



SITUATION UPDATE RELATIVE TO THE COVID-19 CRISIS

STRENGTHENED LIQUIDITY

Paris, April 30th 2020

Ahead of the Q1 2020 results announcement scheduled on May 27th 2020, Loxam shares the following update in respect of its activity, financial situation and related Covid-19 impact.

Since the start of the pandemic, Loxam has swiftly taken all necessary steps to limit its impacts as much as possible. The Group has identified the following priorities:

1. Employees and clients health and safety, while ensuring continuity of service

Since the outbreak of the health crisis, the Group has implemented all necessary actions to protect the health of its employees and clients, by putting in place strict hygiene and social distancing measures adapted to its operations. In order to maintain its service, the Group has activated its Business Continuity Plan ("Plan de Continuité de l'Activité"), which provides clear instructions for both on-site pick-up and delivery of equipment. When the application of the above safety protocols is possible, branches remain open on a "drive-in" basis only (restricted access to premises, online and contactless rental, online payment, etc.), while remote working is encouraged whenever possible. Throughout the Group's operations, the continuity of service notably allowed, on top of serving the usual construction and industrial clients, to provide vital equipment and services to emergency response teams, hospitals, care facilities and testing sites.

2. Preserve cash

The Group implemented strong and decisive costs cutting measures throughout its operations. The benefit of such measures, summarized below, will be visible from the Q2 2020 results onwards, and help the Group to preserve its cash flow generation:

- Reducing costs and discretionary spending and using all appropriate local measures, in particular in terms of partial unemployment, coupled in several countries, such as France, to a 10% temporary reduction in wages applicable to all staff;
- Systematic review of all external charges (transport, premises, utilities, etc.) in view of cancelling, limiting or renegotiating terms to generate costs savings;
- Cancellation and/or postponement in capital expenditure. At this date, the capex outflows amount to approximately €50 million;
- Strict monitoring of working capital, in particular with the aim of tracking inflows of customer payments on a daily basis;
- Cancellation of the dividend.

In Q1 2020 and in April 2020, the free cash flow generation of the Group is positive.

3. Strengthen liquidity

In light of the current crisis, the Group has strengthened its liquidity by:

- Drawing the full amount of its €75 million RCF facility, and will shortly engage discussions with its financing partners to obtain a covenant holiday;
- Drawing on all available outstanding bilateral facilities for €180 million;
- Issuance of short term notes for an amount of €40 million under Ramirent's commercial paper program;
- Extending terms and delaying amortization of certain financial leasing commitments;
- Diligently working on obtaining state guaranteed loans in application of local governmental support measures. In France, Loxam received credit approval from its banks for a €230 million loan, and funding will take place in the upcoming days.

4. Prepare for the recovery

The Group is already actively preparing for the progressive lifting of lockdown measures in Europe in May, and will enact its Business Recovery Plan ("Plan de Reprise d'Activité"). Such plan shall further define and generalize throughout the Loxam network the best health and safety practices identified in the last weeks. At this date, approximately 400 branches are already open in France, and the Group is constantly monitoring and adapting its operations, so as to provide its clients, with the best possible service given the circumstances. It is however expected that the activity recovery will be progressive, and the Group intends to monitor costs and cash flow generation thoroughly during that period, so as to tailor its expenditures to the actual level of demand and activity.

Current trading and outlook

Loxam's consolidated revenue for the first quarter in 2020 increased by 35.0% to €494.1 million, mainly driven by the acquisition of Ramirent in July 2019. At constant 2020 perimeter and exchange rates, consolidated revenue however decreased by 9.5%, in spite of a good start of year, impacted from mid-March onwards by the lockdown measures imposed by the Covid-19 pandemic. Revenue in France decreased by 10.0% versus Q1 2019, while the Group's International division revenue decreased by 9.1% during the first quarter at constant 2020 perimeter and exchange rates.

Given the impact of the global economic crisis caused by the coronavirus, the Group expects a challenging second quarter 2020. As anticipated, the level of disruption of activity, linked to the severity of the health crisis and the impact of lockdown measures, varies significantly throughout the Group's network, with Northern and Eastern European countries and activities outside of Europe countries being less impacted by the pandemic than the other regions.

In April, on a comparable structure and at constant exchange rates, the Group's revenue are estimated to be down by 40% versus last year, evidencing the resilience of Loxam's diversified geographical profile. The French operations have traded around 67% below the levels of April 2019. The Group's international activities reported a decrease estimated to 23% versus April 2019, thanks to Ramirent who traded close to its previous year performance.

After the initial shock, the business community has progressively adapted to the situation, and the Group has seen activity levels progressively pick-up throughout the month, as worksites have started to re-open. This trend remains to be confirmed, but is encouraging for the future and will be closely monitored.

As a result of the above measures and including drawings under the state guaranteed loan, the Group's cash and cash equivalents position would amount to €700 million as at 30 April 2020. The Group has elaborated and tested its cash position versus various crisis and recovery scenarios and remains confident that its liquidity is adequate to face the Covid-19 crisis, which will not alter the foundations and resilient business model of the Loxam Group.

Loxam continues to make sure that its staff complies with the precautionary health & safety measures which governments have implemented in every country.

The management will regularly keep investors informed on its activity level and financial situation.

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ABOUT LOXAM

The Loxam Group is the leading equipment rental company in Europe with consolidated revenue of €1,871 million in 2019 and approximately 11,300 employees. The Group has become the 3rd largest player in the world with €2.3 billion of total pro forma revenue in 2019 and a network of 1069 branches over 30 countries on four continents.