

# Touax<sup>®</sup>

Your operational leasing solution for  
sustainable transportation

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## 2021 annual results

Financial analyst meeting  
25 March 2022



# Disclaimer

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

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

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

This document contains summary information only and must be read in conjunction with the Company’s Universal Registration Document, the consolidated financial statements and the 2021 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.

## 2021 at a glance

### Business growth. Sharp increase in earnings

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- ▶ **Growth in restated revenues from activities, marked by a 15% increase in owned activity.** Performance of the Touax model characterised by 78% of recurrent leasing revenues
- ▶ **Sharp increase in EBITDA (+13%) to EUR 53.1 million**
- ▶ **Group share of net profit: EUR 12.6 million (+114%)**
- ▶ **Increase in net book value per share (+24%) and revalued net asset value per share (+42%)**
- ▶ **Long-term value-creating investments**
- ▶ **High consolidated cash position : €54m at 31 December 2021**

# Contents

- ▶ **Recurring business model**
- ▶ **Profitability and fleet expansion**
- ▶ **Economic and structural outlook**
- ▶ **Asset value and stock market performance**



# The TOUAX ecosystem

At the heart of the real economy and sustainable transport



# TOUAX

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

- ▶ **One business: the operational leasing of transportation equipment and related services;**
  - A unique business in operation since 1853,
  - **More than €1.2bn in assets under management,**
  - Almost 250 employees worldwide,
  - An international group (98% of revenue outside France) whose holding company is listed on Euronext Paris
- ▶ An activity based on **3 standardised sustainable transport assets (freight railcars, river barges and containers) leased under long-term contracts**
- ▶ **Major markets** (\$173bn for containers in service worldwide, €30bn for river barges in Europe and the Americas, €60bn for railcars in circulation in Europe) with:
  - **Recurrent demand for replacement and development**
  - **Driven by growth in (i) environmentally-friendly methods of transport and (ii) international trade**



# TOUAX

## Three sustainable transport businesses

### Freight railcars



#### Market position



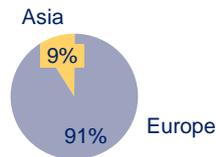
#### Description

- Activity**
- Rental, leasing, maintenance
  - Sales (new and used)
  - Management on behalf of third parties
- Assets under management<sup>1</sup>**
- 12,110 platforms
  - €359m in Group-owned assets
  - €163m in assets managed on behalf of third parties
  - Weighted average age<sup>2</sup>: 17.2 years

#### Key figures<sup>3</sup>



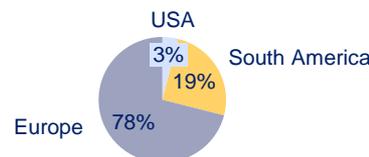
#### Revenue by geographical region



### River barges



- Activity**
- Rental, leasing, chartering
  - Sales (new and used)
  - Management on behalf of third parties
- Assets under management<sup>1</sup>**
- 99 barges
  - €79m in Group-owned assets
  - €3m in assets managed on behalf of third parties
  - Weighted average age<sup>2</sup>: 13.2 years



### Containers



- Activity**
- Rental, leasing
  - Sales (new and used)
  - Management on behalf of third parties
- Assets under management<sup>1</sup>**
- 393,064 containers (TEU)
  - €134m in Group-owned assets
  - €477m in assets managed on behalf of third parties
  - Weighted average age<sup>2</sup>: 10.8 years



1 Historical value at 31 December 2021

2 By the gross value of the assets

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

# A diversified client base

Long-standing privileged client relationships

## Freight railcars



>10 years

## River barges



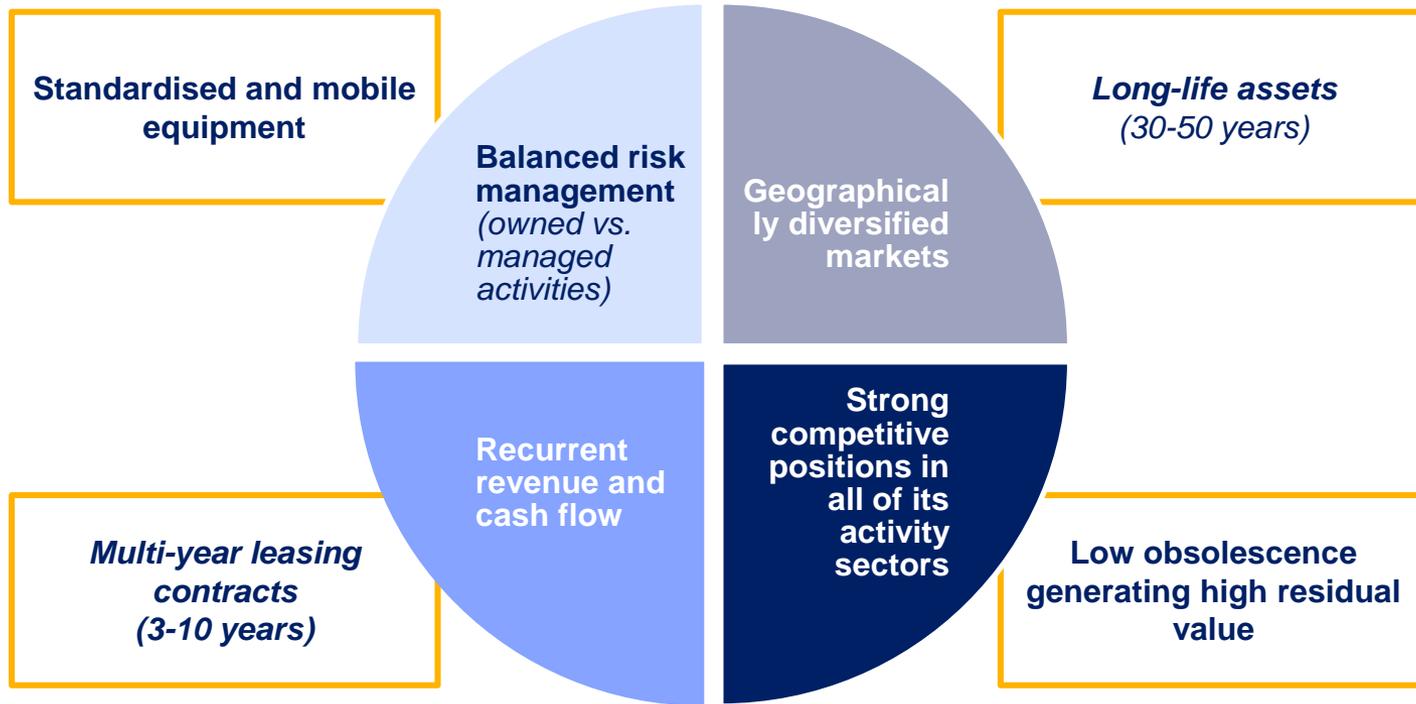
>10 years

## Containers



>30 years

# Recurring business model with long-term contracts

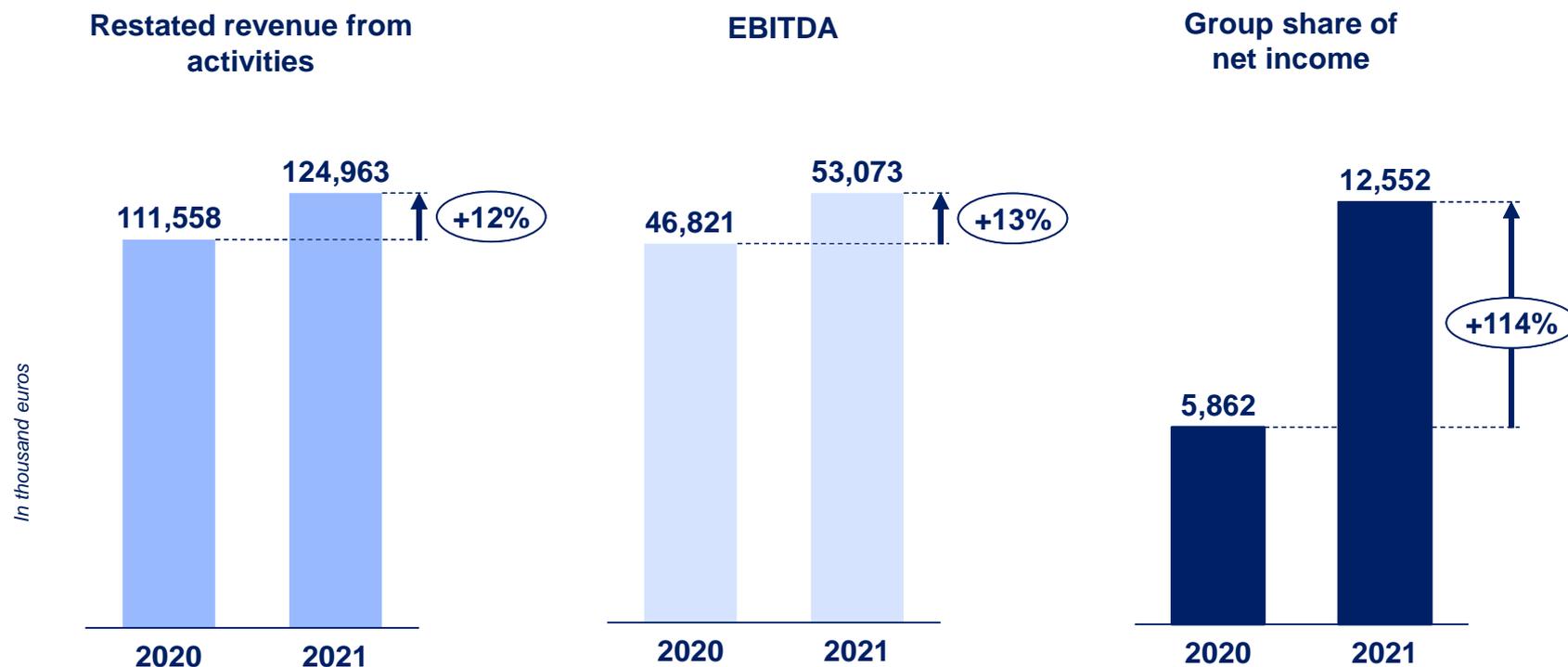


**78%\* of leasing revenue is recurrent**

\* At 31 December 2021

# 2021 results

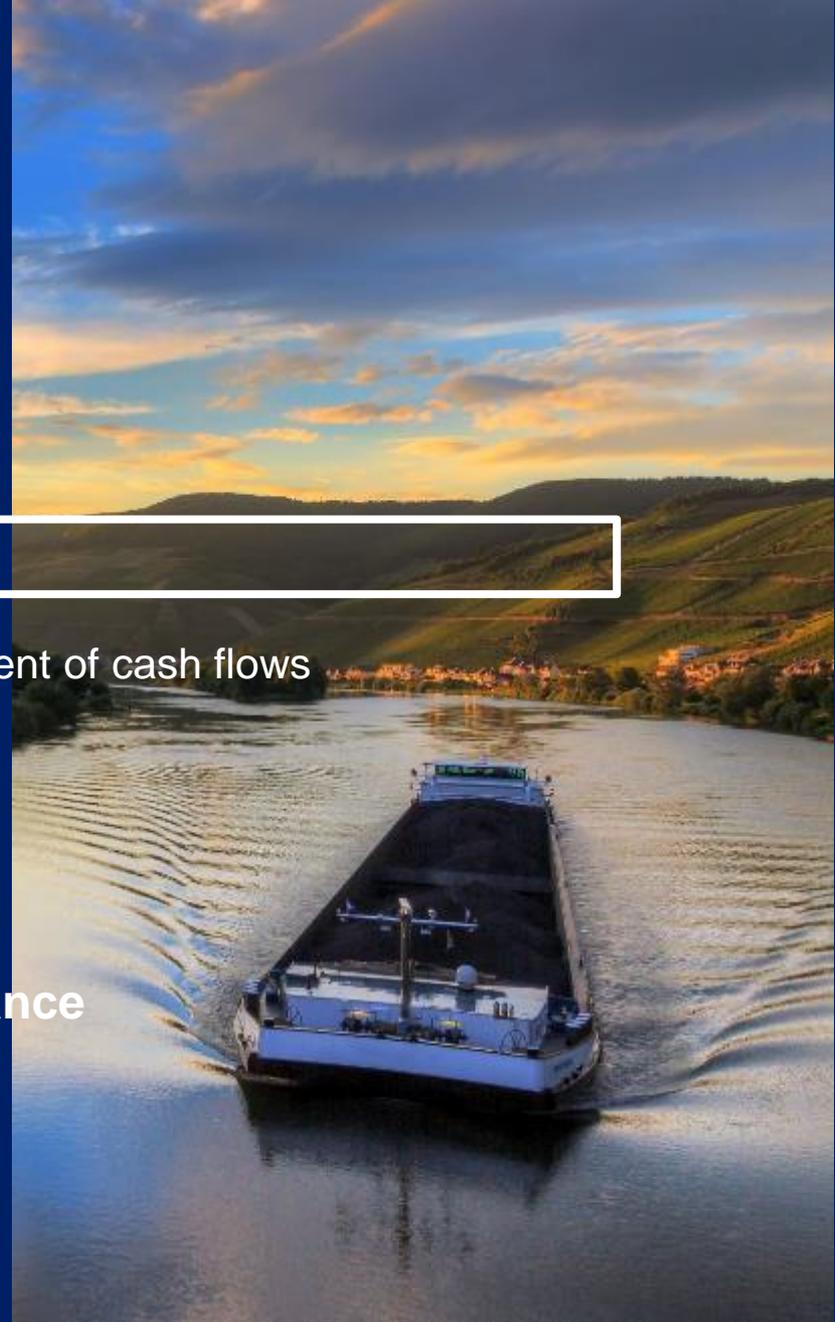
A profitability dynamic exceeding expectations



Revenues and EBITDA up sharply, thanks to owned activities.  
Doubling of Net Income, driven by an exceptional year in the Containers division.

# Contents

- ▶ **Recurring business model**
- ▶ **Profitability and fleet expansion**
  - Analysis of the Income Statement
  - Analysis of the Balance Sheet and statement of cash flows
  - Asset Management
- ▶ **Economic and structural outlook**
- ▶ **Asset value and stock market performance**



# Restated income statement

## Key figures 2021

<i>In thousand euros</i>	2021	2020
Owned equipment leasing activity	76,071	65,119
Owned equipment sales activity	40,325	36,112
Management activity and others	8,567	10,327
<b>RESTATED REVENUES FROM ACTIVITIES (*)</b>	<b>124,963</b>	<b>111,558</b>
Cost of equipment sales	-28,887	-27,169
Operating expenses	-20,214	-15,719
General and administrative expenses	-22,790	-21,849
<b>EBITDA</b>	<b>53,073</b>	<b>46,821</b>
Depreciation, amortization and impairment	-24,319	-23,524
<b>CURRENT OPERATING INCOME</b>	<b>28,753</b>	<b>23,297</b>
Other operating income and expenses	-42	-109
<b>OPERATING INCOME</b>	<b>28,711</b>	<b>23,188</b>
Financial income/loss	-11,902	-13,216
Corporate tax	-1,046	-1,003
Net income from discontinued activities	0	-132
<b>GLOBAL CONSOLIDATED NET INCOME</b>	<b>15,764</b>	<b>8,837</b>
Of which portion attributable to owners of the group's parent company	12,552	5,862
Of which non-controlling interests (minority interests)	3,212	2,975
<b>Earnings per share</b>	<b>1.79</b>	<b>0.84</b>

(\*) Restated presentation enabling a better understanding and segmentation of owned and management activities

# Income statement

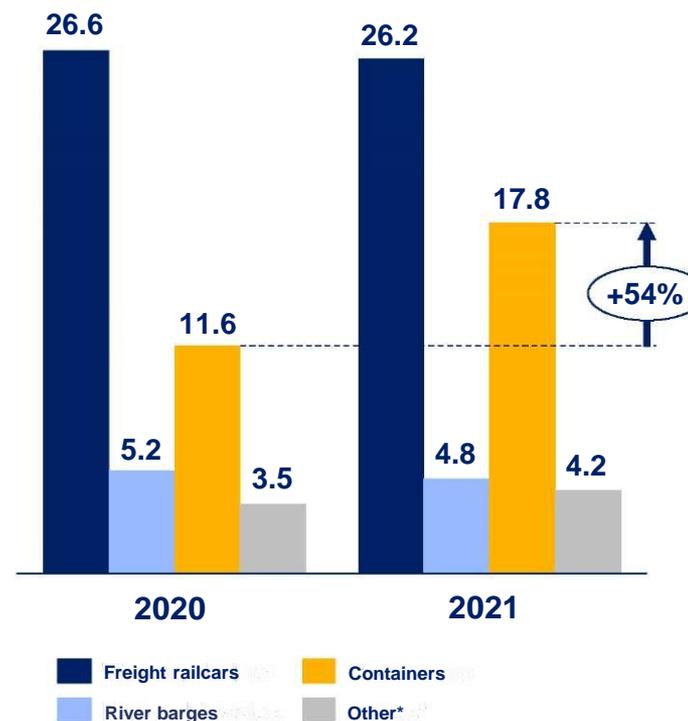
## Key items

- ▶ **Restated revenue from activities: €125.0m (+12.0%)**
  - Strong growth in owned activity, at €116.4m (+15%), thanks to the development of the container trading activity (margins on sales and ancillary services)
  - Increase in syndication fees to €3.0m (€+0.7m vs. 2020) and stable management fees at €3.6m
  - Decrease in investor equipment sales fees (-€3.0m vs. 2020), reflecting the low level of containers available for sale in 2021
  
- ▶ **EBITDA: Growth of +13.4% to €53.1m vs. €46.8m in 2020**
  - Mainly due to the increase in leasing revenues (+€5.8m) and sales of group-owned equipment (+€3.7m) within the Containers division
  
- ▶ **Current operating income: €28.8m (+23.4%) vs. €23.3m in 2020**
  - Increase in depreciation and impairment, particularly +10.8% in the Railcars division, in a context of equipment acquisition
  
- ▶ **Financial income: improvement of €1.3m to -€11.9m vs. -€13.2m in 2020**
  - Decrease in financing fees and reduction of foreign exchange impacts with the introduction of a GBP cash flow hedge in the Railcars division
  
- ▶ **Group share of net profit: +€12.6m vs. +€5.9m in 2020 (+114%)**
  - Non-controlling interests mainly concern the share of DIF Core Infrastructure Fund II (in the Rail division's capital)

# Income statement

## EBITDA by activity

In million euros	2021	2020	Change %
Freight railcars	26.2	26.6	-1%
River barges	4.8	5.2	-7%
Containers	17.8	11.6	+54%
Other*	4.2	3.5	+18%
<b>EBITDA</b>	<b>53.1</b>	<b>46.8</b>	<b>+13%</b>



The group's EBITDA increased by €6.3m (+13.4%), benefiting from the performance of the Containers division's owned activities (leasing and trading)

\* Modular building activity in Africa and Corporate

# A tangible asset base

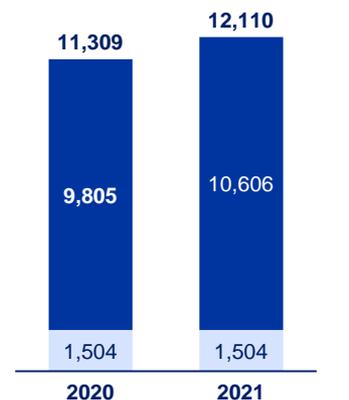
## Freight railcars



### A fleet under long-term leases

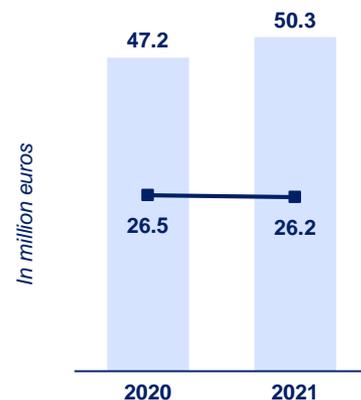
- ▶ Economic life span: 30 to 50 years
- ▶ Depreciation: 36 years
- ▶ Average age of the fleet at end 2021: 17.2 years
- ▶ Average utilisation rate in 2021: 85.4%
- ▶ Average length of lease at end 2021: 4.0 years

No. of freight railcars (platforms)



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

Restated revenue from activities and EBITDA



■ Ebitda  
■ Restated revenues from activities

### Key points

- ▶ **Restated revenue from activities: €3.1m (+6.6%)**
  - Mainly due to an increase in leasing activity of +€4.1m (+9.7%), and management fees of +€0.2m (+13.4%),
  - Owned equipment sales marked a slight decline of -€0.6m, as did syndications (-€0.6m)
- ▶ **Operating expenses: +€3.8m**  
Increase in maintenance expenses to €3.2m, in order to make assets available for leasing more quickly
- ▶ **EBITDA down slightly by 1.2% to €26.2m**
- ▶ Gradual increase in the utilisation rate to 89.0% at end 2021 (low point recorded in September 2020; European lockdowns due to the COVID-19 pandemic caused a slight drop in demand for freight railcars and therefore in the utilisation rate)
- ▶ The “greening” of European economies is positive for the group’s activity

# A tangible asset base

## River barges



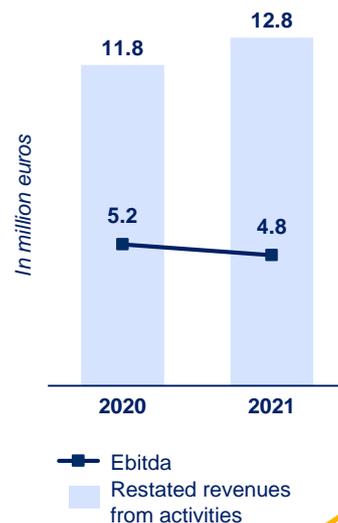
### 99 river barges

- ▶ Economic life span: 30 to 50 years
- ▶ Depreciation: 30 years
- ▶ Average age of the fleet at end 2021: 13.2 years
- ▶ Average utilisation rate in 2021: 97.1%
- ▶ Average length of lease at end 2021: 5.0 years

99 river barges:  
51 in Europe,  
10 in North Am. and in 38  
South Am.



Restated revenue from  
activities and EBITDA



### Key points

- ▶ **Restated revenue from activities: up by €1.0m to €12.8m (+8.4%)**  
Increase in leasing activity of €1.3m (+12.3%), due to the increase in the average utilisation rate to 97.1% and the increase in chartering revenues (in the Rhine basin)
- ▶ **EBITDA down slightly by €0.3m to €4.8m**, due to the decrease in syndication fees of €0.3m
- ▶ Investment: 2 new barges delivered beginning of 2022
- ▶ The sector was scarcely impacted by the health crisis, with demand still primarily linked to long-term infrastructure projects (e.g. Grand Paris project) and grain transport

# A tangible asset base

## Containers



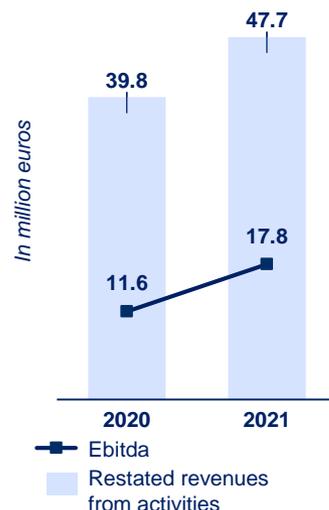
### A high quality fleet (20- and 40-foot dry containers)

- ▶ Economic life span of 15 years (maritime) and 20 years (land)
- ▶ Depreciation: 13 years
- ▶ Residual book value of between \$1,000 and \$1,400
- ▶ Average age of the fleet at end 2021: 10.8 years
- ▶ Average utilisation rate in 2021: 99.6%
- ▶ Average length of lease at end 2021: 6.9 years
- ▶ % leasing contracts (3 to 10 years) at end 2021: 79%

No. of containers (TEU)



Restated revenue from activities and EBITDA



### Key points

- ▶ **Restated revenue from activities: up by €19.7% to €47.7m**
- ▶ Owned activities increased by 28.3% to €42.8m, both in leasing activity and in sales activity.
- ▶ Decrease in management activity of €1.6m caused by a decline in used container sales of €3.0m due to the lack of availability of containers (utilisation rate close to 100%).
- ▶ The €1.7m increase in syndication fees partially offset this slight decline in management activity.
- ▶ Acceleration of the contribution of the new container trading activity, generating a strong margin in 2021
- ▶ **EBITDA rose sharply (+54.1%) to €17.8m**
- ▶ Densification of international trade flows since summer 2020, marked by a shortage of containers worldwide causing prices to rise.

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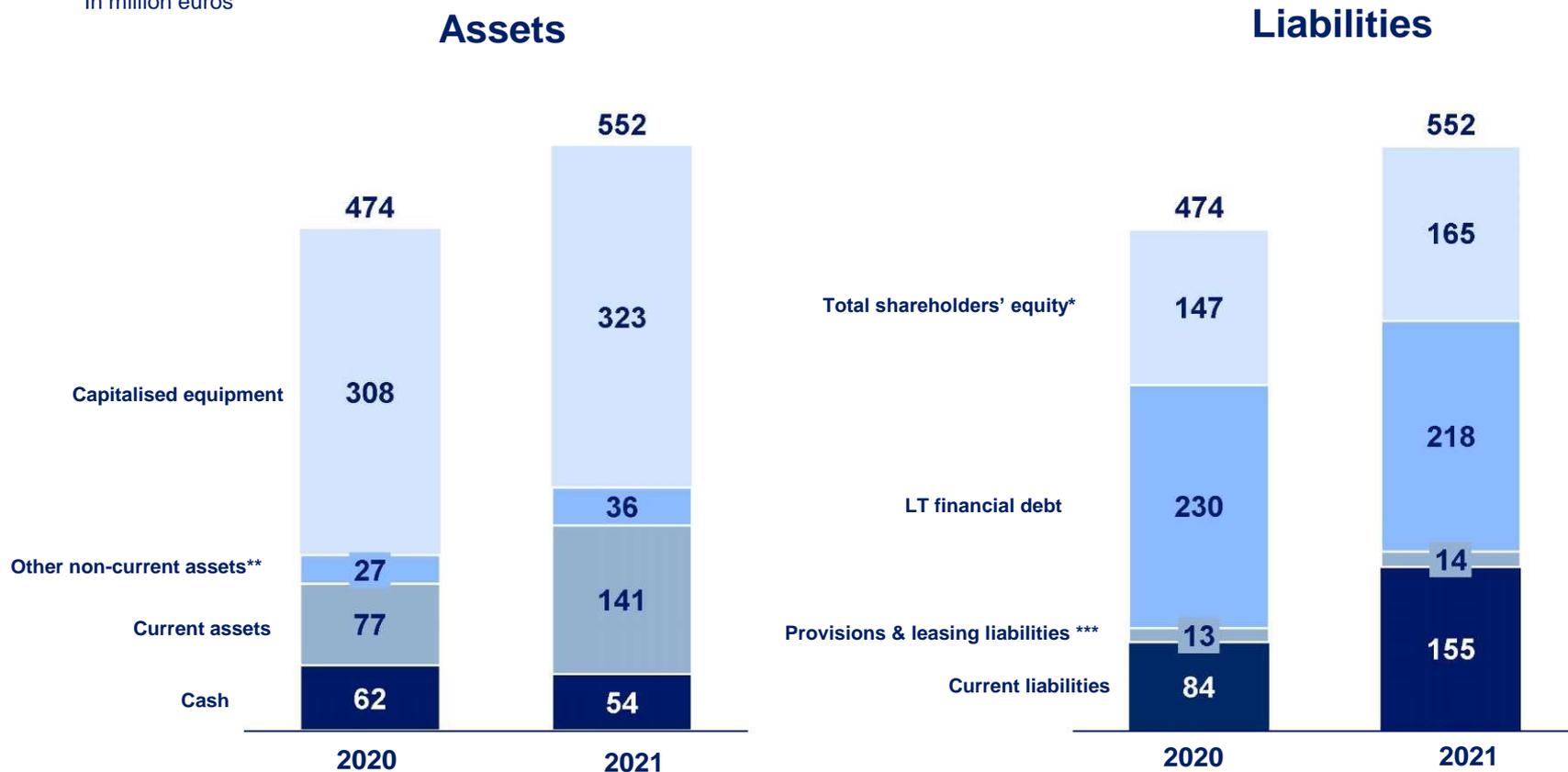
- ▶ **Recurring business model**
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# Balance Sheet

## Comparative summary balance sheet

In million euros



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

\*\* of which €11.5m in right-of-use assets – in line with IFRS 16

\* of which €25.9m TSSDI (undated deeply subordinated bonds)

\*\*\* of which €8.4m in long-term lease liabilities

# Balance sheet

## Key items

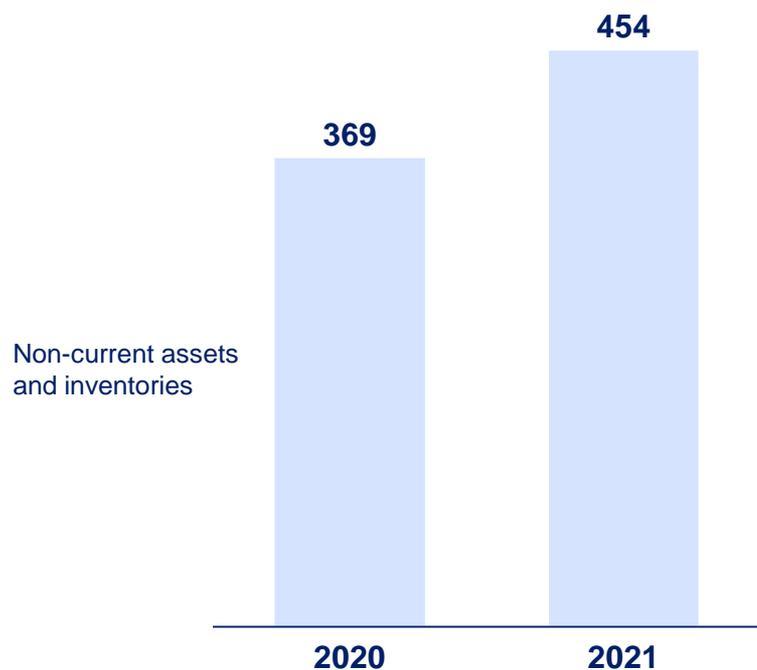
- ▶ **Capitalised equipment:** €323m, +€15m vs. December 2020
- ▶ **Other non-current assets:** goodwill (€5.1m), right-of-use assets under IFRS 16 for €11.5m, of which €10.2m relating to the River Barge business
- ▶ **Current assets (excluding cash and cash equivalents) €140.5m vs. €77.2m in 2020**
  - Inventory €95.9m (+€61.0m vs. 2020):
    - +€21.0m in the Freight Railcars division (railcar purchases)
    - +€40.2m in the Containers division (purchases of containers, in particular for the trading activity)
  - Clients €31.0m (stable at -€0.4m)
  - Other items €13.7m including €11.6m in the VAT account
- ▶ **Shareholders' equity (group share) up to €108.0m (+€15.7m), under the impact of 2021 net profit**  
**Total shareholders' equity: €165.0m** (including €57.0m in minority interests) **vs. €146.7m in 2020**
- ▶ **Long-term financial liabilities €218.0m vs. €230.4m in 2020**, down €12.3m due to depreciation and short-term reclassification of the portion due in less than one year
- ▶ **Current liabilities €155.1m vs. €83.6m in 2020 (+€71.5m)**
  - Short term financial liabilities: €67.4m, an increase of +€45.7m vs. 2020 (Containers division debt in refinancing at end 2022)
  - Trade payables: €12.6m vs. €10.2m in 2020
  - Other liabilities: €73.5m: €32.2m in asset purchases (including €28.5m in containers), €14.2m in tax and social security debts and €13.4m in distributions to investors

# Balance Sheet

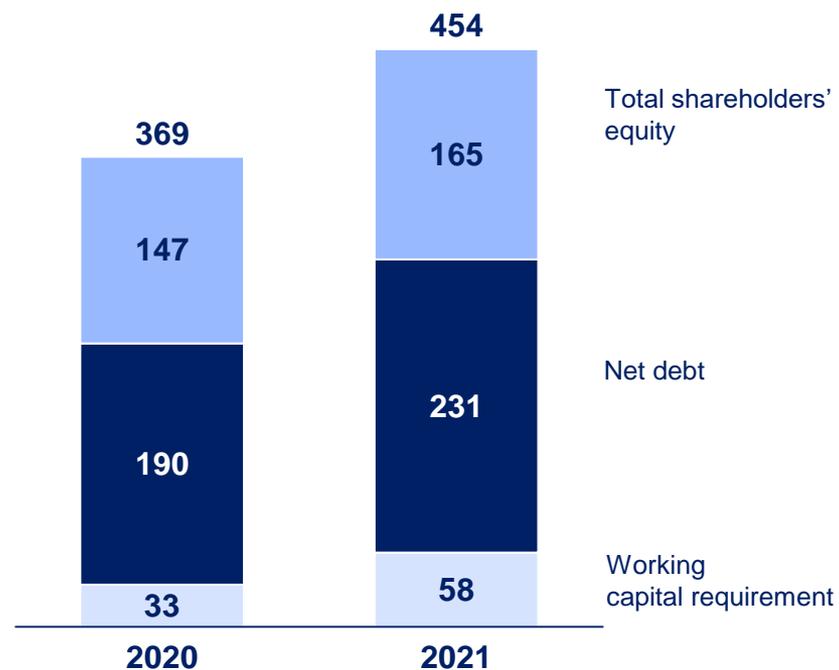
## Economic balance sheet

In million euros

### Assets\*



### Liabilities



\* O/w goodwill and intangible €6m



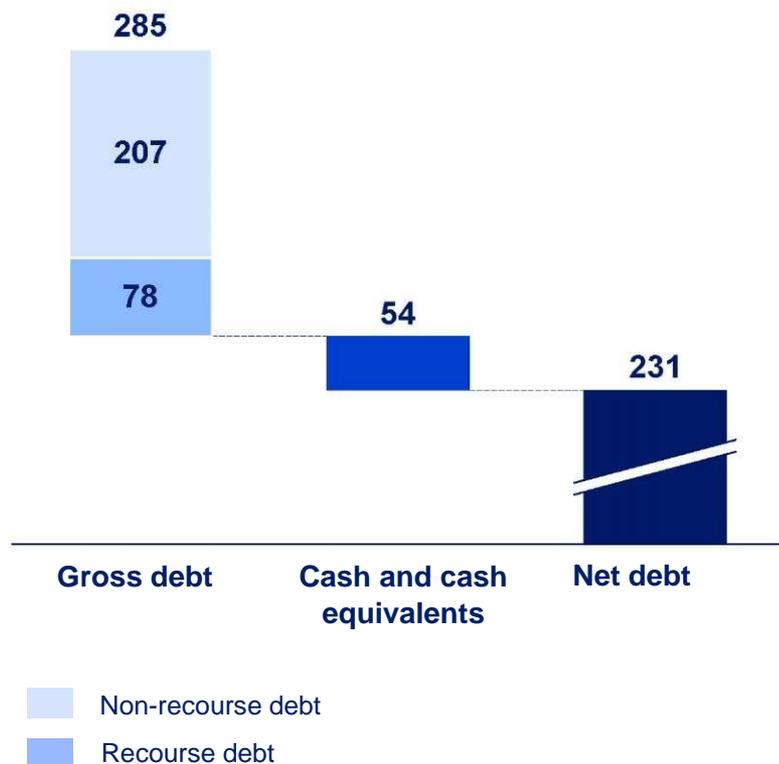
**Net debt (€231m) exclusively finances tangible assets (€448m)**

# Balance Sheet

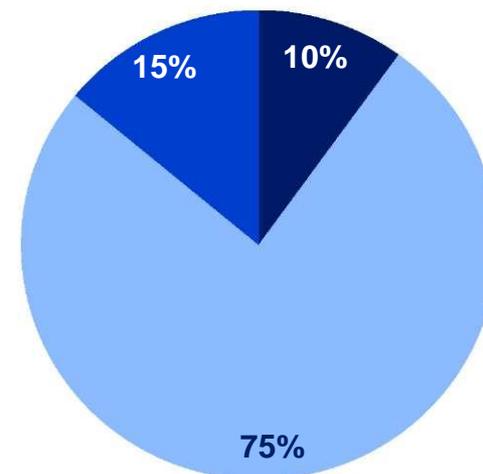
Debt: 73% of debt is without recourse

## Gross debt of €285m and net debt of €231m

In million euros



## Breakdown of financing sources



- Debt via capital markets
- Asset-backed financing
- Corporate and other financing

Average total gross debt interest rate: 3.61%  
[€: 3.64%; \$: 2.56%; £: 2.50%]



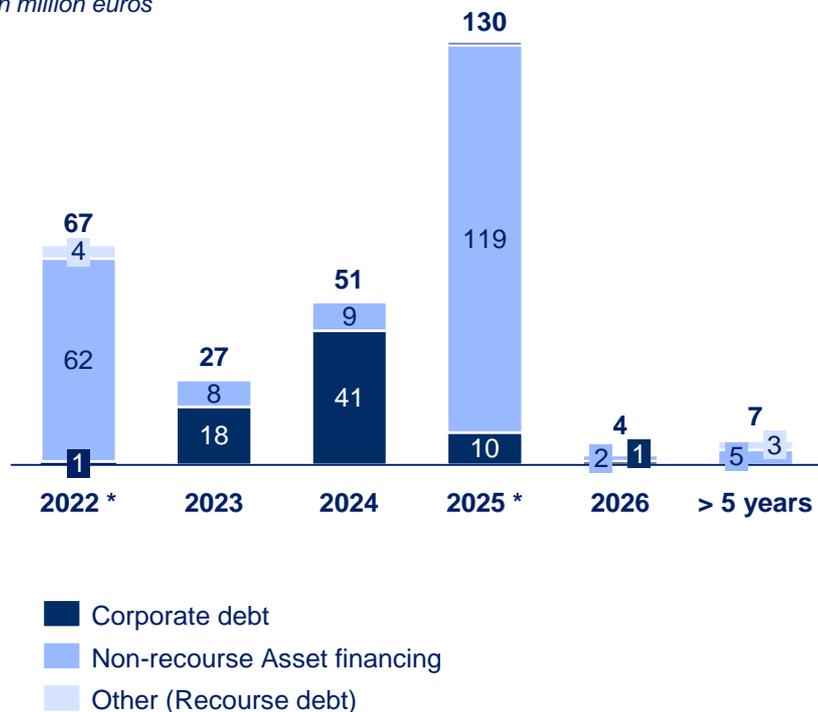
An average overall gross debt interest rate of 3.61% (vs. 3.92% in 2020)

# Balance sheet

## Debt: drawdowns on asset financing lines

### Maturity schedule

In million euros



\* *Asset-backed financing:*

In 2022: €65m, of which €8m for the Railcars division and €54m for the Containers division

In 2025: €120m, of which €119m for the Railcars division

### Key points

- ▶ **Investments financed by drawdowns on existing lines**
  - Change in debt drawn by the Railcars division at end 2021<sup>(1)</sup>: +€20m
  - Change in debt drawn by Containers division at end 2021<sup>(2)</sup>: +\$15.5m
- ▶ **Upcoming asset refinancing at the end of 2022 (Containers division) and end 2025 (Railcars division)**
- ▶ **Corporate debt refinancing:**
  - 1st Euro-PP maturity of €16.6m mid-2023

**Financing of investments by existing credit agreements**

(1) After repayments of €13m following syndications of €16m

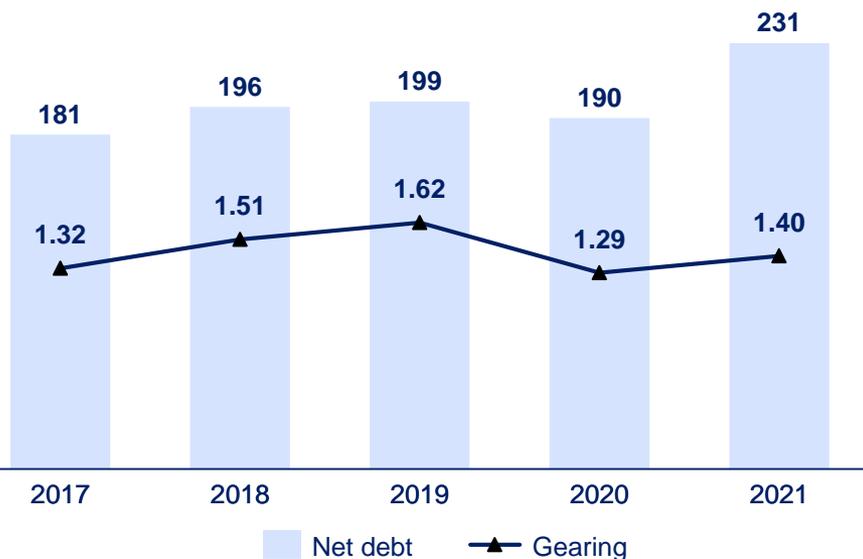
(2) After repayments of \$19.5m following syndications of \$32m

# Credit profile

All contractual ratios complied with at the end of December 2021

## Net gearing

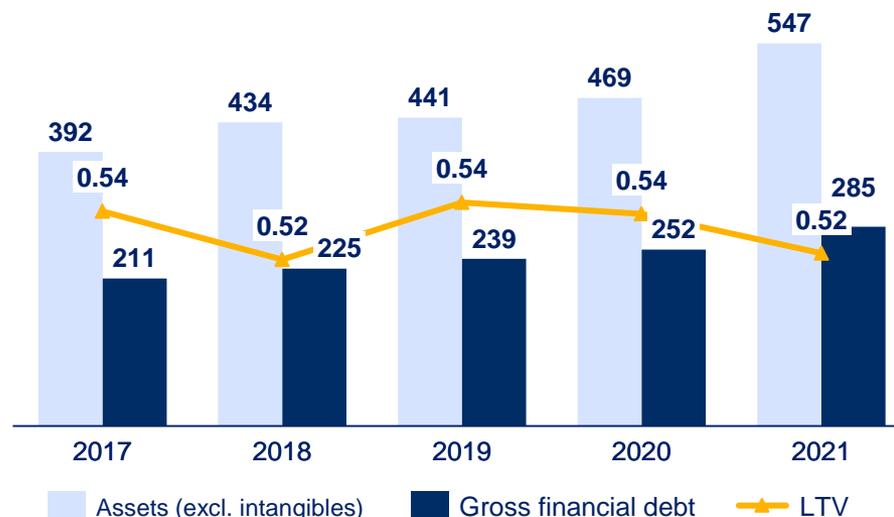
In million euros



- ▶ Net financial debt of €231m
- ▶ Net gearing (ratio of net debt to equity) of 1.40x

## Loan-to-value

In million euros



- ▶ Loan-to-value ratio of 52%
- ▶ ICR (Interest Coverage Ratio)\*\* x4.50

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

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

# Cash flow statement

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

<i>In millions of euros</i>	2021	2020
Operating flows excluding operating WCR	48.6	42.4
Change in operating WCR (excluding inventories)	-3.1	-12.1
Net purchases of equipment and change in inventories	-71.3	-31.5
<b>Operating flows</b>	<b>-25.7</b>	<b>-1.2</b>
<b>Investment flows</b>	<b>3.2</b>	<b>-0.6</b>
<b>Financing flows</b>	<b>12.1</b>	<b>25.8</b>
Exchange rate variations	1.7	-1.2
<b>CHANGE IN NET CASH</b>	<b>-8.8</b>	<b>22.8</b>

- ▶ **Taking into account investments, the group's net cash position contracted by -€8.8m while remaining comfortable at nearly €54m.**
- ▶ Total operating cash flows (including investments) were negative at -€25.7m, with a **high level of net equipment purchases and changes in inventory for -€71.3m** (vs. -€31.5m in 2020). Operating flows excluding operating WCR increased to €48.6m (vs. €42.4m in 2020); the impact of the change in operating WCR was limited to -€3.1m (vs. -€12.1m).
- ▶ **Net financing flows limited the decrease in cash by €12.1m.**

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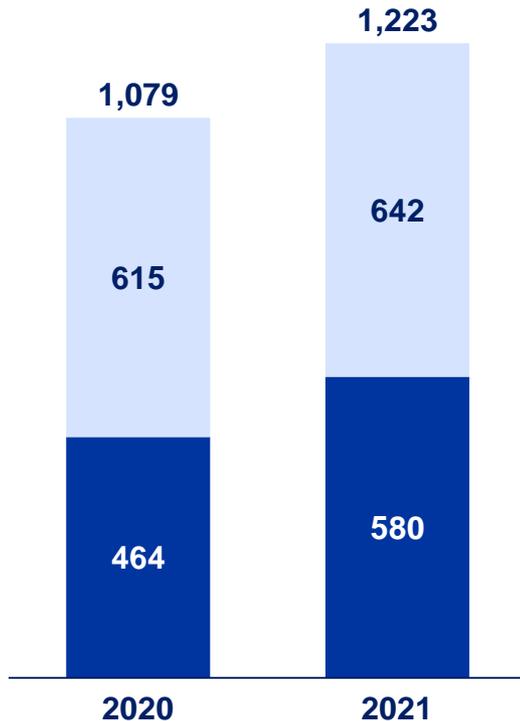


# Asset Management

## Breakdown of total assets under management

### Breakdown of total assets under management

In million euros



Investors

Group-owned

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

### Investor profiles and strategies

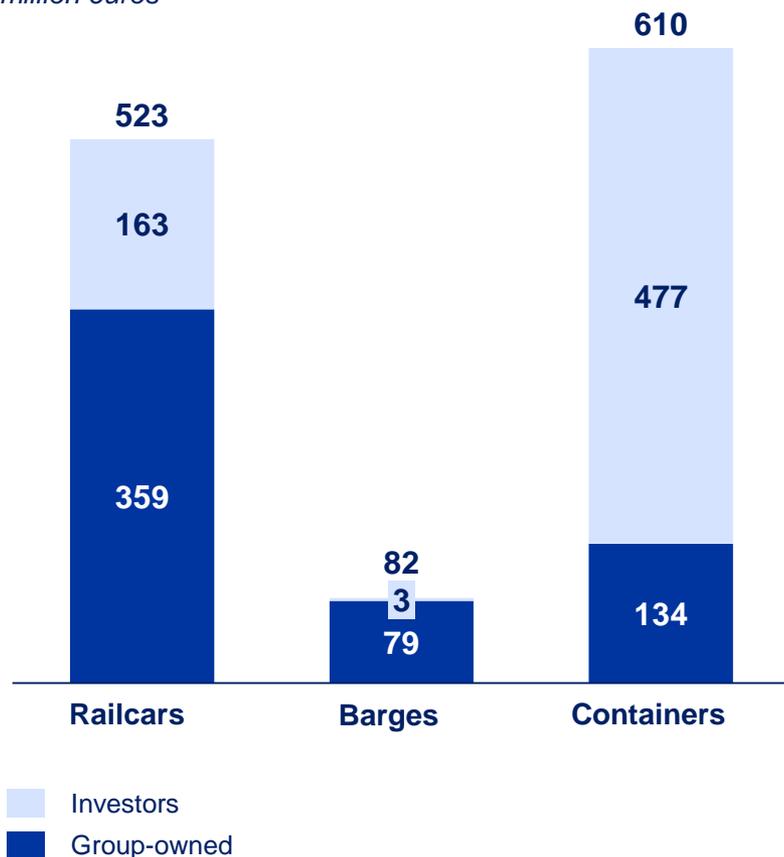
- ▶ 13.3% increase in assets under management
- ▶ €642m in assets managed on behalf of third parties
- ▶ Investors with diverse profiles:
  - ▶ Institutional investors (banks, insurance companies, pension funds), family offices, financial companies, investment firms, infrastructure funds, corporates, etc.
- ▶ Investors seek:
  - ▶ a diversification strategy
  - ▶ inflation protection
  - ▶ recurring yields
  - ▶ real and tangible assets with a long useful life
  - ▶ assets that favour sustainable development and a reduction in CO<sub>2</sub> emissions

# Asset management model

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

## Assets at end 2021 (gross historical value)

In million euros



## Key features

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

# Asset management model

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

## Recurring asset management fees



Asset management contracts > 10 years

# Asset management

## Strategy and performance analysis

### ▶ Investment through funds:

- Touax is the exclusive operating partner of two sub-funds of a regulated Luxembourg alternative investment fund (Real Asset Income Fund S.C.A. SICAV-SIF) managed by Quamvest (AIF manager and risk management agent).
- “Touax Transportation Asset Income EUR Sub Fund I” launched in 2016
  - Invests in 2 Irish SPVs holding 1,768 freight railcars and 3 barges (market value €127m)
  - Finalization of refinancing in the fourth quarter of 2021 generating additional investment capacity of €40m
- “Touax Transportation Asset Income USD Sub Fund I” launched in 2018
  - \$25m in capital raised at the end of December 2021 and investment in an Irish SPV holding more than 16,000 containers (CEU)
  - Financing of \$35m in preparation to generate additional investment capacity (credit agreement obtained, documentation being prepared)

### ▶ Direct investments / managed accounts:

- Several infrastructure funds invest directly in tangible assets managed by Touax.
- 2021 operations: syndications for \$32m in containers and €16.4m in railcars
- 2022 began with a significantly increased syndication capacity, around €50m for the Railcars business and \$50m for Containers

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# War in Ukraine

Possible macro-economic impacts (bank sources – week 10, March 2022)

## 3 possible scenarios

### Supply shock (1) or Long supply shock (2)

### Rapid realignment of trade (3)

▶ **Supply shock**  
= Central scenario

- High oil and gas prices with delivery stoppages
- International sanctions and self-sanctions
- High prices of gas (LNG) and raw materials from Russia

▶ **Long supply shock**  
= Pessimistic scenario

- Central scenario + Full freezing of Russian oil and gas exports
- Official embargoes or retaliation measures
- Slow realignment of trade leading to extensive disruptions

▶ **Commodity prices remain high, but rapid realignment of trade**  
= Optimistic scenario

- helping to put an end to supply disruptions
- OPEC countries and USA raising production levels
- Release of additional volumes on other commodities

Duration

1 year

2 years

6 months

### Effects in Europe

- Inflation (energy, metals, food)
- Periodic stoppages of industrial production
- Growth impact -1.0 to -1.5 pt

- Continued inflation
- Prolonged production stoppages
- Technical recession possible despite government support

- High inflation but less pronounced negative effects
- Limited production stoppages
- Rapid rebound in growth

### Effects in the US

- High inflation, lower growth (-0.5 to -1.0 pt)

- Higher inflation, impact on growth (-2.0 pts) and risk of technical recession

- Slightly higher inflation
- Moderate decline in growth (-0.3 to -0.5 pt)

# Impacts of the war in Ukraine

## No direct exposure for Touax

- ▶ Touax has **neither clients, nor assets or subsidiaries in Ukraine or Russia**, and therefore has **no direct exposure to the conflict**.
  
- ▶ **Industrial and logistics** disruptions are likely:
  - new production and maintenance deadlines
  - risk of a shortage of parts (particularly axles) and rising asset prices (railcars, barges, containers)
  - changes in usual international flows in certain sectors (cereals, steel, etc.)
  - due to slower rotations, an increasing demand for equipment and ongoing high utilisation rates
  
- ▶ A **high level of inflation** can have an impact on:
  - a/ new investment decisions (increase in steel price),
  - b/ modular building manufacturing in Morocco,
  - c/ interest rates and credit spreads, especially on the dollarwith offsetting effects on:
  - a/ the valuation of existing fleets,
  - b/ the increase in leasing rates

# Freight railcars: market in value > €60bn in Europe

Medium-term targets ⇒ Growth of the total fleet managed by Touax: 15,000 railcars, including 12,000 in Europe and 3,000 in Asia

## Market

### Europe: > 700,000 freight railcars in circulation<sup>(4)</sup>

- ▶ Combined rail transport recorded strong growth of +4.5% in the fourth quarter of 2021, confirming the trend of the previous year (+6.77% in 2020) <sup>(1)</sup>
- ▶ The outsourcing trend continues, with lessors' market share growing from 20% in 2004 to more than 30% in 2021<sup>(3)</sup>
- ▶ Ambitious target of the European Commission to achieve 30% market share in 2030 (vs. 18% in 2021) which will require the replacement of 400,000 railcars over 30 years <sup>(4)</sup>
- ▶ Positive impact of inflation (leasing rate, utilisation rate and valuation of existing assets)
- ▶ Impact of the war in Ukraine on China-Europe rail traffic (only the Trans-Caspian East-West-Middle Corridor is open), and on the supply chain

### Asia

- ▶ GDP growth in India up 9% in 2021 and 2022<sup>(2)</sup>.
- ▶ Need for innovative railcars to increase loading capacity, unclog roads and reduce pollution and CO<sub>2</sub> emissions.
- ▶ Infrastructure projects promote rail and containerised traffic, such as the new Dedicated Freight Corridor (DFC) in India

## Touax's ambitions

### Medium- to long-term growth in managed fleet and profitability

#### Europe

- ▶ Growth in profitability through higher utilisation rates and leasing rates. Ever more efficient with the continuous improvement project (Lean): improved fleet availability and customer satisfaction, and optimisation of inventories
- ▶ Organic growth (new car and sale & lease-backs) to support the outsourcing trend among our clients
- ▶ Long-term value-creating investments financed by Touax Rail's capital increase of €81.9m successfully completed with the DIF infrastructure fund in September 2020

#### Asia

- ▶ Full employment maintained (100% utilisation rate) and organic growth
- ▶ 17 trains in circulation with the objective of adding 7 additional trains by 2022

#### Sources:

- (1) UIRR – growth in intermodal rail transport
- (2) IMF – January 2022 outlook
- (3) UIP
- (4) ECVVR: 712,265 cars registered in Europe (27 countries + United Kingdom, Switzerland and Norway) of which 400,000 are over 30 years old

# River barges: > €30bn in Europe and the Americas

Medium-term objectives ⇒ Selective investments

## Market

≈ 36,000 river barges in Europe and the Americas<sup>(1)</sup>

### Europe: a favourable trend

- ▶ Demand for new river barges for the transport of aggregates ('Grand Paris' project) and of cereals and biomass (Rhin)
- ▶ Awareness of European and governmental authorities of ecological issues favorable to river transport
- ▶ Significant public and institutional investments to revive the sector.

### United States

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

### South America

Low level of rainfall impacting grain crops. Resumption of iron ore transport

## Touax's ambitions

Benefiting from the river recovery plan

### Europe

- ▶ Investments in the Rhine and the Seine in new barges intended for leasing
- ▶ Participation in various innovative studies
- ▶ Touax is the preferred partner of logistics and industrial players wishing to develop river transport

### North & South America

Given the observed recovery in activity and a high utilisation rate at present, selective investments will be considered over the medium term.

Sources:

(1) 11,155 dry barges in Europe (CCNR) + 20,783 in the USA (Institute Water Resources US Army Corps of Engineers) + 4,000 in South America - Hydrovia (OCIT)

# Containers: > \$173bn globally

## Medium-term objectives ⇒ Investment in owned equipment and Trading

### Market

#### 50 million containers in circulation

- ▶ Strong recovery in containerised trade in 2021 (+6.5%) and +3.5% expected in 2022<sup>(1)</sup>. Growth being revised downwards by the IMF following the conflict in Ukraine, mainly impacting Europe.
- ▶ Containers transport 52% of the world's cargo in terms of value transported by sea routes <sup>(2)</sup>
- ▶ Lack of containers in 2021 leading to a shortage and a sharp increase in freight rates (of approximately \$2,000 to \$8,000/TEU) <sup>(3)</sup>
- ▶ Sharp improvement in our clients' credit quality (record results for shipping companies)
- ▶ Global increase in container production to meet demand (more than 6 million TEU manufactured in 2021 vs. 2.8 million TEU in 2020)
- ▶ Increase in new container prices of 50% in 2021, resulting in an existing fleet utilisation rate of more than 99% for all players, and an increase in leasing rates as well as an extension of lease terms for new contracts (contractual commitments >10 years).
- ▶ Extension of existing leases with long-term contracts.
- ▶ Few containers for sale leading to higher prices for used containers available for sale.

### Touax's ambitions

#### Improvement in profitability expected

- ▶ The strategy of expanding the owned fleet (the ratio of CEU increased from 11% in 2018 to 28% in 2021) had a significant incremental impact on EBITDA.
- ▶ Growth in profitability by maintaining high utilisation rates (> 95%) and an increase in leasing rates (positive impact of inflation)
- ▶ Growth in the trading of new and used containers, which is a good complement to the leasing activity. The rise in price of new containers is underpinning activity.
- ▶ Development of management on behalf of third parties with the signing of two partnerships with a US infrastructure fund and a European investment fund totalling \$100m in containers to be ordered, delivered and leased in the next 12 months

# Operational strategy

## To underpin performance and profitability

### Growth drivers

#### Freight railcars

- ▶ Organic growth with investments in Europe & Asia financed by Touax Rail (accretive capital increase carried out in 2020) and third-party investors
- ▶ Increase in revenue driven by a strategy of (i) international diversification (Europe and Asia) and (ii) flexible offers (leasing with or without maintenance, and sale & lease-back solutions) perfectly in line with the trend towards outsourcing.
- ▶ Strong need to renew the railcar fleet in a context of growth and a European objective of transition from road to rail transport with a 30% market share.

#### Barges

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

#### Containers

- ▶ New investments with a higher share of owned assets, improving profitability
- ▶ Increase in sales volumes (trading of new and used containers) in addition to recurrent leasing activities.

### Improvement in margins

- ▶ **Return of positive inflation** for leasing activities (revaluation of existing fleets, increase in leasing rates, utilisation rates and residual values).
- ▶ **Revenue growth and cost optimisation:** three flexible, upgradeable management platforms with economies of scale (growth potential for leasing and trading with substantially equivalent cost structure).
- ▶ **Continuous improvement programme** at the group level (“Lean management”) with 100% of Touax staff trained in 2021 (White and/or Yellow belt level).
- ▶ **Optimisation of the cost of resources:** with the return to profits, repayment of 50% of hybrid debt in 2020; the objective: to reduce the average interest rate on Corporate debt despite the rise in interest rates.

#### Modular buildings activity in Africa

- ▶ Strategy to improve volumes and margins. Focus on turnkey value-added products in the education and healthcare sector (schools, colleges and hospitals).
- ▶ EBITDA and net income up in 2021.

# Structural outlook

## Touax has many strengths

### Excluding cyclical effects, with a trend towards recovery and higher inflation

- ▶ Recurring nature of TOUAX's business model
- ▶ Opportunity to increase the fleet under management
- ▶ Increase in residual values and therefore the asset value of owned and managed assets

### Structurally

- ▶ Expansion of **e-commerce** and **intermodal logistics**; **Infrastructure** development (favouring container, rail and river transport).
- ▶ **Strong support** of consumers, the public authorities and financial players **for green transport**
- ▶ **Trend towards client outsourcing** that favours leasing and the development of Touax group services



### Touax aims to

- ▶ **increase its profitability** gradually by expanding its base of owned and managed assets and achieving economies of scale
- ▶ **continue to expand structurally** in its leasing activities for environmentally friendly transport solutions

# Structural outlook

## Touax innovations at the heart of sustainable transportation

### Growing demand linked to ecological objectives

#### ► EcoTransIT World platform

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

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



- **CO<sub>2</sub> emissions from transport by train were 4 times lower than by road**
- **CO<sub>2</sub> emissions from transport by river and container were 2 times lower than by road**

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

#### ► Freight railcars

In the second half of 2021, launch of the final “**Green**” transformation phase of all coal hopper cars into cars dedicated to the transport of aggregates in the UK (48 railcars).

Rollout of digital solutions to accelerate **preventive maintenance**, in order to reduce the impact of empty transport and the associated CO<sub>2</sub> emissions for our clients.

#### ► River barges

On two new barges commissioned in 2021, Touax worked closely with a Dutch shipyard to supply and develop **bow thruster installations that eliminate most of the nitrogen oxides resulting from engine combustion**.

#### ► Containers

**Search for new and more environmentally friendly materials** with the introduction in 2021 of a **new OSB (Oriented Strand Board) floor** for our new containers dedicated to the trading activity

#### ► Modular buildings

**ISO 14001 environmental certification** for the Quality Safety Environment integrated management system of our plant in Morocco

\* Well-To-Wheel: assessment system aims to evaluate the level of greenhouse gas emissions from fuel and engines

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

# Contents

- ▶ Recurring business model
- ▶ Profitability and fleet expansion
- ▶ Economic and structural outlook
- ▶ Asset value and stock market performance



# Asset valuation at 31 December 2021

Net asset value per share at 31 December 2021: €20.22 <sup>(5)</sup>

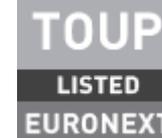
Touax-owned fleet of assets		
	Net book value <sup>(4)</sup>	Market value <sup>(2)</sup>
 <b>Freight railcars</b>	<ul style="list-style-type: none"> <li>• Europe: €100.0m</li> <li>• India: €7.7m</li> </ul>	<ul style="list-style-type: none"> <li>• Europe: €127.5m</li> <li>• India: €7.7m<sup>(3)</sup></li> </ul>
 <b>River barges</b>	€46.6m	€65.0m
 <b>Containers<sup>(1)</sup></b>	€123.8m	€137.7m
<b>Management fees<sup>(1)</sup></b>	-	€24.8m
<b>Total</b>	<b>€278.1m</b>	<b>€362.7m</b>

## Notes

- 1 Exchange rate €1=\$1.1326
- 2 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)
- 3 NBV = FMV
- 4 Group share of net book value of assets
- 5 Excluding non-controlling interests in the freight railcar entities and excluding the present value of management fees in the container activity.

# TOUAX and the Stock Market

## Share data



	2021	2020
<b>Number of shares</b> (in thousands)	<b>7,011</b>	<b>7,011</b>
<b>Market capitalization</b> (€m)	<b>47.40</b>	<b>64.65</b>
<b>Consolidated shareholders' equity, Group share</b> (€m) <sup>(1)</sup>	<b>107.96</b>	<b>92.26</b>
<b>Price-to-book ratio (excluding hybrid capital)</b>	<b>0.58</b>	<b>0.97</b>
<b>EPS</b> (€)	<b>1.79</b>	<b>0.84</b>
<b>Highest price</b> (€)	<b>10.50</b>	<b>9.68</b>
<b>Lowest price</b> (€)	<b>6.58</b>	<b>2.85</b>
<b>Average daily volume</b> (in number of shares)	<b>9,958</b>	<b>11,664</b>
<b>Closing price</b> (€)	<b>6.76</b>	<b>9.22</b>

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

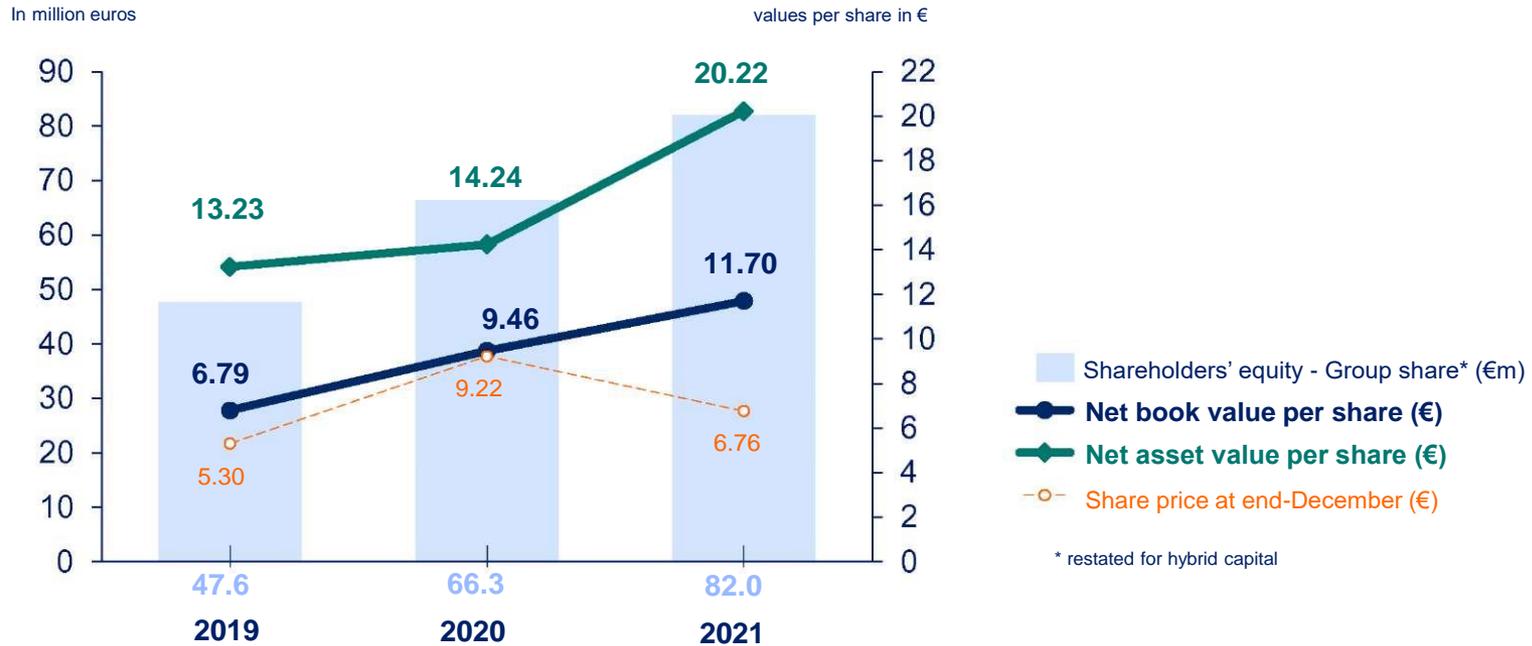
Share closing price at 31 December 2021 was €6.76.

The book price per share was **€11.70** (excluding hybrid capital).

The net asset value per share amounted to **€20.22** at 31 December 2021.

# TOUAX

## Creation of shareholder value



- ▶ The group's strategy to refocus on its three traditional long-term leasing businesses in sustainable transport has paid off
- ▶ The return to profit in 2020, confirmed by a solid 2021 performance, also resulted in the creation of shareholder value (not reflected in the share price):
  - the **net book value per share** rose from €6.79 at the end of 2019 to **€11.70 at the end of 2021 (+72% in 2 years)**
  - the **revalued net asset value per share** rose from €13.23 at the end of 2019 to **€20.22 at the end of 2021 (+53% in 2 years)**



Thank  
you!