FAST

PIERRE TOUSSAINT

25th March 2024

econocom

Introduction

Pierre TOUSSAINT
Head of FAST, EDFL & Group Funding

Agenda

1. **Introduction**
2. Results
3. What is a FAST deal?
4. The right time for FAST deals
5. Steps of FAST deals
6. FAST deals highlights
7. Team presentation
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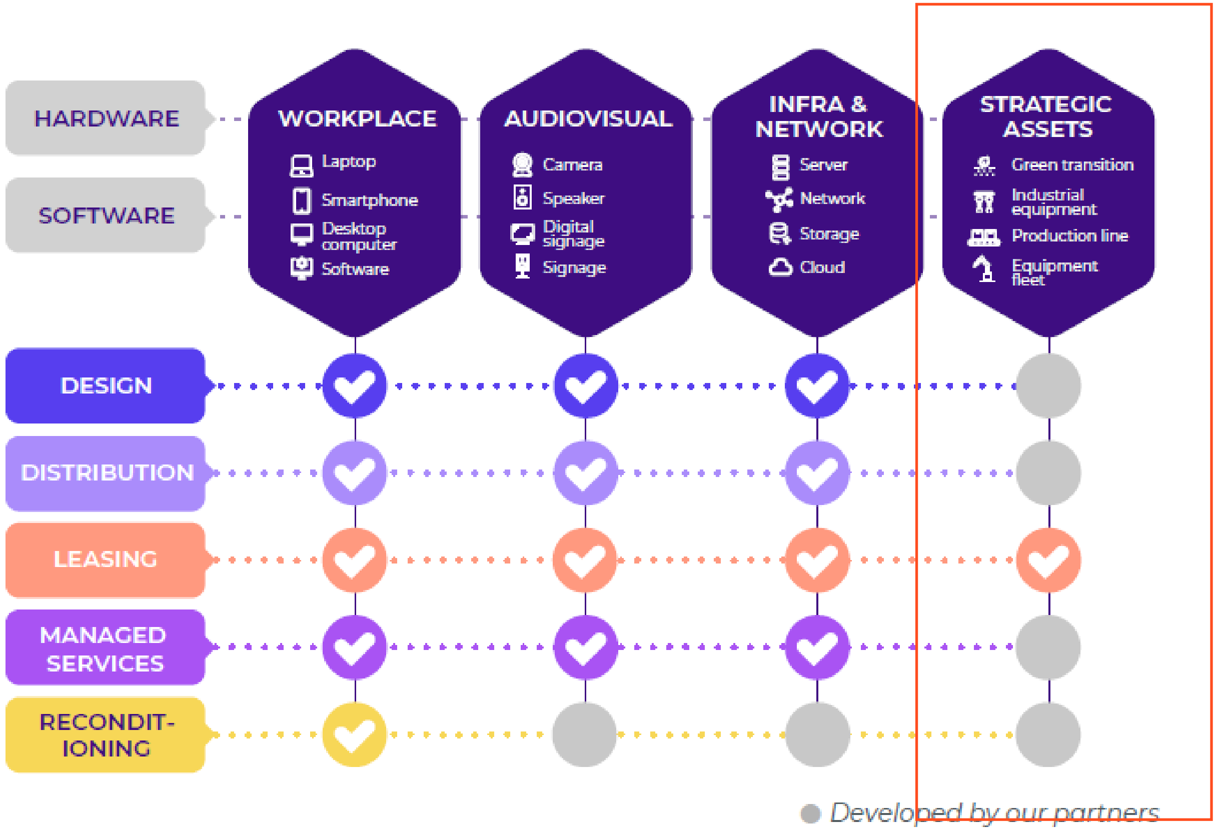
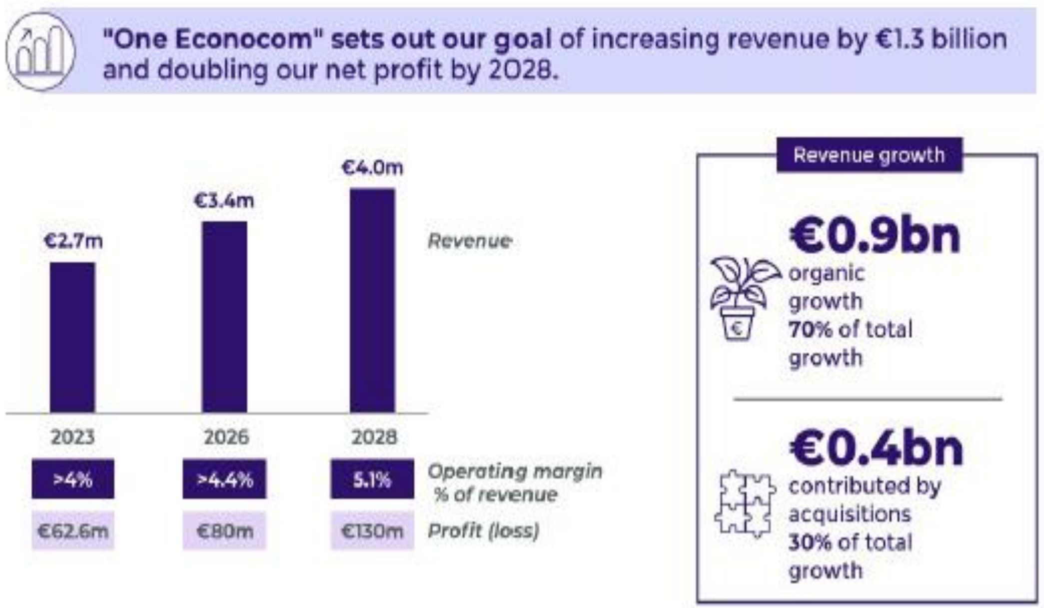
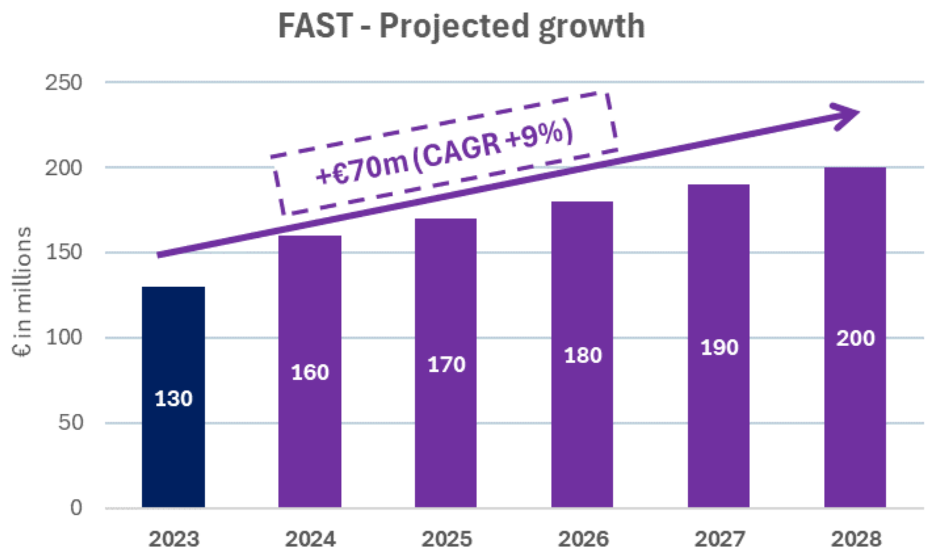
FAST: a unique diversification tool for TMF…



- TMF: c.€1bn revenue for IT and non-IT financings o/w FAST accounts for €131m (c.13%):
  - Diversify TMF away from IT
  - Fill up our offer to the customers
  - **Create proximity and follow up IT deals**

… and a key driver of the Group's strategic plan





FAST deals have an historical robust track record.
Key to fuel Group organic growth to reach its 2028 target (c. 10% of the organic growth)

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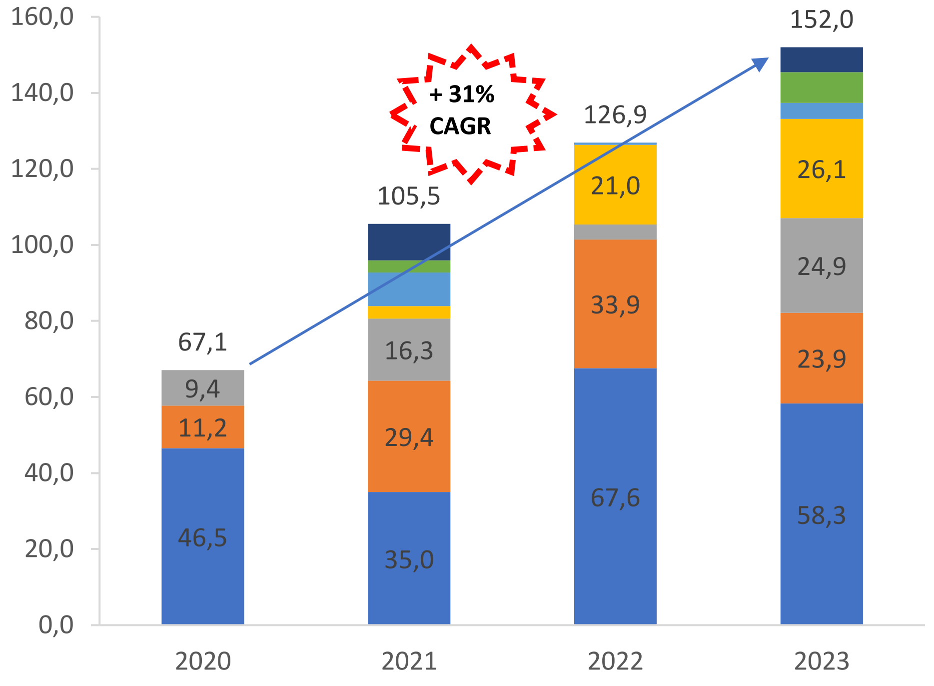
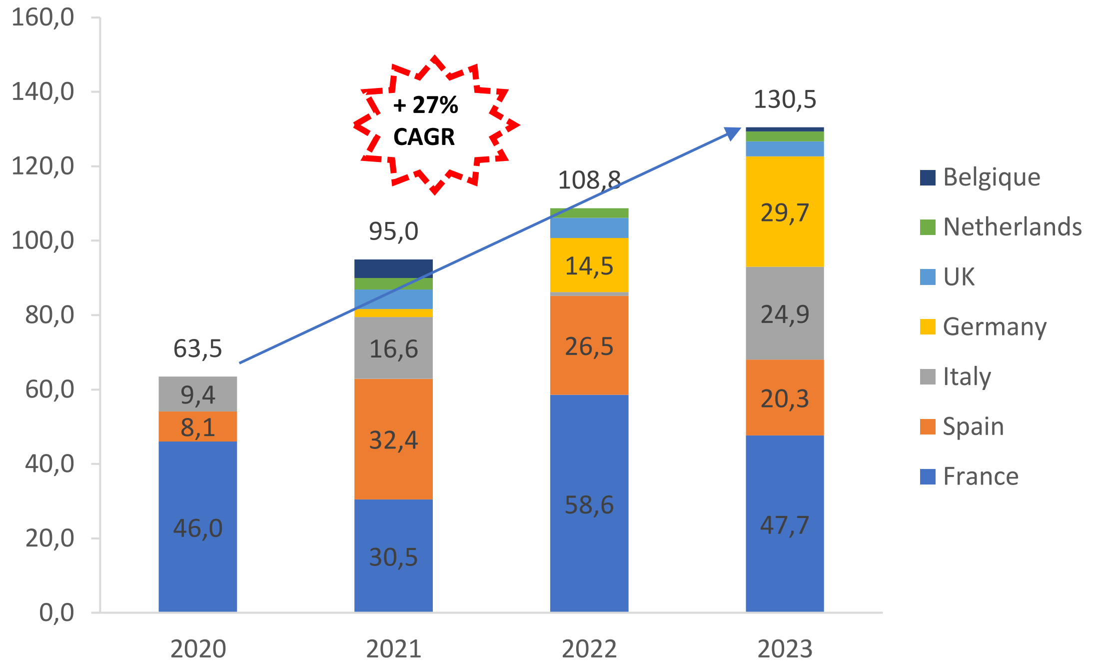
A booming activity: 152 M€ signed & 130,5 M€ booked in 2023



Signed Revenue



Booked Revenue

- **Many deals: 27 in 2023.**
- **Higher tickets: from €4,2m in 2021 to €5.6m in 2023.**
- **Stable gross margin (c. 15%): with higher margin deals compensated by higher financing rates.**
- **New customers: important stake of new client (50%).**

FAST in Belgium in 2024

2023 was a fairly limited FAST year in Belgium:

- 2 deal signed in 2023 (Group's origination)
- €0,9m of Booked Revenue

Our targets for 2024:

- New customers, focus on industrial, fleet and transportation
- €6,0m booked revenues

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The perfect deal : What are we looking for?

	Staying Power	Strategic Assets	Cash recovery
What does it mean?	• **Capacity for the company to go through the cycles** • **Debt will be restructured rather than liquidated** in a distress scenario	• **Compulsory** for the company to run its business • **Detrimental for the company if removed** • In a distress context, the adjudicator has **no choice but to pay the rents for the activity to continue**	• **Ability to get the asset back (easy to move?)** • **Ability to extract cash**
How do we assess it?	• Analysis of **business model** to determine strategic positioning • **Market share, positioning (e.g. brand awareness)** • Coûts variables vs coûts fixe • Variable vs Fixed costs nature of the business and **capacity to generate cash** • Quality of the management	• Analysis of the business model and internal processes is key to qualify an asset as 'strategic' • **Open discussions with the customers are crucial: we need your help!** • Input from our internal or external asset manager is also often a prerequisite	• **The asset is clearly identified on a specific site** • **Clear view of the asset, its market and its market value** • Get advice from an asset specialist (e.g. Liquidity Services)

A large panel of assets across all industries

Examples:

- **Assembly lines:** Novares, Mecachrome, GMD, Figeac
- **Mechanization and robotization of logistics assets**: IMECA, GXO, ULOG
- **Offshore logistics:** Peschaud
- **Air freight:** Air 65
- **Wagon:** Millet


Offshore logistics


Machine Tools


Logistics


Modular Containers


Yellow Goods


Production line


Automobile robots


Wagon


Payment stations


Tar Slicer

Connected Linen


Air freight

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Market dynamics: 2024 a strong year for FAST deals!

- Since 2020, Companies have suffered many crisis (covid, microchips shortage, wars, energy, core inflation…)
- They were supported by state guaranteed loans which appeared to be insufficient
- This leads to **an ideal environment for FAST deals:**
  - Strong need for additional liquidity to either refinance their debt or grow: SALB
  - But also need to continue to invest and finance growth: classic lease
- **The market has repriced, leasing is competitive…**
- **… and our competitors struggle to raise money**

2024 will be FAST!

Our strengths: WE ARE FAST RISK TAKERS!

Pan European Coverage	We provide a pan-European approach with dedicated local teams in France, Spain, Italy, Belgium, Netherlands, Germany, Poland and the UK.
Strong Financing Capacity	>100 m€ of financing capacity year on year through our internal debt fund.
Financing expertise and flexibility	Strong team of 8 professionals throughout Europe with top IB backgrounds. We offer innovative financing solutions through leases of new assets and Sale and Lease Back.
Speed of process	We deliver a funding proposal faster than banking institutions (4 weeks on average).
Solution driven	We ensure a close monitoring of the contract throughout its life cycle with possibilities of modification.
Large variety of assets financed	We can finance a large variety of assets from IT to industrials.

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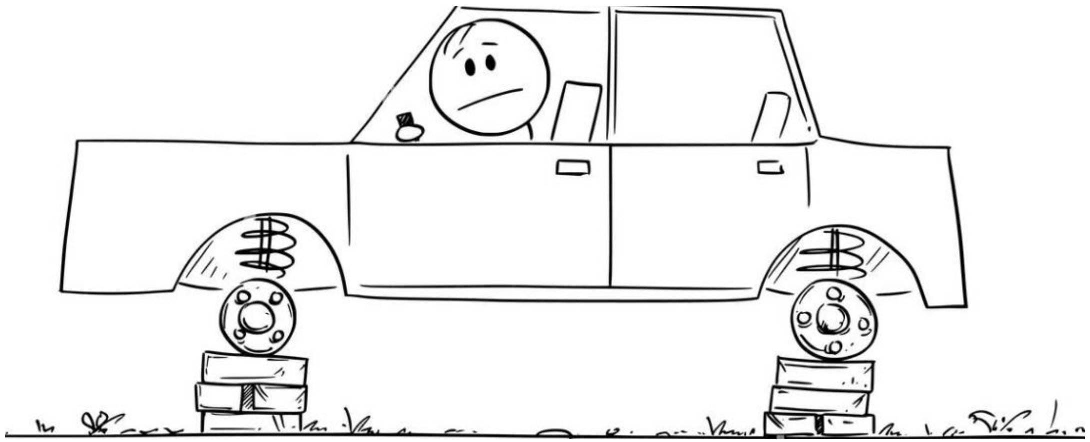
FAST deals have no wheels …



- FAST is not a dead end for your non fundable deals
- FAST is a state of mind and needs a specific approach
- Don’t wait to be called take the lead!

… fight for it!

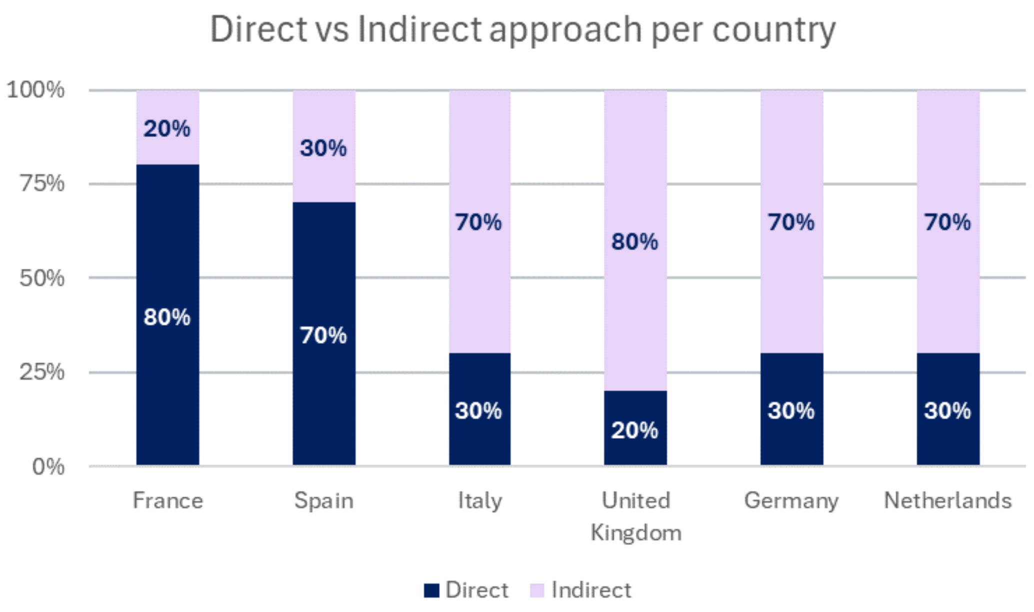
- Be identified as an agile and alternative financing partner (notably on S&LB appetite) and be clear on what we do and what we can’t do
- Multiple ways to originate deals
  - Direct / indirect approach
  - Assets centric

… to reach your €6m budget

How to originate?

Origination channels are different across the European countries.

- Some countries with important sales force are more focused on a direct approach thanks to the wide coverage of the sales team
- Other countries with smaller sales force are using business providers in order to help in the sourcing of transactions



Target should be 50/50 across direct and indirect approach

FAST value added and sectors to target

aeronautic

- Machine tools
- Robots
- Press
- Assembly lines and other industrial assets

- Finance heavy capex needs thanks to available fixed assets on the balance sheet (S&LB)
- Improve liquidity in a post crisis environment

Automotive

- Machine tools
- Robots
- Press
- Assembly lines and other industrial assets

- Finance the switch to EV thanks to available fixed assets on the balance sheet (S&LB)
- Improve liquidity in a post crisis environment

Logistic

- IT related assets (handheld device…)
- Logistic and storage platform
- Truck and trailers
- Railway related assets

- Finance the growth on a competitive market via new assets or S&LB

Construction

- Containers (modular construction)
- Trenchers
- Other yellow goods

- Finance growth and improve liquidity thanks to available fixed assets on the balance sheet (S&LB)

Healthcare / aesthetic

- Laser machine
- Medical research equipment
- Fleet of medical devices (Oral Scanner / Dental Chair…)

- Finance the growth on a competitive market via new assets or S&LB

Typical FAST targets

FAST deals targets

- **Companies with Sales > €[50]m - minimum profitability to be considered**
  - ✓ Smaller companies usually mean more risk and inadequate governance
- **Midcap companies looking to diversify their sources of funding :**
  - ✓ Strong organic growth
  - ✓ Or Capex intensive industry
  - ✓ Or Post-restructuring or temporary needs
- **Adequate leverage (Net Debt /EBITDA) for the sector**
  - ✓ Consider differently services and industrial businesses

FAST deals are NOT

- **A deal with START-Ups: venture capital is not our business**
- **Series of deals that lead to be the first creditor of the company.**
  - ✓ **Max impact of our rents on overall operating cash of the company (rents<25% of cash generation)**
  - ✓ A company with no banks relationship or willing to exit its relationships with banks is a red flag
- **For companies with debt restructuring ongoing (just after restructuring is ok)**

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FAST deals: Latest CASE STUDIES

Dec.-23 : Figeac Aero

- **Mix of S&LB (Industrial) and New equipments (Industrial)**
- **Task force:** Antoine Gourmelen, Pierre Toussaint, Lionel Slama
- **Staying Power:** High, world leader in its segment backed by strong shareholders
- **Strategic Asset:** Medium to High, machining machines and new assets
- **Cash recovery:** Medium to high, Secondary Market value for Industrial. **Analysis made by Liquidity Services**

Investment	€5.2m
Gross margin	Between 13% to 15%

Key financials (€ in m)	FY22	FY23
Revenues	281,9	341,6
EBITDA	30,3	39,1
Leverage (senior)	8,5x	5,5x

FAST deals: Latest CASE STUDIES

Dec. -22: Mecachrome

- **[Mix of S&LB (Industrial & IT) and New equipments (Industrial)]**
- **Task force:** Antoine Gourmelen, Maxence Carro
- **Staying Power:** High, world leader in its segment backed by strong shareholders
- **Strategic Asset:** Medium to High, machining machines (utilization rate close to 100%) and new assets.
- **Cash recovery:** Medium to high, Secondary Market and value for Industrial, limited for IT. **Analysis made by Liquidity Services**

Investment	€9.4m
Gross margin	Between 21% to 23%

Key financials (€ in m)	FY21	FY22e
Revenues	260,7	477,0
EBITDA	4,2	28,0
Leverage	40,1x	11,3x

FAST deals: Latest CASE STUDIES

Dec-23 : Walor

WALOR

- **S&LB of production chains and machine tools for an automotive supplier**
- **Task force:** Etienne Brochard, Lionel Slama
- **Staying Power:** Medium to High, tier 1 automotive supplier backed by a new strong shareholder.
- **Strategic Asset:** Medium to High, industrial assets representing 10% of the total Revenue of the Group.
- **Cash recovery:** High, Asset with high residual value. **Analysis made by Liquidity Services**

Investment	€5.5m
Gross margin	Between 13% to 15%

Key financials (€ in m)	FY22	FY23e
Revenues	223,4	235,0
EBITDA	10,8	16,4
Leverage (senior)	5,0x	0,2x

FAST deals: Latest CASE STUDIES

Jun. 23: Adler Pelzer

Adler Pelzer Group

- **S&LB of production chains and machine tools for an automotive supplier**
- **Task Force :** Pietro Natale, Davide Zaini, Tommaso Masi
- **Staying Power:** Medium to high, Solid track-record and leadership position.
- **Strategic Asset:** Medium to high, asset is the core business of the Group but rather old.
- **Cash recovery:** Medium to low, asset with secondary value but rather old. **Analysis of Clarium.**
- **We took the decision to over-collaterised the transaction with a pledge on Real Estate covering our exposure.**

Investment	€12m
Gross margin	Between 15% to 17%

Key financials (€ in m)	FY21	FY22e
Revenues	1 529,1	1 669,0
EBITDA	93,6	134,0
Leverage	4,5x	3,1x

FAST deals: Latest CASE STUDIES

Dec-23 : Tesmec

TESMEC
draw the way forward

- **S&LB of Yellow Goods (Trenchers)**
- **Task force:** Luca Nanni, Davide Zaini, Tommaso Masi
- **Staying Power:** Medium to High, European leader in trenchers market (market exp. Growth 7,5% CAGR).
- **Strategic Asset:** Medium to High, asset key for Tesmec, as this activity represents 50% of Group EBITDA
- **Cash recovery:** Medium to low, secondary market value but rather old assets. **Analysis made by Clarium**
- **We decided to proposed a structure with an increased first rent in order to align our exposure with the value of the assets.**

Investment	€7,4m
Gross margin	Between 13% to 15%

Key financials (€ in m)	FY21	FY22
Revenues	194,3	245,2
EBITDA	28,2	35,2
Leverage (senior)	4,9x	4,1x

FAST deals: Latest CASE STUDIES

March-23: B+L *(+June & Sept 22)*

- **S&LB and leasing of containers (modular construction)**
- **Task Force :** Sebastian Goerke, Sylwia Koziara, Pierre Toussaint
- **Staying Power:** Medium to high, Solid track-record and reliable client base. Backed by a strong shareholder (Private Equity Fund DPE)
- **Strategic Asset:** Medium to high, asset is the core business of the Group
- **Cash recovery:** Medium to high, asset with a long lifespan (up to 30 years) and a high residual value. **Analysis of Liquidity Services**
- **High residual value and partial syndication (Credit Agricole)**

Investment	€22m
Gross margin	Between 15% to 17%

Key financials (€ in m)	FY21	FY22
Revenues	56,0	116,5
EBITDA	13,9	29,1
Leverage (senior)	2,9x	2,9x

FAST deals: Latest CASE STUDIES

Nov.-23 : Lazeo

LAZEO

- **S&LB and leasing of new hair removal laser machines.**
- **Task Force :** Nizard Dakhli, Lionel Slama
- **Staying Power:** Medium to high, leader in France with good market share and backed by Blackstone.
- **Strategic Asset:** High, assets is key in the process as 83% of the revenue is derived from hair removal laser machine.
- **Cash recovery:** Medium to high, asset standard and a high residual value with secondary market. **Analysis of Liquidity Services**
- **High residual value and partial syndication (Lixxbail)**

Investment	€10m
Gross margin	Between 19% to 21%

Key financials (€ in m)	FY21	FY22
Revenues	35,9	72,0
EBITDA	6,5	22,1
Leverage	0,0x	0,1x

FAST deals: Latest CASE STUDIES

Dec.-23 : Novalix

NovAliX

- **S&LB of a medical research equipments**
- **Task force:** Benoit Retif, Lionel Slama
- **Staying Power:** Medium, small company but well positioned with long-term contracts with big pharmas.
- **Strategic Asset:** Medium to High, asset key for the site and site representing 40% of the 20204 Budget.
- **Cash recovery:** Medium to High, good secondary market value with standard assets. **Analysis of Liquidity Services**

Investment	€4.7m
Gross margin	Between 11% to 13%

Key financials (€ in m)	FY22	FY23e
Revenues	23,3	35,0
EBITDA	5,4	5,8
Leverage (senior)	0,9x	-0,9x

FAST deals: Latest CASE STUDIES

Dec.-23 :
AT La Espada

- **S&LB and leasing of frigos and truck containers**
- **Task Force :** Alvaro Tapias, Fernando Matador
- **Staying Power:** Medium, global logistics & transport operator backed by funds. Sector with numerous competitors.
- **Strategic Asset:** Medium, equipment intrinsic to the activity but represent a small portion of the fleet.
- **Cash recovery:** Medium to high, suitable residual value with secondary market and highly liquid . **Analysis of Liquidity Services.**

Investment	€2.7m
Gross margin	Between 15% to 17%

Key financials (€ in m)	FY21	FY22
Revenues	108,4	137,0
EBITDA	8,1	9,5
Leverage	3,3x	3,8x

FAST deals: Latest CASE STUDIES

Jan.-24 : Sofitec

- **C&R of existing contract and lease of a milling machine**
- **Task Force :** Alvaro Tapias, Joel Valtierra
- **Staying Power:** Medium to high, aeronautic player with first in class clients (Aribus and Spirit). Sector which has suffered from covid-19 related impacts..
- **Strategic Asset:** Medium to High, most powerful machine of the 5 client similar assets but intrinsically integrated within production process.
- **Cash recovery:** Medium, Asset produced by well-known manufacturer, day 1 valuation quite limited while valuation at maturity is satisfactory (light amortization). **Analysis of Liquidity Services**

Investment	€1.2m
Gross margin	Between 15% to 17%

Key financials (€ in m)	FY21	FY22
Revenues	21,7	30,7
EBITDA	5,1	9,4
Leverage	14,3x	8,0x

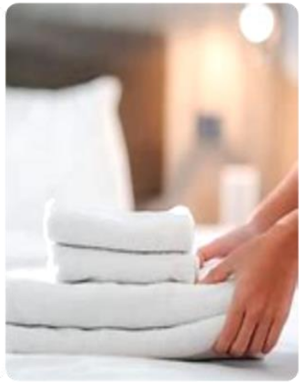
FAST deals: Latest CASE STUDIES

Sept.-23 : Radisson

- **Leasing of connected linen**
- **Task Force :** Lionel Slama, Pierre Toussaint, Enilio Alvarez
- **Staying Power:** Medium to high, world leader of the sector backed by a strong shareholder. But sector facing challenges (post Covid-19 and geopolitical).
- **Strategic Asset:** Medium to high, linen is key for the activity and deemed to improve EBITDA by reducing laundry costs. Asset to be deployed all over Europe following successful testing.
- **Cash recovery:** Medium to low, although linen have a secondary market value, difficulty to dispose the asset in case of a liquidation

Investment	€5.1m
Gross margin	Between 15% to 17%

Key financials (€ in m)	FY21	FY22
Revenues	505,4	1 041,6
EBITDA	(59,0)	73,1
Leverage (senior)	-7,0x	6,2x



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A team of experts to support you across Europe

Central team

Pierre Toussaint
16 years of experience
Previous: BNP Paribas, SCOR IP, Tikehau Capital

Lionel Slama
10 years of experience
Previous: Natixis

Local tems

Davide Zaini (Italy)
23 Years of experience
Previous: GE Capital, Citibank, Hewlett Packard financial services

Tommaso Masi (Italy)
5 Years of experience
Previous: Unicredit

Álvaro Tapias Fraga (Spain)
19 years of experience
Previous: Deutsche Bank, Barclays, Clearstream

Arnaud Valla (France)
7 years of experience
Previous : PwC

Robert Kjuis (Netherlands)
More than 20 years experience

Christian Levie (Belgium)
More than 20 years experience

Sylwia Koziara Lipowska (Germany/Poland)
Over 15 Years of experience

Recruitment ongoing

Agenda

How do we work?

When do you need to talk us?

- Used to work within short timeframes
- However, large deals require some work (educated view)
- **3-4 weeks often needed**
- **Talk to us asap,** when you feel the deal will require our expertise

Information needed?

- Materials to understand the business, full set of financial accounts
- **Q&A sessions with the management are a pre-requisite**
- We can also work with the management on a Business Plan
- In S&LB transaction: an asset manager assessment is required most of the time

Local or central team?

- Your local FAST representative is your point of contact
- For large deals, TMF FAST team will be involved from the beginning

Material deal = In-depth analysis

Presentation of the deal to FAST team

Asap
- Get the basic info ready
- Profitability flavour is useful

Structuration and analysis

2-3 weeks
- Each deal is different, but we aim at being efficient and fast
- Usually faster when the customer is an existing one

Investment committee

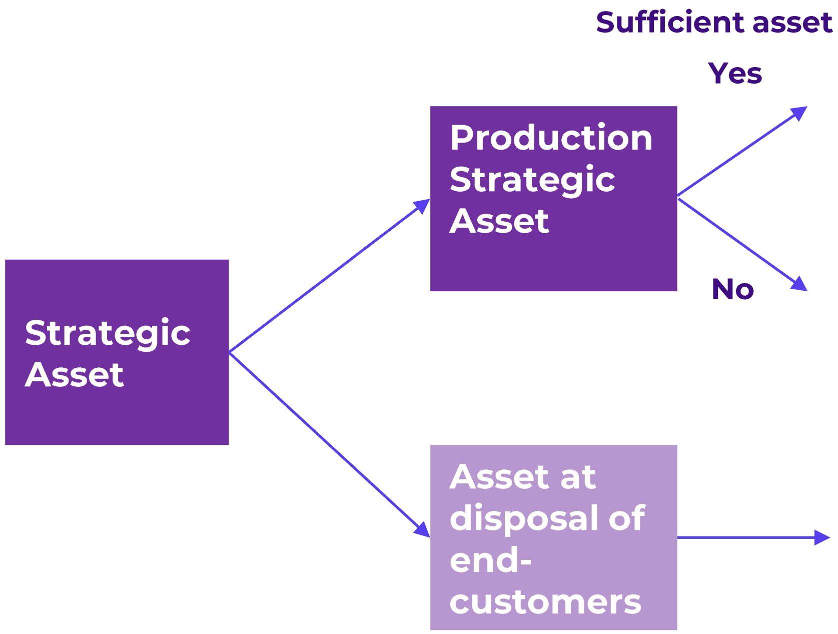
1-3 days
- IC takes place every Thursday
- **Deals above €2.0m should be accepted by JLB** (consider extra time)

Compliance Check → **Signature** → **Portfolio supervision**

Optional steps: when booked with our financing solutions

ASSET IS KEY in STRUCTURING!

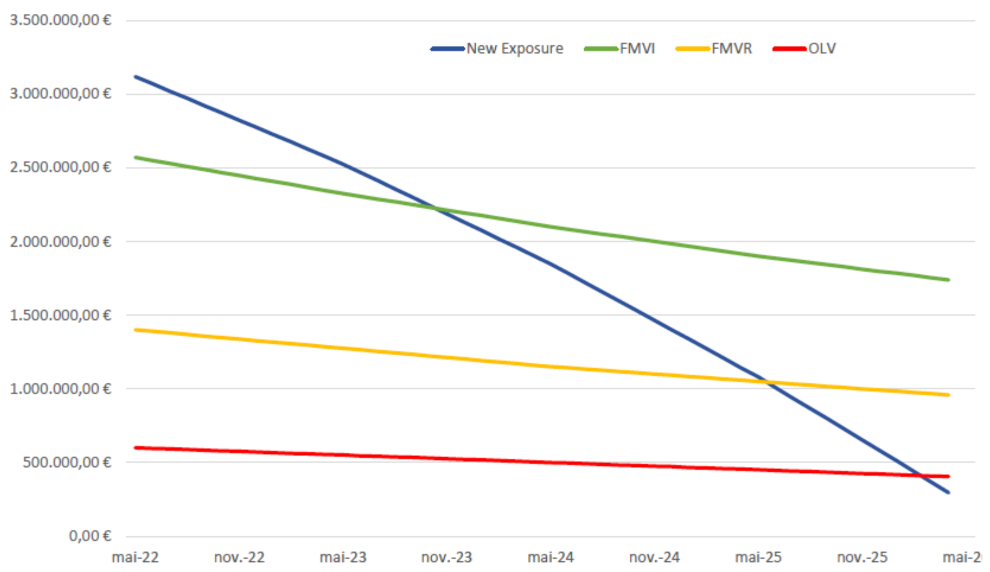
- When buidling the case with your customer, focus on strategic assets
- Asset should not be disregarded and is key during the Investment Committee
- Know what we are financing: we need to have clear understanding of the asset (one or several), where is it located…)

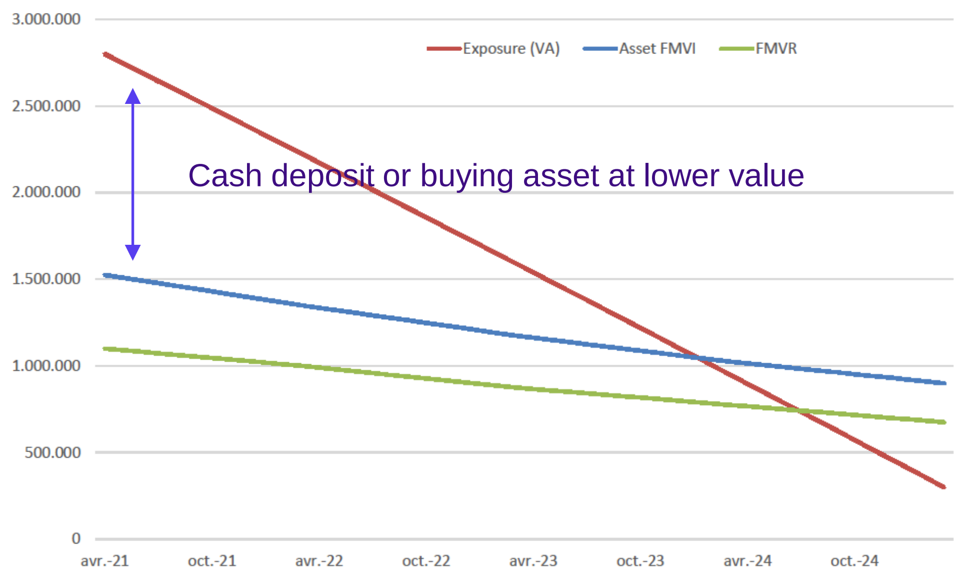


- Perfect match
- Additional security package to be considered
- Type of assets we should avoid unless the customer has a strong financial background and strong end customers
- We shall not “finance salesforce”

ASSET IS KEY In STRUCTURING!

- **Unlike funders, we don't only focus on the credit risk of the counterparty.** Value of the asset is key, especially when the « going concern » is weakening: we need to be able to extract value.
- **We work closely with Liquidity services** and other local brokers: help us to qualify the asset and size an amount of bullet, cash deposit, linearity of rents
- **We aim to maximise the correlation between rents and assets valuation over time**
  - **Cash deposit or other security might be needed for some assets**
  - **Rents profile are key and need to be adjusted depending on the risk and asset value overtime**
- **Key differentiator:** our ability to finance assets above the book value if we are backed by a valuation (and good credit!) **=> <u>Launch valuation quickly</u>**





FAST deals - FAST track

DO

- ✓ Contact us as soon as you have an idea/lead that fits our criterias
- ✓ Include us asap in your customers call
- ✓ Try to figure out how the customer understand the transaction's rate
- ✓ Let us build the economy with you

DON'T

- X Waste your time with small companies (<50 M€ sales) or startups
- X Push for a « last week of a quarter deal » without due diligence
- X Try to enter in competition with banks on rates
- X Wait for the funders to say no before talking to us