

# Touax<sup>®</sup>

Your operational leasing solution for  
sustainable transportation

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## H1 2021 results

Financial analyst meeting  
24 September 2021



# Disclaimer

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This presentation does not constitute an offer to sell, or a solicitation of an offer to buy TOUAX SCA (“Company”) shares.

It may contain forward-looking statements. Such forward-looking statements do not constitute forecasts regarding the Company’s results or any other performance indicator, but rather trends or targets, as the case may be.

Such documents are by nature subject to risks and uncertainties as described in the Universal Registration Document filed with the French financial market authority (Autorité des Marchés Financiers - AMF).

This document contains summary information only and must be read in conjunction with the Company’s Universal Registration Document, the consolidated financial statements and the 2020 activity report.

More comprehensive information about TOUAX SCA may be obtained on the Group website ([www.touax.com](http://www.touax.com)), under Investors.

# H1 2021 overview

## Strong economic performance. Acceleration in investments

- ▶ **Strong business resilience**, with recurring leasing revenue accounting for 77% of the total and **an increase in owned activity revenue**
- ▶ **A profitable H1 2021** with **EBITDA of €21.3m** and **Group share of net income of €2.0m**
- ▶ **Increase in shareholders' equity, Group share**, in line with the increase in net profitability
- ▶ **Launch of a major investment cycle in 2021**, following the significant improvement in the financial structure in H2 2020
- ▶ **Strong consolidated cash position** (€42m at 30 June 2021)

# Contents

- ▶ **A resilient business model**
- ▶ **Strong performance in H1 2021**
- ▶ **Profitability and increase in fleet**
- ▶ **A positive outlook**
- ▶ **Asset value and stock market performance**



# TOUAX

## A global player in the leasing of equipment for sustainable transportation

- ▶ **One business: the operational leasing of transportation equipment and related services:**
  - A unique business in operation since 1853,
  - **More than €1.1 billion in assets under management,**
  - Almost 250 employees worldwide,
  - An international group (98% of revenue outside France) whose holding company is listed on Euronext Paris
- ▶ An activity based on **3 standardised sustainable transport assets (freight railcars, river barges and containers) leased under long-term contracts**
- ▶ **Large markets** (\$80bn for containers in operation worldwide, €15bn for river barges in Europe, North America and South America, €50bn for railcars in circulation in Europe) with:
  - **Recurrent demand for replacement and development**
  - Driven by **growth in (i) environmentally-friendly methods of transport and (ii) international trade**



# TOUAX

## Your operational leasing solution for sustainable transportation

### Freight railcars



### River barges



### Containers



#### Market position



#### Description

**Activity**

- Operational leasing & financial leasing
- Management on behalf of third parties
- Sales (new and used)

**Assets under management<sup>1</sup>**

- 11,806 platforms
- €342m in Group-owned assets
- €147m in assets managed on behalf of third parties
- Average age: 20.7 years

**Activity**

- Operational leasing & financial leasing
- Sales (new and used)
- Management on behalf of third parties

**Assets under management<sup>1</sup>**

- 98 barges
- €71m in Group-owned assets
- €12m in assets managed on behalf of third parties
- Average age: 14.4 years

**Activity**

- Operational leasing & financial leasing
- Resale and trading (new and used)
- Management on behalf of third parties

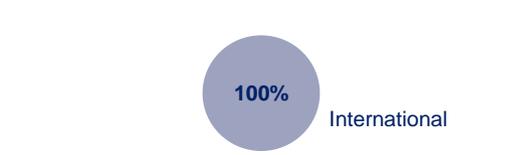
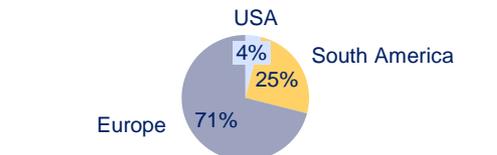
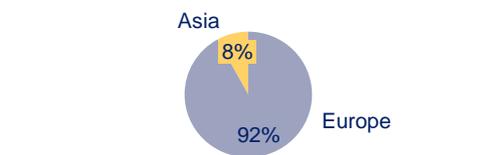
**Assets under management<sup>1</sup>**

- 379,871 containers (TEU)
- €83m in Group-owned assets
- €464m in assets managed on behalf of third parties
- Average age: 10.9 years

#### Key figures<sup>2</sup>



#### Revenue by geographical region



#### Comments

- Historical value at 30 June 2021
- The figures for 2021 include the Modular Buildings activity in Africa (a joint venture owned with an investment fund, DPI, 51% owned by Touax) and Corporate expenses

# A diversified client base

## Long-standing privileged client relationships

### Freight railcars



> 10 years

### River barges



> 10 years

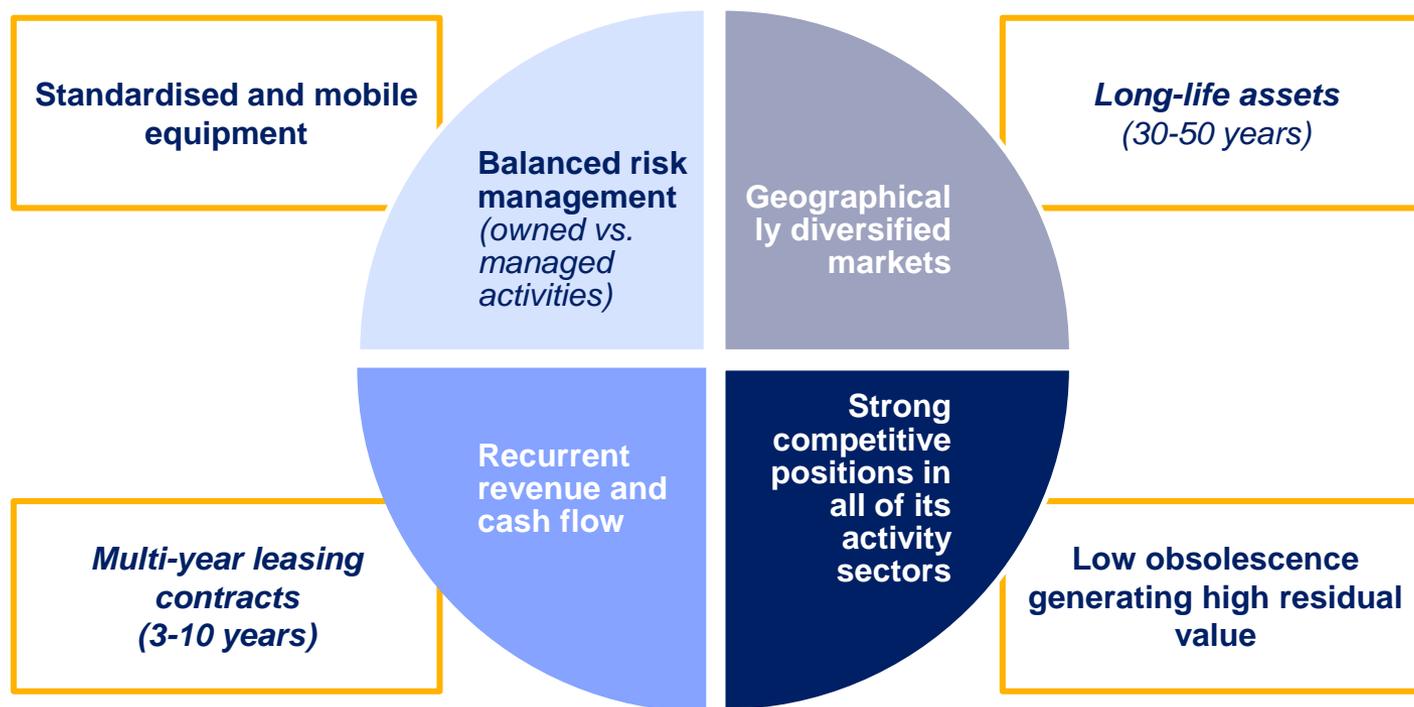
### Containers



> 30 years

# A resilient business model

## Involving long-term contracts



**77%\* of leasing revenue is recurrent**

\* At 30 June 2021

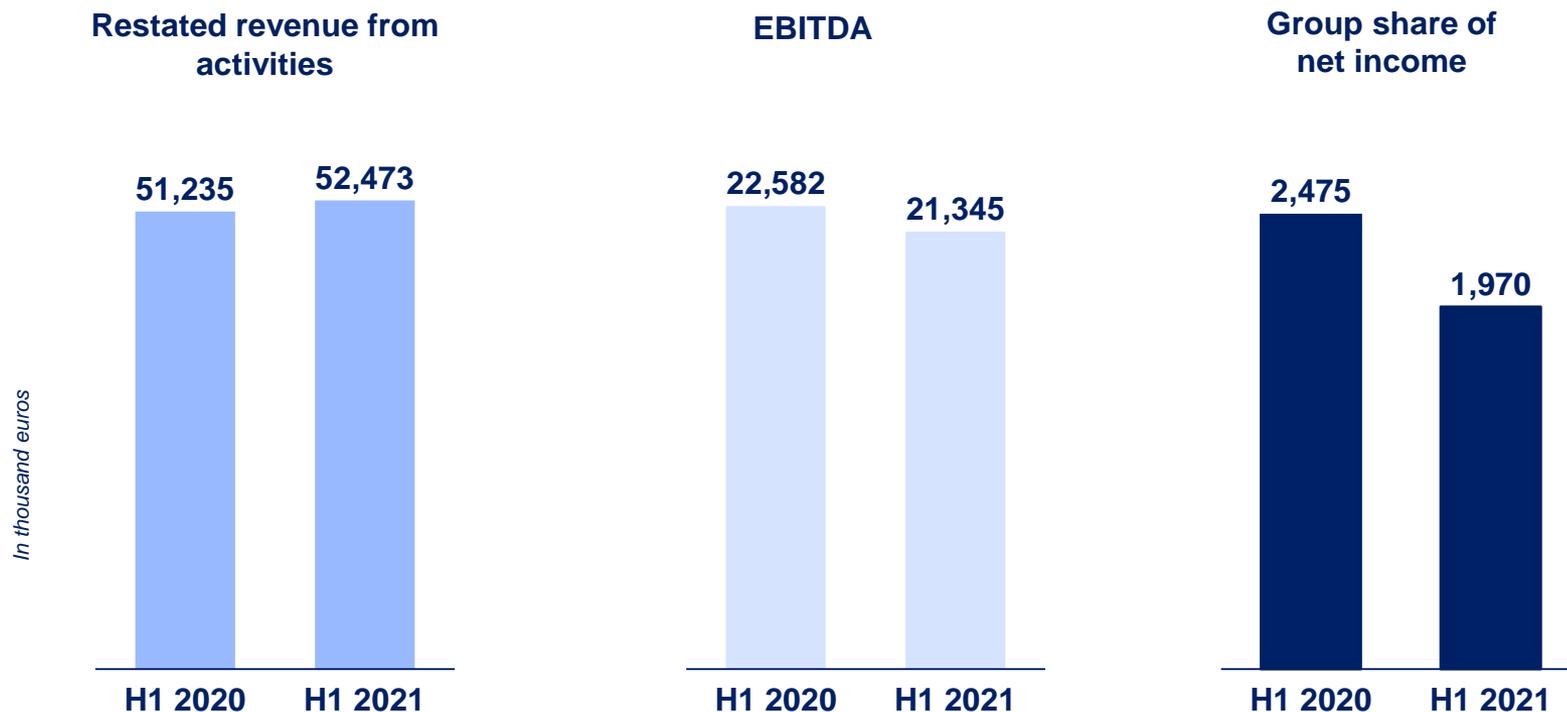
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# H1 2021

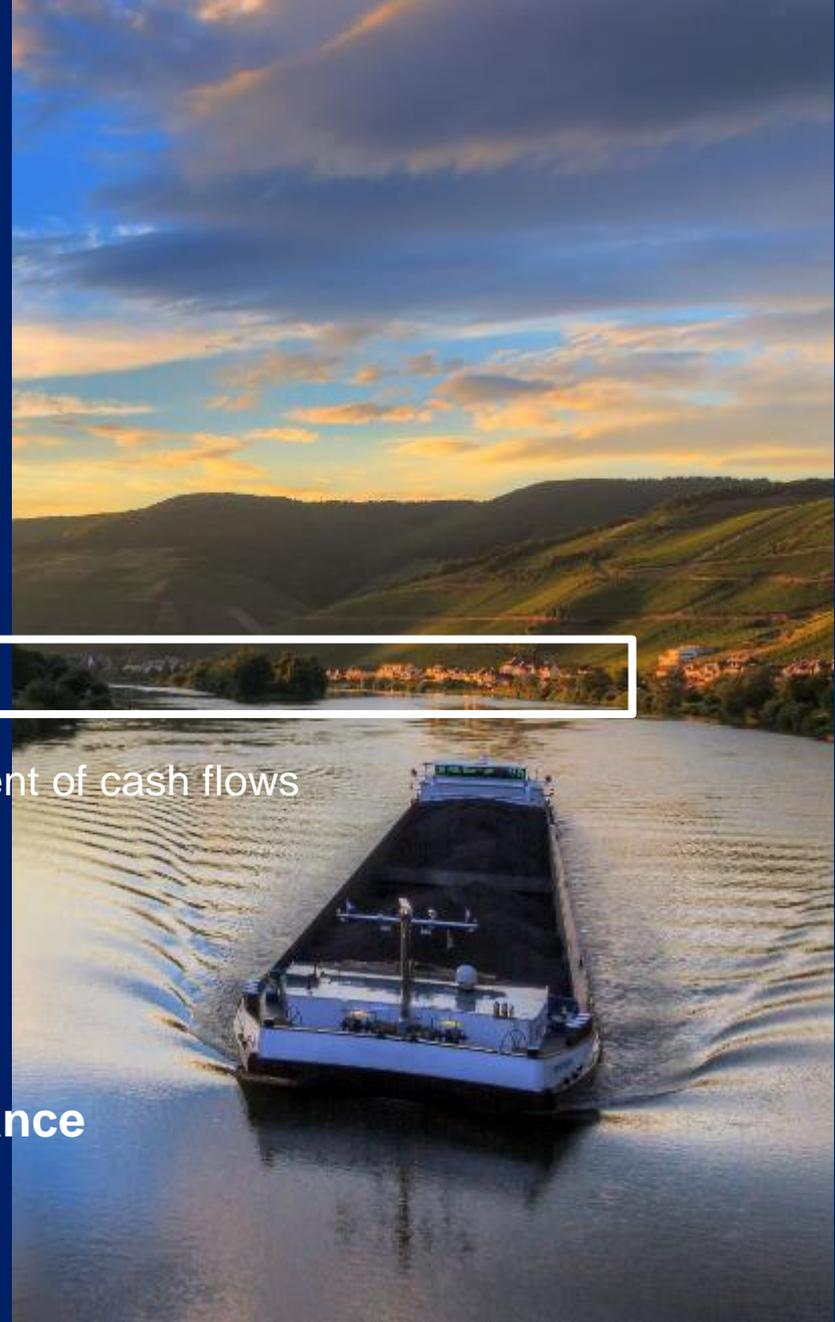
## Confirmation of profitability



Increase in revenue. Good level of operating profitability. Temporary fall in used equipment sales (impacting EBITDA and Net income) mainly due to the shortage of shipping containers

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- ▶ **A resilient business model**
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- ▶ **Asset value and stock market performance**



# Restated income statement

## Key figures

<i>In thousand euros</i>	12.2020	S1 2020	S1 2021
Total leasing activity of owned equipment	65,119	32,803	33,354
Total sales activity of owned equipment	36,112	13,088	15,413
Total of management activity and others	10,327	5,344	3,706
<b>TOTAL RESTATED REVENUE FROM ACTIVITIES (*)</b>	<b>111,558</b>	<b>51,235</b>	<b>52,473</b>
Cost of equipment sales	-27,169	-10,406	-10,805
Operating expenses	-15,719	-7,412	-8,787
General and administrative expenses	-21,849	-10,835	-11,536
<b>EBITDA</b>	<b>46,821</b>	<b>22,582</b>	<b>21,345</b>
Depreciation, amortization and impairment	-23,524	-11,769	-12,053
<b>CURRENT OPERATING INCOME</b>	<b>23,297</b>	<b>10,813</b>	<b>9,292</b>
Other operating income and expenses	-109	2	-42
<b>OPERATING INCOME</b>	<b>23,188</b>	<b>10,815</b>	<b>9,250</b>
Financial profit (loss)	-13,216	-6,203	-5,810
Corporate tax	-1,003	-901	-213
Net income from discontinued activities	-132	-48	0
<b>GLOBAL CONSOLIDATED NET INCOME</b>	<b>8,837</b>	<b>3,663</b>	<b>3,227</b>
Of which portion attributable to owners of the Group's parent company	5,862	2,475	1,970
Of which non-controlling interests (minority interests)	2,975	1,188	1,257
<b>Earnings per share</b>	<b>0.84</b>	<b>0.35</b>	<b>0.28</b>

(\*) Presentation after restatement to better segment owned activities on the one hand and management activities on the other hand

# Restated income statement

## New segmentation of revenue from activities

- ▶ **In early 2021, revenue from activities was restated** in order to present **owned activities** separately from **management activities**.
- ▶ For management activities, leasing revenue from investor-owned equipment is replaced by management fees, which correspond to the net contribution of the leasing management activity to the Group's performance.
- ▶ This presentation shows *syndication fees*, *sales fees* and *management fees* grouped together under management activity, separate from owned activity.
- ▶ **These restatements have no impact on EBITDA, operating income or net income.**

Revenue from activities (in € thousand)	H1 2021	Restatement	Restated H1 2021
Leasing revenue on owned equipment	26,862		26,862
Ancillary services	7,030	-539	6,491
<b>Total leasing activity</b>	<b>33,892</b>	<b>-539</b>	<b>33,353</b>
Sales of owned equipment	15,413		15,413
<b>Total sales of equipment</b>	<b>15,413</b>	<b>0</b>	<b>15,413</b>
<b>Total of owned activity</b>	<b>49,305</b>	<b>-539</b>	<b>48,766</b>
Leasing revenue on managed equipment	21,984	-21,984	0
Fees on syndications	963		963
Management fees on managed assets	323	1,465	1,788
Margins on sale of managed equipment	949		949
<b>Total of management activity</b>	<b>24,219</b>	<b>-20,519</b>	<b>3,700</b>
Other capital gains on disposals	6		6
<b>Total Others</b>	<b>6</b>	<b>0</b>	<b>6</b>
<b>Total Restated Revenue from activities</b>	<b>73,530</b>	<b>-21,057</b>	<b>52,473</b>

This new segmentation allows a more detailed reading of Touax Group's activities

# Income Statement

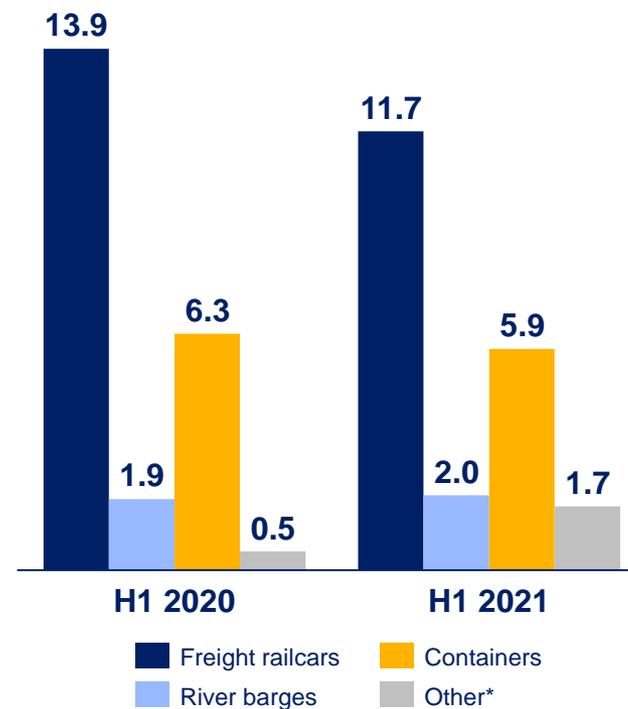
## Key points

- ▶ **Restated revenue from activities: €52.5m (+2.4%) (€54.2m at constant scope and currency)**
  - Leasing (owned assets): €33.4m, +1.7%
  - Sales of owned assets (including modular buildings in Africa): €15.4m, +17.8%
  - Management and other activities (including syndication, management and sales fees for investor-owned equipment): €3.7m, -31%
  
- ▶ **EBITDA: €21.3m (-5.5%)** vs. €22.6m at 30 June 2020; decline in performance of the Railcars and Containers divisions (-17% and -6% respectively)
  - Increase in operating expenses, mostly in the Railcars division to bring forward equipment servicing in order to make assets available for leasing more quickly
  - Fall in sales on behalf of investors, as all containers are leased
  
- ▶ **Current operating income: €9.3m** vs. €10.8m at 30 June 2020
  - Increase in depreciation and amortisation: +2%, mainly in the Railcars division
  
- ▶ **Net financial expense: -€5.8m** vs. -€6.2m at 30 June 2020
  - Decrease in interest expense linked to the fall in the average rate of long-term financial debt
  
- ▶ **Group share of net income: +€2.0m** vs. +€2.5m at 30 June 2020
  - Non-controlling interests mainly concern the share of DIF Core Infrastructure Fund II (in the Rail division's capital)

# Income Statement

## EBITDA

<i>In million euros</i>	H1 2020	H1 2021	Change %
Freight railcars	13.9	11.7	-17%
River barges	1.9	2.0	+9%
Containers	6.3	5.9	-6%
Other*	0.5	1.7	+280%
<b>EBITDA</b>	<b>22.6</b>	<b>21.3</b>	<b>-5%</b>



**Slight decrease in Group EBITDA (-5%), mainly due to the decline in sales of used equipment managed on behalf of third parties**

\* Modular buildings in Africa and corporate expenses

# A tangible asset base

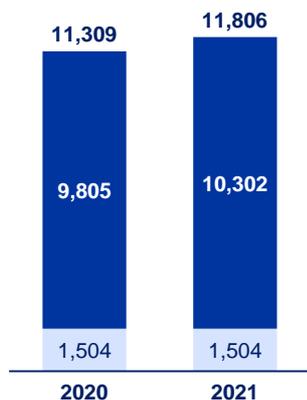
## Freight railcars



### A fleet under long-term leases

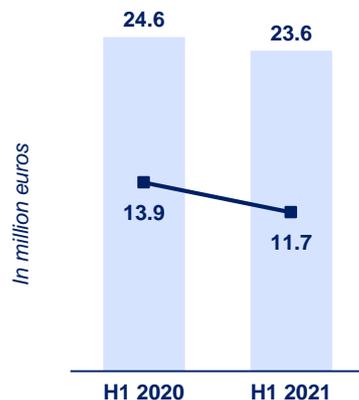
- ▶ Economic life span: 30 to 50 years
- ▶ Depreciation: 36 years
- ▶ Average age of the fleet in June 2021: 20.7 years
- ▶ Average utilisation rate in June 2021: 84.0%
- ▶ Average length of lease in June 2021: 3.6 years

No. of freight railcars (platform)



■ No. of freight railcars (platform)  
■ Technical management

Restated revenue from activities and EBITDA



■ Ebitda  
■ Restated revenue from activities

### Key points

- ▶ **Restated revenue from activities: -€1m**  
Mainly due to the decline in revenue from owned assets (-€0.7m) due to a fall in sales, while leasing revenue held up  
Temporary absence of syndication activity in H1 2021
- ▶ **Operating expenses: +€1.9m**  
Increase in maintenance costs to make assets available for leasing more quickly
- ▶ **Fall in EBITDA to €11.7m**
- ▶ Gradual increase in utilisation rate in 2021 (low point recorded in September 2020; European lockdowns due to the Covid-19 pandemic caused a slight drop in demand for freight railcars and therefore in the utilisation rate)
- ▶ The “greening” of European economies is positive for the Group’s activity

# A tangible asset base

## River barges



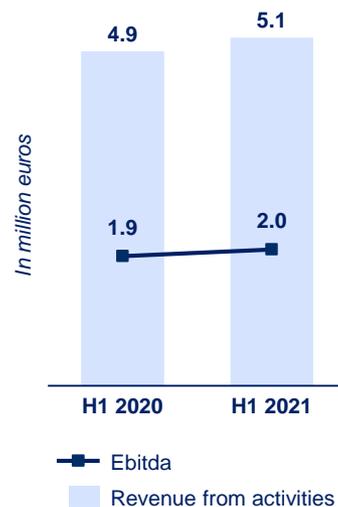
### 98 river barges

- ▶ Economic life span: 30 to 50 years
- ▶ Depreciation: 30 years
- ▶ Average age of the fleet in June 2021: 14.4 years
- ▶ Average utilisation rate in June 2021: 99.3%
- ▶ Average length of lease in June 2021: 5.6 years

98 river barges  
50 in Europe / 10 North Am. /  
38 South Am.



Restated revenue from  
activities and EBITDA



### Key points

- ▶ **Restated revenue up by €0.2m to €5.1m**
  - ▶ Slight increase in leasing revenue (+3%) with an average utilisation rate of 99.3%
- ▶ **Increase in EBITDA to €2.0m**, thanks to an increase in leasing revenue and stable operating expenses
- ▶ Investment: 2 new barges under construction planned for the end of 2021
- ▶ The sector was scarcely impacted by the health crisis, with demand still primarily linked to long-term infrastructure projects (e.g. Grand Paris project) and grain transport

# A tangible asset base

## Containers



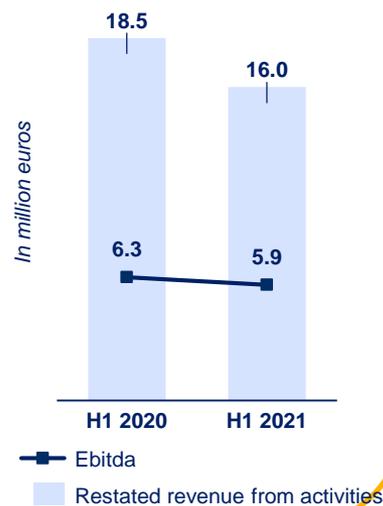
### A high quality fleet (20- and 40-foot dry containers)

- ▶ Economic lifespan of 15 years (maritime) and 20 years (land)
- ▶ Depreciation: 13 years
- ▶ Residual book value of between \$1,000 and \$1,400
- ▶ Average age of the fleet in June 2021: 10.9 years
- ▶ Average utilisation rate in June 2021: 99.7%
- ▶ Average length of lease in June 2021: 7.9 years
- ▶ % lease contracts (3-10 years) in June 2021: 85.7%

No. of containers (TEU)



Restated revenue from activities and EBITDA

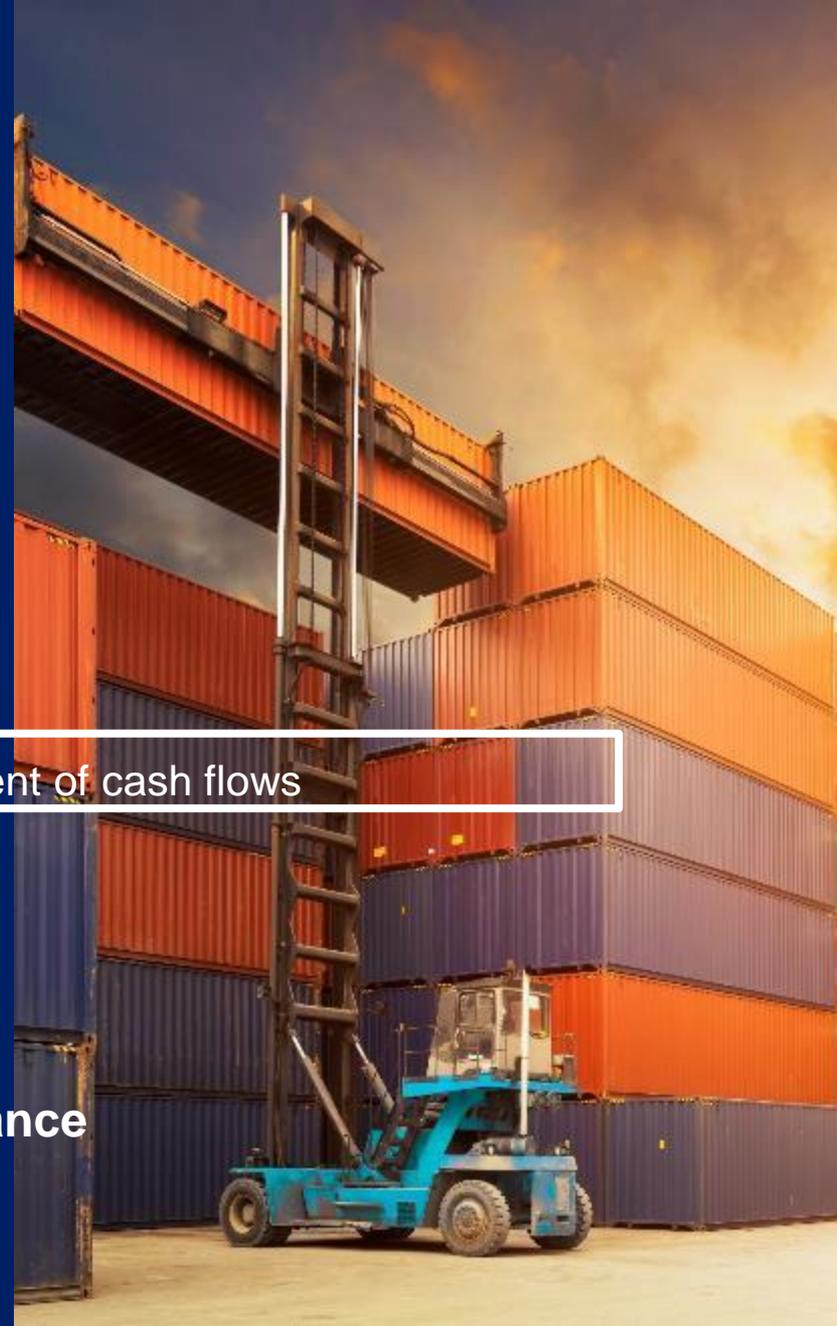


### Key points

- ▶ **A fall in restated revenue from activities to €16m**
- ▶ A €1.1m decline in owned activities, explained by a drop in container sales (-€1.3m), which was partially offset by an increase in leasing activity (+€0.2m).
- ▶ Decrease in management activity of €1.4m caused by a decline in used container sales due to the lack of availability of containers (utilisation rate close to 100%).
- ▶ Increased contribution from the new container trading activity.
- ▶ Syndications completed during the first half of 2021 had a positive impact on management activity owing to the corresponding fee income.
- ▶ Management fees were down by €0.2m, falling from €1m in June 2020 to €0.8m in June 2021.
- ▶ **Slight decrease in EBITDA to €5.9m**
- ▶ Acceleration in international trade since summer 2020, with a shortage of containers worldwide.

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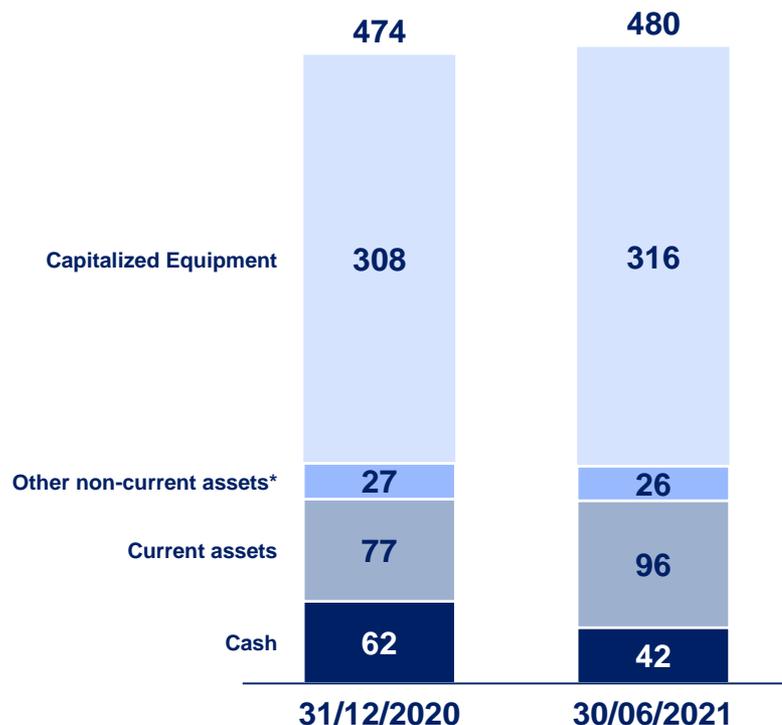


# Balance Sheet

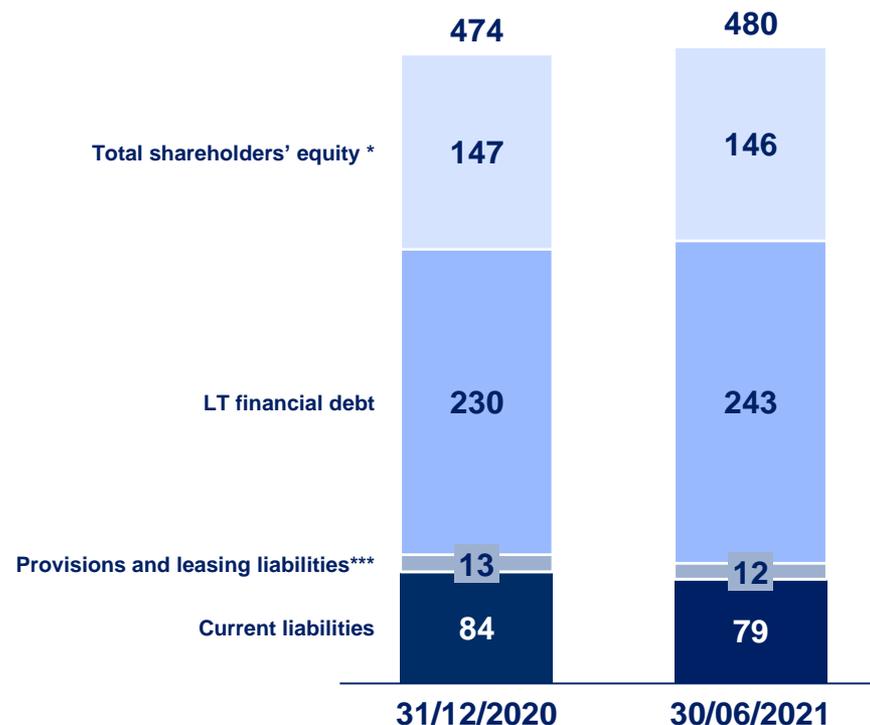
## Comparative summary balance sheet

In million euros

### Assets



### Liabilities



**Increase in assets under a policy of investment**

\*\* of which €14m in right-of-use assets – in line with IFRS 16

\* of which €25.9m relating to TSSDI (undated super subordinated bonds)

\*\*\* of which €7.2m in long-term lease liabilities

# Balance sheet

## Key points

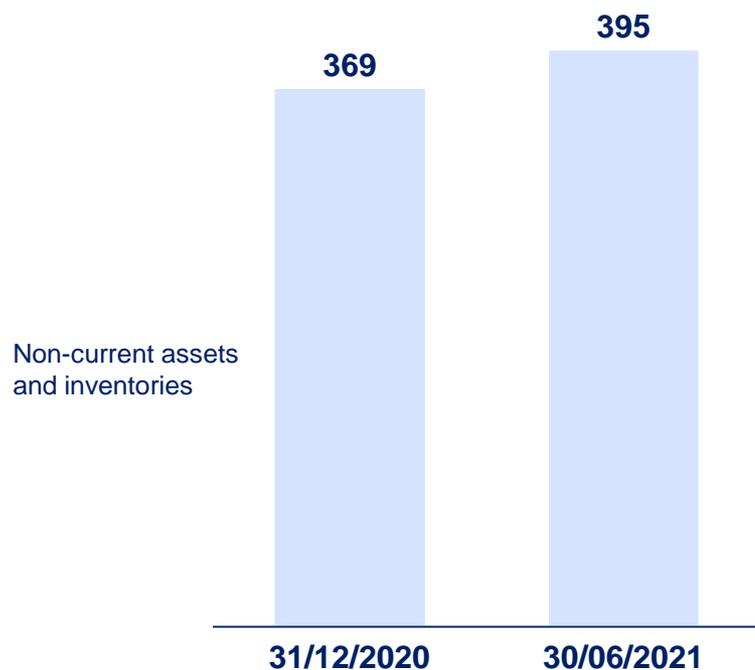
- ▶ **Capitalised equipment:** €316m, +€8.5m vs. December 2020
- ▶ **Other non-current assets:** goodwill (€5.1m), right-of-use assets under IFRS 16 for €13.8m, of which €12.2m relating to river barges
- ▶ **Current assets (excluding cash and cash equivalents) €95.8m vs. €77.2m in 2020**
  - Inventory €52.7m (+€17.7m vs. 2020):
    - +€14.9m in the Freight Railcars division (Railcar purchases)
    - +€2.8m in Containers (purchases of containers for the trading activity)
  - Increase in trade receivables to €33.5m (+€2.2m), particularly in the Containers division
  - Other items €9.5m including €6.3m in the VAT account
- ▶ **Shareholders' equity, Group share up to €93.7m (+€1.4m)**  
**Total shareholder's equity stable at €145.7m (including €52.0m in non-controlling interests) vs. €146.7m in 2020**
- ▶ **LT financial liabilities €243.0m vs. €230.4m in 2020**
  - Increase of +€12.6m, reflecting asset purchases during the period
- ▶ **Current liabilities €79.1m vs. €83.6m in 2020 (-€4.5m)**
  - Short term financial liabilities: €26.3m, up +€4.5m vs. 2020
  - Trade payables: €10.6m vs. €10.2m in 2020
  - Other liabilities: €39.0m (€10.9m relating to the purchase of railcars, €8.3m in tax and social security liabilities and €10.2m in dividend payments)

# Balance Sheet

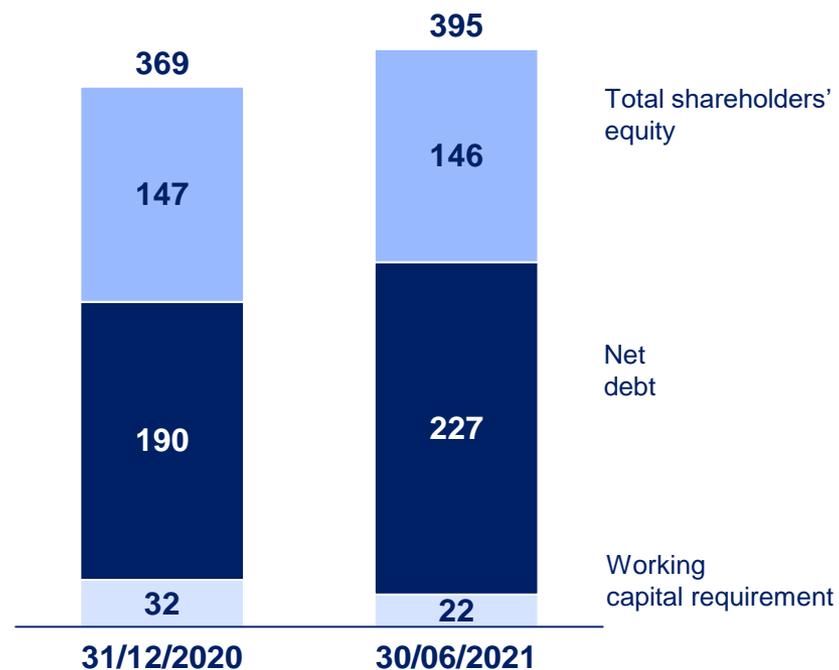
## Economic balance sheet

In million euros

### Assets\*



### Liabilities



\* Of which goodwill €5 million



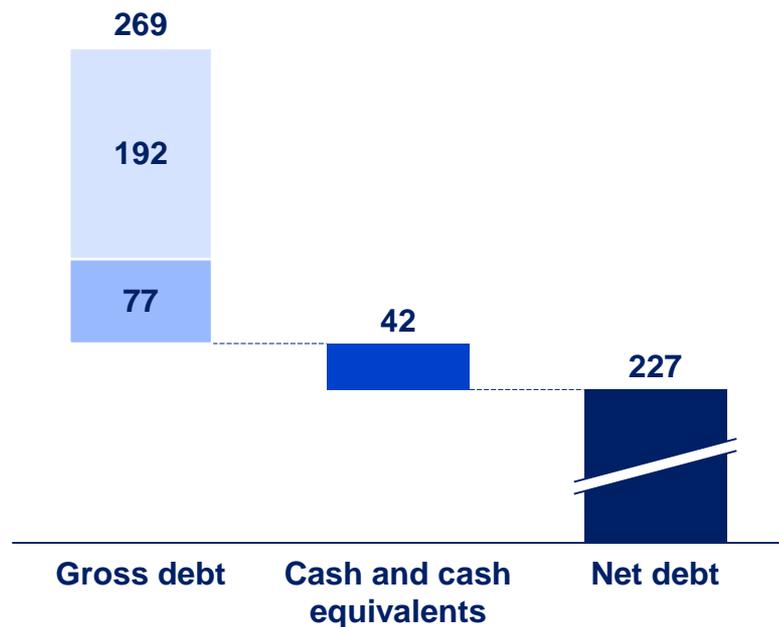
**Net debt (€227m) exclusively finances tangible assets (€390m)**

# Balance Sheet

Indebtedness : 71% of debt is without recourse

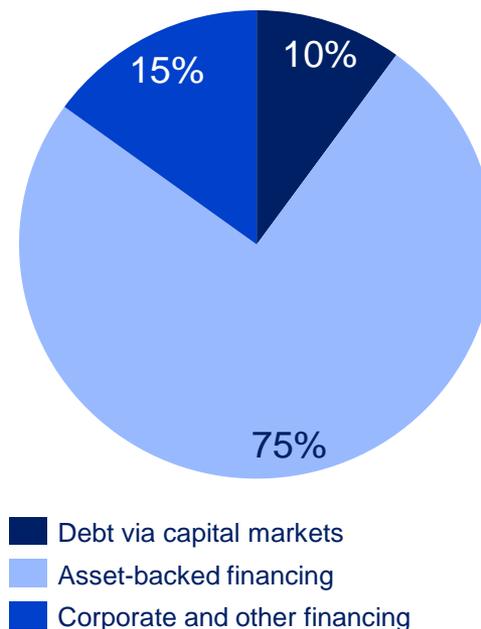
## Gross debt of €269m and net debt of €227m

In million euros



- Non-recourse debt
- Recourse debt

## Breakdown of financing sources



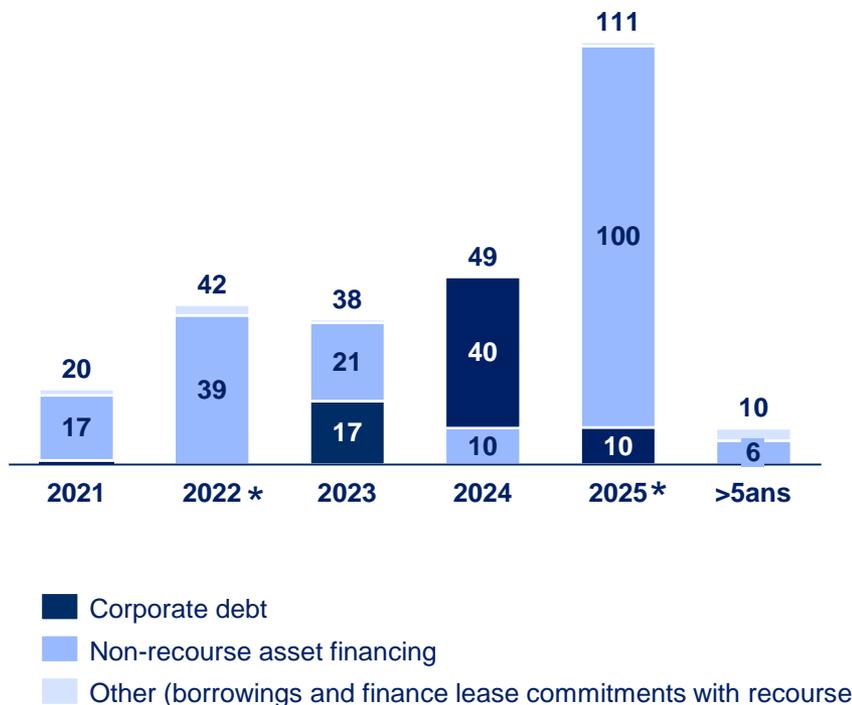
Average total gross debt: 3.79%  
 [€: 3.73%; \$: 3.09%; £: 2.33%]

# Balance sheet

## Indebtedness : asset financing credit lines used for investments

### Payment schedule

In million euros



\* Asset-backed financing:

In 2022: €39.0m, of which €6.0m for the Railcars division and €31.3m for the Containers division

In 2025: €99.9m, of which €96.4m for the Railcars division

### Key points

- ▶ **Investments: drawdowns on financing lines negotiated at end-2020**
  - Increase in debt drawn by Railcars Europe division in H1 2021: +€10.7m
  - Increase in debt drawn by Containers division in H1 2021: +\$6.8m
- ▶ **Major asset refinancing at the end of 2022 (Containers division) and end 2025 (Railcars division)**
- ▶ Corporate debt refinancing scheduled from 2023

**Financing of investments by existing credit agreements**

# Credit profile

All contractual ratios complied with at the end of June 2021

## Net gearing

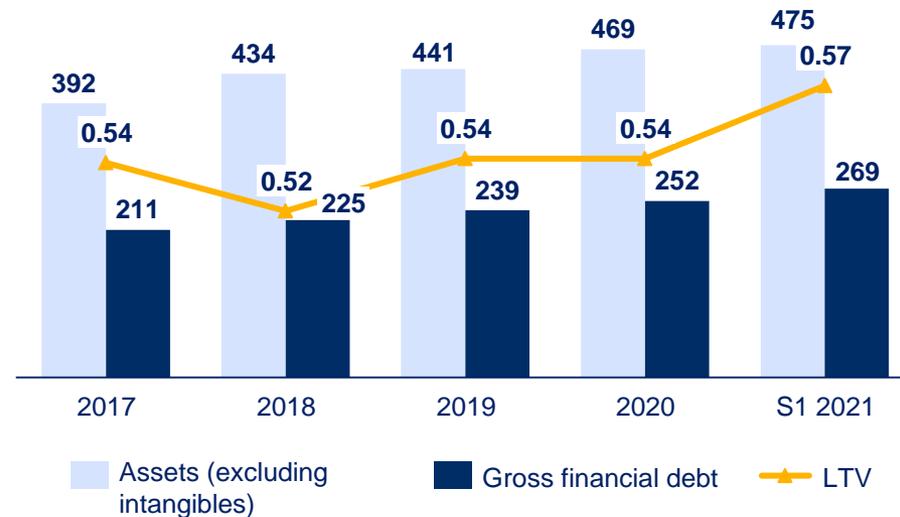
In million euros



- ▶ Net financial debt of €227m
- ▶ Net gearing (ratio of net debt to equity) of 1.56x

## Loan-to-value

In million euros



- ▶ Loan-to-value ratio of 57%
- ▶ ICR (interest coverage ratio)\*\* 4.07

\*Ratio of consolidated gross financial debt to total assets less goodwill and fixed assets

\*\* Restated Ebitda/Net cost of financial debt

# Cash flow statement

## A normal decline in cash owing to the investment policy

<i>in million euros</i>	H1.2020	H1.2021
Operating flows excluding operating WCR	22.0	19.8
Operating WCR (excluding inventories)	6.4	-14.4
Net purchases of equipment and change in inventories	-27.8	-31.7
<b>Operating flows</b>	<b>0.6</b>	<b>-26.3</b>
Investment flows	-0.6	1.6
<b>Financing flows</b>	<b>-4.5</b>	<b>4.7</b>
Exchange rate variations	0.1	0.3
<b>CHANGE IN NET CASH</b>	<b>-4.4</b>	<b>-19.8</b>

- ▶ **Taking into account investments, the Group's net cash position contracted by -€19.8m in H1 2021, while remaining comfortable at nearly €42m.**
- ▶ Total operating cash flows (including investments) were negative at -€26.3m, with a **high level of net equipment purchases and changes in inventory for -€31.7m** (vs. -€27.8m in H1 2020). The -€14.4m change in operating WCR is mainly due to the collection of investor receivables at the very beginning of H2 2021.
- ▶ Net financing flows for the period limited the decrease in cash by €4.7m.

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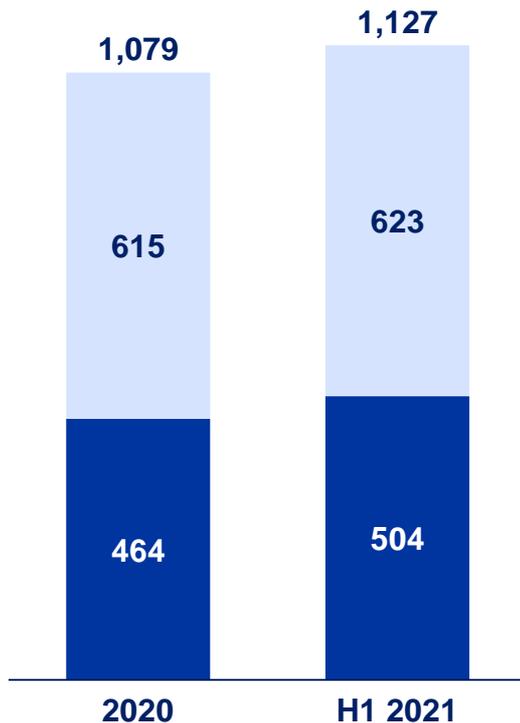


# Asset Management

## Breakdown of total assets under management

### Breakdown of total assets under management

In million euros



Investors  
Group Owned

Included under Group-owned: €8m relating to the modular buildings activity

### Investor profiles and strategies

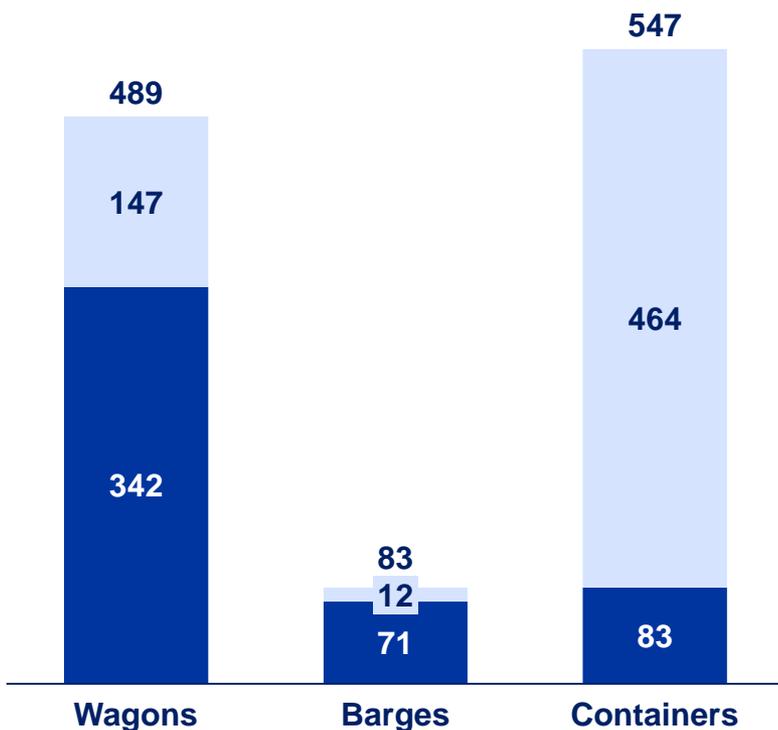
- ▶ €623m in assets managed on behalf of third parties
- ▶ Investors with diverse profiles
  - ▶ Institutional investors (banks, insurance companies, pension funds), family offices, financial companies, investment firms, infrastructure funds, corporates, etc.
- ▶ Investors seek:
  - ▶ a diversification strategy
  - ▶ inflation protection
  - ▶ recurring yields
  - ▶ real and tangible assets with a long useful life
  - ▶ assets that favour sustainable development and a reduction in CO2 emissions

# Asset management model

Syndication to enable fleet expansion and generate additional income without increasing gearing levels

## Assets (historical gross value)

In million euros



Investors  
Group Owned

## Key features

- ▶ Assets organised in portfolios and syndicated to investors
- ▶ Managed assets are owned by third-party qualified investors
- ▶ Syndication involves sales and management agreements
- ▶ Long-term management agreements (12-15 years)
- ▶ No minimum return guaranteed to investors
- ▶ Owned and managed assets pooled to align interests

# Asset management model

Syndication to enable fleet expansion and generate additional income without increasing gearing levels

## Recurring asset management fees



Asset management agreement >10 years

# Asset management

## Strategy and performance analysis

### ▶ Investment through funds:

- Touax is the exclusive operating partner of two sub-funds of a regulated Luxembourg alternative investment fund (Real Asset Income Fund S.C.A. SICAV-SIF) managed by Quamvest (AIF manager and risk management agent).
- “Touax Transportation Asset Income EUR Sub Fund I” launched in 2016
  - Invests in 2 Irish SPVs holding 1,768 freight railcars and 3 barges (market value €122m)
  - Refinancing is under way and should generate additional investment capacity
- “Touax Transportation Asset Income USD Sub Fund I” launched in 2018
  - \$9m in capital raised at the end of June 2021 and investment in an Irish SPV holding more than 6,000 containers (CEU)
  - Subscriptions were signed for an additional \$15m, to be called by the end of September 2021
  - \$35m in financing in preparation to generate additional investment capacity

### ▶ Direct investments / managed accounts:

- Several infrastructure funds and institutional investors invest directly in tangible assets managed by Touax.
- In June 2021: container syndication for \$15.7m, with \$50m in additional subscriptions (of which \$25m in firm commitments)
- Railcar syndications are planned at the end of 2021 and container syndications between now and June 2022

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# Freight railcars: €50bn in circulation in Europe

Medium-term objective: growth in the entire fleet under management: 15,000 railcars, including 12,000 in Europe and 3,000 in Asia

## Market

### Europe

- ▶ Combined rail transport jumped 26.43% in Q2 2021 compared with Q2 2020, which was impacted by the pandemic and plant closures in Europe <sup>(1)</sup>
- ▶ Average growth expected at 6.77% in 2021, exceeding pre-crisis levels <sup>(1)</sup>.
- ▶ Intercontinental rail transport continues to grow despite the Covid-19 crisis, with +31% between Europe and Asia in 2020 <sup>(1)</sup>
- ▶ The outsourcing trend continues, with lessors' market share growing from 20% in 2004 to 30% in 2019 <sup>(3)</sup>
- ▶ 2021 is European Year of Rail with the ambitious goal of boosting market share to 30% by 2030 (versus 18% in 2020).

### Asia

- ▶ GDP growth in India is expected at 11.5% in 2021 <sup>(2)</sup>.
- ▶ Demand for freight railcars is set to remain strong: demand for innovative railcars will help to increase load capacity, reduce road congestion and lower CO2 emissions, which is also an important topic in Asia.
- ▶ Several infrastructure projects that favour rail and container traffic are under way: development of the silk routes between China and Europe and the new dedicated freight corridor (DFC) in India.

## Touax's ambitions

### Growth in the managed fleet and profitability

#### Europe

- ▶ Organic growth to support the rebound in activity and the trend towards outsourcing among our clients.
- ▶ 3 production sites to deliver 860 new railcars (platforms) over the next 12 months, 100% leased with long-term contracts (>3 years).
- ▶ After a slight reduction linked to Covid-19 in 2020, increase in utilisation rates on the existing fleet to 85% at the end of June 2021.
- ▶ The continuous improvement programme (Lean) continues to bear fruit (better fleet availability rate).
- ▶ Proceeds raised in the successful €81.9m capital increase by Touax Rail with the DIF infrastructure fund in September 2020 will help to finance a major growth plan to increase the division's profitability.

#### Asia

- ▶ Full utilisation maintained (100% utilisation rate)
- ▶ 2 production sites. 240 new railcars delivered in H1 2021, 100% leased on long-term contracts (>5 years).

Sources:

(1) UIRR – growth in intermodal rail transport

(2) FMI – January 2021 outlook

(3) UIP

# River barges: €15bn in Europe and the Americas

## Medium-term objectives: Selective investment

### Market

#### A positive trend in Europe & South America

##### Europe:

- ▶ Demand for equipment (transport of aggregates for construction sites in Greater Paris) and on the Rhine (transport of grain and biomass).
- ▶ Greater awareness among European and government bodies of the ecological advantages of river transportation.
- ▶ Significant public and institutional investment to revive the sector.

##### US:

A stable market (fall in coal transport partly offset by the increase in grain transport). Touax is only positioned on the grain market.

##### South America:

Recovery confirmed (increase in grain transport and recovery of iron ore transport).

### Touax's ambitions

#### Benefit from government stimulus plans for river transport in construction and the green transition

##### Europe:

- ▶ Planned investments in new barges on the Rhine and the Seine in order to become operators' preferred leasing provider
- ▶ Projects to boost river transport in Europe supported by governments (leasing of large barges)
- ▶ Participation in various innovative studies
- ▶ Touax aims to become the operational partner of major institutions and infrastructure funds looking to invest in the sector

##### Americas:

Given the observed recovery in activity and a utilisation rate of 100% at present, selective investments will be looked at over the medium term.

# Containers: €80bn worldwide

## Medium-term objectives: Investment in owned equipment and trading

### Market

- ▶ Strong recovery in containerised trade in 2021 (+5.4% expected in 2021) <sup>(1)</sup>.
- ▶ Lack of containers leading to a shortage and a sharp rise in freight rates.
- ▶ Sharp improvement in our clients' credit quality (record results for shipping companies).
- ▶ Global increase in container production to meet demand (more than 4 million expected in production in 2021 vs. 2.8 million TEU in 2020).
- ▶ Increase in new container prices of 50% since the beginning of the year, resulting in an existing fleet utilisation rate of more than 99% for all players, and an increase in leasing rates as well as an extension of lease terms for new contracts (contractual commitments >10 years).
- ▶ Extension of existing leases with long-term contracts.
- ▶ Few containers for sale leading to higher prices for used containers available for sale.

(1) Clarksons, January 2021 report

(2) Source: Drewry

### Touax's ambitions

#### Improvement in profitability expected:

- ▶ Increase in the owned fleet (the ratio in CEU increased from 11% in 2018 to 20% in 2020) with a significant incremental impact on EBITDA.
- ▶ Average utilisation rate of 99.7% in H1 2021
- ▶ Growth in the trading of new and used containers, which is a good complement to the leasing activity. The recent increase in new container prices is underpinning activity.
- ▶ Development of management on behalf of third parties with the signing of two partnerships with a US infrastructure fund and a European investment fund totalling \$100 million to be delivered in the next 12 months.

# Operational strategy

## To underpin performance and profitability

### Growth drivers

#### Freight railcars

- ▶ Organic growth with investments in Europe & Asia financed by Touax and third party investors
- ▶ Increase in revenue driven by a strategy of (i) international diversification (Europe and Asia) and (ii) flexible offers (leasing with or without maintenance, and sale & lease back solutions) perfectly in line with the trend towards outsourcing.
- ▶ Diversified offering of freight railcars to meet needs around the development of rail transport.

#### Barges

- ▶ Investment in barges for dry bulk transportation in Europe.
- ▶ Start of an increase in the investor-owned fleet managed by Touax to bolster management fees alongside income from owned assets.

#### Containers

- ▶ New investments with a higher share of directly-owned assets, improving profitability and permanence of activity
- ▶ Following the current shortage, expected increase in sales volumes (trading of new and used containers) as a complement to leasing activities.

### Improvement in margins

- ▶ **Ongoing improvement plan** and streamlined processes at Group level (lean management)
- ▶ **New organisation of fleet management** in the freight railcar activity to improve quality and customer satisfaction
- ▶ **Optimisation of costs:** Maintain flexible and upgradable management platforms with economies of scale (growth potential on a same cost basis)

#### Modular buildings in Africa: increase in value of holding

- ▶ Strategy to improve volumes and margins. Focus on higher value added turnkey products: major deliveries of colleges and schools under way (€23m contract over 24 months),
- ▶ Increase in EBITDA and net income in the first half of 2021, leading to a better valuation of our 51% stake in Touax Africa

# Structural outlook

## Touax has many strengths

### In an environment of global economic recovery and the return of inflation

- ▶ Resilience of Touax's business model
- ▶ Opportunity to increase the fleet under management
- ▶ Increase in residual values and therefore the asset value of owned and managed assets taking into account inflation.

### Structurally

- ▶ Strong support by consumers, the public authorities and the financial sphere for green transport
- ▶ Liberalisation of rail freight and trend towards outsourcing by clients (which is good for leasing)
- ▶ Growth in e-commerce and development of infrastructure (which is good for container and rail activity).



### Touax aims to

- ▶ gradually **increase profitability** by rebuilding its owned asset base while developing management on behalf of investors and achieving economies of scale
- ▶ **continue to expand structurally** in its leasing activities for environmentally friendly transport solutions.



# Structural outlook

## Touax at the centre of sustainable transportation

### Growing demand linked to ecological objectives

#### ► EcoTransIT World platform

Used to calculate the energy consumption and emissions produced by the transport of merchandise

For 100 tonnes of merchandise transported from Constanta in Romania to Rotterdam in Holland, the greenhouse gas emissions varied according to the method of transport:



- **CO2 emissions from transport by train were four times lower than by road**
- **CO2 emissions from transport by river and container were two times lower than by road**

### Recent achievements by Touax with a view to ongoing improvement

#### ► Freight railcars

In *December 2020*: **Green Loan** label obtained in relation to the refinancing of our railcars which meets the requirements of the EU Taxonomy\*\* by achieving CO2 emissions that are twice as low as traditional transport (<40gCOe/tkm).

Ongoing investment to **modernise the current fleet** to improve braking systems and **reduce noise pollution**.

#### ► River barges

Touax is eligible for energy savings certificates due to its investments in new barges.

#### ► Containers

In the production of our containers, the use of **more recyclable** (farmed and hybrid bamboo in wood floors) and **non-polluting** (water-based paint) materials.

#### ► Modular buildings

ISO 14001 environmental certificate obtained: 2015 for the QSE integrated management system of our plant in Morocco

\* Well-To-Wheel: Environmental assessment to assess the greenhouse gas emissions from fuel and engines

\*\*The European Taxonomy is a classification system, establishing a list of environmentally sustainable economic activities

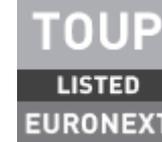
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# TOUAX and the Stock Market

## Share data



	2020	06/2021
<b>No. of shares</b> (in thousand)	7,011	7,011
<b>Market capitalisation</b> (€m)	64.65	60.44
<b>Consolidated shareholders' equity (Group share)</b> (€m) <sup>(1)</sup>	92.26	93.67
<b>Price to Book Ratio (excl. hybrid debt)</b>	0.97	0.89
<b>EPS</b> (€)	0.84	0.28
<b>Highest price</b> (€)	9.68	10.50
<b>Lowest price</b> (€)	2.85	7.92
<b>Average daily volume</b> (in number of shares)	11,664	13,075
<b>Closing price</b> (€)	9.22	8.62

(1) including €25.9m in hybrid capital in June 2021 and December 2020

The closing price per share at 30 June 2021 was €8.62.

The book price per share was €9.66 (excluding hybrid capital) at 30 June 2021, compared with €9.46 at 31 Dec. 2020.

The net asset value per share was €14.24 at 31 December 2020 (annual calculation). Next update at 31 December 2021.



Thank you!