



LOXAM – 2016 SECOND QUARTER RESULTS

STEADY GROWTH OF REVENUE, HERC INTEGRATION COMPLETED

Paris - SEPTEMBER 1st, 2016

LOXAM, Europe's leading equipment rental company to professionals, published today its financial statements for the second quarter of 2016.

Q2-2016 financial and business highlights:

- Revenue up by 15% at €241 million (+8% like-for-like and at constant exchange rates).
- Consolidation of growing revenue trend in all divisions.
- EBITDA of €87 million, or a 36.0% margin, up 1.1pt, thanks to higher revenue.
- Negative Free Cash Flow before refinancing costs of €(22)m due to higher capex.
- HERC integration fully completed.

Overall, in the first half of 2016, LOXAM recorded a good performance with a revenue growth of +11.9% and an increase in EBITDA of +8.3% (respectively +4.9% and +2.5% like-for-like).

Gérard Déprez, Chairman and CEO of LOXAM commented:

"We are very satisfied with our second quarter positive performance which demonstrates our capacity to take advantage of more favorable market conditions in France, where the construction sector improvement is confirmed by an increasing demand for equipment rental services. Our EBITDA performance was strong, reflecting the benefit of higher revenue. As anticipated, the integration of HERC within our operations is now fully completed, helping to optimize the branch network of our Generalist France and Specialist France divisions. Looking ahead, we anticipate that the current market conditions will continue in H2 and believe that our revenue and EBITDA will keep growing accordingly."

KEY FIGURES (millions of Euro; IFRS)

	<u>Q2 2015</u>	<u>Q2 2016</u>	<u>H1 2015</u>	<u>H1 2016</u>
Revenue				
Generalist France	129.6	150.5	245.5	279.7
Specialist France	35.4	42.2	68.4	77.6
International	45.4	48.2	85.9	89.7
Total Revenues	210.3	241.0	399.7	447.1
EBITDA				
Generalist France	48.2	55.7	82.5	87.5
Specialist France	12.2	14.6	22.4	23.2
International	12.2	13.8	18.9	21.3
Total EBITDA ⁽¹⁾	73.3	86.7	124.7	135.0
EBITDA margin				
Generalist France	37.2%	37.0%	33.6%	31.3%
Specialist France	34.5%	34.6%	32.7%	29.9%
International	26.9%	28.7%	22.1%	23.7%
Total EBITDA ⁽¹⁾ margin	34.9%	36.0%	31.2%	30.2%
EBIT	27.1	32.9	32.4	29.0
Recurring Free Cash Flow ⁽²⁾	24.3	(29.9)	32.0	(22.0)
Gross capex	40.8	81.6	65.9	123.0

⁽¹⁾ including contribution from real estate

⁽²⁾ Free cash flow before acquisitions, dividends, FX effects, HY issuance cost amortization and refinancing costs

The financial statements for Q2-2016 have been prepared according to IFRS and Q2-2015 financial statements have been restated under IFRS to provide a comparable basis.

REVENUE

LOXAM's consolidated revenue increased by 14.6% during the quarter to €241 million. Like-for-like, and at constant exchange rates, consolidated revenue increased by 7.8%.

Revenue at the Generalist France division was up by 16.2% at €151 million in Q2 2016. This strong increase was driven by the contribution of the Hertz Equipment branches and the higher number of trading days during the quarter compared to last year. Like-for-like, revenue at the Generalist France division increased by 6.6%.

The Specialist France division revenue increased strongly by 19.3% compared to Q2 2015, at €42 million, thanks to the same factors as for the Generalist division plus, the network development and the contribution of non-recurring projects such as the European Football Championship. Like for like, revenue increased by 14.5% in Q2 2016.

Overall, our revenue in France increased by 8.3% like-for-like in the quarter.

Our International division recorded a revenue increase of 6.3% to €48 million, or +5.8% like-for-like and at constant exchange rate. During the quarter, the division has benefited from favorable market conditions in most of our countries.

EBITDA

EBITDA increased by €13 million to €87 million, representing 36.0% of the quarter's revenue, or a margin increase of 1.1 points compared to Q2-2015. This increase is due to the positive effect of higher revenue, while gains on disposals were up by €3 million.

Across divisions, the EBITDA of Generalist France was up by 15.7%, at €56 million and a 37.0% margin, in line with the revenue increase as we integrated a lower margin contribution of the Hertz Equipment branches. Specialist France recorded a 19.5% increase of its EBITDA, at €15 million and a 34.6% margin. The International division posted a good performance with an EBITDA increase of 13.6%, at €14 million, and a margin of 28.7%, increasing by 1.8pt.

EBIT AND FINANCIAL INCOME

EBIT was up at €33 million, thanks to higher EBITDA and despite depreciation cost increasing by 16%. The net financial cost stood at €(39) million but was stable compared to last year at €(15) million if we exclude the €24 million of costs related to the bond refinancing carried out last May.

CASH FLOW AND INDEBTEDNESS

As anticipated, gross fleet capex increased from €31 million in Q2-2015 to €76 million in Q2-2016, reflecting the seasonal ramp-up of machine deliveries.

Free cash flow was negative, at €(30) million before the bond refinancing costs, because of the increased level of capex and an increase of our trade working capital requirement led by the higher level of activity.

At the end of June 2016, the net financial debt amounted to €1,076 million versus €1,025 million at the end of December 2015. The Group had €150 million of cash and cash equivalent on its balance sheet as well as an undrawn €50 million RCF. On a pro forma basis, the net leverage ratio stood at 3.7x at the end of June 2016.

2020 SUBORDINATED NOTES REFINANCING

On May 4th, LOXAM issued new senior secured Notes for an amount of €250 million, due in May 2023. The proceeds of this issue, together with ca. €70m of available cash, have been used to redeem the €300 million 2020 subordinated Notes. Thanks to the lower coupon of the new senior secured notes, this refinancing reduces the interest cost of our financial debt by €1 million per month.

BUSINESS OUTLOOK

We confirm our expectation that the building construction market will continue to grow during the rest of 2016 in France. 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 and we will maintain cost discipline at the International division. At the Group level we expect to record a positive free cash flow organically over the second half of the year.

FINANCIAL CALENDAR

Publication of third quarter 2016 results on November 22nd, 2016 (after market close) and conference call on November 23rd, 2016.

INVESTOR CONTACTS

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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 650 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.