



THE LEASING SOLUTION FOR SUSTAINABLE TRANSPORTATION

2021 RESULTS

Growth in activity and confirmation of profitability momentum

- **Significant growth in EBITDA (+13%), to €53.1 million**
 - **Group share of Net Profit: €12.6 million (+114%)**
 - **Increase in the net book value per share (+23.7%) and NAV (revalued net asset value) per share (+42%)**
 - **Long-term value-creating investments**
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“The excellent results for 2021, following the strong figures for 2020, confirm the recurring nature of the group’s performance. The year was marked by a steady rate of asset purchases in order to meet our clients’ needs, and by our adaptation to the shortage of containers. 2021 demonstrated the relevance of our growth strategy in long-term leasing for sustainable transportation,” said Fabrice and Raphaël Walewski, Managing Partners of TOUAX SCA.

Despite the complex environment linked to the health crisis, in 2021 the group confirmed the recurring nature of its business model and its agility. Touax both continued to capitalise on the strategic, operational and financial measures taken in recent years to consolidate and improve its profitability, while developing its long-term investment programme, and adapted to the tensions created by the logistics disruptions linked to the recovery.

Touax confirmed its profitability momentum in 2021, with a Group share of Net Profit of €12.6 million, and observes an overall growth across all of its operational performance indicators.

Its net book value per share stood at €11.70¹, up 23.7% compared with 31 December 2020. Based on the market value of our assets, the revalued net asset value² (« NAV ») per share came to €20.22², up 42% on 31 December 2020. The sharp rise in the NAV was driven by commodity price inflation.

The consolidated financial statements for the period ended 31 December 2021 were approved by the Management Board on 22 March 2022 and were submitted to the Supervisory Board on 23 March 2022. The auditing of these statements is underway.

¹ Excluding Undated Deeply Subordinated Bonds

² The market value is calculated by independent experts, based 50% on the replacement value and 50% on the value-in-use for railcars, the value-in-use for containers and the replacement value for river barges with the exception of a long-term contract in South America for which the value-in-use was used. This market value is substituted for the net book value when calculating the net asset value.

KEY FIGURES

Key Figures (in million euros)	2021	2020
Restated revenue from activities (*)	125.0	111.6
Freight railcars	50.3	47.2
River Barges	12.8	11.8
Containers	47.7	39.8
Others	14.2	12.7
EBITDA	53.1	46.8
Current operating income	28.8	23.3
Operating Income	28.7	23.2
Profit before tax	16.8	10.0
Consolidated net profit (loss) (Group's share)	12.6	5.9
Including income from retained operations	12.6	6.0
Including income from discontinued operations	0.0	-0.1
Net earnings per share (€)	1.79	0.84
Total non-current assets	358.0	334.5
Total Assets	552.4	474.0
Total shareholders' equity	165.0	146.7
Net Financial Debt (1)	230.6	189.6
Operating cash flow (2)	-25.7	-1.2
Loan to Value	52 %	54 %

(1) Including €207.2 million of non-recourse debt at 31 December 2021

(2) Operating flows included €71.3 million of net equipment purchases (€31.5 million in 2020)

() The key indicators in the group's activity report are presented differently from the IFRS income statement, to enable an understanding of the activities' performance. As such, no distinction is made in third-party management, which is presented solely in agent form: the leasing revenue from equipment owned by passive investors is replaced by management fees, which correspond to the net contribution of the leasing management activity to the group's performance.*

This presentation shows syndication fees, sales fees and management fees, grouped together under management activity, separate from owned activity.

This new presentation has no impact on EBITDA, operating income or net income. The accounting presentation of revenue from activities is presented in the appendix to the press release.

STRONG BUSINESS GROWTH IN 2021

The utilisation rates at the end of December 2021 for Freight Railcars (89.0%), River Barges (92.3%) and Containers (99.2%) were high, due to the economic recovery and the sustained level of international trade.

Over the full-year 2021, restated revenue from activities totalled €125.0 million (€126.6 million at constant scope and currency), up 12% compared with 2020.

This increase was due to the buoyancy of the owned activity, which amounted to €116.4 million at the end of 2021, up 15%. The owned activity benefited particularly from the development of container trading, generating margins on sales and pick-up charges.

For the management activity, syndication fees came to €3.0 million, up €0.7 million, and management fees for investor fleets were stable at €3.6 million.

On the other hand, investor equipment sales fees fell steeply (-€3.0 million compared with 2020), mainly reflecting the low level of containers available for sale in a context of global shortages in 2021.

ANALYSIS OF CONTRIBUTION BY DIVISION

Restated revenue from the **Freight Railcars** division reached €50.3 million in 2021, an increase of 6.6%.

Revenue from the leasing activity increased by 9.7% to €46.4 million over the period, as the new assets purchased generated additional revenue, and investor fleet management fees grew by 13.4% to €1.8 million.

Owned equipment sales and syndication fees decreased, however, by a total amount of €1.2 million.

Restated revenue from the **River Barges** division was up 8.4% to €12.8 million in 2021, driven by the leasing activity (revenues linked to the increase in chartering in the Rhine basin). The average utilisation rate for the division over the period rose to 97.1% (versus 95.1% in 2020).

Restated revenue from the **Containers** division came to €47.7 million at the end of December 2021, an increase of 19.7%.

2021 was an exceptional year. In an environment with an utilisation rate of more than 99%, leasing revenue grew by 10.5% (+€1.0 million). The following positive effects were also seen:

- The rise in owned equipment sales (+€3.7 million year-on-year), with the development of the container trading activity
- The +€4.8million growth in ancillary services (one-way trading container delivery between Asia and the United States)

Syndication fees, up €1.7 million, with two major transactions over the financial year, did not offset the €3.0 million decrease in sales fees on containers owned by investors due to the continued shortage of containers available for sale.

Finally, revenue from the Modular Building activity in Africa, presented in the “miscellaneous” line, rose by €1.1 million over the period to €14.1 million.

A SHARP INCREASE IN PROFITABILITY

EBITDA came to €53.1 million, an increase of 13.4%.

The **Freight Railcars** division's EBITDA was stable at €26.2 million, compared with €26.5 million in 2020.

Against a backdrop of a gradual rise in utilisation rates (89% at the end of December 2021), the division is continuing to make investments and recorded an increase in its operating expenses (maintenance expenses) to anticipate forthcoming rentals.

The **River Barges** division posted EBITDA of €4.8 million over the year, down slightly, by €0.3 million, mainly due to the €0.3 million decrease in syndication fees.

The **Containers** division's EBITDA increased significantly, by €6.3 million, to €17.8 million (+54.1%), driven by the controlled development of trading, an activity that generated strong margins in 2021. Note that this level of performance, which was partly due to logistics disruptions affecting shipping containers worldwide, was extraordinary by an estimated €5 million. However, this positive impact could continue into 2022.

EBITDA for other activities, including Modular Building in Africa, grew to €4.2 million (+€0.6 million).

Operating income reached €28.7 million, an increase of 23.8% versus 2020.

Financial income came to -€11.9 million, compared with -€13.2 million in 2020. This €1.3 million improvement may be attributed to the decrease in financing fees and the reduction of foreign exchange impacts (particularly with the implementation of a cash flow foreign exchange hedging in 2021).

Profit before tax came to €16.8 million, compared with €10.0 million in 2020.

Group share of Net Profit stood at €12.6 million, a very sharp increase versus 2020 (€5.9 million). All of the group's operating divisions made a positive contribution to the global consolidated Net Income.

A SOLID FINANCIAL STRUCTURE

The balance sheet showed a total of €552 million at 31 December 2021, compared with €474 million at 31 December 2020.

Tangible fixed assets and inventories amounted to €418 million, compared with €343 million at the end of December 2020, mainly due to investments within the Freight Railcars and Containers divisions.

Shareholders' equity rose sharply, thanks to the net profitability for the year. Total shareholders' equity stood at €165.0 million (versus €146.7 million in 2020) and the Group share of shareholders' equity totalled €108 million (+17% year-on-year).

Cash flow from operating activities came to -€25.7 million due to a steady rate of equipment purchases amounting to €71.3 million of net purchases and changes in inventories (note that investments relating to operating lessors are classified under cash flow from operating activities).

Gross debt came to €285.5 million, of which 73% non-recourse debt. The group's net debt amounted to €230.6 million, with a comfortable cash position of €53.8 million.

The loan-to-value ratio fell by two points, to 52%.

IMPACT OF THE ARMED CONFLICT BETWEEN RUSSIA AND UKRAINE

Touax is not directly exposed to the current Russia-Ukraine conflict, as it has no subsidiaries, customers or leased transport assets (with the possible exception of a few non-significant containers in transit) in Ukraine or Russia. Indirectly, it is possible that the conflict will create inflation, a fall in European economic growth, logistical disruptions, and a shortage of equipment, spare parts and raw materials in certain industrial sectors (including the rail sector), whose consequences are as yet unknown.

OUTLOOK

The 2021 results validate the Touax group's strategy of refocusing on its three business lines consisting of the long-term leasing of environmentally-friendly equipment for sustainable transportation.

The group is continuing to invest to grow its activities with a view to sustainable value creation. At 31 December 2021, firm orders for and investments in productive assets with third parties amounted to €54.1 million, consisting of €28.4 million of containers, €22.9 million of railcars and €2.8 million of river barges.

In the **Freight Railcar** sector, the European Commission has set an ambitious target of reaching a 30% freight transportation market share by 2030 (versus 18% in 2021), which will require the replacing of 400,000 railcars that are over 30 years old. The tendency towards outsourcing, which is favourable to lessors, is continuing in Europe, and combined rail transportation is still growing.

In Asia, the market is guided by the need for innovative railcars in order to increase loading capacity, diminishing road traffic and reducing CO₂ emissions, as well as by the numerous infrastructure projects promoting rail and containerised traffic.

The **River Barge** sector is experiencing stability in the Americas and a positive trend in Europe. Demand for new barges is aimed at transporting aggregates for construction, biomass and cereals. European and government bodies are aware of the ecological advantages of river transportation. Substantial public and institutional investments should be made to reinvigorate the sector and Touax is positioned to benefit from the effects of these stimulus packages.

After an excellent 2021, the **Containers** division wishes to continue its strategy of investment to increase its critical size and meet its customers' demands, while still developing its third-party investor management activity (two major partnerships have been signed with US and European funds).

The growth of the container trading activity, which very much complements the leasing activity, should also continue, and the division is constantly working to enhance its offer.

In the **Modular Building activity in Africa**, the group is continuing its investment to improve volumes and margins, and by focusing on increasing its sales of high value added turnkey products in order to maximize value.

Subject to the development of the situation in Ukraine and its potential impacts (particularly on the group's trading activities), the business outlook for long-term equipment leasing for sustainable transportation is positive. Our various asset classes are benefiting from the development of infrastructure, e-commerce and intermodal logistics, as well as the support of public authorities, consumers, lenders and investors for green transport.

The group's holding company (Touax SCA) carried out an independent revaluation of its tangible and financial assets, showing a revaluation difference of €67.6 million at 31 December 2021. The Management Board will propose to the General Meeting of Shareholders of June 2022 the conducting of a technical operation on its share capital (€21.8 million reduction followed by an increase of the same amount through the incorporation of the revaluation difference) in order to be in a position to resume a dividend distribution policy in the future.

UPCOMING EVENTS

- 23 March 2022: SFAF presentation of the annual results in French
- 25 March 2022: Video conference call to present the annual results in English
- 12 May 2022: Q1 2022 revenue from activities
- 22 June 2022: Annual General Meeting

TOUAX Group leases out tangible assets (freight railcars, river barges and containers) on a daily basis worldwide, both on its own account and for investors. With more than €1.2 billion of assets under management, TOUAX is one of the leading European players in the leasing of such equipment.

TOUAX is listed on the EURONEXT stock market in Paris - Euronext Paris Compartment C (ISIN code: FR0000033003) - and is listed on the CAC® Small, CAC® Mid & Small and EnterNext®PEA-PME 150 indices.

For further information please visit: www.touax.com

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APPENDICES

1 - ANALYSIS OF THE RESTATED REVENUE FROM ACTIVITIES

Restated Revenue from activities (in € thousand)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	TOTAL 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	TOTAL 2020
Leasing revenue on owned equipment	13,229	13,633	14,479	15,350	56,691	13,426	13,336	13,011	12,572	52,345
Ancillary services	2,745	3,747	5,530	7,358	19,380	3,044	2,997	3,838	2,895	12,774
Total leasing activity	15,974	17,380	20,009	22,708	76,071	16,470	16,333	16,849	15,467	65,119
Sales of owned equipment	7,085	8,328	9,132	15,780	40,325	5,872	7,216	10,917	12,108	36,113
Total sales of equipment	7,085	8,328	9,132	15,780	40,325	5,872	7,216	10,917	12,108	36,113
Total of owned activity	23,059	25,708	29,141	38,488	116,396	22,342	23,549	27,766	27,575	101,232
Syndication fees	17	946	48	1,992	3,003	232	231	13	1,809	2,285
Management fees	897	891	894	959	3,641	937	919	898	879	3,633
Sales fees	591	358	181	236	1,366	2,128	882	793	589	4,392
Total of management activity	1,505	2,195	1,123	3,187	8,010	3,297	2,032	1,704	3,277	10,310
Other capital gains on disposals	0	6	0	552	558	15	0	0	1	16
Total Others	0	6	0	552	558	15	0	0	1	16
Total Restated Revenue from activities	24,564	27,909	30,264	42,227	124,963	25,654	25,581	29,470	30,853	111,558

2 - TABLE SHOWING THE TRANSITION FROM THE ACCOUNTING PRESENTATION TO THE RESTATED PRESENTATION

Revenue from activities (in € thousand)	2021	Restatement	Restated 2021	2020	Restatement	Restated 2020
Leasing revenue on owned equipment	56,691		56,691	52,345		52,345
Ancillary services	20,879	-1,499	19,380	18,140	-5,366	12,774
Total leasing activity	77,570	-1,499	76,071	70,485	-5,366	65,119
Sales of owned equipment	40,325		40,325	36,113		36,113
Total sales of equipment	40,325	0	40,325	36,113	0	36,113
Total of owned activity	117,895	-1,499	116,396	106,598	-5,366	101,232
Leasing revenue on managed equipment	44,328	-44,328	0	49,759	-49,759	0
Fees on syndications	3,003		3,003	2,285		2,285
Management fees on managed assets	721	2,920	3,641	381	3,252	3,633
Margins on sale of managed equipment	1,366		1,366	4,369	23	4,392
Total of management activity	49,418	-41,408	8,010	56,794	-46,484	10,310
Other capital gains on disposals	558		558	16		16
Total Others	558	0	558	16	0	16
Total Restated Revenue from activities	167,871	-42,907	124,963	163,408	-51,850	111,558

3 - BREAKDOWN OF THE RESTATED REVENUE FROM ACTIVITIES BY DIVISION

Restated Revenue from activities (in € thousand)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	TOTAL 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	TOTAL 2020
Leasing revenue on owned equipment	9,152	9,223	10,122	10,779	39,276	9,199	9,118	8,910	8,860	36,087
Ancillary services	1,873	1,724	1,950	1,584	7,131	1,462	2,044	1,680	1,025	6,211
Total leasing activity	11,025	10,947	12,072	12,363	46,407	10,661	11,162	10,590	9,885	42,298
Sales of owned equipment	320	403	162	640	1,525	939	662	354	141	2,096
Total sales of equipment	320	403	162	640	1,525	939	662	354	141	2,096
Total of owned activity	11,345	11,350	12,234	13,003	47,932	11,600	11,824	10,944	10,026	44,394
Syndication fees	0	0	0	570	570	214	231	0	746	1,191
Management fees	463	470	451	440	1,824	373	395	406	434	1,608
Total of management activity	463	470	451	1,010	2,394	587	626	406	1,180	2,799
Total Freight railcars	11,808	11,820	12,685	14,013	50,326	12,187	12,450	11,350	11,206	47,193
Leasing revenue on owned equipment	1,688	1,745	1,770	1,625	6,828	1,636	1,626	1,755	1,638	6,655
Ancillary services	683	972	1,286	2,272	5,213	1,246	439	1,062	1,320	4,067
Total leasing activity	2,371	2,717	3,056	3,897	12,041	2,882	2,065	2,817	2,958	10,722
Sales of owned equipment	41	0	0	0	41	0	0	0	56	56
Total sales of equipment	41	0	0	0	41	0	0	0	56	56
Total of owned activity	2,412	2,717	3,056	3,897	12,082	2,882	2,065	2,817	3,014	10,778
Syndication fees	0	0	0	710	710	0	0	0	1,046	1,046
Management fees	6	6	5	7	24	0	0	0	0	0
Total of management activity	6	6	5	717	734	0	0	0	1,046	1,046
Total River barges	2,418	2,723	3,061	4,614	12,816	2,882	2,065	2,817	4,060	11,824
Leasing revenue on owned equipment	2,384	2,654	2,572	2,937	10,547	2,578	2,581	2,335	2,054	9,548
Ancillary services	191	1,054	2,297	3,996	7,538	285	642	1,098	752	2,777
Total leasing activity	2,575	3,708	4,869	6,933	18,085	2,863	3,223	3,433	2,806	12,325
Sales of owned equipment	3,480	3,524	5,991	11,696	24,691	4,064	4,192	6,344	6,410	21,010
Total sales of equipment	3,480	3,524	5,991	11,696	24,691	4,064	4,192	6,344	6,410	21,010
Total of owned activity	6,055	7,232	10,860	18,629	42,776	6,927	7,415	9,777	9,216	33,335
Syndication fees	17	946	48	712	1,723	18	0	13	17	48
Management fees	428	415	438	512	1,793	564	524	492	445	2,025
Sales fees	591	358	181	236	1,366	2,128	882	793	589	4,392
Total of management activity	1,036	1,719	667	1,460	4,882	2,710	1,406	1,298	1,051	6,465
Total Containers	7,091	8,951	11,527	20,089	47,658	9,637	8,821	11,075	10,267	39,800
Leasing revenue on owned equipment	5	11	15	9	40	13	11	11	20	55
Ancillary services	(2)	(3)	(3)	(494)	(502)	51	(128)	(2)	(202)	(281)
Total leasing activity	3	8	12	(485)	(462)	64	(117)	9	(182)	(226)
Sales of owned equipment	3,244	4,401	2,979	3,444	14,068	869	2,362	4,219	5,501	12,951
Total sales of equipment	3,244	4,401	2,979	3,444	14,068	869	2,362	4,219	5,501	12,951
Total of owned activity	3,247	4,409	2,991	2,959	13,606	933	2,245	4,228	5,319	12,725
Other capital gains on disposal	0	6	0	552	558	15	0	0	1	16
Total Others	0	6	0	552	558	15	0	0	1	16
Total Miscellaneous and eliminations	3,247	4,415	2,991	3,511	14,164	948	2,245	4,228	5,320	12,741
Total Restated Revenue from activities	24,564	27,909	30,264	42,227	124,963	25,654	25,581	29,470	30,853	111,558