



LOXAM - 2023 SECOND QUARTER RESULTS

“MILESTONE OF 1BN€ ANNUAL REVENUE REACHED IN FRANCE CONFIRMING A GOOD ORGANIC GROWTH”

Paris - August 29th, 2023

Loxam, Europe’s leading equipment rental company to professionals, published today its financial statements for the second quarter of 2023.

Second quarter highlights

- Revenue of €642 million, up by 6.3% versus Q2 2022
- EBITDA of €238 million up by 10.1% with a margin of 37.1%
- Acquisition of Motormac in Brazil
- Refinancing of €400 million of Senior Secured Notes with a new maturity in 2028

Half year highlights

- Revenue of €1,247 million, up by 6.7% (6.9% at constant perimeter and exchange rates)
- EBITDA of €446 million up by 10.9% with a margin of 35.7%
- Gross Capex at €310 million, down by 20% versus H1 2022
- Safety: reduction by 20% of our lost-time injury frequency ratio

Post quarter events

- Further expansion of network in Brazil with the acquisition of A Geradora Aluguel
- Overlay contract awarded for the 2024 Paris Olympic & Paralympic games
- BB- rating confirmed by S&P Global Ratings with a stable outlook
- Moody’s Analytics ESG overall score for Loxam improved to 61/100 (46/100 on average for the sector), evidence of advanced maturity

Gérard Déprez, Chairman and CEO of LOXAM commented:

“The continued growth of our business during Q2 was in line with the previous quarters. In France, the organic growth enabled Loxam to reach the 1€bn revenue threshold on a yearly basis for the first time. This is a strong achievement with the long-term support and trust of our clients and the commitment of our employees. I am also extremely delighted to report that after securing a contract for temporary energy, our Events division was awarded with a second contract for the 2024 Paris Olympic & Paralympic games to cater for overlay (i.e. temporary accommodations and toilets).”

Rest of the World division kept an impressive double digit growth rate. Apart from new residential construction markets, demand for rental services remained good everywhere, stimulated by renovation and decarbonation projects.

The good EBITDA growth for the semester, which exceeded +10%, was helped by the growth of our revenue and the control of our costs.

LOXAM's continuing efforts towards Health & Safety are paying off with the improvement by 20% in our lost-time injury frequency ratio during H1 2023.

For our international business, the acquisitions of Motormac and A-Geradora will enable LOXAM to become a market leader in Brazil with a nationwide network, strong capabilities in specialties and well positioned to benefit from the strong potential of this country.

At last, we continue to make progress towards our long-term plan: the recent ESG assessments from Moody's Analytics and S&P Global CSA position LOXAM among the best ranked companies in the services sector."

KEY FIGURES (in millions of euros)

	<u>Q2 2022</u>	<u>Q2 2023</u>	<u>Change</u>	<u>H1 2022</u>	<u>H1 2023</u>	<u>Change</u>
Revenue						
France	248.8	266.0	6.9%	483.7	522.0	7.9%
Nordic countries	180.6	178.4	-1.3%	349.8	345.7	-1.2%
Rest of the world	174.9	198.1	13.3%	334.7	378.9	13.2%
Total Revenue	604.3	642.5	6.3%	1 168.2	1 246.5	6.7%
EBITDA						
France	94.9	104.2	9.8%	176.1	196.5	11.6%
Nordic countries	53.4	52.9	-0.9%	102.7	101.2	-1.5%
Rest of the world	68.1	81.1	19.1%	123.0	147.9	20.3%
Total EBITDA	216.4	238.2	10.1%	401.8	445.5	10.9%
EBITDA margin						
France	38.1%	39.2%	1.0pts	36.4%	37.6%	1.2pts
Nordic countries	29.6%	29.7%	0.1pts	29.4%	29.3%	-0.1pts
Rest of the world	38.9%	40.9%	2.0pts	36.7%	39.0%	2.3pts
Total EBITDA margin	35.8%	37.1%	1.3pts	34.4%	35.7%	1.3pts
EBIT	76.2	83.0	8.9%	127.5	138.9	8.9%
Free Cash-Flow	-83.0	-31.4	n.a	-197.9	-91.8	n.a
Gross capex ^(a)	216.9	175.9	-18.9%	385.0	310.0	-19.5%

(a) Excluding Capex relating to right of use assets under IFRS 16

REVENUE

During the second quarter, LOXAM's consolidated revenue increased by 6.3% to €642.5 million, thanks to good markets in France and in the Rest of the World division. Our activity was supported by renovation segment and infrastructure projects, while our capex enable us to catch the higher volume of work. However, conditions in the new residential construction sector remained challenging and affected us most in Northern Europe.

Revenue in France increased by 6.9% during Q2 2023 to €266 million, continuing the good trend of the first quarter of 2023.

Revenue in the Nordic countries reached €178 million, reflecting an increase of 1.4% at constant perimeter and exchange rates. In addition, we consolidated JIAB from Sweden for the first time in Q2. However, our revenue in the Nordic region was impacted by the depreciation of the Swedish and Norwegian Krone versus the Euro.

During the same period, the Rest of the World reported another double digit increase of revenue at +13.3% with €198 million of revenue, confirming the strong performance since last year. Southern Europe continued to perform strongly.

EBITDA

During the second quarter, EBITDA increased by 10.1% to €238.2 million with the EBITDA margin reaching 37.1%. Excluding fleet capital gains, the EBITDA reached €222.8 million while margin increased by 0.6 point at 34.7%.

France EBITDA increased by 9.8% to €104.2 million with the EBITDA margin at 39.2% up by 1 point thanks to the topline growth and fleet disposals.

Nordic countries reported an EBITDA of €52.9 million, while EBITDA margin remained stable at 29.7% thanks to an adequate control of external costs.

For the Rest of the world division, EBITDA increased by 19.1% to €81.1 million with the EBITDA margin reaching a strong level of 40.9%, up by 2 points.

FINANCIAL INCOME

Net financial expense at €42.5 million increased by €4.6 million during the second quarter, mostly impacted by the increase in debt bearing a variable interest rate and also the volume of new bilateral facilities and finance leases which finance the capex.

CASH FLOW AND DEBT

During the second quarter, the free cash flow amounted to -€31.4 million and improved versus last year thanks to higher EBITDA and lower capex.

Net debt amounted to €4,304 million, which represented a net debt to EBITDA leverage ratio of 4.71x.

The liquidity is adequate with €128 million of cash on balance sheet with the additional available RCF amounting to €338 million.

BUSINESS OUTLOOK

We expect rental markets to remain steady for the rest of the year despite the decrease of new residential construction segment. LOXAM is actively pursuing its policy of price increase and strict cost control as well as capex adjustment to the market demand.

FINANCIAL CALENDAR

Publication of Q3 2023 results on November 28, 2023 (after market close) and conference call on November 29, 2023.

INVESTOR CONTACTS

<u>LOXAM</u> Patrick BOURMAUD / Emmanuel Leblanc +33 (0)158 440 400 ir@loxamgroup.com	<u>FTI Consulting</u> Cosme JULIEN-MADONI +33 (0)147 036 819 loxam@fticonsulting.com
---------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------

ABOUT LOXAM

LOXAM is the French and European leading equipment and tooling rental company for building and public works, industry, landscaping, event management and services. The Group is the 4th largest player in the world, with consolidated revenues of €2.4 billion in 2022, and leverages the know-how and commitment of its 11,800 employees in more than 1,090 branches over 30 countries.

Firmly committed to the energy transition in industry and construction, LOXAM has been contributing to the development of a circular economy since its creation in 1967 and has placed Corporate Social Responsibility (CSR) at the heart of its development and growth model. Its strategy of electrification and greening of its fleet is supported by the European Investment Bank, and it has been evaluated as a "Top-rated company" regarding its CSR policy by the rating agency Sustainalytics. LOXAM is an Official Sponsor of the Rugby World Cup France 2023 and an Official Supporter of the Paris 2024 Olympic and Paralympic Games.

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.