



LOXAM – 2016 THIRD QUARTER RESULTS **ORGANIC GROWTH CONFIRMED**

Paris - NOVEMBER 22nd, 2016

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

Q3-2016 financial and business highlights:

- Revenue up by 13% at €238 million (+5% organically).
- Growing revenue in all divisions.
- EBITDA up by 15%, excluding capital gains.
- Positive Free Cash Flow of €18 million.

Other key recent developments:

- Exclusive negotiations for the potential acquisition of Hune
- Launch of a share buy-back offer up to a maximum of 11% of the share capital

Overall, in the first nine months of 2016, LOXAM recorded a good performance with a revenue growth of +12% (+3% organically) and an increase in EBITDA of +8%.

Gérard Déprez, Chairman and CEO of LOXAM commented:

"We are pleased to report a good performance during Q3 with organic growth across all three divisions, an increase in utilization rates and the stabilization of prices. These positive results and the favorable market conditions in which we operate allow us to confirm our objective to grow our revenues organically by 3% in 2016. Going forward, we expect a continuation of this trend, in France and abroad.

I am also extremely pleased that LOXAM confirmed its ability to continue to grow through selective acquisitions: in October, the Group acquired Salmat Nord, a general rental company in the North of France, and later in November, LOXAM also announced to be in exclusive discussions to potentially acquire Hune, a leading equipment rental company in Spain with subsidiaries in Portugal, France as well as JV operations in Saudi Arabia and Colombia.

Finally, LOXAM decided to optimize its capital structure by offering liquidity to the financial investors and other minority shareholders through a share buy-back funded by cash resources."

KEY FIGURES (millions of Euro; IFRS)

	<u>Q3 2015</u>	<u>Q3 2016</u>	<u>9M 2015</u>	<u>9M 2016</u>
Revenue				
Generalist France	127.0	145.4	372.6	425.2
Specialist France	36.4	42.9	104.8	120.5
International	47.6	49.9	133.5	139.6
Total Revenues	211.1	238.2	610.8	685.3
EBITDA				
Generalist France	51.0	54.4	133.5	141.9
Specialist France	13.5	14.6	35.8	37.8
International	13.2	14.5	32.2	35.8
Total EBITDA ⁽¹⁾	78.5	84.7	203.2	219.6
EBITDA margin				
Generalist France	40.1%	37.4%	35.8%	33.4%
Specialist France	36.9%	34.0%	34.2%	31.4%
International	27.8%	29.1%	24.1%	25.7%
Total EBITDA ⁽¹⁾ margin	37.2%	35.6%	33.3%	32.1%
EBIT	32.8	32.0	65.2	61.1
Recurring Free Cash Flow ⁽²⁾	5.1	18.4	37.0	(3.6)
Gross capex	43.6	36.9	109.5	159.8

⁽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 Q3-2016 have been prepared according to IFRS and Q3-2015 financial statements have been restated under IFRS to provide a comparable basis.

REVENUE

LOXAM's consolidated revenue increased by 12.8% during the quarter to €238 million. Like-for-like, and at constant exchange rates, consolidated revenue increased by 6.5% thanks to an increase of the utilization rate, the positive impact of Hertz Equipment branch mergers, while prices have been stable in the quarter.

Revenue at the Generalist France division was up by 14.5% at €145 million in Q3 2016. This strong increase was driven by the change of perimeter and the like-for-like growth of the depots which stood at 5.3% in the quarter.

The Specialist France division revenue increased by 17.8% compared to Q3 2015, at €43 million, thanks to the same factors as for the Generalist division. The division also benefited, like in Q2, from one-off projects. Like for like, revenue increased by 14.4% in Q3 2016.

Overall, our revenue in France increased by 7.3% like-for-like in the quarter.

Our International division recorded a revenue increase of 4.8% to €50 million, or 3.6% like-for-like and at constant exchange rate. During the quarter, the division has continued to take advantage of favorable market conditions in all countries.

EBITDA

EBITDA increased by 7.9% to €85 million, representing 35.6% of the quarter's revenue, a slightly lower margin level than in Q3 2015 because of lower fleet divestments in the quarter. Excluding capital gains on fleet disposals, the EBITDA increased by 14.8% in line with the growth of the revenue.

Across divisions, the EBITDA of Generalist France was up by 6.7%, at €54 million and a 37.4% margin. Specialist France recorded an 8.3% increase of its EBITDA, at €15 million and a 34.0% margin. The International division posted a good performance with an EBITDA increase of 9.7%, at €15 million, and a margin of 29.1%, increasing by 1.3 points.

EBIT AND FINANCIAL INCOME

EBIT was almost stable at €32 million, as higher depreciation charge offset the €6 million of additional EBITDA. The net financial expense was reduced by €4 million to €(14) million, as the reduced interest expense following the bond debt refinancing of May took full effect.

CASH FLOW AND INDEBTEDNESS

Free cash flow was positive, at +€18 million in the quarter, thanks to higher EBITDA and lower capex, and despite a more pronounced seasonal negative change in working capital requirement.

At the end of September 2016, the net financial debt amounted to €1,058 million (versus €1,025 million at the end of December 2015) taking into account €212 million of cash and cash equivalent on its balance sheet. On a pro forma basis, the net leverage ratio stood at 3.6x at the end of September 2016.

POST QUARTER EVENTS

On October 27, LOXAM acquired Salmat Nord a general rental company with a single depot in the North of France serving customers in the industrial region of Dunkirk.

On November 16th, LOXAM announced it has entered into exclusive discussions with the shareholders of Hune for the potential acquisition of the company. Hune is one of the leading equipment rental players in Spain where it operates 35 branches out of a total network of 43. The company also has operations in Portugal and France, and is present in Saudi Arabia and Colombia through joint-ventures. In 2015, Hune consolidated revenue amounted to €67 million. The transaction is expected to close at year end 2016.

On November 16th, LOXAM also announced the launch of an offer to buy-back its shares from shareholders. After working for over 5 years with financial investors 3i Investment Plc and Pragma Capital, during which LOXAM expanded greatly its International division, LOXAM will undertake to buy-back up to 11% of its share capital, subject to the approval of its shareholders' general meeting. This offer will provide liquidity to these financial investors and private shareholders who would like to tender their shares. The amount of buy-backs for 2016 will be less than €100 million. The majority

shareholder group of LOXAM has already announced that it will not tender its shares to this offer. This transaction will lead to an optimization of the capital structure as LOXAM will use its liquidity to fund the buy-back.

BUSINESS OUTLOOK

In France, we expect the building construction market to continue to grow in 2017. The rest of Europe should also see a continuation of the positive trend in most of our markets. All of our divisions should see a revenue growth and we will maintain cost discipline at all divisions.

INVESTOR CONTACTS

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ABOUT LOXAM

LOXAM is the leading equipment rental Company in Europe with a pro forma non audited consolidated revenue of €897 million in 2015 and approximately 5,000 employees. LOXAM's network of more than 640 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.