



LOXAM – 2021 FOURTH QUARTER AND FULL YEAR RESULTS

“A strong performance confirming the recovery”

Paris - March 28th, 2022

Loxam, Europe’s leading equipment rental company to professionals, published today its financial statements for the fourth quarter and full year of 2021.

Fourth quarter highlights

- Revenue of €585 million, up by 9.7%
- EBITDA of €202 million with EBITDA margin of 34.5%
- Tenth consecutive quarter of positive recurring free cash flow
- High level of gross Capex at €178 million
- Total liquidity of €471 million, excluding the undrawn €345 million RCF

Full year 2021 highlights

- Revenue of €2,185 million, up by 9.9% (8.2% at constant perimeter and FX)
- EBITDA of €777 million, up by 6.8% (5% at constant perimeter and FX)
- EBITDA margin at 35.6%
- Positive recurring free cash flow of €124 million (before IFRS 16)
- Net debt / EBITDA ratio as of December 31 at 4.69x back to pre-pandemic crisis level

Post quarter events

- Issuance of €350 million of 4.5% Senior Secured Notes due 2027
- Full redemption of €300 million 3.5% Senior Secured Notes due 2022 and €250 million 3.5% Senior Secured Notes due 2023
- Liquidity pro forma at €271 million

Gérard Déprez, Chairman and CEO of LOXAM commented:

“With revenue exceeding €2 billion for the first time in its history, 2021 was a record-breaking year for Loxam that demonstrated the pertinence of the Group’s strategy, as the crisis has been largely overcome. The rebound that began in France in H2 2020 and progressively in 2021 in other countries gained momentum in the second half of the year. Our financial objectives for the year have been exceeded thanks to both our geographical diversification and our ability to adapt quickly when the market recovers.

Fixed costs returned to their pre-Covid level and we also increased discretionary spending. Nevertheless, EBITDA margin remained strong, reflecting our financial discipline. We also increased our Capex to an amount of €444 million, a level exceeding depreciation costs.

Continued free cash flow generation coupled with the successful issuance of a new €345 million RCF in July has streamlined our liquidity. We also managed to reduce the Group's financial leverage, which returned to its pre-Covid crisis level.

To reinforce our leadership position and continue to leverage the underlying growth of our market recovery, we have also continued and accelerated our digital transformation through the launch of "Cap Digital", our new IT plan, which will channel Loxam's priority digitalization efforts over three years with a focus on operational excellence, customer services and Big Data.

Lastly, 2021 was a ground-breaking year for the Group in terms of CSR as we made a strong and ambitious commitment in term of reduction of CO₂ emissions toward 2030. In 2021, capex with low or zero CO₂ emissions represented 46% of the Group's total capex. Whilst we are finalising our Group CSR report which will consolidate the Group's results for the first time, we are very pleased with the extra-financial ratings assigned to Loxam, which confirm the relevance of our actions."

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

	<u>Q4 2020</u>	<u>Q4 2021</u>	<u>Change</u>	<u>12M 2020</u>	<u>12M 2021</u>	<u>Change</u>
Revenue						
France	228.0	236.1	3.6%	802.8	919.8	14.6%
Nordic countries ⁽¹⁾	163.9	186.7	13.9%	643.0	658.0	2.3%
Rest of the world	141.6	162.4	14.7%	543.1	607.3	11.8%
Total Revenue	533.4	585.2	9.7%	1 988.9	2 185.1	9.9%
EBITDA						
France	86.8	84.9	-2.1%	323.5	339.7	5.0%
Nordic countries	48.0	55.8	16.4%	198.8	203.8	2.5%
Rest of the world	55.9	61.1	9.3%	205.6	233.6	13.6%
Total EBITDA	190.6	201.8	5.9 %	727.9	777.1	6.8%
EBITDA margin						
France	38.0%	36.0%	-2.1 pts	40.3%	36.9%	-3.4 pts
Nordic countries	29.3%	29.9%	0.6 pts	30.9%	31.0%	0.1 pts
Rest of the world	39.5%	37.6%	-1.9 pts	37.9%	38.5%	0.6 pts
Total EBITDA margin	35.7%	34.5%	-1.2 pts	36.6%	35.6%	-1.0 pts
EBIT	51.2	67.3	31.7%	174.5	253.8	45.5%
Recurring Free Cash-Flow (pre-IFRS 16)	98.6	32.8	-66.7%	339.3	124.0	-63.4%
Gross capex	82.6	178.3	115.7%	237.3	444.2	87.2%

(1) Nordic countries are comprised of Denmark, Norway, Sweden and Finland.

REVENUE

Loxam's consolidated revenue for the full year increased by 9.9% to €2,185 million. Like for like, it increased by 8.2%.

Revenue from activities in France increased by 14.6%, thereby almost reaching the 2019 level. In the Nordic countries revenue increased by 2.3% as activity was less impacted by the Covid-pandemic in 2020. In the Rest of the World division, revenue increased by 11.8% with three consecutive quarters of double-digit growth, as the division continued to benefit from a lasting rebound following a first quarter still impacted by the Covid pandemic.

During the fourth quarter of 2021, revenue from activities in France increased by 3.6% to €236 million. Revenue for the Nordic countries increased by 13.9% as the division benefitted from the contributions of Maskinslussen in Sweden and JM Trykluft in Denmark, which we acquired in 2021. Revenue in the Rest of the world division increased by 14.7%, which was attributable to the positive contribution of all countries.

EBITDA

On a full year basis, EBITDA increased by 6.8% to €777 million and by 5.0% like for like. Annual EBITDA margin remained strong at 35.6% despite fixed costs returning to their pre-Covid crisis level, while the Group resumed some discretionary spending in areas such as marketing, IT and building refurbishments. Excluding capital gains, EBITDA margin was stable. The lower level of capital gains in 2021 was a direct consequence of reduced disposals of used equipment. As utilization rates increased in 2021 and new equipment deliveries were delayed, fleet disposals were reduced in order to serve our customers.

France EBITDA increased by 5.0% over the course of the year, resulting in a robust EBITDA margin of 36.9%. The Nordic Countries division posted a 2.5% increase of its EBITDA during 2021 with a stable EBITDA margin of 31%. The Rest of the World registered a strong overall performance with an EBITDA increase of 13.6% resulting in a margin increase of 0.6 points to 38.5%.

During the fourth quarter of 2021, EBITDA increased by 5.9% to €202 million.

FINANCIAL INCOME

For the full year, net financial expense totaled €159 million, which was stable compared to 2020. While the Group benefited from a decrease in its interest expense by €3.5 million and a positive exchange rate difference of €2.1 million, this was offset by an exceptional expense of €6 million covering both the entry into the new € 345 million RCF and the costs related to the €120 million partial early repayment of the 2025 subordinated notes.

Net financial expense for the fourth quarter 2021 amounted to €37 million.

CASH FLOW AND INDEBTEDNESS

In Q4 2021, recurring free cash flow remained positive for a tenth consecutive quarter at €32.8 million, despite the high gross capex spending of €178.3 million. For the full year the recurring free cash flow amounted to €124 million. This was achieved thanks to the positive contribution of the Group's high EBITDA and to the positive change in working capital requirements. The amount of gross fleet capex more than doubled to €402 million in 2021, while equipment disposals were reduced compared to 2020, in order to be able to continue meeting increasing demand from customers.

By December 31, 2021, the liquidity of the Group remained high with €468 million of cash on the balance sheet, excluding the €345 million undrawn RCF. In order to optimize the cash on our balance sheet and reduce interest expense, the Group made a €120 million partial repayment of the 2025 senior subordinated notes in Q4 2021. Net debt amounted to €3,668 million as of December 31, 2021, which

represented a net debt to LTM EBITDA leverage ratio of 4.69x. Thanks to its financial discipline, Loxam managed to bring down the level of its leverage ratio to its pre-Covid crisis level.

ENVIRONMENT, SOCIAL & GOVERNANCE RESPONSIBILITY

In 2021, our leadership in ESG policy gained visibility and recognition following the Group's decision to support the "Science Based Targets" initiative, a first in the equipment rental sector. Indeed, Loxam has pledged that between 2019 and 2030, it will cut its direct emissions by 50% and its indirect emissions by 30%. This commitment complies with the stringent COP 21 Paris agreement, which aims to limit global warming below 1.5 degrees Celsius.

Loxam stands among the Top-Rated ESG Companies by Sustainalytics' and is the rental sector's best rated Group. In addition, Vigeo-Eiris, a subsidiary of the Moody's rating agency, rates our ESG policy in 2021 as the best among equipment rental companies.

The 2021 Group extra financial reporting will be published during Q2 2022 and will be reviewed for the first time by an independent third party.

EXPOSURE IN UKRAINE AND RUSSIA

Loxam is deeply concerned by the situation in Ukraine and its thoughts are with all the people suffering from this terrible conflict. The Group has no activity in Ukraine and operates in Russia through a 50% owned joint venture. The Group's stake in this entity is accounted for under the equity method and had a negligible contribution to the Group's assets and results as of and for the year ended December 31, 2021.

BUSINESS OUTLOOK for 2022

In 2022, we anticipate a significant acceleration of our activity, supported by positive market trends in the construction sector and by the dissipation of the negative effects of the Covid pandemic. The Group's capex program of €700 million has been designed to increase the group's capacities and boost revenue growth, and we expect it to contribute to the improvement of the Group's profitability.

The economic consequences of the war in Ukraine, however, are now expected to undermine the growth rate of the European countries in which we operate. Shortages in Construction materials, delays in equipment delivery of equipment and increased costs could negatively affect our customers' businesses and therefore our activity. Business trends have been generally well oriented during Q1 2022, but visibility is now reducing as the consequences of the war have not yet been fully felt. The current increase in energy costs has so far had little effect on our profitability as we are able to re-invoice most of them to our clients. We are, however, closely monitoring the situation to anticipate any potential impacts on our supply-chain or business activity and we will remain agile and take every decision, as we have done in the past, with a view to preserving and developing our business.

FINANCIAL CALENDAR

Publication of Q1 2022 results on May 30, 2022.

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ABOUT LOXAM

The Loxam Group is the leading equipment rental company in Europe with consolidated revenue of €2,185 million in 2021 and 11,370 employees. The Group is the 4th largest player in the world with a network of 1,066 branches and corners 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.