



LOXAM – 2021 FIRST QUARTER RESULTS

INCREASED PROFITABILITY DESPITE ONGOING HEALTH RESTRICTIONS

Paris – May 25, 2021

Loxam, Europe's leading equipment rental company for professionals, published today its financial statements for the first quarter of 2021.

First quarter highlights

- Revenue of €497 million, up by 0.6% versus Q1 2020
- EBITDA margin of 33.5% (+3 pts versus Q1 2020)
- Positive recurring free cash flow of €15 million
- Net leverage down by 0.1x to 4.94x

As of today, the Group will break down its results into the following geographical zones: France, Scandinavia and the Rest of the World.

Gérard Déprez, Chairman and CEO of LOXAM, commented:

"This quarter was marked by our recovery in France, where our revenue has returned to its pre-crisis levels. Outside France, the rebound was delayed in most countries, due to remaining restrictions related to sanitary context. In Scandinavia, business activities were also impacted by a colder and longer winter.

Our financial performance was driven by continued cost control measures implemented and applied by every business unit. Most of them improved their Ebitda margin against Q1 2020, resulting in a 3.2 points increase at Group level.

Thanks to the positive impact of the Ebitda increase of 11%, combined with the Net debt decrease, the leverage ratio now stands below 5.0x. Our liquidity remains high at €584 million, strengthened by the €261 million state guaranteed loan.

Going forward, we expect the construction sector to rebound and we intend to take advantage of this recovery to continue our growth.

We were also very pleased with the S&P Global's rating upgrade to B+ with a positive outlook, reflecting our resilience during 2020 and our growth prospects."

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

	Q1 2020	Q1 2021	Change
Revenue			
France	195.1	220.6	13.1%
Scandinavia ⁽¹⁾	156.3	143.6	-8.2%
Rest of the World	142.6	132.7	-7.0%
Total Revenue	494.1	496.9	0.6%
EBITDA ⁽²⁾			
France	60.8	79.4	30.5%
Scandinavia	41.9	40.5	-3.3%
Rest of the World	47.4	46.8	-1.1%
Total EBITDA	150.1	166.7	11.1%
EBITDA margin			
France	31.2%	36.0%	4.8 pts
Scandinavia	26.8%	28.2%	1.4 pts
Rest of the World	33.2%	35.3%	2.1 pts
Total EBITDA margin	30.4%	33.5%	3.2 pts
EBIT	8.4	38.4	N/A
Recurring Free Cash-Flow (pre-IFRS 16)	67.6	15.2	n.a
Gross capex	55.0	56.3	+2.4%

(1) Scandinavia consists in the Denmark, Norway, Sweden and Finland.

(2) Q1 2020 has been restated following IFRS Interpretations Committee decision on lease term in France, with a retroactive effect as from January 1, 2019.

REVENUE

LOXAM's Q1 2021 consolidated revenue amounted to €497 million, representing an increase of 0.6% compared to Q1 2020 (at constant perimeter and exchange rate).

Revenue from business activities in France increased by 13.1% (1.8% compared to Q1 2019) during the first quarter to €221 million, reflecting business recovery in March 2021, versus the strict lockdown which started in mid-March 2020 and lasted for most of Q2 2020.

Revenue in Scandinavia decreased by 8.2% to €144 million, as a consequence of a challenging base effect from lower sanitary restrictions in 2020 and a mild-winter in Q1 2020 compared to 2021.

In other countries, revenue decreased by 7.0% during the same period to €133 million, amid a continued slowdown in geographical areas still impacted by the health crisis and lockdown measures, specifically the UK and the Middle East. Like France, Italy experienced a rebound in March 2021.

EBITDA

During the first quarter, EBITDA increased by 11.1% to €166.7 million with an EBITDA margin at 33.5%. At constant perimeter and FX, EBITDA increased by 11.4%.

France reported a strong EBITDA increase of 30.5% to €79.4 million. The EBITDA margin at 36% increased by 4.8 points, benefiting from the stability of its cost base while revenue improved.

Scandinavia generated an EBITDA of €40.5 million, representing a decrease limited to 3.3%, and

increased its EBITDA Margin to 28.2%, reflecting a 1.4 point gain from 26.8%. In the Rest of the World, the decrease of the cost base limited the reduction of the EBITDA to €46.8 million and enabled the EBITDA margin to gain over 2 points and increase to 35.3%.

FINANCIAL INCOME

At €37 million, net financial expenses for the first quarter were €7 million lower compared to the same period last year, including a decrease in loan interests of €2 million and a positive FX impact of €4 million.

CASH FLOW AND INDEBTEDNESS

Recurring free cash flow was positive at €15 million, a standard low level for the winter season, considering the working capital requirement increase at €35 million. Last year, the recurring free cash flow benefited from an unusual positive change in working capital requirements due to the lockdown and activity slowdown.

The liquidity of the Group remains high with €584 million of cash on the balance sheet, including state guaranteed loans.

Net debt remained stable at €3,675 million, while LTM EBITDA increased to €745 million. The leverage ratio decreased from 5.04x on December 31, 2020 to 4.94x.

BUSINESS OUTLOOK

The health crisis, which has impacted the construction sector, is still ongoing in all countries where Loxam operates. However, the Group remains confident that a rebound in activity will happen thanks to vaccination campaigns.

In this context, the Group targets a growth in revenue versus 2020 and an increased EBITDA performance driven by strict financial policy. In the mid-term, the European recovery plan will also have a positive impact on our growth. The capital expenditures will be increased to benefit from the recovery.

FINANCIAL CALENDAR

Publication of Q2 2021 results on August 31, 2021 (after market close) and conference call on September 1, 2021.

INVESTOR CONTACTS

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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 approximately 1,050 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.