



LOXAM – 2018 THIRD QUARTER RESULTS
REVENUE GROWTH
AND IMPROVING EBITDA PERFORMANCE

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LOXAM, Europe's leading equipment rental company to professionals, published today its financial statements for the third quarter of 2018.

Third quarter highlights

- Revenue up by 9% (+4% like-for-like and at constant FX)
- EBITDA up by 16% (+13% like-for-like and at constant FX)
- Positive free cash flow
- Net debt / proforma LTM EBITDA ratio as of 30 September 2018 decreasing to 4.27x
- €85m early redemption of 2021 SSN and 2022 Sub Notes

Gérard Déprez, Chairman and CEO of LOXAM commented:

"We are satisfied with the performance of our third quarter which confirms the organic growth trend recorded since the beginning of the year, in line with our expectations. Our continued investment in new fleet continues to bear its fruits in terms of revenue, and contributed to the improvement of our EBITDA margin.

Our economic and construction environment remained positive although we observed some weakness in the UK and the Middle East, which impacted the revenue of our international division.

Thanks to our strong EBITDA performance and despite the level of capex spent, we recorded a positive cash flow during the quarter, as anticipated. Accordingly, our end-of-quarter leverage ratio decreased by nearly 0.2x.

For the rest of the year, we expect a continuation of our organic growth, which should enable us to confirm our deleveraging by year end"

KEY FIGURES (millions of Euro; IFRS)

	<u>Q3 2017</u>	<u>Q3 2018</u>	<u>9M 2017</u>	<u>9M 2018</u>
Revenue				
Generalist France	153.8	164.7	456.9	484.2
Specialist France	55.9	59.7	156.0	166.9
International	136.3	153.5	386.6	443.9
Total Revenues	346.1	377.9	999.5	1095.0
EBITDA				
Generalist France	53.9	63.4	153.9	166.3
Specialist France	18.6	21.8	49.4	57.5
International	47.2	53.3	121.8	143.8
Total EBITDA⁽¹⁾	121.4	140.4	329.0	372.0
EBITDA margin				
Generalist France	35.1%	38.5%	33.7%	34.3%
Specialist France	33.2%	36.4%	31.7%	34.5%
International	34.7%	34.7%	31.5%	32.4%
Total EBITDA⁽¹⁾ margin	35.1%	37.1%	32.9%	34.0%
EBIT	59.3	68.3	152.6	161.3
Recurring Free Cash Flow	(0.2)	14.6	(83.9)	(37.8)
Gross capex	79.6	89.5	340.3	315.2

⁽¹⁾ including contribution from real estate

REVENUE

LOXAM's consolidated revenue increased by 9.2% during Q3 2018 to €378 million. Like-for-like, and at constant exchange rates, consolidated revenue increased by 4.0%.

Revenue of the Generalist France division was up by 7.1% during the third quarter to €165 million. This trend confirms the healthy market environment and was also due to the effect of new fleet delivered since the beginning of the year.

Specialist France division revenue increased by 6.8% during Q3 2018 to €60 million thanks to the positive market conditions.

Overall, LOXAM's revenue in France increased by 7.0% in Q3.

Outside of France, the Group's International division revenue increased by 12.6% during Q3 2018 to €153 million. However, like-for-like and at constant exchange rates, revenue decreased by 0.6%. Although the division's general macro-economic and construction environment remained favorable, revenue of our UK and Middle East operations has suffered from difficult market conditions.

EBITDA

During the third quarter, EBITDA increased by 15.7%, or 12.6% like-for-like and at constant exchange rates. The EBITDA margin stood at 37.1%, 2.1 point higher than in Q3 2017. The strong growth of our EBITDA was fueled by additional revenue and is also due to a favorable comparison basis, since Q3 2017 EBITDA was impacted by the payment of a 50th anniversary bonus to staff.

Across divisions, the EBITDA of Generalist France increased by 17.5% during the quarter, resulting in an EBITDA margin of 38.5%. Specialist France EBITDA increased by 17.3%, or 16.9% like-for-like,

during the quarter and the margin was 36.4%. The international division posted a 5.0% increase of its EBITDA like-for-like, at constant exchange rates. The margin reached 34.7%, which is the same level as that of Q3 2017, thanks to good cost control and despite lower fleet capital gains.

FINANCIAL INCOME

On July 23rd, 2018, LOXAM proceeded with the partial early redemption of its Senior Secured Notes due 2021 for an amount of €60 million and of its Senior Subordinated Notes due 2022 for an amount of €25 million.

The net financial expense, at €27 million, decreased by €3 million compared to the same period last year, thanks to a lower average cost of indebtedness and lower non-recurring items (bond redemption premium).

CASH FLOW AND INDEBTEDNESS

Recurring free cash flow (before M&A and excluding non-recurring items) was positive, at €15 million, vs. €(0.2) million in Q3-2017, thanks to higher EBITDA.

The net financial debt amounted to €2,177 million as of 30 September 2018, which represents a net debt to proforma EBITDA leverage ratio of 4.27x, 0.16x lower than at the end of Q2.

BUSINESS OUTLOOK

For the rest of the year, we expect the overall macro and construction environment to remain generally positive. We anticipate that our French divisions should continue to record a positive organic growth while our international division may still be impacted by the market conditions in the UK and the Middle East.

FINANCIAL CALENDAR

Publication of Q4 and FY 2018 results in March 2019.

INVESTOR CONTACTS

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ABOUT LOXAM

LOXAM is the leading equipment rental company in Europe with unaudited proforma consolidated revenue of €1,435 million in 2017 and approximately 7,900 employees. LOXAM's network of more than 750 branches extends over 13 countries in Europe (France, Germany, the United Kingdom, Ireland, Belgium, Switzerland, Spain, Portugal, Luxemburg, the Netherlands, Denmark, Norway and Italy) 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.