



LOXAM – 2019 THIRD QUARTER RESULTS
A QUARTER OF TRANSFORMATION
ACQUISITION OF RAMIRENT, CONTINUING ORGANIC GROWTH

Paris - November 26th, 2019

Note: all financial data mentioned in this document, in particular EBITDA and Net Debt, do not include adjustments deriving from the application of IFRS 16 accounting standard, except where otherwise stated.

LOXAM, Europe's leading equipment rental company to professionals, published today its financial statements for the third quarter of 2019.

Third quarter highlights

- Acquisition of Ramirent Group consolidated from August 1st, 2019
- Revenue of €524 million up by 38.5% (+2.2% at constant perimeter and FX)
- EBITDA of €184 million at 35.2% of the quarterly revenue
- Significant positive recurring free cash flow of €77 million
- Net debt / proforma EBITDA ratio as of September 30, 2019 at 4.92x

Gérard Déprez, Chairman and CEO of LOXAM commented:

"We are extremely satisfied with the results of our third quarter, underlining the dramatic transformation of the Loxam Group thanks to the acquisition of Ramirent which we started to consolidate in the Group's accounts since August 1st, 2019.

The rental market has remained positive overall and our organic revenue has continued to grow by 2.2%, while our EBITDA margin has stayed strong at 35% with a balanced performance at all divisions.

I am also pleased that the Group delivered a significant positive free cash flow for Q3, as we benefited from our EBITDA growth and reduced spend in capex, as most of the fleet capex for our French business were delivered during the first half of the year.

We anticipate that most of construction markets will remain positive for Q4, while the level of demand will adjust to the seasonal slowdown towards the end of the year. As most of our capex for 2019 have been paid, we anticipate that our strong EBITDA will contribute to a decrease of our financial debt towards the end of the year."

KEY FIGURES (in millions of euros; excluding IFRS 16)

	Q3 2018	Q3 2019	9M 2018	9M 2019
Revenue				
Generalist France	164.0	170.4	482.0	506.9
Specialist France	60.5	64.4	169.1	180.4
International	153.5	288.8	443.9	596.8
Total Revenues	377.9	523.6	1 095.0	1 284.2
EBITDA				
Generalist France	63.2	61.4	165.7	180.1
Specialist France	22.3	23.0	59.2	60.2
International	54.0	99.3	145.9	188.0
Total EBITDA⁽¹⁾	140.4	184.2	372.0	430.4
EBITDA margin				
Generalist France	38.5%	36.0%	34.4%	35.5%
Specialist France	36.9%	35.6%	35.0%	33.4%
International	35.2%	34.4%	32.9%	31.5%
Total EBITDA⁽¹⁾ margin	37.1%	35.2%	34.0%	33.5%
EBIT	68.3	84.5	161.3	177.3
Recurring Free Cash Flow	14.7	77.1	(37.8)	(6.1)
Gross capital expenditure	89.5	59.0	315.2	321.6

⁽¹⁾ including contribution from real estate

REVENUE

LOXAM's consolidated revenue increased by 38.5% during Q3 2019 to €524 million. At constant perimeter and exchange rates, consolidated revenue increased by 2.2%. Loxam has started consolidating Ramirent from August 1st, 2019.

On a continuing trend since the beginning of the year, revenue of the Generalist France division was up by 3.9% during the third quarter to €170 million.

Specialist France division recorded a good organic growth of +6.5% during Q3 2019 to €64 million thanks to the positive dynamic of the construction markets.

Overall, LOXAM's revenue in France increased by 4.6% in Q3.

Outside of France, the revenue of the International division increased by 88.1% during Q3 2019 to €289 million, or a -1.4% decrease at constant perimeter and exchange rates. The contribution of Ramirent, at €130 million, was the main factor for the revenue growth at the International division. The weak market in the Middle East continued to weigh down on the division performance.

EBITDA

During the third quarter, EBITDA increased by 31.2%. At constant perimeter and exchange rates, it decreased slightly against a high level of comparison in Q3 2018, as the Group recorded higher social security charges and IT costs in France. Overall, the EBITDA margin level remained satisfying at 35.2%.

Across divisions, the EBITDA of Generalist France decreased by -2.9% during the quarter, but the EBITDA margin remained good at 36.0%. Specialist France EBITDA increased by 2.8% during the quarter thanks to the growth of its revenue while its margin stood at 35.6%.

EBITDA at the international division was boosted by the contribution from Ramirent. At constant perimeter and exchange rate, EBITDA decreased by -3.6% as the weak activity of the Middle East continued to weigh on the EBITDA. Globally, the Group's International division margin reached 34.4%.

FINANCIAL INCOME

The net financial expense amounted to €46 million, vs. €27 million in Q3 2018. Financial expense included non-recurring costs of €12 million in relation to the acquisition of Ramirent. The financial expense also included the interest cost for over two months for the €1,400 million bonds issued in July 2019.

CASH FLOW AND INDEBTEDNESS

The recurring free cash flow (before M&A and excluding non-recurring items) amounted to €77 million vs. €15million in Q3 2018, as a consequence of EBITDA growth and lower capex spend in Q3 2019.

As of September 2019, the net financial debt amounted to €3,730 million, which represents a net debt to proforma EBITDA leverage ratio of 4.92x, as a consequence of the acquisition of Ramirent.

OTHER EVENT OF THE QUARTER

The take-over period on the outstanding shares of Ramirent ended on July 18th. At the end of September, LOXAM owned 98.2% of Ramirent. Loxam has launched a squeeze out procedure to acquire all of the outstanding shares of Ramirent. This procedure is expected to complete in Q4 2019.

In July, Loxam issued successfully €1,400 million of bonds to fund the acquisition of the shares of Ramirent and refinance its financial debt: €700 million of Senior Secured Notes maturing in January 2025, €450 million of Senior Secured Notes maturing in July 2026 and €250 million of Senior Subordinated Notes maturing in July 2027.

BUSINESS OUTLOOK

We expect that the favorable market conditions will continue to prevail for the rest of the year in the vast majority of our geographies. However, we expect that the growth rate of our activity will slow down towards the end of the year.

FINANCIAL CALENDAR

Publication of Q4 and full year 2019 results on March 17th (after market closing), followed by a conference call on March 18th 2020.

INVESTOR CONTACTS

<u>LOXAM</u> Patrick Bourmaud +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
--------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------

ABOUT LOXAM

LOXAM is the leading equipment rental company in Europe with consolidated revenue of €1,483 million in 2018 and approximately 8,000 employees. LOXAM's network of more than 766 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.

ABOUT RAMIRENT

Ramirent is a leading service company offering equipment rental for construction and other industries. Ramirent's mission is to help the customers gear up on safety and efficiency by delivering great equipment and smooth service with a smile. With around 2,900 co-workers at 294 customer centers across nine countries in Northern and Eastern Europe, Ramirent's Group sales reached a total of EUR 712 million in 2018.

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.