

Touax[®]

2016 results

Group overview

Profile

- ▶ Manager and lessor of standardized assets with €1.8 billion of assets under management
- ▶ 890 employees, a majority are based outside France
- ▶ Strong international presence: 40 countries across 5 continents and 90% of revenue generated outside France
- ▶ An operational leasing activity
- ▶ Stable shareholder structure: Walewski family (32%)

4 LEASING DIVISIONS



Leading positions

Shipping containers: 45% of revenue



▶ Our position

- European leader
- 3rd worldwide asset manager of containers for third parties
- 553,300 containers (TEU)

▶ Our activity

- Leasing, lease purchase, sale and lease back
- Management on behalf of third parties
- Sales (new and used)

Modular buildings: 38% of revenue



▶ Our position

- No. 2 lessor in Continental Europe
- 45,900 modular buildings

▶ Our activity

- Production, leasing, lease purchase
- Services (assembly, facility management,...)
- Sales (new and used)

Freight railcars : 13% of revenue



▶ Our position

- No. 2 lessor in Europe (intermodal railcars)
- 10,800 platforms (leasing and technical management)

▶ Our activity

- Leasing, lease purchase
- Management on behalf of third parties
- Sales (new and used)

River barges : 4% of revenue



▶ Our position

- Leader in Europe and South America (dry bulk barges)
- 120 barges

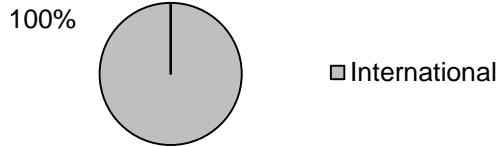
▶ Our activity

- Leasing, lease purchase
- Sales (new and used)

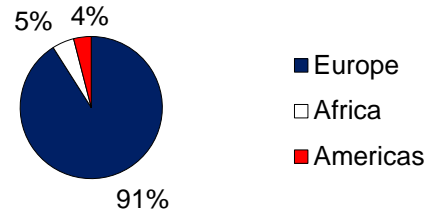
An international group – present on the 5 continents

Breakdown of the divisions' business by geographical areas

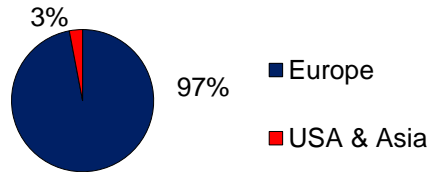
Shipping Containers



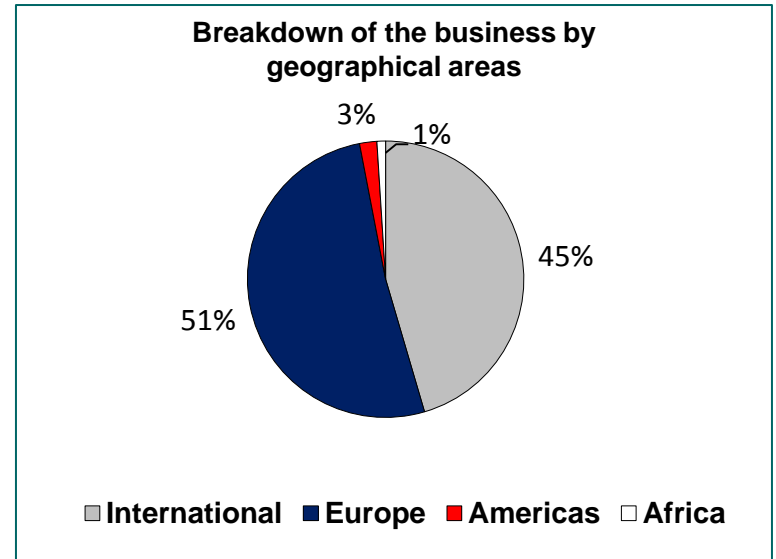
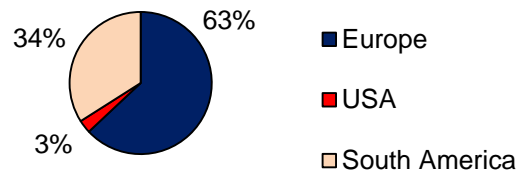
Modular buildings



Freight railcars



River barges



AGENDA

- ▶ **Part 1** **Revenues and financing**
- ▶ **Part 2** **Divisions presentation**
- ▶ **Part 3** **Strategy**
- ▶ **Part 4** **TOUAX and the Stock Market**

2016 financial indicators

Revenue	• €362.9 million
EBITDA (EBITDA after distribution)	• €44.1 million
Operating income	• €4.4 million
Net results	• €-11.6 million
Free cash flow	• €30.2 million
Net debt	• €337 million
Shareholders' equity	• €157 million
Asset under management	• €1.8 billion

Highlights 2016

▶ Return to growth

- Recovery of the Modular Buildings business activity
- Increased utilisation rate in the Shipping Containers business activity since March 2016
- Growth in the Freight Railcars business

▶ Positive operating profitability in 2016

▶ Strengthening of financial structure

- Decrease in debt compared to 2015 (-17.7 m€)
- Positive free cash flow of €30.2 million in 2016 with a negative change in working capital in 2016
- Improved LTV at 60%
- Capital increase for an amount of €11.2 million realized in July 2016

Revenues and Financing

Income statement

<i>in € thousands</i>	2016	2015
Leasing revenue	219,494	224,975
Sales of equipment	143,448	123,265
Capital gains from sale	209	172
REVENUES FROM ACTIVITIES	363,151	348,412
Cost of sales	(118,940)	(105,913)
Operating expenses	(110,309)	(116,715)
Sales, general and administrative expenses	(31,397)	(29,083)
EBITDAR (EBITDA before distribution to investors)	102,505	96,701
Depreciation, amortization and impairments	(37,058)	(46,988)
Consolidated operating income before distribution	65,447	49,713
Net distributions to investors	(58,360)	(60,474)
Current operating income	7,087	(10,761)
Other operating income and expenses	(2,699)	(2,359)
NET OPERATING INCOME	4,388	(13,120)
Financial result	(17,663)	(15,382)
Profit (loss) of investments in associates	2,058	117
Profit before tax	(11,217)	(28,385)
Income tax benefit (expense)	(2,485)	1,372
Net income (loss) of consolidated companies	(13,702)	(27,013)
Portion attributable to non controlling interests	2,119	3,058
CONSOLIDATED NET INCOME – Owners of the parent company	(11,583)	(23,955)
Net earnings per share	(1.82)	(4.08)

Revenues and Financing

Income statement

▶ Revenues of €362.9 million up by 4.2% (+€14.7 million)

- Decreasing leasing activity including ancillary services (-€5.5 million) due to lower utilisation rates in both Shipping Containers and River Barges businesses partially offset by the Freight Railcars division
- Increase in sales to customers (23.5%), driven by sales growth in the 4 businesses
- 61,000 containers sold to investors in 2016 compared to 18,000 in the same period in 2015 (but the accounting method differs and impacts revenues)

▶ EBITDA of €44.1 million up by 22% (+€7.9 million)

- Improved leasing margins in the Modular Buildings and Freight Railcars businesses, resulting notably from higher utilisation rates and lower operating expenses
- Higher sales margins across Container Shipping, Modular Buildings and River Barges activities with a significant contribution from the Modular Buildings business
- Lower operating and general expenses

▶ Positive operating income of €4.4 million (+€17.5 million)

- Fall in amortization further non-recurring impairment in 2015
- Goodwill impairment related to the acquisition of the Modular Buildings site in Morocco

▶ Improved net profit of -€11.6 million compared with -€24million in 2015

- Increase in financial expenses with the increased duration of a part of the debt (bond financing and syndicated bank loan in the 2nd half of 2015), non-cash mark to market impact of financial instruments (interest rate swap and ORNANE)

Revenues and Financing

EBITDA

► Rise in EBITDA of €7.9m (+22%)

(in € thousands)	2016		2015		VARIATION 2016-2015
	EBITDAR (EBITDA before distribution to investors)	Distribution to investors	EBITDA (EBITDA after distribution to investors)	EBITDA (EBITDA after distribution to investors)	
Shipping container	57,492	(54,215)	3,277	5,056	(1,779)
Modular building	20,638	(478)	20,160	9,758	10,402
River barge	4,372		4,372	4,745	(373)
Freight railcar	20,264	(3,667)	16,597	15,658	940
Other (admin, expenses, misc. and offsets)	(261)		(261)	1,010	(1,271)
31/12/2016	102,505	(58,360)	44,145	36,226	7,919
31/12/2015	96,700	(60,474)	36,226		

► Increase in the Modular Buildings and Freight Railcars business activities resulting from increased utilisation rates and/or sales

Revenues and Financing

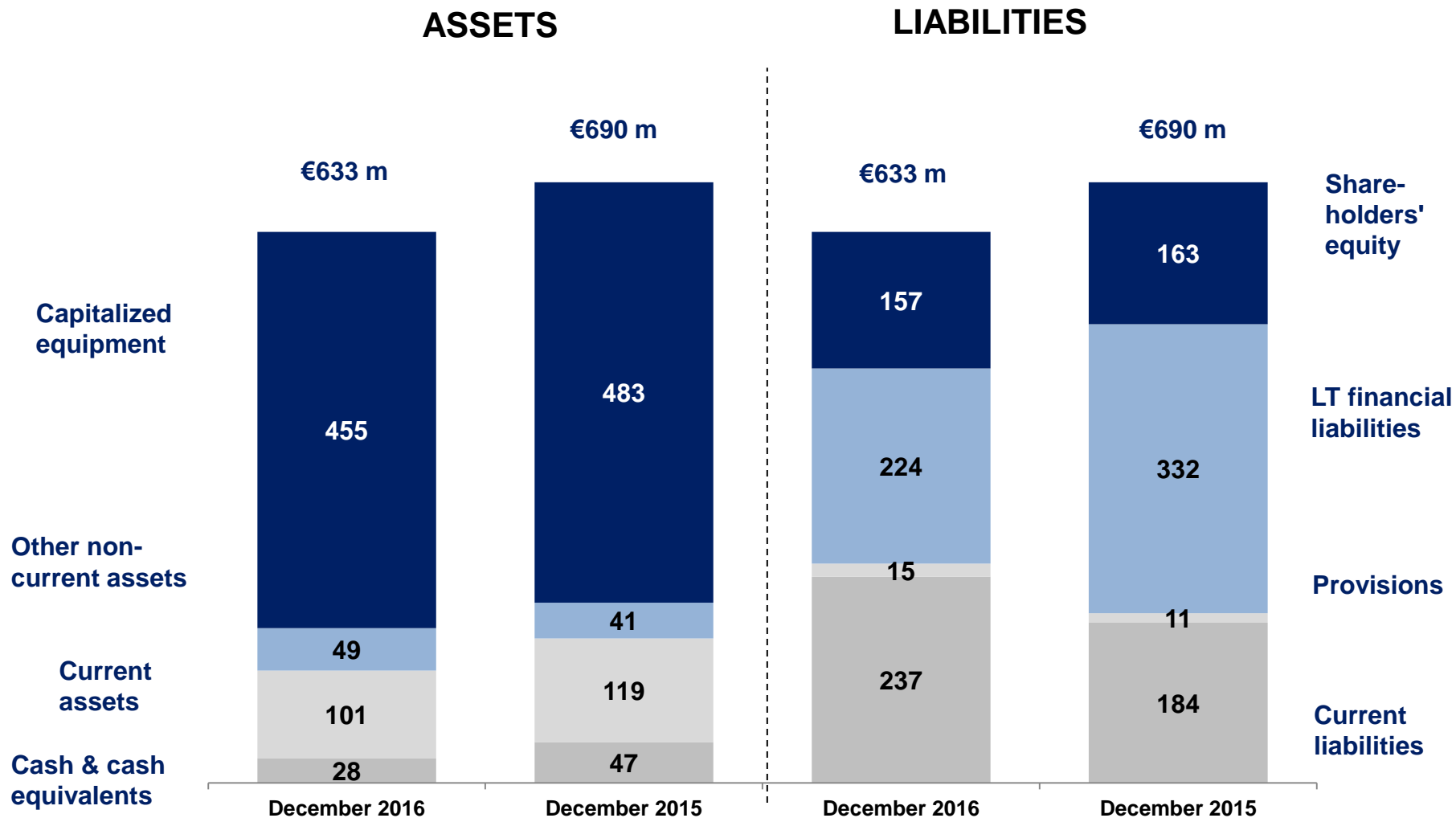
Recurring EBITDA and Profit before tax

(In € thousands)	EBITDA*		Profit before Tax	
	2016	2015	2016	2015
Balances shown in accounts	44,145	36,226	(11,217)	(28,385)
<i>2016 variation compared to 2015</i>	7,918		17,168	
<i>2016 variation compared to 2015 in %</i>	22%		60%	
Exceptional impairment for assets		745	2,519	11,554
Contingency provision		1,344		1,344
Additional costs for module preparation		1,561		1,561
Fees related to the debt issuance project				2,359
Fees related to strategic review of activity and financing	1,072		1,072	
Redeemable bonds (ORNANE) valuation			326	(728)
Fair value of interest rate derivative instrument			985	
Balances restated with non-recurring items	45,217	39,877	(6,315)	(12,296)
<i>2016 variation compared to 2015</i>	5,340		5,982	
<i>2016 variation compared to 2015 in %</i>	13%		49%	

* EBITDA corresponds to the EBITDAR presented in our income statement with net distributions to investors deducted from it.

Revenues and Financing

Comparative summary balance sheet



In € million

Revenues and Financing

Comparative summary balance sheet

- ▶ **Capitalized equipments** €455m vs. €483m (€-28 m)

- ▶ **Current assets (other than cash and cash equivalent)** €101m vs. €119m
 - Inventory €37m (€-18m)
 - Clients €51m (€0.7 m)
 - Others €13m (€-0.7 m)

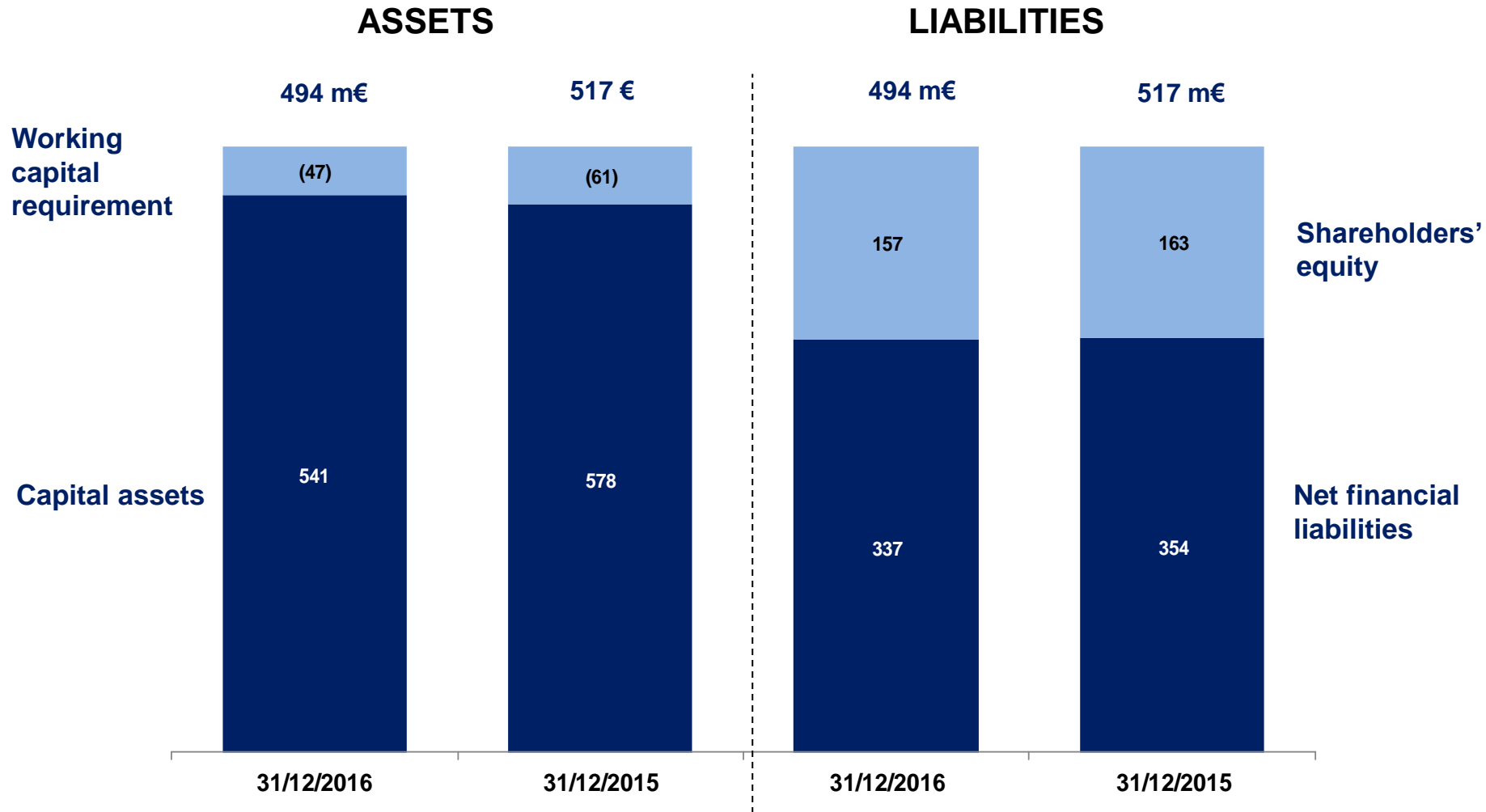
- ▶ **Equity** €157m vs. €163m (including €17m of minority interest)

- ▶ **LT financial liabilities** €224m vs. €332m (€-107m)
 - Net financial liabilities (including short term debt) €337m vs €354m (€-17m)

- ▶ **Current liabilities** €237m vs. €184m (€+53m)
 - Short term liabilities €140m
 - Supplier indebttness €28m
 - Other debts €69m

Revenues and Financing

Economic balance sheet



▶ Net debt (€337m) is financing only the tangible assets (€513m)

In € million

Revenues and Financing

Change in gross value assets managed by the Group

- ▶ The change in gross value assets managed by the Group as of 31 December 2016 amounted to **-€66 million** compared to -€7.4 million on 31 December 2015
 - Change in capitalized gross assets and inventory: €-29.7 million (+€20.7 million on 31 December 2015)
 - Change in gross assets under management: -€36.5 million (-€28.3 million on 31 December 2015)
 - Key highlights of 2016: Strong activity in the purchase and sale of shipping containers creating a net disinvestment of total gross assets of -€53.6m, the sales of modular buildings to adapt the fleet to demand, €19m of railcars sold or contributed in kind to the SPV Luxembourg funds

(€ thousands, gross value)	Change in capitalized assets and inventory	Change in assets under management	Total change in assets owned or managed
Shipping containers	(6,932)	(46,656)	(53,588)
Modular buildings	(7,762)	(4,105)	(11,867)
River barges	(1,206)		(1,206)
Freight railcars	(13,615)	14,236	621
Miscellaneous	(189)		(189)
TOTAL	(29,704)	(36,524)	(66,228)

Revenues and Financing

Cash Flow statement

▶ Cash Flow Statement

(€ million)	2016	2015
Operating activities excluding WCR	39.5	31
WCR (excluding inventory)	(7.5)	19.2
Net purchase of equipment and change in inventory	(1.8)	(8.6)
OPERATING ACTIVITIES	30.2	41.6
Investing activities	(1.3)	(5.8)
Financing activities	(46.5)	(63.9)
Exchange rate variation	0.2	2.8
CHANGE IN NET CASH POSITION	(17.8)	(25.3)

- ▶ The free cash flow of the Group was positive at €30.2 m with a positive operating cash of €39.5m with a net change in working capital of -€7.5m and net investments of -€1.8m
- ▶ There is a negative financing flow at -€46.5m with a €36m decrease in gross debt, €16m of interest, €5m of hybrid coupons and minority dividends and €11m capital increase.
- ▶ Change in WCR is explained by the business rebound

31 December 2016	31 December 2015	31 December 2014
€30,2m	€41.6m	€57.1m

Revenues and Financing

Debt

► Presentation of gross debt

	Balance sheet amount	Breakdown	Average rate 31/12/2016	Floating rate share
Short-term loans with recourse	51.3 m€	14.1%	3.27%	100%
Medium- and long-term loans with recourse	145 m€	39.7%	4.59%	23%
Non recourse debt (short and long term)	168.5 m€	46.2%	2.94%	63%
TOTAL GROSS DEBT	364.8 m€	100%	3.64%	52%

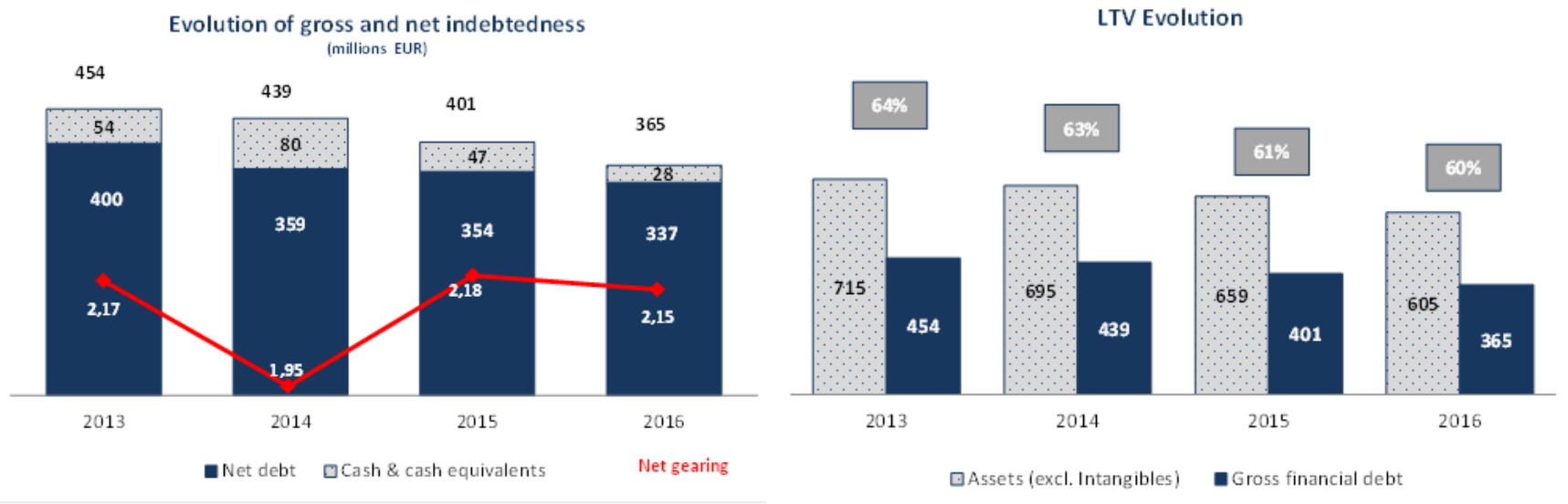
- 46% of consolidated debt is non recourse to TOUAX SCA
- 20% of the Group's debt is not in euro (15% in USD et 5% in other currencies)

► Presentation of net debt

	Balance sheet amount
Gross debt	364.8 m€
Cash and cash equivalents	28.0 m€
TOTAL NET DEBT	336.8 m€
including non-recourse debt	168.5 m€
TOTAL NET DEBT WITH RECOURSE	168.3 m€

Revenues and Financing

Debt



- ▶ During 2016, financial debt was down 9.1% (-5% for net debt)
- ▶ The Group has met all its contractual ratios as of end of December 2016
- ▶ The gearing ratio (net debt to equity) is x2.15
- ▶ LTV (loan to value) stands at 60% (improving)

Revenues and Financing

Market risk management

▶ Liquidity risk management

- ▶ The **natural amortization of recourse debt** amounts to **€27.8m** over the year 2017 and mainly relates to amortization of long-term asset financing lines (loans and finance leases) and corporate loans (CD 2012, CD 2015)
- ▶ The **repayment of short-term lines (confirmed or not) with recourse** totalled **€15.1m** in 2017 and relates to short-term lines (spot lines, overdrafts and factoring and CD 2016)
- ▶ **Amortization and debt repayments without recourse** total **€97.5m**. They correspond to:
 - refinancing of 2 lines of "warehouse" type asset finance for the railcar and container divisions (maturing in May 2017) for an outstanding amount of €72.7m,
 - €16.4 million of asset financing reaching maturity, and
 - €8.4m of natural amortization of other non-recourse debt.

Amortization of debt occurs in particular thanks to operational flows which stood at €30.2 million in 2016, cash flow (€28m at the end of 2016), and the disposal of certain tangible assets (€513m at end 2016).

The refinancing asset financing lines is ongoing and has a favourable impacts on the LTV (60%).

The Group strengthened its equity in July 2016 with a capital increase of €11,2 million.

Revenues and Financing

Market risk management

▶ Interest rate risk management

- Average rate of the debt (after hedging) stable compared with December 2015, to 3.64% (vs. 3.67%)
- After the impact of hedging: 48% of debt is at a fixed rate, and 52% of the overall debt at a floating rate (52% and 48% respectively in 2015)
- Sensitivity of interest expenses for a 1% change in floating rates: +14.4% or €1.91 million
- The interest rate swap on the SRFRL financing (SPV holding railcars and majority owned by Touax) resulted in an accounting loss of €985k (before tax) because of the highly negative Euro rate in 2016

▶ Currency risk management

• **Operational**

- The Group believes it has minimal exposure to operational currency risk (income and expenses in the same currencies)
- Hedging on intra-group cash flow in USD, CZK, PLN and GBP

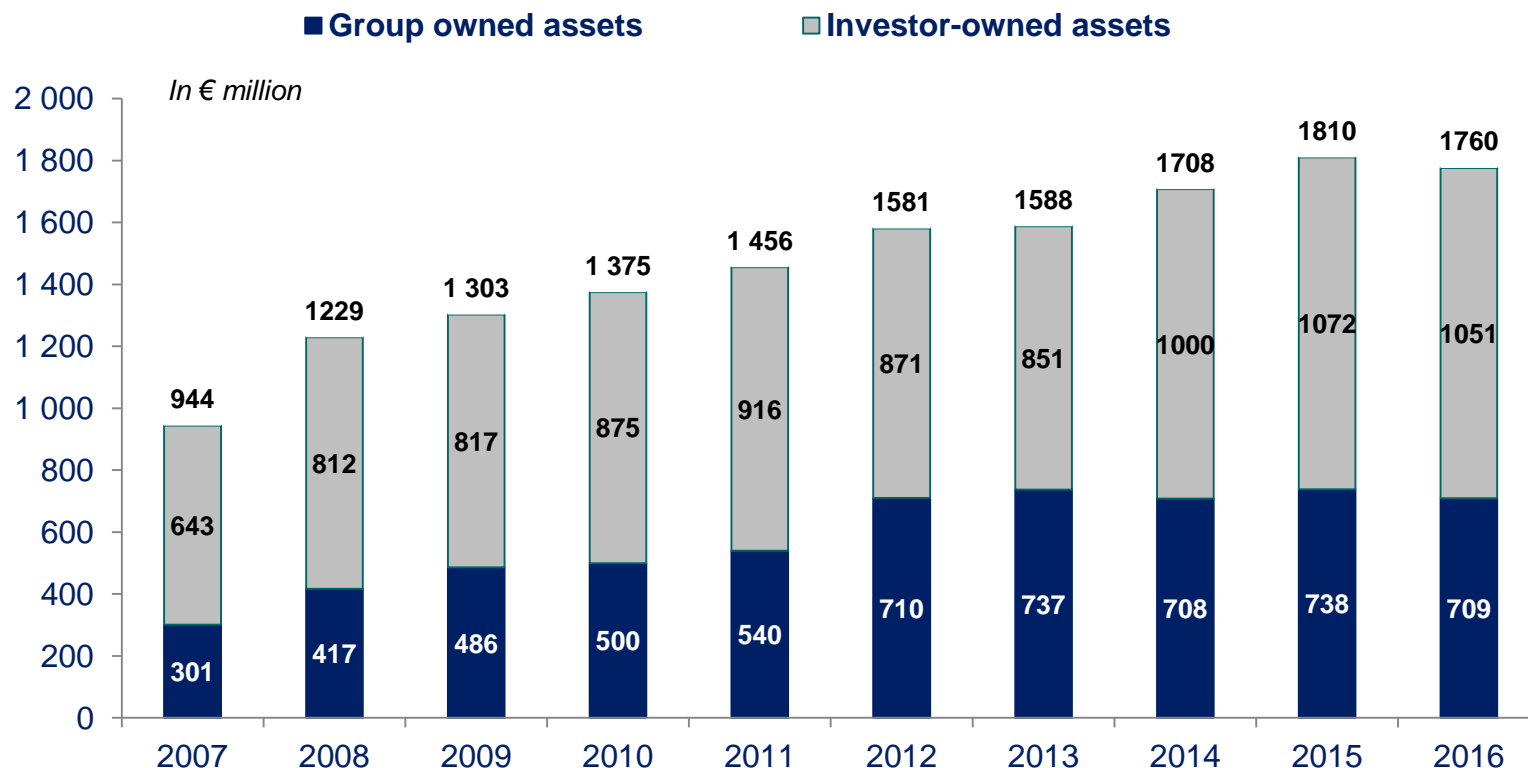
• **Balance sheet**

- The Group had no significant currency risk on its balance sheet at 31/12/2016

Revenues and Financing

Breakdown of managed assets per year

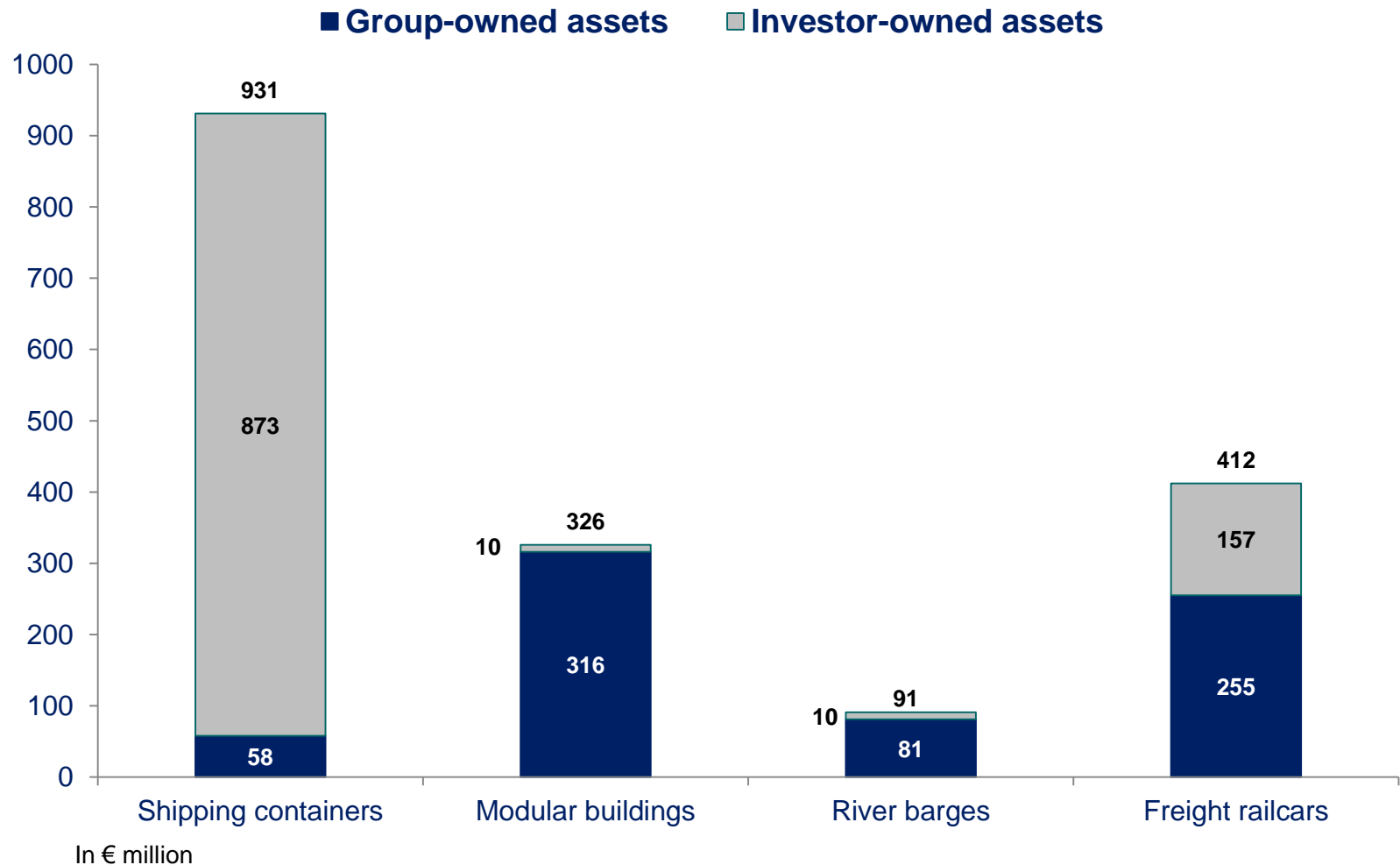
- ▶ **Annual average growth of the fleet (over 10 years): 8.3%**
 - ▶ +5.9% for third party fleet under management
 - ▶ +13.6% for Touax own fleet



More than half of the equipment is valued in USD. The value of the managed assets is stable at 31 December 2016 (exchange rate of 1.0541 at 31/12/2016 vs. 1.0887 at 31/12/2015)

Revenues and Financing

Breakdown of managed assets at 31 December 2016



Revenues and Financing

Third-party asset management

▶ 2016 performance analysis

- Syndication of approximately €71m (€19m of European railcars and €52m of containers)
- Successful launch of the SICAV-SIF Luxembourg which facilitates the participation of qualified investors in property portfolios managed by the Touax Group (1st syndication with 39 investors)

▶ Management strategy

- Offer investors the opportunity to invest in tangible assets offering regular rental yields
- Attractive investment in a context of historically low interest rates
- Group's ability to pre-finance assets by leasing them before sales to investors and to offer varied programmes with recurring profitability

▶ 2017 outlook

- Additional syndications expected in the coming months in the Freight Railcars and Shipping Containers business, especially through the Luxembourg SICAV (already helping to finance €90m of assets)

Profile and investors strategies

Investors with diverse profiles (family office, financial company, investment company, corporate etc.)

Investors are seeking a diversification strategy with recurring yields on real and tangible assets with a long useful life

AGENDA

- ▶ **Part 1** **Revenues and financing**
- ▶ **Part 2** **Divisions presentation**
- ▶ **Part 3** **Strategy**
- ▶ **Part 4** **TOUAX and the Stock Market**

Shipping containers: N° 1 in Europe



Shipping Containers

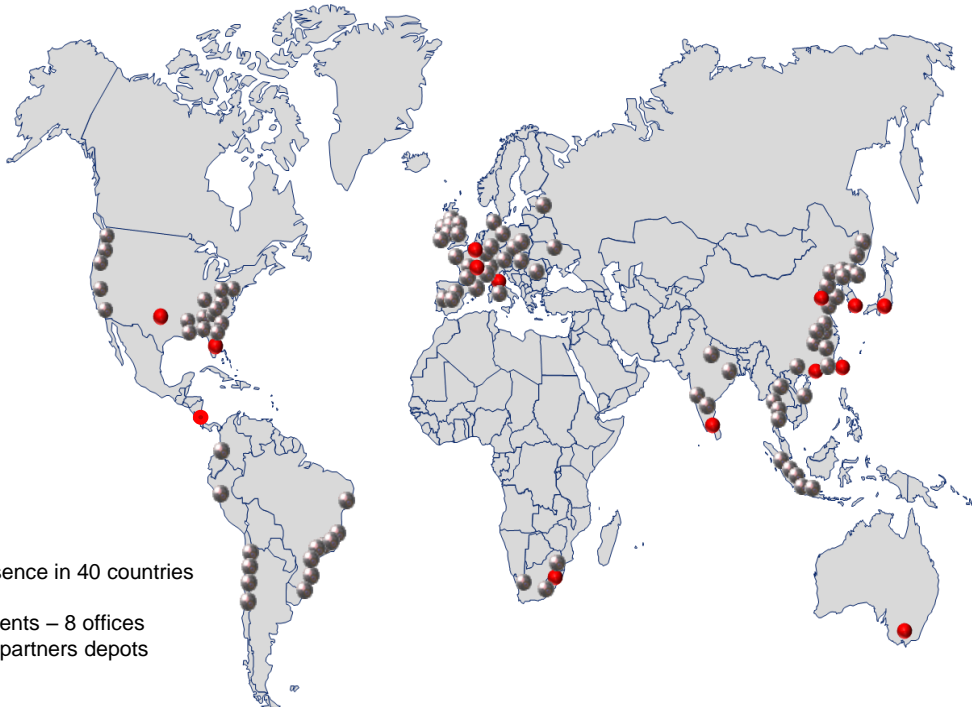
Our products, our services



- ▶ Touax, a renowned player in this market for **30 years**, remains in the top 10 worldwide
- ▶ Expertise built around the rental business of new and second-hand containers (20', 40' and 40' high cubes)
- ▶ A complete package offered to customers including hire-purchase, sale & leaseback contracts and sales
- ▶ A significant number of customers including the top 125 Maritime companies in the world and more than 2,000 customers with the trading of new and second-hand containers
- ▶ Specialised expertise and a dedicated team throughout worldwide to meet customer needs

Shipping Containers

A worldwide presence



A 100 % worldwide business
(of which 50% clients in Asia)

Highlights 2016

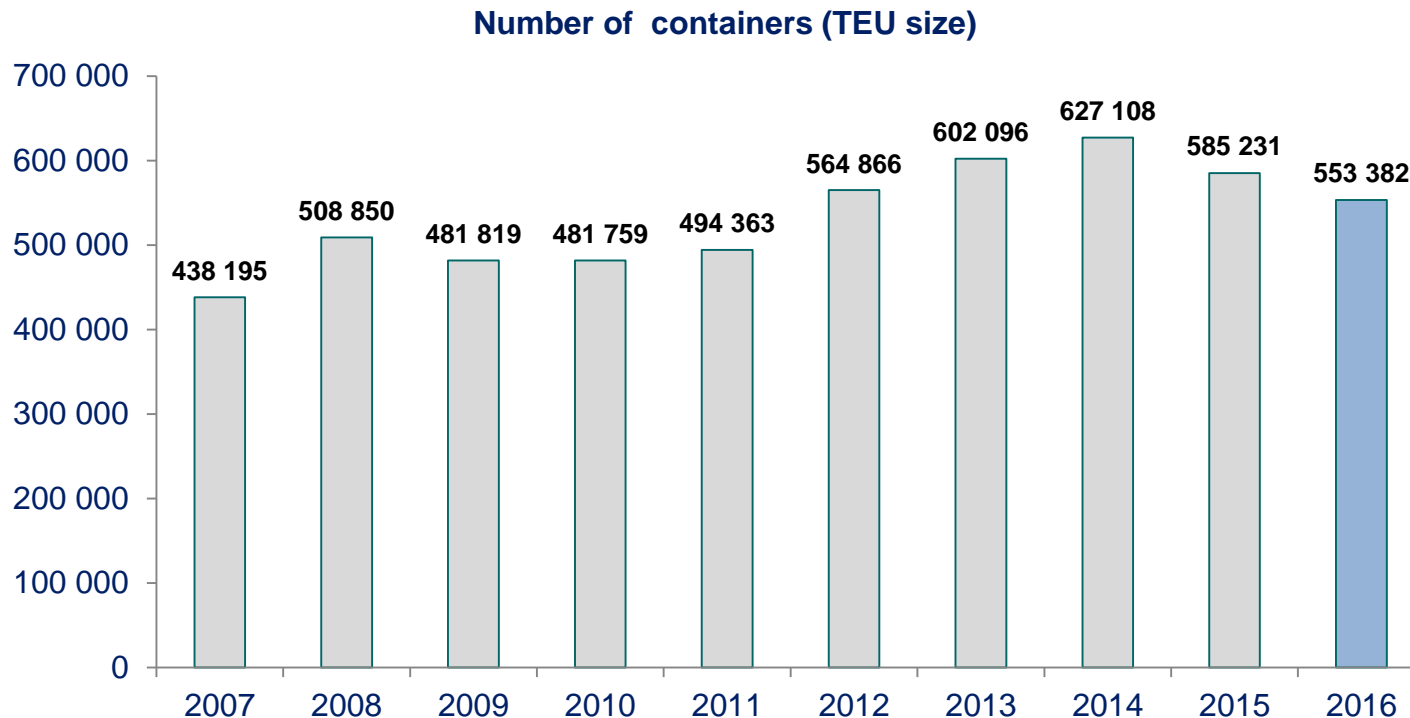
- ▶ A lower point of the steel price resulted in a drop of leasing rates
- ▶ An optimization strategy of the utilisation rate with numerous sales of used equipment, enabling an increase of utilisation rate
- ▶ Bankruptcy of Hanjin (7th worldwide maritime company) with a recovery rate of containers expected to be over 90%
- ▶ A greater number of equipment syndications in 2016 than 2015
- ▶ Rise in both steel and new containers prices at the end of the year, leading to an increase of leasing rates

Shipping Containers

Change in the fleet



► Growth in TOUAX container fleet



Fleet of 572,474 Ceus (« Cost Equivalent Unit ») at 31 December 2016

Shipping Containers

Proactive fleet management

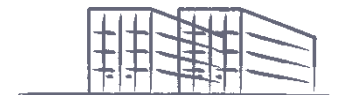


▶ **A recent, high quality fleet (standard dry containers 20' and 40')**

	12/2016	12/2015
Average age	8.7 years	8.2 years
Proactive management		
Average utilization rate (period)	89.7%	87.5%
Average leasing period	6.3 years	6.5 years
Long term contracts leasing (3-7 years)	89%	83.7%
<hr/>		
Economic lifespan	seagoing: 15 year lifespan land: 20 year lifespan	
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Depreciation	13 years	
	Residual value from \$1,000 to \$1,400	

Shipping Containers

Performances analysis and key figures 2016



▶ Performances analysis

- Leasing revenues down 7.5% following a contraction in leasing rates in 2016
- A utilisation rate which increased from the 2nd quarter of 2016 to reach 94% at end of December 2016
- Sales revenue down due to the accounting method that only takes into account the margin of sales when the buying/selling transactions are concomitant (syndications up with 61,000 TEUs sold in 2016 compared with 18,000 TEUs in 2015)
- Increased sales to customers (+21%)
- EBITDA of 3.3 million Euros (limited impact of Hanjin)

▶ Key figures

(in thousands of euros)	12/2016	12/2015
Leasing revenue	96,594	104,411
Sales revenue	66,290	66,184
<i>incl. sales to clients</i>	42,466	35,072
<i>incl. sales to investors</i>	23,824	31,113
TOTAL REVENUE	162,884	170,595
EBITDAR (EBITDA before distribution)	57,492	62,602
EBITDA (EBITDA after distribution)	3,277	5,056
Assets managed (gross historic value)	931,403	956,571
of which gross proprietary assets	57,555	63,060

Shipping Containers

Medium-term outlook



Market

- ▶ Positive forecasts expected for growth in world trade in 2017 at 3.4%, better than in 2016 (source: IMF)
- ▶ Few containers manufactured in 2016 (1.8 million) creating a shortage in 2017 (utilization rate of 96% in March 2017)
- ▶ The low rates of freight in 2016 created an opportunity for lessors (lessors' market share estimated > 65%)
- ▶ Recent concentration of the container leasing industry leading to less competition, and a search for alternative offers by our clients
- ▶ The industry's adjustment to environmental constraints (discontinuation of solvent-based paint in favour of water-based paint) generates a rise in purchasing prices and limited container production capacity during the period of adjustment



TOUAX

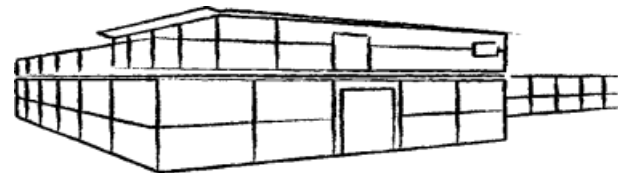
- Rise in container prices generating higher sales prices and leasing rates: improving the performance of the existing leasing fleet
- Less volume of used equipment sales generating margins to be compensated by trading margins of new containers and growth of the managed fleet
- Return of investors linked to improved profitability in a more favourable environment



Medium-term objective

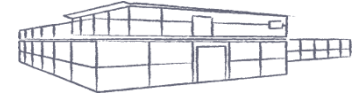
- Stabilisation of the fleet in 2017 and growth in 2018
- achieve a fleet > 800,000 TEUs (5% worldwide market share)

Modular Buildings: N° 2 in Continental Europe



Modular Buildings

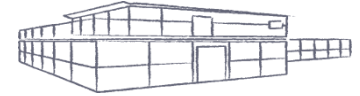
Our products and services



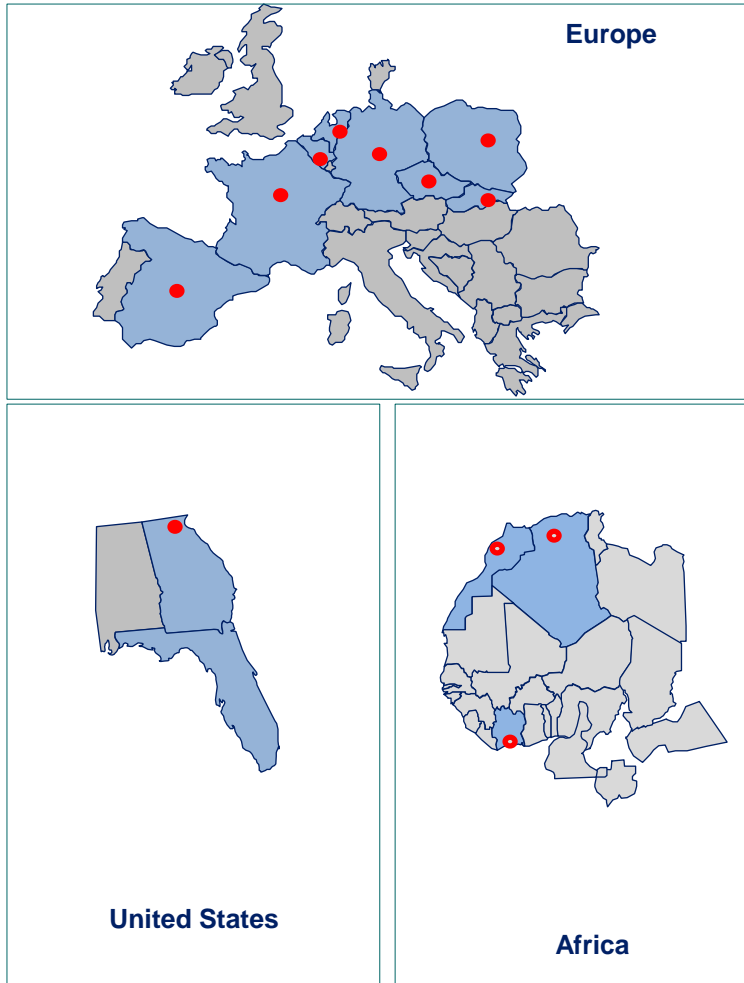
- ▶ Expertise built around the modular buildings leasing business
- ▶ A complete package offered to customers including sale of modular units and all the associated transportation, assembly and dismantling
- ▶ Modular buildings with a steel structure have cost advantages, offer rapid installation and flexibility
- ▶ Customisable spaces for all types of uses: offices, remote sites, changing rooms, schools, refugees housings, canteens, events buildings
- ▶ More than 4,000 customers, including construction companies, local authorities and industry
- ▶ Proximity of teams to customers with a network of 30 branches

Modular Buildings

A worldwide group



A worldwide presence



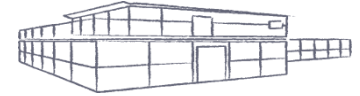
Highlights 2016

- ▶ Equipment sales strong in Germany, Poland and the Czech Republic
- ▶ Early recovery observed in France in late 2016
- ▶ Slightly higher leasing revenues due to higher utilization rates (+3.7 points) and leasing rates
- ▶ Equipment sales up sharply (40%), driven in particular by requests for refugees and a recovery in Central Europe
- ▶ Exit from South American markets

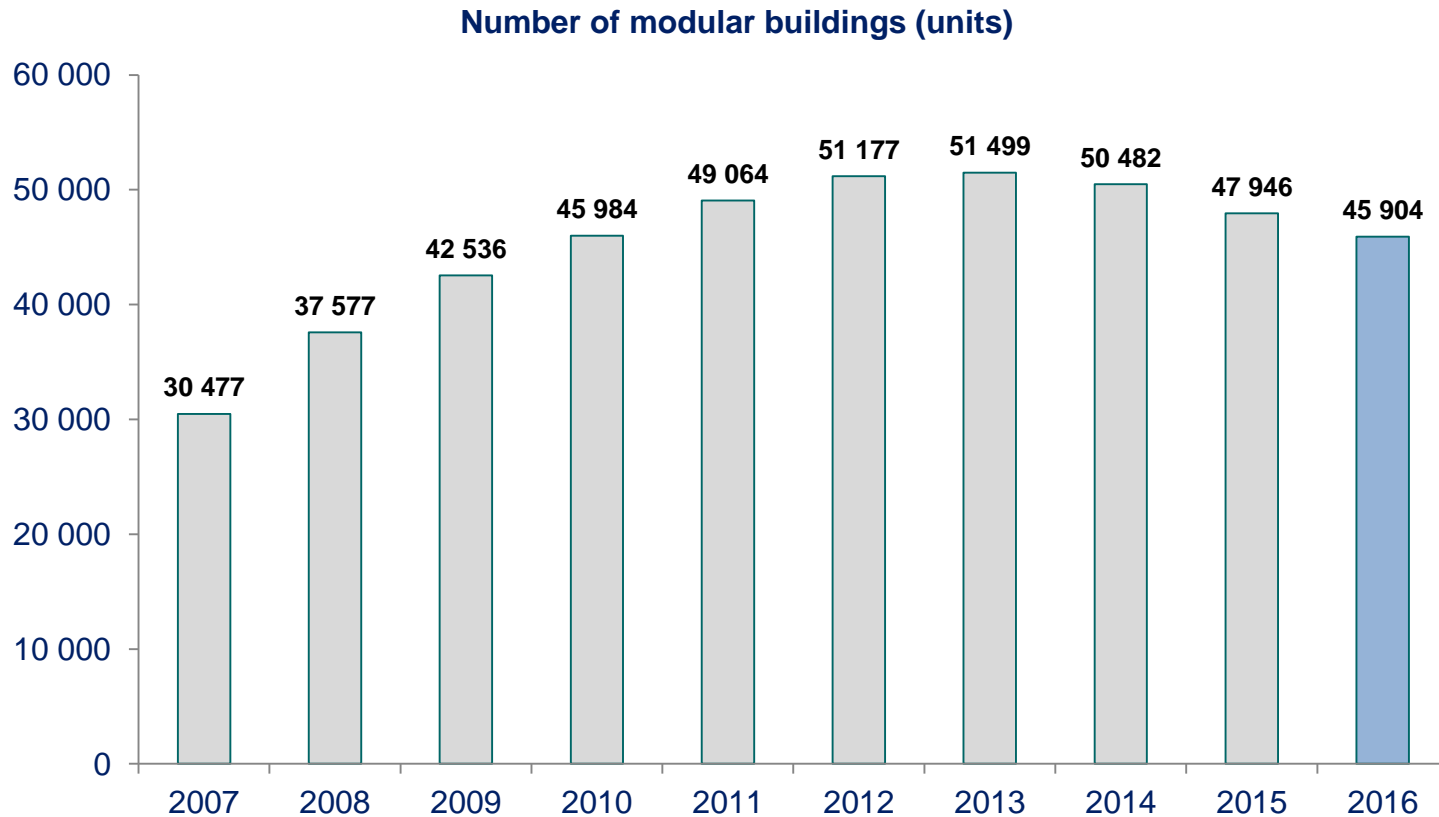
91% of the business in Europe

Modular Buildings

Change in the fleet



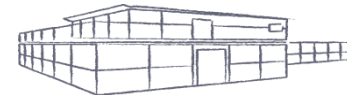
► Growth in modular buildings fleet



- A strategy of adapting the fleet to demand, facilitating the increase in leasing rates and utilisation rates and an increase in EBITDA

Modular Buildings

Management of the fleet

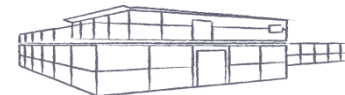


Fleet management

	12/2016	12/2015
Average age	8.9 years	8 years
Proactive management		
Average utilization rate (period)	73.9%	70.2%
Average leasing period	23 months	22 months
Number of leasing agreements	4,056	4,560
Economic lifespan	20 to 30 years	
Depreciation	20 years	

Modular Buildings

Performances analysis and 2016 key figures



▶ Performances analysis

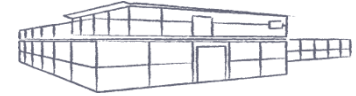
- Revenues for the division increased by 16%
- Good activity particularly in Germany and Poland
- Increased utilization and leasing rates
- Sales of new and used equipment still rising (+40%; +€18.4 million)
- EBITDAR doubled to €20.2 million

▶ Key figures

(in thousands of euros)	12/2016	12/2015
Leasing revenue	73,177	72,509
Sales revenue	64,799	46,392
<i>incl. sales to clients</i>	64,799	46,392
TOTAL REVENUE	137,976	118,901
EBITDAR (EBITDA before distribution)	20,638	10,456
EBITDA (EBITDA after distribution)	20,159	9,758
Assets managed (gross historic value)	325,890	339,220
of which gross proprietary assets	315,555	324,780

Modular Buildings

Medium-term outlook



Market

- ▶ Growth in Europe's construction sector
- ▶ Start of the turnaround expected in France (Greater Paris project)
- ▶ Continued buoyant activity in Germany and Poland
- ▶ Lower demand from German municipalities for refugees
- ▶ Increasing requirements for the African market (site facilities, schools, offices...)



TOUAX

- Utilisation and leasing rates continue to rise
- Temporary decrease in sales (market impact of refugees) => Reorientation towards other growth markets
- Increased revenues in Africa



Medium-term objective

- Restore normal profitability in Europe (EBITDA over €30m)

Freight railcars: N° 2 in Europe (intermodal railcars)



Freight railcars

Our products and services



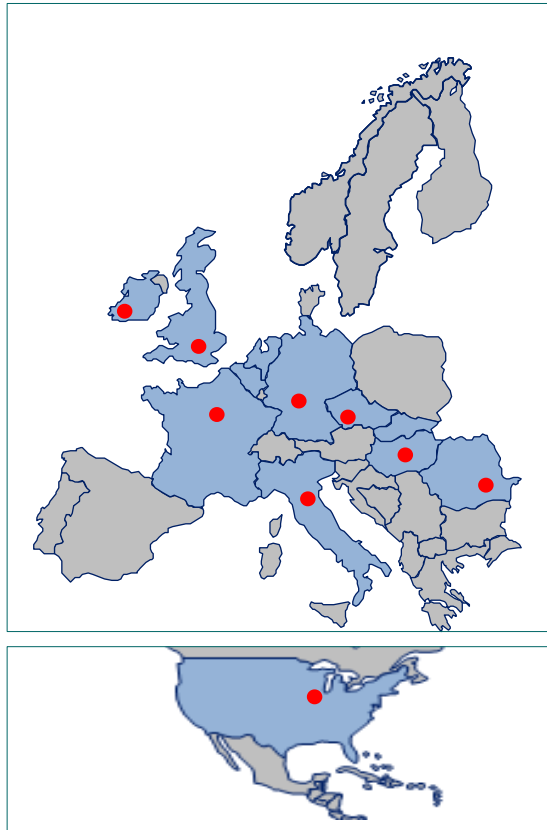
- ▶ Renowned expertise built around freight railcar leasing
- ▶ An extended range of railcars offered to our customers: railcars carrying shipping containers, coal, cars, steel coils, palletized products etc.
- ▶ A maintenance service package to complement our rental offer, thanks to the ECM certification being extended for 5 years in February 2015
- ▶ A large number of customers throughout Europe: public railways, industrial customers and private rail operators
- ▶ A presence throughout Europe (including United Kingdom), in proximity to customers

Freight railcars

A varied offer



An anchorage in Europe, the USA and in Asia



Highlights 2016

▶ In Europe

- Increased fleet under management
- Improved utilisation rates
- 1st successful syndication of freight railcars with the Sicav investment fund - AIFM authorised Luxembourg SIF

▶ Other areas

- Development of our business in Asia with the first 300 railcars leased

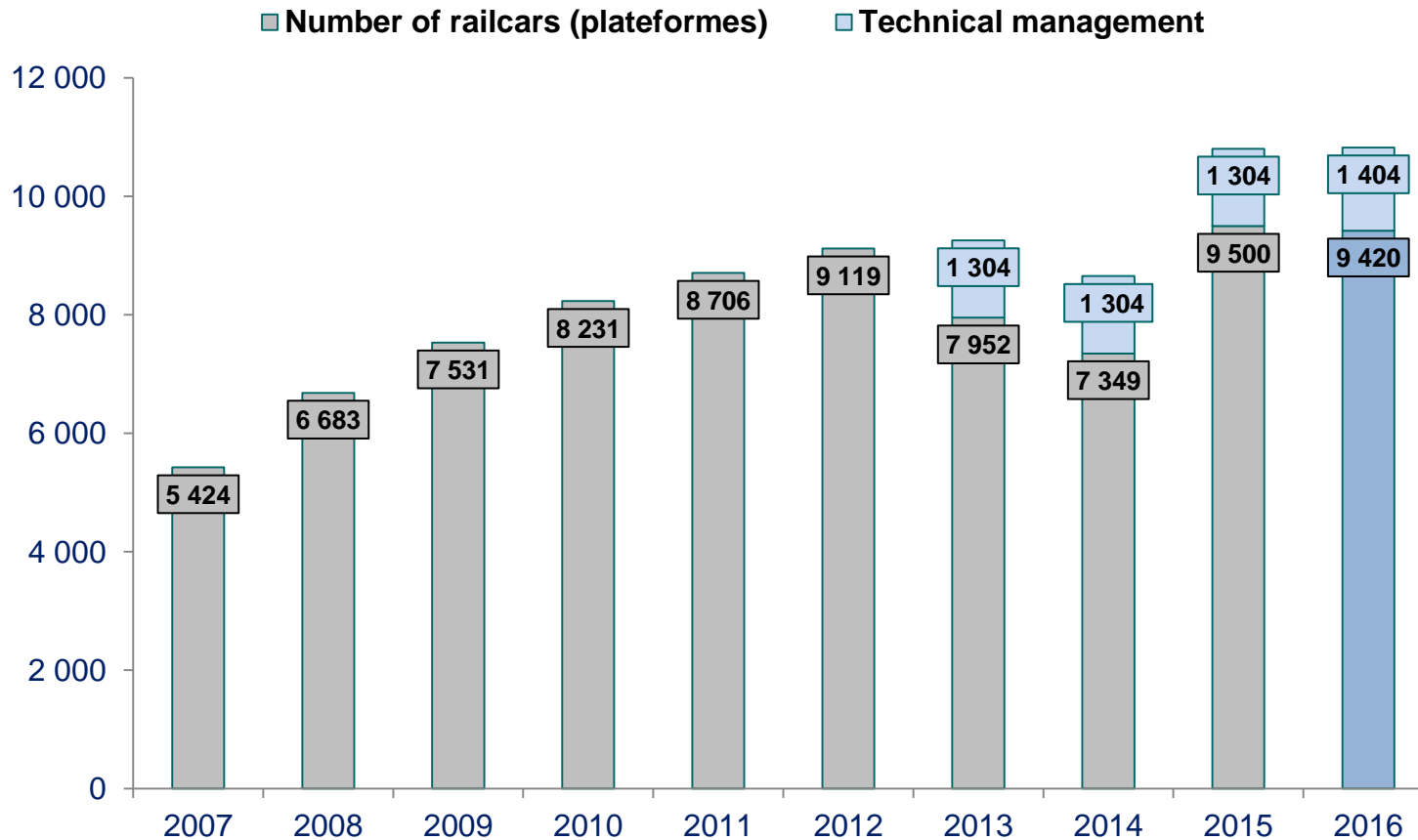
95 % of the assets in Europe

Freight railcars

Change in the fleet



► Growth in number of railcars



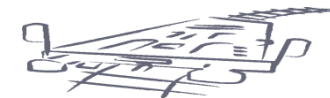


A recent, high-quality fleet

	2016	12/2015
Average age of the fleet	18.8 years	18.5 years
Proactive management		
Average utilization rate	81.4%	78.5%
Average leasing period	3.1 years	2.7 years
Economic lifespan	30 to 50 years	
Depreciation	30 years	

Freight railcars

Performance analysis and 2016 key figures

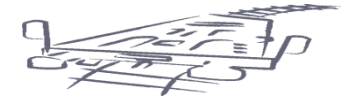


▶ Performances analysis

- Leasing revenues increased by 14% to €37.5 million
- Rise in utilization rate
- Realization of the 1st syndication in 2016 to the Lux fund for €8.3 million
- EBITDA at €16.6 million, increasing

▶ Key figures

(in thousands of euros)	12/2016	12/2015
Leasing revenue	37,501	32,909
Sales revenue	11,334	10,289
<i>incl. sales to clients</i>	3,017	8,255
<i>incl. sales to investors</i>	8,317	2,034
TOTAL REVENUE	48,835	43,198
EBITDAR (EBITDA before distribution)	20,264	17,887
EBITDA (EBITDA after distribution)	16,597	15,658
Assets managed (gross historic value)	411,632	410,892
of which Gross proprietary assets	254,948	268,444



Market

- ▶ **In Europe:**
 - Recovery of European rail traffic since 2013. Growth should continue at an average level of 1.3% per year until 2019
 - Low new constructions since 2009 (around 7,000 railcars per year), representing 1% of the European fleet in circulation, below the replacement rate: Expected requirement to renew the fleet and growth of the market share of lessors
 - Stable price
- ▶ **In Asia**
 - substantial needs to ensure growth in the zone



TOUAX

- **Europe:**
 - Increased railcars fleet managed by Touax in Europe
 - Acquisition of a majority stake on 1st January 2017 in the SPV, which financed the purchase of railcars from General Electric: Positive impact expected on EBITDA and results
 - Growth in railcars managed for third parties
- **Asia:**
 - Development towards Asia with other investments planned in 2017



Medium-term objective

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

River barges:

N° 1 in Europe and in South America

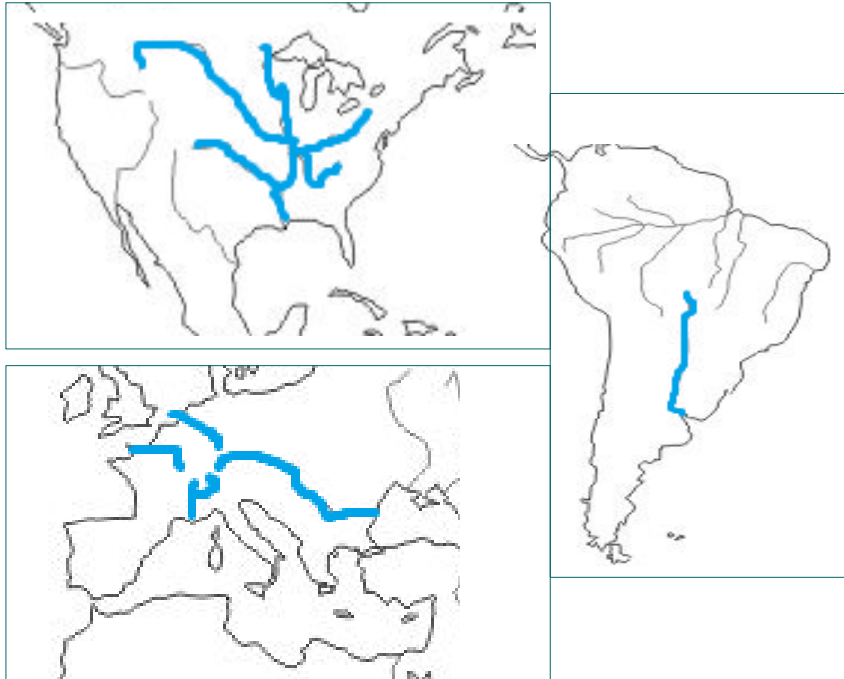


River barges

A worldwide presence



A presence on 3 worldwide main basins



Loading of a barge on the Mississippi river

Highlights 2016

- ▶ Activity in the Rhine area decreasing while leasing activity in the others basins remains stable
- ▶ Average utilisation rate close to 92%
- ▶ Sale of the last pusher boat

Our products and services

- ▶ Expertise built around the river barge leasing and sales business
- ▶ High-quality barges offered in all basins
- ▶ A technical service that can provide certificate follow-ups throughout the world
- ▶ Specialised and renowned expertise along the river value chain
- ▶ Logistics or industrial operating customers

River barges

Management of the fleet



A recent, high-quality fleet : 120 river barges

	12/2015	12/2015
Average age	14.2 years	13.4 years
Proactive management		
Average utilization rate (period)	91.8%	94.9%
Average leasing period	6.6 years	6.7 years
Economic lifespan	30 to 50 years	
Depreciation	30 years	

54% of the assets in Europe and 38% in South America

River barges

Performances analysis and 2016 key figures



▶ Performances analysis

- Revenues stood at €13.9 million
- Leasing revenues decreased to €12.8 million mainly due to a fall in chartering activity across the Rhine area
- Good barge leasing business activity in Europe with a high utilisation rate of almost 92%
- Sale of the last pusher boat, Touax no longer having any pusher boats or self-propelled barges
- EBITDA of €4.4 million

▶ Key figures

(in thousands of euros)	12/2016	12/2015
Leasing revenue	12,846	16,041
Sales revenue	1,024	399
<i>incl. sales to clients</i>	<i>1,024</i>	<i>399</i>
TOTAL REVENUE	13,870	16,440
EBITDAR (EBITDA before distribution)	4,372	4,745
EBITDA (EBITDA after distribution)	4,372	4,745
Assets managed (gross historic value)	107,581	102,817
of which gross proprietary assets	81,366	81,602

River barges

Medium-term outlook



Market

- ▶ Market stability in Europe and the US
- ▶ Gradual improvement of the market in South America
- ▶ Raising the awareness of European authorities and governments of environmental issues



TOUAX

- Level remains high in the leasing business
- Recovery of chartering business on the Rhine
- No short-term growth expected in South America, but gradual improvement in the grain and iron ore transportation market



Medium-term objectives

- Continued investment in Europe and Americas

AGENDA

- ▶ **Part 1** **Revenues and financing**
- ▶ **Part 2** **Divisions presentation**
- ▶ **Part 3** **Strategy**
- ▶ **Part 4** **TOUAX and the Stock Market**

One business, 4 activities and a global presence

- ▶ A single business (operational leasing and associated services) divided into 4 activities to support **market cycles**: markets of shipping containers, river barges, freight railcars and modular buildings
- ▶ Objective of achieving a **balanced global presence**: mature and emerging markets
- ▶ Development mainly based on **internal growth**
- ▶ **Long-term patrimonial assets** secured by long-term leases and the development of associated services
- ▶ Desire to **increase the amount of assets managed** (with proprietary assets and third-party asset management evenly balanced)

Leasing, sale, services

A late cyclical economic model

Long-life assets

Standardized and mobile equipment

Key advantages TOUAX

▶ Recurrent cash flow

▶ Balanced risk management (proprietary vs. third party)

72% of recurrent leasing revenues

▶ Strong leading positions

▶ Diversified markets on different zones

Multi-year leasing contracts

Low obsolescence stemming high residual value

Operational and financial strategy and outlook

2017/2018 Operational Strategy

- ▶ **Growth** of the three leasing and sales transportation businesses
 - Improved utilisation rates (shipping containers)
 - Growth in managed fleets (shipping containers and freight railcars)
 - Growth into developing markets (freight railcars)
 - Development of ancillary services (river barges, freight railcars and shipping containers)

- ▶ **Continued recovery** of the Modular Buildings business in Europe :
 - Improved utilisation rates
 - Growth in leasing rates
 - Adaptation of managed fleets to the demand of some of the countries

2017/2018 Financial strategy

- ▶ **Sustain a positive free cash flow** by
 - Improvement of the operational profitability
 - Disposals of non-strategic or non-leased assets
 - Stabilization of the company's own investments
 - Syndication of owned assets
 - Financing of growth by third-party investors

- ▶ **Reduction in net debt** in order to create shareholder value

- ▶ Global environment more favourable for the group's activities, expected growth in EBITDA and free cash flow enabling profitability to continue to improve

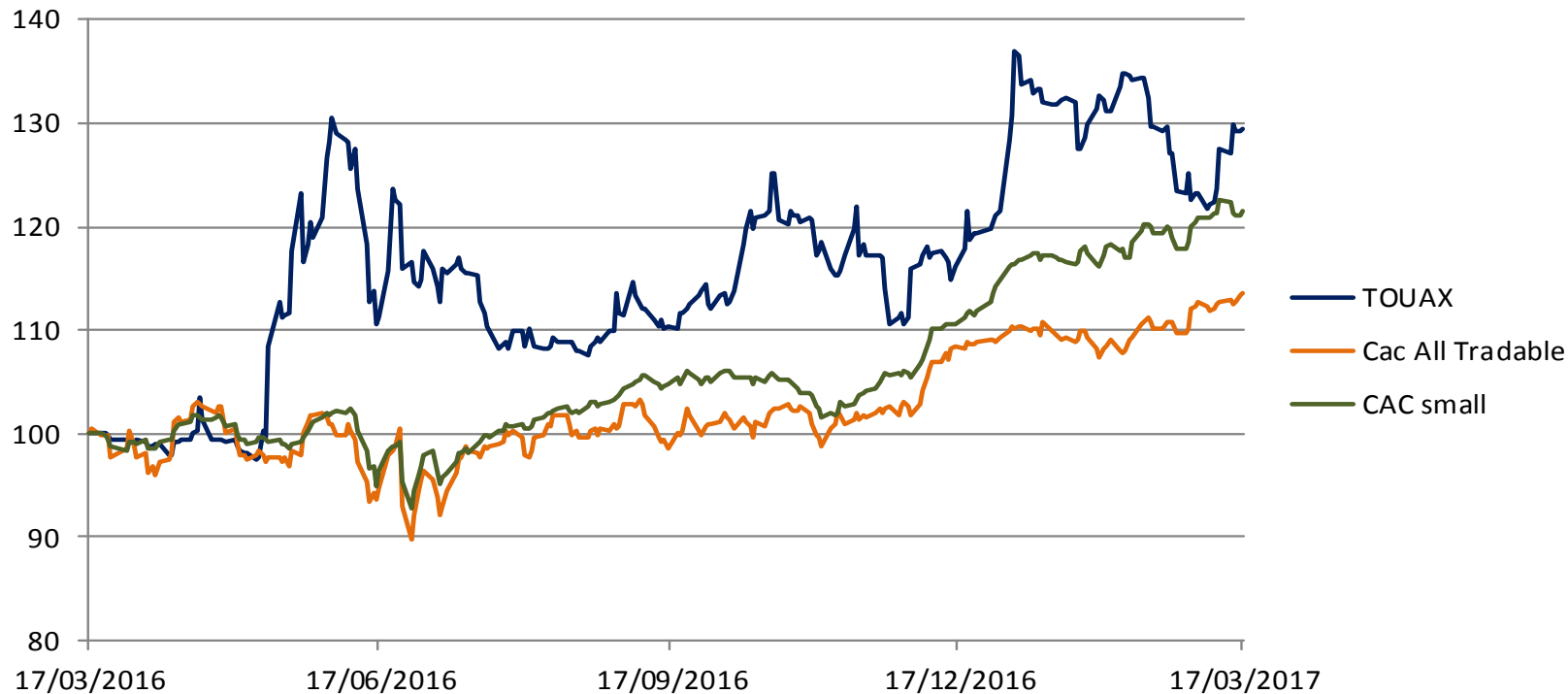
AGENDA

- ▶ **Part 1** **Revenues and financing**
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TOUAX and the Stock Market

Share prices

Share price over a year (base 100 on 17/03/2016)



Source : Euronext

► TOUAX has been included in the CAC® Small and CAC® Mid & Small and EnterNext© PEA-PME 150

TOUAX and the Stock Market

Shares market data

	2016	2015	2014	2013	2012
Number of shares (in thousands)	7,011	5,884	5,884	5,884	5,740
Market capitalization (in €m)	77.13	58.84	86.49	111.44	124.62
Consolidated shareholders' Group equity (€m)	139.28	142.81	162.78	157.02	148.98
Price to Book Ratio (excluding hybrid capital)	0.87	0.64	0.77	0.89	0.84
Annualized net earnings per share (€)	(1.82)	(4.08)	(2.20)	(2.63)	1.60
Highest share price (€)	11.81	16.80	21.03	21.45	26.15
Lowest share price (€)	7.45	9.85	13.51	15.71	19.19
Average daily trading volume (in number of shares)	4,720	6,689	2,866	4,622	3,771
Closing price	11.00€	10.00€	14.70€	18.94€	21.71€
PER	-	-	-	-	13.57
Overall net distributions per share (€)	-	0.50	0.50	0.50	1
Overall return per share	-	5%	3.4%	2.6%	4.6%

- ▶ Attractive valuation with a 13.5% discount from the equity on 31/12/2016
- ▶ The group equity (excluding hybrid capital) is €12.71 per share

Questions & Answers

For further information, visit
www.touax.com

and for each of our activities
www.touax.fr
www.touax-container.com
www.touaxrail.com
www.touax-river-barges.com

