 8.1% to €277 million, now representing 33.1% of the year's revenue, or an increase of 1.5 points compared to 2014. This good performance is particularly reflected in Q4, as during this quarter EBITDA increased by 14.6% year-on-year, and by 8.4% on a like-for-like basis.

Across divisions, the EBITDA growth of the Generalist France division was strong with an EBITDA increase of 7.8% to €181m despite lower revenue, which corresponds to a margin of 35.4%, up 2.5 points. The Specialist France division recorded a stable EBITDA after its revenue have been stagnating during the year. The International division posted high growth, as the EBITDA increased by 18.2% to €46 million in 2015, showing a margin improvement of 0.7pt, to 25.2%.

## **OPERATING INCOME AND NET INCOME**

Operating income was flat at €90 million, while the depreciation cost increased by 14% (or 10% on a like for like basis) mostly because of the high level of 2014 capex. In Q4 2015, the depreciation cost increased by 1.5% on a like for like basis.

The net financial result was flat at €67 million. Profit-before-tax (PBT) amounted to €23 million. Because of higher PBT in France, income tax rose significantly to €15 million and consequently, net income is down to €8 million.

## **CASH FLOW AND INDEBTEDNESS**

Gross fleet capex decreased from €234 million in 2014 to €124 million in 2015 because of the ever shrinking construction market in France and the acquisition of Hertz Equipment business. In Q4 2015, our gross fleet capex was €32 million, compared to €38 million in Q4 2014.

In 2015, the free cash flow before M&A and dividends was positive at €60 million versus a negative free cash flow of €47 million in 2014, thanks to lower net fleet capex on the one hand and the increase of EBITDA on the other hand. Free cash flow from operations was positive in Q4 2015 at €24 million versus €17 million in Q4 2014.

At the end of December 2015, the net financial debt amounted to €1,025 million versus €952 million under IFRS at the end of 2014. The Group had €158 million of cash and cash equivalent on its balance sheet as well as an undrawn €50 million RCF. On a pro forma basis (with a contribution from the HERC business acquired over 12 months), EBITDA amounted to €293 million. The proforma net leverage ratio therefore stood at 3.49x at the end of 2015, down from 3.68x at the end of 2014.

## **EXTERNAL GROWTH**

On 31<sup>st</sup> October 2015, LOXAM completed the acquisition of HERC French and Spanish business and the Group estimates that the on-going integration of these businesses is on track and should be completed by the end of first half 2016.

## ISO AND CSR

LOXAM has obtained certifications under ISO 14001 for environmental commitment for its whole network. In October 2015 LOXAM became a member of the UN Global Compact programme. Following an in-depth audit conducted in December 2015 by SGS, LOXAM's corporate social and environmental responsibility policy has been rewarded in France with a level 3 rating in the ISO 26000:2010 standard.

## BUSINESS OUTLOOK

We expect the construction market to recover in 2016 in France, while in the rest of Europe, we anticipate a continuation of the positive trend in most of our markets. All of our divisions should see a revenue growth over the year. The full integration of HERC France and Spain should be effective by mid-2016. We also intend to focus our efforts on our International operations and seize external growth opportunities.

## FINANCIAL CALENDAR

Publication of first quarter 2016 results on May 24<sup>th</sup>, 2016 (after market close) and conference call on May 25<sup>th</sup>, 2016.

Save the date: LOXAM will host an investor day on 29<sup>th</sup> September in Paris; details about this event will be communicated at a later stage.

## INVESTOR CONTACTS

<u>LOXAM</u> Patrick Bourmaud / Maëg Videau +33 (0)158 440 400 <a href="mailto:ir@loxamgroup.com">ir@loxamgroup.com</a>	<u>Brunswick</u> Agnès Catineau / Tristan Bourassin +33 (0)1 53 96 83 83 <a href="mailto:loxam@brunswickgroup.com">loxam@brunswickgroup.com</a>
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## ABOUT LOXAM

LOXAM is the leading equipment rental Company in Europe with consolidated revenue of €838 million in 2015 and approximately 5,000 employees. LOXAM's network of more than 660 branches extends over 11 countries in Europe (France, Germany, the United Kingdom, Ireland, Belgium, Switzerland, Spain, Luxemburg, the Netherlands, Denmark and Norway) as well as in 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.