



LOXAM – 2017 SECOND QUARTER RESULTS
SOLID PERFORMANCE, DRIVEN BY MARKET RECOVERY,
CONSOLIDATION OF NEW PERIMETER

Paris - August 29th, 2017

LOXAM, Europe's leading equipment rental company to professionals, published today its financial statements for the second quarter of 2017.

Q2-2017 financial and business highlights:

- Revenue up by 48% to €356 million (+5% like-for-like and at constant FX)
- EBITDA of €124 million, with a margin of 35%
- Good performance of Hune and Lavendon operations
- Strong increase in fleet capex, in line with LOXAM's expectations
- Net financial debt of €2,076 million and leverage ratio at 4.5x

Other highlights:

- Sale of Lavendon's German operations
- Upcoming acquisition of Cramo's Danish equipment rental operations

Overall, during the first half of 2017, LOXAM recorded a very good performance with a revenue growth of +46% and an increase in EBITDA of 54% (respectively +8.3% and +10.1% like-for-like).

Gérard Déprez, Chairman and CEO of LOXAM commented:

"Following solid second quarter results, LOXAM is on track to achieve its revenue and EBITDA objectives for the current year.

Our revenue growth during the quarter reflects the positive market conditions observed in the vast majority of our geographies, notably in France. In order to fully leverage this favorable market trend, we have spent capex according to our plan and will continue to do so during the second half of the year. Our short term objective remains to put our operations in a position to seize the market growth.

These quarterly results also reflect for the first time the full contribution of Hune and Lavendon to LOXAM. Our newly acquired operations have contributed positively to the growth of both our revenue and EBITDA, and highlight the new size and the strengths of our Group."

KEY FIGURES (millions of Euro; IFRS)

	<u>Q2 2016</u>	<u>Q2 2017</u>	<u>H1 2016</u>	<u>H1 2017</u>
Revenue				
Generalist France	150.5	159.3	279.7	303.1
Specialist France	42.2	53.4	77.6	100.1
International	48.2	143.3	89.8	250.2
Total Revenues	241.0	356.0	447.1	653.4
EBITDA				
Generalist France	55.7	59.4	87.5	99.8
Specialist France	14.6	17.6	23.2	31.0
International	13.8	45.9	21.3	74.6
Total EBITDA ⁽¹⁾	86.7	124.3	135.0	207.6
EBITDA margin				
Generalist France	37.0%	37.3%	31.3%	32.9%
Specialist France	34.6%	32.9%	29.9%	31.0%
International	28.7%	32.0%	23.7%	29.8%
Total EBITDA ⁽¹⁾ margin	36.0%	34.9%	30.2%	31.8%
EBIT	32.9	61.6	29.0	83.9
Recurring Free Cash Flow ⁽²⁾	(46.5)	(93.5)	(38.6)	(155.6)
Gross capex	81.6	145.0	123.0	260.8

Note : consolidation of Hune and Lavendon from 1st February 2017, with their respective accounting policies left unchanged

⁽¹⁾ including contribution from real estate

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

REVENUE

LOXAM's consolidated revenue increased by 47.8% in Q2-2017 to €356 million. Like-for-like, and at constant exchange rates, consolidated revenue increased by 5.5%.

Revenue of the Generalist France division was up by 5.9% in Q2-2017 to €159 million. This positive trend reflects the continued construction market recovery, translating into an improvement of the division's utilization rates.

Specialist France division revenue increased by 26.4% in Q2-2017 (+5.6% like-for-like, excluding the consolidation of Lavendon France) to €53 million. The strong increase of the division's revenue is due to the contribution of Lavendon's French operations. Like-for-like, the rest of the division has recorded a satisfactory growth of +5.6%, driven by favorable market conditions.

Overall, LOXAM's revenue in France increased by 5.8% like-for-like in Q2-2017.

Outside of France, the Group's International division revenue nearly tripled during Q2-2017 at €143 million, thanks to the contribution of Hune and Lavendon's international operations over the full period, which represented two thirds of the division's revenue. Like-for-like, and at constant exchange rates, revenue increased by 4.2%.

EBITDA

During Q2-2017, EBITDA increased by 43.4%, or +0.5% like-for-like. The EBITDA margin stood at 34.9%, at a slightly lower level than Q2-2016 (36.0%).

At the division level, Generalist France EBITDA margin increased by 0.3 points during the quarter, at 37.3%, thanks to higher revenue and despite a lower level of gains on fleet disposals.

Specialist France recorded a 32.9% EBITDA margin during the quarter. Like-for-like, the margin was 2.3 points lower than during Q1-2016, primarily because of a high basis of comparison in Q2-2016.

The International division's EBITDA increased by 231% compared to Q2-2016, thanks to the substantial contribution of Hune and Lavendon's operations; this corresponds to a margin of 32.0%, 0.8 pts lower than one year ago at comparable structure, as we recorded operational expenses related to the organic development of the division.

FINANCIAL INCOME

The net financial expense, at €41 million, included a €14 million non-recurring charge corresponding to the full amortization of the Lavendon bridge facility's arrangement fees and costs, following the bond refinancing which took place in April 2017.

CASH FLOW AND INDEBTEDNESS

Free cash flow from operations for the quarter was negative, at €(94) million, due to the amount of capex spent, an increase in the working capital requirement and the change of perimeter.

The net financial debt increased to €2,076 million as of 30 June 2017 (vs. €2,063 million as of 31 March 2017), which represents a net debt to EBITDA leverage ratio of 4.5x.

OTHER EVENTS OF THE QUARTER

On June 29th, 2017, LOXAM sold the German operations of Lavendon to the TVH Group.

POST QUARTER EVENTS

On July 13th, 2017, LOXAM entered into an agreement to acquire the equipment rental operations of Cramo Denmark. This transaction is expected to close on August 31st, 2017.

On August 7th, 2017, LOXAM redeemed an amount of €110.7 million out of the €410 million outstanding nominal of the Senior Secured Notes due 2021. This partial redemption was funded out of the Group's available cash.

BUSINESS OUTLOOK

In all geographies, notably France, the Group expects the equipment rental market to continue to grow in 2017. All of LOXAM's divisions should see a revenue growth thanks to higher capex and favorable market environment, on a trend similar to that of the second quarter.

FINANCIAL CALENDAR

Publication of third quarter 2017 results on November 21st, 2017 (after market close) and conference call on November 22nd, 2017.

INVESTOR CONTACTS

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ABOUT LOXAM

LOXAM is the leading equipment rental Company in Europe with unaudited proforma consolidated revenue of €1330 million in 2016 and approximately 7,200 employees. LOXAM's network of more than 720 branches extends over 12 countries in Europe (France, Germany, the United Kingdom, Ireland, Belgium, Switzerland, Spain, Portugal, Luxemburg, the Netherlands, Denmark and Norway) as well as in the Middle East, 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.