



## H1 2019 results

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Financial analysts meeting, September 11, 2019

# 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.

This presentation 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.

These statements are by their nature subject to risks and uncertainties as described in the Registration Document filed with the French financial market regulator, Autorité des Marchés Financiers (AMF) on April 12, 2019 under number D.19-0329.

This document includes only summary information and must be read in conjunction with the Company’s Registration Document, as well as the consolidated financial statements and activity report for the 2018 fiscal year and the first-half of 2019.

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

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# Executive summary

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- ▶ Strategic refocusing at end-2017 on the long-term transportation equipment leasing business.
- ▶ In 2018, priority was given to improving the group's profitability: Touax launched a Continuous Improvement Program ("CIP"), developed a new fleet management organization in the Freight Railcar activity, raised €110m in asset financing, issued a €16.6m Euro PP, syndicated €24m of assets to third party investors and signed further investment commitments of \$80m, invested €40m in containers and €24m in freight railcars.
- ▶ In 2019, the successful execution of the strategy was confirmed in the first-half results:
  - **Improved profitability**
    - **EBITDA: +25%**
    - **Current operating income: +31%**
  - **€25 million raised and earmarked for investment**

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# Touax, leading global transportation equipment lessor

- ▶ One business line: the operational leasing of transportation equipment and its associated services, unique experience since 1853, €1.2bn of assets under management, of which €446m in assets owned by the group, 263\* employees, a fully international group (97% of revenue outside France) and listed in Paris
- ▶ Focused on three standardized and long-life assets (freight railcars, river barges and containers) leased on long-term contracts
- ▶ Major markets (\$80bn in containers in service worldwide, €15bn in river barges in Europe and the Americas, €50bn in railcars in circulation in Europe) with recurring replacement and development needs driven by growth in environmentally friendly means of transportation and international trade



\* FTE

# A stable business model



# A strong competitive position in standardized and long-life assets leased on long-term contracts

## Freight railcars



Intermodal wagons



Europe

## River barges



Europe



South Am.

## Containers



Europe



Asset management  
World

### Market position

### Description

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

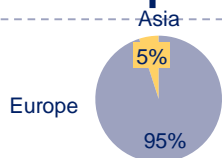
### Breakdown of revenue by geographic area

#### Activity

- Operating lease & financial lease solutions
- Management on behalf of third parties
- Sales (new and used)

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

- 10,973 platforms
- €294m in assets owned
- €122m in assets under management for third parties
- Average age: 20.8 years

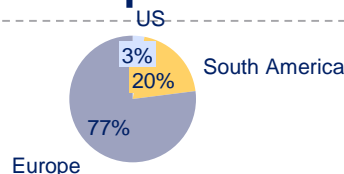


#### Activity

- Operating lease & financial lease solutions
- Sales (new and used)

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

- 98 barges
- €73m in assets owned
- €10m in assets under management for third parties
- Average age: 13.8 years



#### Activity

- Operating lease & financial lease solutions
- Resale and trading (new and used)
- Management on behalf of third parties

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

- 449,996 containers (TEU)
- €71m in assets owned
- €606m in assets under management for third parties
- Average age: 9.8 years



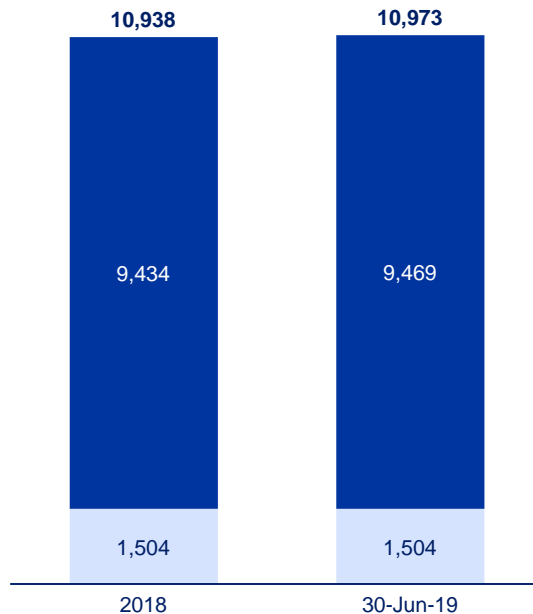
#### Notes

- 1 Historical value as at June 30, 2019
- 2 Figures include modular building activity in Africa (JV 51% owned with a the DPI fund) and corporate



# A tangible asset base - Freight railcars

## Number of freight railcars (platform equivalent)



■ Number of railcars (platform) ■ Technical management

## A recent high-quality fleet

	Dec. 2018	June 2019
Average age of the fleet	20.4 years	20.8 years
Average utilization rate	84.9%	88.8%
Average leasing period	3.8 years	3.8 years
Economic lifespan	36 to 50 years	
Depreciation	36 years	



**Increase in the utilization rate to 89.1% in June 2019**

# A tangible asset base – River barges

98 river barges



51% in Europe and 39% in South America

	Dec. 2018	June 2019
Average age of the fleet	13.7 years	13.8 years
Average utilization rate	90.3%	89.7%
Average leasing period	5.4 years	5.6 years
Economic lifespan	30 to 50 years	
Depreciation	30 years	



A recent high-quality fleet

# A tangible asset base – Containers

## Number of containers (TEU)



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

	Dec. 2018	June 2019
Average age of the fleet	9.5 years	9.8 years
Average utilization rate	98.7%	97.7%
Average leasing period	6.5 years	6.8 years
Economic lifespan		
Seagoing		15 years
Land		20 years
Depreciation		13 years
		Residual value of between \$1,000 and \$1,400



**A high utilization rate demonstrating the robustness of the business model**

\* Sale of used containers and progressive investment in the second half of 2018 and first half of 2019

# A diversified and blue-chip customer base with long-standing relationships

**Freight railcars**

HUPAC  
moving together

LINEAS

BASF  
The Chemical Company

DB

SNCF

Volkswagen

SBB CFF FFS

Rail Cargo Austria  
Ein Unternehmen der ÖBB

>10 years

**River barges**

ArcelorMittal

BUNGE

LafargeHolcim

CEMEX

TOEPPER

ADM

P&O  
Maritime Services

>10 years

**Containers**

MSC

MAERSK

COSCO SHIPPING

CMA CGM

ONE  
OCEAN NETWORK EXPRESS

ZIM

EVERGREEN

YANG MING

Hapag-Lloyd

>30 years



**A diversified and trusted customer portfolio**

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- P&L analysis

- Balance sheet and cash flow statement analysis

- Asset management

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# Highlights of H1 2019

**Improvement in  
operational profitability**  
EBITDA: +25% to €16.1m

**Freight railcars:** improvement in leasing revenue thanks to an increase in the utilization rate and leasing prices - a structurally positive factor

The associated investment and expenses linked to revision cycles impact profitability in the short term

**Containers:** increase in EBITDA resulting from the impact of the increase in investment in own assets and sales of containers held for third parties as part of its normal cycle of activity

**Modular buildings in Africa:** revenue doubled, giving rise to an improvement in EBITDA of €0.6m and large orders signed for buildings in the education sector

**Renewed confidence  
among banks and  
investors**

€40M raised to refinance the €23m Orname bond and €15m allocated to investment  
Post closing, issue of a €10m Euro PP to finance investments

\$28.1m (containers) were syndicated to investors  
Confirmation of commitments by investors to increase Touax's fleet of assets under management

**A solid tangible asset base**

€446M in gross tangible assets on the balance sheet with a LTV of 55%

# Income Statement

## Key figures

<i>In € thousands</i>	H1-2018	H1-2019
Total leasing activity	65,165	65,933
Total sales of equipment	8,286	12,724
Fees on syndication & Other capital gains on disposals	978	838
<b>REVENUES FROM ACTIVITIES</b>	<b>74,429</b>	<b>79,495</b>
Cost of sales of equipment	-5,591	-8,785
Operating expenses	-16,685	-16,478
General and administrative expenses	-11,890	-11,175
Net distributions to investors	-27,426	-27,002
<b>EBITDA</b>	<b>12,836</b>	<b>16,055</b>
Depreciation, amortization and impairments	-8,575	-10,474
<b>CURRENT OPERATING INCOME</b>	<b>4,261</b>	<b>5,581</b>
Other operating income and expenses	-251	
<b>NET OPERATING INCOME</b>	<b>4,010</b>	<b>5,581</b>
Financial result & Profit (loss) of investments in associates	-4,509	-6,589
Income tax expense	-684	-509
Earnings from discontinued operations		-521
<b>NET INCOME</b>	<b>-1,183</b>	<b>-2,038</b>
Attributable to Owners of the Parent	-1,774	-2,534
Attributable to Non Controlling Interests	592	496
<b>Net earnings per share</b>	<b>-0.25</b>	<b>-0.36</b>

# Income Statement

## Key points

- ▶ REVENUE FROM ACTIVITIES €79.5m (€76.6m like-for-like and at constant currencies) compared with €74.4m in H1-2018.
  - Leasing revenues of €65.9m versus €65.2m in the first half of 2018, an increase of 1.2% (-2.2% at constant currencies):
    - increase in freight railcars: utilization rate and leasing prices,
    - stable leasing revenues in the barges division,
    - improvement in revenue from leasing of own equipment in the containers division (+42% at constant currencies), which was not offset by the reduction in lease payments on the fleet managed on behalf of third parties linked to the reduction in the fleet due to sales of used equipment and the end of finance leases.
  - Sales reached €12.1m (like-for-like and at constant currencies) versus €8.3m in the first half of 2018 thanks to the development of trading activity in new containers and the sale of used containers on behalf of investors and disposals linked to the fleet age, as part of the normal cycle of activity.
  - Syndication fees and capital gains not linked to recurring activities came to €0.8m versus €1m the previous year.
  
- ▶ EBITDA €16m, an increase of 25% compared with the first half of 2018, driven by the performance of the containers division.
  
- ▶ CURRENT OPERATING INCOME of €5.6m, an increase of 31% versus the first half of 2018 (€4.3m)
  - Operating expenditure of €16.5m versus €16.7m in H1-2018: the increase in the freight railcars division notably due to costs related to the repair and revision of railcars for return to leasing, which was offset by a reduction in containers (reduction of the fleet - end of finance lease contracts).
  - Decrease in SG&A of €0.7m.
  - Increase in amortization and depreciation (+22%): primarily related to the railcar division (+€1m) and the impact of IFRS16 (+€0.6m)
  - Distribution to investors decreased mainly as a result of the sales of used containers on behalf of third parties.
  
- ▶ FINANCIAL INCOME of €6.6m compared with €4.5m in the first half of 2018 attributable to the following combined effects:
  - Increase in interest expense in the first half of 2019 versus H1-2018: asset financing in the containers division in May 2018 and new Corporate financing (i.e. Euro PP07/2018)
  - The financial result includes an exceptional foreign exchange loss of € 1.2m on intra-group loans in USD that was not offset by currency hedging with Monex Europe Markets Limited, an English broker authorised and regulated by the FCA in the UK. A dispute with Monex in respect of this hedge is ongoing.
  
- ▶ GROUP NET INCOME attributable to owners of the parent of -€2.5m versus -€1.8m in H1-2018, of which:
  - -€0.4m related to the modular building activities in Africa;
  - -€0.52m related to discontinued activities (modular building activities in Europe and the US);



# Income Statement

## EBITDA

In € million	H1-2019			H1-2018	VARIATION 2019-2018
	EBITDAR (EBITDA before distribution to investors)	Distribution to investors	EBITDA (EBITDA after distribution to investors)	EBITDA (EBITDA after distribution to investors)	
Freight Railcars	13	-2.7	10.3	11.5	-1.2
River Barges	1.4		1.4	2.4	-1
Containers	28.1	-24.3	3.8	0.8	3
Other *	0.6		0.6	-1.8	2.4
<b>30/06/2019</b>	<b>43.1</b>	<b>-27</b>	<b>16.1</b>	<b>12.8</b>	<b>3.3</b>
30/06/2018	40.3	-27.4	12.8		

\* Modular building activity in Africa and Corporate

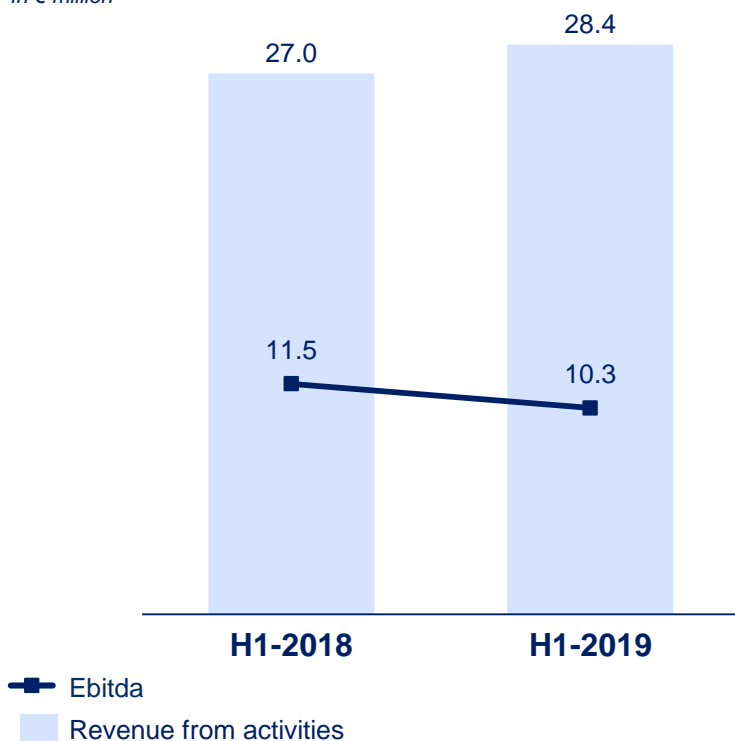


**EBITDA increased to €16.1m (+25%), with an improved performance in the containers activity**

# Performance analysis - Freight railcars

## Revenue from activities and EBITDA

In € million

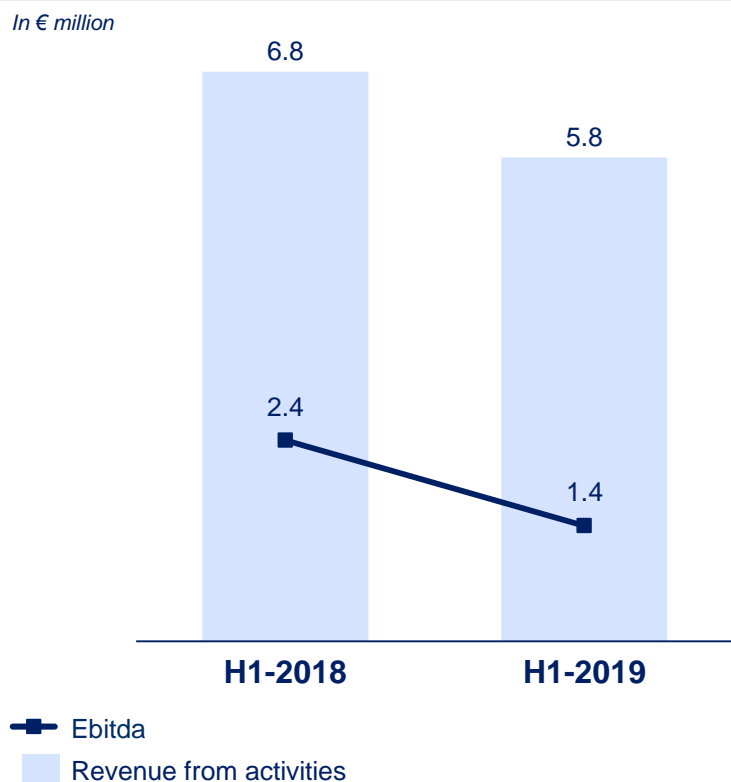


## Key points

- ▶ Leasing revenue up by 11.2%:
  - ▶ higher average utilization rate: 88.8% versus 84.2% in H1-2018
  - ▶ increase in leasing prices
  - ▶ positive structural effects
- ▶ Decrease in sales and syndication margins (-€1.4m) linked to lower volumes in the first half of the year, which are anticipated rather towards the end of the year
- ▶ Operating expenses: +€1.5m mainly due to costs related to the repair and revision of railcars for equipment leasing

# Performance analysis – River barges

## Revenue from activities and EBITDA

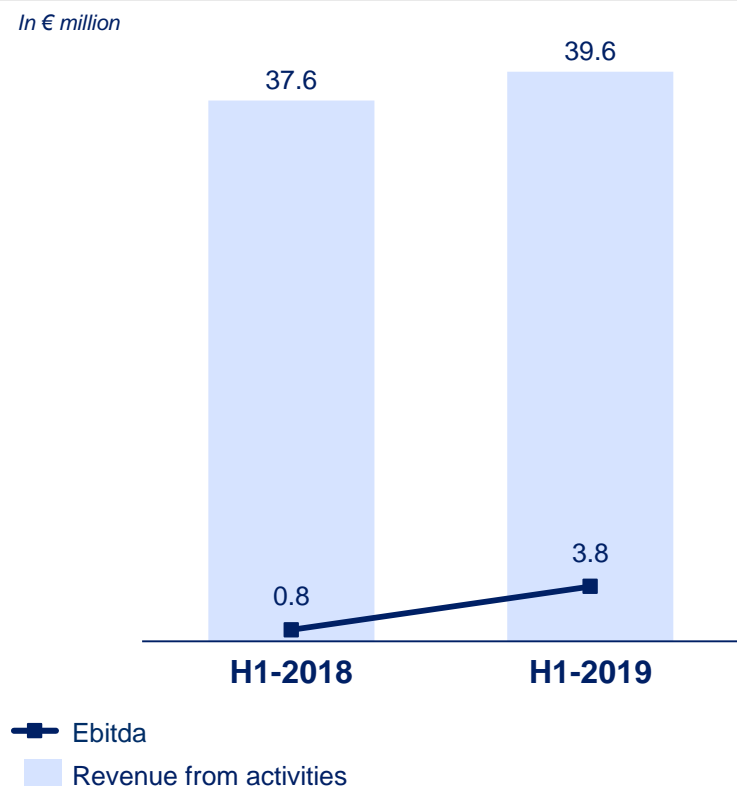


## Key points

- ▶ Income from leasing activity stable at €5.8m
- ▶ No barge sales over the period, unlike the first half of 2018
- ▶ EBITDA €1.4m versus €2.4m in H1-2018, mainly attributable to the lack of sales over the period combined with a slight increase in operating expenses, freight expenses in particular
- ▶ Refinancing of seven barges and financing of three new barges in February 2019

# Performance analysis – Containers

## Revenue from activities and EBITDA



## Key points

- ▶ Increase in the margin in line with growth in Group-owned equipment
- ▶ Over the last 18 months, \$33.2m has been invested in Group-owned containers
- ▶ Improvement in leasing revenue on Group-owned assets in the containers division (+42% at constant currency),
- ▶ Decrease in lease payments on the fleet under management mainly linked to the reduction in the fleet due to sales of used equipment and the end of finance lease contracts - low impact on profitability
- ▶ Development of trading activity in new and used containers
- ▶ +€3m improvement in EBITDA
- ▶ Syndication of 13,620 CEUs for third parties during the period, with Touax conserving management.

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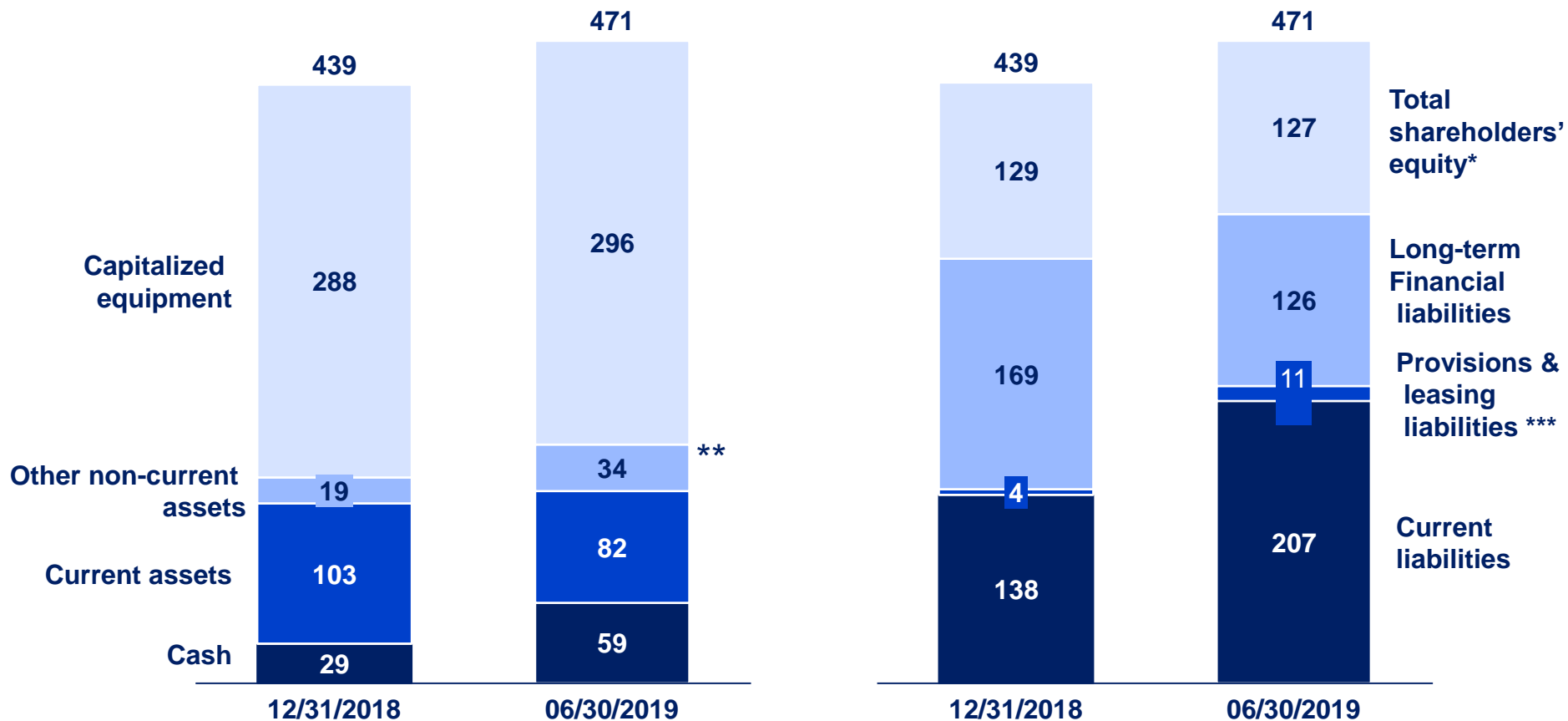
# Balance Sheet

## Comparative summary balance sheet

In € million

### Assets

### Liabilities



\*\* of which €16m in utilization rights – pursuant to IFRS16

\* of which €50.2m in undated super subordinated securities

\*\*\* Leasing liabilities: €9m at 06/30/2019

# Balance sheet

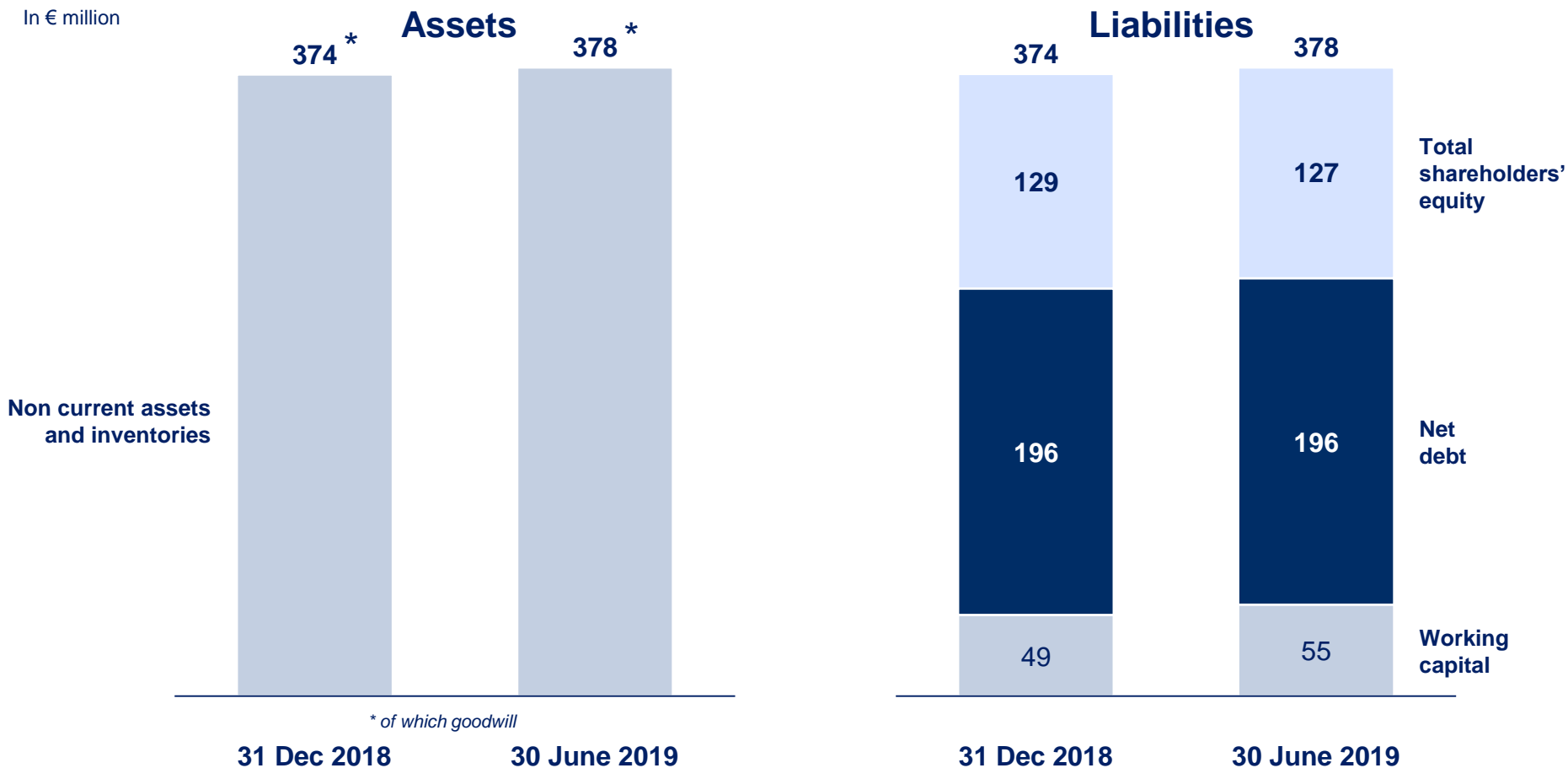
## Key points

- ▶ **Capitalized equipment** €312m vs. €288m at 12/31/2018; +€15.7m in utilization rights pursuant to IFRS16
- ▶ **Other non-current assets:** primarily goodwill of €5.1m, escrow account €5.8m, long-term receivables €0.9m and tax certificates €3.5m.
- ▶ **Current assets** (excluding cash and cash equivalents) €103m vs. €82m
  - Inventory €48.1m, a decrease of €19m: mainly attributable to the containers division (syndication €23m, fixed assets €19.5m, trading sales €3.4m, acquisitions €20.4m of which €6.9m for trading)
  - Clients €28.1m, stable (-€1M)
  - Other €5.9m stable
- ▶ **Shareholders' equity** €126.8m vs. €129.1m (of which €24.7m minority interests)
- ▶ **LT financial liabilities** €126m vs. €169m (-€43m)
  - Touax SCA financing raised in June 2019 for €40m, maturing in five years
  - Switch to short term financing of freight railcars in the amount of €43m and containers for €33m, for which refinancing is projected in 2020
  - Net financial debt (including short term debt) €196m vs. €196m at 12/31/2018
- ▶ **Current liabilities** €207m vs. €138m (+€69m)
  - Short term financial liabilities: €128.9m (bonds €24.5m, balloon €89.7m, natural amortization €7.8m, overdraft and liabilities on derivatives €6.9m)
  - Trade payables: €18.2m
  - Other liabilities: €58.8m (of which €8.3m in asset purchases; €35.5 in distributions to investors)
  - Short Term Lease liabilities: €1.4m

# Balance Sheet

## Economic balance sheet

In € million



**Net debt (€196m) corresponds only to financing of tangible assets (€373m)**

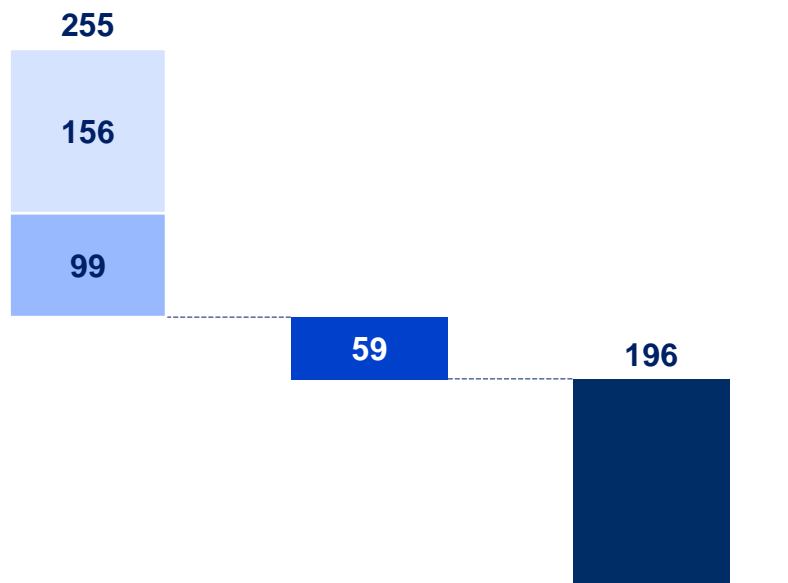


# Balance Sheet

## Debt

From €254.7m in gross debt to €195.6m in net debt

In € million



Gross debt

Cash\*

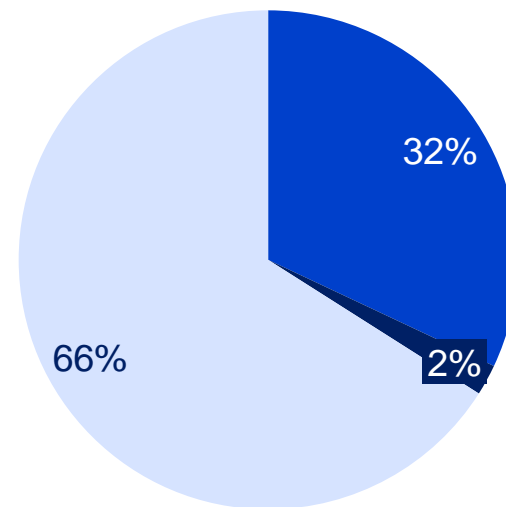
Net debt

Recourse debt

Non-recourse debt

\*Net of derivative instruments

Diversified sources of funding



Debt Capital Market & Investor

Short Term Facility & overdraft

Asset backed financing

Average total gross debt 4.64%  
[€: 4.7%; \$: 5.16%]



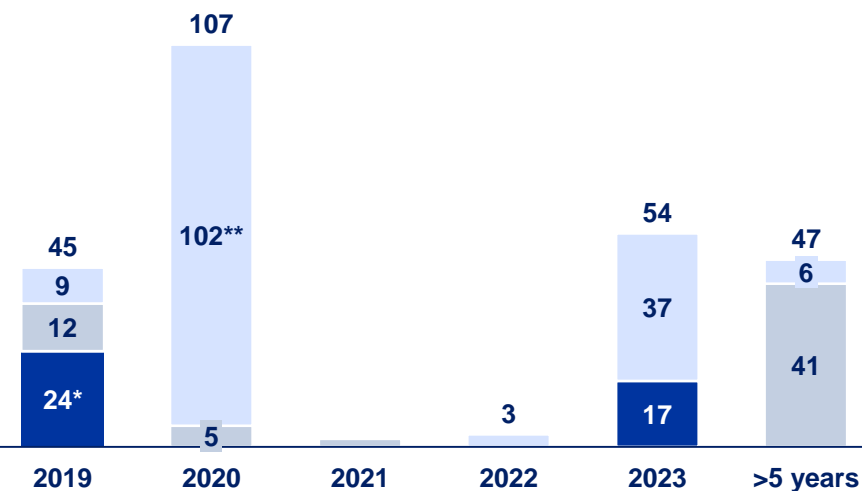
61% of debt is without recourse

# Balance Sheet

## Debt

### Debt maturity

In € million



■ Bonds  
 ■ MT/LT debt with recourse  
 ■ Non-recourse debt

\* Ormane: refinanced-redeemed August and September 2019  
 \*\* Asset-backed financing: o/w €65m for freight railcars and €31m for containers

### Key points

- ▶ **Signature of a senior secured loan of €40m, maturing in five years, with an institutional investor - June 2019 – Touax SCA**
  - ▶ Refinancing of the €23m Ormane bond, €21.7m redeemed on August 1, 2019 after put option by investors, the remaining portion to be redeemed on September 18, 2019 when Touax exercises its call option
  - ▶ approx. €15m in new money (net of fees) allocated to capex
- ▶ **Successful issue of a Euro PP of €10m (August 1, 2019) – Touax SCA:**
  - Euro PP of €10m, unsecured senior bond, 5.5 years, capex financing
- ▶ **Financing of barges signed in February 2019:** new financing for new barges (€3.9m) and refinancing (€2.9m)

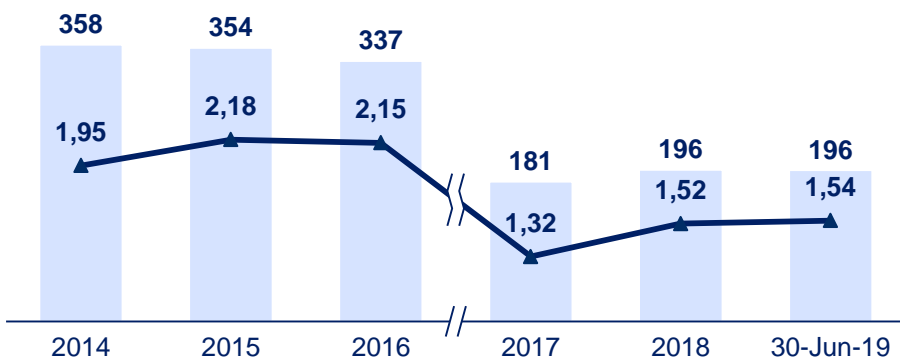


**Extension of the average corporate debt maturity and support for the growth and profitability strategy**

# Improved credit profile

## Net gearing

In € million

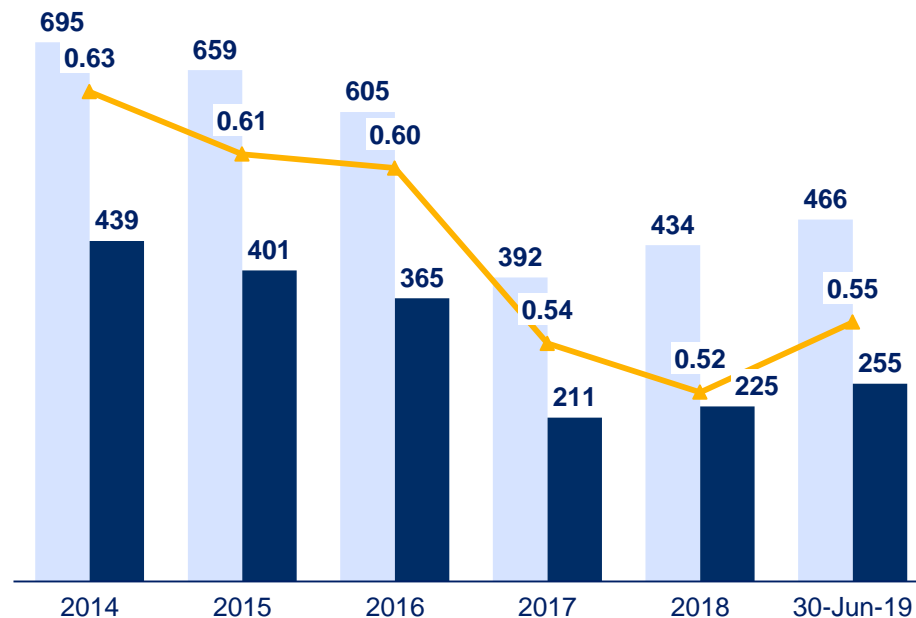


Net debt    Gearing

- ▶ Net financial debt of €196m
- ▶ Net gearing (net debt relative to shareholders' equity) is x1.54

## Loan-to-value

In € million



Assets (excluding intangibles)    Gross financial debt    LTV

- ▶ The LTV is 55%
- ▶ ICR 3.03



**All contractual ratios complied with at the end of June 2019**

# Cash flow statement

<i>In € million</i>	06-2018	06-2019
Operating activities excluding WCR	10.6	13.5
WCR (excluding inventory)	8.4	14.3
Net purchase of equipment and change in inventory	-8.6	-23.7
<b>Operating activities</b>	<b>10.4</b>	<b>4.1</b>
<b>Investing activities</b>	<b>-2.5</b>	<b>0.6</b>
<b>Financing activities</b>	<b>-7.1</b>	<b>25.3</b>
Exchange rate variation	0.1	-0.1
<b>CHANGE IN NET CASH POSITION</b>	<b>0.9</b>	<b>30</b>

- ▶ The operating free cash flow is positive at €4.1m with positive operating cash of €13.5m, a change in working capital of €14.3m and net purchases of equipment and change in inventory of -€23.7m.
- ▶ Financing flows primarily comprise a new loan signed by Touax SCA, debt repayments and the cost of debt.

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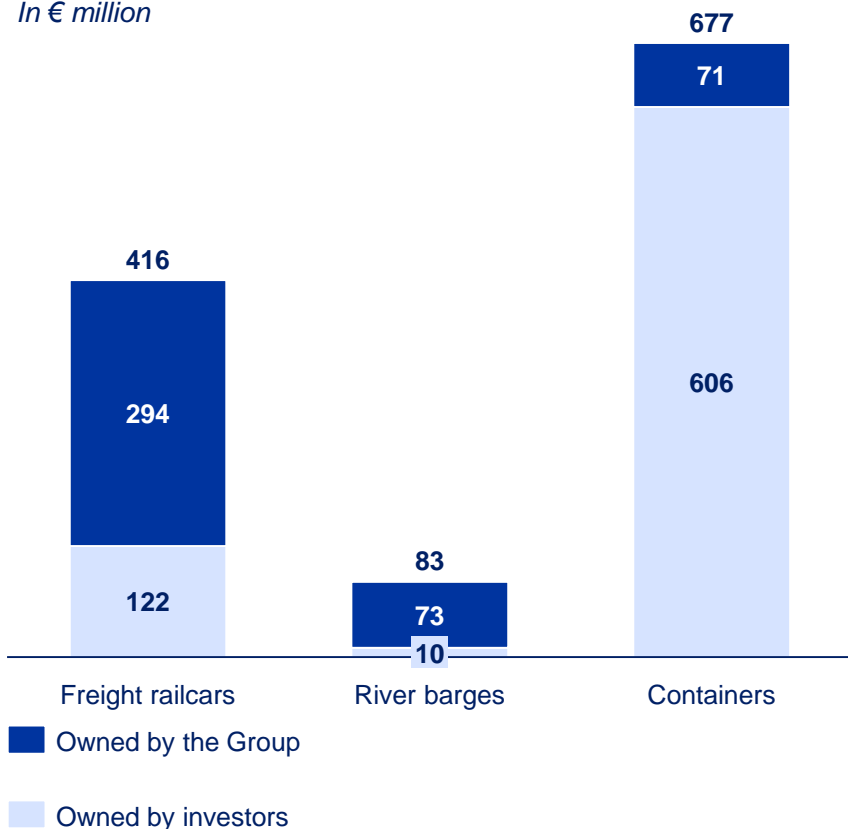
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# Asset management model

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

## Assets (historical gross value)

In € million



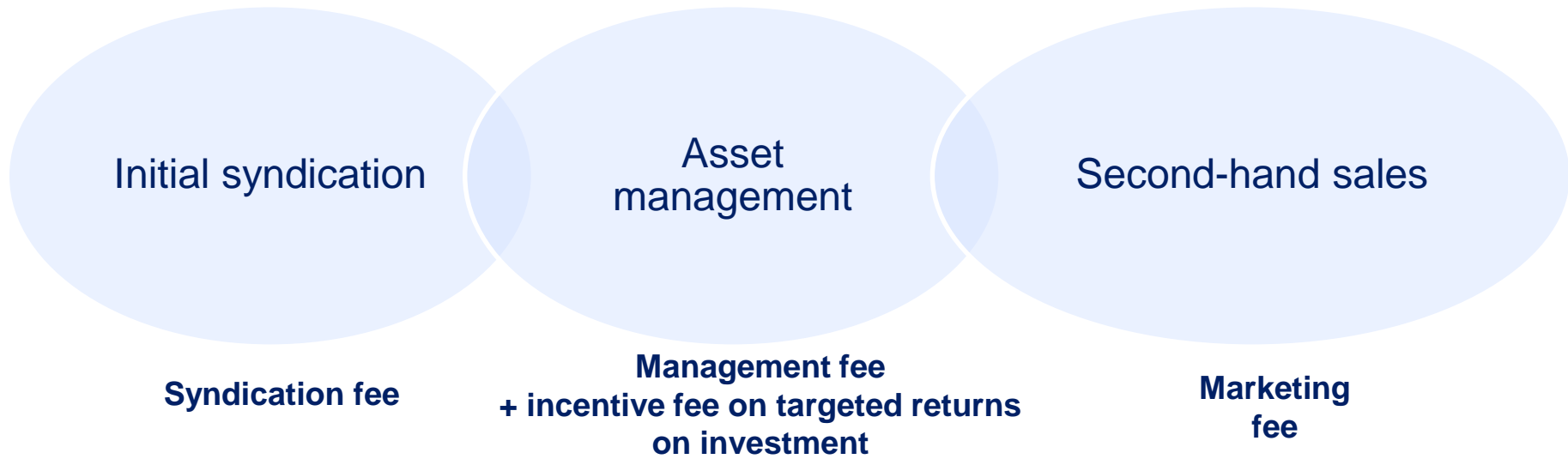
## Main characteristics

- ▶ Assets organized in portfolios and syndicated to investors
- ▶ Managed assets are owned by third-party qualified investors
- ▶ Mainly family offices and institutional 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

## Recurring asset management fees



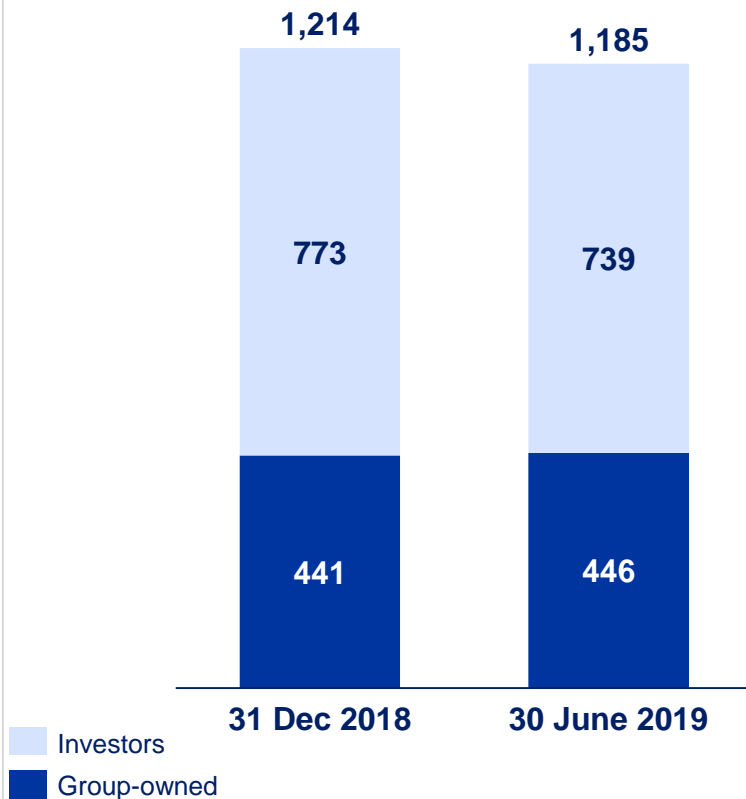
Asset management agreement > 10 years

# Asset Management

## Breakdown of total managed assets per year

### Breakdown of total managed assets

In € million



### Investor profiles and strategies

- ▶ Investors with diverse profiles
  - ▶ family offices, financial companies, investment companies, corporates, etc.
- ▶ Investors seek:
  - ▶ a diversification strategy
  - ▶ with recurring yields
  - ▶ on real and tangible assets with a long useful life



# Asset Management

## Strategy and performance analysis

### ▶ Investment through funds:

- Touax acts as the **exclusive operating partner of two sub-funds of a regulated AIFM Luxembourg Fund** (Real Asset Income Fund S.C.A. SICAV-SIF) managed by Quamvest (AIF manager and risk management agent). Société Générale Bank & Trust S.A. acts as depositary, paying agent, central administrative agent and domiciliation and transfer agent, while Deloitte acts as auditor.
- The Fund provides a European regulated fund structure with good legal protection, independent governance with delegated AIFM management, structured leverage, organized liquidity after three years and an independent valuation process.
- “Touax Transportation Asset Income EUR Sub Fund I” was launched in July 2016, and has more than 50 investors (family offices and institutional investors). In June 2019, it owns shares in two Irish SPVs that hold a portfolio of 3,453 freight railcars representing a combined market value of above €150m.
- “Touax Transportation Asset Income USD Sub Fund I” was launched in 2018. In June 2019, it raised \$9m of equity from nine investors, and owns shares in an Irish SPV that holds a portfolio of 7,351 containers (Ceus).

### ▶ Direct investments / managed accounts:

- Touax works directly with infrastructure funds and institutional investors that invest directly in tangible assets managed by Touax Group.
- In 2018, the Group signed contracts worth \$80m for containers, of which \$28.1m was syndicated at end-June 2019 and the remainder is to be syndicated between now and June 2020. Commitments are currently being finalized for direct investment of €50m in freight wagons.

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# Size and characteristics of Touax's market



Despite the slowdown in global growth and GDP in 2019, Touax's markets show the following attributes:

- ▶ Major economies including emerging markets continue favor the growth of rail, river and combined transportation:
  - less CO2 emissions
  - more secure and economical over long distances
- ▶ Growth in leasing of Group-owned assets (liberalization of rail freight in Europe, growing plans by major clients to outsource).
- ▶ Structural requirements to renew fleets offering recurring investment opportunities even against a backdrop of weak growth (construction of 2.5 million new TEUs planned worldwide and construction of 11,000 new railcars planned in Europe in 2019).

# Freight railcars

## Medium-term outlook

### Market

- ▶ **Europe:**
  - Recovery of rail traffic in Europe since 2013, with average annual growth of 1.3%
  - Growth in the utilization rate of existing railcar fleets and increase in the construction of new railcars from 7,000 to 11,000 railcars a year to offset low investment
  - Growth in the market share of lessors from 20% in 2004 to 30% in 2019 (source: UIP)
- ▶ **Asia**
  - Need for innovative railcars to increase loading capacities and optimize traffic and help lighten road traffic
  - ▶ New infrastructure projects favouring rail and container traffic: Development of the silk routes between China and Europe and new dedicated freight corridor (DFC) in India

### Touax ambitions

- ▶ **Europe:**
  - Better use of the existing fleet (>90%) and growth in profitability
  - Increase in the fleet of railcars generated by organic growth in close collaboration with investors (infrastructure funds notably)
- ▶ **Asia:**
  - Full utilization rate maintained
  - Increase in railcar fleet to accompany growth in client base and rail traffic



**Growth in the total fleet under management: 15,000 railcars, with 12,000 in Europe and 3,000 in Asia**

# River barges

## Medium-term outlook

### Market

- ▶ Europe: Market growth in France (transport of aggregates for construction sites in Greater Paris), and on the Rhine (transport of grain and biomass)
- ▶ Stable market in the **USA** (few investment opportunities)
- ▶ Gradual improvement of the market in **South America**, but which will take time to recover its pre-crisis volumes (increased transport of grain but still low level of transport of iron ore)
- ▶ Awareness of European and governmental authorities of ecological issues favorable to river transport

### Touax ambitions

- ▶ Investment projects on the Rhine and Seine river in new barges
- ▶ Supporting major customers (trading and financing of new barges)
- ▶ No short-term growth expected in South America and the United States
- ▶ Improve profitability from barges and maintain high client satisfaction level



Selective investments on the Seine and the Rhine

# Maritime containers

## Medium-term outlook

### Market

- ▶ Fleet of TEU containers of 41.7 million at end-2018, with a replacement requirement of 5% per year (\$4bn)<sup>(3)</sup>
- ▶ After growth of 4.3% in container sales in 2018, slowdown in growth in 2019 (impact of trade wars), creating less demand for new containers
- ▶ Global GDP growth projected to decline to 3.2% before picking up slightly to 3.5% in 2020<sup>(2)</sup>
- ▶ Increase in lessor market share from 40% to 52% over the past decade<sup>(3)</sup>
- ▶ Against a backdrop of weaker growth, the global utilization rate of the container fleet remains high (>98%), indicating there has been no contraction in traffic worldwide (all areas included)

(1) Clarksons, February 2019 report

(2) IMF forecasts, July 2019

(3) Drewry Maritime Research (Container Insight Q4 2018)

### Touax ambitions

Improvement in profitability in a stable market:

- ▶ Since the sale of the modular building activity, strategic decision to gradually increase the ownership ratio of containers from 8% to over 20% in 2022 (more in line with the average Group ratio): Significant accretive effect on EBITDA. Sharp increase in earnings on a like-for-like basis
- ▶ Growth in the trading activity for new and second-hand containers, which significantly complements the leasing activity
- ▶ Development of leasing and sale of refrigerated containers
- ▶ Development of management activity on behalf of third parties



**Gradual accretive effect on EBITDA and earnings**

# Operational Strategy

## Improve performance and profitability

### Lean and scalable platforms

- ▶ **Continuous Improvement Program** and lean processes to increase productivity being pursued in 2019
- ▶ **New organization of the fleet management** in the freight railcar activity to improve quality and customer satisfaction and manage growth
- ▶ Optimize costs and reduce SG&A by €1m in 2019

### Transportation/ international activities




- ▶ **Freight railcars:**
  - Organic growth with investments in Europe & Asia financed by Touax (maintenance capex) and third-party investors
  - Increase revenues through higher utilization and rental rates
- ▶ **Barges:**
  - Selective investment in Europe (renewal capex)
- ▶ **Containers:**
  - Increase sales volumes (trading of new and second-hand containers)
  - New investments with a larger portion of owned assets boosting profitability

### Modular buildings/Africa

- ▶ Signature of large contracts in the education sector. Positive EBITDA target for 2019-2021, leading to a higher valuation of our 51% stake in Touax Africa

# Share ownership strategy

## Asset valuation as at 31 December 2018

		Touax-owned fleet of assets		
		Gross book value	Net book value	Market value <sup>2</sup>
	<b>Freight railcars</b>	<ul style="list-style-type: none"> <li>Europe and the US: €259m</li> <li>India: €15.1m</li> </ul>	<ul style="list-style-type: none"> <li>Europe and the US: €187m</li> <li>India: €13.9m</li> </ul>	<ul style="list-style-type: none"> <li>Europe €229m</li> <li>US: €0.4m<sup>3</sup></li> <li>India: €13.9m<sup>3</sup></li> </ul>
	<b>River barges</b>	€72.6m	€46.1m	€50.9m
	<b>Containers<sup>1</sup></b>	€76.6m	€74.7m	€75.2m
	<b>Management fees<sup>1</sup></b>	-	-	€31.7m
	<b>Total</b>	<b>€423.3m</b>	<b>€321.7m</b>	<b>€401.1m</b>

### Notes

- 1 Exchange rate €1 = \$1.145
- 2 Fair value method: freight railcars: 50% replacement value and 50% earning rate valuation (Railistics report); barges: 100% replacement value (external reports); containers: 100% earning rate valuation (Harrison report)
- 3 NBV = FMV
- 4 Excluding minority stake in freight railcar entities and management fees.

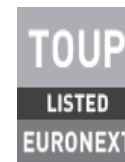


**Using the FMV of Touax's assets, reassessed NAV per share at December 31, 2018 is €12.71<sup>4</sup>**



# TOUAX and the Stock Market

## Shares market data



	2018	06/2019
<b>Number of shares</b> (in thousands)	<b>7,011</b>	<b>7,011</b>
<b>Market capitalization</b> (in €m)	<b>34.22</b>	<b>36.04</b>
<b>Consolidated shareholders' Group equity</b> (€m)	<b>105.06</b>	<b>102.07</b>
<b>Price to Book Ratio</b> (excluding hybrid capital)	<b>0.62</b>	<b>0.69</b>
<b>Annualized net earnings per share</b> (€)	<b>(0.59)</b>	<b>(0.36)</b>
<b>Highest share price</b> (€)	<b>12.40</b>	<b>6.48</b>
<b>Lowest share price</b> (€)	<b>4.26</b>	<b>4.03</b>
<b>Average daily trading volume</b> (in number of shares)	<b>5,218</b>	<b>863</b>
<b>Closing price</b>	<b>4.88 €</b>	<b>5.14 €</b>

The closing price per share at June 30, 2019 was €5.14

The book price per share was €7.40 (excluding hybrid capital)

# Outlook

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In an economic environment that shows weaker growth,

TOUAX is in a position to:

- generate growth in structurally strong renewal markets,
- gradually increase its profitability by rebuilding its owned asset base