



Your operational leasing solution for sustainable transportation

2019 RESULTS

- **Growth in operating income (+87%) to €15.1 million**
 - **Growth in Ebitda (+44%) to €36.9 million**
 - **Positive net profit before tax of €0.7 million**
 - **Strong tangible asset base with a market value of €327.3 million**
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“After refocusing successfully on our transportation equipment leasing activities in 2018, the Group continued to roll out its ongoing improvement program in 2019, enabling it to generate an increase in its results,” say Fabrice and Raphael Walewski, Touax SCA's managing partners.

As a result, Touax saw growth across all of its operational performance indicators (a 44% increase in Ebitda and an 87% increase in operating income) along with a recovery in investment.

The utilisation rates of the freight railcar (89.5%), container (95.9%) and river barge (85.3%) are at satisfactory levels at the end of December 2019. The modular building activity in Africa continues to show an improvement also, with significant growth in revenue.

For the first time in six years, net profit before tax came out positive at €0.7 million, while net income, although still in negative territory, shows a significant improvement (+35% compared with 2018).

Fund raising of €40 million, the issuance of a €10 million bond as part of a Euro PP, and syndication of €37.5 million of equipment to investors all demonstrate the renewed confidence of banks and investors, which is underpinning the Group's gradual investment strategy.

Net book value per share stands at €6.79¹ and, based on the market value of our assets, the revalued NAV² per share comes to €13.23.

The consolidated financial statements at 31 December 2019 were approved by the Management Board on 24 March 2020 and were presented to the Supervisory Board on the same day. The audit procedures are ongoing.

¹ Excluding the non-controlling interests of the Railcar division and excluding management fees.

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

Key Figures

Key Figures (in thousand of euros)	2019	2018
Revenue from activities	169.0	154.5
Freight railcars	61.1	56.3
River Barges	11.8	14.5
Containers	81.8	76.4
Others	14.3	7.3
Gross operating margin - EBITDAR (1)	90.3	83.1
EBITDA (2)	36.9	25.7
Current operating income	15.1	8.0
Operating Income	15.1	8.1
Profit before tax	0.7	-2.1
Consolidated net profit (loss) (Group's share)	-2,7	-4.2
Including income from retained operations	-2.0	-3.2
Including income from discontinued operations	-0.7	-1.0
Net earnings per share (€)	-0.39	-0.59
Total non current assets	325.2	307.6
Total Assets	446.8	439.4
Total shareholders' equity	123.1	129.1
Net Financial Debt (3)	199.3	195.5
Operating cash flow	8.3	4.7
Loan to Value	54 %	52 %

(1) The EBITDAR (earnings before interest taxes depreciation and amortization and rent) calculated by the Group corresponds to the current operating income, increased by depreciation charges and provisions for capital assets and distributions to investors

(2) EBITDA: EBITDAR after deducting distributions to investors

(3) Including €155.4 million in debt without recourse at 31 December 2019

- **Revenue from activities** increased by 9.4% to €169 million (€164.2 million at constant currency and scope³) compared with €154.5 million in 2018. Revenue from leasing activity came to €134.8 million versus €134.5 million in 2018, with an increase in freight railcars, a decrease in river barges (South America) and a decrease in containers (decrease in leasing revenue on managed equipment while leasing revenue on owned equipment increased by +53.5%). Sales came to €32.2 million versus €18.7 million in 2018, thanks notably to trading in new and second-hand containers. Syndication fees and capital gains increased to €1.9 million versus €1.3 million in 2018.

- **EBITDA** came to €36.9 million, an increase of 44% in relation to the previous year.

EBITDA in the Freight Railcars division came to €23.1 million compared with €22.9 million in 2018, with an increase in the utilisation rate (average of 88.7% in 2019: +3.8 points versus 2018). In a growing market underpinned by demand for equipment replacement, the division continued its investments and benefited from a gradual increase in leasing rates.

The River Barges division generated EBITDA of €3.5 million over the year compared with €4.5 million in 2018, mainly due to a lack of momentum on the South American market and the lack of disposals in 2019.

EBITDA in the Containers division increased significantly to €8.8 million, attributable to the impact of the resumption of investment and the increase in trading of new and second-hand containers. The strategy of growth in the share of owned assets boosted profitability, which quadrupled in 2019 compared with 2018. The utilisation rate stands at a resilient 97.1% on average over the year (98.7% in 2018).

EBITDA in the other activities came to €1.5 million, a sharp increase of +€5.4 million compared with 2018, with the Modular Building Africa activity showing an improvement thanks to an increase in its

³ Based on a comparable structure and 2018 average exchange rates.

order book. The total impact on EBITDA related to leasing contracts from the implementation of IFRS 16 is €1.3 million.

- **Operating income** came to €15.1 million, an increase of 86.6% in relation to 2018 (€8.1 million).
- **Net financial expense** came to €14.4 million compared with €10.2 million in 2018. This incorporates a non-recurring exceptional foreign exchange loss of €1.2 million on intra-group loans in USD, which was not offset by the hedging of foreign exchange risk with Monex Europe Markets Limited, a UK broker accredited and regulated by the FCA.
- **Profit before taxes** came out at €0.7 million, versus -€2.1 million in 2018. Corporate income tax amounted to €1.5 million, broken down into deferred tax of -€0.6 million and a current tax charge of -€0.9 million.
- **Net attributable income** came out at -€2.7 million, an improvement of 35% compared with -€4.2 million a year earlier. It includes (i) a residual loss of -€0.6 million on the Modular Building Africa activity, (ii) a residual loss of -€0.7 million on discontinued activities (modular building in Europe and the US), and (iii) the aforementioned exceptional foreign exchange loss of -€1.2 million.

FINANCIAL STRUCTURE

- The balance sheet shows a total of €447 million at 31 December 2019, compared with €439 million at 31 December 2018.
- Tangible assets amount to €364 million.
- Cash flow from operating activities came to €8.3 million, attributable to several investments (remember that investments relating to operating lessors are classified under cash flow from operating activities).
- Gross debt stands at €239 million, 65% of which is non-recourse debt. Group net debt stands at €199 million versus €195 million at 31 December 2018.
- The loan-to-value ratio is 54% (52% at 31 December 2018).

Financing

- In February 2019, asset financing agreements within the Barges division were signed for a total of €6.8 million, of which €3.9 million to finance new barges.
- On 21 June 2019, Touax SCA signed a senior secured loan of €40 million with an institutional investor, maturing in five years.

This enabled it to refinance its convertible bond to the tune of €23 million while the balance was used to help finance the Group's investment plan.

- On 1 August 2019, Touax SCA issued a senior unsecured bond in the form of a Euro Private Placement for a nominal amount of €10 million, maturing in 5.5 years.

This enabled it to extend the average maturity of the Group's debt.

The net proceeds of the issue will be used to finance the investment plan.

OUTLOOK

In a very uncertain economic environment in the short term, Touax's business model, focused on long-term sustainable transportation leasing services (rail, river and intermodal), remains resilient.

From a structural perspective, green transportation should benefit from strong support from consumers and public authorities wishing to see a reduction in CO2 emissions, while significant investment is necessary in freight railcars, river barges and containers to replace old fleets. The deregulation of rail freight and the trend towards outsourcing should continue to underpin investment in these assets.

As of the date of this press release, the Covid-19 pandemic had not had a significant impact on the Group and its activities. 76% of the leasing income budgeted in 2020 was already under contract on 1 January 2020. To date, no delay has been recorded in settlement times, no commercial contract has been broken and the rates on contract renewals have not decreased.

Nevertheless, in the current environment of uncertainty and volatility linked to Covid-19, Touax remains extremely vigilant and is following the development of the epidemic very closely, including the exposure of

its employees who work remotely, with the exception of those at the modular building plant in Morocco where the team has been split in two and are working on an alternating two-week basis. Special workshops have been implemented to (i) protect the teams, (ii) enhance the supervision of the potential impacts of the epidemic on our activities, (iii) meet our commitments to our clients on the continuity of our activity, (iv) stabilise the supply chains, and (v) ensure prudent management and monitoring of our cash flow.

UPCOMING EVENTS

- 25 March 2020: Conference call to present the annual results in French
- 27 March 2020: Conference call to present the annual results in English
- 15 May 2020: Q1 2020 Revenue from activities
- 24 June 2020: 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 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.

For further information please visit: www.touax.com

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