



YOUR OPERATIONAL LEASING SOLUTION FOR SUSTAINABLE TRANSPORTATION

Growth in revenue from activities at September 30, 2020

- Revenue¹ up 7.8% in Q3 2020
- Revenue growth of 4.1% over the first nine months of the year

ANALYSIS OF REVENUE FROM ACTIVITIES

Revenue from activities in Q3 2020 reached €43.3 million versus €40.2 million in Q3 2019, an increase of 7.8%.

Revenue from activities over the first nine months of the year reached €124.6 million (€125.5 million at constant scope and currency²) compared with €119.6 million in 2019, an increase of 4.1%. The impact of the health crisis was limited.

This performance was primarily driven by a 7.0% increase in leasing revenue on owned equipment (€39.5 million) and by strong equipment sales of €27.8 million versus €19.0 million in the first nine months of 2019. The decrease in leasing revenue on managed equipment mainly stemmed from a reduction in the fleet linked to sales of equipment belonging to third party investors, and the impact of exchange rate variations.

Syndication fees and capital gains not linked to recurring activities came to €0.5 million, compared with €0.8 million a year earlier.

Revenue from activities (in € thousands)	Q1 2020	Q2 2020	Q3 2020	TOTAL	Q1 2019	Q2 2019	Q3 2019	TOTAL
Leasing revenue on owned equipment	13,305	13,253	12,912	39,470	11,641	12,243	13,008	36,892
Leasing revenue on managed equipment	14,889	14,005	13,159	42,053	16,541	16,038	15,179	47,758
Ancillary services	4,708	4,593	5,480	14,781	4,594	4,876	5,726	15,196
Total leasing activity	32,902	31,851	31,551	96,304	32,776	33,157	33,913	99,846
Sales of owned equipment	5,872	7,217	10,916	24,005	3,271	6,925	4,604	14,800
Margins on sale of managed equipment	2,134	876	793	3,803	831	1,697	1,625	4,153
Total sales of equipment	8,006	8,093	11,709	27,808	4,102	8,622	6,229	18,953
Fees on syndication and other capital gains on disposals	247	232	13	492	389	449	8	846
Total revenue from activities	41,155	40,176	43,273	124,604	37,267	42,228	40,150	119,645

¹ Revenue corresponds to revenue from activities that generate leasing revenue, sales of equipment, syndication fees and other capital gains.

² Based on a comparable structure and average exchange rates over the first nine months of 2019.

ANALYSIS OF CONTRIBUTIONS BY DIVISION

Revenue from activities (in € thousands)	Q1 2020	Q2 2020	Q3 2020	TOTAL	Q1 2019	Q2 2019	Q3 2019	TOTAL
Leasing revenue on owned equipment	9,182	9,140	8,910	27,232	8,536	9,240	8,994	26,770
Leasing revenue on managed equipment	4,024	3,955	4,053	12,032	3,422	3,507	3,453	10,382
Ancillary services	1,645	2,138	1,849	5,632	1,437	2,141	1,965	5,543
Total leasing activity	14,851	15,233	14,812	44,896	13,395	14,888	14,412	42,695
Sales of owned equipment	939	662	354	1,955	88	61	677	826
Total sales of equipment	939	662	354	1,955	88	61	677	826
Fees on syndication	214	232		446				
Freight railcars	16,004	16,127	15,166	47,297	13,483	14,949	15,089	43,521
Leasing revenue on owned equipment	1,533	1,520	1,656	4,709	1,523	1,650	1,644	4,817
Ancillary services	1,349	544	1,162	3,055	1,317	1,243	1,601	4,161
Total leasing activity	2,882	2,064	2,818	7,764	2,840	2,893	3,245	8,978
Sales of owned equipment					42			42
Total sales of equipment					42			42
River barges	2,882	2,064	2,818	7,764	2,882	2,893	3,245	9,020
Leasing revenue on owned equipment	2,577	2,582	2,335	7,494	1,558	1,331	2,356	5,245
Leasing revenue on managed equipment	10,865	10,050	9,105	30,020	13,119	12,531	11,726	37,376
Ancillary services	1,663	2,040	2,470	6,173	1,818	1,490	2,168	5,476
Total leasing activity	15,105	14,672	13,910	43,687	16,495	15,352	16,250	48,097
Sales of owned equipment	4,065	4,192	6,343	14,600	1,833	3,009	3,416	8,258
Margins on sales of managed equipment	2,134	876	793	3,803	831	1,697	1,625	4,153
Total sales of equipment	6,199	5,068	7,136	18,403	2,664	4,706	5,041	12,411
Fees on syndication	18		13	31	389	(7)	8	390
Containers	21,322	19,740	21,059	62,121	19,548	20,051	21,299	60,898
Leasing revenue on owned equipment	13	11	12	36	24	22	14	60
Ancillary services	51	(129)	(1)	(79)	22	2	(8)	16
Total leasing activity	64	(118)	11	(43)	46	24	6	76
Sales of owned equipment	868	2,363	4,219	7,450	1,308	3,855	511	5,674
Total sales of equipment	868	2,363	4,219	7,450	1,308	3,855	511	5,674
Other capital gains on disposal	15			15		456		456
Miscellaneous and eliminations	947	2,245	4,230	7,422	1,354	4,335	517	6,206
Total revenue from activities	41,155	40,176	43,273	124,604	37,267	42,228	40,150	119,645

Revenue from the Freight Railcars division reached €47.3 million in the first nine months of the year versus €43.5 million in 2019, an increase of 8.7%.

- Leasing revenue increased by 5.2% to €44.9 million over the period, thanks to an increase in lease rates which offset the decline in utilization rates (84.6% on average over the period compared with 88.4% a year earlier).
- Sales of freight railcars and syndication margins increased, notably with disposals to investors, while Touax maintained management of the equipment.

Revenue from the River Barges division reached €7.8 million over the period, compared with €9.0 million during the first nine months of 2019, with a lower freight rate but an average utilization rate that increased over the period to 95.7%.

Revenue from the Containers division reached €62.1 million at the end of September 2020, an increase of 2.0%. The average utilization rate over the period was 95.8% compared with 97.5% over the first nine months of 2019, showing good resilience.

- The investment strategy conducted over the past two years has led to growth of 42.9% in leasing revenue on owned equipment to €7.5 million (€7.5 million at constant currency, up 43.0%). As expected, leasing revenue from managed equipment declined to €30.0 million due to equipment disposals.
- Buoyant trading activity generated growth in container sales to €18.4 million at 30 September 2020 versus €12.4 million over the first nine months of 2019.

Lastly, revenue from the sale of Modular Buildings in Africa, which is booked under "Miscellaneous", increased to €7.5 million for the period, with major deliveries completed during the third quarter.

OUTLOOK

Despite the current health crisis, Touax saw continued growth with positive results in the first half of the year and a 4.1% increase in revenue in the first nine months of the year. Its three long-term equipment leasing businesses in sustainable, environmentally-friendly transportation enabled the Group to show the resilience of its business model in the current context of Covid-19.

After growth of 1.5% in 2019, the European rail freight market is expected to show a contraction of 7% (*source: UIRR – growth in intermodal transport via rail*), followed by a rebound in 2021. Touax Rail plans to forge ahead with its development, drawing on its new financing sources in a market that offers investment opportunities in certain types of railcars and in the fleets of clients looking to outsource ownership and maintenance. Touax Rail could also benefit from government stimulus plans in rail freight in Europe and Asia.

River transportation should continue to benefit from the effects of progress in the ecological transition, underpinned by strong demand for equipment on the Seine (transport of aggregates for construction sites in Greater Paris), and on the Rhine (transport of grain and biomass).

Concerning the containers division, international freight transport held up well in the first half of the year and indicators show a stronger recovery in the third quarter of 2020, notably in Asia (*source: IMF Global economic outlook, October 2020*). The recovery of the Asian markets and recent increases in new container prices are underpinning the trading activity in new and used containers, which significantly complements the leasing activity.

From a structural and medium to long-term perspective, Europe's Green Deal, together with the various infrastructure sector recovery drives announced by governments and the tendency towards outsourcing should continue to underpin investment in our asset classes.

UPCOMING EVENTS

- February 26, 2021: 2020 Revenue from activities
- March 24, 2021: 2020 annual results – SFAF presentation
- March 26, 2021: Conference call to present the annual results

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 nearly €1.1bn in 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: FR000033003) - and is listed on the CAC® Small, CAC® Mid & Small and EnterNext®PEA-PME 150 indices.

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