



LOXAM – 2022 FIRST QUARTER RESULTS

“Solid double-digit revenue growth consistent with a positive construction market trend”

Paris – May 30th, 2022

Loxam, Europe’s leading equipment rental company to professionals, published today its financial statements for the first quarter of 2022.

First quarter highlights

- Revenue of €564 million, up by 13.5% versus Q1 2021
- EBITDA of €185 million, up by 11.2%
- Gross Capex at €168 million
- Liquidity at €317 million after bonds refinancing, excluding the undrawn €345 million RCF

Post quarter events:

- S&P rating upgrade from B+ to BB-with a stable outlook, back to the pre-covid level
- Release of the 2021 Group CSR Report

Gérard Déprez, Chairman and CEO of LOXAM, commented:

“Loxam’s strong start to the year demonstrates that we are continuing to benefit of a solid underlying demand in the construction sector. It also highlights the pertinence of our capex strategy that allows us to answer all of our customers’ demands. In France, growth was solid, surpassing 2019 revenue by more than 8% and putting the Covid crisis firmly behind us. Outside France, countries are growing and benefiting from both the post-Covid economic rebound and the lifting of sanitary restrictions which still applied in Q1 2021.

Our financial performance remained strong with an EBITDA margin of 33%, even if impacted by cost inflation within some geographies.

In February, we returned to the bond market and successfully issued a new senior secured note of €350m, due 2027. The proceeds of this note, together with the cash at our disposal, were used to repay the 2022 and 2023 notes. Thanks to this transaction, Loxam does not have a major debt repayment before 2025, which illustrates the renewed confidence of the financial community in the Group’s strategy and business model. Also, the S&P rating upgrade to BB- from B+ reflects the company’s competence in navigating the Covid crisis and maintaining a robust operating performance in line with its expectations. Concerning the cyber-attack which occurred on 20th May, I wanted to thank our staff who has been very reactive to implement our disaster recovery plan and has already restored our IT systems. As a result, our business has not been impacted.

Finally, I’m very pleased to announce the release of our first certified Group CSR Report, which confirms the improvement of our extra financial performance and showcases our ESG ambitions, especially in terms of environment, safety and employment.”

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

	<u>Q1 2021</u>	<u>Q1 2022</u>	<u>Change</u>
Revenue			
France	220.6	234.9	6.5%
Nordic countries	143.6	169.2	17.8%
Rest of the World	132.7	159.8	20.4%
Total Revenue	496.9	563.8	13.5%
EBITDA			
France	79.4	81.2	2.3%
Nordic countries	40.5	49.3	21.7%
Rest of the World	46.8	54.9	17.1%
Total EBITDA	166.7	185.4	11.2%
EBITDA margin			
France	36.0%	34.6%	-1.4 pts
Nordic countries	28.2%	29.1%	0.9 pts
Rest of the World	35.3%	34.3%	-0.9 pts
Total EBITDA margin	33.5%	32.9%	-0.7 pts
EBIT	38.4	51.3	34%
Recurring Free Cash-Flow (pre-IFRS 16)	15.2	-114.9	n.a
Gross capex	56.3	168.1	n.a

REVENUE

LOXAM's Q1 2022 consolidated revenue amounted to €564 million, representing an increase of 13.5% compared to Q1 2021 (11.6% at constant perimeter and exchange rate).

Revenue from business activities in France increased by 6.5% during the first quarter to €235 million, reflecting a good start of the year.

As a consequence of the mild winter, revenue in the Nordic countries increased by 17.8% to €169 million, following the positive trend observed in Q4 2021.

In the Rest of the World division, revenue increased by 20.4% during the same period to €160 million, as many countries were still impacted by the sanitary crisis in Q1 2021 and therefore benefitted during this quarter of the rebound.

EBITDA

During the first quarter, EBITDA increased by 11.2% to €185 million with an EBITDA margin at 32.9%. At constant perimeter and FX, EBITDA increased by 8.6%. During this period, measures were taken to pass through cost inflation and increase rental prices across all divisions. The full effect of these measures will be seen progressively in 2022.

France generated an EBITDA of €81 million, an increase of 2.3%. The EBITDA margin at 34.6%, however, slightly decreased by 1.4 points as a consequence of increased costs related to inflation in energy, haulage, spare parts and also to staff and marketing.

Nordic countries reported an EBITDA of €49 million, representing a strong increase of 21.7%, while EBITDA margin increased at 29.1%, a 0.9% point gain compared to Q1 2021.

In the Rest of the World, EBITDA reached €55 million, an increase of 17.1%, while the EBITDA margin remained strong at 34.3%, even if impacted by additional costs linked to the resumption of the activity.

FINANCIAL INCOME

At €36 million, net financial expense for the first quarter was down by €1 million compared to Q1 2021. The €120 million partial repayment of the SUN 2025 in November 2021 and the refinancing of the 2022 and 2023 SSN in February 2022, generated €2.4 million savings. On the other hand, bilateral facilities and finance leases increase and commitment fees on the new RCF generated additional expenses.

CASH FLOW AND DEBT

Considering the high level of gross Capex during the quarter (€168 million), the Free cash flow was negative at €115 million.

The liquidity of the Group remained high with €317 million of cash on the balance sheet, excluding the €345 million undrawn RCF.

With a Net debt increase of €3,792 million resulting from Capex growth and a LTM pro forma EBITDA increase up to €798 million, the leverage ratio slightly moved up from 4.69x, as of December 31st 2021, to 4.75x at the end of Q1 2022.

UPDATE ON THE CYBER ATTACK

Since the detection of a Cyber-attack on Friday May 20th, all of the Group's businesses have been able to continue operating thanks to the implementation of contingency measures. As of today, most of our operations are running at a normal level. Preventive measures remain in place to protect our clients and our IT assets. The company will have recovered most delayed activities before end of May.

BUSINESS OUTLOOK

The economic consequences of the war in Ukraine on inflation, have had so far no major impact on our capex delivery, on our revenue, or on our profitability. Therefore, we have maintained our 2022 objectives in terms of organic growth and capex program of approximately €700 million. This outlook is however subject to any major deterioration of the current macroeconomic and geopolitical situation.

FINANCIAL CALENDAR

Publication of Q2 2022 results on August 30, 2022 (after market close) and conference call on August 31, 2022.

INVESTOR CONTACTS

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The Loxam Group is the leading equipment rental company in Europe with consolidated revenue of €2,185 million in 2021 and 11,370 employees. The Group is the 4th largest player in the world with a network of 1,066 branches over 30 countries on four continents.

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, operational outcomes, 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 information.