



YOUR OPERATIONAL LEASING SOLUTION FOR SUSTAINABLE TRANSPORT

HALF-YEAR RESULTS 2023

Solid business model and operating performance

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- **Stable business volumes (+0.9%)**
 - **Stable operating performance (EBITDA rate¹ of 36.6%)**
 - **Group net profit of €5.1 million**
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"Touax confirms the strength of its business model in a slowing economic environment. Timely investments in quality logistics assets on long-term leases and the mix of different segments in which we operate are boosting recurring revenues. Through two refinancing transactions, we have also extended the maturity of Touax SCA's debt to mid-2027, enabling us to develop our investment strategy in support of sustainable transport," say Fabrice and Raphaël Walewski, Touax SCA's managing partners.

Restated revenue from Group activities (at €79.1 million, i.e. +0.9%) and consolidated EBITDA (at €28.9 million, i.e. -1.9%) were broadly stable compared with the end of June 2022. This performance was achieved in a largely anticipated context of normalisation in the Containers business after exceptionally favourable years in 2021 and 2022 for the industry as a whole.

The Group share of net profit was €5.1 million at 30 June 2023, compared with €7.6 million at end-June 2022 and €7.5 million for the full year 2022. This profit includes net exceptional income of €2.6 million (exceptional income of €3.5 million on the purchase of the minority stake in the Modular Buildings business; exceptional provision of €0.9 million due to a dispute).

Touax SCA has improved its debt profile by extending the maturity of its financing:

- In June, the Group repaid €10.0 million of the €15.0 million Euro-PP loan maturing in July 2023 in cash, and the balance by issuing €5.0 million new tranche on the 2022 sustainable-linked Euro-PP bond maturing in June 2027;
- Refinancing in July of the disintermediated loan of €40.0 million from a debt fund maturing in June 2024 by a bank loan for the same amount maturing in May 2027, in the form of a club deal with a syndicate of five banks.

These transactions follow the redemption in full of the TSSDI hybrid capital on 01 August 2022, which had already simplified the financing structure and optimised the cost of long-term resources against a backdrop of rising interest rates in the eurozone.

¹ EBITDA / Restated revenue from activities

SIGNIFICANT ITEMS IN THE FINANCIAL STATEMENTS

Key figures (in € million)	June 2023	June 2022	Dec. 2022
Restated Revenue (*) from activities	79.1	78.3	161.5
Of which Freight Railcars	27.9	26.4	56.1
Of which River barges	7.5	7.6	17.5
Of which Containers	35.1	41.3	81.4
Of which Miscellaneous and eliminations	8.6	3.0	6.4
EBITDA	28.9	29.5	57.9
Current operating income	14.7	16.6	31.1
Other financial income and expenses	2.6	0.0	0.0
Operating income	17.3	16.6	31.1
Financial result	-9.8	-6.8	-15.4
Profit before taxes	7.6	9.8	15.7
Corporate tax	-1.4	-1.5	-6.3
Consolidated net profit (Group's share)	5.1	7.6	7.5
Earnings per share (€)	0.72	1.08	1.07
Total non-current assets	381.2	353.2	394.6
Total assets	564.3	585.0	571.7
Total shareholders' equity	153.5	170.2	153.7
Net financial debt (a)	275.2	242.2	280.8
Operating cash flow (b)	17.4	11.0	-1.5
Loan to Value ratio (c)	57.4%	56.0%	59.5%

(a) including € 226.7m non recourse debt at 30 June 2023

(b) including €20.7m net equipment acquisitions (vs €16.3m end of June 2022)

(c) LTV : Consolidated gross financial debt / Total assets less goodwill and intangible fixed assets

(*) To provide a clearer understanding of business performance, the key indicators in the Group's activity report are presented differently from the IFRS income statement. For this reason, no distinction is made between management on behalf of third parties, which is presented exclusively as an agent.

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

STABLE BUSINESS IN THE FIRST HALF OF 2023

For the first half of the 2023 financial year, restated revenues from activities came to €79.1 million (€78.9 million on a like-for-like basis), a slight increase of 0.9% compared with the same period of 2022 (+0.7% on a like-for-like basis).

Owned activity totalled €73.9 million at 30 June 2023, up by €1.8 million compared with the end of June 2022. It benefited from the favourable trend in leasing revenue (+€0.9 million). Utilisation rates for freight railcars (89%), river barges (100%) and containers (95%) were high at 30 June 2023. Sales of owned equipment also increased by €0.8 million.

Management activity was down by €1.0 million in the first half, due to a €2.0 million reduction in syndication fees. However, sales fees rose by €0.9 million, reflecting the higher level of second-hand containers available for sale in 2023 in a market that is normalising.

ANALYSIS OF CONTRIBUTION BY DIVISION

Restated revenues for the **Freight Railcars** division amounted to €27.9 million at 30 June 2023, an increase of €1.5 million.

This change is attributable to the €1.9 million increase in leasing activity (+7.7%). The average utilisation rate of the owned wagon fleet was 88.5% in the first half of 2023, compared with 87% in the first half of 2022. The absence of syndication to investors in the first half of the year explains the €0.3 million reduction in management activity.

Restated revenues for the **River Barges** division were down slightly by €0.1 million at the end of June 2023. Leasing revenue rose by €0.4 million, benefiting from a fleet utilisation rate of 100% throughout the half-year and the latest investments made. Ancillary services fell by €0.5 million: chartering activity on the Rhine basin had been very buoyant over the same period in 2022.

Restated revenues for the **Containers** division amounted to €35.1 million at end-June 2023, down €6.2 million against a backdrop of normalisation across the industry in 2023, after exceptional years in 2021 and 2022.

Nevertheless, leasing revenue rose by 11.2% over the half year (+€0.8 million). Ownership activity was slowed by a less buoyant market for new containers, resulting in a €4.6 million fall in sales of owned equipment and a €1.7 million fall in ancillary services (pick-up charges).

With fewer transactions carried out, syndication fees also fell by €1.5 million. However, given the higher volume of used containers available for sale, sales fees rose by €0.9 million.

Lastly, revenues from the **Modular Buildings** business, reported under "Other", rose sharply to €8.6 million (up €5.6 million over the first half). Touax produced and delivered a large number of orders at the start of the year, after a low point in 2022 when the pandemic ended.

RECURRING PROFITABILITY

EBITDA for the first half was down slightly by €0.6 million (-1.9%) at €28.9 million.

EBITDA for the **Freight Railcars** division came to €14.9 million, down slightly by €0.3 million, following a €1.6 million increase in operating expenses relating to the maintenance and repair cycle.

The **River Barges** division recorded EBITDA of €2.5 million, up by €0.4 million (+19%), due to lower chartering costs, while leasing revenues performed well over the half-year.

EBITDA for the **Containers** division fell by €3.7 million to €8.8 million at 30 June 2023, due to lower half-year revenues (74% of the €6.2 million fall was attributable to the normalisation of container sales prices). Conversely, the cost of equipment sales improved by €2.7 million.

The **Modular Buildings** business, on the other hand, saw its EBITDA rise by €3.3 million, well above breakeven thanks to a significant increase in equipment deliveries.

The Group's depreciation, amortisation and provisions increased by €1.3 million, due to the gradual increase in investments in Touax's balance sheet over the last three years. **Current operating income** therefore came to €14.7 million, €1.8 million lower than at end-June 2022.

Touax recorded net exceptional income of €2.6 million in the first half of 2023, linked on the one hand to accounting income (non-cash) of €3.5 million relating to the purchase in January of minority interests in the Modular Buildings business in Africa, and on the other hand to a provision of \$1.0 million following the conviction in the United States of the former subsidiary of Modular Buildings in that country for an old dispute.

The **net financial expense** was €9.8 million, compared with €6.8 million at end-June 2022. The €3.0 million increase in net financial expense is mainly due to the full effect on 2023 of the rise in interest rates, which accelerated from the end of the first quarter of 2022, impacting the Freight Railcars and Containers divisions.

Net profit attributable to the Group was €5.1 million (compared with €7.6 million at 30 June 2022), representing 6.4% of restated revenue from activities.

A BALANCED FINANCIAL STRUCTURE

Touax's balance sheet strength is reflected in a lower **loan-to-value ratio** of 57.4% at 30 June (compared with 59.5% at 31 December 2022 and 56.0% at 30 June 2022). The financial structure has been reinforced by the recent debt refinancing carried out by the parent company Touax SCA, providing greater certainty over the debt profile until mid-2027.

Shareholders' equity was stable at 153.5 million euros, compared with 153.7 million euros at the end of December 2022. The allocation of the half-year profit was offset by distributions (dividend 2022 and payment to general partners) totalling €1.5 million, by a negative change in reserves of €1.5 million mainly due to translation adjustments, and by a €2.3 million reduction in minority interests in the Freight Railcars business.

Consolidated cash position fell by €10.8 million compared with the end of December, with €10.0 million used in June to repay part of the Euro-PP debt. The level of cash on the balance sheet at 30 June 2023 remains comfortable, at 45.2 million euros, and includes a temporary working capital surplus of 11 million euros on the container management business.

OUTLOOK

The Touax Group confirms its strategy of making recurring investments in quality assets leased over a long period, while remaining cautious in the face of current market conditions.

Touax's activities should continue to benefit from the growing awareness of the need to decarbonise the economy and transport and the need to renew infrastructure.

Touax, which enjoys a unique position in sustainable transport, is increasingly committed to respecting the environment and good practices in terms of social responsibility and governance. Touax's extra-financial ESG rating (by EcoVadis) is among the best in its industry², and the Group is building on this strength by working on a continuous improvement plan.

Touax's aim is to provide its customers with an ever-better service in the field of sustainable transport. Our various asset classes benefit from the development of infrastructure, e-commerce and intermodal logistics, corresponding to the expectations of consumers, manufacturers, public authorities, lenders and investors.

UPCOMING DATES

- 13 September 2023: Videoconference presentation of half-year results in French
- 14 September 2023: Videoconference presentation of half-year results in English
- 14 November 2023: Revenue for the 3rd quarter 2023

The TOUAX Group leases tangible assets (freight railcars, river barges and containers) every day throughout the world, both for its own account and on behalf of investors. With €1.2 billion under management, TOUAX is one of Europe's leading leasing companies for this type of equipment.

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

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² With an EcoVadis rating of 63/100 at the end of 2022, Touax is in the top 9% of its industry.

APPENDICES

1 - Analysis of restated revenue from activities

Restated Revenue from activities (in € thousand)	Q1 2023	Q2 2023	H1 2023	Q1 2022	Q2 2022	H1 2022	Variation
Leasing revenue on owned equipment	17,139	17,510	34,649	15,509	16,909	32,418	2,231
Ancillary services	5,030	4,271	9,301	5,732	4,884	10,616	-1,315
Total leasing activity	22,169	21,781	43,950	21,241	21,793	43,034	916
Sales of owned equipment	13,053	16,895	29,948	14,862	14,249	29,111	837
Total sales of equipment	13,053	16,895	29,948	14,862	14,249	29,111	837
Total of owned activity	35,222	38,676	73,898	36,103	36,042	72,145	1,753
Syndication fees	0	544	544	0	2,522	2,522	-1,978
Management fees	1,021	1,018	2,039	978	986	1,964	75
Sales fees	861	1,710	2,571	336	1,349	1,685	886
Total of management activity	1,882	3,272	5,154	1,314	4,857	6,171	-1,017
Other capital gains on disposals	1	1	2	0	0	0	2
Total Others	1	1	2	0	0	0	2
Total Restated Revenue from activities	37,105	41,949	79,054	37,417	40,899	78,316	738

2 - Reconciliation of accounting presentation to restated presentation

Revenue from activities (in € thousand)	H1 2023	Retreatment	Restated H1 2023	H1 2022	Retreatment	Restated H1 2022
Leasing revenue on owned equipment	34,649		34,649	32,418		32,418
Ancillary services	11,637	-2,336	9,301	15,211	-4,595	10,616
Total leasing activity	46,286	-2,336	43,950	47,629	-4,595	43,034
Sales of owned equipment	29,948		29,948	29,111		29,111
Total sales of equipment	29,948		29,948	29,111		29,111
Total of owned activity	76,234	-2,336	73,898	76,740	-4,595	72,145
Leasing revenue on managed equipment	18,903	-18,903	0	21,736	-21,736	0
Syndication fees	544		544	2,522		2,522
Management fees	752	1,287	2,039	556	1,408	1,964
Sales fees	2,571		2,571	1,685		1,685
Total of management activity	22,770	-17,616	5,154	26,499	-20,328	6,171
Other capital gains on disposals	2		2	0		0
Total Others	2	0	2	0	0	0
Total Revenue from activities	99,006	-19,952	79,054	103,239	-24,923	78,316

3 - Breakdown of restated revenue from activities by division

Restated Revenue from activities (in € thousand)	Q1 2023	Q2 2023	H1 2023	Q1 2022	Q2 2022	H1 2022	Variation
Leasing revenue on owned equipment	11,124	11,615	22,739	10,544	11,142	21,686	1,053
Ancillary services	1,938	1,937	3,875	1,858	1,177	3,035	840
Total leasing activity	13,062	13,552	26,614	12,402	12,319	24,721	1,893
Sales of owned equipment	76	132	208	110	238	348	-140
Total sales of equipment	76	132	208	110	238	348	-140
Total of owned activity	13,138	13,684	26,822	12,512	12,557	25,069	1,753
Syndication fees			0		446	446	-446
Management fees	538	553	1,091	466	451	917	174
Total of management activity	538	553	1 091	466	897	1 363	-272
Total Freight railcars	13,676	14,237	27,913	12,978	13,454	26,432	1,481
Leasing revenue on owned equipment	1,878	1,886	3,764	1,619	1,789	3,408	356
Ancillary services	2,072	1,629	3,701	1,807	2,385	4,192	-491
Total leasing activity	3,950	3,515	7,465	3,426	4,174	7,600	-135
Sales of owned equipment		5	5			0	5
Total sales of equipment	0	5	5	0	0	0	5
Total of owned activity	3,950	3,520	7,470	3,426	4,174	7,600	-130
Management fees	11	14	25	14	5	19	6
Total of management activity	11	14	25	14	5	19	6
Total River Barges	3,961	3,534	7,495	3,440	4,179	7,619	-124
Leasing revenue on owned equipment	4,133	4,004	8,137	3,342	3,973	7,315	822
Ancillary services	1,020	705	1,725	2,070	1,325	3,395	-1,670
Total leasing activity	5,153	4,709	9,862	5,412	5,298	10,710	-848
Sales of owned equipment	10,211	10,949	21,160	13,205	12,575	25,780	-4,620
Total sales of equipment	10,211	10,949	21,160	13,205	12,575	25,780	-4,620
Total of owned activity	15,364	15,658	31,022	18,617	17,873	36,490	-5,468
Syndication fees		544	544		2,076	2,076	-1,532
Management fees	472	451	923	498	530	1,028	-105
Sales fees	861	1,710	2,571	336	1,349	1,685	886
Total of management activity	1,333	2,705	4,038	834	3,955	4,789	751
Total Containers	16,697	18,363	35,060	19,451	21,828	41,279	-6,219
Leasing revenue on owned equipment	4	5	9	4	5	9	0
Ancillary services			0	-3	-3	-6	6
Total leasing activity	4	5	9	1	2	3	6
Sales of owned equipment	2,766	5,809	8,575	1,547	1,436	2,983	5,592
Total sales of equipment	2,766	5,809	8,575	1,547	1,436	2,983	5,592
Total of owned activity	2,770	5,814	8,584	1,548	1,438	2,986	5,598
Other capital gains on disposals	1	1	2	0	0	0	2
Total Others	1	1	2	0	0	0	2
Total Miscellaneous and eliminations	2,771	5,815	8,586	1,548	1,438	2,986	5,600
Total Restated Revenue from activities	37,105	41,949	79,054	37,417	40,899	78,316	738