



LOXAM – 2018 FOURTH QUARTER AND FULL YEAR RESULTS ORGANIC GROWTH AND DELEVERAGING, AS EXPECTED

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LOXAM, Europe's leading equipment rental company to professionals, published today its financial statements for the fourth quarter and full year 2018.

FY 2018 highlights

- Revenue of € 1,483 million, up by 8% (+4% at constant perimeter and FX)
- EBITDA of €501 million, up by 8%, with a margin of 34%
- Net debt / proforma EBITDA ratio as of 31 December: 4.24x
- Integration of 2017 acquisitions completed
- Continued favorable market conditions throughout the year

Q4-2018 Highlights

- Revenue growing by 5% (+2% at constant perimeter and FX)
- Low volume of equipment disposed
- +€41 million Free cash flow before M&A

Gérard Déprez, Chairman and CEO of LOXAM commented:

“2018 was a very satisfactory year for LOXAM, since we benefitted from a sound organic growth all along the year and succeeded in increasing our operational profitability.

This performance was achieved in the context of a positive construction environment which fueled a solid demand for equipment rental services.

An important achievement of the year was the operational integration of Lavendon and Hune into the group. Besides, the growth of our EBITDA has enabled us to show a deleveraging, while keeping an appropriate level of fleet capex, in line with market demand.

In 2019, we anticipate that the economic and construction environment will remain favorable for the group.”

KEY FIGURES (millions of Euro; IFRS)

	Q4 2017	Q4 2018	FY 2017	FY 2018
Revenue				
Generalist France	165.7	174.5	622.6	658.7
Specialist France	56.8	58.6	212.8	225.6
International	145.7	154.4	532.2	598.3
Total Revenues	368.2	387.5	1367.7	1482.6
EBITDA				
Generalist France	59.5	59.1	213.4	225.4
Specialist France	18.9	19.3	68.3	76.9
International	55.2	48.6	177.0	192.4
Total EBITDA⁽¹⁾	135.0	128.7	464.0	500.7
EBITDA margin				
Generalist France	35.9%	33.9%	34.3%	34.2%
Specialist France	33.2%	32.9%	32.1%	34.1%
International	37.9%	31.5%	33.3%	32.2%
Total EBITDA⁽¹⁾ margin	36.7%	33.2%	33.9%	33.8%
EBIT	73.0	51.6	225.6	212.9
Recurring Free Cash Flow	33.3	40.2	(50.6)	2.4
Gross capex	92.5	97.3	432.8	412.5

⁽¹⁾ including contribution from real estate

REVENUE

LOXAM's consolidated revenue for the year increased by 8.4% in 2018 to €1,483 million. At constant perimeter and exchange rates, consolidated revenue increased by 3.7%.

Revenue of the Generalist France division was up by 5.8% in 2018 to €659 million. The growth recorded in Q4, at +5.3%, reflects the homogenous trend of the year, driven by sustained favorable market conditions.

Specialist France division revenue increased by 6.0% in 2018 to €226 million (+4.6% at constant perimeter) over the year, and grew by 3.2% during the fourth quarter.

Overall, LOXAM's revenue in France increased by 5.8% in 2018, and by 4.8% during Q4-2018.

Outside of France, the Group's International division revenue increased by 12.4% in 2018 to €598 million (+1.0% at constant perimeter and exchange rates). The performance of the division has been impacted by the UK and the Middle East where the competitive situation of the market was challenging. During Q4-2018, the division revenue decreased by 1.3% at constant perimeter and exchange rates due to slowdown in the Middle East region.

EBITDA

Over the year, EBITDA increased by 7.9%, or +4.2% at constant perimeter and exchange rates. The EBITDA margin stood at 33.8%. The evolution of our EBITDA was impacted by a lower level of capital gains, due to a lower volume of machines sold. Setting aside capital gains, our EBITDA margin was up by 0.7 pt.

Across divisions, the EBITDA of Generalist France increased by 5.6% during the year, resulting in a

quasi-stable EBITDA margin of 34.2%, in spite of the decrease of fleet capital gains. Specialist France increased its EBITDA by 12.5%, or +12.8% at constant perimeter, and reached a margin of 34.1% (+2.0pts vs. FY 2017). The international division posted a 1.0% decrease of its EBITDA like at constant perimeter and exchange rates, with a margin of 32.2%, 1.1 pt lower than during FY 2018; this decrease was attributable to the subdued performance of Q4.

During Q4, EBITDA decreased by 4.7% or -7.2% at constant perimeter and exchange rates, reaching a margin of 33.2%. This was due to lower fleet capital gains.

FINANCIAL INCOME

The net financial expense for the year, at €102 million, decreased by €15 million compared to FY 2017, thanks to a lower average cost of indebtedness and lower non-recurring items.

CASH FLOW AND INDEBTEDNESS

Recurring free cash flow (before M&A and excluding non-recurring items) was + €2 million, vs. €(51) million in FY 2017 thanks to higher EBITDA.

The net financial debt amounted to €2,136 million as of 31 December 2018, which represents a net debt to proforma EBITDA leverage ratio of 4.24x, 0.19x lower than at the end of FY 2017.

POST QUARTER EVENT

On January 14th, 2019, LOXAM completed the acquisition of UK Platforms, a British company specialized in powered access rental, which will help us to consolidate our leading position on Europe's largest rental market.

BUSINESS OUTLOOK

In 2019, we expect the overall macro and construction environment to remain positive, except for the Middle East. As we anticipate a lower level of capex, we should continue to deleverage our balance sheet towards 4x.

FINANCIAL CALENDAR

Publication of Q1 2019 results on May 29th 2019.

INVESTOR CONTACTS

<u>LOXAM</u> Patrick Bourmaud / Maëg Videau +33 (0)158 440 400 ir@loxamgroup.com	<u>Brunswick</u> Agnès Catineau / Bénie Igiraneza +33 (0)1 53 96 83 83 loxam@brunswickgroup.com
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ABOUT LOXAM

LOXAM is the leading equipment rental company in Europe with consolidated revenue of €1,483 million in 2018 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.