



YOUR OPERATIONAL LEASING SOLUTION

## REVENUES FROM ACTIVITIES<sup>1</sup> 2018

- Quarter on-quarter revenue growth (CQGR +3.5% in 2018) confirming the positive trend of the activities
- Revenue from operations of €154.5 million (€158.4 million in 2018 on a like-for-like basis and with constant exchange rates)
- Return to profitability of the transportation businesses is confirmed

### ANALYSIS OF REVENUES FROM ACTIVITIES

During 2018 revenue from activities increased quarter-on-quarter (average quarterly growth rate: +3.5%) to reach €154.5 million and €158.4 million at constant scope and exchange rates compared with €169.7 million in 2017, a decrease of 6.6%.

Annual leasing revenues totalled €134.5 million (€138 million at constant scope and exchange rates), compared to €146.1 million in 2017. The Freight Railcar business recorded an increase in leasing revenues, with higher utilisation rates. Leasing revenues are down slightly for the River Barges division. The Containers activity recorded a decline due to currency effects and a reduction of the fleet following the disposals realised during 2017, which were not offset by the gradual recovery of investments in 2018 initiated after asset refinancing in June. The utilisation rate remains high.

Equipment sales amounted to €18.7 million (€19.2 million at constant exchange rates and scopes) compared with €20.9 million in 2017. The Containers division recorded a 14% rise in sales, having developed new container trading operations.

Syndication fees and capital gains not linked to recurring activities increased to €1.3 million of which €1 million is linked to syndication commissions, particularly the syndication of railcar portfolios to third parties of which Touax retains management.

Revenue from activities (in € thousands)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	TOTAL 2018	Q1 2017	Q2 2017	Q3 2017	Q4 2017	TOTAL 2017
Leasing revenues (*)	32,465	32,699	34,712	34,664	134,540	38,498	37,820	34,414	35,370	146,103
Sales of equipment (**)	3,558	4,728	4,622	5,841	18,749	3,424	3,428	2,957	11,136	20,944
Syndication commission and capital gains (***)	323	655	267	7	1,252	80	1,049	(2)	1,477	2,604
<b>Total Revenue from activities</b>	<b>36,346</b>	<b>38,082</b>	<b>39,601</b>	<b>40,512</b>	<b>154,541</b>	<b>42,002</b>	<b>42,297</b>	<b>37,369</b>	<b>47,983</b>	<b>169,651</b>

(\*) Leasing revenues include ancillary services.

(\*\*) Sales to end users of equipment belonging to the group are reported for the full price of the disposals on the Sales of Equipment line. The margin or capital gain realised is obtained by deducting the purchase cost from the sales.

Sales to end users of equipment belonging to third-party investors and managed by the Group are reported for their margin (sales commission) on the Sales of equipment line

(\*\*\*) The capital gains shown on this line are capital gains not related to recurring equipment disposal activities.

<sup>1</sup> IFRS 15 "Revenue from Contracts with Customers" came into effect on 1 January 2018. The application of this standard concerns presentation elements that have no impact on margins. Syndication commissions and sales of used equipment owned by investors are now presented as revenue from operations. The 2017 figures have been restated in accordance with IFRS 15 to allow comparability.

## Analysis of the contribution by division

Revenues from activities (in thousands of euros)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	TOTAL 2018	Q1 2017	Q2 2017	Q3 2017	Q4 2017	TOTAL 2017
Leasing revenues (*)	12,775	12,660	13,392	14,592	53,419	11,929	12,826	12,309	13,861	50,925
Sales of equipment (**)	100	789	(229)	1,565	2,225	598	982	135	3,260	4,975
Syndication commission (***)		662	25		687		1,050			1,050
<b>Freight railcars</b>	<b>12,875</b>	<b>14,111</b>	<b>13,188</b>	<b>16,157</b>	<b>56,331</b>	<b>12,527</b>	<b>14,858</b>	<b>12,444</b>	<b>17,121</b>	<b>56,951</b>
Leasing revenues (*)	3,029	2,798	3,613	2,996	12,436	3,699	3,560	3,624	3,457	14,340
Sales of equipment (**)	1,020		1,020	25	2,065	6	111	53	53	223
<b>River Barges</b>	<b>4,049</b>	<b>2,798</b>	<b>4,633</b>	<b>3,021</b>	<b>14,501</b>	<b>3,705</b>	<b>3,671</b>	<b>3,677</b>	<b>3,510</b>	<b>14,563</b>
Leasing revenues (*)	16,330	17,111	17,480	17,075	67,996	22,825	21,571	18,427	17,616	80,439
Sales of equipment (**)	1,746	2,062	2,030	2,227	8,065	1,833	1,681	1,315	2,243	7,072
Syndication commission (***)	309	5	9	(13)	310	76	(1)	(2)	(1)	72
<b>Containers</b>	<b>18,385</b>	<b>19,178</b>	<b>19,519</b>	<b>19,290</b>	<b>76,372</b>	<b>24,734</b>	<b>23,251</b>	<b>19,740</b>	<b>19,859</b>	<b>87,583</b>
Leasing revenues (1)	331	130	227		688	45	(137)	54	436	398
Sales of equipment	692	1,877	1,801	2,024	6,394	987	654	1,454	5,579	8,674
Other capital gains on disposal	14	(12)	233	20	255	4			1,478	1,482
<b>Miscellaneous &amp; Eliminations</b>	<b>1,037</b>	<b>1,995</b>	<b>2,261</b>	<b>2,044</b>	<b>7,337</b>	<b>1,036</b>	<b>517</b>	<b>1,508</b>	<b>7,493</b>	<b>10,554</b>
<b>Total Revenue from activities</b>	<b>36,346</b>	<b>38,082</b>	<b>39,601</b>	<b>40,512</b>	<b>154,541</b>	<b>42,002</b>	<b>42,297</b>	<b>37,369</b>	<b>47,983</b>	<b>169,651</b>

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**FREIGHT RAILCARS:** The Freight Railcars business is the group's leading activity in terms of capital employed. At the end of December 2018, revenue from the Freight Railcar division totalled €56.3 million, stable compared with 2017. Over the year, leasing revenues increased by 4.9% to €53.4 million thanks to the improved utilisation rate (+3 points over the year, totalling an average of 84.9% over 2018 and reaching 86.9% in December 2018). Against the backdrop of a growing market, the Group has initiated leasing rate increases.

**RIVER BARGES:** Revenues for the River Barges division totalled €14.5 million, stable compared with 2017. Disposal operations worth €2 million offset the decrease in leasing revenues over the period due to a lack of dynamism of the South American market.

**CONTAINERS:** The Containers activity consists mainly of assets managed on behalf of third parties. Revenue from operations in the Containers division totalled €76.4 million (€79.7 million at constant scope and exchange rate effects) compared to €87.6 million in 2017.

Leasing revenues totalled €68 million in 2018 compared with €80.4 million in 2017 in a dynamic market with an average utilisation rate over the period reaching 98.7%. The decreasing leasing revenues follows effects of a change in scope, with 25% being explained by dollar exchange rate changes and the remainder by the smaller size of the fleet. Equipment sales amounted to €8.1 million, up 14% compared to 2017, with the division developing new container trading operations.

The miscellaneous line includes various re-invoicing and retained modular buildings sales activities in Africa, whose decrease in revenues results from a business in Algeria, in the process of being exited.

## OUTLOOK

The increase in revenues throughout the year marks the positive trend in the business. A trend that is expected to continue in 2019.

In fact, the demand for rail freight transport continues to grow in Europe, thus pushing demand for freight railcar leasing, especially in the intermodal transport segment for which Touax is the second largest player in Europe and demand for containers remains high with global GDP growth expected to reach 3.5%.

The Group is therefore confident in its objective of returning to profitability in its transport activities as this is already visible in the improvement of leasing revenues since the beginning of the year.

## UPCOMING DATES

- 28 March 2019: 2018 Annual Results - SFAF Presentation
- 29 March 2019: 2018 Annual Results Conference call
- 15 May 2019: Revenue from operations 1<sup>st</sup> quarter 2019

The TOUAX Group leases tangible assets (freight railcars, river barges and containers) every day across the world, for its own account and on behalf of investors. With nearly €1.2 billion under management, TOUAX is a European leader in the leasing of this type of equipment.

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

For more information: [www.touax.com](http://www.touax.com)

Your contacts:

### **TOUAX**

Fabrice and Raphaël WALEWSKI  
Managing Directors  
[touax@touax.com](mailto:touax@touax.com)  
[www.touax.com](http://www.touax.com)  
Tel: +33 1 46 96 18 00

**Touax**®

### **ACTIFIN**

Ghislaine Gasparetto

[ggasparetto@actifin.fr](mailto:ggasparetto@actifin.fr)  
Tel: +33 1 56 88 11 11

**actifin**  
communication financière