



## **LOXAM - 2023 FOURTH QUARTER and FULL YEAR RESULTS**

### ***“Robust revenue growth and EBITDA, new milestones reached”***

Paris - March 19<sup>th</sup>, 2024

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

#### **Fourth quarter highlights**

- Revenue of €662 million, up by 6.6% versus Q4 2022
- EBITDA of €233 million, up by 10.7%,
- Positive free cash flow of €60 million
- Divestment from Russian operations
- 600M€ SSN refinancing, extending maturity to 2029

#### **Full year 2023 highlights**

- Record revenue of €2,552 million (up by 6.2%),
- EBITDA of €926 million, up by 9.2%, margin up by 1pt at 36,3%
- Gross Capex reduced by 27% versus 2022
- Net debt / LTM pro forma EBITDA ratio down at 4.59x
- Selective international bolt-on acquisitions with major network expansion in Brazil
- Best in class performance for ESG policies

#### **Post quarter events**

- Full redemption of €120 million SUN 2025

G rard D prez, Chairman and CEO of LOXAM commented:

*“After a year of strong development in 2022, the 2023 performance underlined the ability of the Group to continue its development thanks to its widespread geographical coverage and customer diversification.*

*The group’s revenue exceeded 2.5bn  for the first time and we are very pleased that we have recorded a turnover of more than 1bn  in France, thanks to organic growth. LOXAM is one of the few rental companies surpassing 1 bn  of revenue in its home market. Besides, the Rest of the World division has continued to develop quickly, growing by nearly a third in two years. It has now become the second largest division of the Group, which confirms the pertinence of our decision to invest where markets are developing. In 2023, we were pleased with our development in the Brazilian market. We now count among the largest rental companies, thanks to the acquisition of Motormac and A Geradora which reinforce our presence in the most densely populated areas of the country.*

The increase of the Group EBITDA margin by 1 point underlined our ability to limit the impact of cost inflation on our margins in 2023, thanks to strict cost control measures and rising rental and service prices.

I am also satisfied with our financial discipline throughout 2023. Thanks to a reduction of our capex in Q4, free cash flow turned positive to 60M€ enabling a reduction in our net debt in Q4 and also a reduction of our leverage ratio to 4.59x. In December 2023, we completed the refinancing of our SSN 2025 bonds enabling us to extend the maturity of our financial debt. We are satisfied with the amortization profile of our debt as we have no major bond debt maturity before 2026.

2023 marked also strong achievements on our CSR agenda. We are very happy about the sharp reduction of the Lost Time Injury Frequency rate by 22% of our staff which measure absenteeism caused by injuries. Also, at the end of last year LOXAM obtained the Great Place To Work label for its subsidiaries in 20 countries. At last, we received the validation from the Science Based Target initiative on our trajectory for carbon footprint reduction which is the basis for our strategy in terms of CO2 reduction. We are pleased to be the first rental company in the world to have received this confirmation from SBTi.”

## KEY FIGURES (in millions of euros)

	<u>Q4 2022</u>	<u>Q4 2023</u>	<u>Change</u>	<u>12M 2022</u>	<u>12M 2023</u>	<u>Change</u>
<b>Revenue</b>						
France	252.6	265.9	5.3%	976.9	1 041,7	6.6%
Nordic countries	186.4	182.5	-2.1%	722.5	705,7	-2.3%
Rest of the world	181.8	213.6	17.5%	703.3	804,4	14.4%
<b>Total Revenue</b>	<b>620.9</b>	<b>662.1</b>	<b>6.6%</b>	<b>2 402.8</b>	<b>2 551,8</b>	<b>6.2%</b>
<b>EBITDA</b>						
France	91.9	99.3	8.1%	363.5	390.2	7.4%
Nordic countries	50.8	51.0	0.5%	217.6	216.8	-0.4%
Rest of the world	67.7	82.4	21.7%	267.0	319.2	19.6%
<b>Total EBITDA</b>	<b>210.3</b>	<b>232.8</b>	<b>10.7%</b>	<b>848.1</b>	<b>926.2</b>	<b>9.2%</b>
<b>EBITDA margin</b>						
France	36.4%	37.3%	1.0pt	37.2%	37.5%	0.3pt
Nordic countries	27.2%	27.9%	0.7pt	30.1%	30.7%	0.6pt
Rest of the world	37.2%	38.6%	1.3pt	38.0%	39.7%	1.7pt
<b>Total EBITDA margin</b>	<b>33.9%</b>	<b>35.2%</b>	<b>1.3pt</b>	<b>35.3%</b>	<b>36.3%</b>	<b>1.0pt</b>
<b>Profit from ordinary operations</b>	<b>61.1</b>	<b>65.5</b>	<b>7.2%</b>	<b>279.7</b>	<b>289.7</b>	<b>3.6%</b>
Free Cash-Flow	-7.4	59.6	n.a	-236.5	-22.0	n.a
Gross capex <sup>(a)</sup>	232.9	127.9	-45%	792.5	581.1	-27%

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

## REVENUE

LOXAM’s consolidated revenue for the full year increased by 6.2% to €2,552 million.

In France, revenue hit €1 billion for the first time thanks to the development of our specialties.

In the Nordic countries, revenue increased by 3% at constant foreign exchange rates thanks to the acquisition of JIAB and demand from new infrastructure projects. In the Rest of the World division, revenue increased by 14.4% thanks to good organic growth in South and Eastern Europe as well as Brazil with the acquisitions of the year.

During the fourth quarter of the year, LOXAM's consolidated revenue was up by 6,6%, bolstered by double-digit growth in the Rest of the World division. The division was still stimulated by a strong activity in Southern Europe and the Middle East.

Revenue from activities in France increased by 5.3% during Q4 2023 to €266 million, reflecting a steady growth in generalist and continuous opportunities for our specialist activities.

Revenue in the Nordic countries increased by 2.1% at constant foreign exchange rate for the last quarter.

## **EBITDA**

For the full the year 2023, the EBITDA increased by a solid 9.2%, despite the impact caused by the weakness of the Nordics currencies. The margin increased by 1 point to 36.3%, thanks to the performance of the Rest of the World and France divisions and higher capital gains.

Excluding fleet capital gains, the EBITDA margin increased by 0.7 point.

France reported an EBITDA margin increase of 0.3 point, supported by a double-digit growth of the Specialist division.

In Nordic countries, the EBITDA margin gained 0.6 point due to strict cost cutting measures.

For the Rest of the World division, the EBITDA margin gained 1.7 point to reach 39.7%.

During the fourth quarter, the EBITDA increased by more than 10% with a margin increase of 1.3 point. This performance was fueled by the Rest of the World division as well as the strong activity in France for Event and Access specialties.

## **FINANCIAL INCOME**

Net financial expenses increased by 30% to 191m€. This was led by the increase of interest rates on which most bilateral financings are indexed. The stock of bilateral loans and finance leases also increased in 2023 for the financing of the 2023 capex. The refinancing of SSN maturing in 2024 and 2025 with 1bn€ of new bonds yielding 6.375% issued in May and December 2023 has not yet fully impacted our financial costs for 2023.

## **CASH FLOW AND DEBT**

During the fourth quarter 2023, recurring free cash flow was positive at €60 million. In comparison to Q4 2022, this improvement was achieved thanks to the good progress of EBITDA, a reduction in our amount of capex paid and despite higher financial expenses.

Net debt declined by 55M€ to €4,345 million during the quarter.

For the full year of 2023, free cash flow amounted to -22 M€ thanks to the increase of the EBITDA and a decrease of the fleet capex, despite a negative change in working capital requirement.

The net debt to LTM pro forma EBITDA ratio reduced by 0.15x during the year to reach 4.59x at December 31, 2023.

## **BUSINESS OUTLOOK FOR 2024**

For 2024 we anticipate a moderate but continuing growth in the European markets, thanks to continuous plans to invest in infrastructure. In this context, we will adjust our capex spending to the level of fleet renewal. In 2024, the Olympic and Paralympic games in Paris represent a unique business development opportunity for LOXAM's specialty divisions in France as the Group has won two major contracts for temporary cooling and power supply and overlay.

In the management of our operations, we will continue to work on the cost structure as the effect of inflation through automatic indexation, will continue to affect some of our costs.

For our financial policy, our objective is to record a positive free cash flow in 2024 and to reduce our leverage ratio towards 4.3x, in the absence of M&A operation.

## FINANCIAL CALENDAR

Publication of Q1 2024 results on May 28, 2024 (after market close) and conference call on May 29, 2024.

## INVESTOR CONTACTS

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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 €2.6 billion in 2023, and leverages the know-how and commitment of its 12,800 employees in more than 1,130 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 making its fleet eco-friendly 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 some 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 ending December 31<sup>st</sup>, 2023 (the “*Pro Forma EBITDA*”), which includes the estimated additional contribution in euros to our pro forma EBITDA ratio of JIAB, Motormac Rental and A Geradora, as if each had been acquired on January 1<sup>st</sup>, 2023. 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 JIAB, Motormac Rental and A Geradora had occurred on January 1<sup>st</sup>, 2023, 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 JIAB, Motormac Rental and A Geradora occurred on January 1<sup>st</sup>, 2023. 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.