



LOXAM – 2020 FOURTH QUARTER AND FULL YEAR RESULTS

LOXAM PROVED RESILIENT IN COVID RESPONSE

Paris - March 16th, 2021

Note: all financial data mentioned in this document, in particular EBITDA and Net debt, include adjustments resulting from the application of IFRS 16 accounting standard and related IFRS Interpretations Committee's decisions.

Loxam, Europe's leading equipment rental company to professionals, published today its financial statements for the fourth quarter and full year of 2020.

Q4-2020 highlights

- Revenue of €533 million, down by 9%
- Stable EBITDA margin of 35.7%
- Significant positive recurring free cash flow of €99 million (before IFRS 16)

FY 2020 highlights

- A demonstration of the Group's agility in face of the health crisis
- Revenue of €1,989 million, up by 6% (-13% at constant perimeter and FX)
- EBITDA of €728 million, up by 4% (-13% at constant perimeter and FX)
- EBITDA margin of 36.6% (-0.9 bps)
- Positive recurring free cash flow of €339 million (before IFRS 16)
- Net debt / EBITDA ratio as of December 31: 5.04x
- An acknowledged level of maturity in our ESG policy

Gérard Déprez, Chairman and CEO of LOXAM commented:

"I am very satisfied with how Loxam Group navigated 2020 which has been a real stress test for our business model, the engagement of our teams and our financial strength. In the face of unforeseen circumstances, we have demonstrated our ability to quickly take appropriate decisions, enabling us to safeguard the health and safety of our staff and customers, while delivering a high standard of quality of service, keeping a high EBITDA margin and strong positive free cash flow beyond market expectations. I salute the professionalism and solidarity of our 10,800 staff members who demonstrated their relentless engagement, flexibility and adaptability and thus enabled the Group to continue serving our customers with a best-in-class standard.

While the day to day care of our operations took more than the usual share of our work, I am pleased that

we continued to look after the long-term development of the Group: we completed the integration of Ramirent, and remained focus on the progress of our ESG and digital policies which were recognized by customers, stakeholders and third-party ratings. In terms of ESG commitment, I am proud to announce that Loxam is favoring the purchase of equipment with no or low carbon emission levels and that we are working on our trajectory to reduce carbon emissions.

Although all governments in Europe have announced substantial relief packages, which should bolster the construction sector, it is too early for those plans to have a material impact on our industry before the end of 2021. We will therefore continue to apply our strict cost and capex control policy for the foreseeable future, continue to lower our debt and reduce our financial leverage.”

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

	<u>Q4 2019</u>	<u>Q4 2020</u>	<u>Change</u>	<u>12M 2019</u>	<u>12M 2020</u>	<u>Change</u>
Revenue						
Generalist France	174.6	165.2	-5.4%	681.5	586.8	-13.9%
Specialist France	62.3	62.8	0.8%	242.8	216.0	-11.0%
International	350.4	305.4	-12.8%	947.2	1 186.1	25.2%
Total Revenue	587.3	533.4	-9.2%	1 871.4	1 988.9	6.3%
EBITDA⁽¹⁾						
Generalist France	68.4	61.9	-9.5%	276.2	235.5	-14.8%
Specialist France	22.4	24.1	7.8%	87.7	82.6	-5.8%
International	119.6	103.8	-13.2%	331.1	404.4	22.1%
Total EBITDA⁽²⁾	212.1	190.6	-10.1%	701.7	727.9	3.7%
EBITDA margin⁽¹⁾						
Generalist France	39.2%	37.4%	-1.7 pts	40.5%	40.1%	-0.4 pts
Specialist France	35.9%	38.4%	+2.5 pts	36.1%	38.3%	+2.1 pts
International	34.1%	34.0%	-0.1 pts	35.0%	34.1%	-0.9 pts
Total EBITDA⁽²⁾ margin	36.1%	35.7%	-0.4 pts	37.5%	36.6%	-0.9 pts
EBIT	58.6	51.2	-12.7%	239.5	174.5	-27.1%
Recurring Free Cash-Flow (pre-IFRS 16)	92.5	98.6	+6.6%	86.4	339.3	n.a.
Gross capex	61.5	82.6	+34.4%	383.1	237.3	-38.0%

(1) Including IFRS Interpretations Committee adjustments on lease term in France with a retroactive effect at January 1, 2019.

(2) Including contribution from real estate.

REVENUE

LOXAM's consolidated revenue for the year increased by 6.3% to €1,989 million. At constant perimeter and exchange rates, consolidated revenue decreased by 13%.

Revenue of the Generalist France division was down by 13.9% in 2020 to €587 million. After a recovery during Q3 which followed the lockdown during Q2 in France, revenue held up well during the last quarter of the year despite more difficult trading conditions for certain sectors that we address because of new lockdown measures.

Revenue of the Specialist France division was up by 0.8% during the fourth quarter thanks to the continued good performance of our modular construction business. For the full year, Specialist France division revenue decreased by 11.0% in 2020 to €216 million.

Revenue of the International division increased by 25.2% in 2020, thanks to the contribution of Ramirent over 12 months (versus 5 months in 2019). The division's revenue reached €1,186 million and represented 60% of the Group's revenue. At constant perimeter and exchange rates, the revenue of the International division decreased by 12.4% in 2020 as all the regions in which the Group operates were affected at some stage by direct or indirect consequences of the COVID pandemic.

During Q4-2020, revenue at the International division decreased by 11.8% at constant exchange rates. Our business outside of Europe continued to be affected by the lack of projects, while Ramirent experienced a lower level of demand from industrial customers and volatility in Baltic countries.

EBITDA

During Q4-2020, we saw a decrease in EBITDA limited to 10.1% to €191 million as we maintained a tight control on costs in all our geographies.

Over the year, EBITDA increased by 3.7% to €728 million and decreased by 12.8% at constant perimeter and currency exchange rates. EBITDA margin remained strong at 36.6%, highlighting a limited decrease of 0.9 points versus 2019. This high EBITDA margin was maintained thanks to temporary subsidies received and to the rigorous and continuous work throughout the year to cut fixed costs and significantly reduce marginal variable costs.

Across divisions, the EBITDA of the Generalist France division decreased by 14.8% during the year, resulting in a robust and almost stable EBITDA margin of 40.1%. EBITDA at Specialist France division decreased only by 5.8% during the year. This division's EBITDA margin gained 2 points to 38.3% as the business benefited from a lower decrease in revenue, as well as cost cutting measures started in 2019.

The International division posted a 22.1% increase of its EBITDA during 2020, boosted by the contribution of Ramirent. At constant perimeter and exchange rates, EBITDA of the International division decreased by 12.9%. However, because our cost-cutting efforts for this division were also effective, the division's EBITDA margin decreased by only 0.9 points to 34.1% for 2020.

FINANCIAL INCOME

Net financial expense for the fourth quarter was stable at €37 million. For the full year, net financial expense totaled €159 million, as it included an increase in interest expense of €27 million related to the bonds issued to finance the acquisition of Ramirent in July 2019.

CASH FLOW AND INDEBTEDNESS

Q4 positive free cash flow remained high at €99 million. The recurring free cash flow for the full year amounted to €339 million compared to €86 million in 2019 thanks to the positive contribution of EBITDA and working capital requirements, as the level of activity dropped, and to a significant reduction in capex. On a proforma basis, gross fleet capex decreased by 59% to €192 million in 2020, while the gross book value of fleet disposals remained at nearly the same level as it was in 2019.

At the end of the year, the liquidity of the Group was high with €628 million of cash on the balance sheet and €75 million undrawn RCF. The level of cash on the balance sheet increased by €398 million during 2020 as we mobilized state-guaranteed loans totaling €264 million while generating substantial free cash

flow. Net debt amounted to €3,685 million as of December 31, 2020, which represented a net debt to LTM EBITDA leverage ratio of 5.04x.

ENVIRONMENT, SOCIAL & GOVERNANCE RESPONSIBILITY

In 2020, our ESG policy gained visibility and recognition. More than 90% of our worldwide network obtained the ISO 45001 certification for occupational health and safety, which we believe to be among the first in the rental industry.

As a result of our progress, we kept our Gold status from Ecovadis, improved our grade from Vigeo Eiris to 46 and received a “low” ESG risk assessment from Sustainalytics. We believe that these are among the best grades awarded in our industry.

In an effort to understand and identify ways in which we can improve our environmental policies, we made an assessment of the carbon footprint of our branch network in France and Spain.

In order to facilitate the adoption of green equipment by our customers, we have launched a new range of civil engineering and access equipment which use either hybrid or full electric technologies.

BUSINESS OUTLOOK

In 2021, we expect the overall construction sector and economic environment to show a rebound from 2020. However, we believe that it will still be too early for national and European stimulus plans to create a strong recovery in our business in 2021.

We will therefore monitor the dynamics of the business cycle to adapt the level of our capex and continue to manage our costs strictly.

Within this context, we expect to reduce our financial leverage thanks to an EBITDA increase. Our liquidity is comfortable and we will monitor the market for opportunities to refinance our existing bonds.

FINANCIAL CALENDAR

Publication of Q1 2021 results on May 26, 2021.

INVESTOR CONTACTS

<u>LOXAM</u> Patrick Bourmaud / Laurent Bertrand +33 (0)158 440 400 ir@loxamgroup.com	<u>Brunswick</u> Agnès Catineau / Bénie Igiraneza +33 (0)1 53 96 83 83 loxam@brunswickgroup.com
---	--

ABOUT LOXAM

The Loxam Group is the leading equipment rental company in Europe with consolidated revenue of €1,989 million in 2020 and 10,800 employees. The Group is the 4th largest player in the world with a network of 1,057 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.