



LOXAM - 2022 THIRD QUARTER RESULTS

SOLID OPERATING PERFORMANCE ACROSS ALL DIVISIONS CONTINUED

Paris - November 29th, 2022

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

Third quarter highlights

- Revenue of €614 million, up by 10.5% versus Q3 2021
- EBITDA of €236 million up by 11.7% with a margin of 38.5%
- Gross Capex at €175 million
- Stable high liquidity at €278 million excluding €345 million RCF
- Net debt / proforma LTM EBITDA ratio down at 4.71x
- Signing of our first "green loan" of €130 million with EIB
- Acquisition of two bolt-on companies in Spain (Arteixo Maquinaria) and in France (Sofranel)

Gérard Déprez, Chairman and CEO of LOXAM commented:

"Loxam recorded a solid operating performance across all its divisions during Q3 2022, building on the strong growth momentum achieved during the first semester of 2022. Customer demand was high, underpinned by the strong state of the order books secured by larger construction companies. This enabled Loxam to record another double-digit revenue growth during the quarter.

Revenue in France grew organically by +5.2%, at the same pace as during Q2 2022. Outside of France, the organic growth rate of revenue was also as strong as Q2 at +12.5%. All our Business Units continued to benefit from the resumption of capex which enabled us to grow our fleet. France and Spain also benefited from the two selective bolt-on acquisitions of Sofranel/Scl and Arteixo completed during the quarter.

The financial performance of the divisions continued to be strong despite the increased costs due to inflation. EBITDA increased by nearly 12% during Q3 and we maintained solid EBITDA margins in all areas of our business.

We are pleased to have signed our first "green loan" with the European Investment Bank which will finance the electrification of our fleet. Recognition of our commitment to reduce our carbon footprint from a major European institution represents an important milestone in our ESG journey. ."

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

	<u>Q3 2021</u>	<u>Q3 2022</u>	<u>Change</u>	<u>9M 2021</u>	<u>9M 2022</u>	<u>Change</u>
Revenue						
France	226.3	240.6	6.3%	683.7	724.3	5.9%
Nordic countries	166.8	186.3	11.7%	471.3	536.1	13.7%
Rest of the world	162.3	186.8	15.1%	444.9	521.5	17.2%
Total Revenue	555.4	613.7	10.5%	1 599.8	1 781.8	11.4%
EBITDA						
France	86.3	95.5	10.7%	254.8	271.6	6.6%
Nordic countries	59.5	64.2	7.9%	148.0	166.9	12.8%
Rest of the world	65.5	76.3	16.4%	172.6	199.3	15.5%
Total EBITDA	211.3	236.0	11.7%	575.3	637.8	10.9%
EBITDA margin						
France	38.1%	39.7%	1.6pts	37.3%	37.5%	0.2pts
Nordic countries	35.7%	34.4%	-1.2pts	31.4%	31.1%	-0.3pts
Rest of the world	40.4%	40.8%	0.5pts	38.8%	38.2%	-0.6pts
Total EBITDA margin	38.0%	38.5%	0.4pts	36.0%	35.8%	-0.2pts
EBIT	81.0	91.1	12%	186.5	218.6	17%
Recurring Free Cash-Flow (pre-IFRS 16)	14.3	-31.2	n.a	91.2	-201.7	n.a
Gross capex	107.2	174.6	+63%	265.9	559.6	+110%

REVENUE

During the third quarter of the year, LOXAM's consolidated revenue was up by 10.5% to €613.7 million, while the organic growth at constant currency exchange rate was +9.5%. During the quarter, Arteixo Maquinaria (Spain) was consolidated for the first time in the Group accounts (3 months) while Sofranel and SCL (France) were consolidated in the accounts for the last two months.

Demand from the construction industry continued to be strong as larger construction companies have secured strong order books to execute. The growth was mostly organic and was stimulated by the increase of capex and the passing-on of cost inflation to customers in the services performed

Revenue from activities in France increased by 6.3% during Q3 2022 to €241 million, the momentum of organic growth continued in Q3 at +5.2%.

The two international divisions recorded fast growth for a 4th consecutive quarter. Their double-digit revenue increase was fueled by strong organic growth. Revenue in the Nordic countries reached €186 million, reflecting an organic increase of +12.1% year-on-year, also supported by an enhanced demand for services.

The Rest of the world division reported a revenue increase of +13.4% at €187 million, stimulated by a good activity in Southern Europe.

EBITDA

EBITDA increased by 11.7% to €236 million during Q3 and continued to be driven by the increase in revenue. At constant perimeter and at constant currency exchange rate, EBITDA increased by 10.6%. The EBITDA margin progressed by 0.4 point to 38.5%. Excluding fleet capital gains, the EBITDA margin was flat versus Q3 2021 at 36.4%.

EBITDA in France increased by 10.7% to €96 million with an EBITDA margin reaching 39.7% (+1.6 point).

Nordic countries reported an EBITDA of €64 million, representing an increase of 7.9% with an EBITDA margin of 34.4%.

For the Rest of the world division, EBITDA increased by 16.4% to €76 million as the EBITDA margin gained 0.5 point to reach 40.8%.

FINANCIAL INCOME

The net financial expense of €33 million decreased by €11 million versus Q3 2021. The main savings versus last year came from the one-off set-up cost of the RCF facility in Q3 2021. We also recorded a capital gain in Q3 2022 on the €16.8 million of bonds bought back on the 4.5% Subordinated Notes due in 2027.

CASH FLOW AND DEBT

Recurring free cash flow in Q3 2022 was negative at €31 million because of the level of gross Capex spend in the quarter at €175 million while the working capital requirement continued to grow because of the fast revenue growth.

As of September 30th, 2022, the liquidity of the Group remained high at €278 million of cash on the balance sheet, excluding the €345 million undrawn RCF and the €130 million loan from EIB which will be drawn in Q4 2022 and in 2023.

Net debt amounted to €3,994 million, and the net debt to EBITDA leverage ratio decreased to 4.71x during Q3 as expected.

In October, we continued to take advantage of the market situation to complete some buy-backs on the 4.5% Senior Subordinated Notes due 2027 and 5.75% Senior Subordinated Notes due 2027, allowing a further gross debt reduction of approximately €15 million.

BUSINESS OUTLOOK

We are noticing that large customers and craftsmen have still maintained strong orderbooks that should help them to weather a decreased demand in the coming months. However, regional customers may be more affected by a slowdown of new projects. We therefore continue to closely monitor the macroeconomic situation, to rapidly adapt to any change in business trends.

In light of the most recent trends in the construction industry, we acknowledge that growth in the construction market might be less dynamic in the coming months. Nonetheless, based on our performance in the first 9 months, we maintain for 2022 our guidance of a revenue growth of close to 10%.

FINANCIAL CALENDAR

Publication of Q4 and financial year 2022 results on March 13th, 2023 (after market close) and conference call on March 14th, 2023.

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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.