



“SPECIALITY
MATERIALS
WORLDWIDE”



CHARGEURS

2015 ANNUAL RESULTS PRESENTATION

“Performance, Discipline, Ambition”

Michaël Fribourg, Chairman and Chief Executive Officer

Rémy Husson, Chief Financial Officer

March 10, 2016

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SUMMARY

Michaël FRIBOURG, Chairman and Chief Executive Officer

2015 results : Excellent performance in a difficult macro-economic environment

- Sharp growth in earnings significantly exceeding performance targets:
 - Revenues up 4.3 %, to **€498.7m**
 - Recurring operating profit up 33.6 %, to **€30.6m**
 - Net profit up 41.7 %, to **€15.3m**
 - Recommended dividend up **50%**, at **€0.30/share**
- A proven capability to **optimize revenues**:
 - Improved product mix and strong selective marketing strategy leading to ever **increasing sales margins**
 - Optimization of overall currency effect thanks to **production and marketing footprint in 41 countries**
- A robust and reinforced financial position
 - **Cash net position** at more than **€23m** by 2015 year end
 - **Managing working capital** (€(8)m at constant exchange rate) despite revenue growth during the financial year
 - A remarkable capacity to use tax loss carryforwards leading to improved **free cash flows**
- A renewed shareholding structure
 - **A successful ownership transition**
 - **Existing shareholders** have **increased their stakes** and have been joined by **new shareholders**
- A younger and simplified governance structure
- A remarkable stock market performance: +74 % between 1st January and 31st December 2015

2016 outlook : continuing strong performance in a global economic environment still subject to volatility

- Reinforcing **Chargeurs’ business model** for **industrial and marketing excellence**
- Increased investment in **innovation**, the basis of long-term differentiation at the heart of all the Group businesses
 - Reinforcement of **client service culture**: accompanying our client throughout the world and over the long-term
 - Putting an emphasize on **managing costs at all stages of the value creation process**
 - **Optimising international footprint of the Group**
- Stepping up « ***sales to profit to cash*** »
 - Improving product mix and marketing selectivity
 - Profits derived from one off costs incurred in 2015
 - Managing working capital throughout the financial year
 - **Recurring operating profit target still improving in 2016**
- **Reinforcement of the Group’s financials**
 - Putting in place financing by private placement of €30m during the first half of 2016
 - Putting in place revolving credit facilities for over €20m, between 3 and 5 years, during the first half of 2016
 - Reduction in the cost of borrowings and increasing average maturity of the debt of the Group and Businesses
- Stock exchange :
 - Promotion from compartment C to compartment B of Euronext at the beginning of 2016
 - Plans to put in place a liquidity contract

Mid and long term outlook: to put the Group at the heart of a sustainable business model based on excellence and industrial differentiation

- Reinforced the Chargeurs' business model in order to develop a leading position in global niche markets with a balanced worldwide footprint
 - A philosophy of creating **long term shareholder value**
 - **Niche business** with a strong value-added component, differentiators, bring together product excellence and service
 - A **leading position in Europe and even globally**, based on long term or very long term perspectives
 - A « savoir-faire » for managing **businesses with a strong international** component, which go back to the origin of Chargeurs
- A renewed culture for **operational excellence**
 - A **decentralized** managerial model, per business, backed by a strong value added contribution from head office
 - Optimization of business cycles « **Innovation to Sales** » and reinforcing **transversal innovations**
 - Optimizing cost structure: **continuing improvement of productivity per business**
 - **Selecting the most profitable investments**
- A balanced approach between **organic and external growth**
 - Priority given to organic growth and the optimization of existing production capabilities
 - **Highly selective choices with regard to external growth** for balanced geographic presence of the Group
- A managed and demanding financial model
 - Maintaining a managed and **modest debt profile**
 - Optimizing « **Profit to Cash** » (+ dynamic use of tax loss carryforwards)



SIGNIFICANT EVENTS OF THE YEAR

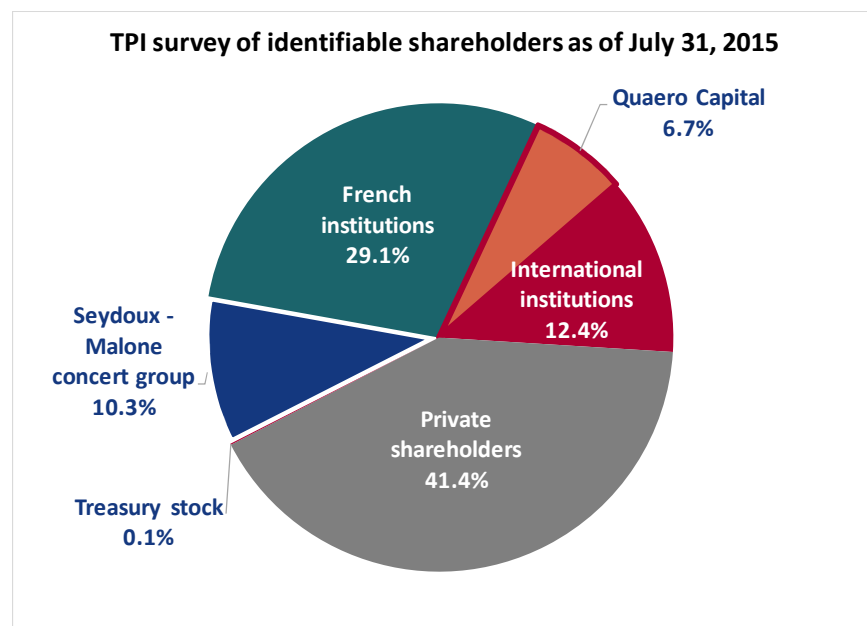
Michaël Fribourg, Chairman and Chief Executive Officer

Impetus provided by a new reference shareholder, representing a source of stability and sustained engagement over the long term

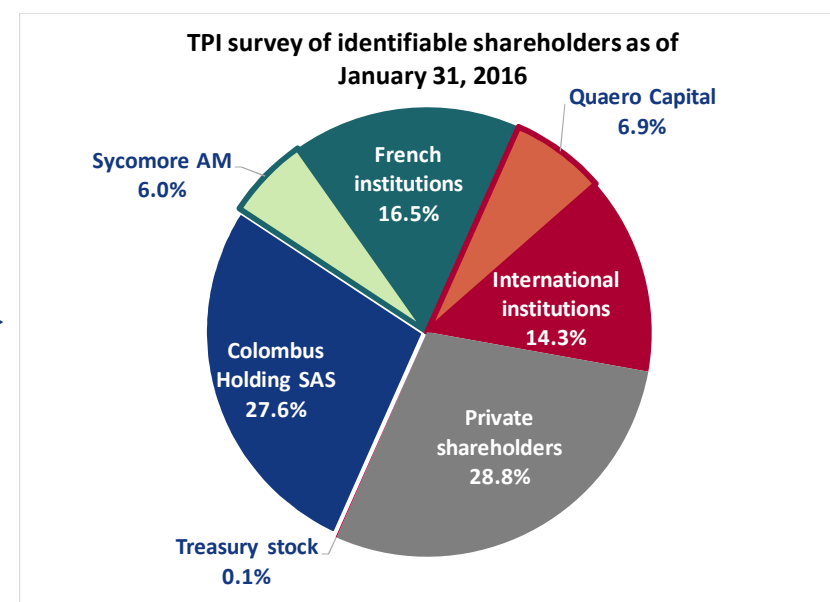
- Buyout of Jérôme Seydoux, Eduardo Malone and their respective companies (the Seydoux-Malone concert group) by Columbus Holding SAS, a dedicated investment company set up to hold the Chargeurs shares:
 - Founded and led by Michael Fribourg
 - Shareholders include French long-term institutional investors (BNP Paribas Développement, CM-CIC Investissement, Effi-Invest II and Harwanne, a member of the Covéa group) and several of France's leading family offices
 - Owns 27.6% of Chargeurs' capital
- An investment philosophy that focuses on long-term value creation. The stake in Chargeurs represents a strategic investment
- Michel Fribourg has been named Chairman and Chief Executive Officer of Chargeurs

Deployment of a strategy to create shareholder value

- Existing shareholders have increased their stakes and have been joined by new shareholders
- A successful ownership and management transition



Number of shares: 18,362,751
Outstanding convertible bonds: 144,863 (95.8% held by the Seydoux-Malone concert group)



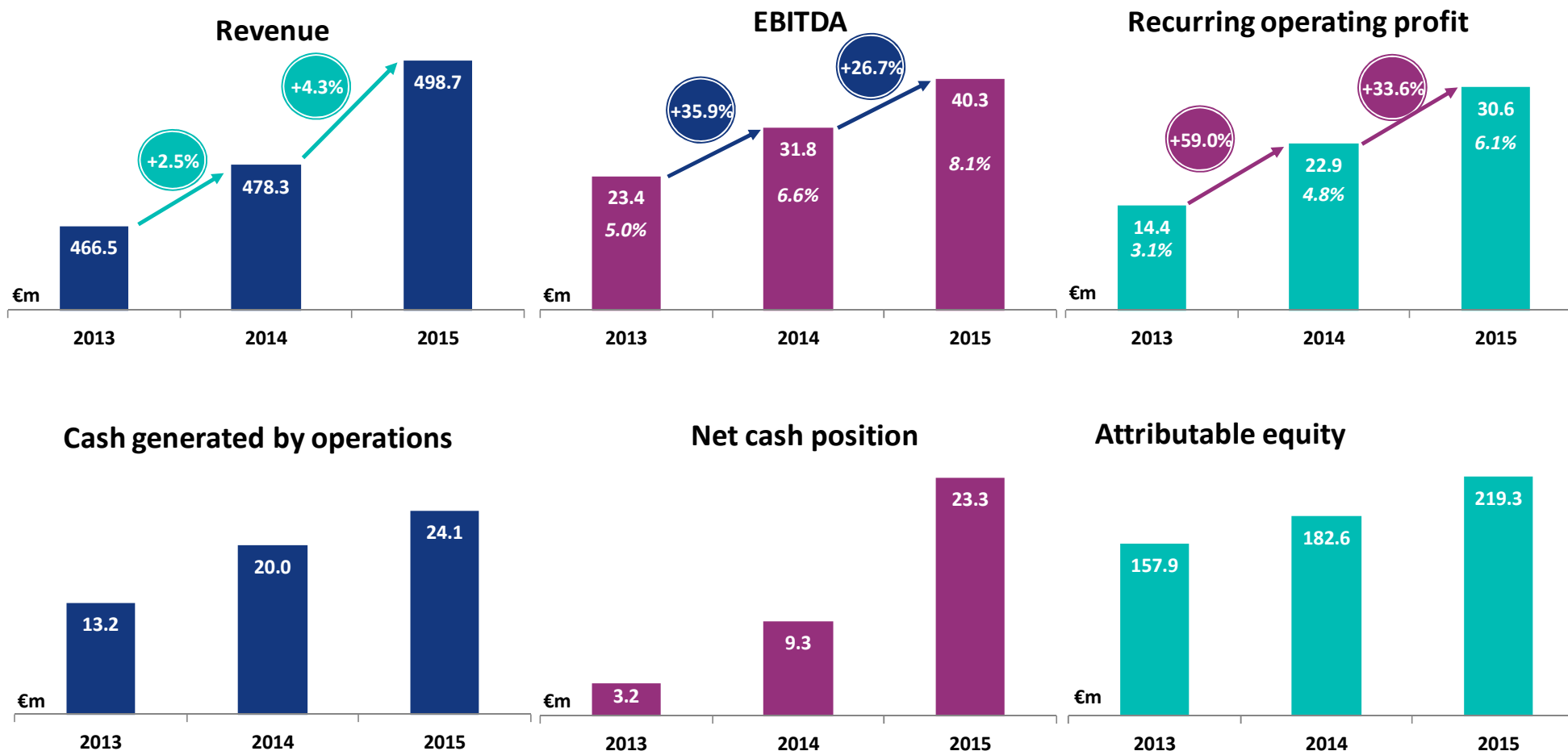
Number of shares: 22,966,144
99.7% of convertible bonds had been converted by December 31, 2015

- A transformation strategy that focuses on achieving operational excellence through the systematic adoption of best practices offering considerable scope to optimize performance
- Pragmatic and optimal use of all of the Group's assets

An industrial group that has forged a reputation as an expert in specialty materials

- An industrial model based on niche businesses and a broad international manufacturing and customer base
- A uniquely balanced profile:
the Chargeurs excellence triangle = a balanced geographical presence, spread of businesses and financial structure
- A stable, long-term reference shareholder
- A long-term growth and performance strategy:
 - More innovation
 - Increased international diversification
 - Optimization of organic growth and profit margins
 - Implementation of a controlled and selective acquisitions strategy
- Our objectives:
 - Outperform the world and eurozone economies in terms of growth in recurring operating profit
 - Continue to improve margins
 - Deliver a high cash conversion rate
 - Increase the pace of shareholder value creation

A year of strong revenue and earnings growth

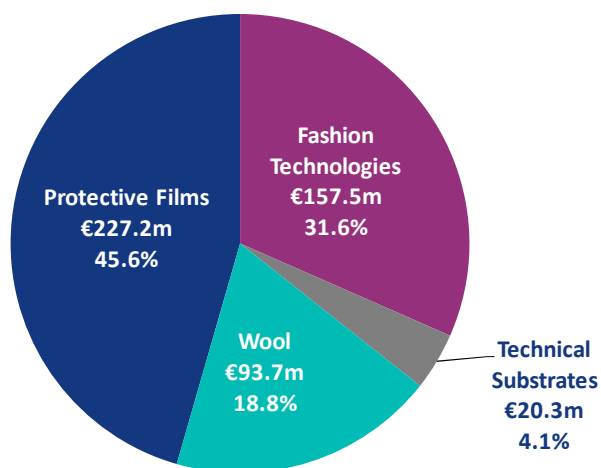




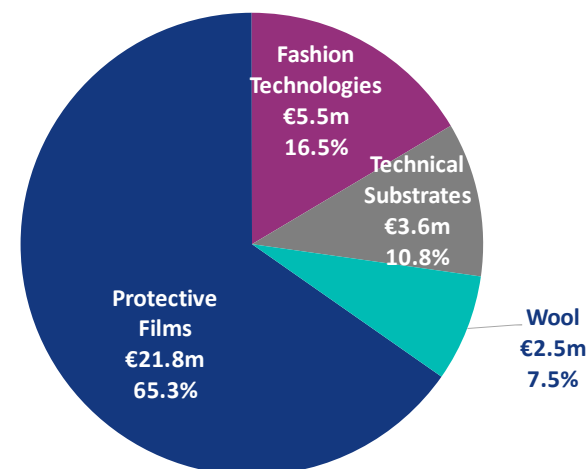
BUSINESS REVIEW

- Over **93%** of revenue generated outside France
- **1,500** employees in **32** countries on **5** continents
- **11** plants in **6** countries on **4** continents
- **4** business segments
 - Chargeurs Protective Films → temporary surface protection
 - Chargeurs Fashion Technologies → garment interlining
 - Chargeurs Technical Substrates → technical textiles used in the advertising and decoration markets
 - Chargeurs Wool → commercialization of combed wool

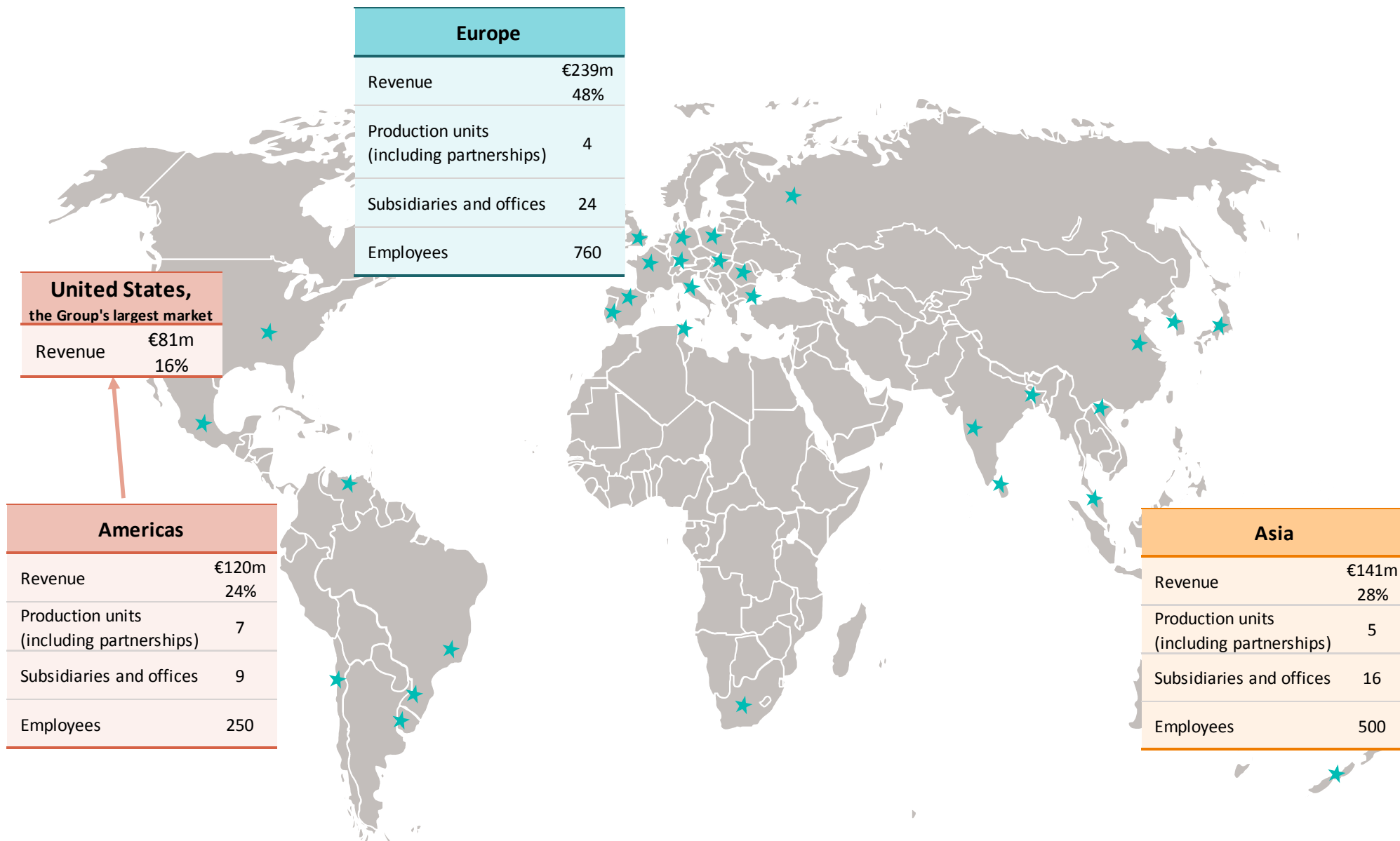
2015 revenue by business segment
€498.7m



2015 recurring profit by business segment
€30.6m*



* Non operating expense €2.8m
Unallocated corporate services





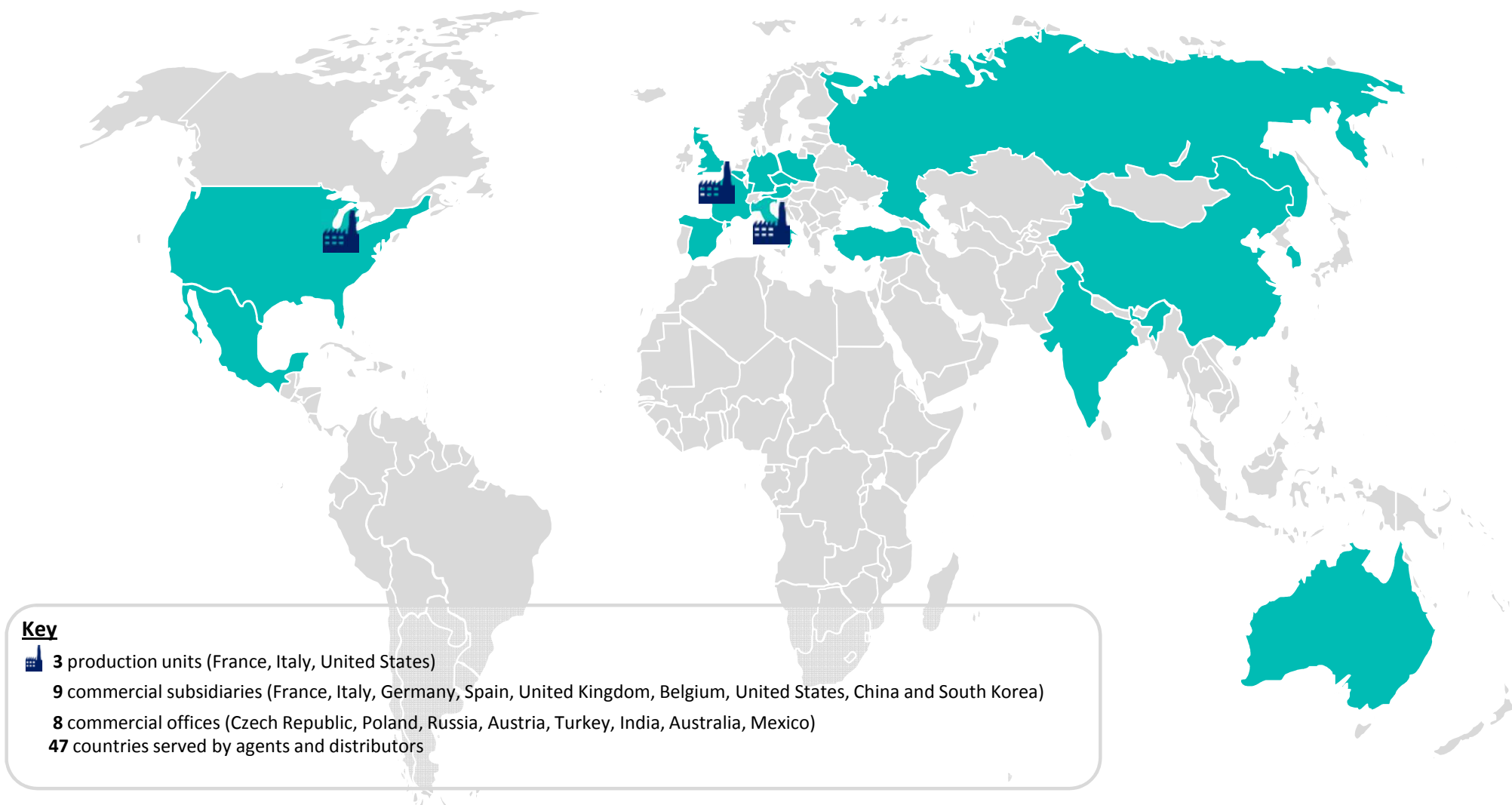
CHARGEURS PROTECTIVE FILMS



An expert manufacturer of self-adhesive plastic films used to protect surfaces at every stage of the transformation, handling, transport and fitting process

- **A comprehensive range** of products developed by leveraging **expertise in all the related technologies**
- **Four customer markets:**
construction, manufacturing, automotive and electronics industries
- **A strategic focus on delivering innovation** and partnering customers by recommending bespoke surface protection solutions, with a constant commitment to sustainable development
- **A global leader:**
 - **94%** of revenue generated outside France
 - Over **500** employees in some **20** countries
 - **3** production units, in France, Italy, the United States

Present in all of the world's main markets



A year of strong revenue and earnings growth

<i>(in euro millions)</i>	2015	2014	Change	
Revenue	227.2	206.6	20.6	10.0%
<i>Like-for-like change</i>				3.6%
EBITDA	26.8	21.4	5.4	25.2%
<i>as a % of revenue</i>	11.8%	10.4%		
Recurring operating profit	21.8	16.8	5.0	29.8%
<i>as a % of revenue</i>	9.6%	8.1%		



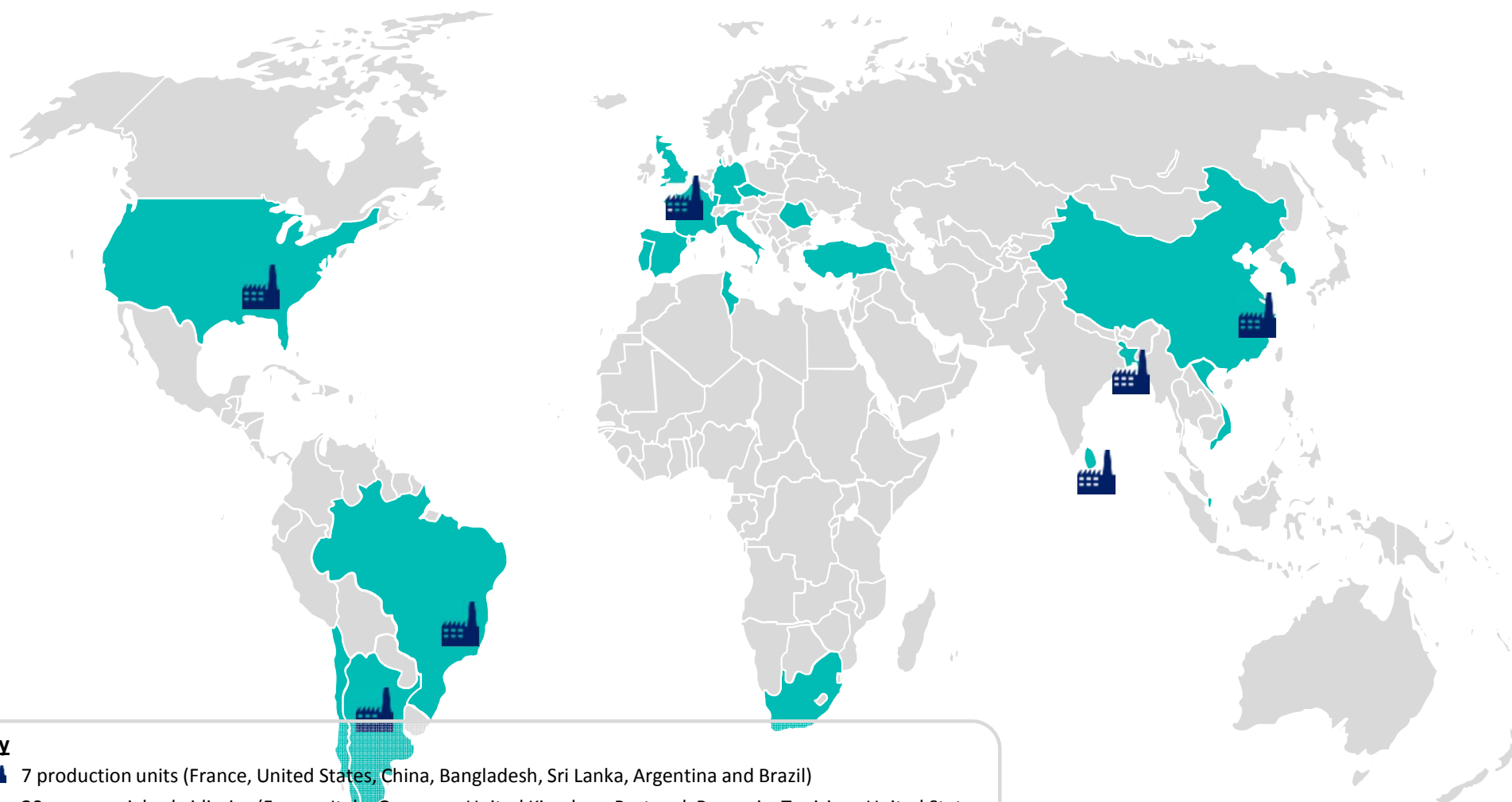
CHARGEURS FASHION TECHNOLOGIES



An expert in the production of interlining, the only technical fabric used by the apparel industry, which is essential to help garments keep their shape

- Vertically integrated production, to maintain **control** over all phases in the **production process**
- A **diversified customer base** that includes **prestigious brands**
- A **strategy** focused on **high value-added** production combined with a highly selective marketing approach and tight control over costs
- A “think global, act local” organization
 - **89%** of revenue generated outside France
 - Over **850** employees in some **21** countries
 - **7** production units on **3** continents

A global organization serving customers in their local markets



Key

-  7 production units (France, United States, China, Bangladesh, Sri Lanka, Argentina and Brazil)
-  20 commercial subsidiaries (France, Italy, Germany, United Kingdom, Portugal, Romania, Tunisia, United States, China, South Korea, Singapore, Sri Lanka, Bangladesh, South Africa, Chile, Brazil and Argentina)
-  5 commercial offices (Czech Republic, Spain, Turkey, Vietnam)

Profitable revenue growth and competitiveness gains

Fashion Technologies

(in euro millions)

	2015	2014	Change	
Revenue	157.5	150.9	6.6	4.4%
<i>Like-for-like change</i>				-3.5%
EBITDA	9.6	7.7	1.9	24.7%
<i>as a % of revenue</i>	6.1%	5.1%		
Recurring operating profit	5.5	4.0	1.5	37.5%
<i>as a % of revenue</i>	3.5%	2.7%		

- A selective marketing strategy, focusing on profitable revenue sources
- Targeted capacity adjustments
- Stake in Ningbo Chargeurs Yak Textile Trading Co. Ltd (China) reduced to 49% in January 2016



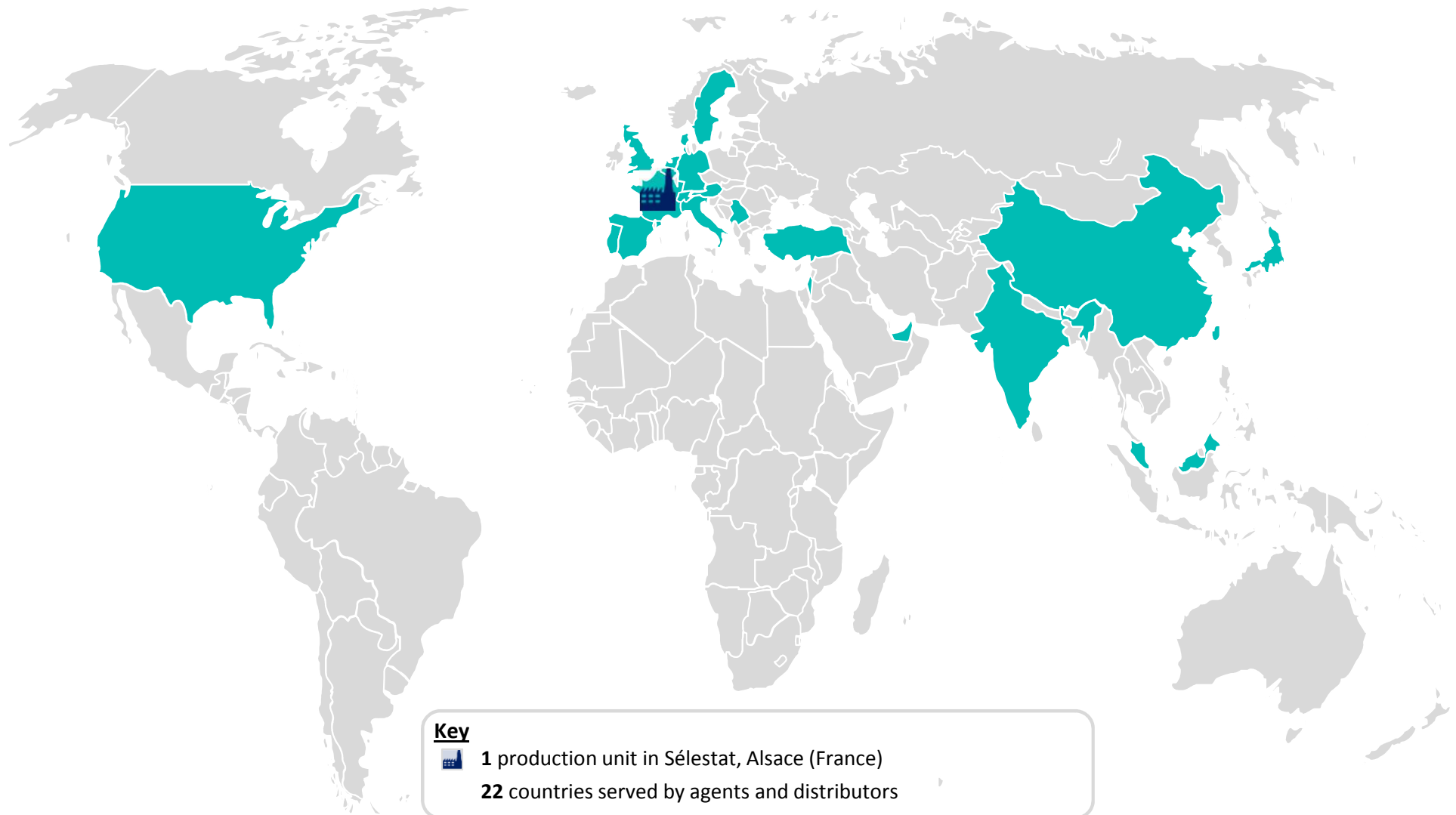
CHARGEURS TECHNICAL SUBSTRATES



Technical textiles for the growing advertising, decoration, home improvement and construction markets

- An expert in coating techniques that add specific properties to a textile base
Examples include blackout and light filtering coatings, sound coatings and UVA/UVB filtering coatings
- Buoyant niche markets
- New 5-meter width coating line inaugurated in late November 2015, to consolidate existing markets and tap potential new markets
- A lean organization supported by a global group:
 - **74%** of revenue generated outside France
 - Some **80** employees in France
 - **1** production unit in Alsace (France)

A network of distributors serving customers throughout the world



Strong innovation-led growth

<i>(in euro millions)</i>	2015	2014	Change	
Revenue	20.3	16.6	3.7	22.3%
<i>Like-for-like change</i>				22.3%
EBITDA	4.1	2.6	1.5	57.7%
<i>as a % of revenue</i>	20.2%	15.7%		
Recurring operating profit	3.6	2.2	1.4	63.6%
<i>as a % of revenue</i>	17.7%	13.3%		



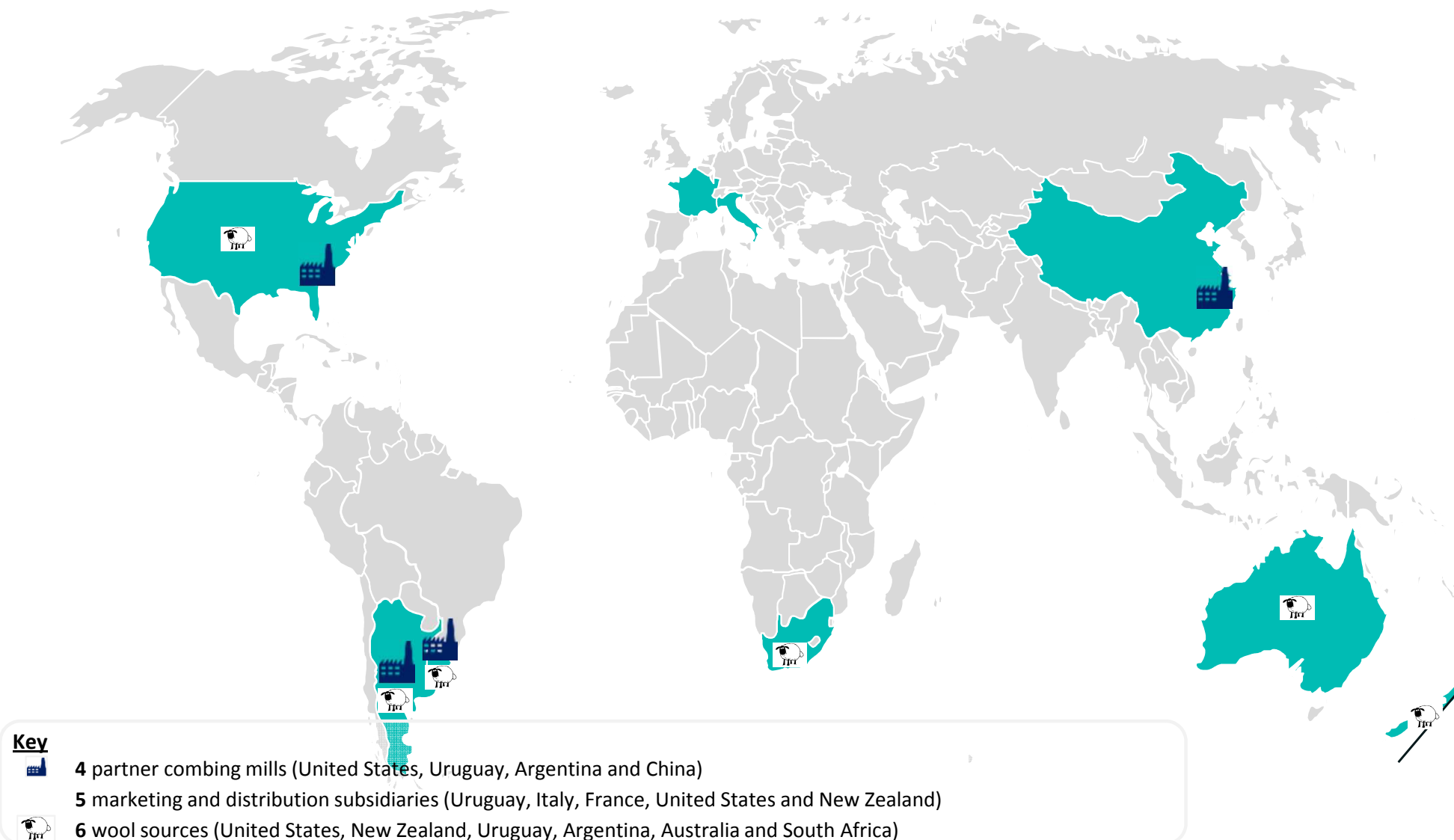
CHARGEURS WOOL



An expert in marketing very high quality combed wool

- **Topmaking**, a key phase in the wool garment production process, consists of creating long, fine blended-wool fibers, known as tops, that successfully meet the needs of spinning mills
- An organization built around an **international network** of local **industrial partners** and marketing services of Chargeurs Wool ensuring that the needs of the clients are serviced throughout the world
- Quality, traceability, stability of fibers: Chargeurs Wool's expertise is found in its ability to buy from wool growers the best greasy wool in partnership combing mills
- A global leader:
 - **100%** of revenue generated outside France
 - A lean structure with **global coverage**
 - **4** industrial partners: United States, Argentina, Uruguay, China

A network spanning the world's main wool markets



A new profitable business model adopted in 2012

<i>(in euro millions)</i>	2015	2014	Change	
Revenue	93.7	104.2	-10.5	-10.1%
<i>Like-for-like change</i>				-13.1%
EBITDA	2.6	3.5	-0.9	-25.7%
<i>as a % of revenue</i>	2.8%	3.4%		
Recurring operating profit	2.5	3.4	-0.9	-26.5%
<i>as a % of revenue</i>	2.7%	3.3%		

- No open positions: back-to-back trading model
- No credit risk: long-term relationships with global customers covered by credit insurance
- Partnering fast-growing emerging brands
- Focus on very high quality, durable and traceable products that can be sold at a premium to major customers: "from the sheep to the shop"



FINANCIAL REVIEW

Rémy Husson, Chief Financial Officer

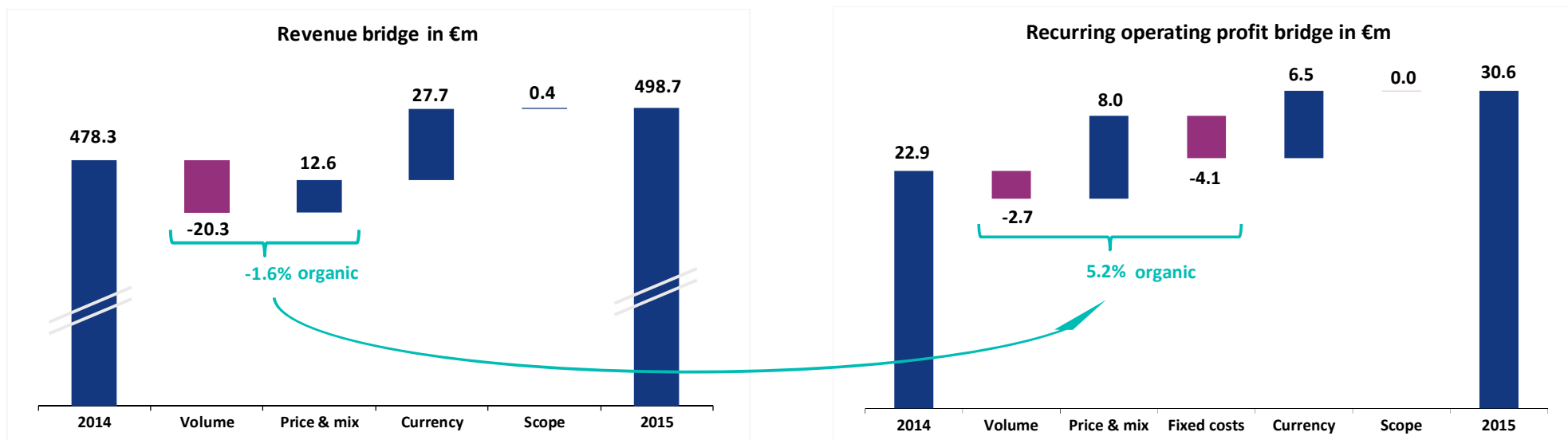
Strong earnings growth despite a difficult macro-economic environment in 2015

(in euro millions)	2015	2014	Change	Comments
Revenue	498.7	478.3	20.4 4.3%	Currency effect
Gross margin	120.4	107.4	13.0 12.1%	Favorable mix and currency effect
as a % of revenue	24.1%	22.5%		
EBITDA	40.3	31.8	8.5 26.7%	In line with gross margin
as a % of revenue	8.1%	6.6%		
Depreciation	(9.7)	(8.9)	-0.8 9.0%	Reflects capex cycle
Recurring operating profit	30.6	22.9	7.7 33.6%	Operational leverage
as a % of revenue	6.1%	4.8%		
Non-recurring items	(6.6) ①	(1.5)	-5.1	Cost of industrial and management realignment
Operating profit	24.0	21.4	2.6 12.1%	
Financial result	(5.3) ②	(6.3)	1.0	Ongoing reduction in borrowing costs
Income tax expense	7.4	(4.1)	11.5	Deferred tax assets recognized for tax loss carryforwards (€13.2m in 2015)
Associates & JVs, non-controlling inter	(10.8)	(0.2)	-10.6	Impact of Yak goodwill impairment in 2015 (€10.4m)
Net profit	15.3	10.8	4.5 41.7%	

① **Non-recurring items:** includes realignment costs at Fashion Technologies (€m 2.5) and compensation paid to former management (€m 2.2)

② **Financial result:** includes non-cash costs related to convertible bonds and pensions, and unrealized exchange gains and losses

Refocusing on the most profitable businesses



- Sharply higher operating profit
- Exchange rate-led production allocation
- Excluding Chargeurs Wool trading business, organic growth was:
 - 1.7% for revenue
 - 11.3% for recurring operating profit
- Excellent performance momentum

High cash conversion rate

(in euro millions)

	2015
EBITDA	40.3
<i>Non-recurring - cash</i>	<i>(5.4)</i>
<i>Finance costs - cash</i>	<i>(4.2)</i>
<i>Income tax - cash</i>	<i>(5.9)</i>
<i>Other</i>	<i>(0.4)</i>
Cash generated by operations	24.4
Change in working capital at constant exchange rates	8.0
Net capex	(12.9)
Free cash flow	19.5
Dividends	(3.2)
Return of capital to non-controlling interests in subsidiaries	(1.1)
Currency	0.3
Other	(1.5)
Total	14.0
Net cash and cash equivalents at beginning of period	9.3
Net cash and cash equivalents at end of period	23.3

Comments

Non-recurring costs excluding depreciation, amortization and provisions

Lower average borrowing costs

First deferred tax assets recognized

Efficient WC management: €3m reduction and €5m increase in factored receivables

O/w €5m in development expenditure (CTS = 5m coating line & CPF = machines)

High cash conversion rate

Dividend policy relaunched

Chargeurs Yak Trading

Mainly leasing transactions

An increasingly robust balance sheet structure

<i>(in euro millions)</i>	Dec. 31, 2015	Dec. 31, 2014	Comments
Intangible assets	78.5	72.6	CPF goodwill in USD: translation impact
Property, plant and equipment	55.9	50.3	CPF and CTS: new production lines
Associates and joint ventures	18.1	27.1	Yak goodwill impairment (€10.5m)
Net non-current assets	3.2	-12.7	Recognized deferred tax assets (€13.2m)
Working capital	40.3	47.2	Efficient working capital management
Total capital employed	196.0	184.5	
Equity (excl. non-controlling interests)	219.3	182.6	Profit €15.3m, bond €11.2m, translation reserve €10.0m, dividends €(3.2)r
Convertible bonds	0.0	11.2	Bond conversion rate: 99.7%
Net cash position	-23.3	-9.3	Increased liquidity
Total financing	196.0	184.5	

■ Equity increased by 20% in 2015

Number of shares at December 31, 2015: 22,966,144



OUTLOOK

Michaël Fribourg, Chairman and Chief Executive Officer

■ Leadership positions in niche markets

- Solid market shares: ranked no. 1 or 2 in our four business segments
- Significant innovation capabilities
 - High barriers to entry
 - Sustained investment in high value-added products $\Rightarrow$ growth and profitability

■ A diversified group that benefits from global growth

- A balanced global presence spanning 32 countries, with over 90% of revenue generated outside France
- Global customers operating in a wide range of industries

■ A robust balance sheet

- A strong equity base
- Businesses that generate large amounts of cash
- A positive net cash position in each of the last three years

- Improved operating performance
- Fixed and production cost reduction launched in October 2015:
first impacts seen in 2015 and full effect in 2017
- Faster pace of innovation with groundbreaking products brought to market more quickly
- Increased financial headroom:
liquidity buffer, longer debt maturities
- Ability to take up attractive acquisition opportunities
- 2016 guidance:

Revenue (excluding Chargeurs Wool)*	+
Recurring operating profit	++
Free cash flow	+++

** based on a comparable scope of consolidation and at constant exchange rates (like-for-like)*

■ 2015 dividend recommendation:

- Robust operating performance and balance sheet in 2015
- Opportunity to reward shareholders for their loyalty and long-term support
- Board of Directors' recommendation: payment of a dividend of €0.30 per share, up 50% compared to the 2014 dividend of €0.20 per share



APPENDICES

<i>(in euro millions)</i>	2015	2014	Reported change		Like-for-like change
Protective Films	227.2	206.6	20.6	10.0%	3.6%
Fashion Technologies	157.5	150.9	6.6	4.4%	-3.5%
Technical Substrates	20.3	16.6	3.7	22.3%	22.3%
Wool	93.7	104.2	-10.5	-10.1%	-13.1%
Chargeurs	498.7	478.3	20.4	4.3%	-1.6%

- The Group optimized its marketing priorities and also reaped the benefits of competitive exchange rates
- Successful implementation of the **selective marketing** strategy drove an improvement in the product mix (at constant exchange rates) and the margin on sales
- This strategy contributed to a like-for-like increase in recurring operating profit, while also optimizing the businesses' working capital

United States, the Group's largest market

<i>(in euro millions)</i>	2015		% change vs. 2014
United States	81.1	16.3%	10.3%
Italy	74.0	14.8%	20.2%
China & Hong Kong	60.9	12.2%	9.3%
Germany	44.9	9.0%	-13.0%
France	35.4	7.1%	-0.3%
Top 5 countries	296.3	59.4%	6.6%
Other countries	202.4	40.6%	1.0%
Total revenue	498.7	100.0%	4.3%

As of February 29, 2016

Number of shares 22,966,144
Share price €8.04
Market capitalization €184.6 million

ISIN: FR0000130692 – CRI ;

Listing: Euronext Paris Compartment B, eligible for deferred settlement service and for inclusion in PEA and PEA-PME personal equity portfolios

Indices: EnterNext®, PEA-PME and CAC PME





“SPECIALITY
MATERIALS
WORLDWIDE”



CHARGEURS

2016 Financial Calendar

Ordinary and Extraordinary General Meeting

Monday, March 14

First Quarter 2016 Financial Information

Wednesday, May 4

Annual General Meeting

Wednesday, May 4

2016 Interim Financial Report

Friday, September 9

Third Quarter 2016 Financial Information

Thursday, November 10

Contacts

Chargeurs

112, avenue Kléber

75 116 Paris

Tel: (+33) 1 47 04 13 40

Email: comfin@chargeurs.fr

www.chargeurs.fr

Investor Relations

Cédric Ratouis

Financial Communications

Pauline Bayec