



CHARGEURS
High Emotion Technology®

Strategic US acquisition of D&P
Chargeurs Museum Solutions:
A new worldwide niche market champion
dedicated to the museum sector

26.01.20

Disclaimer

This presentation may contain forward-looking statements relating to the business, results and financial position of the Chargeurs Group. Such forward-looking statements are based on assumptions that are currently considered reasonable, but which are dependent on external factors such as changes and developments in:

- Commodity prices.
- Exchange rates.
- General economic conditions.
- Demand in the Group's main markets.
- New product launches by competitors.

In view of these uncertainties, the Chargeurs Group may not be held liable for any differences between its forward-looking statements and actual results which arise due to new facts or circumstances or unforeseeable developments.

The factors that could significantly influence the Group's financial performance are set out in the Registration Document, which is filed with the AMF (French Market Authority) on an annual basis.

Where this presentation quotes any information or statistics from external source (including D&P), it should not be interpreted that the Group has adopted or endorsed such information or statistics as being accurate. As it relates to information provided by D&P, while the Group, after conducting due diligence that it believes to be a prudent level of investigation, has no reason to believe the information provided in this presentation in relation to D&P is misleading, untrue or incomplete, there are risks and uncertainties in including in this presentation information obtained from third parties, including with respect to facts or circumstances that would affect the completeness or accuracy of such information and which are unknown to the Group.

In addition, Chargeurs insists on the fact that, despite its order book, the D&P activity may be cyclical depending of the phasing execution of each project. This may impact the performance of the D&P business



01

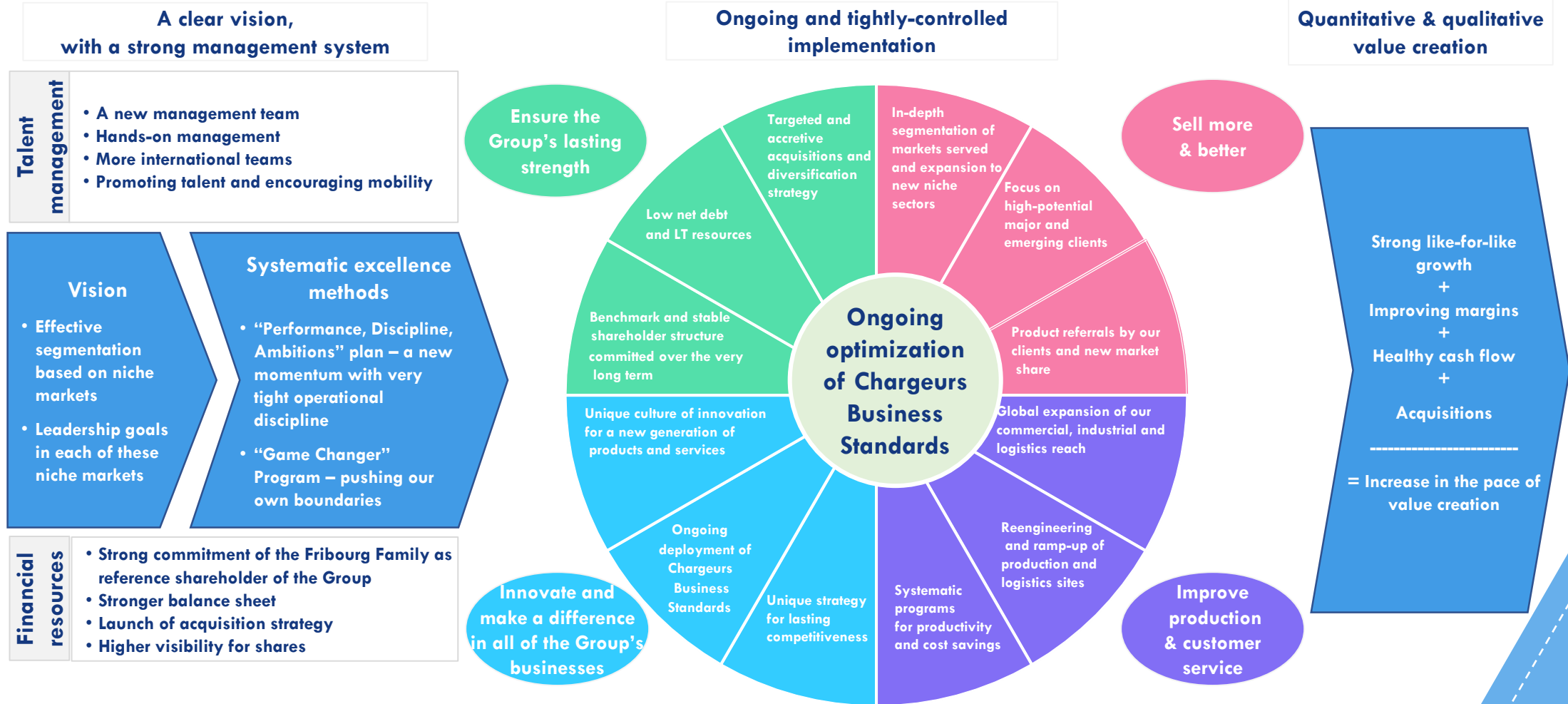
Chargeurs confirms its capability to
design new Niche Market Champions
through its Game Changer Program™



CHARGEURS
High Emotion Technology®

Chargeurs continues to successfully deliver its niche market strategy

Chargeurs is reaping the rewards of a committed and long-term strategy of excellence



Chargeurs focus on Niche Markets Solutions

Chargeurs has become #1 worldwide in all its businesses

Chargeurs Protective Films:

Temporary Surface Protection for premium materials



Chargeurs PCC Fashion Technologies:

Technical textiles and Interlinings for luxury and fashion



Chargeurs Museum Solutions:

Technical fabrics for advertising and Museum Services



Chargeurs Luxury Materials:

Premium wool fibers and products



Our focus on niche markets: differentiation and long-term opportunities

- ◆ which total revenues are < €1 Bn
- ◆ with a fragmented number of players offering built-on and consolidation opportunities
- ◆ where it is possible to capture at least 25 % of the worldwide market share
- ◆ with low capex requirements
- ◆ serving « mission critical » products or services to a very large base of customers - no customer representing more than 5 % of the market
- ◆ requiring long term trust from clients
- ◆ with a global geographical demand so as to spread local macroeconomic cycles
- ◆ with sophisticated logistic requirements
- ◆ requiring unique « know how » as key barriers to entry
- ◆ with great potential coming from routine innovation versus costly disruptive innovation
- ◆ with capability to steadily improve the product and service mix
- ◆ with capability to value the « ingredients inside » impact for clients
- ◆ with capability to nurture long term « partnerships » with clients

Thanks to its Game Changer Program™, the Group has methodically prepared its change of scale

SALES & MARKETING

Developing the “soft skills” of our sales teams

Improving our customer intimacy

Developing new marketing tools

SMART AND ADVANCED MANUFACTURING

Improving the performance of our production assets

Reducing our production costs

Reducing our non-quality costs

TALENT MANAGEMENT

Implementing the Excellence Training Program

Accelerating our Young and Executive Program

Optimizing our organizational structure

INNOVATION

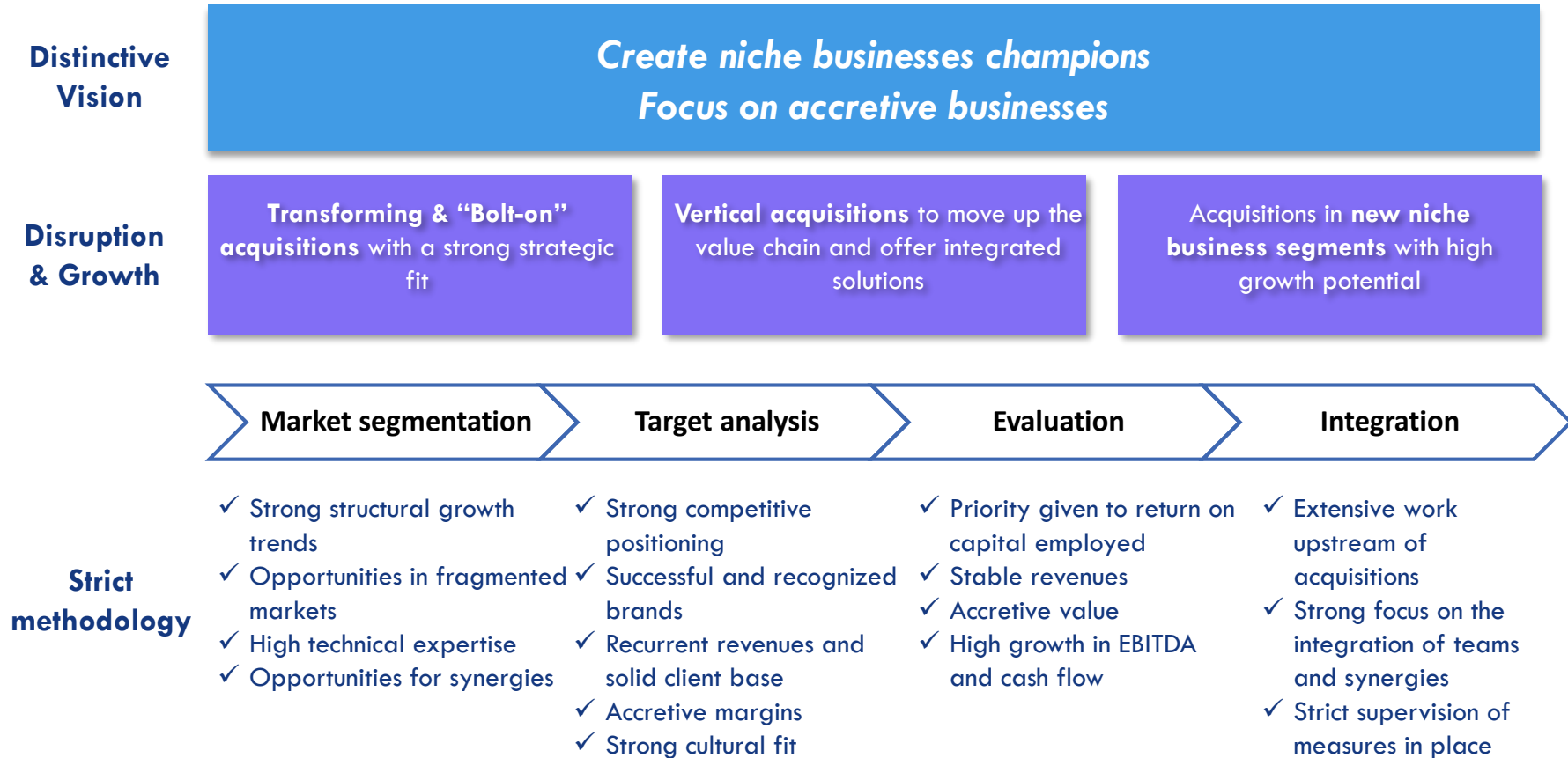
Reviewing our addressable adjacent markets

Accelerating the development of break-through innovations

Upscaling our innovation capabilities, footprint and network

Committed and long-term acquisition strategy

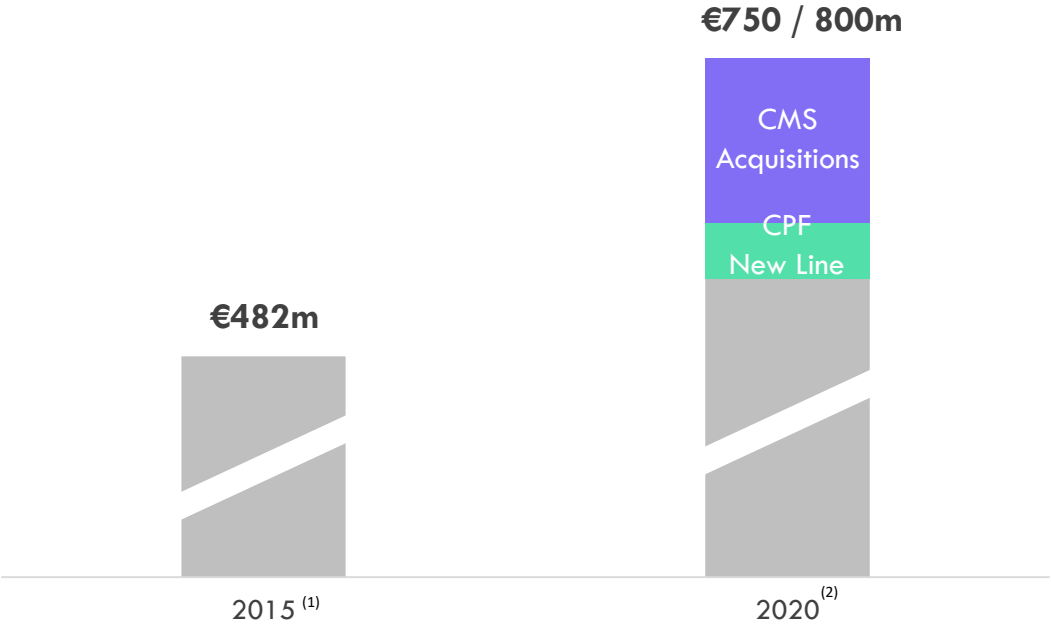
An acquisition strategy based on a strict and targeted model



Acquisition impact on Chargeurs' profile

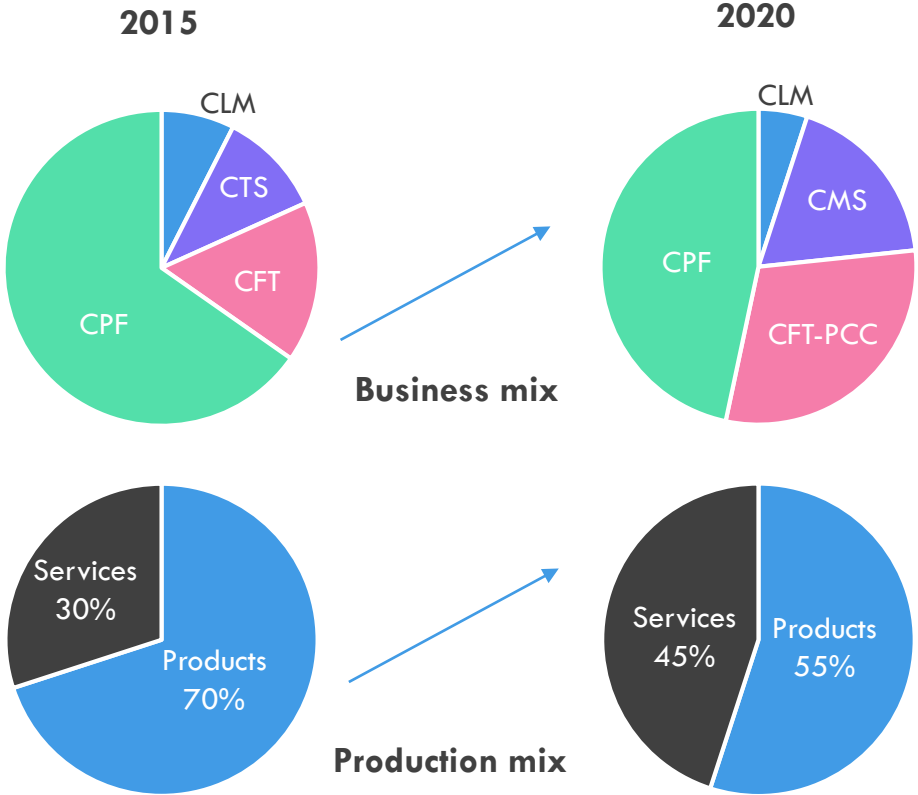
From specialties materials to business services solutions

Revenues Growth



¹After disposal of assets ²Full year 2020 targets

A better balanced ROP contribution





02

With the D&P acquisition, CTS goes in advance beyond its target and becomes Chargeurs Museum Solutions (CMS)



CHARGEURS
High Emotion Technology®

Museums, a new category of luxury goods and experiences

Museums are forming a new category of cultural luxury goods

In a confusing and complex world, museums are giving to their audience an opportunity to contextualize the world :

Since 20 years, new categories of museums are being developed out of the traditional art galleries with increasing attractiveness :

- ◆ Science & Technology museums
- ◆ Nature & Environment
- ◆ History
- ◆ Experience Centers on Health and global challenges

Museums are playing a unique role to safeguard culture and to support education at any age of their audience

A sophisticated combination of Emotion and Technologies

Museums are becoming worldwide new temples celebrating nature, history and human creativity or human achievements.

Museums are pioneering the digital age and inspiring new forms of experiences in a lot of other industries : education, retail, hospitality.

Museums are investing strongly in future generations. Concentrating billions of investments all over the world, museums are reinventing themselves to pioneer new luxury values :

- ◆ Quality
- ◆ Innovation
- ◆ Environmental sustainability
- ◆ Experience

The museum sector, a promising high-end fast-growing niche market



c. 500 M€ addressable market per year
10% to 20% yearly growth



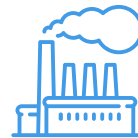
>200 pending projects worldwide



Fast growing market:
Europe, US, Middle East, Asia



Strong demand for
Experience, Technology
and Services



Increasing creating requiring
world-class execution



The new fronton of luxury
experience

New Narratives + New Expertise + New Execution Capability
→ **Continuous increase in number of visitors and projects worldwide**

The museum sector, a complex and continuously extending range of expertise requirement



Narrative



Design



Models, Artefact, Replica



Lighting



Digital interactive



Education and learning



Fit Out



Showcases



Displays



Architecture



Technologies



Planning

D&P at a glance



> \$45m Sales⁽¹⁾
> 10% ROP Margin⁽¹⁾



70 years US company based in
Washington DC area



Leader in the US Heritage
Market



Backlog c. \$50m



More than 100 people



US first Fit-Out contractor



Iconic clients and portfolio
pieces



15k square meter office and
production facility



Active member of several
professional organizations and
associations

Builder of Museum Experiences
Around Forever, Forever Innovative

⁽¹⁾Estimates for Full Year 2020

D&P: a strategic acquisition for Chargeurs Museum Solutions (CMS) long term leadership and performance

Today:

- ◆ The largest US platform for turn-key exhibition project management, production and technologies serving the major US art, science, nature and military museums and experience centers
- ◆ A strong and award-winning team with top-class recognition in the museum industry
- ◆ An iconic player with tier 1 projects realization

Tomorrow:

- ◆ The best fit for synergies and cross-fertilization in between the Chargeurs Creation Collection entities
- ◆ A unique global capability for CMS to address the biggest projects worldwide
- ◆ A strong commercial leverage to extend the presence of CMS within the US Market (from East to West Coast) and all over the world

After tomorrow:

- ◆ Making CMS the global expert network and offer from narrative to delivery, working as a platform of in-house and external solutions

Strategic & financial considerations of the acquisition

Transaction

- ◆ Signature of **an exclusivity agreement**, subject to market standard due diligences
- ◆ **Fair price**, in accordance with the Group acquisitions standard
- ◆ A transaction **already financed** by former syndicated loan
- ◆ Expected closing at the **beginning of March 2020**

Strategic Impact

- ◆ Enter the US Museum industry with **the leader** and integrate **a strong portfolio** of US iconic projects
- ◆ Having the ability to take on **the full museum exhibition fabrication**
- ◆ **Open the US market** for Chargeurs Museum

Financial Impact

- ◆ D&P expected to generate full year 2020 revenues > \$45m, ROP margin > 10% with a backlog c. \$50m
- ◆ Excellent profit to cash ratio > 95%⁽¹⁾
- ◆ Positive Cash Flow generation > \$5m⁽¹⁾
- ◆ Chargeurs Group net debt still under 3x EBITDA post-acquisition with a target between 2x and 2.5x at year end 2020

⁽¹⁾Estimates for Full Year 2020

Compelling acquisition rationale

- ◆ Confirms Chargeurs Museum as worldwide leader with a full year revenues > €100m, EBITDA > €14m and ROP > €10m⁽¹⁾
- ◆ Enhances Chargeurs Museum margin with an accretive margin business
- ◆ Provides Chargeurs Museum a global reach with the integration of the US market and local facilities to be closer to our customers
- ◆ Integrates a strong portfolio of US iconic projects
- ◆ Expands synergies with other Group business

⁽¹⁾Targets for Full Year 2020 including the acquisitions of Met, Design PM, Hyspos and D&P

Expanding our projects portfolio

Human History

National September 11 Memorial Museum (New York, NY), National Center for Civil and Human Rights (Atlanta, GA), National Museum of American Jewish History (Philadelphia, PA), National Museum of African American History and Culture (Washington, DC)

Military Museums

National Museum of the Marine Corps (Quantico, VA), National Museum of the United States Navy (Washington, DC), Airborne And Special Operations Museum (Fayetteville, NC)

Natural History

Smithsonian Institution (Washington, DC), Bell Museum (St Paul, MN), Sant Ocean Hall, National Museum of Natural History, Virginia Museum of Natural History (Martinsville, VA)

Presidential Museums

Ronald Reagan Presidential Library and Museum (Simi Valley, CA), George W. Bush Presidential Center (Dallas, TX), Jimmy Carter Library and Museum (Atlanta, GA), Lyndon B. Johnson Presidential Library and Museum (Austin, Texas)

Technology Systems

Technology Systems, Touch Tables

Lighting

Jimmy Carter Library and Museum (Atlanta, GA), Peter J. McGovern Little League Museum (Williamsport, PA), National Museum of the Marine Corps (Quantico, VA)

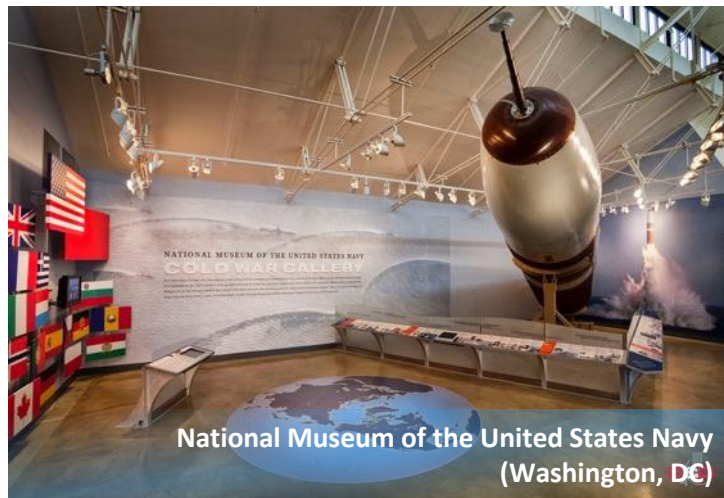
Pre- Fabrication Services

National Center for Civil and Human Rights (Atlanta, GA), A Gift of Love: The Life of Saint John Paul II, Saint John Paul II National Shrine (Washington, DC), Kentucky Derby Museum (Louisville, KY)

Iconic realizations (1/3)



Iconic realizations (2/3)



Iconic realizations (3/3)



Airborne and Special Operations Museum
(Fayetteville, NC)



National Center for Civil and Human Rights
(Atlanta, GA)



National Museum of African American History and Culture
(Washington, DC)



National Museum of American Jewish History
(Philadelphia, PA)



National Postal Museum, Smithsonian
(Washington, DC)

From Chargeurs Technical Substrates to Chargeurs Museum Solutions

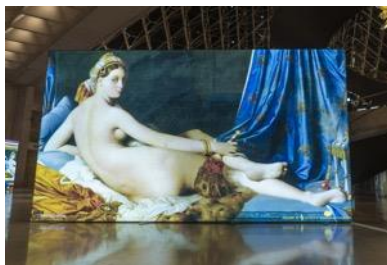
A methodic transformation journey

Business Development



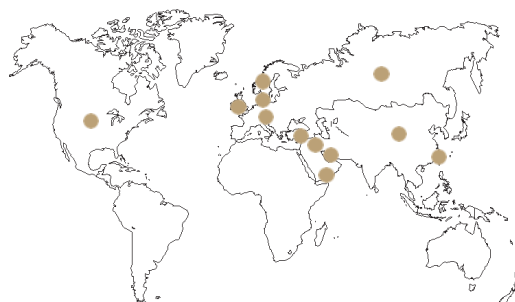
- ◆ **Management internationalization** and appointment of Sampiero Lanfranchi as President and General Manager since 2019
- ◆ Strong **management renewal** at business and key subsidiaries level
- ◆ **Lean and decentralized management** with a worldwide area management

Business Opportunities



- ◆ **In Industry**
 - ◆ New substrate technologies (Sublimis, Domino)
 - ◆ New green substrates (Altimis, Alterra)
 - ◆ New markets (USA, Asia)
 - ◆ Leach Boxes
 - ◆ Upscaling
- ◆ **In Services**
 - ◆ Chargeurs Creative Collection
 - ◆ Museum services

Global footprint



- ◆ An organization **close to customers** need
- ◆ A **worldwide presence** with now the US Market
- ◆ A more diversified customer base

A two-branch business:

SENFA
Technologies


CHARGEURS
CREATIVE COLLECTION

  **LEACH**

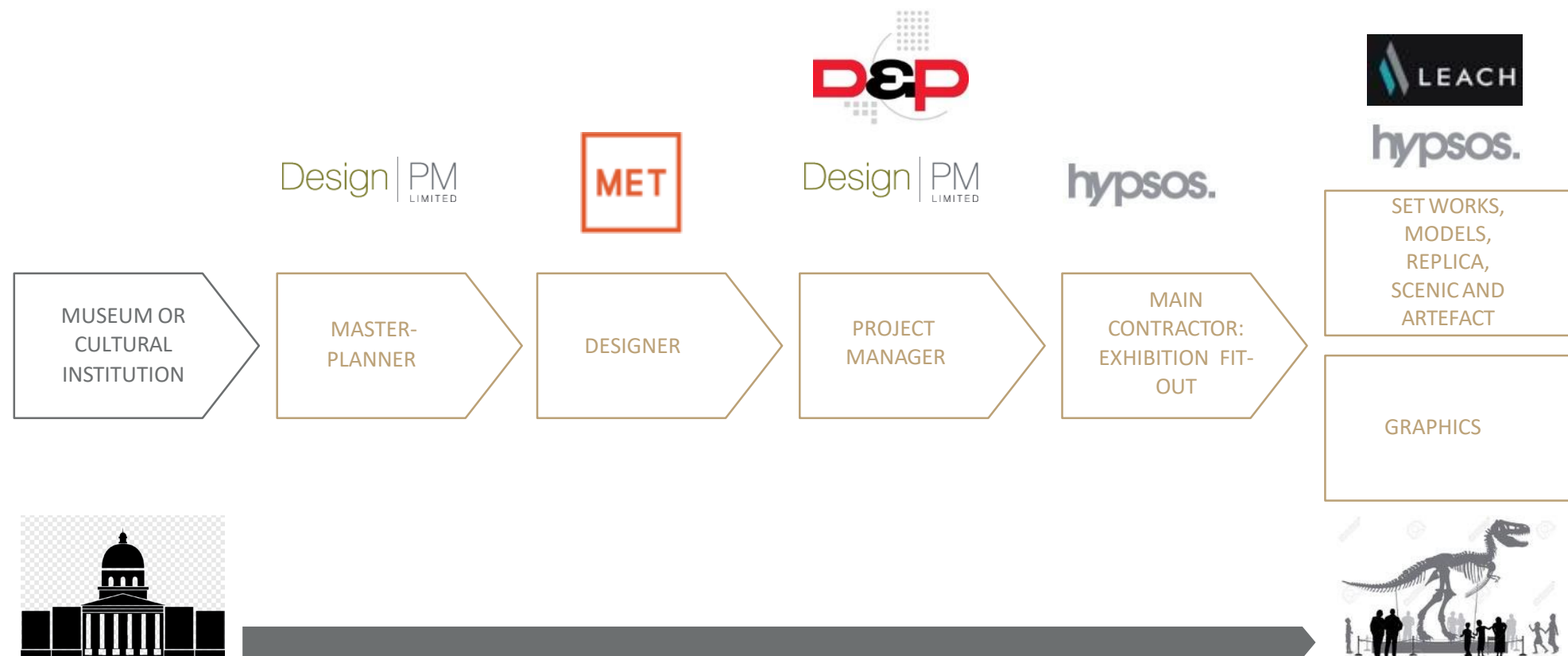
 **Design | PM LIMITED**  **MET**

 **hypsos.**

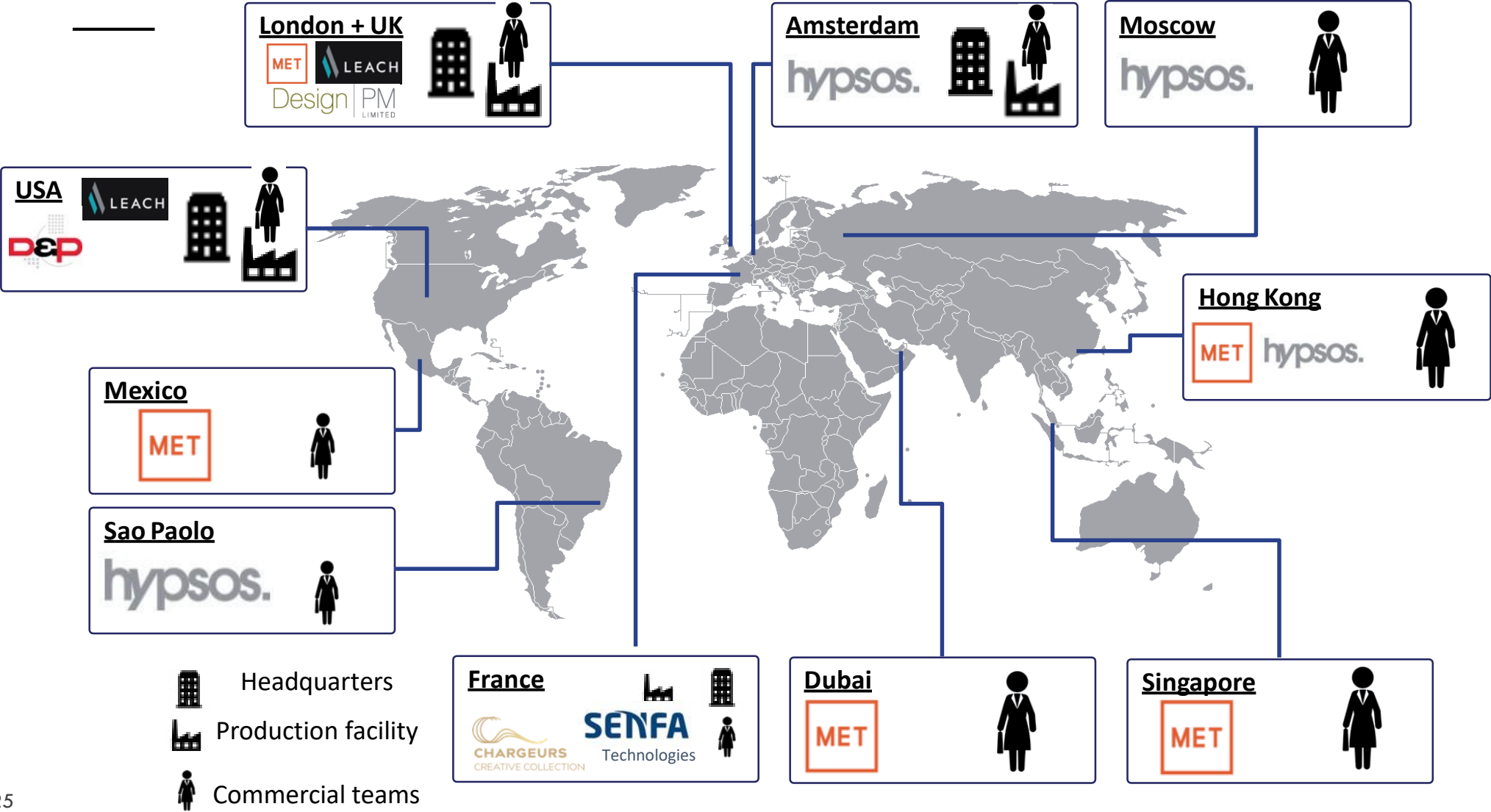
Chargeurs has shaped a world premium portfolio of assets in the museum services



A unique comprehensive offer of museum services



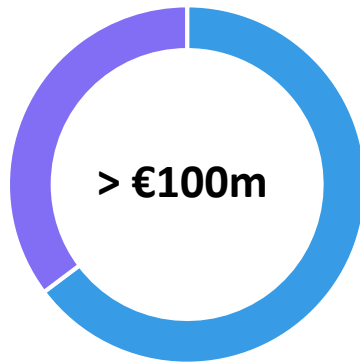
A worldwide footprint



Scaling of Chargeurs Museum Solutions platform

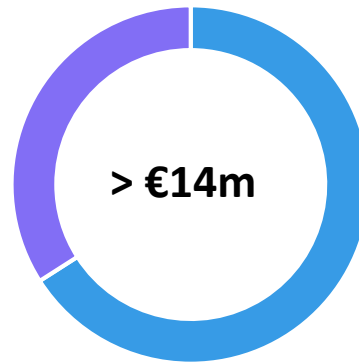
A key acquisition adding to CMS capacities with the US turnkey service leader, offering unique and highly innovative visitor experience solutions to the greatest existing and future museums in the world

Full year 2020 revenues



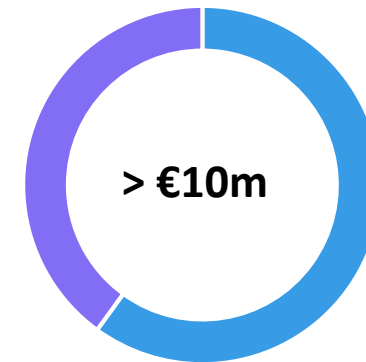
■ CMS ■ D&P

Full year 2020 EBITDA



■ CMS ■ D&P

Full year 2020 ROP



■ CMS ■ D&P

Conclusion: a transforming acquisition for Chargeurs Museum Solutions

- ◆ Accelerates CMS development as global leader in end-to-end museum heritage management and visitor experience solutions
- ◆ Opens US market to CMS
- ◆ Key and strategic acquisition enabling the Group to confirm:
 - 2020 target of proforma full year sales more than €750m
 - End of 2021 targets: proforma full year sales more than €1B and ROP at least 10%



03

Chargeurs accelerates
its world Champion strategy
to create additional value



CHARGEURS
High Emotion Technology®

Chargeurs intends to accelerate with strong business excellence standards

Committed and long-term strategy of excellence

Clear Strategy

- Strong commitment of the board & top management
- Clear vision: constantly extending our leaderships in niche markets
- Continuously implementing and deploying systematic excellence methods
- Long term capital structure, robust balance sheet & cash flow to support organic growth and acquisitions strategy

Operational excellence

High Committed teams

Excellence operational programs: "Game Changer"

Continuously improving production & customer service

Strict financial discipline

Quantitative & qualitative value creation

Disruptive innovation

Expanding the value chain & designing our markets

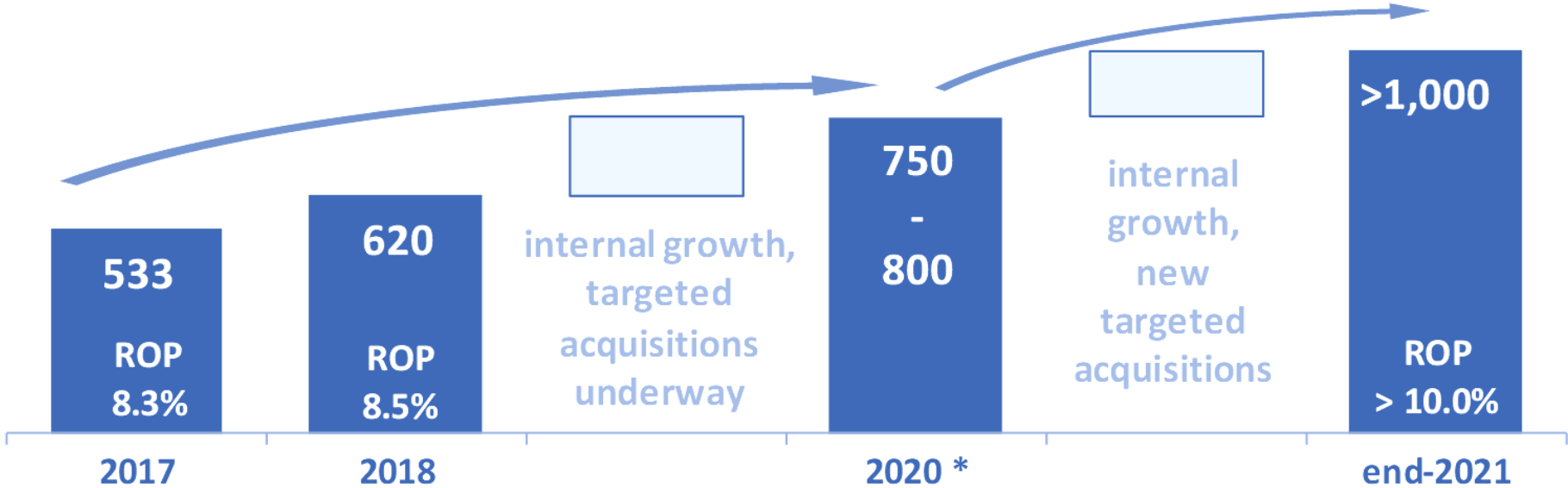
Targeted & accretive acquisitions

Strong "Sales to Profit" & "Profit to Cash"

Chargeurs accelerates the Group's transformation

Full-year revenue
(€ million)

Growth track for target of €1bn in revenue
and an operating margin of >10%



*Full-year revenues of €750m to €800m in 2020



CHARGEURS
High Emotion Technology®

CONTACT

Julien Minot
Head of Investor Relations

+33 (0)1 47 04 13 40
comfin@chargeurs.com