



YOUR OPERATIONAL LEASING SOLUTION FOR SUSTAINABLE TRANSPORTATION

Q1 2020 REVENUE FROM ACTIVITIES: +10.4%

- Revenue¹ up 10.4% in Q1 2020
- Growth in leasing revenue on owned equipment and sales

ANALYSIS OF REVENUE FROM ACTIVITIES

Revenue from activities increased 10.4% to €41.2 million in Q1 2020 (€40.7 million at constant scope and currency²), compared with €37.3 million in Q1 2019.

This performance was chiefly driven by a 14.3% rise in leasing revenue on owned equipment (€13.3 million) and the sale of equipment, which totalled €8.0 million, up from €4.1 million in Q1 2019.

Syndication fees and capital gains not linked to recurring activities came to €0.2 million, compared with €0.4 million a year earlier.

Revenue from activities (in € thousands)	Q1 2020	Q1 2019
Leasing revenue on owned equipment ⁽¹⁾	13,305	11,641
Leasing revenue on managed equipment ⁽¹⁾	14,889	16,541
Ancillary services ⁽²⁾	4,708	4,594
Total leasing activity	32,902	32,776
Sales of owned equipment ⁽³⁾	5,872	3,271
Margins on sale of managed equipment ⁽³⁾	2,134	831
Total sales of equipment	8,006	4,102
Fees on syndication and Other capital gains on disposals ⁽³⁾	247	389
Total revenue from activities	41,155	37,267

(1) The implementation of the new IFRS 16 has no significant impact on the presentation of revenue from activities

(2) Ancillary services include river barge freight activity and rebilling of expenses related to equipment leasing (transport, repairs).

(3) Sales of Group-owned equipment to end user customers are recognized fully in the Equipment sales line. The margin or capital gain generated is obtained by deducting the purchase cost from sales

ANALYSIS OF CONTRIBUTIONS BY DIVISION

Revenue from the Freight Railcars division totalled €16 million, up 18.7% from €13.5 million a year earlier.

- Leasing revenue was up 10.9% at €14.8 million over the period, thanks to an increase in lease rates and a sustained utilisation rate (87.5% on average over the quarter).
- Sales of freight railcars and syndication margins both increased, with one disposal to investors in February 2020. Touax retains the management of this equipment.

At the River Barges division, revenue was stable over the quarter, at €2.9 million.

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

² Based on a comparable structure and average exchange rates in Q1 2019.

At the Containers division, revenue increased 9.1% to €21.3 million over the period.

- The asset investment strategy conducted over the past two years boosted growth in leasing revenue on owned equipment by 65.5% to €2.6 million (+60.6% to €2.5 million at constant currency). As expected, leasing revenue from managed equipment declined €10.9 million (€10.5 million at constant currency) due to the temporary impact of the reduction in the fleet under management. The average utilisation rate over the period stood at 95.7%, compared with 97.7% in Q1 2019, which testifies to the resilience of Group's long-term leasing businesses amid the Covid-19 pandemic that hit world growth in the first quarter.
- Brisk momentum in the trading of new and used containers generated growth in container sales which reached €6.2 million at 31 March 2020, compared with €2.7 million in Q1 2019.

Revenue from the sale of modular buildings in Africa, which is booked to "Miscellaneous", came to €0.9 million for the period.

Revenue from activities (in € thousands)	Q1 2020	Q1 2019
Leasing revenue on owned equipment ⁽¹⁾	9,182	8,536
Leasing revenue on managed equipment ⁽¹⁾	4,024	3,422
Ancillary services ⁽²⁾	1,645	1,437
Total leasing activity	14,851	13,395
Sales of owned equipment ⁽³⁾	939	88
Total sales of equipment	939	88
Fees on syndication	214	
Freight railcars	16,004	13,483
Leasing revenue on owned equipment ⁽¹⁾	1,533	1,523
Ancillary services ⁽²⁾	1,349	1,317
Total leasing activity	2,882	2,840
Sales of owned equipment ⁽³⁾		42
Total sales of equipment		42
River barges	2,882	2,882
Leasing revenue on owned equipment ⁽¹⁾	2,577	1,558
Leasing revenue on managed equipment ⁽¹⁾	10,865	13,119
Ancillary services ⁽²⁾	1,663	1,818
Total leasing activity	15,105	16,495
Sales of owned equipment ⁽³⁾	4,065	1,833
Margins on sales of managed equipment ⁽³⁾	2,134	831
Total sales of equipment	6,199	2,664
Fees on syndication and Other capital gains on disposals ⁽³⁾	18	389
Containers	21,322	19,548
Leasing revenue on owned equipment ⁽¹⁾	13	24
Ancillary services ⁽²⁾	51	22
Total leasing activity	64	46
Sales of owned equipment ⁽³⁾	868	1,308
Total sales of equipment	868	1,308
Other capital gains on disposal ⁽³⁾	15	
Miscellaneous and eliminations	947	1,354
Total revenue from activities	41,155	37,267

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(2) Ancillary services include river barge freight activity and rebilling of expenses related to equipment leasing (transport, repairs).

(3) Sales of Group-owned equipment to end user customers are recognized fully in the Equipment sales line. The margin or capital gain generated is obtained by deducting the purchase cost from sales. The margin (sale fee) on sales of equipment managed for third parties to end user customers is recognized in the Equipment sales line. The other capital gains are capital gains not linked to recurring equipment sales.

OUTLOOK

Touax generated a solid performance in Q1 2020, which vindicates its strategy of refocusing on three long-term equipment leasing businesses serving sustainable forms of transportation, a drive launched in 2018.

As a result of the coronavirus outbreak, the IMF is expecting the world economy to shrink by 3% in 2020, with a rally to follow in 2021³. While it is still too early to gauge the impact of Covid-19 on world trading volumes and production capacities, the freight railcars and containers sectors remain essential to reviving the global economy. In the near term, our priority is to ensure the continuity of our business operations for clients worldwide, while guaranteeing the health and safety of our employees through remote working.

On 1 January 2020, 76% of our leasing revenue was secured under contract. The Group's business activity is therefore resilient. We are assessing and monitoring risks on a daily basis. Over the coming quarters, our performance could be affected depending on the timing and nature of the recovery. As at end-April, we had seen very few delays in terms of client payment deadlines. The other risks we are assessing concern the lease and sale of our equipment. While we are seeing lower-than-anticipated numbers of container redeliveries, our new lease-out figures are also down. River barge activity is stable and some of our railcar customers are taking a wait-and-see approach.

While there are no clear trends emerging at this stage, 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

- 24 June 2020: Annual General Meeting
- 9 September 2020: First-half 2020 results – SFAF presentation
- 11 September 2020: Conference call - first-half 2020 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 €1.2bn in assets under management, TOUAX is one of the leading European players in the leasing of such equipment.

TOUAX SCA 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.

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³ source IMF (<https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020>)