

## MESSAGE FROM THE MANAGING PARTNERS

### Dear customers, partners and collaborators,

We thank you very much for having contributed to the year 2023 which marked the celebration of our 170 years of existence and our passion for Infrastructure investments in the sustainable transportation sector.

Our customers confirmed their trust in our long term partnership approach and with their collaboration the Container, Railcar and River barge divisions very proactively maintained the utilization rates of the existing fleet to high levels throughout the year (88.7% for railcars, 95.1% for containers, and 100% for river barges).

Always looking for growth, in 2023 and early 2024 **Touax** launched several investments in (i) new freight railcars to transport automobile, semi-trailers, steel coils, cement, and swap bodies, (ii) new barges to transport aggregates, biomass and wind turbines, (iii) and new containers to supply shipping lines who had to face the recent surge in demand after the Red sea events, ships rerouting around the Cape of Good Hope, and restocking effect.

We also further developed our Modular buildings activity in Africa at the service of major infrastructure projects such as living camps for the Simandou mine in Guinee Conakry, offices for the construction of the dam in Sanbamgalou - Senegal, new hospitals in Togo, and schools in Ivory Coast.

In the first half of 2024, beside the investments in new assets, we also invested in several initiatives, internally and externally, aimed at fostering a greener and more ethical future !

We believe that our goal, together with our partners, is to turn regulatory constraints into opportunities for value creation!

Starting with Sustainable Procurement, we found strong support from the majority of our equipment's vendors to

integrate our standard ESG clauses and policies in most of our purchasing contracts and to proceed with audits of our strategic suppliers.

In the Finance field, our teams enhanced further our commitment to sustainable funding by integrating our ESG criteria as one of the main drivers of the new investments' approval by the Executive Committee. The Group launched the collaboration with the European Investment Bank, positioning itself as the Climate Bank: together with the "Banque des Territoires", they appointed **Touax Group** as the preferred operator for the SETEF fund.

Finally, the Group approached the European Commission for the inclusion of container leasing in the European taxonomy as we believe container is a crucial asset for enabling the model shift from road to more environmentally friendly modes of transport.

The Group embarked also on other new ventures, with the Banque de France, providing its full collaboration to participate in their climate rating test and with all its investors, by creating an ESG portal with Euronext.

Do not hesitate to visit our website **www.touax.com** where you will find more details about our Sustainable approach through our new Corporate Sustainability brochure as well as the new section "Our responsibility" fully dedicated to it.



« We are very happy to share this #13 newsletter with you with a special focus on our 2023 results as well as our sustainable business model.

A Big Thank You to all our teams, clients and partners for their dedication and commitment to our ESG initiatives. Together, we are making strides towards a sustainable future.

*Fabrice & Raphaël Walewski*

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# Touax

## RAILCARS DIVISION



## GLOBAL BUSINESS

In Europe, the year 2024 began with the same continuity as the end of 2023 with a slowdown in volumes transported by rail among our customers, mainly in the intermodal sector.

However, the lowest point seems to have been reached in the second quarter, suggesting a slow but continued recovery in 2024 and 2025.

Other sectors such as steel and mass distribution remain stable, demand for coal transport is declining while automobiles benefit from solid demand.

As already mentioned, orders for new latest generation pocket wagons (T3000e) have been organized with deliveries starting in the 2<sup>nd</sup> half of 2024, as well as orders for new car transporter wagons (Laaers) including the marketing of subsequent deliveries in 2026 and 2027 is underway.

In addition to this usual segment of light vehicles, we are starting to take delivery of the first trains of coupled utility carrier wagons (vans, pick-ups) thanks to the transformation of existing 2-axle intermodal wagons into twin wagons. It responds to a demand of our customers and strengthens our leading position in this market.

The next deliveries are expected for the first quarter of 2025.

In India, the **Touax Rail** teams are pleased to have succeeded in renewing the first rental contracts at the start of the year, thus demonstrating the quality of our assets and the services offered in this market.

Major calls for tenders are underway (box and covered hopper wagons) which should result in new deliveries of new equipment for **Touax** at the end of the year.



Touax Rail new wagons in India



First Touax Twin wagons' train

## ORGANISATION

To further improve its customers' experience, **Touax Rail** has expanded its workforce with the arrival of:

**Anne CANDERS**, Accounting Assistant in Ireland

**Francesca PIEPOLI**, Fleet Manager in Italy

**Leslie Anne MARTEL**, Logistics Coordinator in France

## TOUAX RAIL IS CELEBRATING 70 YEAR ANNIVERSARY IN RAIL

**Touax**  
GLOBAL CONTAINER SOLUTIONS



First investments of the **Touax Group** in the railcar industry began in 1954, as a private owner to support the efforts to modernise the fleet managed by the French railways (SNCF) after the Second World War.

SNCF managed two pools at that time: one pool (SGW) mainly to transport heavy products (ores, coal, sand, gravel), and a second pool (CET) for powdered products (such as cement).

After 70 years, we are proud of our fleet of 13,191 platforms, the additional services we have developed as well as our capabilities to keep innovating our equipment for a better customers experience and a more sustainable world.

# RIVER BARGES DIVISION



## GLOBAL BUSINESS

“18.1 million tonnes of goods were transported on the Seine in 2023 – indicated Voies Navigables de France (VNF) in its latest report - the equivalent of 724,000 trucks avoided on the roads and consequently 220,700 tonnes less CO2 emissions.

The building materials sector, which represents by itself around 40% of the total volumes transported by river, recorded a drop of -9.8% in transported volumes compared to 2022. This was mainly due to the end of several major construction projects that had relied heavily on the waterway to evacuate excavated materials.

The transport of agricultural products is holding up well, with an increase of 2% compared to 2022. This is particularly significant since the cereal production at national level dropped by over 7% in 2023 compared to the year before.

The container transport performed well with a growth rate of 2%. The creation of the “Chatière” at Le Havre in France, which will provide direct access for river vessels to Port 2000, will further intensify this dynamic.

The most impressive growth came from the urban logistics registering a +40% increase compared to 2022, which represents almost 150,000 tonnes transported. Looking back, this sector has more than doubled its volumes in the last five years.

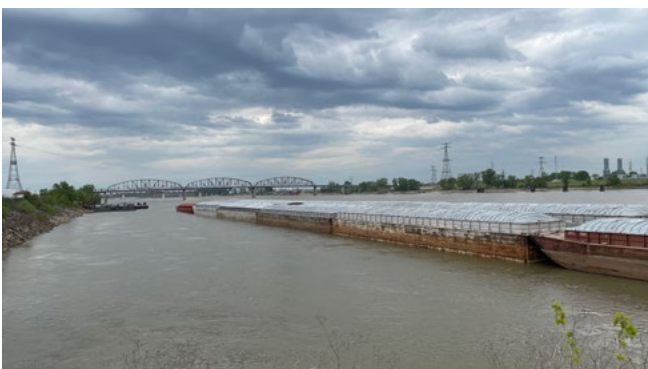
Outside Europe, 2023 was also a good year for the barges’ activity on the Mississippi and Missouri rivers despite some water level issues, as clients, prospects and local shipyards told **Touax’s** Managing Partner Raphaël Walewski and River barges General Manager Didier Bacon late April during their visit in the United States.

2024 is expected to be slightly lower but the US river barges’ fleet is getting older and will need to be replaced in the coming years, providing **Touax River Barges** new opportunities to expand its presence in the US market.

While waiting for new assets on the other side of the Atlantic, two new and important projects were launched in the first half of 2024. The first one concerns a covered 90m river barge which is expected to be delivered to our Dutch subsidiary end of 3<sup>rd</sup> quarter from our partner shipyard in Poland. Secondly, two 79m river barges built for our main client on the Seine river which will receive them by the end of the year. Those ones are built by our partner shipyard in Serbia.



A 90m-covered barge



A convoy of barges on the Mississippi river in St. Louis

# MARINE CONTAINERS DIVISION

## GLOBAL BUSINESS

After COVID-19 pandemic a few years ago, in the midst of ongoing geopolitical conflicts since then, 2024 will see more than 60 countries holding elections.

This incredible sequence of the events of the past 3-4 years bring us to think that there is not a normalization anymore and that the global supply chain's unexpected and unpredictable disruption is the new norm.

Are we moving from a "just in time" supply chain to a "just in case" one?

Several companies' reviewed their supply chain strategies to account for these new challenges by for example inshoring some of their operations but we believe that the most important key success factor for all of us is the capacity to be agile and adjust rapidly to the events.

Translated into containers' requirement, the above global situation generated a kind of rollercoaster demand in the first 2 months of the year and again since April/May.

Longer ships' transit time and ports' new congestion due to the Red Sea conflict, added to the rush in exporting from China some goods as electric cars before the implementation of new import tariffs in some countries were among the main drivers of this trend.

This uncertainty brought some shipping lines to prudently invest in new containers in the first half of this year and turn their attention once again to the support of containers' lessors.

In our previous issue in January 2024 we forecasted this scenario hoping in a better than expected year for the shipping and container industries.

Accordingly, **Touax Container** deployed its conveyor belt to produce around 5,000 teus / month in the first 6 months of the year for the leasing activity, serving all our major clients.

The same principle of conveyor belt, allowed **Touax Container** to achieve its highest ever volume of new containers traded globally. Our One-way containers are a proactive solution to the sudden requirements of our clients.



Touax new containers for self storage yard



Modifications on a new container

Beside the US, our strongest market, **Touax Container's** EMEA Resale & Trading team is developing at a fast pace its market share in France and UK, where we start being recognised as a valuable partner.

In both countries we serve several domestic storage companies and customers more specialised in containers' transformation for several purposes, including boxes to store energy.

Demand for used containers keeps being strong and steady since the end of 2023.

In an industry where mergers and acquisitions have multiplied in the past 12 months, creating more constraints in terms of risk exposure for the ocean carriers willing to lease containers, **Touax Container** is a valuable long-term partner providing solutions for diversification.

## ORGANISATION

In the first half of 2024 we have kept reinforcing our team:

**Yan Ling NG**, as Global Leasing Customer Service in Singapore

## I-CORAL:

## NEW OPERATING SYSTEM IN PLACE

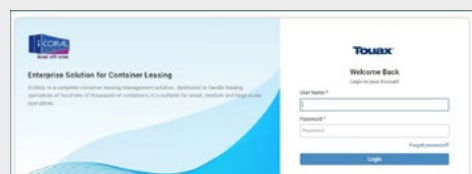
To sustain its plan to grow in the years to come, **Touax Container** decided in 2022 to invest in a new and powerful IT operating system able to cover all the various activities of the Company, from leasing to trading and container repair management.

On March 10<sup>th</sup> 2024, after several months of testing, our new system i-Coral went live.

This modern system is more user-friendly and it allows to integrate almost all kinds of attachments (emails, photos, EOR's, survey reports, certificates...).

Since its launch we have observed an improved efficiency in tasks' management which translated in a better customer experience for all our partners.

The choice of i-Coral was also driven by the fact that i-Interchange, our partner, already provides its solution to other dry and tank containers' leasing companies, ensuring proper maintenance and constant enhancing capability to always meet potential new requirements.



# BUSINESS FOCUS

## AN ECO-RESPONSIBLE CIRCULAR BUSINESS MODEL

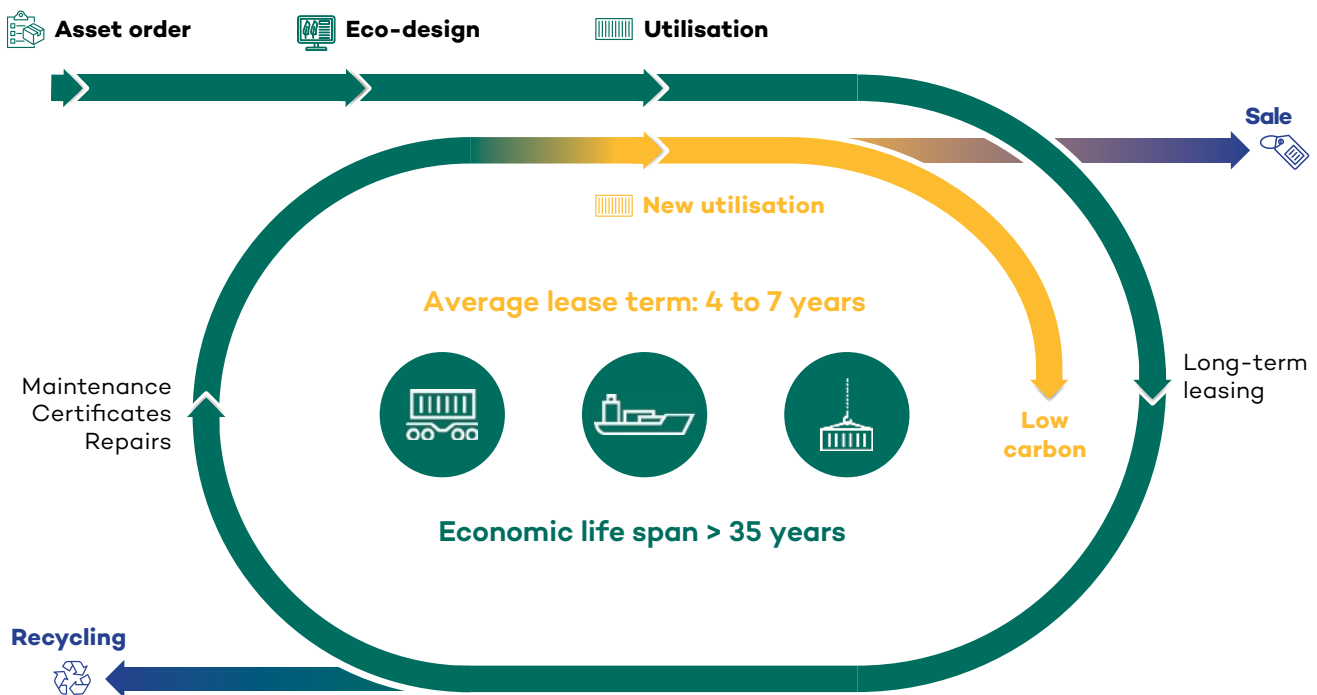
**Touax** is constantly acting for the environment and our assets are proving it!

Located at the heart of goods flows and world trade, **Touax** supports its customers by providing sustainable means of transport:

- freight railcars
- river barges
- intermodal containers

*“Our CSR approach, which encompasses environmental, social, ethical and governance issues, illustrates our initiatives to adopt sustainable practices in all our operations”, say Fabrice and Raphaël Walewski – Managing Partners*

**Through the life cycle of its assets, which begins at the order stage, Touax is a key player in low-carbon transport.**



### Ecodesign

Our assets meet the market’s growing demands in terms of environmental and safety standards. Technological innovations are also introduced to optimise life cycles and improve equipment traceability.

### Maintenance/ Certificates/ Repairs

- The wagons follow very specific maintenance cycles (3, 6 and 12 years).
- Barges are subject to navigation certificates that must be renewed.
- The containers are inspected every 30 months and receive ACEP certification.

### Recycling

Our equipment is almost entirely recyclable, since it is mainly made of steel.

- The wagons are scrapped
- The barges are cleaned and dismantled
- On average, 8 out of 10 containers are reused (converted for land-based uses, dismantled for spare parts) and 2 are scrapped.

### Low Carbon

Our solutions enable our various customers to transport goods in a more environmentally friendly way than road and air freight, over multiple leasing cycles.

# CORPORATE

## FINANCE & IT

2023 demonstrated the resilience of the **Touax Group's** business model with the normalisation of the container market after two exceptional years in 2021 and 2022. In this context, the near stability of the Group's EBITDA confirms the quality of our international network, combined with the diversification of our activities, which allows us to take advantage of growth opportunities while cushioning the impact of economic cycles. The finance teams have therefore focused on financing these opportunities through existing and new credit lines.

Beyond day-to-day operations, the **Touax Group's** guiding principle remains to improve customer satisfaction by optimising all management processes using Lean Six Sigma methods. Through the application of Lean methods, the finance function has continued to optimise its year-end closing processes, freeing up time to support the operational functions and better respond to customer requests. The IT department also continues to support the operational functions with the

introduction of numerous new digital tools, particularly for both Railcars and Container divisions. At the same time, a structured cross-functional approach has been undertaken by all the **Touax Group's** finance functions to draw up the future master plan for digitising the function and investing in the new digital tools that will improve its productivity.

In addition to this, the Group keeps considering cybersecurity as one of the main priorities of its IT Department in order to protect its privacy and that of its partners, and make sure transactions are always handled in safely manner.

As part of our cybersecurity awareness, an internal phishing campaign on the theme of the Olympic Games was carried out and compulsory training for all on the theme of safety when teleworking and traveling was completed in the first half of this year.

## HUMAN RESOURCES

Over the past few months, we've had numerous opportunities to strengthen bonds and share information among colleagues.

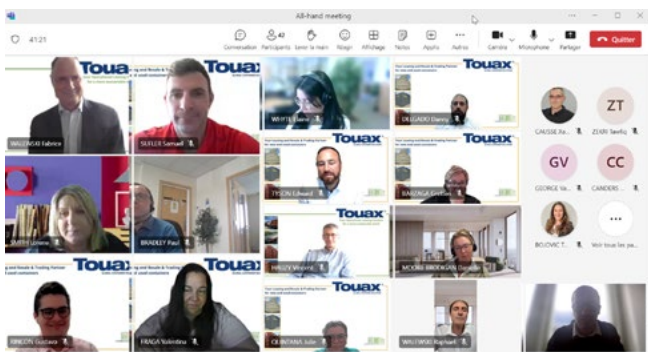
Our June all-hands meeting has been particularly impactful. During these sessions, Raphaël and Fabrice Walewski have engaged directly with our global teams, providing updates on our business activities, the 2024 outlook, and our strategic vision to reinforce our position as a leader in sustainable transportation. They also shared our progress in ESG initiatives and outlined our roadmap for continuous improvement in responsible practices.

These meetings also allowed us to recognize significant team achievements.

At **Touax Group**, our culture of project management fosters collaboration and innovation across our work communities. This culture has enabled the successful completion of several digitalization and process improvement projects in early 2024, enhancing both our efficiency and quality of life at work.

Further to our annual individual review process, the HR department is now deploying an ambitious training plan, in line with **Touax's** commitment to offering growth opportunities to its employees.

Beside more business oriented courses, the Group proposes health and safety training tailored to specific needs as well as environment and waste management ones.





# CORPORATE

## ASSET MANAGEMENT

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We believe strongly in **Touax's** three transportation infrastructure businesses, (Containers, Railcars and Barges) participation in the underlying building foundations of local, regional and global world trade.

As key elements of the transportation infrastructure logistics chain, investment in **Touax** Managed Assets facilitate:

- **Economic Growth as the backbone for trade**
- **Quality of Life through increasing access to goods**
- **Sustainability and Environmental Benefits:**
  - **Efficient Resource Use:** Transportation Logistics infrastructure leads to more efficient use of resources, reducing waste and environmental impact.
  - **Sustainable Development:** Investing in green transportation infrastructure, such as railcars, barge and containers supports long-term environmental sustainability.
- **Resilience and Security assuring flexibility and disaster responsiveness**

The first half of 2024 has started strongly with syndications and new JV investments totaling €51M split 55% between rail and 45% in the containers. The pipeline for volume in the 2<sup>nd</sup> half includes +€ 100M of assets of which 25% is either committed or in advanced discussions.

Investments are evenly split between the Real Asset Income Fund, a Luxembourg Fund structure where the **Touax Group** is the Operating Partner and direct investment in Assets managed by **Touax**. In the first semester 2024 **Touax** also formally expanded its base of Direct Investors with the conclusion of multiple asset agreements with the Selective European Transportation Equipment Fund (SETEF), a private equity infrastructure transition finance fund focusing on the European transportation sector and benefitting from the early backing of the European Investment Bank ("EIB") and the Banque des Territoires (Caisse des Dépôts Group). A&P, the promoter of SETEF, appointed **Touax Group**, as SETEF's Preferred Operating Company.

In summary, logistics transportation infrastructure is the backbone of a functioning and prosperous economy. It underpins economic activities, improves the quality of life, promotes sustainable development, enhances social cohesion, and ensures resilience and security. Investing in infrastructure is investing in the future well-being and prosperity of the world's economies.

From an investment perspective, long-term lease transportation infrastructure assets offer a unique combination of stable and predictable income, low sensitivity to market volatility, inflation protection, and diversification benefits. These characteristics differentiate them from the performance of a traditional 60/40 investment portfolio, making infrastructure investments a valuable addition for enhancing portfolio resilience and achieving more stable long-term returns.

### FINANCIAL INFORMATION

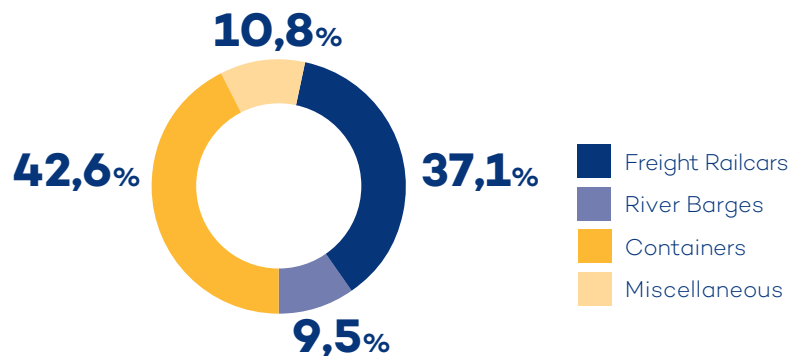
#### FLEET OF ASSETS MANAGED

(in millions of euros)

# 1,226

Compared to  
**1,266**  
in 2022

#### DISTRIBUTION OF REVENUE BY ACTIVITY ON 31 DECEMBER 2023



#### RESTATED REVENUE FROM ACTIVITIES

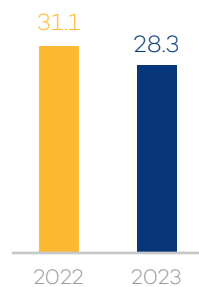
(in millions of euros)

# 157.1

Compared to  
**161.5**  
in 2022

#### CURRENT OPERATING INCOME

(in millions of euros)



#### EBITDA

(in millions of euros)



### OPERATING FLEETS BY DIVISION



**107**  
barges



**13,191**  
freight rail cars  
(platform equivalent)



**327,922**  
containers  
(twenty foot equivalent unit)



# MAIN EVENTS

## TOUAX ANNUAL EVENING – PARIS, FRANCE

On June 12<sup>th</sup> we gathered for our annual party in Paris.

We had a delightful time fulfilled of conviviality and fun in an oceanic atmosphere. Thank you to everyone for creating such wonderful memories.



## HUNGER CHALLENGE – PARIS, FRANCE

A **Touax** team collected over €4000 during this annual sporty and fun charity challenge in Paris La Défense on June 13<sup>th</sup>.

Congratulations to the athletes!

## 70 YEARS CELEBRATION – DERBY, UK

What a fantastic day at our golf event celebrating 70 years in rail on June 19<sup>th</sup> with perfect weather, amazing customers, and a great round of golf.

**Touax Rail Team** and their guests had a wonderful time on the course and beyond!



## AFWP GENERAL ASSEMBLY – PARIS, FRANCE

**Touax Global Rail Services** had the pleasure of attending the Association Française des Détenteurs de Wagons (AFWP) event on June 27<sup>th</sup>. The gathering brought together industry leaders and experts to discuss the future of rail transportation as well as the pivotal role of wagon ownership in enhancing supply chain efficiency. Also, insightful discussions on sustainable practices and on the drive towards greener rail transport solutions took place. For more details, please visit the website: <https://riverdating.vnf.fr>

# MAIN EVENTS

## DANUBE BUSINESS TALKS – VIENNA, AUSTRIA

**Touax River Barges** took part on the 15<sup>th</sup> of May, in the 6<sup>th</sup> edition of the unique business platform dedicated to Danube Navigation, **The Danube Business Talks**, organized by ViaDonau and the Port of Vienna.

An excellent opportunity to meet new faces involved in the river transport on the Danube, but also long-term partners and representatives of the European Commission and river authorities.



## INTERMODAL ASIA – SHANGHAI, CHINA

Busy stand and great meetings during Intermodal Trade fair in Shanghai. From the 22 to 24 May, **Touax Container** Asian Team had a great time and so many opportunities to welcome business partners, create new connections and catch-up with the industry during this annual major event.

## NPSA CONFERENCE AND SHOW – WASHINGTON DC, USA


Beginning of May, **Touax Container** was one of the official sponsor of the National Portable Self Storage Association Conference and Show.

Our American Team had 2 great days welcoming old and new faces on our booth.



# CALENDAR

## OUR NEXT RENDEZ-VOUS

EVENT	WHEN	WHERE
 <b>TOUAX 170 YEARS EVENT</b>	<b>SEPTEMBER</b> 19 <sup>TH</sup>	<b>PARIS</b> FRANCE
 <b>NPSA FALL NETWORKING</b>	<b>SEPTEMBER</b> 22 <sup>ND</sup> – 24 <sup>TH</sup>	<b>TORONTO</b> CANADA
 <b>INNOTRANS</b>	<b>SEPTEMBER</b> 24 <sup>TH</sup> – 27 <sup>TH</sup>	<b>BERLIN</b> GERMANY
 <b>NAVEGISTIC</b>	<b>OCTOBER</b> 1 <sup>ST</sup> – 3 <sup>RD</sup>	<b>ASUNCION</b> PARAGUAY
 <b>GREEN LOGISTICS EXPO</b>	<b>OCTOBER</b> 9 <sup>TH</sup> – 11 <sup>TH</sup>	<b>PADOVA</b> ITALY
 <b>INTERMODAL EUROPE</b> 12-14 November, Rotterdam Ahoy	<b>NOVEMBER</b> 12 <sup>TH</sup> – 14 <sup>TH</sup>	<b>ROTTERDAM</b> NETHERLANDS
 <b>RFG XMAS LUNCH</b>	<b>DECEMBER</b> 11 <sup>TH</sup>	<b>LONDON</b> UK

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