

Touax[®]

2017 results

AGENDA

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

Touax group, ready for growth recovery

- **Refocusing** on transportation equipment leasing businesses (freight railcars, river barges, shipping containers)
- **Recovery** of the 3 underlying markets
 - Increased demand
 - High utilisation rate
 - Strong investor interest in capital markets
- **Growth** recovery
 - A more sustainable and robust group
 - Return to growth and profitability



Sale of modular building sale and leasing activities in Europe and the United States

▶ Sale/impairment of modular building activities

- Cyclical activity primarily related to construction with short leases
- Sale of the US activity on 2 November 2017 and the European activity on 8 December 2017
- Impairment in full of the goodwill of the activity of modular buildings in Morocco held in partnership with an investment fund specialised in Africa.

▶ Refocusing on transportation equipment leasing activities (freight railcars, river barges, shipping containers)

- Business focused on operational leasing with a majority of long-term contracts and without the need to invest in production tools
- Strong commercial synergies in growing global markets
- Financing possible on balance sheet and by third party investors

▶ A stronger group for a return to growth and profitability

- Strengthened balance sheet : net gearing (net debt to equity) of 1.32x and LTV (loan to value) of 54%
- Increasing EBITDA and operating flows, up by 15.7%
- Increasing current operating income at €7.6m, +34.4%
- Net income of -€18m of which
 - +€0.5m excluding Modular Buildings activities in Morocco
 - €12.6m for discontinued operations
 - €5.9m for continued modular buildings operations in Morocco (including -€4.2m of Group share of goodwill impairment)

Touax group, today

- ▶ **A business:** the operational leasing of transportation equipment and its associated services, unique experience since 1853, €1.2 billion of assets under management, 235 employees, an extremely international group (98% of revenue outside France) and listed in Paris
- ▶ focused on **three standardised and long-held assets** (Freight Railcars, River Barges and Shipping Containers) leased on long-term contracts
- ▶ **Significant leasing needs** driven by the continuing need for outsourcing
- ▶ **Major markets** (\$70 billion of shipping containers in service worldwide, €15 billion of river barges in Europe and the Americas, €50 billion of railcars in circulation in Europe) with recurring replacement and development needs driven by growth in international trade
- ▶ Growth that can be financed in a flexible way **for its own account and on behalf of third parties**



Touax group: leasing, sale, services

A stable economic model

Long-life assets
(30-50 years)

Standardized and
mobile equipment

Key advantages TOUAX

▶ Recurrent cash flow

▶ Balanced risk management
(proprietary vs. third party)

79% of recurrent leasing revenues

▶ Strong leading positions

▶ Diversified markets on different zones

Multi-year leasing contracts
(3-6 years)

Low obsolescence stemming high residual value

Touax group

3 management platforms with leading positions

Freight railcars : 37% of revenue



▶ Our position

- No. 2 lessor in Europe (intermodal railcars)
- 10,820 platforms (leasing and technical management)

▶ Our activity

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

▶ Asset

- €277m asset owned
- €135m asset under management for 1/3 parties

River barges : 7% of revenue



▶ Our position

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

▶ Our activity

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

▶ Asset

- €76m asset owned
- €10m asset under management for 1/3 parties

Shipping containers: 52% of revenue



▶ Our position

- European leader
- 3rd worldwide asset manager of containers for third parties
- 475,000 containers (TEU)

▶ Our activity

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

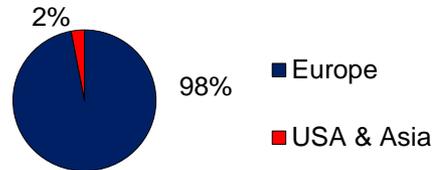
▶ Asset

- €45m asset owned
- €665m asset under management for 1/3 parties

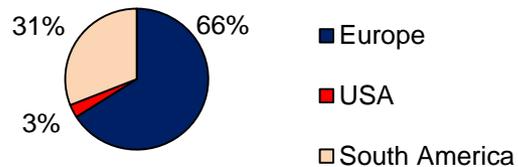
Touax group: an international group

Breakdown of the division's business by geographical areas

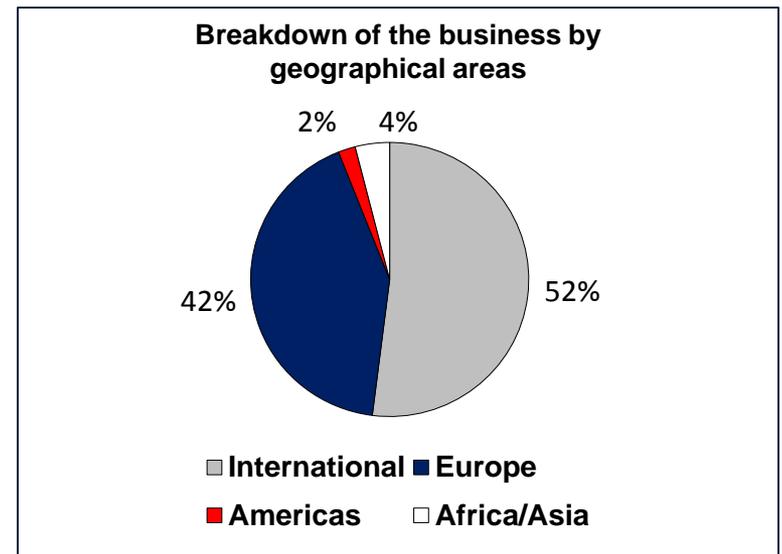
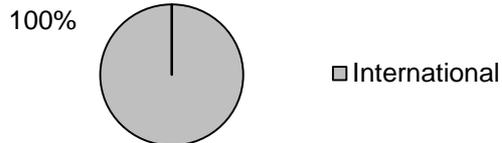
Freight railcars



River barges



Shipping Containers



Operational and financial strategy and outlook

Operational Strategy

- ▶ **Growth** of the 3 leasing and sales transportation businesses
 - Improve utilisation rates and leasing prices (freight railcars)
 - Growth in managed fleet (freight railcars, river barges and shipping containers)
 - Growth into developing markets (freight railcars)
 - Development of associated services (trading, sales, sales & leaseback, management on behalf of third parties in partnership with investment and infrastructure fund)
- ▶ **Recovery** of the Modular Buildings business in Africa along with our partner, which is an investment fund specialized in Africa

Financial strategy

- ▶ **Improvement** of the operational profitability
- ▶ **Reinvestment** of the positive free cash flow
- ▶ **Additional financing** of growth by third-party investors
- ▶ **Increase** in EBITDA creating shareholder value

AGENDA

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

Highlights 2017

- ▶ Sale of European and US modular building activities, resulting in a loss of €12.6m (result of discontinued operations)
- ▶ Impairment of the residual activity of modular buildings in Morocco held in partnership with an investment fund specialised in Africa
 - -€5.9 million loss (including total impairment of goodwill of €8.3 million, of which -€4.2 million is attributable to the Group)
- ▶ Net result from continued operations excluding Africa of +€0.5m
- ▶ Current operating income up 34.4% to €7.6 million

2017 financial indicators

Adjusted data IFRS 5

| | |
|--|---|
| Revenue | • €211.9 million (-8.9%) |
| EBITDA (EBITDA after distribution) | • €26.9 million (+15.7%) |
| Current operating income | • €7.6 million (+34.4%) |
| Net result | • €-18 million of which €-12.6 million for discontinued operations and €-5.9 million for the modular activity in Africa |
| Free cash flow | • €31 million |
| Net debt | • €181 million |
| Shareholders' equity | • €137 million |
| Asset under management (continued operations) | • €1.2 billion |

Revenues and Financing

Income statement

| <i>in € thousands</i> | 2017 | 2016 |
|---|-----------------|-----------------|
| Leasing revenue | 146,103 | 147,111 |
| Sales of equipment | 65,826 | 85,549 |
| Capital gains from sale | 1,482 | 209 |
| REVENUES FROM ACTIVITIES | 213,411 | 232,660 |
| Cost of sales | (59,908) | (77,454) |
| Operating expenses | (42,975) | (51,729) |
| Sales, general and administrative expenses | (21,875) | (22,585) |
| EBITDAR (EBITDA before distribution to investors) | 88,653 | 81,101 |
| Depreciation, amortization and impairments | (19,314) | (17,601) |
| Consolidated operating income before distribution | 69,339 | 63,500 |
| Net distributions to investors | (61,787) | (57,882) |
| Current operating income | 7,552 | 5,618 |
| Other operating income and expenses | (6,632) | (2,519) |
| NET OPERATING INCOME | 920 | 3,099 |
| Financial result | (9,337) | (10,722) |
| Profit (loss) of investments in associates | (65) | 2,058 |
| Profit before tax | (8,482) | (5,565) |
| Income tax benefit (expense) | (53) | (473) |
| Net income (loss) of retained operations | (8,535) | (6,038) |
| Net Result from discontinued operations | (9,176) | (7,664) |
| Net Income (Loss) of consolidated companies | (17,711) | (13,702) |
| Portion attributable to non controlling interests | 329 | (2,119) |
| CONSOLIDATED NET INCOME – Owners of the parent company | (18,040) | (11,583) |
| Including income from retained operations | (5,390) | (3,914) |
| Including income from discontinued operations | (12,650) | (7,669) |
| Net earnings per share | (2.58) | (1.82) |

Revenues and Financing

Income statement

- ▶ **Revenues of €211.9 million down 8.9% (-€20.7 million)**
 - Stable leasing revenues at €146.1m despite the sale of containers
 - Fall in Shipping Container sales partially offset by higher Freight Railcars sales

- ▶ **EBITDAR of €88.7 million, up** from €81.1m in 2016
 - Decrease in the volume of transfer margins due to lower sales
 - Improved profitability of assets with higher utilisation rates, higher rates and lower operating expenses

- ▶ **EBITDA of €26.9 million, up** from €23.2m with a larger owned fleet in 2017 than in 2016

- ▶ **Current operating income of €7.6 million, up** from €5.6 million in 2016
 - Increase in line with the increase in EBITDA

- ▶ **Current income including impairment of goodwill (non cash) at 100% across Morocco** (impact of €8.3m)

- ▶ **Net result of -€18 million**
 - Loss of -€12.6m for discontinued operations
 - Loss of -€5.9m for continued modular buildings operations in Morocco (including -€4.2m of Group share of goodwill impairment)
 - Positive income of €0.5m excluding residual Modular Buildings activities in Morocco

Revenues and Financing

EBITDA

- ▶ Rise in EBITDA of €3.6 million (+15.7%)

| (in € thousands) | 12/2017 | | | 2016 | VARIATION 2017-2016 |
|---|--|------------------------------|--|--|------------------------|
| | EBITDAR (EBITDA before distribution to investors) | Distribution to investors | EBITDA (EBITDA after distribution to investors) | EBITDA (EBITDA after distribution to investors) | |
| Freight railcars | 24,678 | (4,388) | 20,291 | 16,598 | 3,693 |
| River barges | 5,703 | | 5,703 | 4,371 | 1,332 |
| Shipping containers | 58,406 | (57,399) | 1,006 | 3,276 | (2,270) |
| Other (admin, expenses, misc. and offsets) | (133) | | (133) | (1,026) | 893 |
| 31/12/2017 | 88,653 | (61,787) | 26,867 | 23,219 | 3,648 |
| 31/12/2016 | 81,101 | (57,882) | 23,219 | | |

- ▶ Increase in the Freight Railcars and River Barges business activities
- ▶ The absence of growth in Shipping Containers has led to a decrease in EBITDA

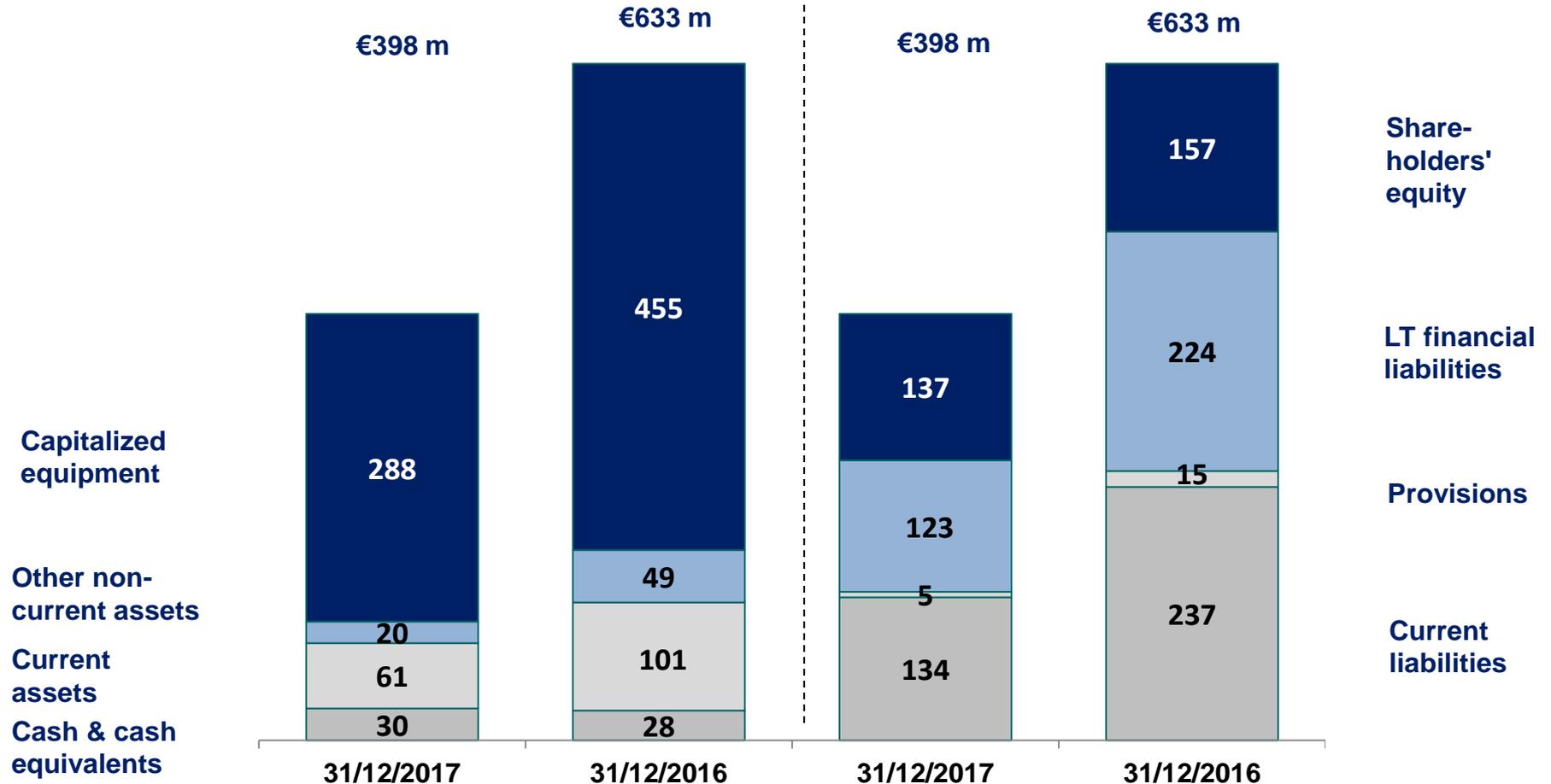
Revenues and Financing

Comparative summary balance sheet

ASSETS

LIABILITIES

In € million



Revenues and Financing

Comparative summary balance sheet

- ▶ **Capitalized equipments** €288m vs. €455m (€-167m)

- ▶ **Current assets** (excluding cash and cash equivalent) €61m vs. €101m
 - Inventory €24m (€-13m)
 - Clients €30m (€-22m)
 - Others €7m (€ -6m)

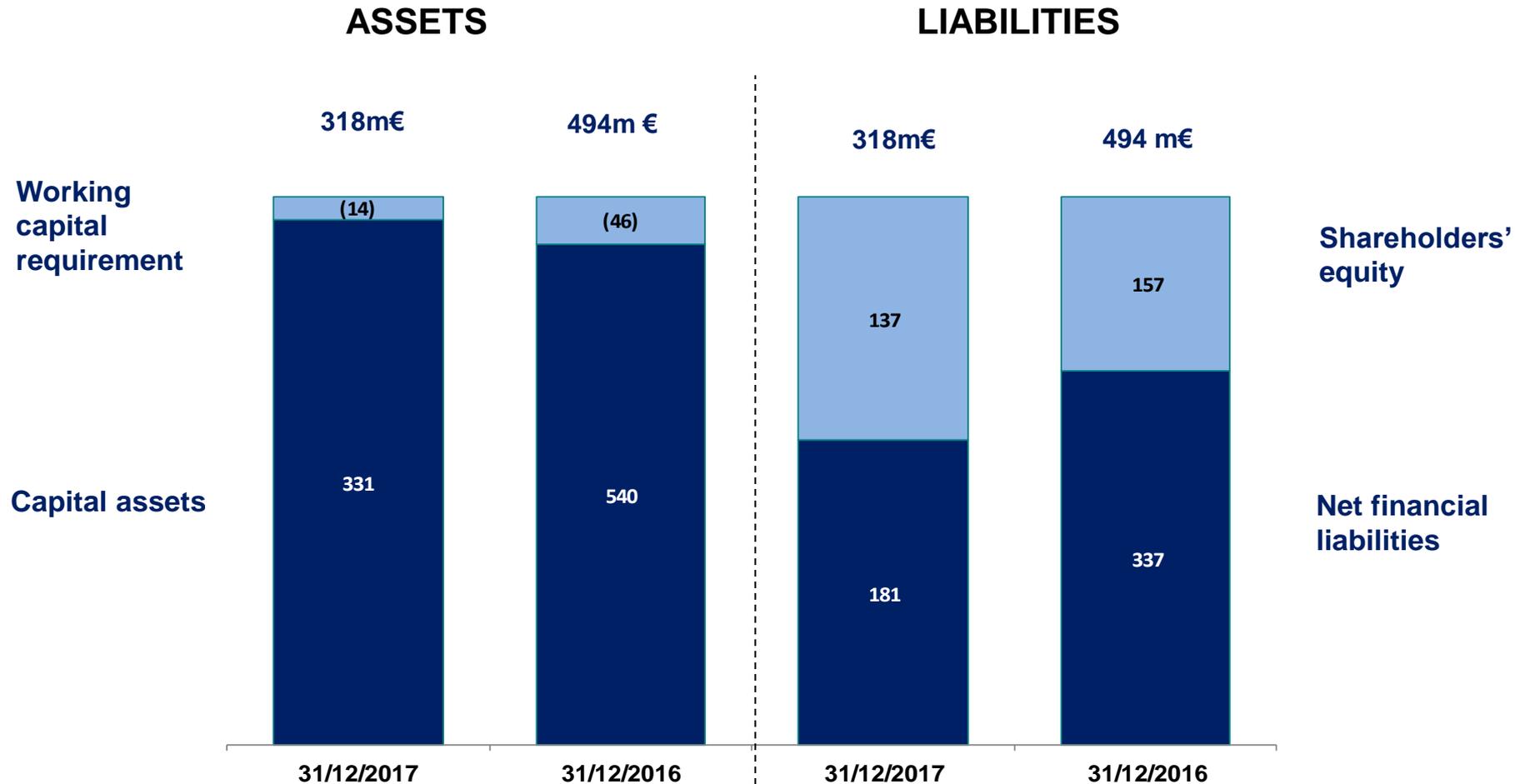
- ▶ **Equity** €137m vs. €157m (including €24m of minority interest)

- ▶ **LT financial liabilities** €123m vs. €224m (€-101m)
 - Net financial liabilities (including short term debt) €181m vs. €337m (€-156m)

- ▶ **Current liabilities** €134m vs. €237m (€-102m)
 - Short term liabilities €88m
 - Supplier indebtedness €12m
 - Other debts €33m

Revenues and Financing

Economic balance sheet



▶ Net debt (€181m) is financing only the tangible assets (€331m)

In € million

Revenues and Financing

Cash Flow statement

▶ Cash Flow Statement

| (€ million) | 2017 | 2016 |
|--|----------------|---------------|
| Operating activities excluding WCR | 28.6 | 20.1 |
| WCR (excluding inventory) | (11.5) | (7) |
| Net purchase of equipment and change in inventory | 12.5 | 2.3 |
| Operating activities | 31.1 | 30.2 |
| Investing activities | 138.2 | (1.3) |
| Financing activities | (168.3) | (46.5) |
| Exchange rate variation and variation of the discontinued operations | 0.7 | 0.5 |
| CHANGE IN NET CASH POSITION | 1.7 | (17.8) |

- ▶ The operating free cash flow is positive at €31m with a positive operating cash of €28.6m, a net change in working capital of €-11m and net syndications/divestments of €12.5m
- ▶ The financing flow is mainly represented by the sale of modular buildings activities which allowed the debt reimbursement

Revenues and Financing

Debt

► Presentation of gross debt

| | Balance sheet amount | Breakdown | Average rate 31/12/2017 | Floating rate share |
|---|----------------------|-------------|-------------------------|---------------------|
| Short-term loans with recourse | €31,6 m | 15% | 4,30% | 77,7% |
| Medium- and long-term loans with recourse | €46,8 m | 22% | 5,53% | 0% |
| Non recourse debt (short and long term) | €132,5 m | 63% | 3,02% | 43,1% |
| TOTAL GROSS DEBT | €210,9 m | 100% | 3,77% | 38,7% |

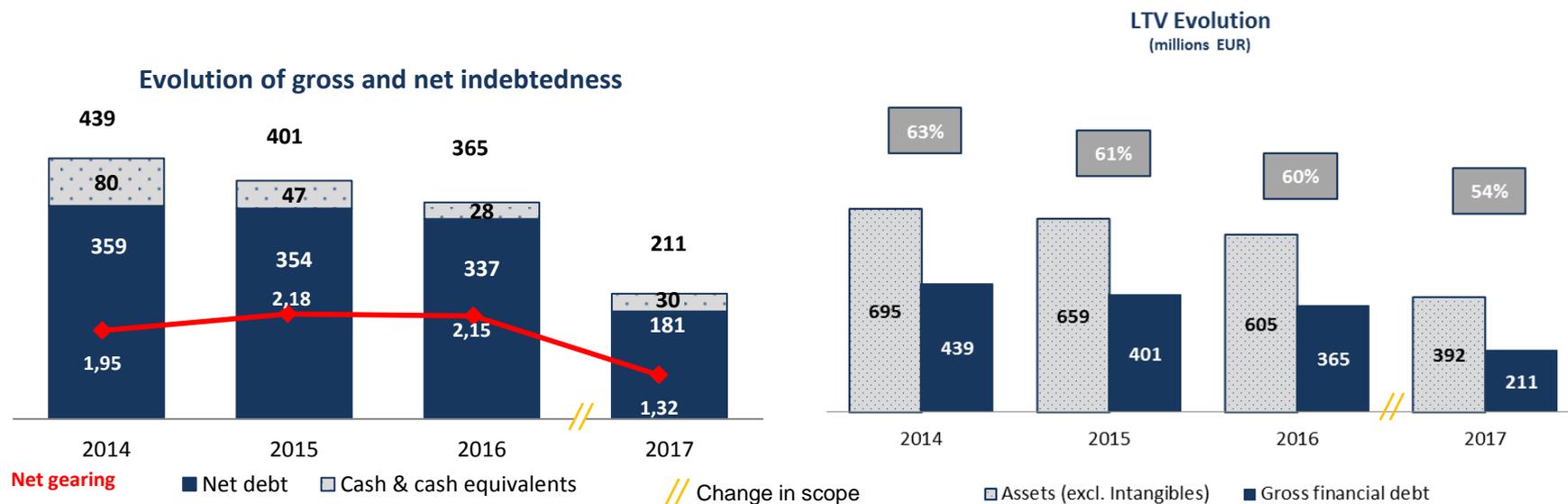
- 63% of consolidated debt is non recourse to TOUAX SCA
- 33% of the Group's debt is not in euro (18% in USD et 15% in other currencies)

► Presentation of net debt

| | Balance sheet amount |
|-------------------------------------|----------------------|
| Gross debt | €210,9 m |
| Cash and cash equivalents | €29,9 m |
| TOTAL NET DEBT | €181,1 m |
| including non-recourse debt | €132,5 m |
| TOTAL NET DEBT WITH RECOURSE | €48,6 m |

Revenues and Financing

Debt



- ▶ The Group's financial debt decreased to €211 million, further to the sale of the modular activity in Europe, resulting in (i) the repayment of related debt for €33 million and (ii) the repayment of corporate debt totalling €104 million.
- ▶ The net Gearing ratio (net debt to equity) is x1.32
- ▶ LTV ("Loan To Value") stands at 54%
- ▶ The Group was complying with its contractual ratios at the end of December 2017 and its financial profile is improving

Revenues and Financing

Market risk management

▶ Liquidity risk management

▶ **The natural depreciation of the debt amounts to €85.5 million in 2018 and relates to:**

- The repayment of a bond of €7m maturing in October 2018
- Refinancing of a warehouse-type asset line for the container division for an outstanding amount of €21.2 million
- Refinancing of warehouse-type asset financing lines for the railcars division for a total amount of €43.6 million
- €10.6m of natural depreciation of other debts

▶ **Repayments of short-term lines (confirmed or not) with recourse** equalled **€2.5m** over the first half of 2018 and relate to spot lines

▶ **Refinancing of asset lines** is in progress and benefits from a favourable LTV of 54% at the end of 2017

▶ An approach will be implemented for new **club deal** corporate financing

▶ Natural depreciation of debt is due to post-distribution cash flows worth €31.1 million in 2017 and to available cash flow. At the same time, the group holds €331m in tangible assets.

Revenues and Financing

Market risk management

▶ Interest rate risk management

- Average rate of the debt (after hedging and excluding businesses to be sold) stable compared with December 2016, to 3.77% (vs. 3.64%)
- After the impact of hedging: 61% of debt is at a fixed rate, and 39% of the overall debt at a floating rate (48% and 52% respectively in December 2016)
- Sensitivity of interest expenses for a 1% change in floating rates: +10.3% or €0.8 million

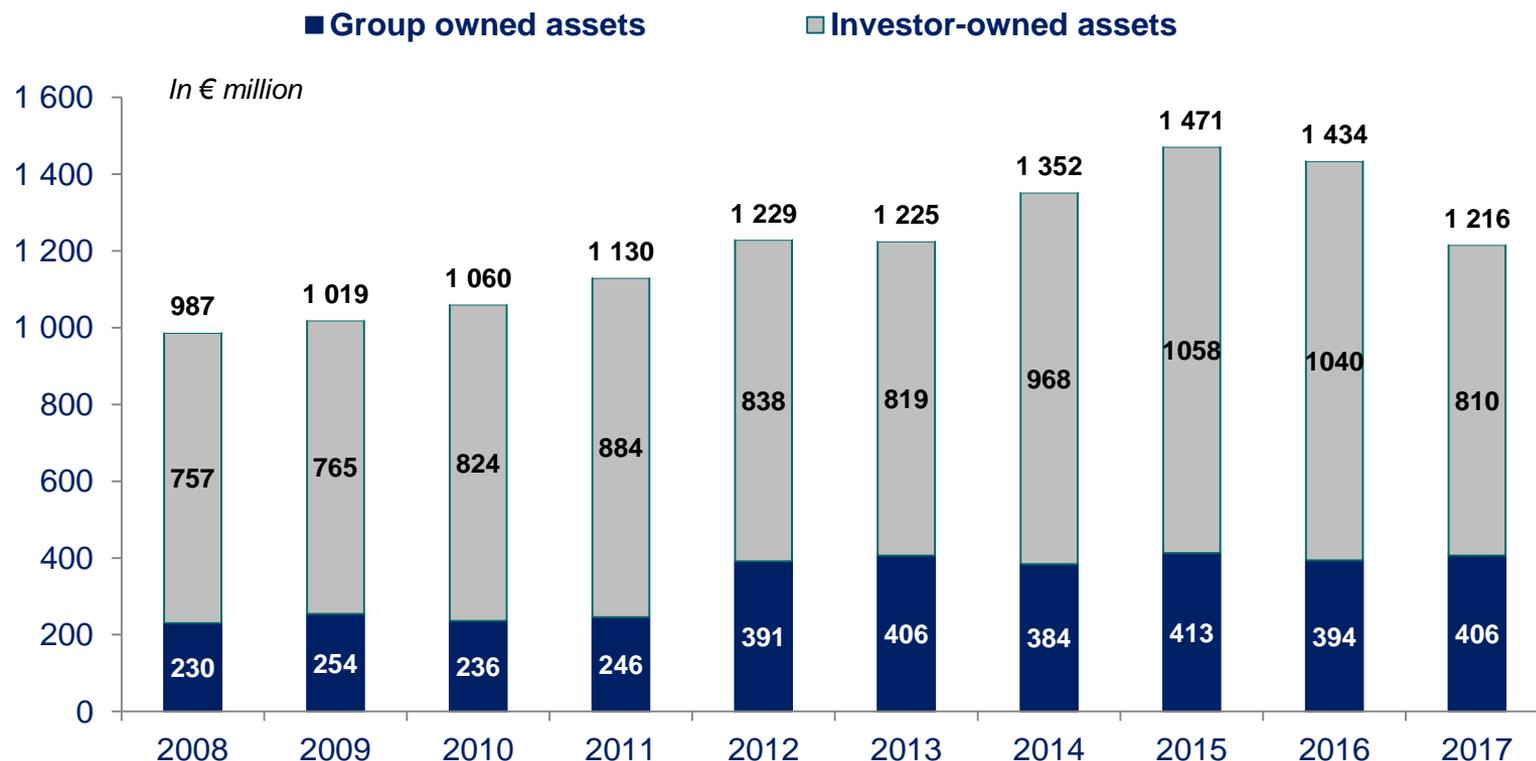
▶ Currency risk management

- Low transactional currency exchange risk: Intra-group cash flow hedging policy (mainly USD)
- Low operational currency exchange risk (e.g. the shipping containers activities are in USD with purchase, sale and income (loss) in USD)
- Conversion risk: net income (loss) in dollars is not hedged and is converted into euros at the average rate
- Exchange rate variation in accounting
 - Currency equities are not hedged and are converted at the closing rate
 - Railcars operated in the United Kingdom were purchased in GBP, financed in GBP and operated in GBP but are recorded in the balance sheet of a company in EUR creating an accounting exchange rate fluctuation

Revenues and Financing

Breakdown of overall managed assets per year (IFR 5 adjusted)

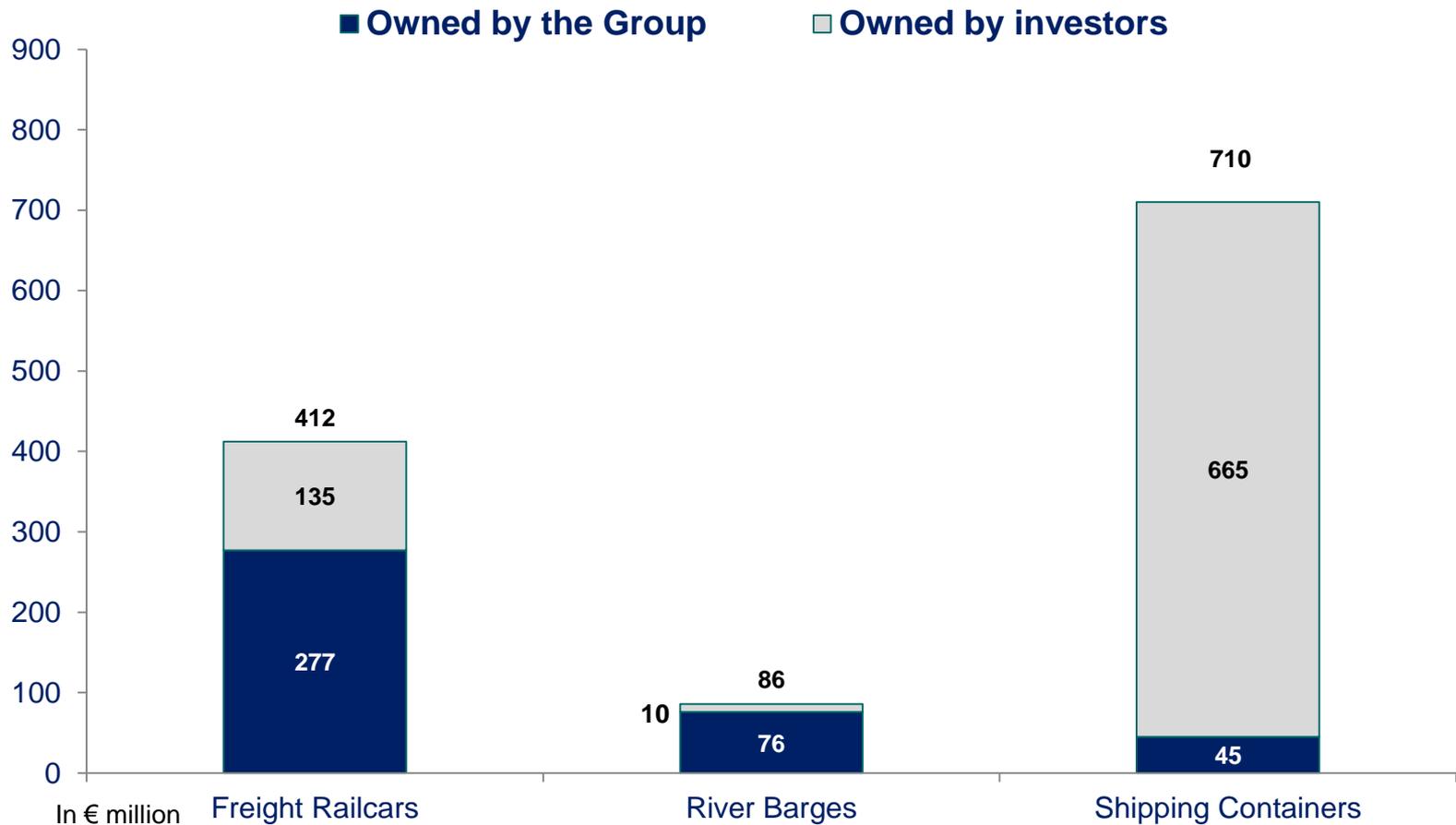
- ▶ **Annual average growth of the fleet (over 10 years): 4.7%**
 - ▶ +2.8% for third party fleet under management
 - ▶ +10% for Touax own fleet



More than half of the equipment is valued in USD in 2017. The value of the managed assets is down at 31 December 2017 (exchange rate of 1.1993 at 31/12/2017 vs. 1.0541 at 31/12/2016). The decrease in the value of the fleet is due to the variation in the dollar (half of the decrease) and to the exercise of customer purchase options (the other half).

Revenues and Financing

Breakdown of managed assets by division at 31 December 2017



Revenues and Financing

Third-party asset management

▶ 2017 performance analysis

- Syndications of €31.4 million of European railcars and €5.9 million of shipping containers to third-party investors
- The sale of railcars was to the SICAV-SIF (Touax Euro Capital Equipment Fund), an AIFM-regulated Luxembourg fund successfully launched in July 2016. The SICAV has more than 40 investors (family office and corporate). It holds 2,856 railcars for a market value of €105 million

▶ Management strategy

- Invest in tangible assets offering consistent leasing returns
- Attractive investments in a context of historically low interest rates
- The SICAV-SIF has made it possible to simplify investment in this type of asset (European regulated fund, greater legal protection, independent governance with delegated AIFM management, structured leverage, organised liquidity after 3 years, independent valuation)

▶ 2018 outlook

- The growth of third-party management allows the group to finance its growth in addition to its balance sheet capacities and to generate additional management fees
- Over the next 3 months, the group foresees (i) additional freight railcar contracts to bring the fleet financed by the SICAV-SIF to €140 million, and (ii) \$50 million of shipping containers to the USD sub-fund of the SICAV-SIF or direct investment

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

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



Freight railcars

Our products and services

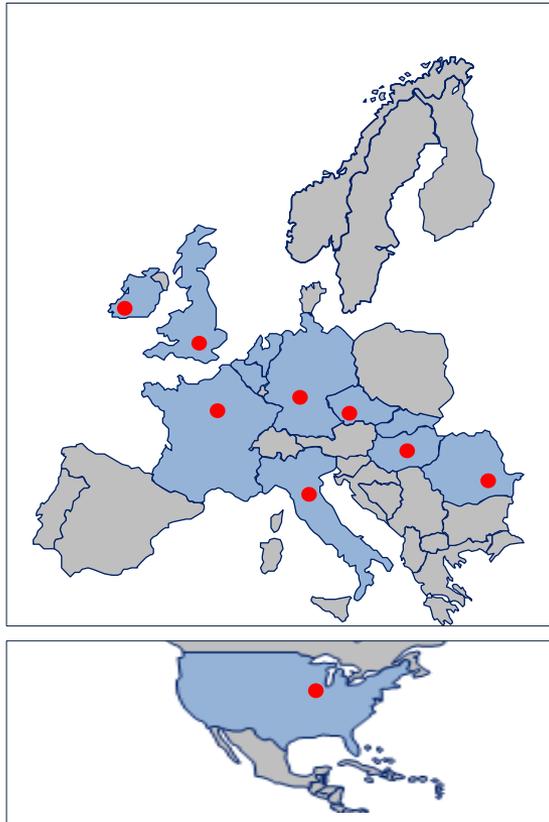


- ▶ Renowned expertise built around freight railcar leasing
- ▶ An extended range of railcars offered to our customers: railcars carrying shipping containers, coal, cars, steel coils, palletized products etc.
- ▶ A maintenance service package to complement our rental offer, thanks to the ECM certification 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 2017

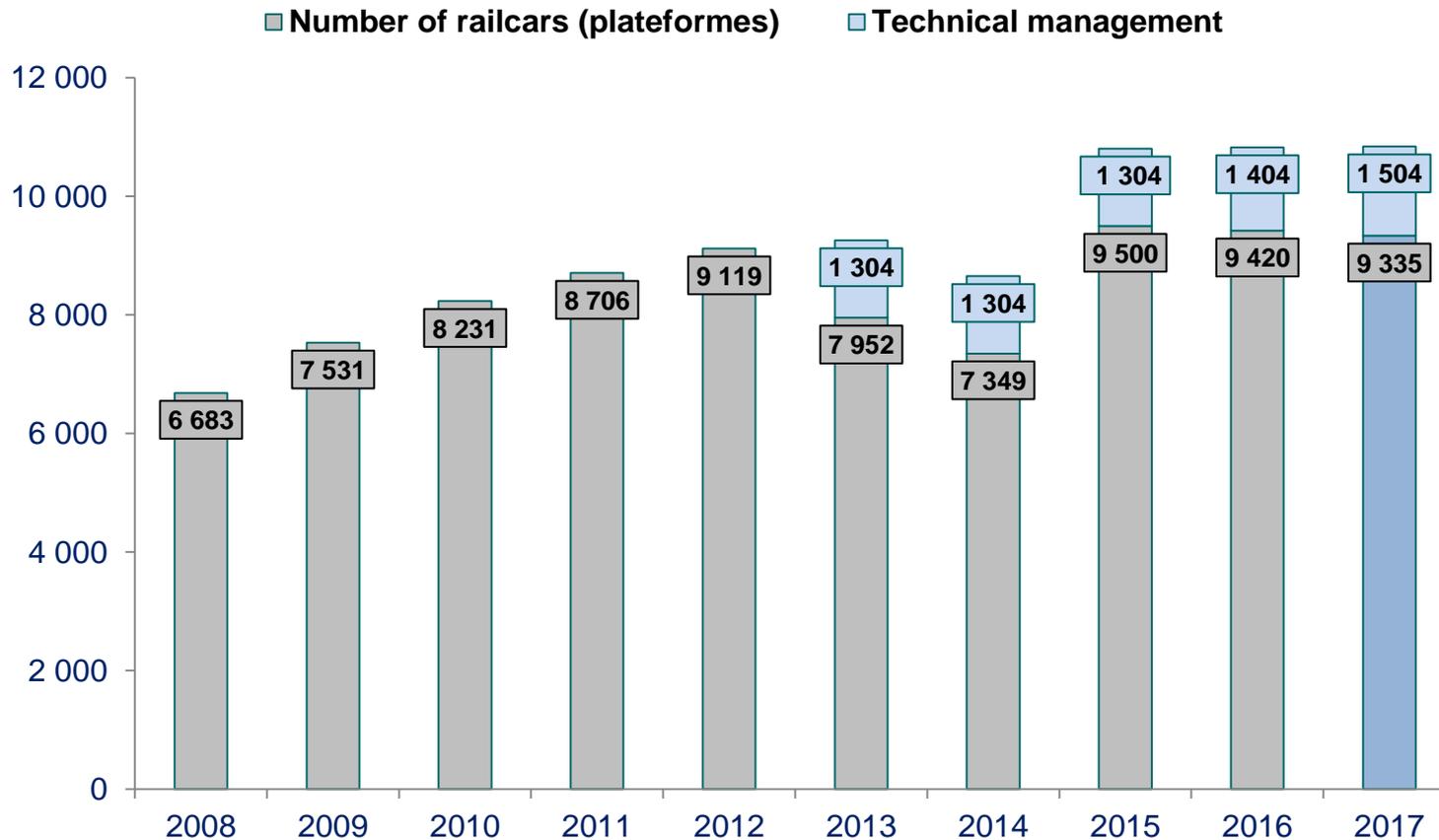
- GDP growth (2.5% in Europe) favourable to rail transport
- Utilisation rate up to 87% in December 2017
- Delivery of new railcars in Europe (intermodal railcars) and in Asia (car transportation railcars, intermodal railcars and for the transport of alumina and cement)
- Successful integration of the 2,000 railcars bought back in late 2015
- Public support in general for the sustainable development of rail transport (lower CO2 emissions)
- Growth of management for third-party investors with sales increasing from 8 to 23 million euros

95 % of the assets in Europe

Freight railcars

Change in the fleet

► Growth in number of railcars



Freight railcars

Management of the fleet

A recent, high-quality fleet

| | 12/2017 | 12/2016 |
|-----------------------------|----------------|------------|
| Average age of the fleet | 19.7 years | 18.8 years |
| Proactive management | | |
| Average utilization rate | 82% | 81.4% |
| Average leasing period | 3.4 years | 3.1 years |
| Economic lifespan | 30 to 50 years | |
| Depreciation | 30 years | |

At the end of December 2017, the utilisation rate stands at 87%

Freight railcars

Performance analysis and 2017 key figures

▶ Performances analysis

- Increase in the revenue by 61.6% to €79 million, mainly due to higher leasing revenues and syndications to investors
- Integration into the financial statement of the investment subsidiary of the 2,000 railcars purchased at the end of 2015, resulting in an increase in leasing revenues
- Completion of syndications with the Luxembourg SICAV for €23 million
- EBITDA at €20.3 million, increasing

▶ Key figures

| (in thousands of euros) | 12/2017 | 12/2016 |
|---|---------------|---------------|
| Leasing revenue | 50,925 | 37,501 |
| Sales revenue | 28,031 | 11,368 |
| <i>incl. sales to clients</i> | 4,969 | 3,051 |
| <i>incl. sales to investors</i> | 23,063 | 8,317 |
| TOTAL REVENUE | 78,957 | 48,869 |
| EBITDAR (EBITDA before distribution) | 24,678 | 20,265 |
| EBITDA (EBITDA after distribution) | 20,291 | 16,597 |
| Assets managed (gross historic value) | 412,006 | 411,632 |
| of which Gross proprietary assets | 276,919 | 254,948 |

Freight railcars

Medium-term outlook

Market

- ▶ **In Europe:**
 - Recovery of European rail traffic since 2013. Growth should continue at an average level of 1.3% per year until 2019
 - An expected need to renew the fleet after 8 years of low investment (1% of the fleet replaced each year)
 - Expected growth of the leasing market beyond the current 20% (compared to more than 50% in the US)
- ▶ **In Asia**
 - Substantial requirements to ensure growth in the zone
 - Need for innovative railcars to optimise traffic



TOUAX

- **Europe:**
 - Increased railcars fleet managed by Touax in Europe through organic growth and external growth
 - Acquisition of a majority stake on 1 January 2017 in SPV which financed the purchase of the 2,000 railcars: positive impact expected on EBITDA and results
 - Growth in railcars managed for third party investors.
 - **Asia:**
 - Development towards Asia with other investments planned in 2018
 - Launch of new railcar designs in collaboration with local manufacturers
- ▼
- 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:

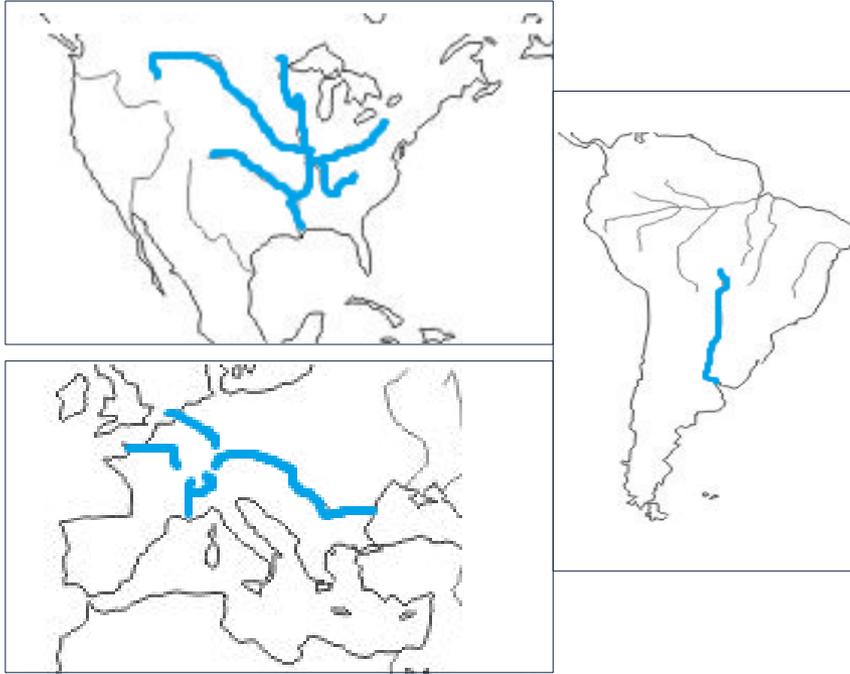
N° 1 in Europe and in South America



River barges

A worldwide presence

A presence on 3 worldwide main basins



Loading of a barge on the Mississippi river

Highlights 2017

- ▶ Good level of activity on the Seine and Rhine with regard to chartering
- ▶ Stable activity across other basins
- ▶ Average utilisation rate of 93%

Our products and services

- ▶ Expertise built around the river barge leasing and sales business **for 165 years**
- ▶ 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 : 119 river barges

| | 12/2017 | 12/2016 |
|-----------------------------------|----------------|------------|
| Average age | 14.2 years | 14.2 years |
| Proactive management | | |
| Average utilization rate (period) | 93.2% | 91.8% |
| Average leasing period | 6.7 years | 6.6 years |
| Economic lifespan | 30 to 50 years | |
| Depreciation | 30 years | |

50% of the assets in Europe and 41% in South America

River barges

Performances analysis and 2017 key figures

▶ Performances analysis

- Revenues stood at €14.6 million, increasing by 5%
- Good level of activity on the Rhine
- No sales in 2017 compared to 2016
- High utilisation rate of 93%
- EBITDA of €5.7 million, increasing (positive resolution of a customer dispute in South America)

▶ Key figures

| (in thousands of euros) | 12/2017 | 12/2016 |
|---|---------------|---------------|
| Leasing revenue | 14,341 | 12,846 |
| Sales revenue | 222 | 1,024 |
| <i>incl. sales to clients</i> | 222 | 1,024 |
| TOTAL REVENUE | 14,563 | 13,870 |
| EBITDAR (EBITDA before distribution) | 5,703 | 4,372 |
| EBITDA (EBITDA after distribution) | 5,703 | 4,372 |
| Assets managed (gross historic value) | 85,823 | 91,581 |
| of which gross proprietary assets | 75,608 | 81,366 |

River barges

Medium-term outlook

Market

- ▶ Europe: Market growth in France (transport of aggregates for construction sites in Greater Paris), and on the Rhine (transport of grain and biomass)
- ▶ Stable market in the USA (few investments in 2017, but offering opportunities from 2018/2018)
- ▶ Gradual improvement of the market in South America, but which will take time to recover its pre-crisis volumes (increased transport of grain but still low level of transport of iron ore to China)
- ▶ Awareness of European and governmental authorities on the ecological issues favourable to river transport



TOUAX

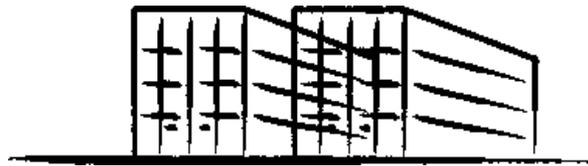
- Investment projects on the Seine in new barges
- Supporting major customers (trading and financing of new barges)
- Satisfactory level of activity in Europe
- No short-term growth expected in South America and the United States



Medium-term objectives

- Selective investments on the Seine and the Rhine

Shipping containers: N° 1 in Europe



Shipping Containers

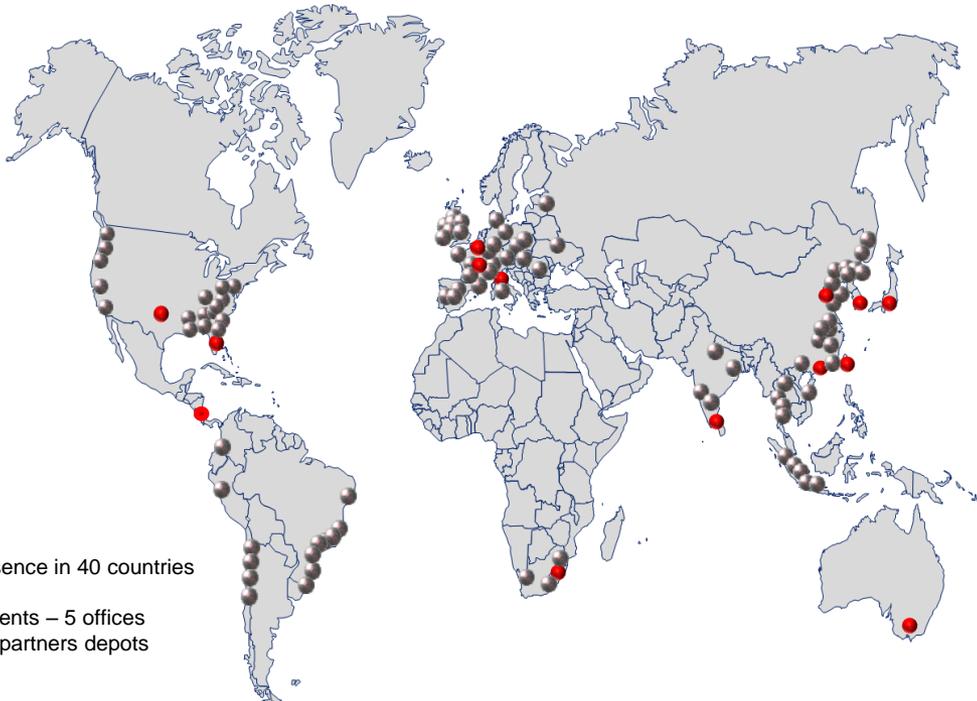
Our products, our services



- ▶ 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



Highlights 2017

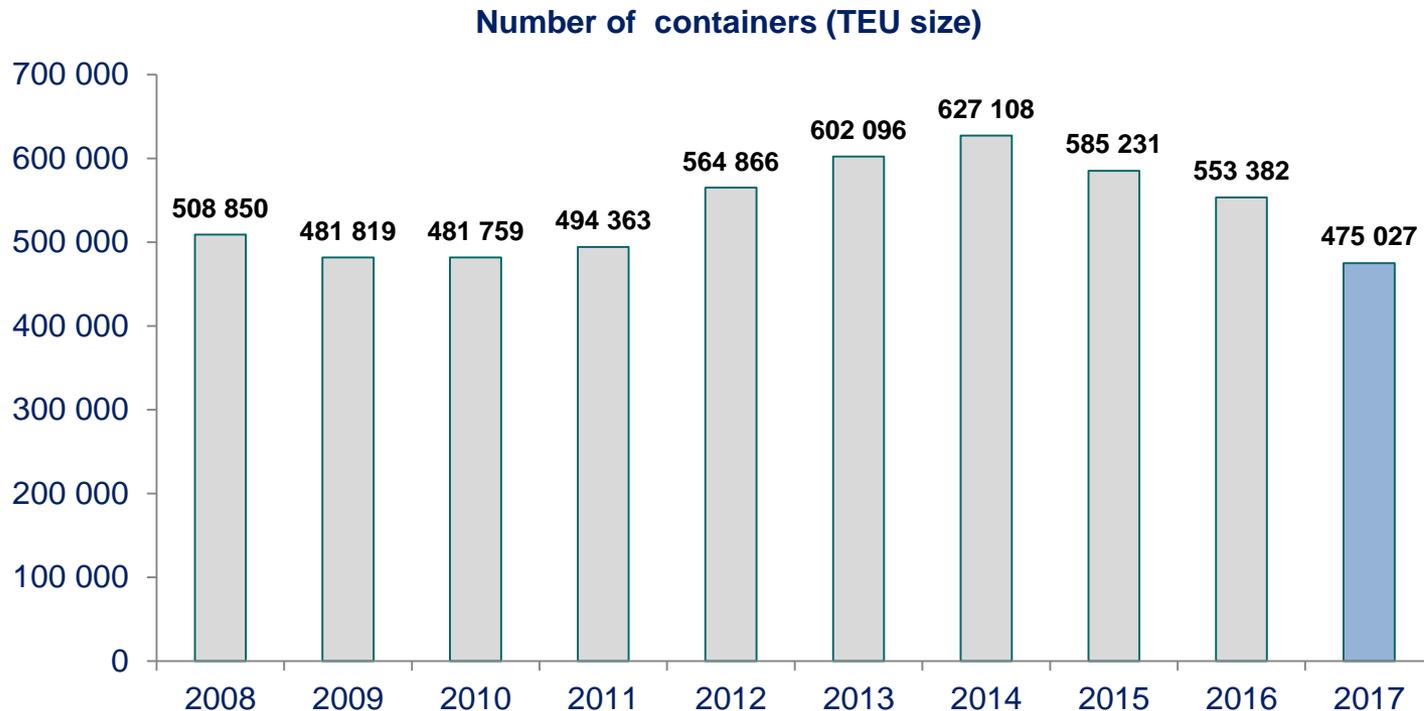
- ▶ Decreased leasing revenues as a result of a fall in the dollar and a smaller fleet
- ▶ Strong recovery in the leasing market in 2017
- ▶ 99% utilisation rate at the end of December 2017, and higher leasing rates
- ▶ Fall in second-hand sales (in volume terms) in the context of a recovery of the leasing market, and increased selling prices

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

Shipping Containers

Change in the fleet

► Growth in TOUAX container fleet



Cautious investment strategy since 2015 favouring the relocation of existing equipment and utilisation rates. Recovery of investments in 2018.

Shipping Containers

Proactive fleet management

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

| | 12/2017 | 12/2016 |
|---|--|-----------|
| Average age | 9.3 years | 8.7 years |
| Proactive management | | |
| Average utilization rate (period) | 97% | 89.7% |
| Average leasing period | 6.2 years | 6.3 years |
| Long term contracts leasing (3-7 years) | 88.6% | 89% |
| <hr/> | | |
| Economic lifespan | seagoing: 15 year lifespan land: 20 year lifespan | |
| <hr/> | | |
| Depreciation | 13 years | |
| | Residual value from \$1,000 to \$1,400 | |

Shipping Containers

Performances analysis and key figures 2017

▶ Performances analysis

- 2017 leasing revenues down to €80.4 million due to the falling value of the dollar while the other half is due to the decreased fleet
- A utilisation rate which increased to reach 99% at the end of December 2017
- Decrease in sales to customers as a result of a recovering leasing market in 2017
- Almost absence of syndication
- Falling EBITDA at €1 million due to the lack of syndication

▶ Key figures

| (in thousands of euros) | 12/2017 | 12/2016 |
|---|----------------|----------------|
| Leasing revenue | 80,439 | 96,594 |
| Sales revenue | 28,898 | 66,290 |
| <i>incl. sales to clients</i> | 23,281 | 42,466 |
| <i>incl. sales to investors</i> | 5,618 | 23,824 |
| TOTAL REVENUE | 109,337 | 162,884 |
| EBITDAR (EBITDA before distribution) | 58,406 | 57,491 |
| EBITDA (EBITDA after distribution) | 1,006 | 3,276 |
| Assets managed (gross historic value) | 709,912 | 931,403 |
| of which gross proprietary assets | 44,848 | 57,555 |

Shipping Containers

Medium-term outlook

Market

- ▶ Growth forecasts for global trade accelerating for 2018 to 3.9% (IMF source) favourable to containerized transport
- ▶ Expected production of new containers at approximately 3.4 million (7.6 billion USD) financed 60% by the lessors
- ▶ Recent concentration of the container leasing industry leading to less competition, and a search for alternative offers by our clients that Touax can provide
- ▶ Increased demand for second-hand containers



TOUAX

- Improvement of the performance of the existing leasing fleet (€665 million under management)
- Return to investment and growth in a favourable environment
- Lower sale volumes of second-hand equipment
- Growth of new container trading



Medium-term objective

- Growth in 2018/2019
- 600,000 TEUs in the medium term

AGENDA

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

TOUAX and the Stock Market

Share price

Share price (base 100 on 27/07/2016)



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

| | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|--------|--------|--------|--------|--------|
| Number of shares (in thousands) | 7,011 | 7,011 | 5,884 | 5,884 | 5,884 |
| Market capitalization (in €m) | 81.96 | 77.13 | 58.84 | 86.49 | 111.44 |
| Consolidated shareholders' Group equity (€m) | 112.70 | 139.28 | 142.81 | 162.78 | 157.02 |
| Price to Book Ratio (excluding hybrid capital) | 1.31 | 0.87 | 0.64 | 0.77 | 0.89 |
| Annualized net earnings per share (€) | (2.58) | (1.82) | (4.08) | (2.20) | (2.63) |
| Highest share price (€) | 14.28 | 11.81 | 16.80 | 21.03 | 21.45 |
| Lowest share price (€) | 8.93 | 7.45 | 9.85 | 13.51 | 15.71 |
| Average daily trading volume (in number of shares) | 13,014 | 4,720 | 6,689 | 2,866 | 4,622 |
| Closing price | 11.69€ | 11.00€ | 10.00€ | 14.70€ | 18.94 |
| PER | - | - | - | - | - |
| Overall net distributions per share (€) | - | - | - | 0.50 | 0.50 |
| Overall return per share | - | - | - | 3.4% | 2.6% |

- ▶ Improvement of the liquidity in relation with the modular divisions sale announcements

Conclusion

- ▶ **Strategic refocusing** in a favourable market context:
 - **Growth in trade** and global GDP favouring rail, intermodal and river transport.
 - **Expected increase in investments** made by the private sector (lessors), and their financial partners (particularly infrastructure funds).
 - **Touax is well-positioned** to benefit from this recovery (strengthened balance sheet, expertise recognised by its clients, expertise in third-party asset management).



Questions & Answers

For further information, visit
www.touax.com

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

