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**Textainer Group Holdings Ltd.**

**1Q 2019 Earnings Call Presentation**

May 9, 2019

# Forward Looking Statements



Certain information included in this presentation and other statements or materials published or to be published by the Company are not historical facts but are forward-looking statements relating to such matters as anticipated financial performance, business prospects, technological developments, new and existing products, expectations for market segment and growth, and similar matters. In connection with the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, the Company provides the following cautionary remarks regarding important factors which, among others, could cause the Company’s actual results and experience to differ materially from the anticipated results or other expectations expressed in the Company’s forward-looking statements. The risks and uncertainties that may affect the operations, performance, development, results of the Company’s business, and the other matters referred to above include, but are not limited to: (i) changes in the business environment in which the Company operates, including global GDP changes, the level of international trade, inflation and interest rates; (ii) changes in taxes, governmental laws, and regulations; (iii) competitive product and pricing activity; (iv) difficulties of managing growth profitably; and (v) the loss of one or more members of the Company’s management team.

As required by SEC rules, we have provided a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable GAAP measures in materials on our website at [www.textainer.com](http://www.textainer.com).

# Current Market Environment

## Slow lease-out market activity during 1Q2019

- Few new deals during the seasonally slower first quarter
- Market is absorbing the record 4 million TEU produced in 2018
- Shipping lines continue to favor lease vs. purchase

## Current container price around \$1,900/CEU

- Prices moderately increased in line with steel prices and some pick-up in seasonal demand

## Positive container trade growth

- 2019 GDP growth forecast at 3.3%
- Container trade expected to grow at a multiple of GDP; Drewry forecasts 2019 container growth at 4%
- Increases in vessel capacity and slow steaming also stimulate container demand



**Trade and shipping volumes remain strong and utilization continues at high levels**

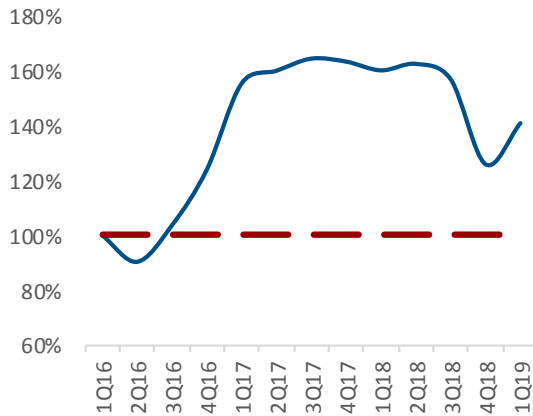
**Few equipment turn-ins, limiting inventory supply worldwide**

**Used containers are being sold at high prices significantly above book value**

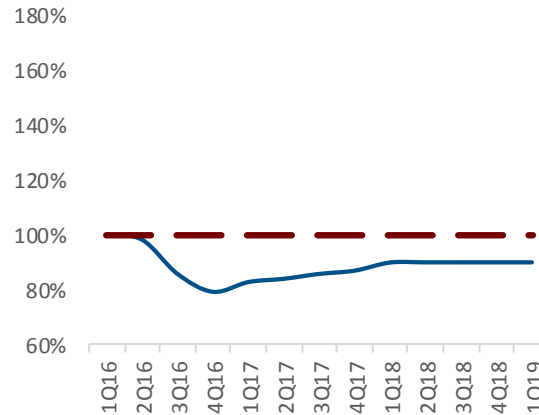
***Most market factors remain positive, albeit modest lease-out activity***

# Drivers of Improved Financial Performance

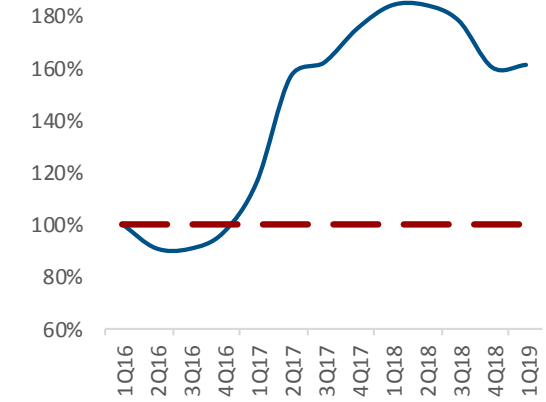
**New Container Price Index (CEU)**



**Avg Fleet Lease Rate Index (CEU)**



**Avg Fleet Sales Price Index (CEU)**



## Projected upside from improvements

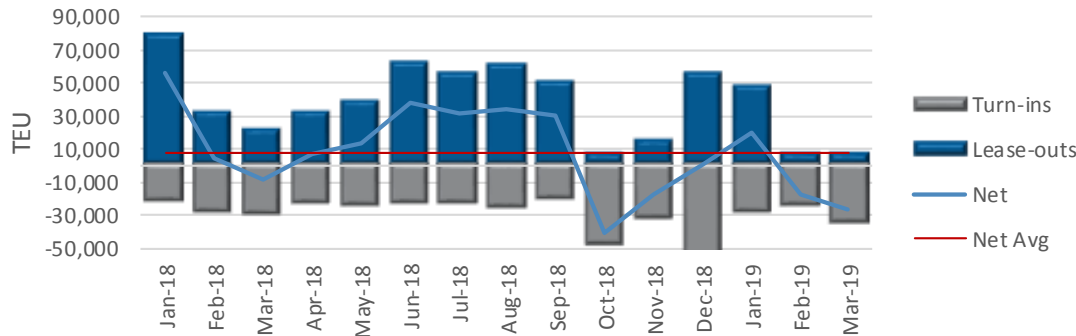
Estimated Annual Pre-Tax Income Impact of Key Metrics	
1% increase in utilization	\$9M
\$0.01 increase in average per diem rate	\$10M
\$100 increase in used container sales price	\$10M

- Container investments remain attractive
- \$200M container capex delivered during the quarter
- Utilization remains strong at 98%, helping support resale prices

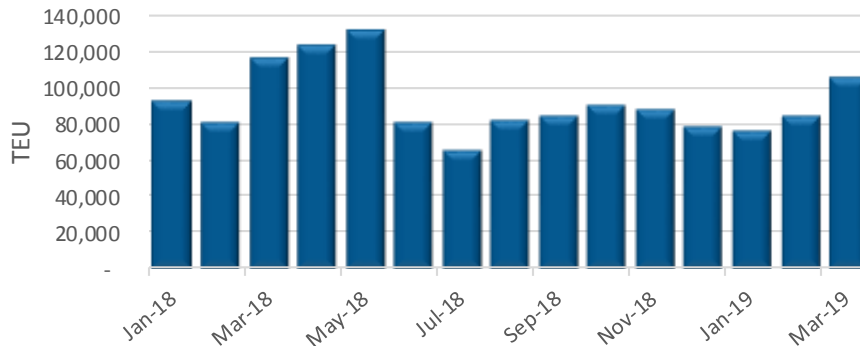
***Fundamentals remain attractive***

# Inventory Supply and Lease-Outs

Container fleet lease-outs and turn-ins



New production (factory) inventory



- Modest lease-out activity during the quarter in line with traditional seasonality patterns
- Low turn-in volume supported by strong trade and shipping volumes. Any excess depot supply sold in favorable re-sale market
- Optimized inventory supply to meet the immediate needs of our customers

*We manage our inventory to maximize supply opportunities to our customers*

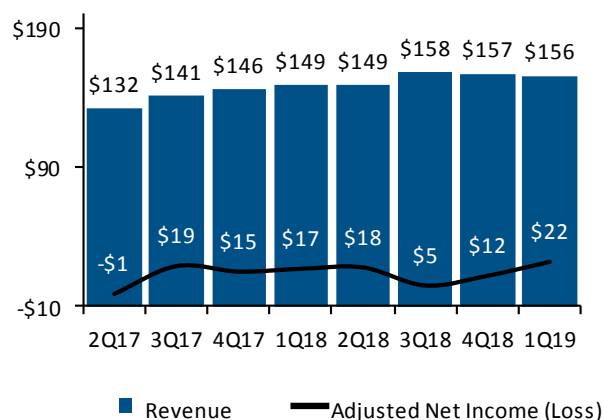
# Summary of 1Q 2019 Results

\$ in millions except per share figures	
Lease rental income <sup>2</sup>	
Adjusted EBITDA <sup>1</sup>	
Adjusted net income <sup>1</sup>	
Adjusted net income per share	
Average Utilization	

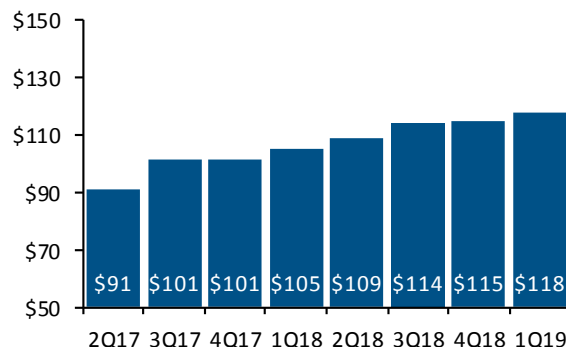
1Q19	4Q18	Change
\$156	\$157	-1%
\$118	\$115	3%
\$22	\$12	88%
\$0.39	\$0.21	86%
98.3%	98.6%	-40 bps

1Q19	1Q18	Change
\$156	\$149	5%
\$118	\$105	12%
\$22	\$17	32%
\$0.39	\$0.30	30%
98.3%	97.8%	40 bps

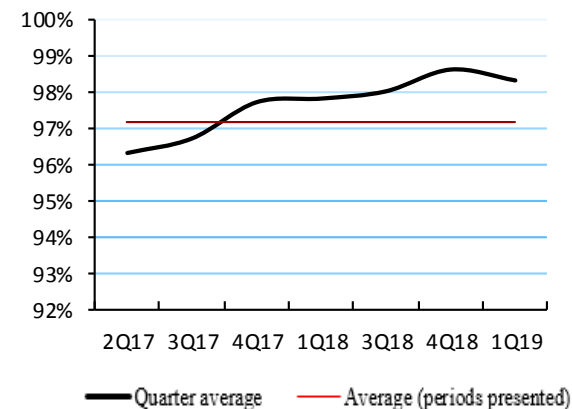
Lease rental income<sup>2</sup> and Adjusted Net Income(Loss)<sup>1</sup>



Adjusted EBITDA<sup>1</sup>



Average Fleet Utilization



**Focus on improving container yields and profitability**

Note: Figures \$ in millions

(1) See reconciliation in Appendix. Adjustments include items such as unrealized gains/losses on interest rate swaps and write-off of unamortized financing fees

(2) Includes lease rental income for both the Company's owned fleet and managed fleet

# Balance Sheet Summary

(\$ in millions)

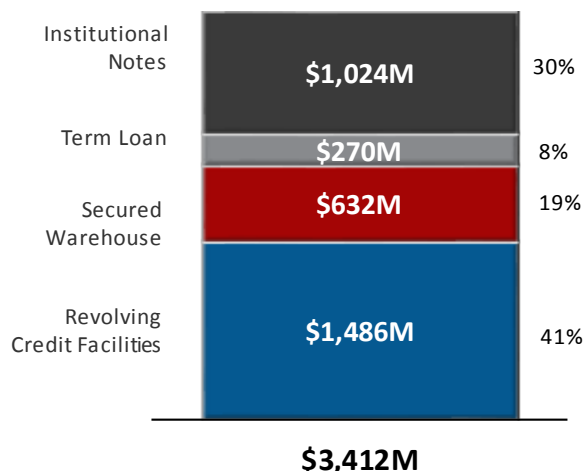
	March 31	December 31,			
	2019	2018	2017	2016	2015
Cash And Cash Equivalents	\$132	\$137	\$138	\$84	\$116
Containers, Net	\$4,182	\$4,134	\$3,791	\$3,718	\$3,696
<b>Total Assets</b>	<b>\$4,801</b>	<b>\$4,744</b>	<b>\$4,380</b>	<b>\$4,294</b>	<b>\$4,365</b>
<i>Growth</i>	1%	8%	3%	-2%	0%
Long-Term Debt (Incl. Current Portion) <sup>1</sup>	\$3,385	\$3,410	\$2,990	\$3,038	\$3,024
<b>Total Liabilities</b>	<b>\$3,504</b>	<b>\$3,504</b>	<b>\$3,170</b>	<b>\$3,109</b>	<b>\$3,099</b>
Non-controlling Interest	\$29	\$29	\$58	\$59	\$64
<b>Total Shareholders' Equity</b>	<b>\$1,225</b>	<b>\$1,207</b>	<b>\$1,153</b>	<b>\$1,126</b>	<b>\$1,202</b>
<b>Total Equity &amp; Liabilities</b>	<b>\$4,801</b>	<b>\$4,744</b>	<b>\$4,380</b>	<b>\$4,294</b>	<b>\$4,365</b>
<b>Debt / Equity plus Non-controlling Interest</b>	<b>2.7x</b>	<b>2.7x</b>	<b>2.5x</b>	<b>2.6x</b>	<b>2.4x</b>

*Strong balance sheet driving momentum with asset growth*

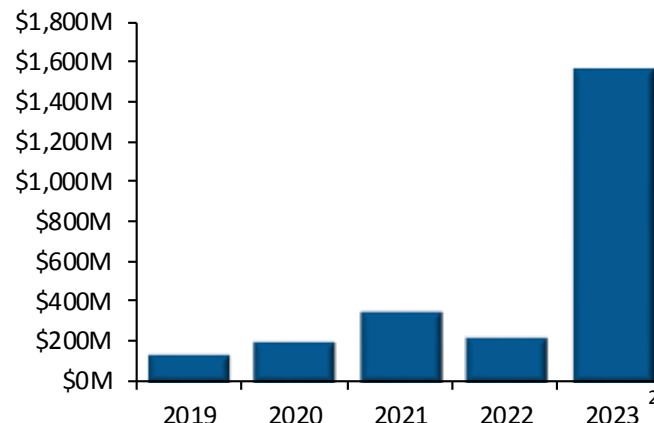
(1) Net of debt issuance costs

# Textainer Capital Structure

## Diversified funding sources



## Debt principal repayments



	Mar 31, 2019 (Pro-Forma <sup>3</sup> )	Percentage of Total Debt	Avg. Remaining Term (Mos)	Interest Rate at Mar 31, 2019
Fixed Rate Debt	\$ 1,644	48%	52	3.97%
Hedged Floating Rate Debt	\$ 1,234	36%	20	3.76%
<b>Total Fixed/Hedged</b>	<b>\$ 2,878</b>	<b>84%</b>	<b>38</b>	3.87%
Unhedged Floating Rate Debt	\$ 534	16%		4.04%
Impact of Fees and Other Charges				0.37%
<b>Total Debt and Effective Interest Rate</b>	<b>\$ 3,412</b>	<b>100%</b>		<b>4.29%</b>
<b>Long-term and finance leases as % of total financed container fleet<sup>1</sup></b>		<b>77%</b>		
<b>Remaining Lease Term</b>			<b>47</b>	

Hedging provides protection during a rising rate environment, limiting the impact of rate increases

*Properly hedged debt from diversified sources and with staggered maturities*

Debt figures represent outstanding borrowings, gross of debt issuance costs

1) Includes all containers in our owned fleet, including off-hire depot inventory and held for resale

2) Includes Revolving Credit outstanding draws of \$1,320M maturing September 2023 that will be refinanced prior to maturity

3) Pro-forma to reflect the \$350 million ABS issuance in April 2019



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# Appendix



# Reconciliation of GAAP to Non-GAAP Items

Amounts in millions

	Three months Ended Mar-19	Three months Ended Mar-18	Fiscal Year Ended December 31			
	2018	2017	2016	2015		
<b>Reconciliation of Adjusted EBITDA</b>						
Net income (loss)	\$17	\$18	\$50	\$19	(\$51)	\$107
Interest income	(1)	—	(2)	(1)	—	—
Interest expense	38	32	138	117	85	77
Write-off of unamortized deferred debt issuance costs and discounts	—	—	1	7	—	—
Realized (gains) losses on interest rate swaps and caps, net	(1)	(1)	(5)	2	9	13
Unrealized (gains) losses on interest rate swaps, net	5	(2)	6	(4)	(6)	2
Income tax (benefit) expense	—	1	2	2	(3)	7
Net income (loss) attributable to noncontrolling interest	—	2	4	2	(5)	6
Depreciation expense and container impairment	62	56	263	239	330	227
Amortization expense	1	2	4	4	5	5
Gain on insurance recovery	—	—	(8)	—	—	—
Costs associated with departing senior executives	—	—	2	—	—	—
Impact of reconciling items on net income (loss) attributable to noncontrolling interest	(3)	(3)	(12)	(12)	(17)	(12)
<b>Adjusted EBITDA</b>	<b>\$118</b>	<b>\$105</b>	<b>\$443</b>	<b>\$375</b>	<b>\$347</b>	<b>\$432</b>
<b>Reconciliation of Adjusted Net Income (Loss):</b>						
Net income (loss)	\$17	\$18	\$50	\$19	(\$51)	\$107
Unrealized (gains) losses on interest rate swaps, net	5	(2)	6	(4)	(6)	2
Write off of unamortized debt issuance costs	—	—	1	8	—	—
Gain on insurance recovery	—	—	(8)	—	—	—
Costs associated with departing senior executives	—	—	2	—	—	—
Impact of reconciling items on income tax expense	—	—	(1)	—	—	—
Impact of reconciling items on net income (loss) attributable to noncontrolling interest	—	1	1	—	1	—
<b>Adjusted Net Income (Loss)</b>	<b>\$22</b>	<b>\$17</b>	<b>\$51</b>	<b>\$23</b>	<b>(\$56)</b>	<b>\$109</b>

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