



YOUR OPERATIONAL LEASING SOLUTION

NINE-MONTH REVENUE FROM ACTIVITIES: +4.9%

- Revenue¹ up 1.4% in the third quarter of 2019,
 - Revenue up 4.9% over the first nine months of the year (+1.5% at constant scope and currency) validating the group's strategic objectives
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ANALYSIS OF REVENUE FROM ACTIVITIES

Q3 2019 revenue totalled €40.1 million vs. €39.6 million in Q3 2018, an increase of 1.4%.

Over the first nine months of the year, revenue from activities totalled €119.6 million (€115.7 million at constant scope and currency), up 4.9% compared to the same period in 2018.

Revenue from leasing activities amounted to 99.8 million euros (96.8 million euros at constant scope and currency) at 30 September 2019, including a 10% increase in the Leasing Revenue on owned equipment (36.9 million euros). Leasing Revenue from leasing activities stood at 99.9 million euros in the first nine months of 2018.

Sales rose to €19 million (€14.2 million at constant scope and currency), compared to €12.9 million for the first nine months of 2018, thanks to the development of trading activity in new and used containers achieved as part of the normal cycle of activity.

Syndication fees and capital gains not linked to recurring activities came to €0.8 million versus €1.2 million the previous year.

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

Revenue from activities (in € thousands)	Q1 2019	Q2 2019	Q3 2019	TOTAL	Q1 2018	Q2 2018	Q3 2018	TOTAL
Leasing revenue on owned equipment (1)	11,641	12,243	13,008	36,892	11,525	11,171	10,474	33,170
Leasing revenue on managed equipment (1)	16,541	16,038	15,179	47,758	17,467	17,850	19,514	54,831
Ancillary services (2)	4,594	4,876	5,726	15,196	3,474	3,678	4,724	11,876
Total leasing activity	32,776	33,157	33,913	99,846	32,466	32,699	34,712	99,877
Sales of owned equipment (3)	3,271	6,925	4,604	14,800	3,247	4,475	4,284	12,006
Margins on sale of managed equipment (3)	831	1,697	1,625	4,153	310	253	338	901
Total sales of equipment	4,102	8,622	6,229	18,953	3,557	4,728	4,622	12,907
Fees on syndication and other capital gains on disposals (3)	389	449	8	846	323	655	267	1,245
Total revenue from activities	37,267	42,228	40,150	119,645	36,346	38,082	39,601	114,029

(1) The implementation of the new IFRS 16 has no significant impact on the presentation of revenue from activities. Refer to note 1.1 to the condensed consolidated half-year financial statement.

(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.

ANALYSIS OF THE CONTRIBUTION BY DIVISION

- Revenue from the **Freight Railcars** division totalled €43.5 million in the first nine months of 2019, an 8.3% increase from €40.2 million the previous year.

Leasing revenue increased by 10% to €42.7 million over the period, thanks to an increase in leasing prices and in the utilization rate. The utilization rate was underpinned by a robust market and averaged 88.4% in the first nine months of 2019 versus 84.4% the previous year. These increases underscore the improvement in the operating performance of the Railcars division.

Sales of railcars and syndication margins decreased by €0.5 million, attributable to lower volumes over the first nine months of the year compared to the same period in 2018.

- Revenue from the **River Barges** division came to €9 million compared to €11.5 million in the first nine months of 2018, during which barges were sold for €1 million. Revenue from leasing activity totalled €9 million compared to €9.4 million the previous year and was stable in Europe but down slightly in South America.
- Revenue from the **Containers** division came to €60.9 million at the end of September 2019 compared to €57.1 million in the first nine months of 2018, excluding foreign exchange effects.

Underpinned by investments in its own assets over the past 18 months, revenue from the leasing of Group-owned equipment increased to €5.2 million, an increase of +54% at constant currency, while revenue from investor-owned equipment fell to €37.4 million (€35.2 million at constant currency) compared with €45.8 million the previous year, attributable to the reduction in the fleet under management following sales of used containers as part of the normal cycle of activity and the end of finance lease contracts. Despite a weaker global growth environment, the average utilization rate over the period remained high at 97.5% compared to 98.9% in the first nine months of 2018.

Sales of containers reached €12.4 million at September 30, 2019 compared to €5.8 million over the same period in 2018, up 112.6% (+€5.8 million at constant currency) thanks to buoyant trading activity in new and used containers. Syndication fees were stable at €0.4 million.

- Revenue from the conserved activity of sales of modular buildings in Africa presented under the "Miscellaneous" line increased by 27.7% over the first nine months of 2019 to €5.7 million.

Revenue from activities (in € thousands)	Q1 2019	Q2 2019	Q3 2019	TOTAL	Q1 2018	Q2 2018	Q3 2018	TOTAL
Leasing revenue on owned equipment (1)	8,536	9,240	8,994	26,770	8,749	8,473	7,639	24,861
Leasing revenue on managed equipment (1)	3,422	3,507	3,453	10,382	2,462	2,410	4,169	9,041
Ancillary services (2)	1,437	2,141	1,965	5,543	1,565	1,777	1,584	4,926
Total leasing activity	13,395	14,888	14,412	42,695	12,776	12,660	13,392	38,828
Sales of owned equipment (3)	88	61	677	826	100	789	(229)	660
Total sales of equipment	88	61	677	826	100	789	(229)	660
Fees on syndication						662	25	687
Freight railcars	13,483	14,949	15,089	43,521	12,876	14,111	13,188	40,175
Leasing revenue on owned equipment (1)	1,523	1,650	1,644	4,817	1,833	1,658	1,504	4,995
Ancillary services (2)	1,317	1,243	1,601	4,161	1,196	1,140	2,109	4,445
Total leasing activity	2,840	2,893	3,245	8,978	3,029	2,798	3,613	9,440
Sales of owned equipment (3)	42			42	1,020		1,020	2,040
Total sales of equipment	42			42	1,020		1,020	2,040
River barges	2,882	2,893	3,245	9,020	4,049	2,798	4,633	11,480
Leasing revenue on owned equipment (1)	1,558	1,331	2,356	5,245	901	1,001	1,300	3,202
Leasing revenue on managed equipment (1)	13,119	12,531	11,726	37,376	15,005	15,440	15,345	45,790
Ancillary services (2)	1,818	1,490	2,168	5,476	424	670	835	1,929
Total leasing activity	16,495	15,352	16,250	48,097	16,330	17,111	17,480	50,921
Sales of owned equipment (3)	1,833	3,009	3,416	8,258	1,436	1,809	1,692	4,937
Margins on sales of managed equipment (3)	831	1,697	1,625	4,153	310	253	338	901
Total sales of equipment	2,664	4,706	5,041	12,411	1,746	2,062	2,030	5,838
Fees on syndication	389	(7)	8	390	309	5	9	323
Containers	19,548	20,051	21,299	60,898	18,385	19,178	19,519	57,082
Leasing revenue on owned equipment (1)	24	22	14	60	42	39	31	112
Ancillary services (2)	22	2	(8)	16	289	91	196	576
Total leasing activity	46	24	6	76	331	130	227	688
Sales of owned equipment (3)	1,308	3,855	511	5,674	691	1,877	1,801	4,369
Total sales of equipment	1,308	3,855	511	5,674	691	1,877	1,801	4,369
Other capital gains on disposal (3)		456		456	14	(12)	233	235
Miscellaneous and eliminations	1,354	4,335	517	6,206	1,036	1,995	2,261	5,292
Total revenue from activities	37,267	42,228	40,150	119,645	36,346	38,082	39,601	114,029

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OUTLOOK

The strategic refocusing on the three long-term transport equipment leasing businesses is reaping rewards and business is expected to continue to grow.

European rail freight is now very close to the peak number of tonne-kilometres transported in Europe in 2007. It is expected to continue to increase thanks to development of rail infrastructure, increasing demand for cross-border rail trade, greater use of greener and inter-modal transport solutions, and the development of leasing in the wake of the liberalization of the sector. These positive trends combined with the renewal of the existing fleet should support the Group's operational improvements.

The European river transport market continues to be underpinned by the increase in the transport of building and biomass materials, which in turn is driving requirements for river barges, whereas current demand is weaker in both North and South America.

Although slowing, global economic growth is expected to be 3.2% in 2020 (latest IMF forecasts), which should continue to support a high utilization rate of the existing container fleet. On the other hand, the Group's strategy to develop its trading activity in new and used containers and invest in its own assets will have a positive impact on profitability.

UPCOMING EVENTS

- 28 February 2020: 2019 Revenue from activities
- 25 March 2020: 2019 annual results – SFAF presentation
- 27 March 2020: Conference call to present 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 €1.2bn 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: FR0000033003) - and is listed on the CAC® Small, CAC® Mid & Small and EnterNext®PEA-PME 150 indices.

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