

# Touax<sup>®</sup>

Your operational leasing solution for  
sustainable transportation

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## 2022 full-year results

Conference call  
March 23, 2023



# 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 the Company’s Universal Registration Document, the consolidated financial statements and the 2022 activity report.

The revalued net asset value is provided for information purposes only on the basis of independent unaudited appraisals.

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 and solidity of the business model**
- ▶ **Profitability and fleet expansion**
- ▶ **Business outlook**
- ▶ **Asset valuation and stock market**



**An operating lessor of transportation assets**



**> €1.3bn Assets under management**



**3 standardized assets**



**~250 employees**



**A unique business in operation since 1853**



**A global presence**



### Main markets

**\$146bn (\*)**  
>54 million containers worldwide transporting 53% of freight in value terms



**€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 an average market price of \$2,700/Ceus (source: Touax)

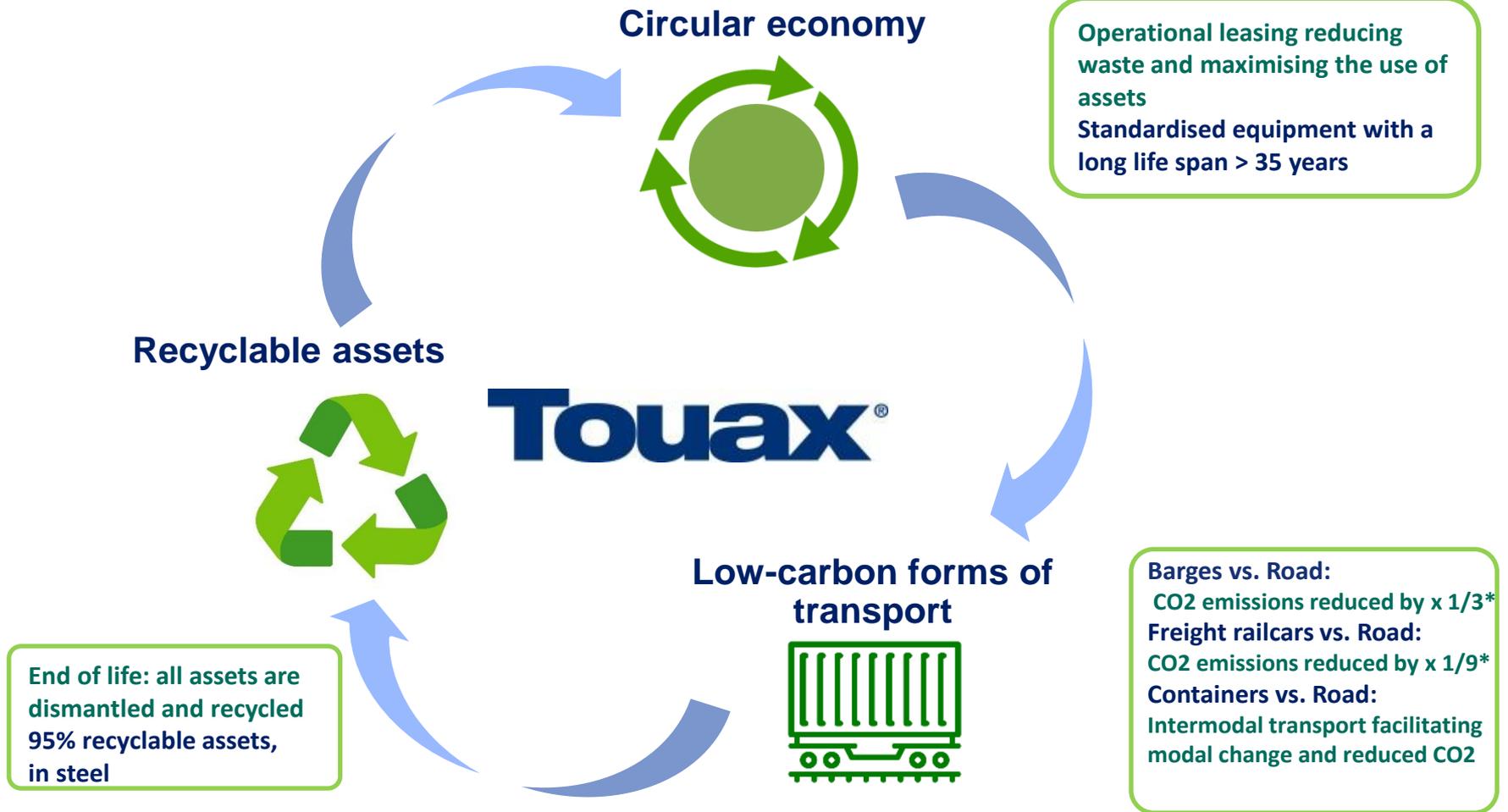
# The TOUAX ecosystem

At the heart of the real economy and sustainable transport



# An eco-responsible positioning

## At the heart of the functional economy



\* UIRR 2019 report

# A structured CSR approach

## Underpinned by Touax's unique positioning



- ▶ **Creation of a CSR Committee** chaired by a member of the Supervisory Board (CSR thematics coordinated by Touax's managing partners)
- ▶ **First extra-financial rating from EcoVadis in November 2022: 63/100 (silver medal)**, ranking Touax among the top 15% of the rated companies across all business sectors
- ▶ **Completion of first carbon report in 2022** (limited test on 2021 data)
- ▶ **As part of the Gaia Research 2022 campaign, Touax obtained a score of 78/100**, higher than the benchmark of 54/100 represented by the 76 companies rated in the 'Industries sector'
- ▶ **CSR action plan in progress in 2023** as part of a continuous improvement plan to strengthen our policies, actions and reporting
- ▶ **Sustainable financing strategy: gradual indexation of financing costs to CSR criteria - 65% of the Group's financing already sustainable** (Green Loan 2020 Freight Railcars - sustainability-linked bond Corporate 2022 - sustainability-linked loan Containers, amendment 2023)

. EcoVadis: assessment of the main CSR impacts according to four themes: Environment, Social & Human Rights, Ethics and Responsible Purchasing.

. Gaia Research: evaluation of listed ISEs according to a benchmark of around 140 criteria, including: Environment, Social, Governance and External Stakeholders.

	Freight railcars	River barges	Containers
			
<b>Assets under management*</b> €1,266m	<b>No. 2 in Europe</b> (intermodal railcars) <b>Assets €541m</b>	<b>No. 1 in Europe &amp; South America</b> <b>Assets €86m</b>	<b>No. 1 in Europe</b> <b>#3 worldwide in management for third party investors</b> <b>Assets €631m</b>
<b>Owned assets*</b> €618m	<b>€366m</b> 68 %	<b>€84m</b> 97 %	<b>€160m</b> 25 %
<b>Management on behalf of third parties</b> €648m	<b>€175m</b> 32 %	<b>€3m</b> 3 %	<b>€470m</b> 75 %
<b>Geographical presence</b> % revenue	<b>Europe 91%</b> <b>India 9%</b>	<b>Europe 83% - Americas (North and South) 17%</b>	<b>Global activity 100%</b>

\* of which €7m in modular construction in Africa

# TOUAX's revenue sources

Recurrent, diversified and scalable

## Leasing (€92m\*) and Sales revenues (€59m\*)



## Management fees (€11m\*): an additional net contribution to EBITDA



\* data for FY 2022

# A diversified client base

Long-standing privileged client relationships

## Freight railcars



> 20 years

## River barges



> 20 years

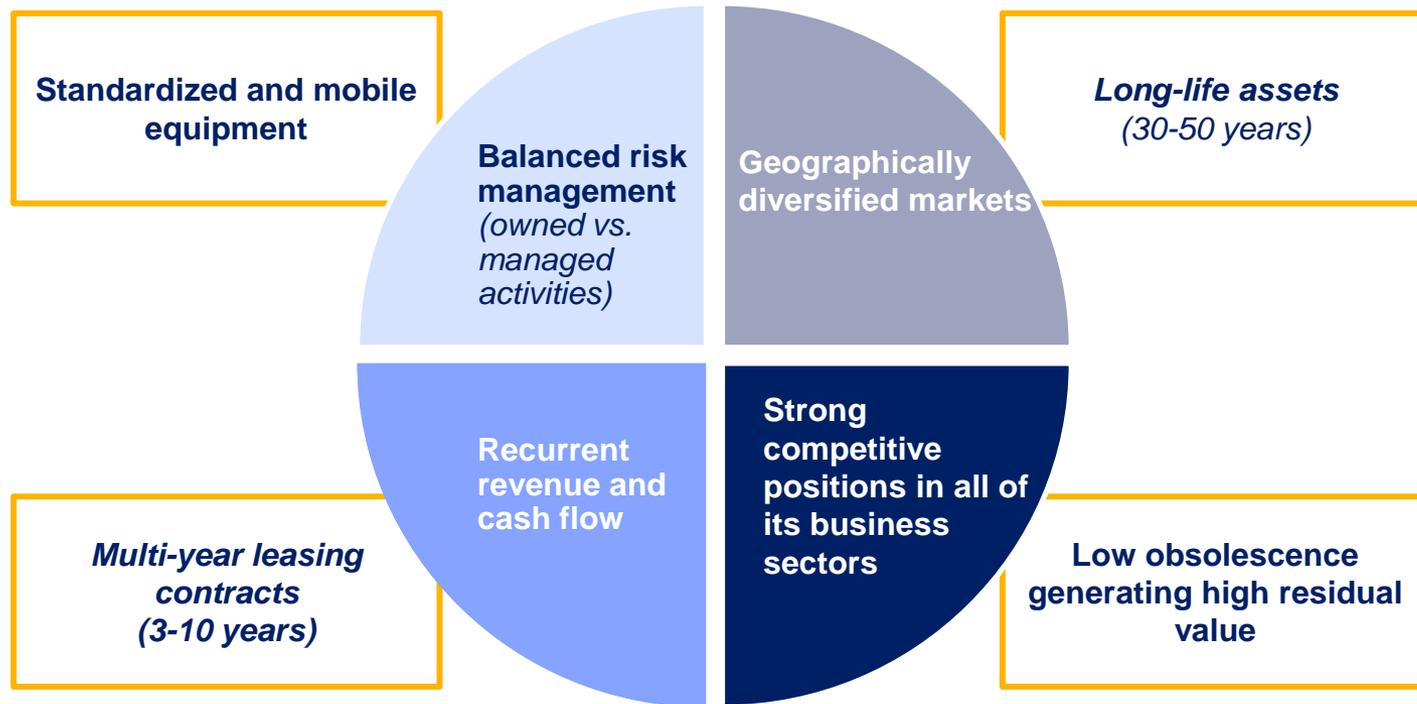
## Containers



> 30 years

# Recurring business model with long term contracts

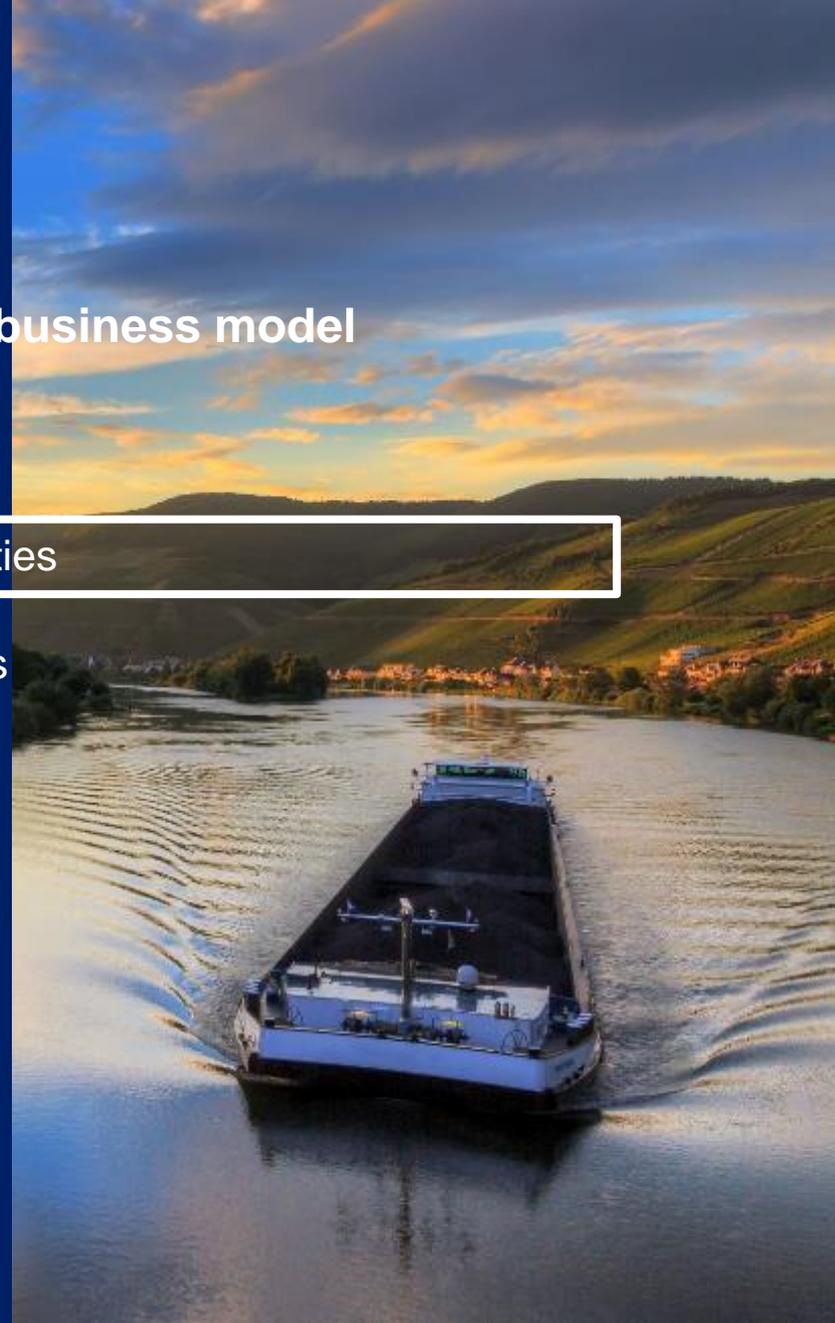
79% of leasing revenues over the next 12 months already secured \*



\* Situation at 12/31/2022

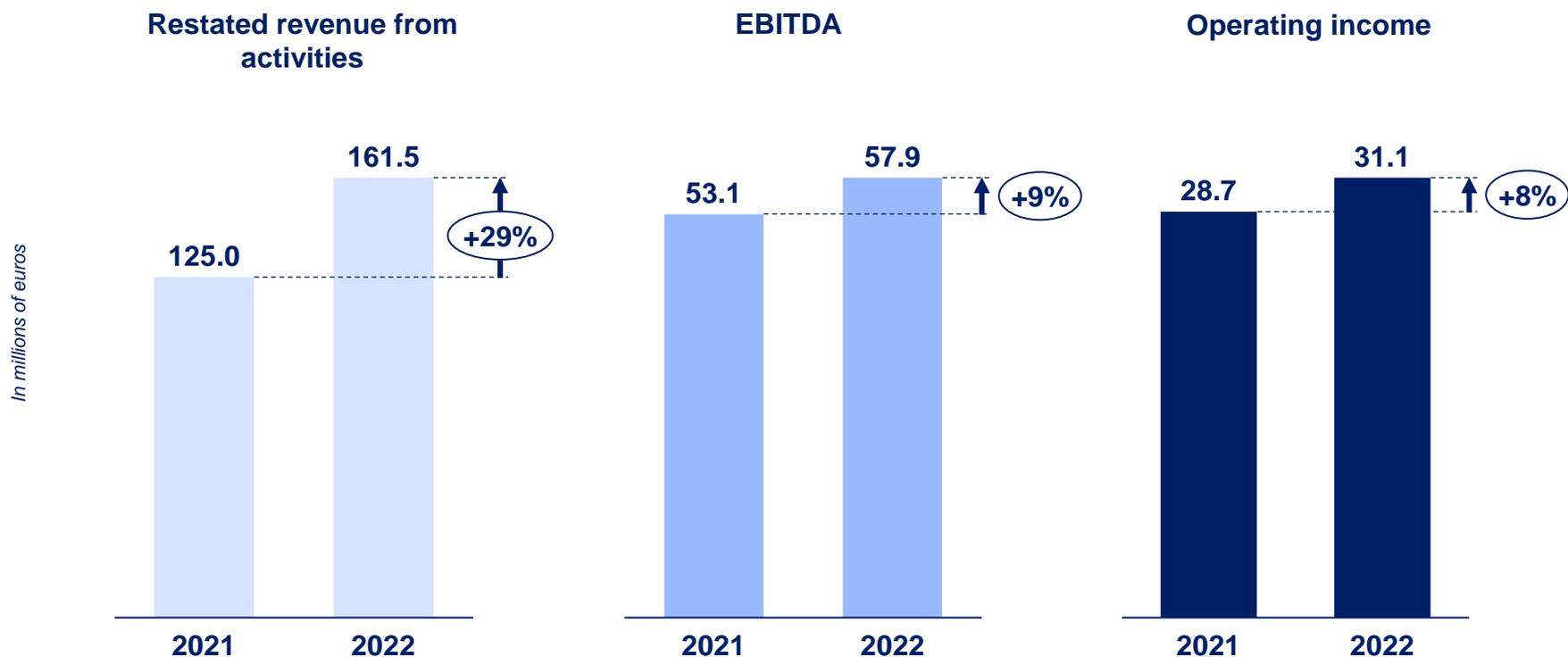
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- ▶ **Recurring business and solidity of the business model**
- ▶ **Profitability and fleet expansion**
  - Income statement & performance of activities
  - Balance Sheet & Statement of Cash Flows
- ▶ **Business outlook**
- ▶ **Asset valuation and stock market**



# 2022 results

## High operating results



**Group share of net profit: €7.5m in 2022** vs. €12.6m in 2021 (increase in financial costs following repayment of undated deeply subordinated bonds –TSSDI, and exceptional provision for taxes).

# Restated income statement - December 31, 2022

## Continued profitable growth

<i>In millions of euros</i>	2022	2021	Variation	
Owned equipment leasing activity	91.7	76.1	+21 %	↑
Owned equipment sales activity	58.8	40.3	+46 %	↑
Management and other activities	10.9	8.6	+28 %	↑
<b>RESTATED REVENUES FROM ACTIVITIES (*)</b>	<b>161.5</b>	<b>125.0</b>	<b>+29 %</b>	↑
<b>EBITDA</b>	<b>57.9</b>	<b>53.1</b>	<b>+9 %</b>	↑
<b>OPERATING INCOME</b>	<b>31.1</b>	<b>28.7</b>	<b>+8 %</b>	↑
<b>FINANCIAL INCOME/LOSS</b>	<b>-15.4</b>	<b>-11.9</b>	<b>-29 %</b>	↓
Corporate tax	-6.3	-1.0	n/a	
<b>GLOBAL CONSOLIDATED NET INCOME</b>	<b>9.4</b>	<b>15.8</b>	<b>-40 %</b>	↓
Of which portion attributable to owners of the Group's parent company	7.5	12.6	-41 %	
Of which non-controlling interests (minority interests)	1.9	3.2	-40 %	
<b>Earnings per share (€)</b>	<b>1.07</b>	<b>1.79</b>	<b>-41 %</b>	

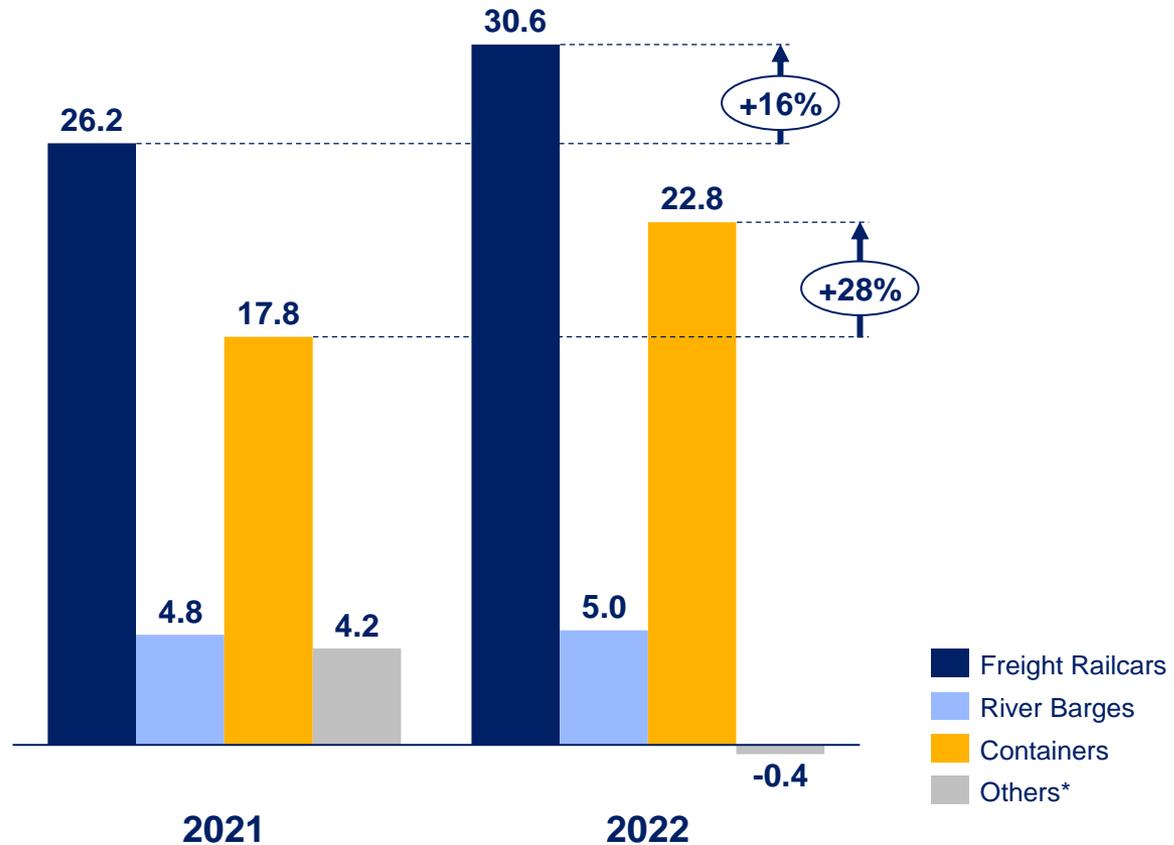
- ▶ **Dynamism of owned (leasing + sales) and managed activities, resulting in overall growth of +€36.5m (+29%).** Mainly due to the increase in leasing revenue and in sales of owned equipment (€18.5m).
- ▶ **Growth in all operating profitability indicators**
- ▶ **Net income impacted by the increase in net financial expenses following the repayment of undated deeply subordinated bonds and corporate income tax** (provision of €3.8m for the tax litigation in Hong Kong)

(\*) Restated presentation to enable a better understanding of the owned and managed activities

# Change in EBITDA by division

## Performance of the Containers and Freight Railcars divisions

In millions of euros



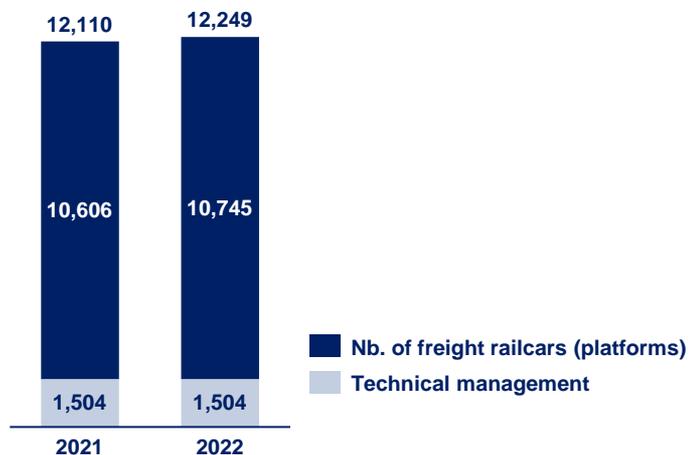
\* Modular building activity in Africa and Corporate

# Freight railcars

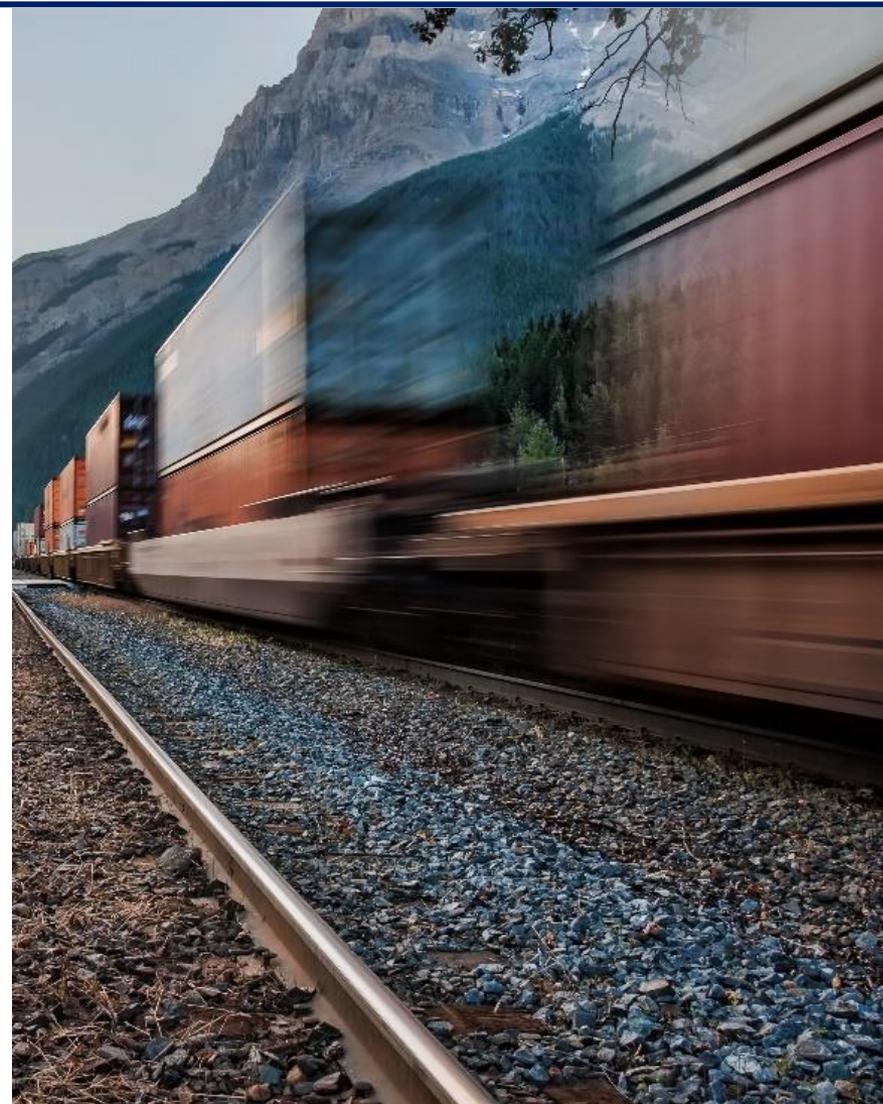
## A recent fleet on long-term leases



### Slight increase in the fleet



- ▶ Economic life span: 30 to 50 years
- ▶ Depreciation: 36 years
- ▶ Weighted average age of the overall fleet: 16.8 years
- ▶ Weighted average age at NBV\* of the owned fleet: 11.5 years
- ▶ Average utilization rate as at Dec. 2022: 87.6 %
- ▶ Average length of lease as at Dec. 2022: 4.1 years



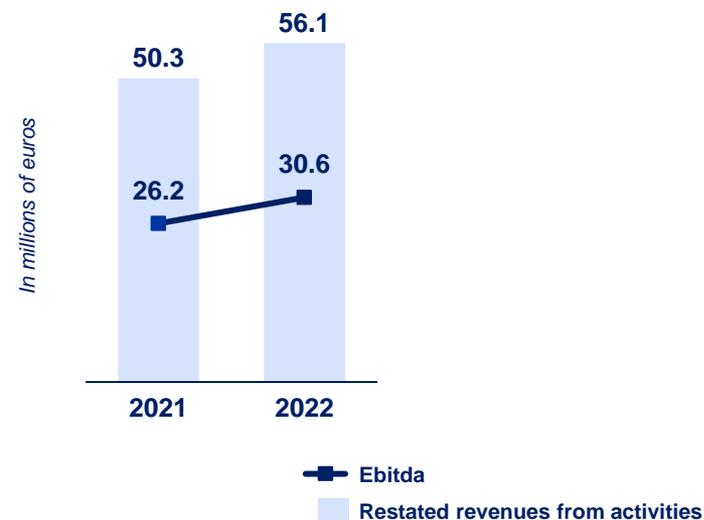
\* NBV: net book value

# Freight railcars

## Growth in revenue and profitability



### Performance thanks to recent investments



#### Restated revenue from activities: €5.8m (+12 %)

- ▶ Increase in leasing revenue from owned equipment, driven by the 2022 investment policy

#### EBITDA up sharply: +€4.3m (+16 %)

- ▶ Control of operating expenses, stable over the year

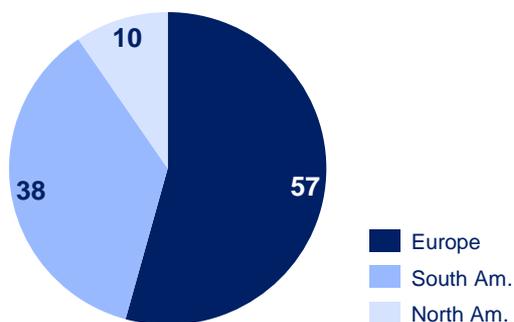
# River barges

A balanced portfolio between Europe and the Americas

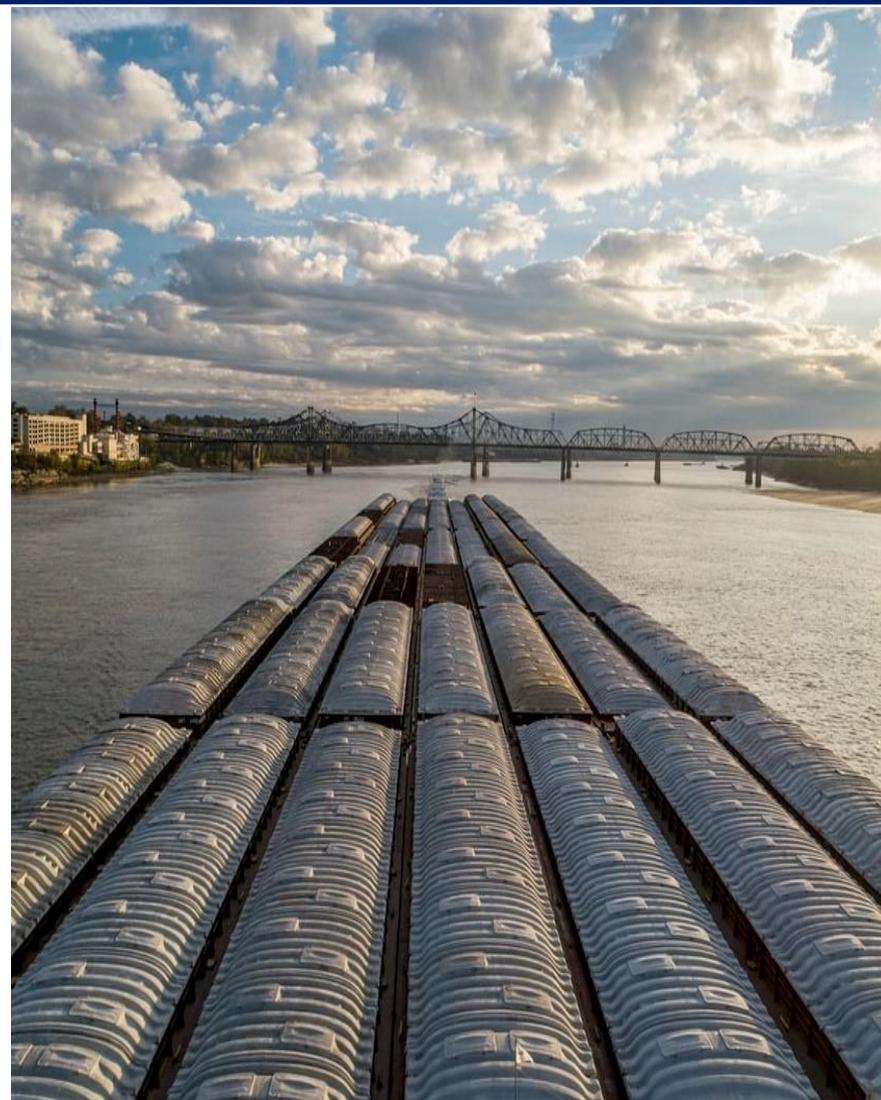


## A leading position in Europe

Number of river barges: 105



- ▶ Economic life span: 30 to 50 years
- ▶ Depreciation: 30 years
- ▶ Weighted average age of the overall fleet: 14.2 years
- ▶ Weighted average age at NBV\* of the owned fleet: 12.4 years
- ▶ Average utilization rate as at Dec. 2022: 96.2 %
- ▶ Average length of lease as at Dec. 2022: 5.3 years



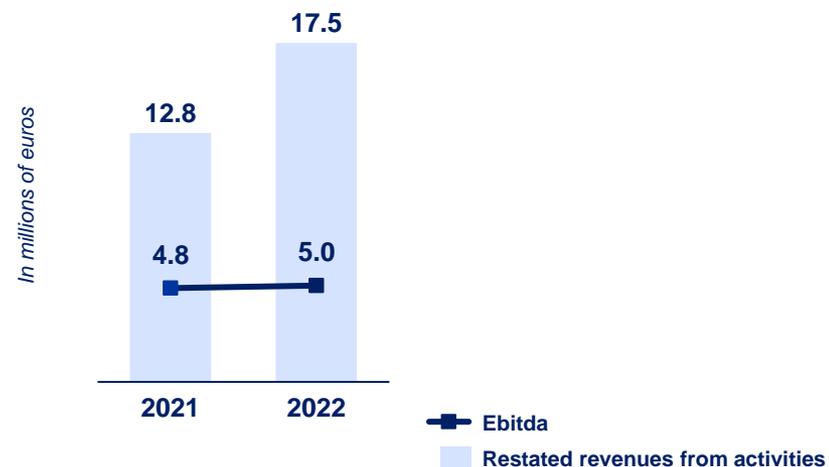
\* NBV: net book value

# River barges

## Increased revenue



### Activity level driven by chartering



#### Restated revenue from activities: +€4.6m (+36 %)

- ▶ Increase in ancillary services linked to an increase in the chartering of barges in the Rhine basin

#### EBITDA up slightly (+3%)

- ▶ Chartering services also involving more operating expenses
- ▶ No syndication fees generated in 2022

# Containers

At the heart of international trade



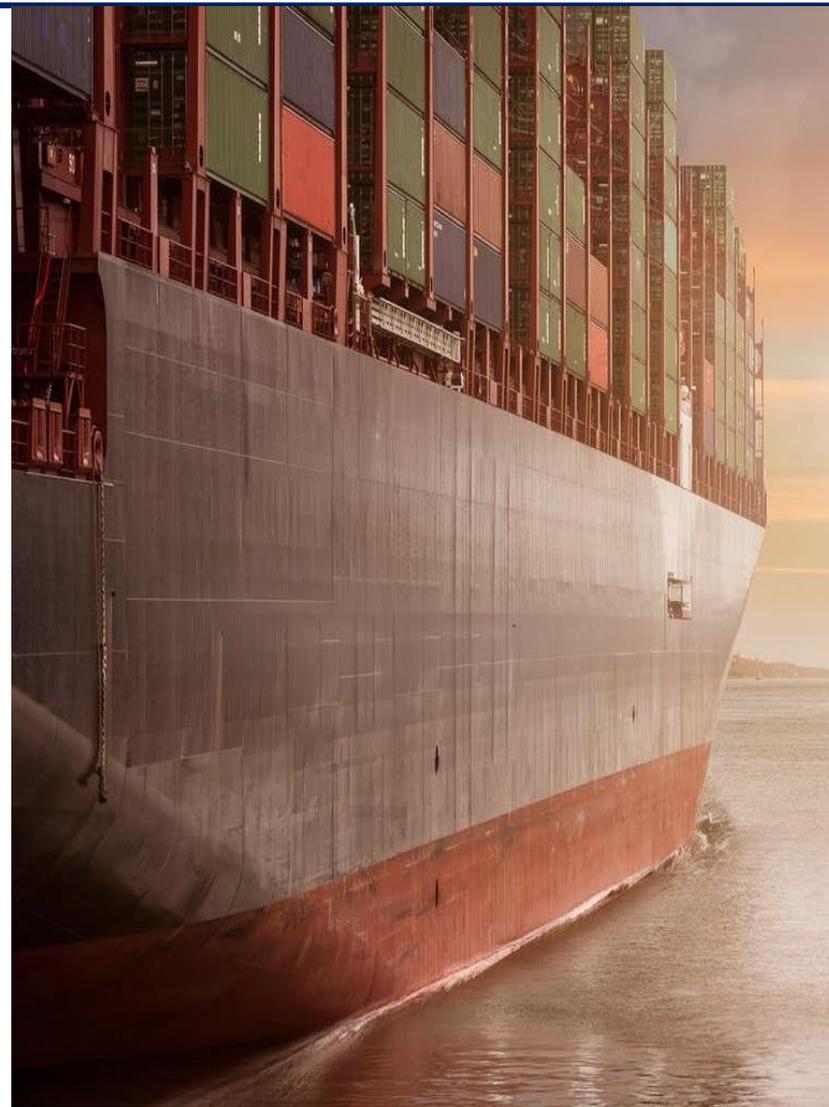
## A high quality fleet (20- and 40-foot dry containers)

Number of containers (TEU)



- ▶ Economic life span: 15 years (maritime), 20 years (land)
- ▶ Depreciation over 13 years, with carrying residual value of between \$1,000 and \$1,400
- ▶ Weighted average age of the overall fleet: 10.1 years
- ▶ Weighted average age at NBV\* of the owned fleet: 6.4 years
- ▶ Average utilization rate as at Dec. 2022: 97.7 %
- ▶ Average length of lease as at Dec. 2022: 7.0 years
- ▶ % under leasing contracts (3/10 years): 80.2 %

\* NBV: net book value

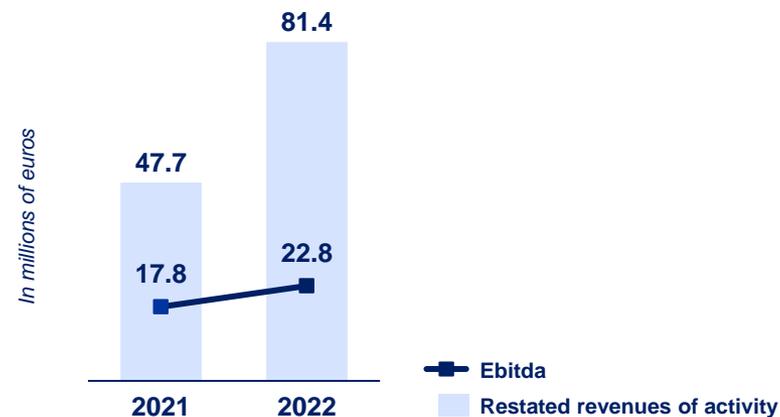


# Containers

## Strong growth and profitability



### Strong earnings growth



#### Restated revenue from activities: +€33.8m (+71 %)

- ▶ Sales of owned equipment related to the trading activity: significant increase of €26.1m
- ▶ Leasing revenue up sharply by +23% (+€4.1m)
- ▶ Management activity: +€3.6 million, with increased commissions on the sales of investor equipment

#### EBITDA up sharply: +€5.0m (+28 %)

- ▶ Value-creating trading activity and additional return obtained from third party activity

# Asset management

An additional contribution to revenue and growth



## Investors, strategies and key elements

- ▶ **Criteria for investors selecting Touax assets:**
  - ▶ Diversification strategy
  - ▶ Protection against inflation
  - ▶ Recurring returns
  - ▶ Tangible real assets with a long life-span
  - ▶ Assets that support sustainable development and help to reduce CO2 emissions
- ▶ **Long-term management contracts** (12-15 years)
- ▶ **No guaranteed minimum return by Touax to investors**
- ▶ **Owned and managed assets pooled to align interests**
- ▶ **Asset management beneficial to the Touax business**  
(additional revenue and growth, fully scalable without a need to invest in Touax's balance sheet)



# Asset management

## A stable investment platform



### Asset management in a nutshell

#### ► Types of investors

- **42 investors:** insurance companies, pension funds, family offices, financial corporations and infrastructure funds

#### - Investments through funds

Touax is the operating partner of a Luxembourg SICAV-SIF with variable capital (Real Asset Income Fund S.C.A.)

31 investors - €147m - 2 separate funds

#### - Direct investors (managed accounts)

10 investors spread over more than 20 investment pools for €501m

#### ► Key events in 2022 and outlook

- **Share of assets under management stable vs. 2021 at €648m:** Touax acquired a fleet owned by an investor

#### - New syndication agreements:

\$45m in containers and €12m in railcars

- **Sharp increase in available syndication capacity +€20m** for the Freight Railcars business and +\$50m for Containers

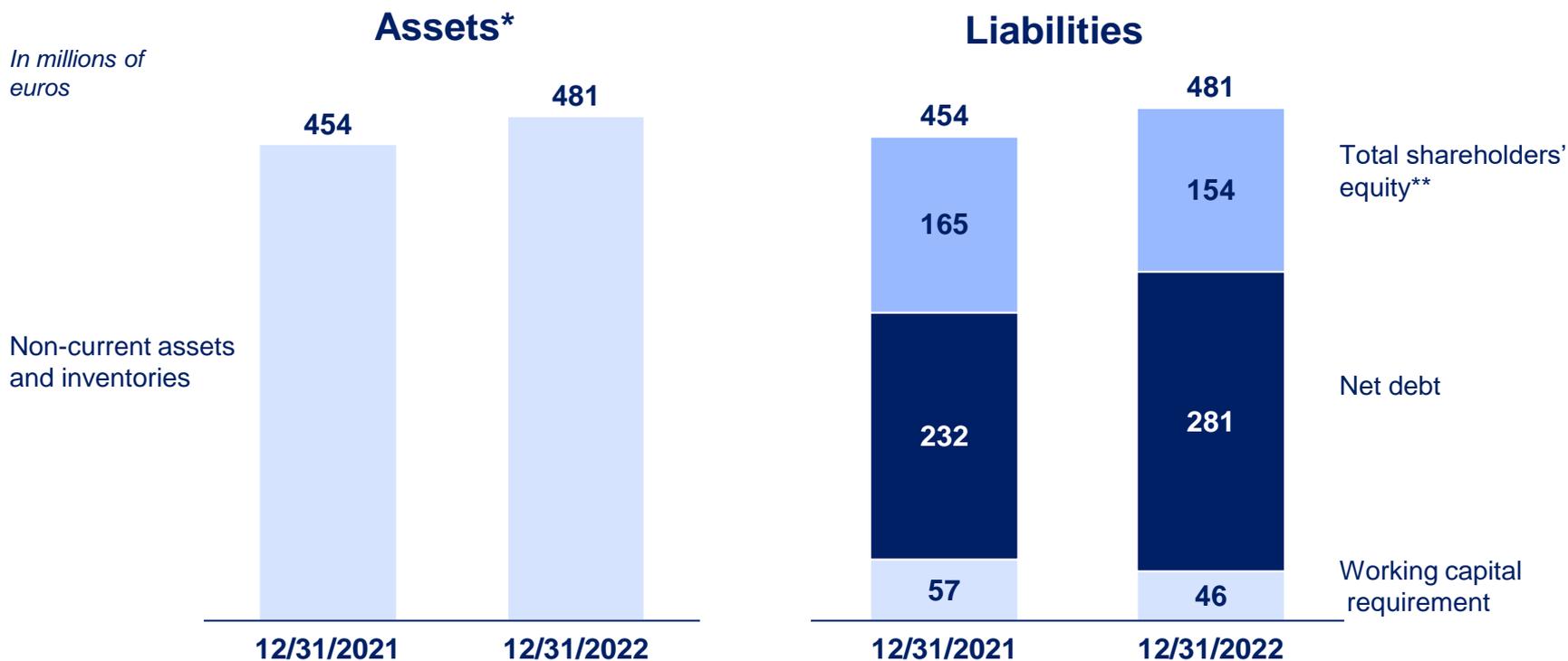
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# Balance sheet

Strong equity position with net debt financing exclusively tangible assets



\* O/w goodwill and intangible €6m

\*\* Hybrid capital in the form of undated deeply subordinated bonds of €25.9m at 12/31/2021, fully repaid at end 2022

- ▶ **Completion in 2022 of the repayment of €50.8m in undated deeply subordinated bonds (TSSDI), 54% in cash and 46% by issuing a new EuroPP, enabling Touax SCA to save €3.0m in cash each year.**
- ▶ As TSSDI are recognized under equity and coupons under dividends, the portion financed by a EuroPP for €23.3m now appears under financial debt on the balance sheet with interest shown on the income statement for €1.6m over the full year.

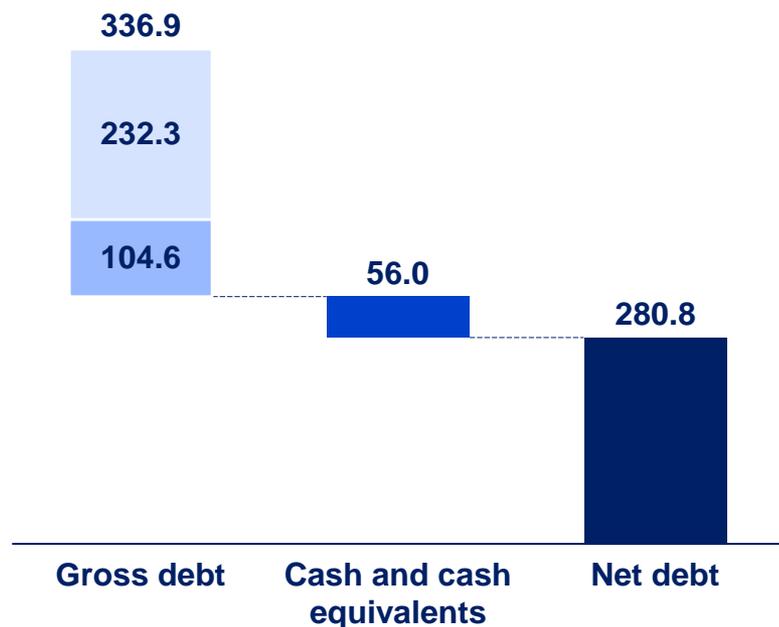
# Debt profile

69% of debt is without recourse to Touax SCA

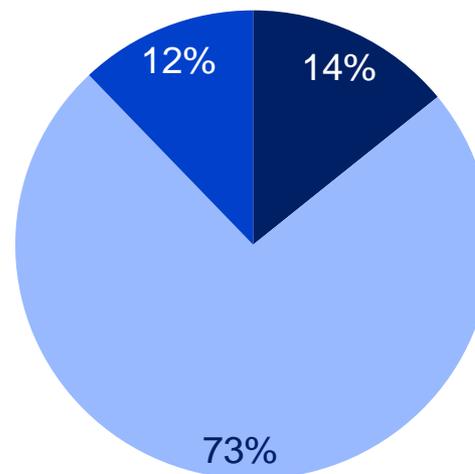
From gross debt of €337m to net debt of €281m

Breakdown of financing sources

In millions of euros



■ Non-recourse debt  
■ Recourse debt



■ Debt via capital markets  
■ Financing guaranteed by assets  
■ Corporate and other financing

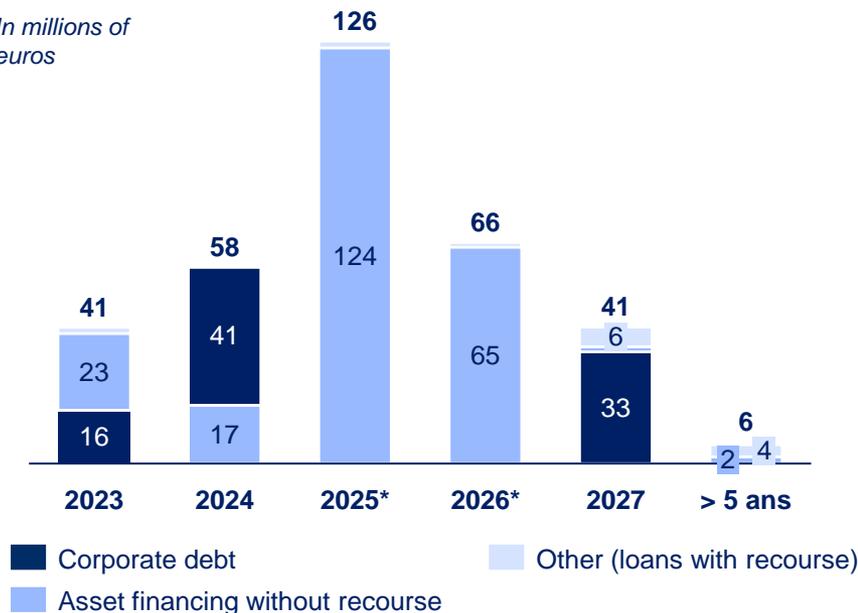
**Average interest on total gross debt:**  
5.15 % (vs. 4.21 % in June 2022)  
[€: 4.46 %; \$: 6.59 %; £: 3.92%]

# Credit profile

Financial ratios showing a reasonable level of debt

## Maturity schedule

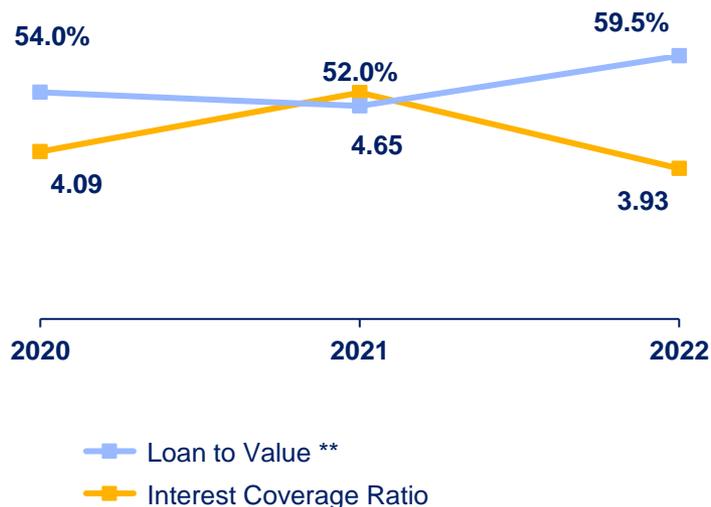
In millions of euros



- ▶ **Asset-backed financing inherent to Touax's business**
- ▶ **Corporate debt: Euro-PP and disintermediated loan maturities in 2023 and 2024**, on which the Group works proactively

\* *Asset financing:*  
 In 2025: €120m for the Railcars division  
 In 2026: €62m for the Containers division

## Financial ratios: LTV & ICR



- ▶ **LTV contained at 59.5%** (hybrid capital repayment through the use of debt)
- ▶ **ICR: financial expenses satisfactory covered by EBITDA**

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

# Statement of cash flows

Net cash up by €3.4m over the year

<i>In millions of euros</i>	2022	2021
<b>Operating flows</b> excluding operating WCR	<b>53.3</b>	48.6
Change in operating WCR (excluding inventories)	5.2	-3.1
Net purchases of equipment and change in inventories	<b>-60.0</b>	<b>-71.3</b>
<b>Net Operating flows</b>	<b>-1.5</b>	<b>-25.7</b>
<b>Investment flows</b>	-0.4	3.2
<b>Financing flows</b>	<b>5.4</b>	<b>12.1</b>
Exchange rate variations	0.0	1.7
<b>CHANGE IN NET CASH</b>	<b>3.4</b>	<b>-8.8</b>

- ▶ **Increase in operating cash flows for the year to +€53.3m**, in line with the increase in EBITDA
- ▶ **Net investments in equipment stable at -€60m** (-€71.3m in 2021)
- ▶ After taking into account financing flows (+€5.4m), **increase in net cash of +€3.4m over the year**

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# Freight railcars

Increase the fleet beyond 15,000 railcars

## Market

**+** "Green Agenda": green transition with modal shift; **Expansion of infrastructure and innovation**

**+** **Europe:**  
Growth in the intermodal segment

**+** **India:**  
Infrastructure needs with GDP growth of 7% expected in 2023

**+** Leasing companies: at the heart of 75% of purchases of new railcars in Europe to replace older fleets and generate growth

**-** Low production capacity in the sector

## Touax Rail's ambitions

**Increase the fleet owned directly and on behalf of third parties to more than 15,000 railcars** (75% in Europe and 25% in India) through organic growth

**Increase innovation** (predictive maintenance, new railcar types) and **continuously improve operational excellence**

**Strengthen our intermodal expertise and generate growth by diversifying the railcars offered to our customers**

**Trend towards outsourcing of fleets: support our customers and seize opportunities to buy out existing fleets** to boost growth

**Achieve continued growth in India's promising market together with the development of value-added services** (full-service leasing including maintenance)



# River barges

## Increase the fleet beyond 150 barges

### Market

- +** **Global market carrier for grains and energy-related raw materials**
- +** **Europe:** Positive trend with the **search to reduce carbon emissions**
- +** **Strong demand in European areas** (aggregates, biomass, grains, raw materials, etc.)
- +** **Promising market in Americas** for grains (North and South Am) and **iron ore** (South Am)
- **Impact of climate on navigation** (low waters), but resulting in renewals with suitable barges

### Touax River Barges' ambitions

**Steadily increase owned and managed fleets through organic growth**

**Focus investments in Europe in the coming years** (aggregates on the Seine, biomass and chartering on the Rhine, grains on the Danube)

**Benefit from the European “Green Deal” promoting green transport and intermodality provided by river barges**

**Selective investments in the US and South America**

**Develop asset rotation (trading and syndication) to renew the fleet and generate sales and management margins**



# Containers

Consolidate the rental fleet (renewal) and develop sales (new and used)

## Market

## Touax Container Services' ambitions



### Existing long-term contracts:

Good visibility on future cash flows



### Utilisation rate of leased fleet above 95%



Market for the sale of new and used containers still active



### Normalization of demand

for containers: low production expected in 2023 after several strong years



### Normalization of containerized traffic:

-2.2% expected in 2023\*, but +3.3% in 2024

Reinvest free cash flows to naturally increase the share of the owned fleet

Pool the platform through third-party management and generate additional management margins

Increase sales of new containers from 10.5k to 25k Ceus annually

Broaden the client portfolio (leasing and sales) and maintain leading position in Europe

Expand the range of assets offered (specialized containers) on all 5 continents



\* Source: Clarkson January 2023  
Container Trade % Growth (TEU-miles)

# Touax Group

## Structural strengths favourable to sustainable and profitable growth

### Key characteristics

- + A resilient business model** (long term contracts, recurring cash flows)
- + Green transport:** Support from users, public authorities, consumers and financial players
- + Expansion of infrastructure,** intermodal logistics, e-commerce and the transport of raw materials (grains & energy).
- + Outsourcing trend among customers** favourable to leasing companies
- + Natural protection against inflation**

### Touax Group's ambitions

**Increase level of owned assets by around 10% a year and assets under management through organic growth,** without increasing capital and while maintaining a stable LTV of around 60%

**Increase profitability through economies of scale and by optimising costs and financial resources**

**At the same time as operating leases, achieve growth in sales activities (new and used) to generate additional margins**

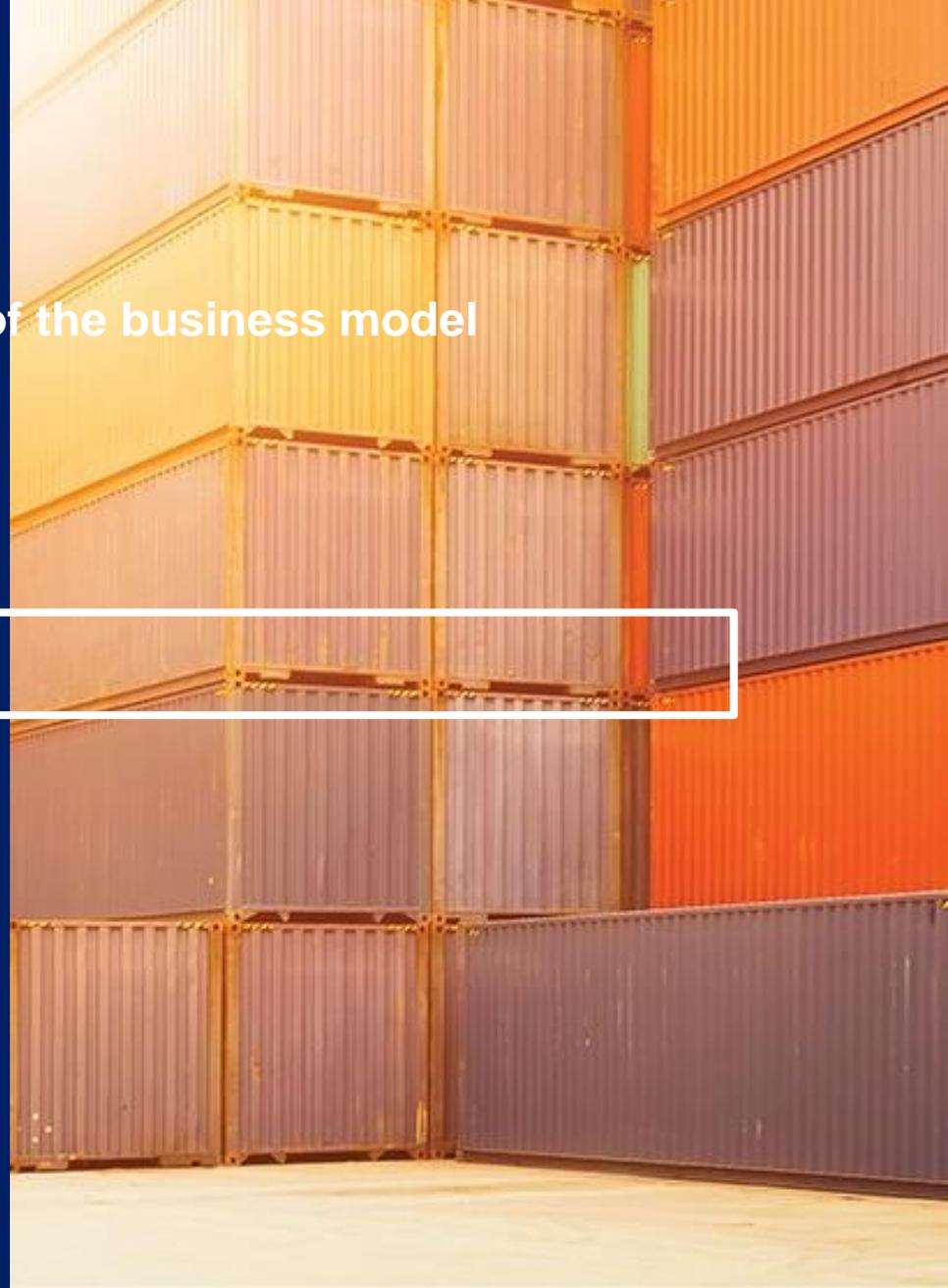
**Continue focusing on our sustainable development objective at the heart of green transportation**

**Achieve a level of customer and employee satisfaction above the industry average** through our continuous improvement program (Lean / Six Sigma)



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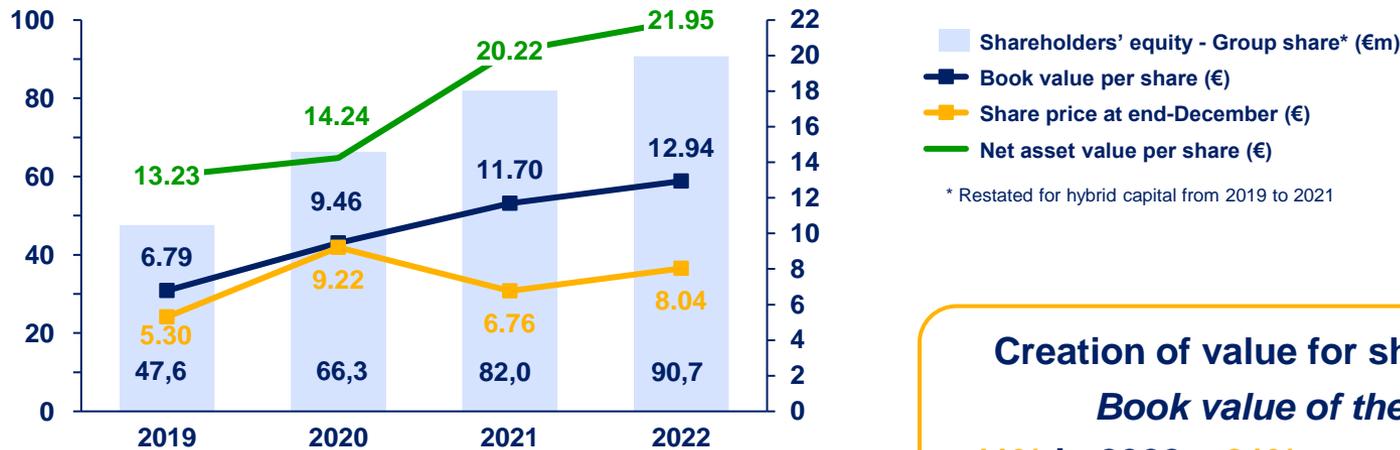
# TOUAX and the Stock Exchange

## Share price not correlated to value creation



In millions of euros

values per share in €



\* Restated for hybrid capital from 2019 to 2021

Creation of value for shareholders:

**Book value of the share**

**+11% in 2022, +91% over 3 years**

Share data	2022	2021
Number of shares (in thousands)	7,011	7,011
Market capitalization (€m)	56.37	47.40
Average daily volume (in number of shares)	5,679	9,958
Closing price (€)	8.04	6.76
Net asset value per share (€)*	21.95	20.22

Proposal to be voted on at the June 2023 AGM:

*Payment of a dividend of 10cts per share*



Presentation of annual results

# Appendix - Restated income statement

## 2022 data in detail

<i>In thousands of euros</i>	2022	2021
Owned equipment leasing activity	91,739	76,072
Owned equipment sales activity	58,786	40,326
Management and other activities	10,930	8,568
<b>RESTATED REVENUES FROM ACTIVITIES (*)</b>	<b>161,456</b>	<b>124,966</b>
Cost of equipment sales	-50,239	-28,887
Operating expenses	-28,245	-20,214
General and administrative expenses	-25,024	-22,790
<b>EBITDA</b>	<b>57,947</b>	<b>53,073</b>
Depreciation, amortization and impairment	-26,862	-24,319
<b>CURRENT OPERATING INCOME</b>	<b>31,085</b>	<b>28,754</b>
Other operating income and expenses	0	-42
<b>OPERATING INCOME</b>	<b>31,085</b>	<b>28,712</b>
Financial income/loss	-15,399	-11,902
Corporate tax	-6,283	-1,046
Net income from discontinued activities	0	0
<b>GLOBAL CONSOLIDATED NET INCOME</b>	<b>9,403</b>	<b>15,764</b>
Of which portion attributable to owners of the Group's parent company	7,467	12,552
Of which non-controlling interests (minority interests)	1,936	3,212
<b>Earnings per share</b>	<b>1.07</b>	<b>1.79</b>

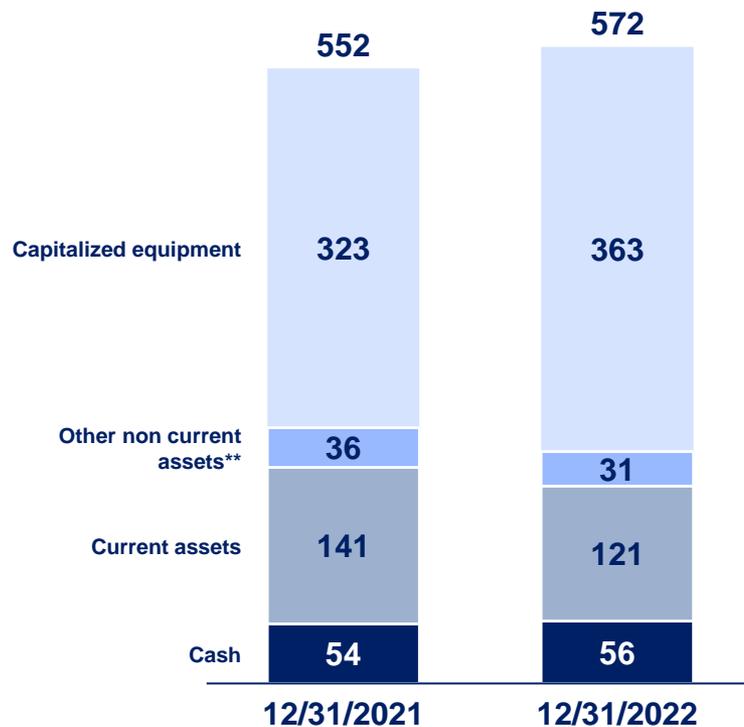
(\*) Restated presentation to enable a better understanding of the owned and managed activities

# Appendix - Balance Sheet

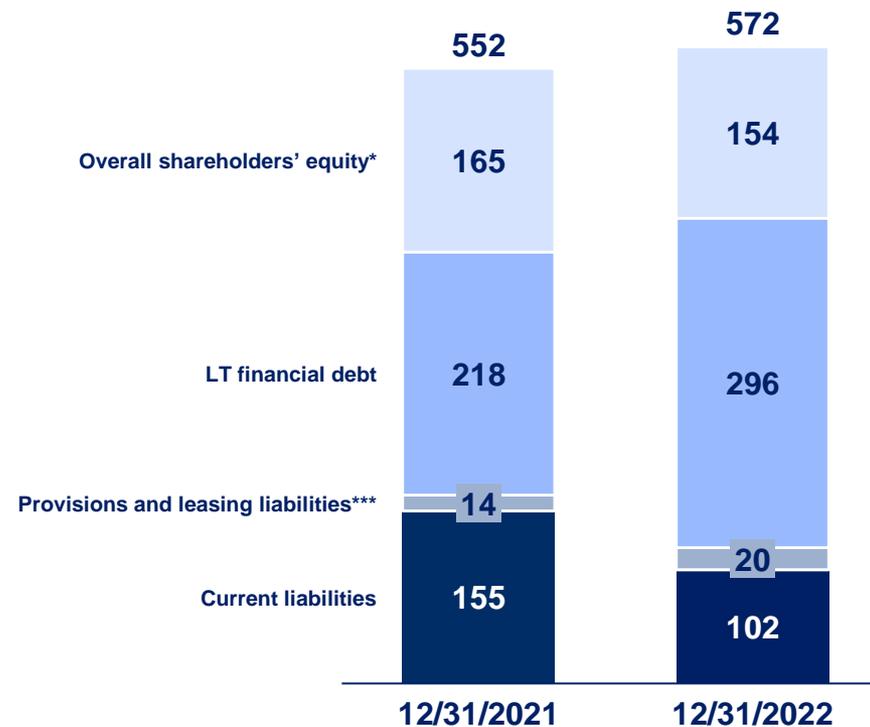
As at 12/31/2022

In millions of euros

## Assets



## Liabilities



\*\* of which €15.4m in right-of-use assets – in line with IFRS 16

\* Hybrid capital in the form of undated deeply subordinated bonds of €25.9m at 12/31/2021, fully repaid at end-2022

\*\*\* of which €11.5m in long-term lease liabilities

# Asset valuation at 31 December 2022

Net asset value per share at 31 December 2022: €21.95 <sup>(5)</sup>

## Touax-owned fleet of assets

	Net book value <sup>(4)</sup>	Market value <sup>(2)</sup>
 <b>Freight railcars</b>	<ul style="list-style-type: none"> <li>Europe: €99.5m</li> <li>India: €7.1 million</li> </ul>	<ul style="list-style-type: none"> <li>Europe: €129.4m</li> <li>India: €7.1m<sup>(3)</sup></li> </ul>
 <b>River barges</b>	€50.9m	€73.1m
 <b>Containers<sup>(1)</sup></b> <b>Management fees<sup>(1)</sup></b>	€144.9m -	€156.1m €26.3m
<b>Total</b>	<b>€302.4m</b>	<b>€392.0m</b>

### Notes

- Exchange rate €1=\$1.0666
- Fair value method: freight railcars: 50% replacement value and 50% earning rate valuation (Railistics report); Barges: 100% replacement value (external reports) with the exception of a long-term lease contract in South America (value in use); containers: 100% earning rate valuation (Harrison report)
- NBV = FMV
- Group share of net book value of assets
- Excluding non-controlling interests in the freight railcar entities and excluding the present value of management fees in the container activity.