

LOXAM - 2023 THIRD QUARTER RESULTS

“GOOD Q3 PERFORMANCE CONFIRMS LOXAM’S RESILIENCE”

Paris - November 28, 2023

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

Third quarter highlights

- Revenue of €643 million, up by 4.8% versus Q3 2022 and 6.8% at constant FX
- EBITDA of €248 million, up by 5.0%, with a solid margin of 38.6%
- Gross Capex down by 18% versus Q3 2022
- Positive free cash flow
- Net debt / LTM pro forma EBITDA ratio at 4.69x
- Acquisition of A Geradora, a leader in power generation in Brazil

Post quarter events

- Improved ESG risk rating by Sustainalytics ranking LOXAM as top-rated company in its sector
- Divestment from Russian operations

Gérard Déprez, Chairman and CEO of LOXAM commented:

“Our performance during Q3 underlined the resilience of our Group thanks to our geographical coverage and customer diversification. Revenue progressed by nearly 7% at constant FX thanks to a steady growth of 5.5% in France, a single digit growth in the Nordics and a continuing growth over 10% in the Rest of the World division. We are all the more satisfied by this commercial performance as we have moderated our capex spend. Our selective approach of bolt-on acquisitions has reinforced our geographical footprint in growing markets.

Our EBITDA margin was solid at 39%, as we benefited from costs reduction in the Nordic region, while the Rest of the World division margin continued to grow.

As a whole, our free cash flow has turned positive in Q3. Gross debt has increased as a consequence of the acquisition of A Geradora in Brazil. In this context, the pro forma LTM EBITDA ratio has been contained at 4.69x and we expect that our leverage will continue to decrease going forward.

The latest improved assessment from Sustainalytics ESG risk rating confirms the analysis made by Moody’s Analytics, S&P Global CSA and Ecovadis putting LOXAM among the best-in-class in our industry and testifying our performance in ESG matters.”

KEY FIGURES (in million of euros)

	Q3 2022	Q3 2023	Change	9M 2022	9M 2023	Change
Revenue						
France	240.6	253.7	5.5%	724.3	775.7	7.1%
Nordic countries	186.3	177.5	-4.7%	536.1	523.2	-2.4%
Rest of the world	186.8	211.9	13.4%	521.5	590.7	13.3%
Total Revenue	613.7	643.1	4.8%	1 781.8	1 889.6	6.0%
EBITDA						
France	95.5	94.4	-1.2%	271.6	290.9	7.1%
Nordic countries	64.2	64.6	0.7%	166.9	165.8	-0.7%
Rest of the world	76.3	88.9	16.5%	199.3	236.8	18.8%
Total EBITDA	236.0	247.9	5.0%	637.8	693.4	8.7%
EBITDA margin						
France	39.7%	37.2%	-2.5pts	37.5%	37.5%	0pts
Nordic countries	34.4%	36.4%	2.0pts	31.1%	31.7%	0.6pts
Rest of the world	40.8%	42.0%	1.1pts	38.2%	40.1%	1.9pts
Total EBITDA margin	38.5%	38.6%	0.1pts	35.8%	36.7%	0.9pts
Profit from ordinary operations	91.1	85.3	-6.0%	218.6	224.2	3.0%
Free Cash-Flow	-31.2	10.2	n.a	-229.1	-81.6	n.a
Gross capex ^(a)	174.6	143.2	-18%	559.6	453.2	-19%

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

REVENUE

During the third quarter of the year, LOXAM's consolidated revenue at constant FX was up by 6.8%, bolstered by a double-digit growth at the Rest of the World division.

Revenue from activities in France increased by 5.5% during Q3 2023 to €254 million, supported by activity in the industrial and renovation segments, while specialist activities such as power and events continued to develop well.

Revenue in the Nordic countries decreased by 4.7%, impacted by unfavorable foreign exchange rates. In spite of weaker residential construction markets, revenue increased by 1.6% at constant FX.

The Rest of the World division reported a healthy revenue increase, still stimulated by a strong activity in Southern Europe and the Baltic countries. Revenue in Brazil also benefited from the consolidation of Motormac for three months and of A Geradora for one month.

EBITDA

During the third quarter, EBITDA increased by 5.0% to €248 million with the EBITDA margin reaching 38.6%. Excluding fleet capital gains, the EBITDA margin increased by 0.5 point at 36.9%.

France reported an EBITDA margin decrease of 2.5 points because of lower capital gains, labor costs and sponsoring expenses for the Rugby World Cup.

In Nordic countries, EBITDA margin gained 2 points due to strict cost cutting measures.

For the Rest of the World division, EBITDA margin gained 1.1 point to reach a record high level of 42%.

FINANCIAL INCOME

The net financial expense of €48 million increased by €15 million versus Q3 2022, mostly impacted by the increase in interest rates on our bilateral loans and finance leases.

CASH FLOW AND DEBT

Recurring free cash flow in Q3 2023 turned positive at €10 million. In comparison to Q3 2022, this improvement was achieved due to higher EBITDA and a reduced amount of capex, despite higher financial expenses.

Net debt amounted to €4,399 million, and the net debt to LTM EBITDA ratio decreased from 4.74x as at December 31, 2022 to 4.69x on a pro forma basis.

BUSINESS OUTLOOK

Everywhere in Europe, new residential construction is decreasing. However, thanks to civil engineering, non-residential construction and a steady renovation segment, LOXAM will continue to benefit from the rental market growth.

As we expect moderate volume growth next year, we intend to limit our capex commitments. As a consequence, LOXAM will pursue a further reduction of its leverage ratio through 2024.

FINANCIAL CALENDAR

Publication of Q4 and financial year 2023 results on March 19th, 2024 (after market close) and conference call on March 20th, 2024.

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
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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 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.

PRO FORMA EBITDA

This document includes the pro forma EBITDA ratio for the last twelve months ended September 30, 2023 (the "Pro Forma EBITDA"), which includes the estimated additional contribution in euro to our pro forma EBITDA ratio of HR Aluguer, WasaTrade, JIAB, Motormac Rental and A Geradora, as if each had been acquired on October 1, 2022. The *Pro Forma* EBITDA has been prepared for illustrative purposes only and does not purport to represent what our actual EBITDA would have been if the acquisitions of HR Aluguer, JIAB, WasaTrade, Motormac Rental and A Geradora had occurred on October 1, 2022, nor does it purport to be indicative of our future results of operations. The *Pro Forma* EBITDA is based on available information and certain assumptions and estimates that we believe are reasonable and may differ materially from the actual amounts that would have been achieved had the acquisitions of HR Aluguer, WasaTrade, JIAB, Motormac Rental and A Geradora occurred on October 1, 2022. The *Pro Forma* EBITDA has not been reviewed by our auditors, has not been prepared in accordance with Article 11 of Regulation S-X under the U.S. Securities Act of 1933, as amended, Regulation (EU) 2017/1129, as amended, including as it forms part of domestic UK law by virtue of the European Union (Withdrawal) Act 2018, or any generally accepted accounting standards and therefore investors should not place any undue reliance on it.