

# InfoTouax

The bi-annual newsletter of Touax Group

January 2020 - Issue # 4



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***After refocusing on its three transportation activities in 2018, our Group has been deploying successfully its continuous improvement plan, COBRA, increasing its profitability and enhancing its customers' experience.***

The pertinence of this strategy and its effective implementation are borne out in the results throughout 2019.

At end of June we were able to record an improvement in profitability, with a 25% increase in EBITDA as well as a double-digit increase in operating income.

At end of September, all the activities consolidated their fleet's utilisation rate, the Railcars division reaching 88,4%, the Marine Containers stable at 97,5% and the River Barges at 89,7%.

At the same time, revenue from the conserved activity of sales of modular buildings in Africa increased by 27.7% over the to €5.7 million thanks to the delivery of different projects.

Through these achievements, the Group has successfully increased its financing capabilities and kept growing its owned fleet as well as under management, thanks to renewed support from several historical and new partners.

Despite the potential geopolitical risks and the current slow down of the global trade, several factors make us confident that the positive trend will continue in 2020:

- demand to develop and consolidate environmental-friendly transportation solutions is increasing at global level from our customers, our financing partners and local authorities. Through our investments in railcars, river barges and multi-modal equipment, we continuously provide support to our customers in their commitment to reduce CO<sub>2</sub> emissions.
- leasing solutions still represent a valid alternative for our customers, which have to take important capital intensive challenges in the years to come, as for example the compliance to IMO 2020 regulations from January 2020.

So the direction is clear: sustainable growth and support to our customers along their journey towards environmental-friendly transportation modes are our priorities for 2020!

We believe to be well placed to fit our partners' requirements thanks to our professional teams, our international presence and the renowned TOUAX brand.

We wish all of you a successful and healthy year 2020 !

**Fabrice and Raphaël Walewski**

# Railcar Division

## Global business

Driven by increasing demand, especially in the intermodal segment, **Touax Rail** was able to improve its fleet's utilisation rate in the first nine months of the year at 88,4%.

On the Asian continent, the wagons' fleet of Touax Texmaco Railcar Leasing (TTRL) has continued to grow steadily with 3 additional trains of 62 wagons each, two delivered end of 2018 and one in July 2019.

Our fleet in India consists of more than 600 wagons of 5 different types: container wagons, cement hopper, alumina tank, car carrier and steel coil carrier wagons, all at 100% utilization rate.

We congratulate our TTRL team for these achievements: G. Dijendranath, our Managing Director, D. Mundhra, the Company Secretary, P. Singh - Project Engineer, K. Singhal - Assistant Manager Finance and Accounts, C.Mahato - Accountant.

In addition to the existing fleet, the planned investments in new wagons will allow us to absorb the volumes: the production is well under way and about to be launched for some other new equipment (intermodal and automotive).

**Touax Rail** is pleased to be part of one of the 8 projects selected for funding by the EU in September 2019. These projects will contribute to reducing rail freight noise in the EU by upgrading rail wagon braking systems. The quieter and more efficient brakes result in better energetic performance of trains, but also better conditions to those living close by railway tracks.

### **BREXIT ?**

*Despite brexit, Touax Rail is proud to support its clients in the United Kingdom, with the delivery of new wagons on the aggregate segment (box and hopper), but also by providing more intermodal container wagons (multifret).*

*We are member of the RFG (Rail Freight Group) – United Kingdom rail freight association- and will continue to invest in this market.*

Almost **75,000** freight railway wagons will be upgraded in Europe as part of these eight projects for the wagons keepers.

We are also proud to announce that **Touax Rail's** certification as Entity in Charge of Maintenance (ECM) was recently renewed following an external audit which was successfully passed with zero non-conformities.



*The Railcar team during the certification*

**Touax Rail** is a certified Entity for its own and other keepers' wagons (for roughly 1500 units) since December 2011 .

## Organization

Touax Rail keeps enhancing its team to provide its customers with high standard level of service:

**Lorella PALTRINIERI**, VAT & Tax Analyst in Dublin

**Elaine WHYTE**, Assistant Accountant in Dublin

**Torsten NOACK**, Wagon Engineer in Hamburg

**Alexandre POPINEAU**, Wagon Engineer in Paris

**Matthieu AKAFFOU**, Inventory Manager in Paris



*New build wagons for UK market*

# River Barges Division

## Global business

On the 31<sup>st</sup> of October, the “EB VAR” was delivered to one of our largest customers in Europe in the presence of one of our Managing Partners, Raphael Walewski.

The building of the barge started eight months earlier at the shipyard “Malbow” in Wroclaw – Poland.

The EB VAR, named after a French River, is the sixth 90m covered barge with French rivers’ names rented to our client. With a capacity of 3850 tons, the barge will transport Biomass along the Rhine River. We are particularly proud of this barge, since it is our

first new river asset built with this extended transportation capacity optimized for the Biomass.

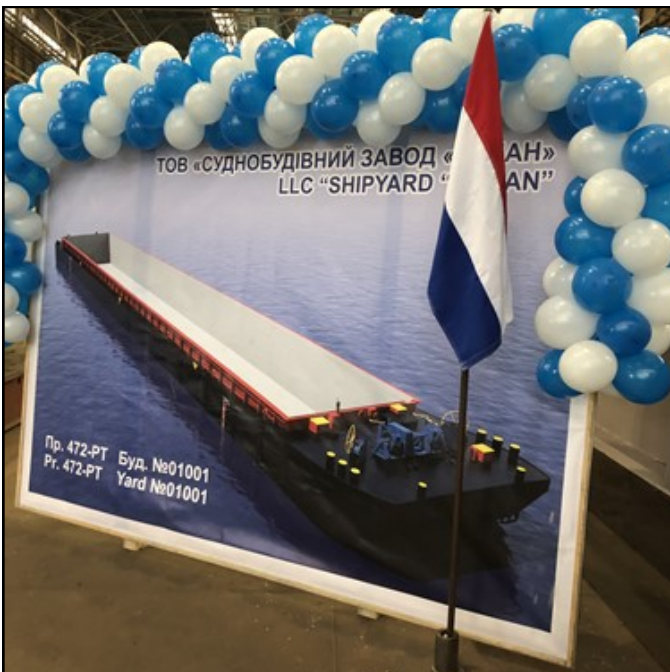
On the 26<sup>th</sup> of November, we inaugurated the “keel ceremony” for two new 79 meters’ river barges with a capacity of 2 600 tons each, which are being built in “Ocean Shipyard” in Nikolaev – Ukraine.

They will be transferred through the Black Sea, then they will cross Europe by inland and finally they will be towed from Rotterdam to Le Havre. We expect a delivery for mid-end of the third trimester to one of our French clients.

The fleet rented to our Client on the Seine River will include 21 units.



*Raphaël Walewski, Managing partner of the TOUAX Group, delivered the EB VAR*



*Didier Bacon, Managing Director of TOUAX River Barges, fixing the plate on the barges’ keels*

## Seine Nord Europe Channel

On October 28<sup>th</sup> the French government has finally announced the agreement with regional and local public authorities to provide joint funding of €2.2 billion for the construction of the Seine Nord Europe Channel to link the Seine with the Scheldt river, which runs through northern France, Belgium and the Netherlands. On November 22<sup>nd</sup> the final convention for the financing of this project was signed also by the EU Commission.



# Marine Container Division

## Global business

In a softening global economy's environment, mainly due to the on-going trade dispute between the United States and China, and a consequent decline in containers' demand, **Touax Container** has remained resilient in its performance and maintained a strong average fleet's utilization rate in the first nine months of the year at around 97,5%.

Over 95% of the leasing contracts were successfully renewed allowing the Company to keep a long-lasting relationship with all its customers.

Furthermore, **Touax Container** has still been experiencing a buoyant trading activity in new and used containers, which has resulted in a growth of sales of new and used dry and refrigerated containers.

To keep the pace, the Company is reinforcing its platform with additional resale agents in the 3 regions, North America, Europe and Asia and a "one-way" coordinator based in Singapore.

This will allow us to deepen our local presence and reach out a larger customers' base, to enter new market, as Eastern European coun-

tries, and to supply faster the market.

2020 is expected to see an increasing demand, so we are looking forward to further equipment diversification and being well-positioned to serve all our customers.

## Organization

Along 2019 new crew members joined the Company to reinforce its operating platform both at global and regional levels:

**Gustavo RINCON** – Operations & Customer Service Executive, based in Miami

**Florian BEHRENS** – Operations & Customer Service Executive, based in Hamburg

**Irene NG** – Global Operations & Customer Service Executive, based in Singapore

**Eugenia TAN** – Regional Operations & Customer Service Executive, based in Singapore.

**Jerome LEBLOND** – General Accountant, based in Paris

After several years of service as Operations & Customer Service Executive, **Seline CHEW** has been appointed as Asia Resale & Trading Executive in support to Cheryl LEE.

**Touax®**  
TECHNICAL SPECIFICATIONS DATA SHEET  
BRAND NEW CONTAINER UNIT  
20 FEET DRY VAN

\*All containers are certified and inspected by experienced quality survey companies.

**BEST CUSTOMER EXPERIENCE!**

- ▶ Constant supply of equipment
- ▶ Standard high quality overtime
- ▶ Direct delivery
- ▶ Precommitment with price guaranteed options
- ▶ Tailor-made customization

ANY COLOR YOU DESIRE  
(In addition to the standard ones shown here)

MAIN TECHNICAL SPECS

External Dimensions:  
L 6,058mm x W 2,438mm x H 2,591mm

Internal Dimensions:  
L 5,698mm x W 2,352mm x H 2,393mm

Maximum Gross Weight:  
30,480 kg / 67,200 lbs

Maximum Payload:  
28,470 kg / 62,770 lbs

Labels: CSC Plate, Lock Box, 3 Door Handle, Customized Logo, Forklift Pockets, 4 Vents per Side

## Need a new container?

*Standard 20' dry van, 40' dry van double-door unit...do you need a specific container?*

*TOUAX Containers offers a wide range of new units responding to various specific requirements.*

*Need to customize your units with your colour, logo, your details or other business information?*



*Just let our sale representatives know about it and our procurement team in Singapore will check with manufacturers all the technical details to make sure you will get your specific boxes.*

*Many other adds on services are available as trucking and delivery or nationalisation of new and used containers.*

*Just contact our regional teams to get delivery in your yard of the container you wish!*

# Focus - Active player in sustainable transport modes

Tuned into global market trends, Touax pursues a profitable development policy, which relies in particular on a diversified offer, renowned expertise in each of its businesses and a long-standing relationship of trust with its stakeholders. Mindful of environmental issues, the Group places sustainable development at the heart of its innovation policy and the management of its operations.

OPPORTUNITIES	ASSETS	PROPOSITION OF VALUE	SPECIFIC BUSINESS CHARACTERISTICS
<p><b>MARKET SIZE</b> €145 bn sustained by constant flows in world trades</p>	 <p><b>TOUAX ADVANTAGES</b></p> <p>A dense 1<sup>st</sup> level global network</p>	<p><b>Quality of the product and the service</b></p> <p><b>Reliability</b></p>	<p>Standardised and Mobile equipment</p>
<p><b>THREE LEVERS</b> More economical More ecological More flexible</p>	<p>Renowned dominant positions</p> <p>A long-standing relationship built on trust with our customers and partners</p>	 <p><b>80%</b> Leasing revenues are recurring</p>	<p>Eco-comptability with the fight against global warming</p>
<p><b>NEED FOR ANNUAL INVESTMENT</b></p> <p>Containers €7 bn Railcars €1 bn Barges €450 m</p>	<p>A diversified offer that covers all customers' requirements</p> <p>Commercial agility</p>	<p><b>Diversification in the markets = balanced risk</b></p>	<p>Long-life assets 30-50 years</p> <p>Flexible operating lease contract</p> <p>High quality technical specification</p> <p>Management and maintenance services</p>

## ABOUT US

The TOUAX Group leases tangible assets (railcars, river barges and containers) every day around the world, for its own account and on behalf of investors. With nearly €1.2bn in assets under management TOUAX is one of the European leaders in operational leasing in sustainable transport.

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.

The recipient of this newsletter acknowledges that some or all of the information contained in it is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the recipient undertakes not to use any such information for any unlawful purpose.

## Finance & Legal

The Finance team has been very active in 2019.

One of the main successes has been the signature of a new Corporate Financing for 50 million euros for which the Corporate and Divisions' teams went through a full due diligence process including a review of the activities of the Group, its past years' results, its new strategy and the business plan over the next 5 years.

2019 has seen also the consolidation of the "Lean management" principles within the various Departments of the Group.

At each level of the organization the staff is now adopting this philosophy: DMAIC project, Fishbone analysis or 5S are becoming our daily working tools to manage complex processes and projects.

## Human Resources

Over the last semester, the HR department has interviewed every manager in the Group to identify the competences required to achieve their team's mission.

These key competences (management, project management, digitalisation...) will be broadly communicated in the occasion of the annual performance review end of January. We will also deploy a state of the art digital learning platform. This will allow competence development for all our employees across the world, therefore sustaining our business growth.

## Information technology

The IT team have been working along the year to implement different new solutions to accompany the digital transformation of the Group, the different COBRA projects and the various Lean workshops.

Constantly at support of the business units, the IT Department has been studying and developing several operational solutions for the Railcars and the Containers divisions to ease the staff's daily tasks and furthermore enhance the customers' experience.

The Corporate Website will be launched in February 2020 (see Focus at page 7) and

"Office 365 cloud suite" will be also integrated soon.

## Asset management

The new organization implemented in 2019 has paid its benefits!

The Group continues to invest in the tools to assure the future success of the Asset Management Activity with a new fully operational CRM (Customer Relationship Management) system. With more than 4,000 potential prospects, 1,400 contacts, and already 500 classified as potentially interested, the year has been a very busy one for the team. With the

***Low interest rates and the relatively expensive stock market, should make an investment in a de-correlated real asset like containers, railcars and barges particularly attractive.***

help of 15 active trusted Advisors we participated in one to one meetings in London, Paris, Brussels, Frankfurt, New York and Miami

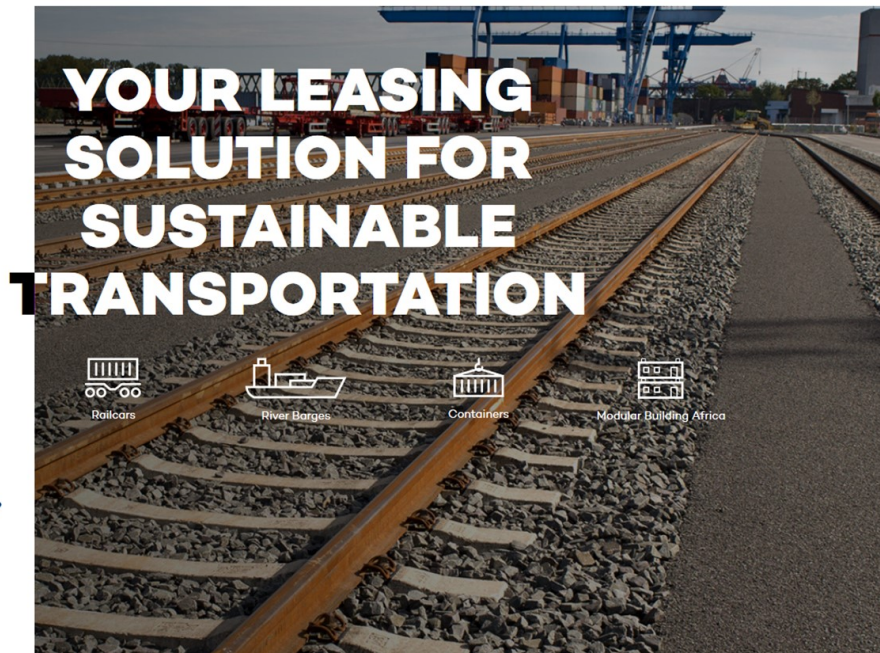
This naturally led to the increase of the volume of assets managed on behalf of third party investors for both the Railcars and the Containers businesses to assure the continued development of the activity.

In addition to an increase in volume of equipment, the team enlarged the Group's investors' base with a diversification with two Asian partners.

The Asset Management Team, is also playing a key role as the representative of the operating partner on behalf of the Real Asset Income Fund S.C.A. The investment objective as operating partner of the Fund is to generate portfolios that offer a resilient return of 5% per annum though the payment of a dividend, with a target of an annual performance above 8%. The performance is in line with the objectives for both sub-funds and this will help continue to facilitate growth.

Low interest rates and the relatively expensive stock market, should make an investment in a de-correlated real asset like containers, railcars and barges particularly attractive.





## HOME

### COMPANY

History  
Values  
Strategic vision  
Contacts

### ACTIVITIES

Railcars  
River Barges  
Containers  
Modular Building Africa

### INVESTORS

Share price  
Key figures  
Governance  
Asset management  
Sustainable development  
Ethic & Anticorruption  
Press releases  
Documents  
Calendar

### NEWS & EVENTS

### CAREERS

Job offers  
Spontaneous Job application

## New look at TOUAX Corporate!

With its strategic refocusing on the transportation activities (Railcars, River Barges and Containers) TOUAX will launch its new Corporate web-site in February 2020.

Through this new platform, we aim to provide all our business partners with more detailed information about the Group and its activities and to convey a renewed image in line with its management and its internal working environment.

This new web-site will have 5 main sections:

- **Company**, covering the Group's history since its foundation in 1853, its long term vision and its values, embedded in the Group by the Walewski family along the years.
- **Activities**, with a first snapshot on each Division and the possibility to have access to their specific web-sites by simply clicking a button:
  - [www.touax-rail.com](http://www.touax-rail.com)
  - [www.touax-riverbarges.com](http://www.touax-riverbarges.com)
  - [www.touax-container.com](http://www.touax-container.com)
  - [www.touax.ma](http://www.touax.ma)
- **Investors**, providing TOUAX actualized financial information, as the current share price or the most up-dated key-figures. This section gives also an insight about the Group's governance, its attention to sustainable development, its respect of the ethic / anticorruption code and its asset management team. And you will be able to find the latest press releases and the official documents about the Group you might need for a deeper knowledge. Lastly, the main rendez-vous of the Group will be indicated under the "Calendar" page. Under the page "Contacts" you will find the full details of the people you could be interested to talk with.
- **News & Events**, in which business partners will be able to discover the Group in a different manner, through its most important successes and its latest actions.
- **Careers**, to discover open job opportunities within the Group, send your spontaneous application or get in touch with our HR department.

***So jump on board  
and navigate with us !***

**[www.touax.com](http://www.touax.com)**

# Events

At Intermodal Europe in November 2019, tables were sold out even before the beginning of the Fair at the booth of **TOUAX Containers**.

We attended the show with our Corporate, EMEA and AMERICAS Leasing, Resale & Trading teams to present our multiple container leasing solutions, from One-Way to Long Term operating leases.



Our business partners, coming from California to Russia, were able also to get a deeper insight of the new containers' trading solutions that **TOUAX Containers** offers at global level.

After the exhibition "Navegistic" in Asuncion (Paraguay) in October, **Touax River Barges** has actively participated to the yearly fair "River Dating", which is one of the most important exhibitions for the river activity in Europe.



The principle is well known and the exhibition has the appropriate name: plenty of meeting, 30 minutes each, with the challenge to convince partners to do business together!

Our team beat its last year performance with a score of 23 meetings over 2 days!

## Touax Containers 2019 Global Meeting

Last November **TOUAX Containers** held its Annual Global Meeting in Paris.

Teams from Americas, Asia and Europe spent a week-end together before attending several working sessions over 3 days.

After a fun Sunday on a beach in Northern France "flying" on sand-yachts, we had also the opportunity to experience some typical Paris attractions, as a great dinner and show at Lido of Paris with our two Managing Partners, Fabrice and Raphaël Walewski!



## Coffee corners

Our Human Resources Department has launched a new initiative to maintain and consolidate the team spirit of the Group.

In Paris as well as in other regional offices, monthly coffee corners are organized to let the staff meet and discuss the latest news with potential impact on the Group's activities.

Next 2020 rendez-vous with our customers and business partners



February 4 <sup>th</sup> - 6 <sup>th</sup>	March 17 <sup>th</sup> - 20 <sup>th</sup>	March 18 <sup>th</sup> - 20 <sup>th</sup>	Mai 4 <sup>th</sup> - 7 <sup>th</sup>	May 12 <sup>th</sup> - 14 <sup>th</sup>
Marseille	Paris	Shanghai	Washington	Constanța

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