



## LOXAM - 2022 SECOND QUARTER RESULTS

### **“FURTHER DOUBLE DIGIT REVENUE GROWTH & ROBUST EBITDA MARGIN”**

**Paris - August 30<sup>st</sup>, 2022**

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

#### **Second quarter highlights**

- Revenue of €604 million, up by 10.4% versus Q2 2021
- EBITDA of €216 million up by 9.7% with a margin of 35.8%
- Gross Capex at €216 million

#### **Half year highlights**

- Revenue of €1,168 million, up by 11.9% (10.4% at constant perimeter and FX)
- EBITDA of €402 million up by 10.4% with a margin of 34.4%
- Gross Capex at €384 million
- Liquidity at €274 million excluding €345 million RCF
- Net debt / proforma LTM EBITDA ratio at 4.78x

#### **Post quarter events:**

- Bolt-on acquisitions of regional players in Spain (Arteixo Maquinaria) and France (Sofranel)

Gérard Déprez, Chairman and CEO of LOXAM commented:

*“I am very pleased that Loxam pursued its double digit growth in Q2 2022, building upon the momentum of the first quarter. The growth was mostly organic driven by our strategy to increase capex in 2022 as demand in the construction sector continued to be stimulated by a good order book.*

*In France, growth continued at a robust pace of +5.1% in the second quarter. Outside of France, our two divisions maintained a high level of growth as the rebound occurred later in some geographies because COVID restrictions still applied during Q1 and Q2 2021. In the first semester, organic growth reached +5.8% in France and +13.9% outside of France as most of the countries benefitted from our capex program and a strong demand.*

*In spite of cost inflation, our financial performance was strong, as we were able to pass-on our services costs to our customers. Our EBITDA increased by nearly 10% during Q2 and we maintained solid Ebitda margins within most of our geographies.*

Furthermore, we continued our progress on our CSR roadmap and were pleased to receive the ERA Sustainability Commitment award for the “Best carbon reduction initiative” for our ability to deliver a complete set of equipment and services to a worksite with a zero carbon footprint . This is additional recognition of our commitment to reduce our carbon footprint.

Eventually, the bolt-on acquisitions of Arteixo Maquinaria in Spain and Sofranel in France in July demonstrate Loxam’s commitment to further strengthen its position locally, to serve its customers through a dense and unique network of branches.”

#### KEY FIGURES (in millions of euros and post IFRS 16 unless otherwise indicated)

	<u>Q2 2021</u>	<u>Q2 2022</u>	<u>Change</u>	<u>H1 2021</u>	<u>H1 2022</u>	<u>Change</u>
<b>Revenue</b>						
France	236.7	248.8	5.1%	457.3	483.7	5.8%
Nordic countries	161.0	180.6	12.2%	304.5	349.8	14.9%
Rest of the world	149.9	174.9	16.7%	282.6	334.7	18.4%
<b>Total Revenue</b>	<b>547.5</b>	<b>604.3</b>	<b>10.4%</b>	<b>1 044.4</b>	<b>1 168.2</b>	<b>11.9%</b>
<b>EBITDA</b>						
France	89.1	94.9	6.4%	168.5	176.1	4.5%
Nordic countries	48.0	53.4	11.3%	88.5	102.7	16.1%
Rest of the world	60.2	68.1	13.2%	107.0	123.0	14.9%
<b>Total EBITDA</b>	<b>197.3</b>	<b>216.4</b>	<b>9.7%</b>	<b>364.0</b>	<b>401.8</b>	<b>10.4%</b>
<b>EBITDA margin</b>						
France	37.7%	38.1%	0.5pts	36.9%	36.4%	-0.4pts
Nordic countries	29.8%	29.6%	-0.2pts	29.1%	29.4%	0.3pts
Rest of the world	40.2%	38.9%	-1.2pts	37.9%	36.7%	-1.1pts
<b>Total EBITDA margin</b>	<b>36.0%</b>	<b>35.8%</b>	<b>-0.2pts</b>	<b>34.9%</b>	<b>34.4%</b>	<b>-0.5pts</b>
<b>EBIT</b>	<b>67.0</b>	<b>76.2</b>	<b>14%</b>	<b>105.5</b>	<b>127.5</b>	<b>21%</b>
Recurring Free Cash-Flow (pre-IFRS 16)	61.7	-83.0	-25.2%	76.9	-170.5	n.a
Gross capex	102.4	216.9	+112%	158.7	385.0	+143%

#### REVENUE

During the second quarter of the year, LOXAM’s consolidated revenue was up by 10.4% to €604.3 million, in the context of a good level of demand from the construction industry and the resumption of activities in the events sector. The growth was mostly organic (+9.5%) resulting from the increase of capex and measures to improve rental pricing and recharge the services performed on behalf of customers.

Revenue from activities in France increased by 5.1% during Q2 2022 to €249 million, following on the strong start to the year.

Outside of France, for the third consecutive quarter, the two divisions reached double digit growth.

Revenue in the Nordic countries reached €181 million, reflecting an increase of 12.2% year-on-year (i.e. +10.3% at constant perimeter and exchange rates).

During the same period, the rest of the world reported an increase of 16.7% with €175 million of revenue (i.e. +14.6% at constant perimeter and exchange rate).

## **EBITDA**

During the second quarter, EBITDA increased by 9.7% to €216.4 million thanks to the revenue increase. At constant perimeter and FX, EBITDA increased by 8.1%. In order to handle higher incurred costs, we adapted our pricing strategy. Therefore, the EBITDA margin remained high at 35.8%. Excluding fleet capital gains the EBITDA margin increased by 30 basis points compared to Q2 2021.

France's EBITDA increased by +6.4% to €94.9 million with its EBITDA margin reaching 38.1% (+50 basis points) offsetting reduction of fleet capital gains.

Nordic countries reported an EBITDA of €53.4 million, representing an increase of 11.3% with a stable EBITDA margin at 29.6%.

For the Rest of the world division, EBITDA increased by 13.2% to €68.1 million while the EBITDA margin stayed at high level of 38.9%.

## **FINANCIAL INCOME**

Net financial expense at €37.9 million increased slightly by €0.2 million during the second quarter. Savings generated following the bonds refinancing in February 2022 for € 2.7 million were offset by additional expenses related to new bilateral facilities and finance leases financing the capex of the year, as well as the commitment fee on the RCF.

## **CASH FLOW AND DEBT**

During the second quarter, the recurring free cash flow was negative at €83 million because of the high level of gross Capex incurred in the quarter at €219 million.

As of June 30, 2022, the liquidity of the Group stood at €274 million of cash on the balance sheet, excluding the €345 million undrawn RCF.

Net debt amounted to €3,897 million, which represented a net debt to EBITDA leverage ratio of 4.78x as expected.

In July, we took advantage of the market situation to operate some purchases on the 4.5.% Senior Subordinated Notes due 2027, allowing a gross debt reduction of nearly €10 million.

## **BUSINESS OUTLOOK**

In light of the most recent trends in the construction industry and based on our strong H1 2022 performance, we maintain our 2022 target in terms of organic growth. We also confirm our capex program of €700 million. We continue however, to monitor closely the macroeconomic situation, to rapidly adapt to any change in business trends.

## **FINANCIAL CALENDAR**

Publication of Q3 2022 results on November 29, 2022 (after market close) and conference call on November 30, 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, 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.