

# Touax®

Your operational leasing solution for  
sustainable transportation

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## Half year 2022 results

Financial analyst meeting  
30 September 2022



# 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.

The Company is 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

- (i) the Company’s Universal Registration Document, the 2021 consolidated financial statements and 2021 activity report ;
- (ii) the 2022 half year consolidated financial statements.

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

# Contents

- ▶ **Recurring business model**
- ▶ **Profitability and fleet expansion**
- ▶ **Business perspectives**
- ▶ **Asset value and stock market performance**



An Operating Lessor of transportation assets



> €1.3bn Assets under management



3 Standardised sustainable transport assets



~ 250 Employees worldwide



A unique experience in Transport infrastructure since 1853



A global presence



### Major markets

 **\$173bn (\*)**  
> 50 million containers in the world transporting 52% of cargo in value

 **€30bn (\*)**  
6,000 barges in Europe and 25,000 in the Americas

 **€75bn (\*)**  
700,000 railcars in Europe and 320,000 in India

(\*) Estimated replacement value based on current market prices

# The TOUAX ecosystem

At the heart of the real economy and sustainable transport



# An eco-responsible positioning

## At the heart of the functional economy



### Circular economy



Operating Leasing reducing waste and maximizing usage of assets  
Standardized and long lasting equipment > 35 years

### Recyclable assets



End of life : all assets dismantled and recycled by Touax  
95% steel recyclable assets

# Touax®

### Low-Carbon means of transport



Barges vs Road :  
Reduced CO2 emissions x 3\*  
Freight Railcars vs Road :  
Reduced CO2 emissions x 9\*  
Containers vs Road :  
Intermodal transport facilitating modal shift and CO2 reduction

\* Source : UIRR 2019 report

# TOUAX

## 3 platforms with leading positions

	Freight railcars	River barges	Containers
			
<b>Assets</b> €1,303m	<b>No. 2</b> in Europe (intermodal wagons) <b>Assets €543m</b>	<b>No. 1</b> in Europe & South America <b>Assets €85m</b>	<b>No. 1</b> in Europe #3 worldwide for third-party investors <b>Assets €667m</b>
<b>Owned Assets</b> €594m	<b>€368m</b> 62%	<b>€83m</b> 14%	<b>€136m</b> 23%
<b>Managed on behalf of 3rd parties</b> €709m	<b>€175m</b> 25%	<b>€3m</b> 0.4%	<b>€531m</b> 75%
<b>Geographical presence</b>	Europe - India	Europe – Americas (North and South)	Global activity

# TOUAX sources of revenues

Recurrent, diversified and scalable

## Leasing (€43m \*) and Sale revenues (€29.1m\*)



## Management fees (€6.2m\*): additional net contribution to Ebitda



\* as of 30 June 2022



# A diversified client base

## Long-standing privileged client relationships

### Freight railcars

HUPAC  
moving together

LINEAS

Freightliner

LTE  
logistics & transport

DB

TATA STEEL

SNCF

GB Railfreight

SBB CFF FFS

Rail Cargo Austria  
Ein Unternehmen der ÖBB

> 20 years

### River barges

ArcelorMittal

Miller

ATRIA  
SOLUCIONES LOGÍSTICAS

CEMEX

ADM

Imperial  
logistics

Rederij de Jong  
since 1925

CHIMP X

> 20 years

### Containers

MSC

MAERSK

COSCO SHIPPING

CMA CGM

ONE  
OCEAN NETWORK ENERGY

ZIM

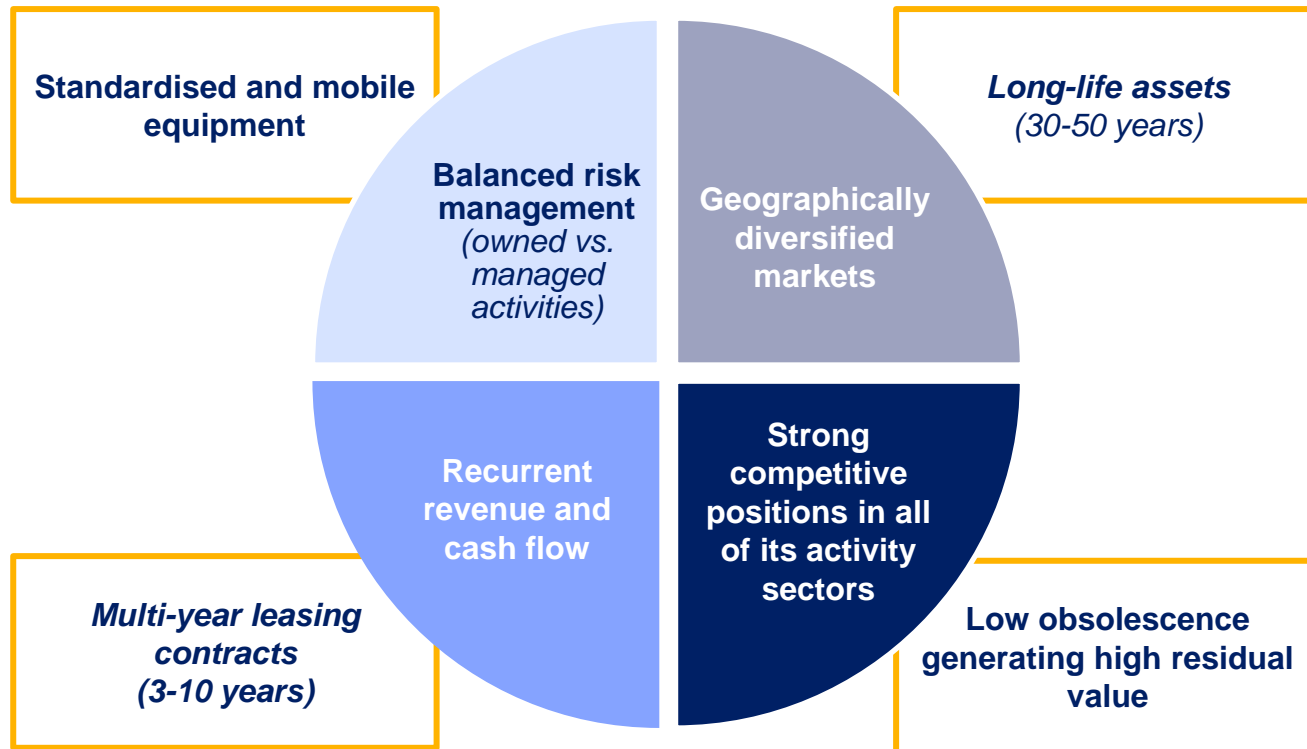
YANG MING

Hapag-Lloyd

> 30 years

# Recurring business model with long term contracts

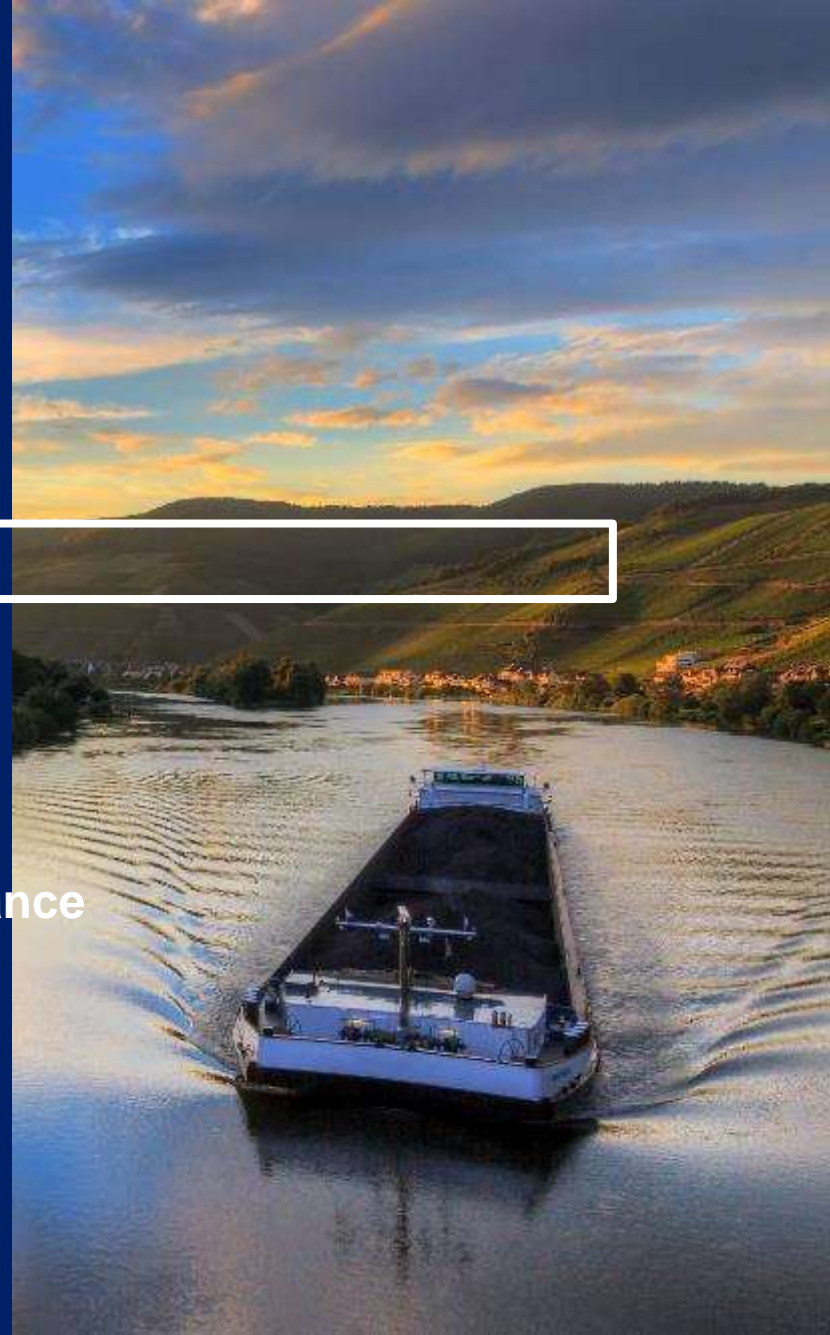
78% of lease revenues for the next 12 months already secured\*



\* as of 30 June 2022

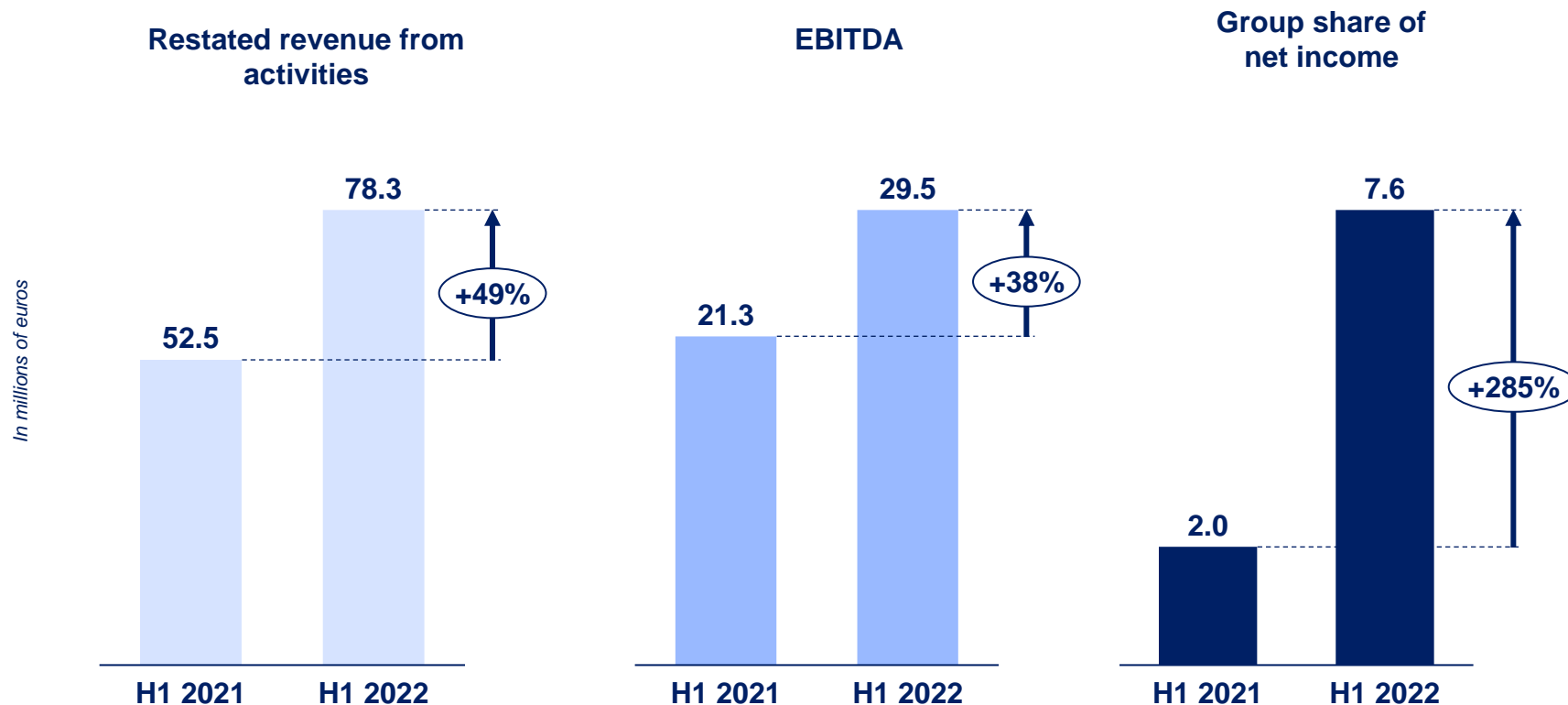
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# Half year 2022 results

## Acceleration of profitability dynamic



# Restated income statement – 30 June 2022

## A strong growth creating value

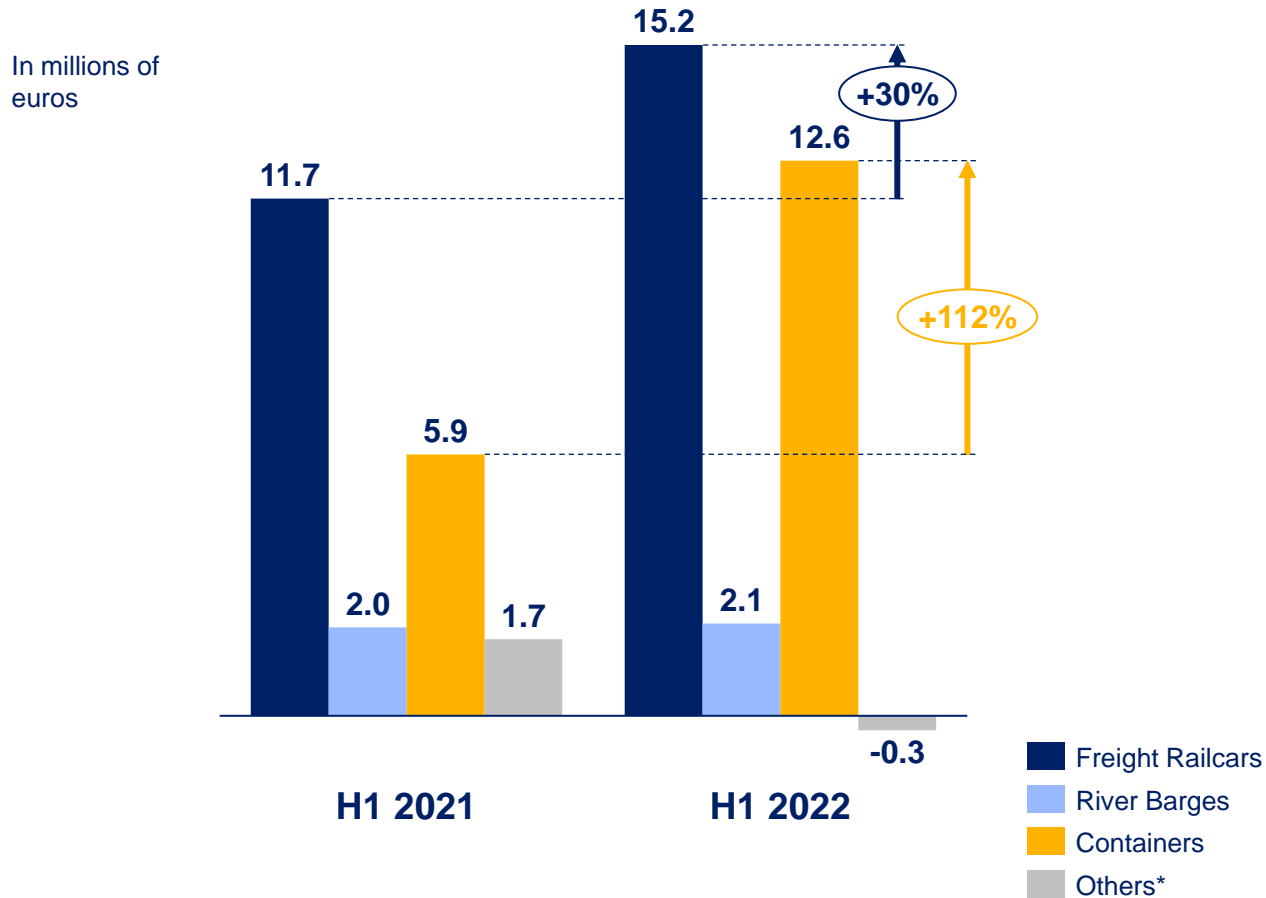
<i>In millions of euros</i>	June 2022	June 2021	Variation	
Owned equipment leasing activity	43.0	33.4	+29%	↑
Owned equipment sales activity	29.1	15.4	+89%	↑
Management and other activities	6.2	3.7	+67%	↑
<b>RESTATED REVENUES FROM ACTIVITIES (*)</b>	<b>78.3</b>	<b>52.5</b>	<b>+49%</b>	↑
<b>EBITDA</b>	<b>29.5</b>	<b>21.3</b>	<b>+38%</b>	↑
<b>OPERATING INCOME</b>	<b>16.6</b>	<b>9.3</b>	<b>+79%</b>	↑
<b>GLOBAL CONSOLIDATED NET INCOME</b>	<b>8.4</b>	<b>3.2</b>	<b>+159%</b>	↑
Of which portion attributable to owners of the Group's parent company	7.6	2.0	+285%	
Of which non-controlling interests (minority interests)	0.8	1.3	-39%	
<b>Earnings per share (€)</b>	<b>1.08</b>	<b>0.28</b>	<b>+286%</b>	↑

- ▶ **Dynamism of owned activity (leasing + sale) and management activities resulting in overall growth of +€25.8m (+49%).** In particular sales of equipment linked to the container trading business: significant increase of €18.8m
- ▶ **Increase of all profitability indicators**
- ▶ **Net earnings per share: x 4** compared to June 2021

(\*) Restated presentation allowing a better understanding of owned activity and management activity

# EBITDA evolution per activity

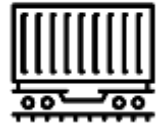
## Performance of the Containers and Freight Railcars divisions



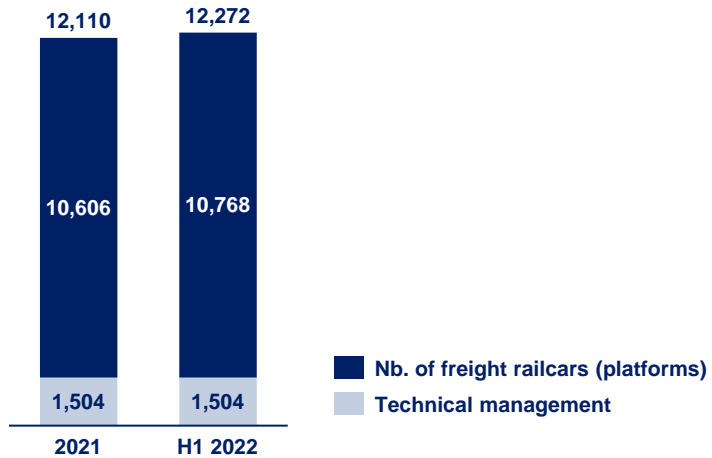
\* Modular building activity in Africa and Corporate

# Freight railcars

## A young fleet under long-term leases



### Slight progression of the fleet

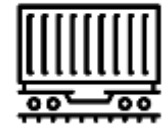


- ▶ Economic life span: 30 to 50 years
- ▶ Depreciation: 36 years
- ▶ Average age of the fleet at June 2022: 17.4 years
- ▶ Average utilisation rate at June 2022: 87%
- ▶ Average length of lease at June 2022: 3.8 years

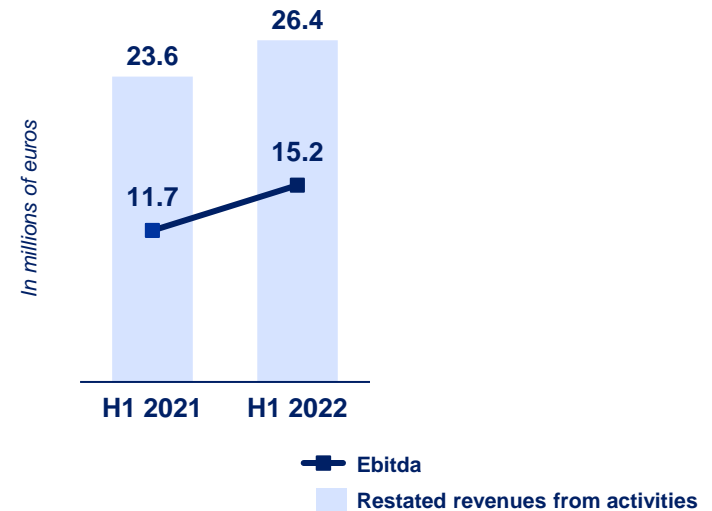


# Freight railcars

## Increase in revenues and profitability



### A performance due to recent investments



#### Restated revenues from activities: +€2.8m (+12%)

- ▶ Increase in owned activity +€2.4m (+10%) driven by the 2021/2022 investment policy
- ▶ Increase in commissions generated by the sale of assets to investors at the end of June 2022

#### Strong growth in EBITDA: +€3.5m (+30%)

- ▶ Decrease in operating expenses over the half-year (-€1.4m)



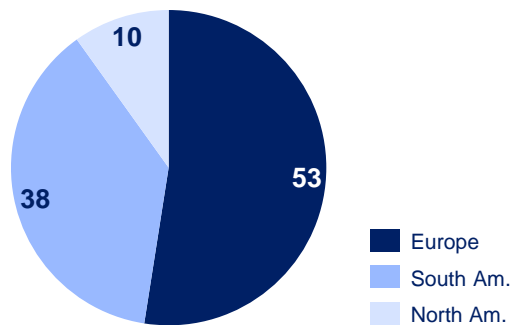
# River barges

A balanced asset portfolio between Europe and Americas

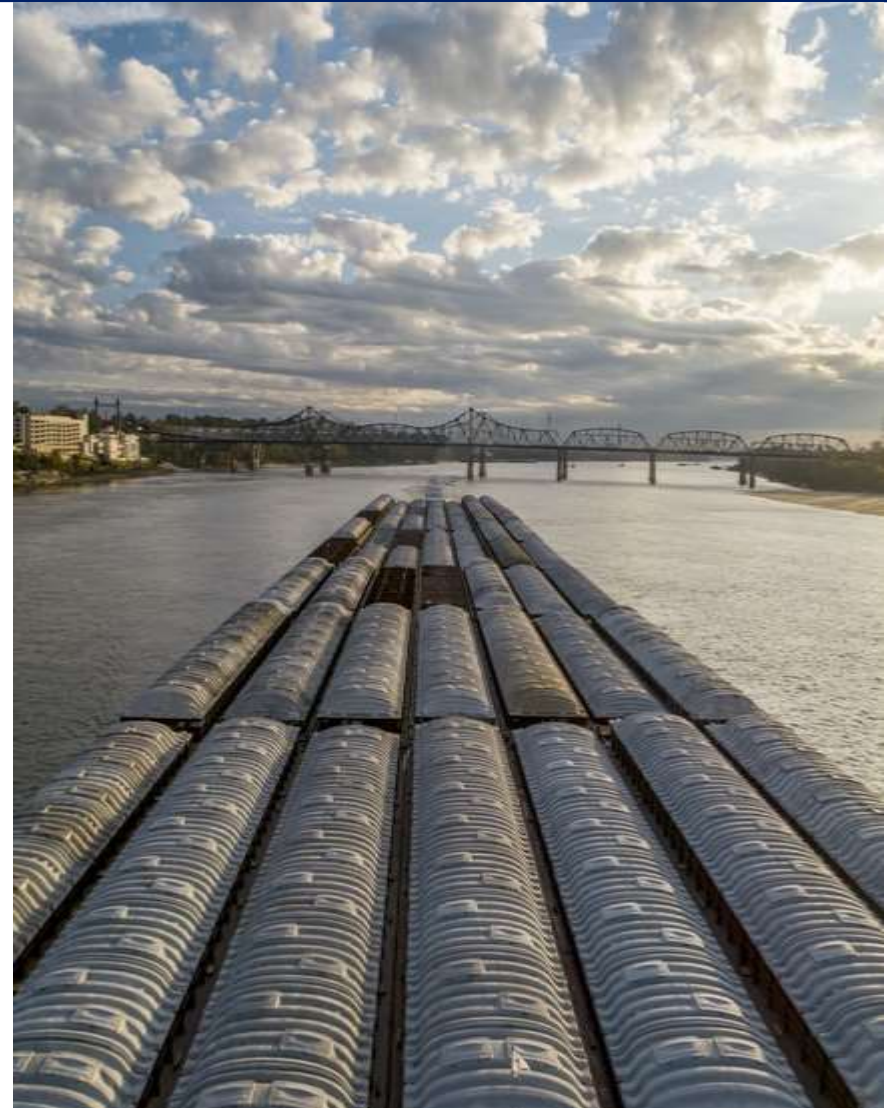


## A leading position in Europe

No. of river barges: 101



- ▶ Economic life span: 30 to 50 years
- ▶ Depreciation: 30 years
- ▶ Average age of the fleet at June 2022: 13.4 years
- ▶ Average utilisation rate at June 2022: 95%
- ▶ Average length of lease at June 2022: 5.1 years

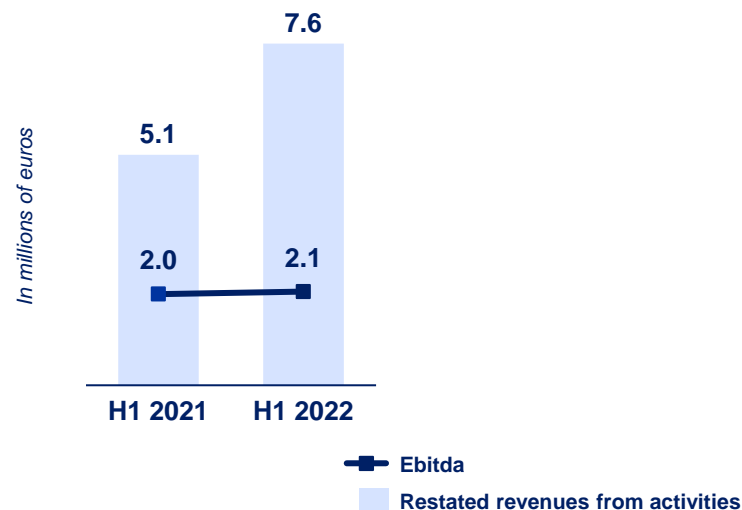


# River barges

## Increase in revenues



Utilisation rate as of 30 June 2022: 98.5%



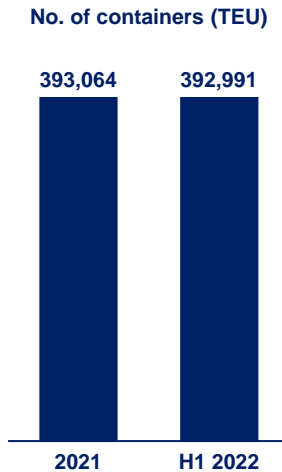
- ▶ **Restated revenues from activities: +€2.5m (+48%)**  
Growth in ancillary services due to an increase in the chartering of barges in the Rhine basin
- ▶ **EBITDA up slightly (+3.0%)**  
Chartering revenues generating also more operating expenses

# Containers

At the heart of international trade



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



- ▶ Economic life span of 15 years (maritime) and 20 years (land)
- ▶ Depreciation: 13 years, with a residual book value between \$1,000 and \$1,400
- ▶ Average age of the fleet at June 2022: 11.1 years
- ▶ Average utilisation rate at June 2022: 98.4%
- ▶ Average length of lease at June 2022: 6.8 years
- ▶ % leasing contracts (3 to 10 years) at June 2022: 79%

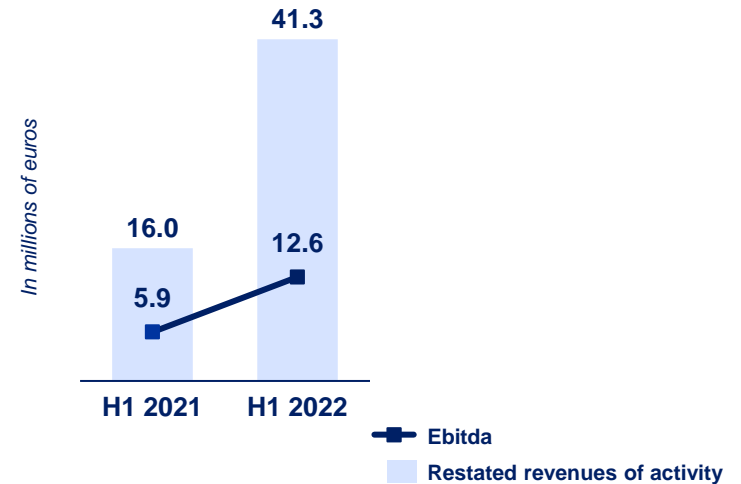


# Containers

## Strong growth and profitability



### A fast growing performance



- ▶ **Restated revenue up by +€25.2m (+157%)**
  - ▶ Sales of owned equipment related to trading activity: significant growth of €18.8m
  - ▶ Leasing revenues up +45% over the half-year (+€2.3m) and increase of pick-up charges (+€2.1m)
  - ▶ Management activity: +€2,0m with significant syndications carried out
- ▶ **Doubling of EBITDA to €12.6m**, due to value-creating investments in owned activities and to strong return on containers trading activity

# Asset Management

Generate additional income and growth to Touax activities



## Investors, strategies & key features

- ▶ Investors selecting assets managed by Touax are guided by:
  - ▶ diversification strategy
  - ▶ inflation protection
  - ▶ recurring yields
  - ▶ real and tangible assets with a long useful life
  - ▶ assets that favour sustainable development and a reduction in CO<sub>2</sub> emissions
- ▶ Long-term management agreements (12-15 years)
- ▶ No minimum return guaranteed by Touax to investors
- ▶ Owned and managed assets pooled to align interests
- ▶ Asset Management favourable to Touax business (additional income and growth, fully scalable activity without investing on Touax balance sheet)





## Asset management activity

### ► Types of investors

- **55 investors:** Insurance companies, pension funds, family offices, financial companies and infrastructure funds

### - Investment through Funds

Touax operating partner of open ended Luxembourg SICAV-SIF (Real Asset Income Fund S.C.A.)

45 investors - €146m - 2 separate funds

### - Direct investments (managed accounts)

10 investors spread over more than 20 investment pools for €562m

### ► H1 2022 facts & figures and Outlook

- Increase of 10.3% of managed assets to €709m

### - New syndications:

\$36m of containers and €12m of railcars

### - Strong increase in available syndication capacity

+€40m for railcars activity and +\$35m for containers

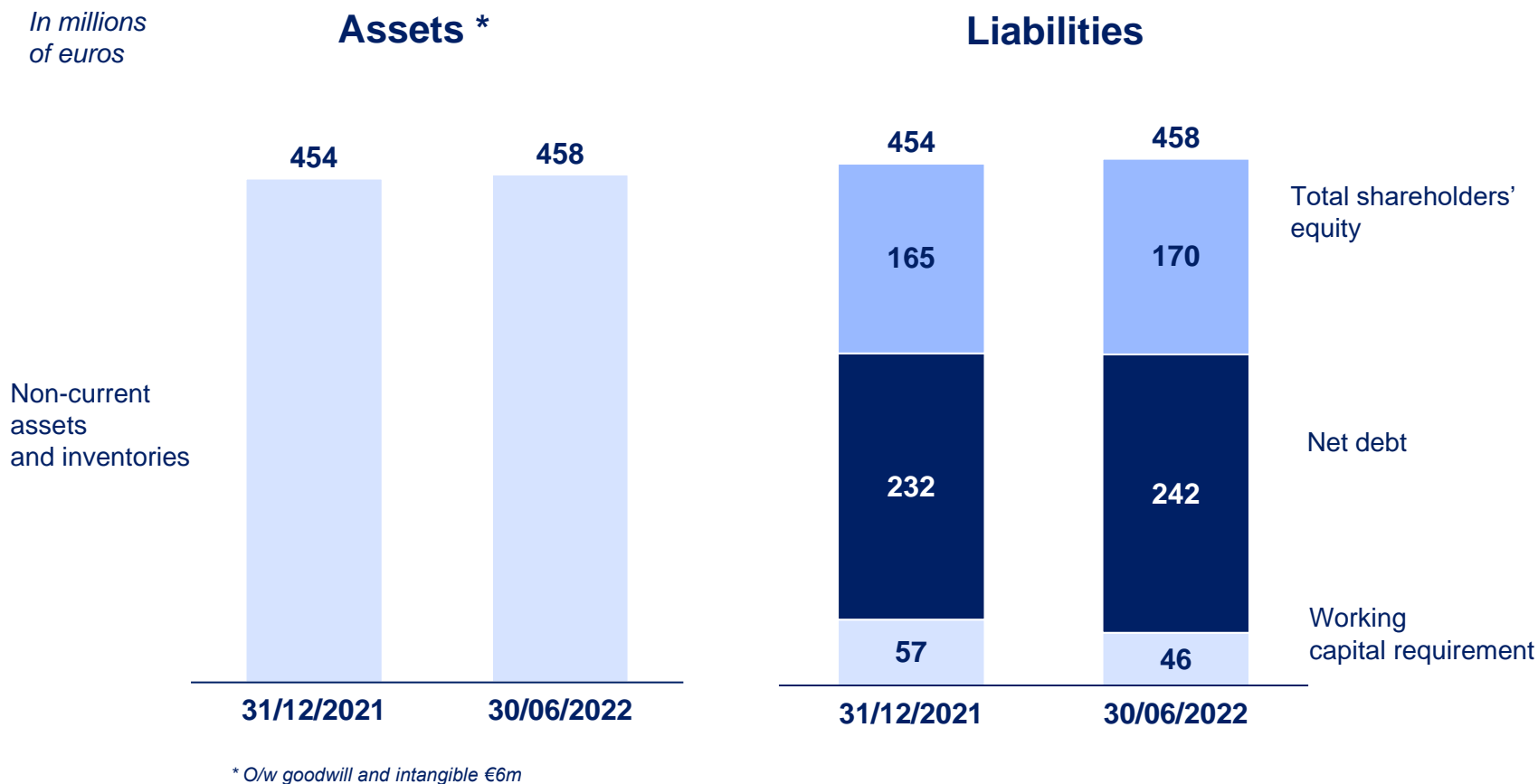
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# Balance Sheet

Strong equity position with net debt financing exclusively tangible assets



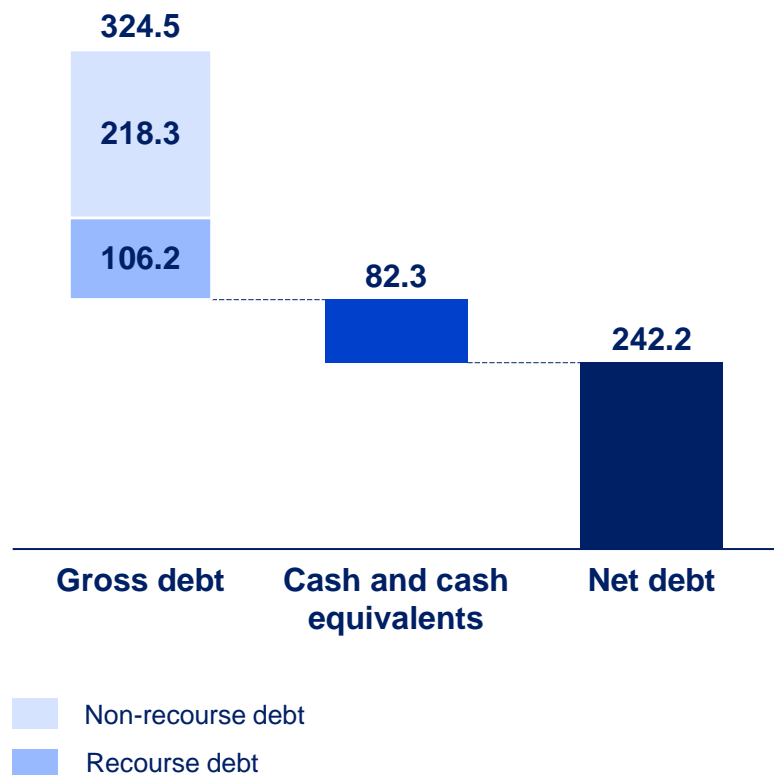


# Debt profile

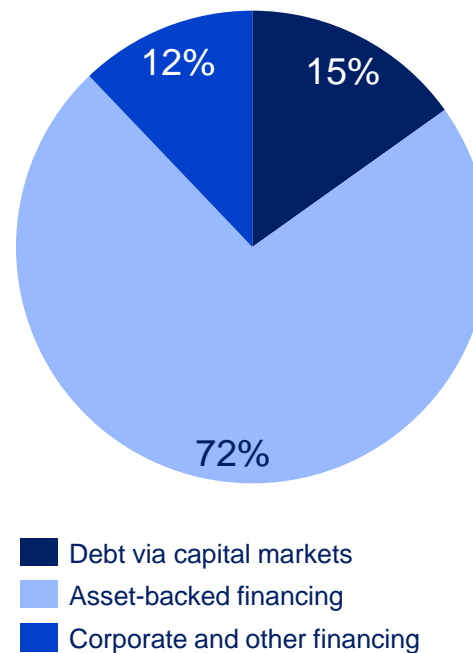
67% of debt is without recourse to Touax SCA

## From €325m Gross debt to €242m Net debt

In millions of euros



## Breakdown of financing sources

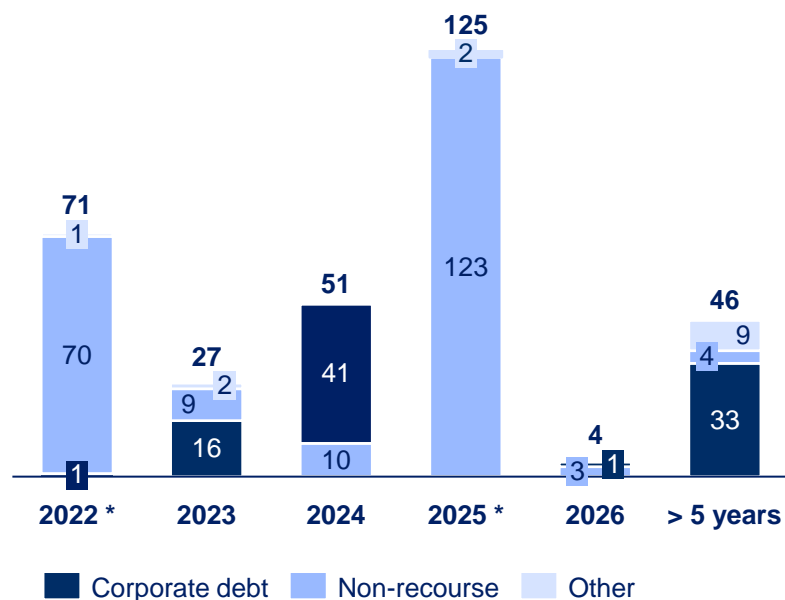


**Average interest of total gross debt :**  
**4.21%** (vs 3.61% in Dec 2021)  
 [€: 4.01% ; \$: 4.18% ; £: 3.17%]

# Credit analysis profile

## Financial ratios showing a conservative debt level

### Debt schedule



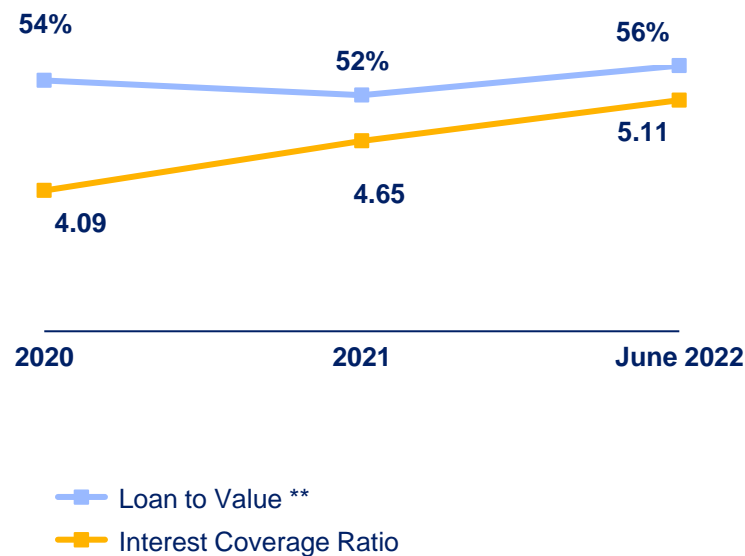
- ▶ **Asset-backed financing inherent to Touax business**
- ▶ **Proactive management of Corporate debt maturities**

\* Asset-backed financing:

In 2022 : €70m of which €4m for the Railcars division and €64m for the Containers division (new financing scheme in July 2022 for 4 years)

In 2025 : €123m of which €119m for the Railcars division

### Financial ratios : LTV & ICR



- ▶ **LTV at 56%, up slightly (Euro PP)**
- ▶ **ICR : increase and continuous improvement of the EBITDA to Interest expenses ratio**

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

# Cash flow statement

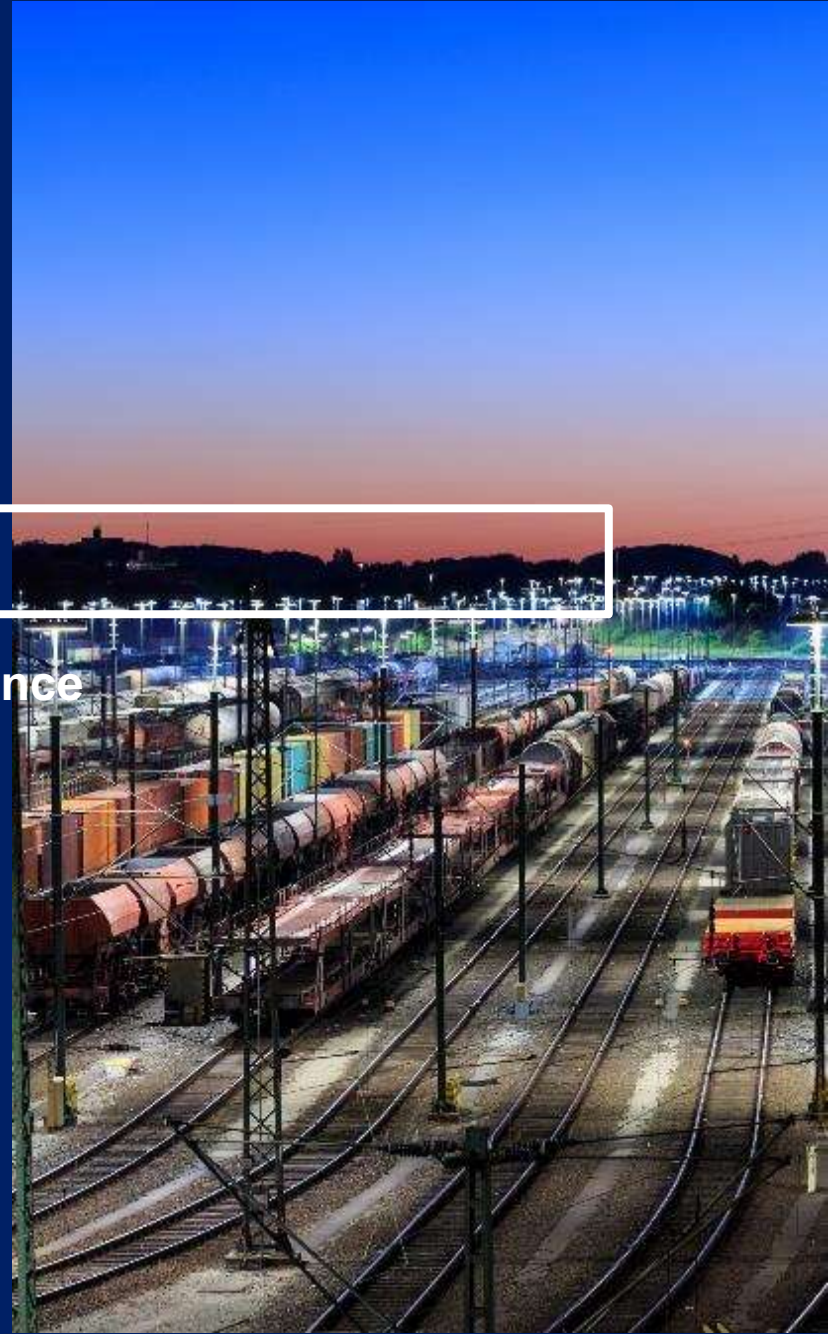
€30m cash increase over the half-year

<i>In millions of euros</i>	H1 2022	H1 2021
<b>Operating flows</b> excluding operating WCR	<b>25.6</b>	<b>19.8</b>
Change in operating WCR (excluding inventories)	1.7	-14.4
Net purchases of equipment and change in inventories	<b>-16.3</b>	<b>-31.7</b>
<b>Net Operating flows</b>	<b>11.0</b>	<b>-26.3</b>
<b>Investment flows</b>	<b>0.1</b>	<b>1.6</b>
<b>Financing flows</b>	<b>18.0</b>	<b>4.7</b>
Exchange rate variations	0.6	0.3
<b>CHANGE IN NET CASH</b>	<b>29.7</b>	<b>-19.8</b>

- ▶ **Progression of Operating flows to +€25.6m in line with profitability increase**
- ▶ **Limitation of net investment in equipment to €16.3m over the half-year**, with significant asset syndications carried out. Overall operating flows (including investments) contributing positively to cash for €11.0m
- ▶ **Net financing flows in H1 2022 allowing a €18m temporary cash increase.** Cut-off effect : new €33.3m Euro-PP issuance at the end of June and repayment of the hybrid capital balance early August for €18.1m

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# Freight railcars Perspectives

Grow the fleet up to 15,000 railcars

## Market

**+** Industry trend :  
« Green agenda »,  
infrastructure expansion &  
innovations

**+** Europe :  
Growth on  
intermodal segment

**+** Lessors :  
at the heart of 75% of  
purchases of new wagons in  
Europe, to replace an aging  
fleet and grow

**-** Low production  
capacity in the sector

**-** Competitive  
environment :  
huge financial resources  
from infrastructure funds

## Touax Rail's ambitions

**Increase the owned and managed fleet to 15,000 wagons** (75% in Europe and 25% in India), through organic growth

**Increase innovation** (like predictive maintenance, new wagon types) **and continuous improvement of operational excellence**

**Strengthen our intermodal expertise and grow through wagon diversification** offered to our customers

**Fleet externalization trend: support our customers and seize purchase & lease-back opportunities** on existing fleets to dynamise growth

**Pursue growth on Indian promising market & develop added value services** (*full-service leasing including maintenance*)



# River barges Perspectives

## Develop gradually the fleet

### Market

### Touax River Barges' ambitions



Favourable European trend with search for decarbonation

**Increase steadily the owned and managed fleet through organic growth**



Growing barges demand in European basins (aggregates, biomass, cereals)

**Focus on European investments over next years** (aggregates on the Seine, biomass and chartering on the Rhine, cereals on the Danube)



Stable US market (Touax positioned on cereals)

**Achieve selective investments in US and South America**



South-America : stable with strong demand for grain and iron ore, slowed down by low water levels

**Develop assets rotation to renew the fleet and generate margins**

**Benefit from the European 'Green Deal' promoting green transport and intermodal use of river barges**



# Containers Perspectives

Consolidate its core businesses: leasing & sale (new and used)

## Market

## Touax Container Services' ambitions

**+** LT leasing contracts with good visibility on future cash flows

**Maintain its European leadership and increase its owned leasing fleet, creating long-term value**

**+** Lessors' fleet utilisation rate still above 98%

**Increase its new container sales activities from 7k to 25k Ceus annually, over a 5-year horizon**

**+** New and used container sales markets still active

**Enlarge its customers' portfolios (leasing & sale)**

**-** Standardization of demand: less containers produced in 2022 after a strong 2021 year

**Diversifications : assets, activities, geography**

**-** Slowdown in sector growth \*  
+ 6.8% (2021)  
-1% (2022) et + 2.1% (2023)



(\*) Source: Clarkson August 2022  
Container Trade % growth (TEU-miles)

# TOUAX Group Perspectives

## Structural strengths favourable to growth

Key features	Touax Group's ambitions
<p><b>+ Resilient business model</b> (LT contracts, recurring cash-flows)</p>	<p><b>Increase owned assets and assets under management through organic growth and without capital increases</b></p>
<p><b>+ Green transport :</b> support from public authorities, consumers &amp; financial players</p>	<p><b>Increase profitability through economies of scale and through the optimization of costs and financial resources</b></p>
<p><b>+ Infrastructure, intermodal logistics and e-commerce expansions</b></p>	<p><b>In parallel with operational leasing, grow in sales activities (new and used)</b></p>
<p><b>+ Customers outsourcing trend</b> favourable to leasing</p>	<p><b>Pursue its sustainable development at the heart of green transportation</b></p>
<p><b>+ Natural hedge against inflation</b></p>	<p><b>Attain clients' and employees' satisfaction over industry average</b> through Touax continuous improvement program (Lean / Six Sigma)</p>
	



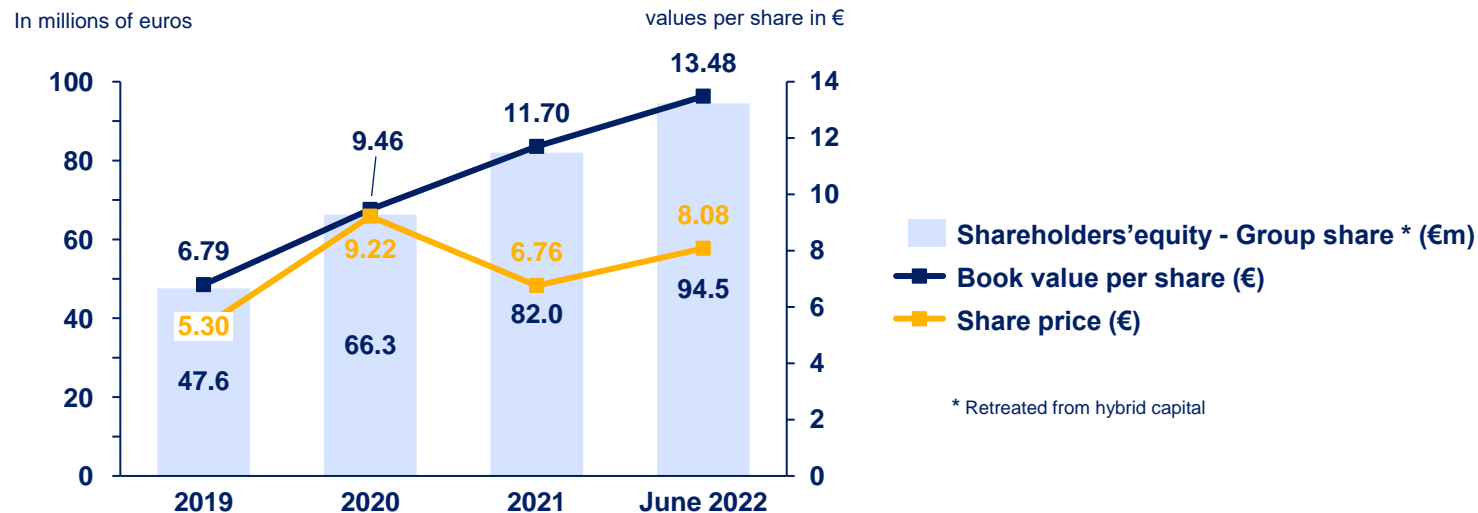
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# TOUAX and the Stock Market

## Share price not correlated to value creation



Share data	06/2022	12/2021
Number of shares (in thousands)	7,011	7,011
Market capitalization (€m)	56.65	47.40
Average daily volume (in number of shares)	6,927	9,958
Closing price (€)	8.08	6.76
Net asset value per share (€)*	n/a	20.22

**Strong shareholder value creation  
since December 2019**

**Share book value : +99%**

(\*) Net asset value per share (NAV): the next NAV will be published with FY 2022 statements



Thank  
you !

# Appendix - Restated income statement

## June 2022 detailed P&L

<i>In thousands of euros</i>	June 2022	June 2021
Owned equipment leasing activity	43,034	33,355
Owned equipment sales activity	29,111	15,413
Management and other activities	6,171	3,705
<b>RESTATED REVENUES FROM ACTIVITIES (*)</b>	<b>78,316</b>	<b>52,473</b>
Cost of equipment sales	-25,502	-10,805
Operating expenses	-11,033	-8,787
General and administrative expenses	-12,288	-11,536
<b>EBITDA</b>	<b>29,493</b>	<b>21,345</b>
Depreciation, amortization and impairment	-12,926	-12,053
<b>CURRENT OPERATING INCOME</b>	<b>16,567</b>	<b>9,292</b>
Other operating income and expenses	0	-42
<b>OPERATING INCOME</b>	<b>16,567</b>	<b>9,250</b>
Financial income/loss	-6,758	-5,810
Corporate tax	-1,455	-213
Net income from discontinued activities	0	0
<b>GLOBAL CONSOLIDATED NET INCOME</b>	<b>7,585</b>	<b>1,970</b>
Of which portion attributable to owners of the Group's parent company	8,354	3,227
Of which non-controlling interests (minority interests)	769	1,257
<b>Earnings per share</b>	<b>1.08</b>	<b>0.28</b>

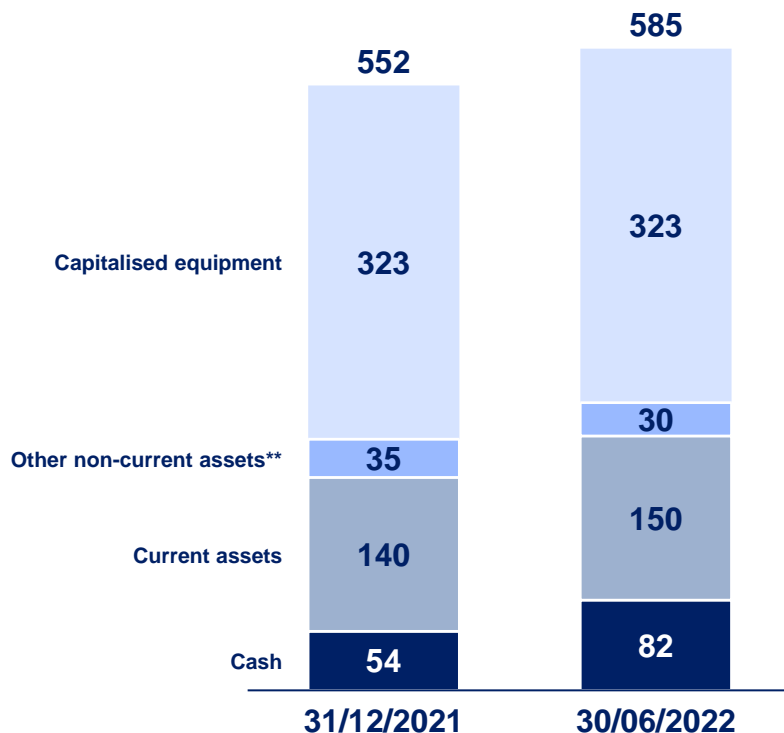
(\*) Restated presentation for a better understanding of owned activity and management activity

# Appendix - Balance Sheet

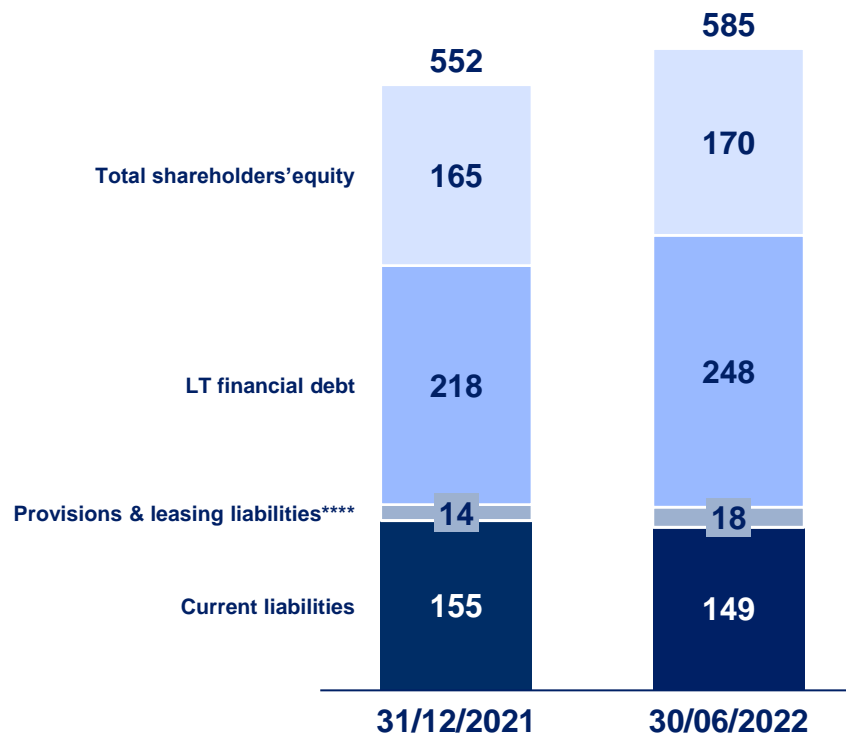
## Accounting view as of 30 June 2022

In millions of euros

### Assets



### Liabilities



\*\* of which €13.9m in right-of-use assets – in line with IFRS 16

\* of which €25.9m relating to hybrid capital as of 31 Dec 2021 and €18.1m as of 30 June 2022

\*\*\* of which €10.5m in long-term lease liabilities