"A WORLD OF" NICHE MARKET LEADERS

2018 Annual Results Presentation

STRENGTH & VISION

March 12, 2019

CHARGEURS

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Summary

Michaël Fribourg

Chairman & Chief Executive Officer

Successful upscaling since 2015, achieved thanks to a strict model of operational excellence

CHARGEURS

"A WORLD OF" NICHE MARKET LEADERS

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

A clear vision, with new management systems

Ongoing and tightly-controlled implementation

Quantitative & qualitative value creation

Talent management

- A new management team
- Hands-on management
- More international teams
- Promoting talent and encouraging mobility

Vision

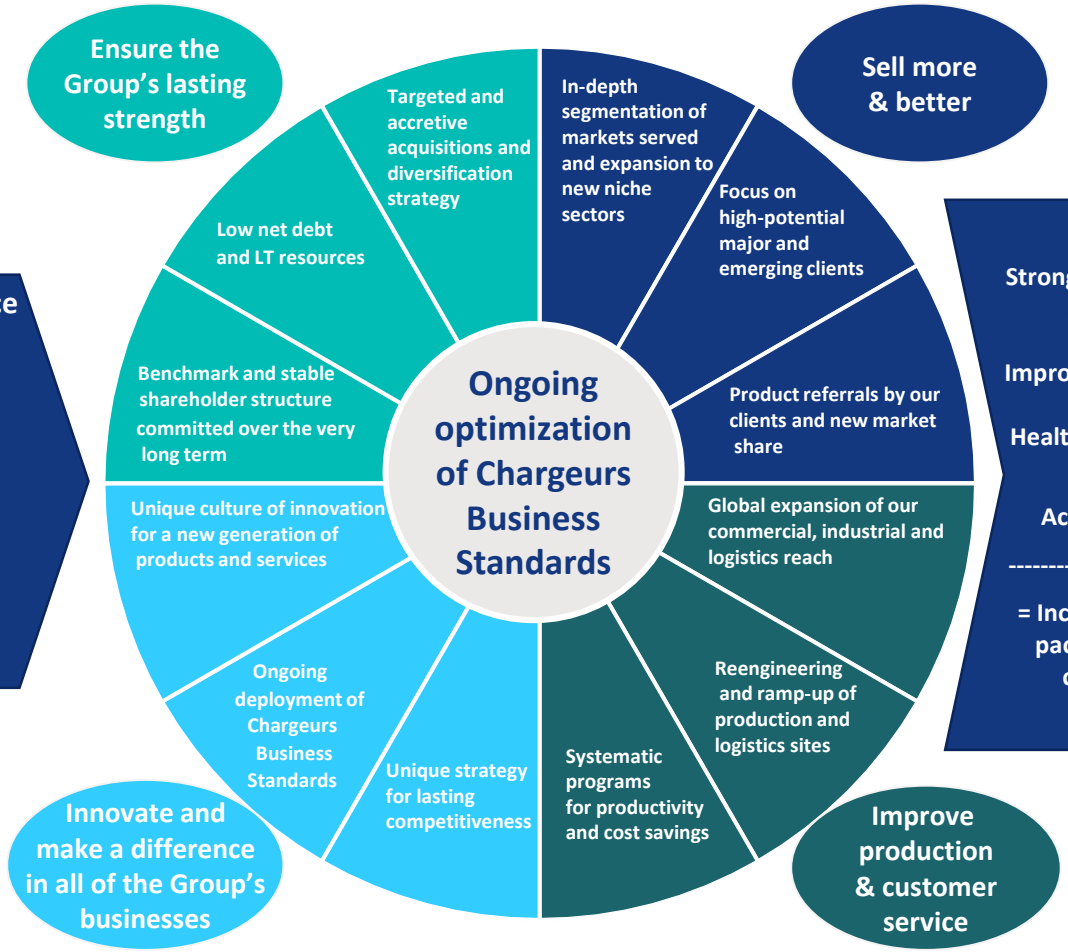
- Effective segmentation based on niche markets
- Leadership goals in each of these niche markets

Systematic excellence methods

- "Performance, Discipline, Ambitions" plan – a new momentum with very tight operational discipline
- Game Changer plan – pushing our own boundaries

Financial resources

- New ownership structure
- Stronger balance sheet
- Launch of acquisitions strategy
- Higher visibility for shares



Strong like-for-like growth
+
Improving margins
+
Healthy cash flow
+
Acquisitions

= Increase in the pace of value creation

2018: successful upscaling thanks to the *Game Changer* program

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- **Another sharp increase in performance**
  - **Full-year revenue** up 7.6% year-on-year, or **€619m including the full-year contribution of companies acquired in 2018**
  - **EBITDA > 10%** of revenue thanks to successful Annual Productivity Plan
  - **Recurring operating profit[1] up 10.4% on 2017 and 26.0% on 2016**, despite negative currency effects & ramp-up of opex and capex
  - **Operating profit up 9.6% on 2017**
  - **Net profit up 5.6%**

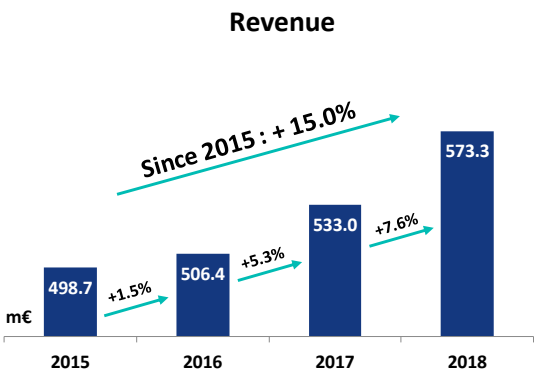
- **Leadership positions strengthened in all of our businesses**
  - Strategic consolidations, with the acquisitions of **PCC and Leach**, enabling CFT and CTS to **upscale, push the boundaries of their markets and extend their product and service offerings**
  - Success stories recognized worldwide: **Novacel** (CPF) wins Arcelor Mittal's **Sustainability and Circular Economy Award**; **Sublimis** (CTS) is voted **product of the year** in the textile category at the **SGIA Expo** print technology trade show in Las Vegas; and the **RWS (Responsible Wool Standard) certification** is integrated into the **Organica Precious Fiber** label
  - Exceptional talent reinforcement worldwide: **organizational structure by continent** put in place at CPF; **Angela Chan** appointed CFT's Worldwide Managing Director; an **executive talents program set up with Harvard**; and **new, experienced international talent** brought on board via **acquisitions**

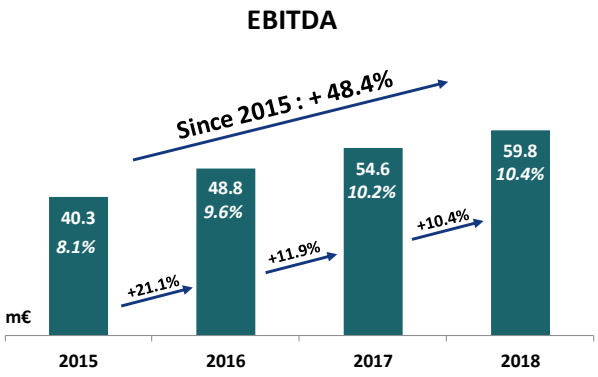
- **Strong resistance in the face of a less favorable and more volatile operating context**
  - A very high basis of comparison and a very unfavorable currency effect: **record-high performance for CPF in 2017** (revenue up 12.3% vs. 2016) and **significant negative currency effect on both revenue (€19.1m) and ROP [1] (€5.2m)**
  - Customer inventory-shedding effectively managed by CPF
  - Less sensitivity than competitors to changes in the operating environment due to **more premiumized product ranges (price/mix effect on ROP +€4.9m)** and a broad geographic footprint (**stronger presence in the USA and Asia** thanks to the acquisition of PCC).

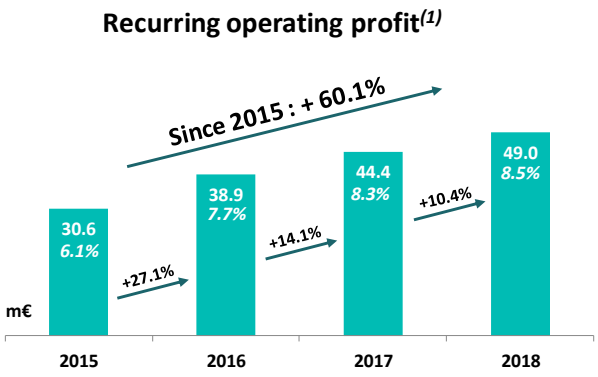
(1) Before amortization of intangible assets resulting from acquisitions

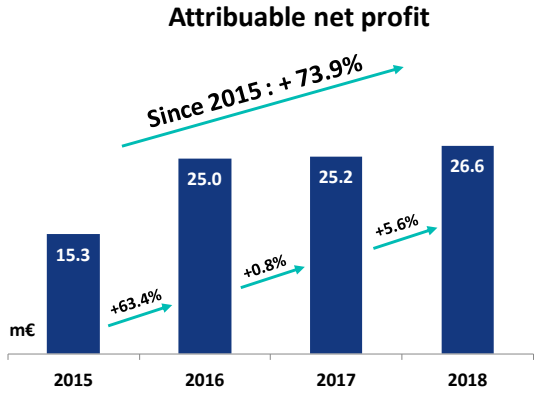
Another sharp increase in performance in 2018

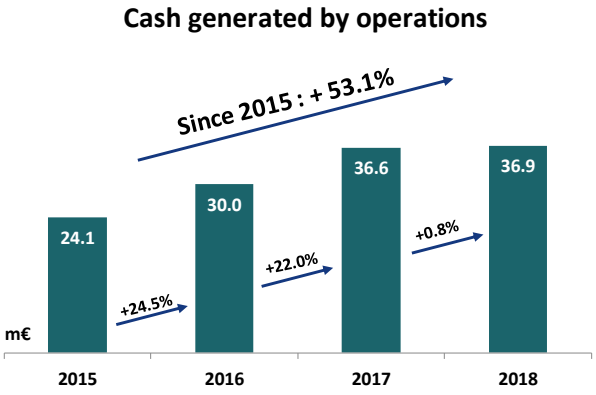
Robust 240-bp rise in ROP[1] margin since 2015











- **Strong revenue growth**
- **Double-digit EBITDA and ROP[1] growth since 2015**
- **2018 guidance achieved**

(1) Before amortization of intangible assets resulting from acquisitions

2019: Chargeurs intends to change the game in all of its businesses

CHARGEURS

"A WORLD OF" NICHE MARKET LEADERS

- Our analysis of the market and economic environment
  - An **ever-more economic and geopolitical volatile environment**, requiring a prudent approach: the USA and Asia still performing well, but a more mixed picture for Europe
  - Our **premiumization** strategy and focus on customer service is **making the difference in all of our markets:**
    CPF is focusing on very high-end products; CFT is developing the nomination of its products by leading brands; CTS now offers a global visual communications solution; CLM is accelerating the sales of certified sustainable Organica wool
  - ➔ **Chargeurs is much better equipped than its competitors to take advantage of such an environment in the long term:** financial solidity, sectorial and geographical diversity, optimized capabilities, innovative technologies and strong agility
- Our strategic offensives
  - Putting in place our **Iconic Branding** strategy:
    Consolidating our brand portfolio on a business by business basis to reinforce our customer marketing and showcase the exceptional nature of the Group's products and services
  - **Prioritizing** "green" and technologic innovations :
    CPF is giving priority to new "green" products and CFT to new CRM tools
  - Ability to play the role of a **strategic consolidator**:
    Selectively targeted acquisitions to cement the strategic positioning of our businesses as designers of their markets
- Our growth drivers, underpinned by the ongoing rollout of the Game Changer plan
  - **Ever-more global and distinctive talent management:**
    Tailor-made training programs with the Hidden Champions Institute in Berlin; a more international profile for the management teams of CFT's continental hubs
  - **Distinctive industrial and technological capabilities**:
    CPF: a new 4.0 coating line in Italy; CFT: high-tech 40-gauge production lines; CTS: new technological developments
  - **An even more robust balance sheet structure:**
    €120m in new money available after setting up a flexible and innovative syndicated credit facility

Game Changer – the Group's performance acceleration plan

"A WORLD OF" NICHE MARKET LEADERS

Objective:
Double profitable revenue by 2021

→ **Aimed at speeding up the Group's growth and profitability, designed in collaboration with all of Chargeurs' teams worldwide and focused on 4 key areas**

Acceleration of our acquisitions strategy: integration of Leach and PCC Interlining

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Since 2015, Chargeurs has carried out targeted acquisitions, creating champions in high value-added niche markets

An ongoing and value-creating acquisition strategy

main tape (CONFIDENCE ON CONTACT)

$27m in revenue

> Strengthening leadership in the United States

> Adding production capacity in the USD zone

CHARGEURS PROTECTIVE FILMS — OMMA, WALCO, SOMERRA

€8m in revenue

> Moving up the value chain

> Offering integrated solutions

CHARGEURS TECHNICAL SUBSTRATES — LEACH

£10m in revenue

> Disruptive vertical integration

> Offering end-to-end solutions

CHARGEURS FASHION TECHNOLOGIES — PCC (PRECISION • INTERLINING)

$80m in revenue

- Creation of an innovative global champion

> Strengthening service capacities

Still to come:

> **Game-changing "bolt-on" acquisitions**

> Acquisitions to move up the **value chain**

> Acquisition of a new **operating segment**

> €100m in extra revenue and > €10m in additional recurring operating profit

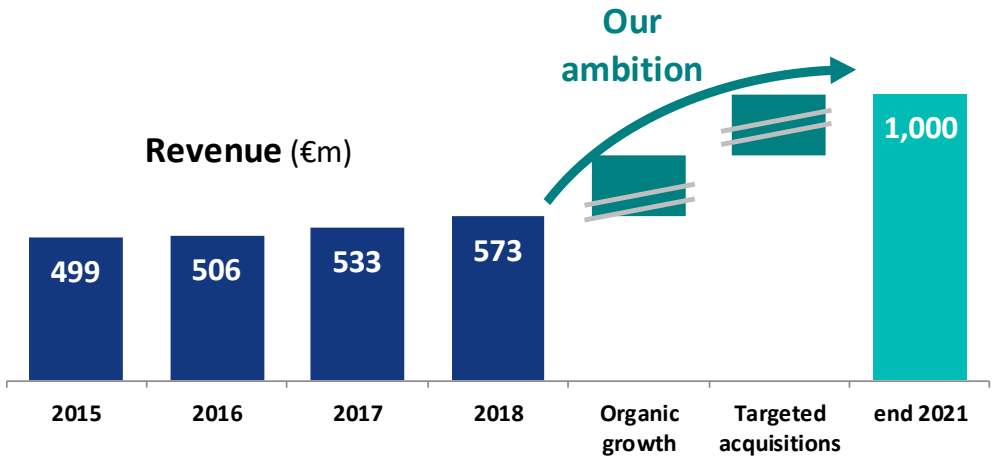
(1) Before amortization of intangible assets resulting from acquisitions

Chargeurs 2021: an iconic champion in high value-added niche markets

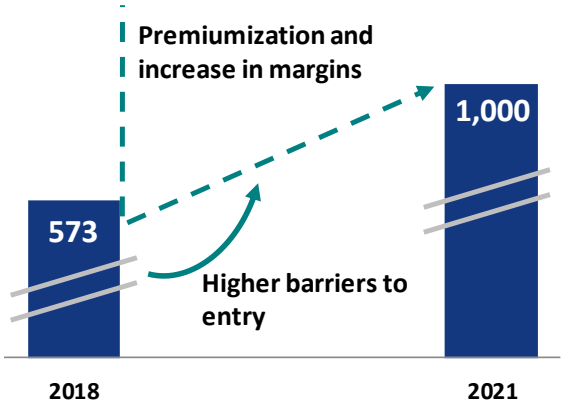
"A WORLD OF" NICHE MARKET LEADERS

- Target confirmed of topping €1bn in profitable revenue

Growth track for €1bn revenue target



Steady rise in margins thanks to the product mix and economies of scale



- A rigorous model of creating long-term asset value
  - Focus on cash generation
  - Most profitable customers prioritized
  - Cost-cutting programs pursued
- A strategy of underlying excellence built over the long term
  - A culture of creating long-term asset value
  - A long-term commitment from the Group's reference shareholder and the Fribourg Family Group

The *Game Changer* program in action

Joëlle Fabre-Hoffmeister
Secretary General & Group Chief Compliance Officer

CHARGEURS

Success of the "Game Changer" plan

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Game Changer: an operating performance acceleration plan that advocates daily discipline in the creation of long-term value and that is based on 4 key areas:

Sales & Marketing

ORGANICA PRECIOUS FIBER

Talent Management

HARVARD BUSINESS SCHOOL

HCI HIDDEN CHAMPIONS INSTITUTE

ESMT BERLIN

Smart & Advanced Manufacturing

Distinctive Innovation

Product of the Year — Specialty Printing & Imaging Technology — SGIA EXPO

➔ 18 months after its launch,
the plan has already had multiple successes and new, promising developments are being pursued

Chargeurs: a designer of leaders recognized in their niche markets whose operations are shaped according to four core principles:

Cutting-edge technical expertise

- Industry 4.0
- Product innovation
- Technical know-how

Optimized global supply chain management

- A global presence
- Customer proximity

A consumer centric and service oriented approach

- Integrated solutions
- Service provider
- Technical advice

Globally-recognized B2B brands

- Moving up the value chain
- Direct links with decision-makers
- Creation of recognized brands

Game Changer plan: daily discipline to create long-term value

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Game Changer – our major achievements

Sales and Marketing

- **Development of bundled "products & services" offerings**
  - "Films + Machines" at CPF thanks to the acquisitions of Somerra, Omma and Walco
  - "Textiles + Lightboxes" at CTS following the acquisition of Leach
- **Development of iconic B2B brands**
  - Low Noise and Deep Blue at CPF
  - Sublimis and Alterra at CTS
  - Organica Precious Fiber and Amédée 1851 at CLM
- **Opening of new sales sites and services centers** that are closer to customers
  - Mexico – CPF
  - Algeria, Central America and Asia – Chargeurs PCC Fashion Technologies
  - United States and China – CTS

Talent Management

- **Moves to modernize and globalize organizational structures**
  - New organizational structure by continent for CPF
  - New Worldwide Managing Director for Chargeurs PCC Fashion Technologies, based in the United States, and synergies created in the new merged outfit
- **High-level, tailor-made training programs** at Harvard and with the Hidden Champions Institute in Berlin for a first group of Chargeurs Executive Talents
- **Launch of innovative cross-business projects** led by Young Talents identified within the Group

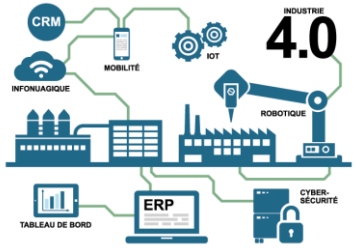
Game Changer plan: daily discipline to create long-term value

"A WORLD OF" NICHE MARKET LEADERS

Game Changer – our major achievements

Smart & Advanced Manufacturing

- **Optimization of supplier and customer logistics across all businesses**
  - Re-engineering raw materials and logistics flows
  - Automating new production phases
- **Investing in the industry of the future and game-changing technologies**
  - "Techno Smart" 4.0 production line, big data management and vertical laminators for applying protective films to glass at CPF
  - New high-tech 40 gauge machine at CFT
  - Mastering new materials at CTS
  - Sublimation printing line at Leach
  - Blockchain at CLM



Distinctive Innovation

- **New product ranges to capture additional market share** at CPF:
  - Product ranges dedicated to protecting structured surfaces and PVC-like products for stamping
  - Introducing Low Noise technologies to new market sub-segments: stainless steel, stratified and profiled
- **Break-through innovations**
  - Anti-moire effect for interlining, and extension of the 40-gauge product range at CFT
  - Sublimis, voted "product of the year" by SGIA, Alterra and Acoustic pods at CTS
  - Anti-counterfeit protection for premium textile products at CTS, using RFID chips

ALTERRA by DECOPRINT SENFA DECOPRINT

Product OF THE Year SGIA

Specialty Printing & Imaging Technology SGIA EXPO

Non-financial drivers underpinning our value creation strategy

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INNOVATION

Innovating to meet global challenges and enhance the sustainability of our customers' products

DIGITAL

Investing in digital technology to secure ties between Chargeurs and its ecosystem

TALENT MANAGEMENT

Investing in our people to support the Group's growth

COMMUNITY ENGAGEMENT

Supporting community initiatives that have a positive impact on society

ENVIRONMENT

A commitment to the environment that means reducing our footprint by managing our resources and nurturing a circular economy

GOVERNANCE

A robust corporate governance structure to ensure the consistency of Chargeurs' strategy over the long term

The *Iconic Champions* program in action

Matthieu Balescut
Executive Vice President, Business Development & Strategy

Launch of the Iconic Champions plan: continued premiumization

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From
"the best-offer culture"
to
"the must-have strategy"

"Iconic champions"

- #1 brand worldwide
- A go-to, indispensable partner
- An unrivaled partner
- Superior emotional appeal
- Designer of innovations
- Additional success and value creation
- Creative, proactive partners
- Fully immersed in our customers' strategies

Global champions

- #1 in global market share
- Superior technical and services offering
- Best value for money
- Superior functional & experimental expertise
- Provider of innovative products
- Technical experts
- Reliable teams
- Proximity with customers

Business Review

Olivier BUQUEN
Chief Financial Officer

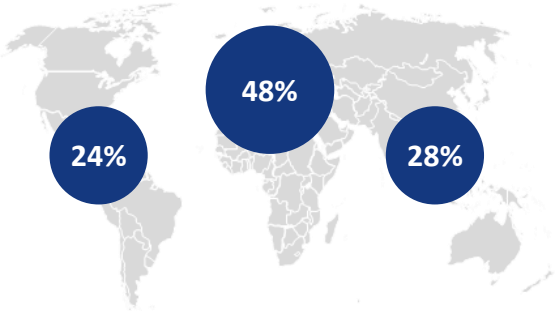
The Chargeurs Group at a Glance

"A WORLD OF" NICHE MARKET LEADERS

Worldwide industrial excellence

Serving over 90 countries

Geographic breakdown of 2018 revenue



94% of revenue generated in international markets

- **17 plants:**
  - 7 in Europe
  - 4 in North America
  - 3 in Asia
  - 2 in Latin America
  - 1 in Africa
- **16 R&D and Quality laboratories:**
  - 7 for Fashion Technologies
  - 4 for Protective Films
  - 4 for Luxury Materials
  - 1 for Technical Substrates

Leadership positions in niche markets

Protective Films

No. 1 worldwide
in quality surface protection

Leadership position in
10 market segments

Fashion Technologies

No. 1 worldwide
in interlinings

Leadership position in
4 market segments

Technical Substrates

European leader
in functionalized textiles

Leadership position in
4 market segments

Luxury Materials

No. 1 worldwide
in high-quality combed wool

Leadership position in
3 market segments

A robust financial profile

Success of the strategic Game Changer plan confirmed in 2018

Revenue	€573.3m	+7.6% (+2.6% like-for-like)
EBITDA	€59.8m	+9.5%
Recurring operating profit	€49.0m	+10.4%
Net profit	€26.6m	+5.6%
Cash generated by operations	€36.9m	+0.8%

A strong balance sheet structure

- Signature of a **game-changing €230 million syndicated loan agreement** in December 2018, with excellent financial terms and conditions

2018: an excellent year with further acceleration in performance

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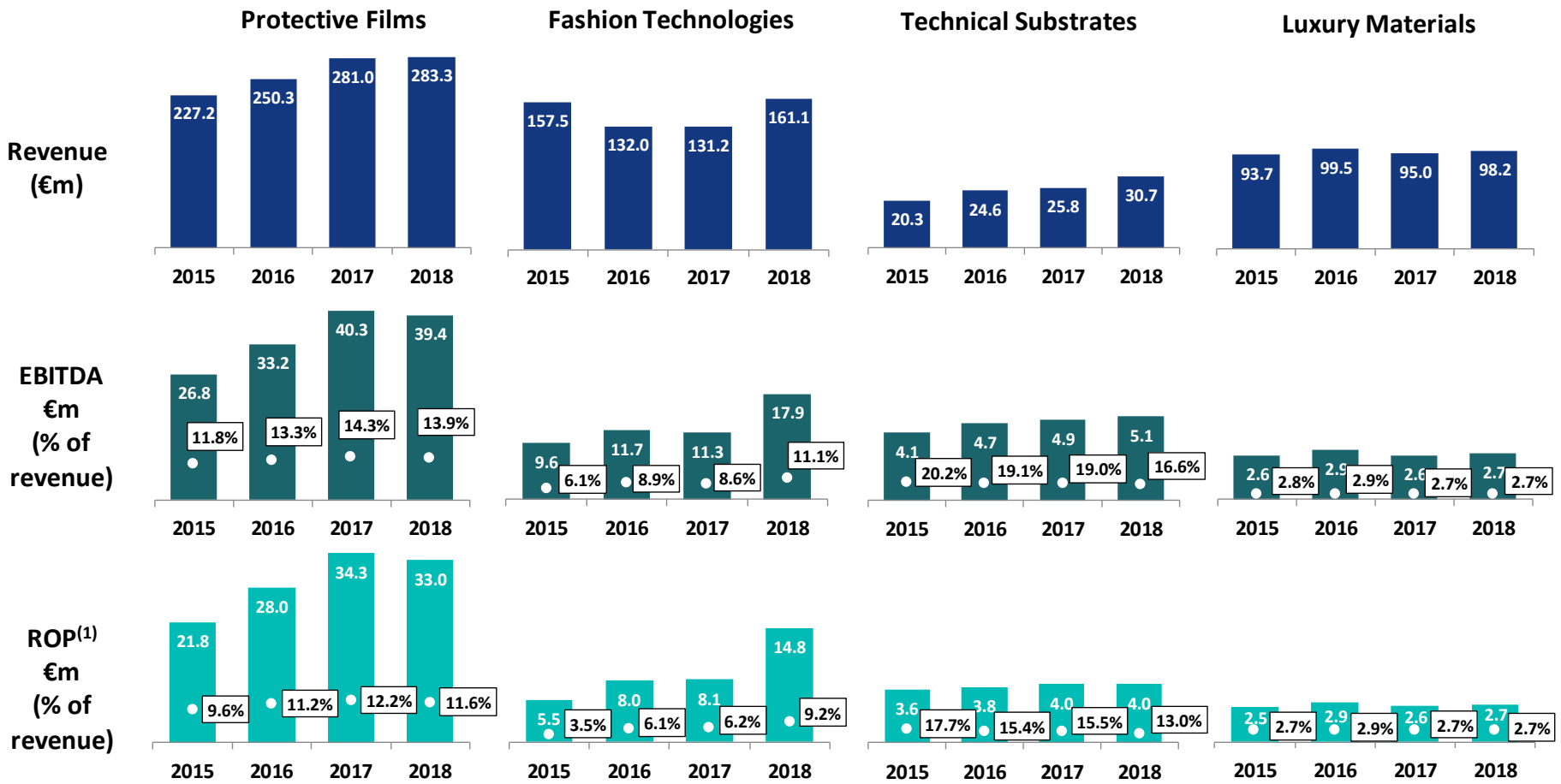
Very robust growth in the Group's operating performance: 8.5% operating margin in 2018, representing a 240-bp increase in ROP[1] margin since 2015



(1) Before amortization of intangible assets resulting from acquisitions

Chargeurs Protective Films

"The leading innovative coating solutions"

2018 Highlights

- Preparation for the launch of a **techno-smart 4.0 production line** in Italy, scheduled for mid-2019
- Launch of **Deep Blue**, a new range of phthalate-free and PVC-free environmentally-friendly films
- Acceleration of the rollout of the division's innovative offering of surface protective film application solutions, **Chargeurs Protective Specialty Machines**

Key figures

Record-high revenue in 2018 and preparations for stepping up the premiumization of the solutions offering in 2019

In euro millions	Twelve months 2018	2017	2016	Change 18/17 reported	Change 18/17 like-for-like[2]	Change 18/16
Revenue	**283.3**	281.0	250.3	+0.8%	+0.0%	+13.2%
EBITDA	**39.4**	40.3	33.2	-2.2%		+18.7%
as a % of revenue	***13.9%***	*14.3%*	*13.3%*			
Recurring operating profit[1]	**33.0**	34.3	28.0	-3.8%		+17.8%
as a % of revenue	***11.6%***	*12.2%*	*11.2%*			

(1) Before amortization of intangible assets resulting from acquisitions

(2) Based on a comparable scope of consolidation and at constant exchange rates

- Record-high revenue of €283.3 million, **up 0.8% on 2017** – which was a particularly high basis of comparison – and a sharp 13.2% rise compared with 2016.
- Pursuit of the premiumization strategy for the solutions offering and continuation of the selective marketing policy aimed at improving the product mix and strengthening pricing power:
  operating margin above 11.5% despite a negative currency effect and continued investment in growth opex;
  excluding currency effect, the operating margin rate would have been higher than 12.5%
- Launch of the new techno-smart 4.0 coating line in Italy, scheduled for mid-2019. This line will enable CPF to increase its capacity for producing premium & high added-value solutions and ultimately to consolidate its global leadership position.

Chargeurs PCC Fashion Technologies

"IN'SIDE FASHION"

2018 Highlights

- Game-changing acquisition of the USA and Asia-based **PCC Interlining,** bringing together two entities with **solid fundamentals** to create long-term value
- **Global leadership** strengthened, notably in terms of nomination
- Acceleration of the **customer-centric** strategy

PCC PRECISION • INTERLINING

Eco' In

Key figures

An excellent operating performance, with a 300-bp increase in ROP margin in 2018

	Twelve months			Change 18/17		Change
In euro millions	**2018**	**2017**	**2016**	**reported**	**like-for-like[2]**	**18/16**
Revenue	**161.1**	131.2	132.0	+22.8%	+6.9%	+22.0%
EBITDA	**17.9**	11.3	11.7	+58.4%		+53.0%
as a % of revenue	***11.1%***	*8.6%*	*8.9%*			
Recurring operating profit[1]	**14.8**	8.1	8.0	+82.7%		+85.0%
as a % of revenue	***9.2%***	*6.2%*	*6.1%*			

(1) Before amortization of intangible assets resulting from acquisitions
(2) Based on a comparable scope of consolidation and at constant exchange rates

- A **22.8% revenue hike**, with strong like-for-like growth (6.9%), fueled by the fast integration of **PCC Interlining in the United States and Asia** and by the business's customer-centric strategy
- An excellent operating performance, with a **300-bp increase** in ROP margin to 9.2% in 2018
  - Strong commercial momentum for upscaling solutions and services offerings
  - Numerous synergies achieved thanks to the addition of PCC Interlining's expertise: a stronger presence in all geographic regions and a greater revenue contribution from nominations

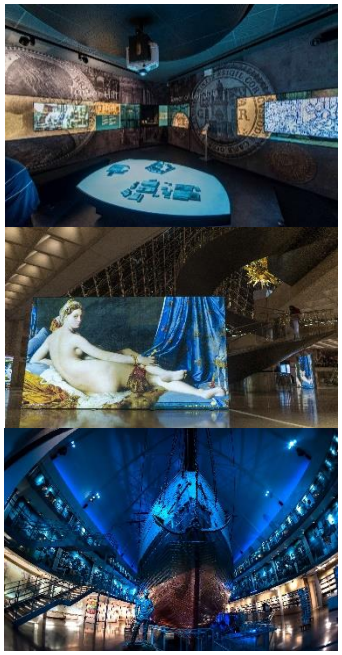
Chargeurs Technical Substrates

An industrial champion

2018 Highlights

- Integration of **Leach**, the leading UK producer of high-end visual communication solutions, and creation of a comprehensive solution offering
- Sublimis voted "**product of the year**" at the SGIA Expo printing technology trade show in Las Vegas
- First industrial partnership forged in innovation-intensive textiles

LEACH



Key figures

Acceleration of growth capex to help top the €100m revenue mark by 2021

	Twelve months			Change 18/17		Change
In euro millions	**2018**	**2017**	**2016**	**reported**	**like-for-like[2]**	**18/16**
Revenue	**30.7**	25.8	24.6	+19.0%	-5.4%	+24.8%
EBITDA	**5.1**	4.9	4.7	+4.1%		+8.5%
as a % of revenue	***16.6%***	*19.0%*	*19.1%*			
Recurring operating profit[1]	**4.0**	4.0	3.8	+0.0%		+5.3%
as a % of revenue	***13.0%***	*15.5%*	*15.4%*			

(1) Before amortization of intangible assets resulting from acquisitions
(2) Based on a comparable scope of consolidation and at constant exchange rates

- **19.0% increase in revenue to €30.7 million**, led by strategic acquisition of **Leach**, the leading UK producer of high-end visual communication solutions, enabling CTS to widen its offer of original solutions and access new niche markets
- More launches of disruptive innovations, such as Sublimis, which was voted "product of the year" at the SGIA Expo printing technology trade show in Las Vegas
- Establishment of strategic partnerships which should represent growth potential of turnover up to 10% per year in a full year
- Appointment of Sampiero Lanfranchi as Managing Director of Chargeurs Technical Substrates in January 2019 to intensify its external growth with the **aim of topping the €100 million revenue mark by 2021**

Chargeurs Luxury Materials

"From the sheep to the shop"

2018 Highlights

- Accelerated premiumization of the product range thanks to the launch of the digital brand, **Amédée 1851**, specialized in scarves and squares made of premium-grade fibers
- Integration of **RWS** (Responsible Wool Standard) certification into CLM's Organica Precious Fiber label – the world's first label for certified and traceable premium-grade fibers

ORGANICA
PRECIOUS FIBER

RESPONSIBLE WOOL STANDARD
R·W·S
CERTIFIED
©TextileExchange

BLOCK CHAIN

Key figures

Successful premiumization strategy

In euro millions	Twelve months 2018	2017	2016	Change 18/17 reported	like-for-like[2]	Change 18/16
Revenue	**98.2**	95.0	99.5	+3.4%	+6.4%	-1.3%
EBITDA	**2.7**	2.6	2.9	+3.8%		-6.9%
as a % of revenue	***2.7%***	*2.7%*	*2.9%*			
Recurring operating profit[1]	**2.7**	2.6	2.9	+2.1%		-8.5%
as a % of revenue	***2.7%***	*2.7%*	*2.9%*			

(1) Before amortization of intangible assets resulting from acquisitions
(2) Based on a comparable scope of consolidation and at constant exchange rates

- Strong sales performance with **revenue up 3.4%** year on year, particularly buoyed by the signature of a strategic commercial agreement in Europe
- Launch of the luxury digital brand, Amédée 1851, www.amedee1851.com, specialized in scarves and squares made of premium-grade
- Strengthened marketing clout thanks to the integration of RWS (Responsible Wool Standard) certification into the Organica Precious Fiber label
- Continuation of the commercial strategy of selecting high quality, traceable and durable fibers whose properties mean they can be sold at a premium to major customers in the luxury and sportswear markets worldwide

Financial review

Olivier BUQUEN
Chief Financial Officer

Consolidated Income Statement

Double digit growth in recurring operating profit: + 10.4%

In euro millions	2018	2017	Change		*Comments*
Revenue	**573,3**	533,0	+40.3	*+7.6%*	+2.6% like-for-like: premiumization, new improvement in price/mix despite a difficult basis for comparison
Gross margin *as a % of revenue*	**154,3** *26,9%*	141,6 *26,6%*	+12.7	*+9.0%*	Positive price/mix effect and impact of acquisitions
EBITDA *as a % of revenue*	**59,8** *10,4%*	54,6 *10,2%*	+5.2	*+9.5%*	Growth driven by effects of productivity plan
Depreciation and amortization	**(10,8)**	(10,2)	(0,6)	*+5.9%*	Ambitious and tightly-controlled strategy for capacity and technology spending
Recurring operating profit ***as a % of revenue***	**49,0** *8,5%*	44,4 *8,3%*	+4.6	*+10.4%*	Up 6.5% like-for-like: improved mix and higher volumes. Oper. leverage effect and accretive impact of acquisitions
Amort. assets linked to acquis.	**(0,9)**	0,0			Amortization of intangible assets linked to acquisitions in 2018: PCC and Leach
Non-recurring items	**(5,9)**	(5,9)	0,0		Negative impacts of acq. and development projects (€6.4m); CFT & CTS restructuring (€1.3m); and badwill (€1.7m)
Operating profit	**42,2**	38,5	+3.7	*+9.6%*	Improved mix, accretive impact of acquisitions and good cost discipline
Finance costs, net	*(8,9)*	*(7,5)*	*(1,4)*		*Full year effect of the June 2017 Euro PP and strengthening of financial ressources*
Other financial income and expense	*(1,7)*	*(1,0)*	*(0,7)*		*Change in fair value of shares held in treasury*
Net financial expense	**(10,6)**	(8,5)	(2,1)		
Income tax expense	**(5,1)**	(4,0)	(1,1)		Optimized use of the Group's tax loss carryforwards
Investments in equity-accounted investees	**0,1**	(0,8)	+0.9		Positive impact of CLM accounted investees
Profit for the period	**26,6**	25,2	+1.4	*+5.6%*	Increase of +5.6% thanks to the operational leverage and accretive acquisitions of PCC and Leach

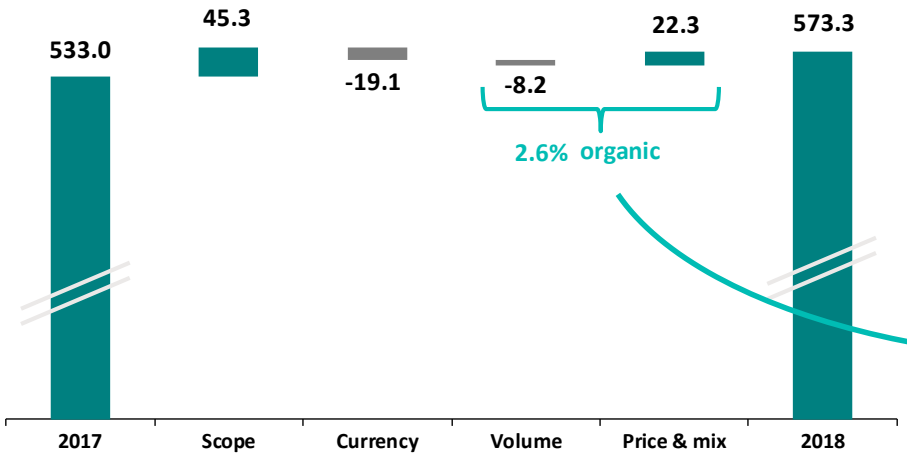
- 2.6% like-for-like revenue growth, driven by the **Group's premiumization strategy**
- Gross profit up 9.0% thanks to a better product mix and rigorous currency and commodities management
- EBITDA up 9.5%, led by revenue growth, on the back of strong operating showings and the effect of the Annual Performance Plan
- **ROP(1) 10.4% higher year on year, fueled by the sharp rise in EBITDA** and the fact that there was only a slight increase in depreciation and amortization expense
- Net finance costs higher due to additional financial resources raised to support the Group's growth targets
- Contained income tax expense, with continued optimal use of tax loss carry forwards (amounting to over €300m)
- **Attributable net profit up 5.6%, thanks to strong operating showings and the accretive acquisitions of PCC and Leach**

(1) Before amortization of intangible assets resulting from acquisitions

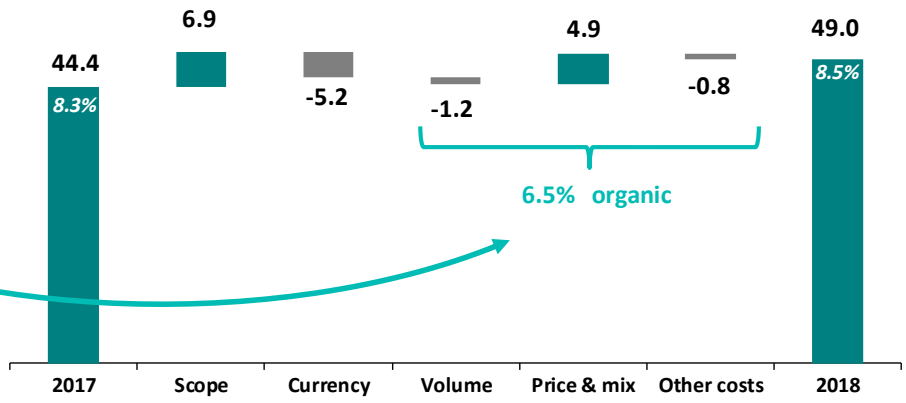
Profitable revenue growth

"A WORLD OF" NICHE MARKET LEADERS

Revenue bridge (in €m)



Recurring Operating Profit[1] bridge (in €m)



Main effects on revenue

- Scope — acquisitions: PCC, Leach and CPSM
- Currency — ARS, BRL, NZD and USD
- Volume — inventory shedding by CPF's customers
- Price/mix — premiumization in all businesses

Main effects on recurring operating profit

- Scope — accretive effect of PCC, Leach and CPSM
- Currency — negative impact of USD for CPF
- Volume — inventory shedding by CPF's customers
- Price/mix — premiumization in all businesses
- Other costs — opex to drive growth

(1) Before amortization of intangible assets resulting from acquisitions

Highly successful Annual Productivity Plan

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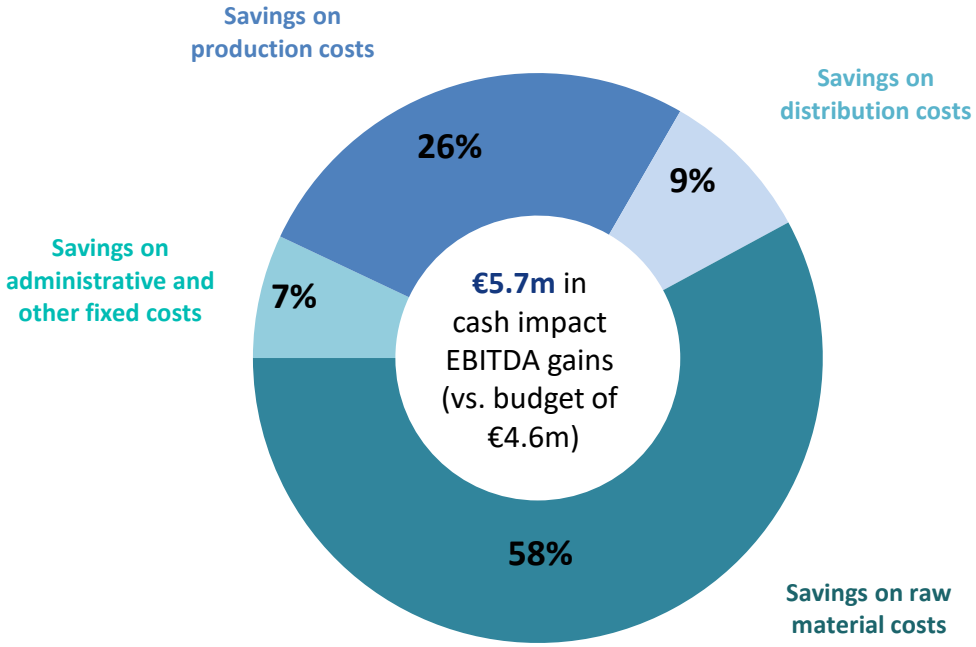
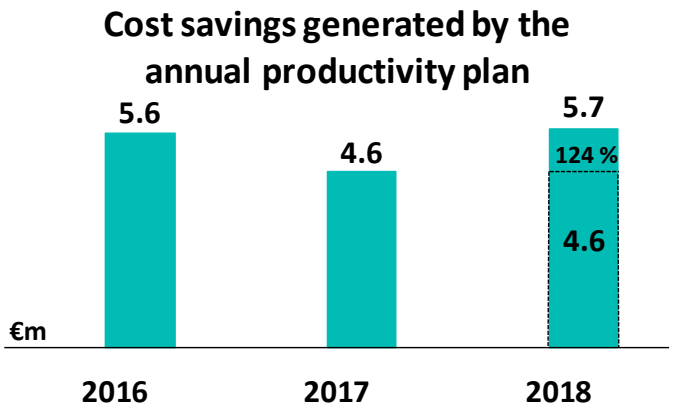
2018 achievement: €5.7m in cost savings for the full year, with a cash impact (vs. target of €4.6m)





2016-2018 Group performance plans:

- **€5.7m in savings** achieved in 2018, i.e. **124%** of the €4.6m target set for the year
- An aggregate **€15.9m** in savings achieved since end-2015

Statement of Cash Flows

Further strong cash generation, with resources used in line with the Group's growth strategy

In euro millions	2018	2017	*Comments*
EBITDA	**59.8**	**54.6**	Up 9.5% thanks to a better mix; and the productivity plan
Non-recurring – cash	*(7.7)*	*(5.1)*	Acquisitions and development projects (€6.4m); CFT & CTS restructuring (€1.3m)
Finance costs - cash	*(8.9)*	*(7.5)*	Increase and extension in financing raised for the Group's development
Income tax – cash	*(6.0)*	*(7.0)*	Optimized use of tax credits
Other	*(0.3)*	*1.6*	
Cash generated by operations	**36.9**	**36.6**	**Solid cash generation**
Dividends from equity-accounted investees	**0.0**	**0.8**	2017: exceptional dividend related to a real estate sale
Change in working capital (excl. currency effect)	**(22.5)**	**(6.7)**	Lower inventories for CPF clients and growth strategy
Net cash from operating activities	**14.4**	**30.7**	**Solid operating cash flow maintained including the effects of the Game Changer Plan**
Purchases of PPE and intangible assets	**(24.3)**	**(13.6)**	Protective Films: capex of the techno-smart 4.0 production line launch scheduled for mid-2019
Cash dividend	**(10.8)**	**(6.6)**	Policy of paying a recurring increasing the dividend
Changes in scope of consolidation	**(65.3)**	**(5.5)**	2018 acquisitions: PCC for €51.1m and Leach for €14.8m
Currency	**(3.5)**	**0.3**	
Other	**(11.6)**	**0.4**	Repurchase of treasury stock between September and December 2018
Total	**(101.1)**	**5.7**	**Deployment of financial resources in line with the Group's growth strategy**

Opening net cash (12/31/y-1)	**8.9**	**3.2**
Net debt (-)/cash (+) at closing (12/31/y)	**(92.2)**	**8.9**

- Strong cash generation allowed the Group to spend on growth capex (e.g. for CPF's techno-smart coating line which will be launched in mid-2019) and carry out targeted acquisitions, while once again paying a higher dividend

A very robust balance sheet structure

In euro millions	Dec. 31, 2018	Dec. 31, 2017	*Comments*
Intangible assets	**158.1**	88.3	2018 acquisitions: +€41m in goodwill and +€28m in brands
Property, plant and equipment	**80.7**	63.2	Higher capex, reflecting €20m outlay in Nov. 2017 for CPF
Equity-accounted investees	**13.1**	11.7	Change in scope : acquisition of PCC equity-accounted investees
Net non-current assets	**12.9**	13.2	
Working capital	**64.6**	44.6	Lower inventories for CPF clients and growth strategy
Total capital employed	**329.4**	**221.0**	
Equity	**237.2**	**229.9**	Profit: €26.6m; div. €(10.8)m; Treasury stock €(10.2)m
Net debt (+) / Net cash (-)	**92.2**	**(8.9)**	Net cash from op. activities: €143m; capex: €(24)m; acq.: €(65)m; div.: €(11)m; treasury stock €(10)m
Total	**329.4**	**221.0**	

Number of shares at December 31, 2018: 23,551,755

Financial resources strengthened again

	Dec. 31, 2018		Dec. 31, 2017	
	Nominal (€m)	Average maturity (years)	Nominal (€m)	Average maturity (years)
Drawn financing facilities	**195.7**	**4.7**	199.0	5.0
Undrawn financing facilities (*)	**206.5**	**5.8**	78.2	3.3
Total financial resources confirmed	**402.2**	**5.3**	277.2	4.6

(*) of which € 130 million dedicated to the financing of future acquisitions and investments

Tightly-managed financial ratios

	Dec. 31, 2018	Dec. 31, 2017
Leverage ration: net debt/EBITDA	**1.5**	(0.2)
Gearing ration: net debt/equity	**0.4**	0.0

Outlook

Michaël Fribourg
Chairman & Chief Executive Officer

Medium- and long-term outlook

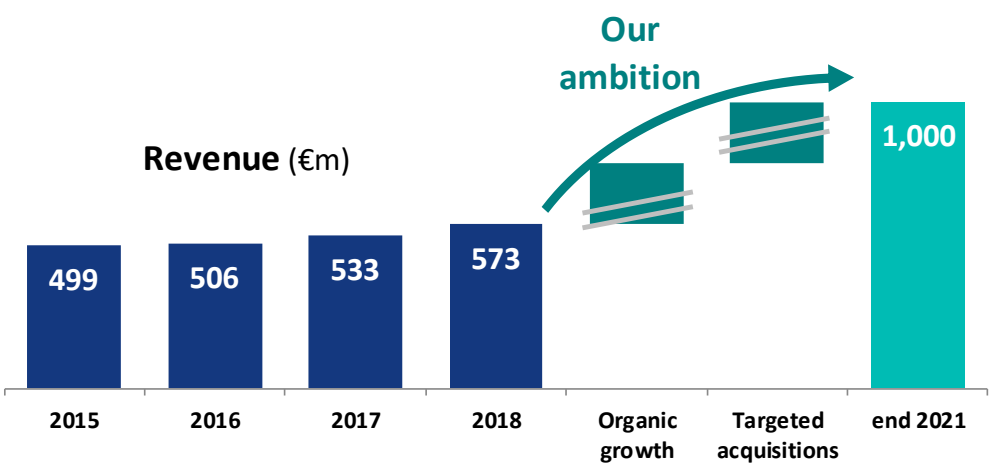
2019 outlook

- Revenue growth
- Higher ROP (before amortization of intangible assets resulting from acquisitions)
- Solid cash generation
- Rollout of the Iconic Champions plan

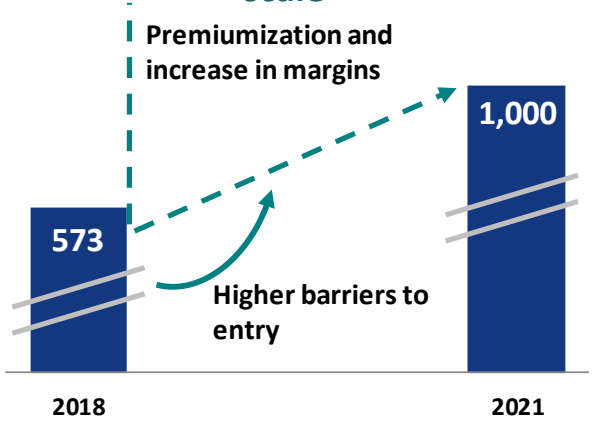
Ambitious and achievable medium- and long-term objectives

- **Target for end-2021: €1bn in profitable revenue**
  (***subject to macro-economic conditions remaining constant***)

Growth track for €1bn revenue target



Steadily rising margins thanks to the product mix and economies of scale

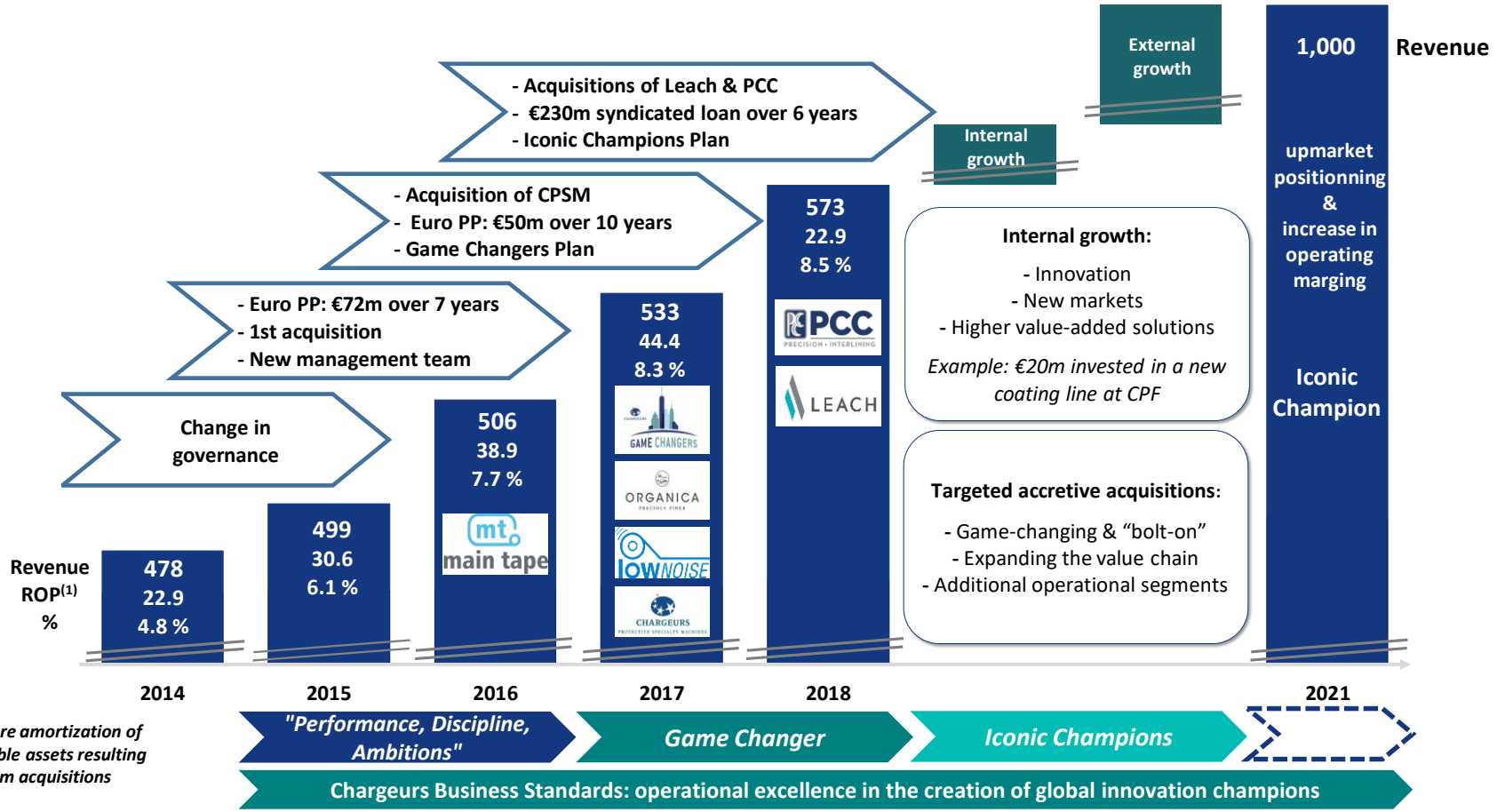


Chargeurs is rolling out its roadmap to top the €1bn revenue mark by 2021

"A WORLD OF NICHE MARKET LEADERS"

18 months after announcing its target, Chargeurs has:

- **Fully implemented its roadmap**
- **Confirmed its target of topping the €1 billion revenue mark by end-2021, one year ahead of schedule**



(1) Before amortization of intangible assets resulting from acquisitions

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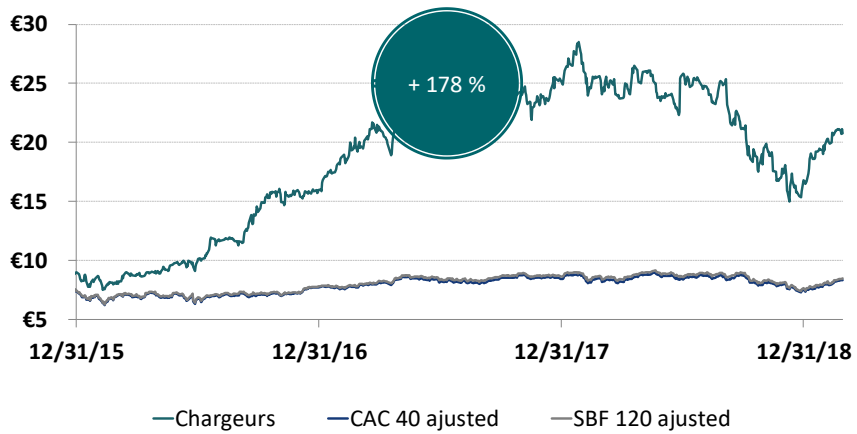
Appendices

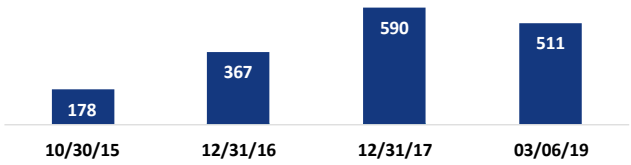
Strong shareholder value creation

Shareholder value creation strategy

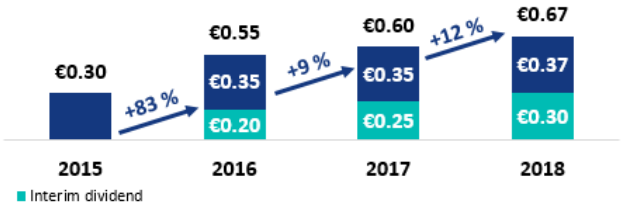
Share performance since the change in Chargeurs' governance structure
(CAC 40 and SBF 120 ajusted in ligne with Chargeurs' share price)



Market capitalization (in €m)
+187 % since 2015



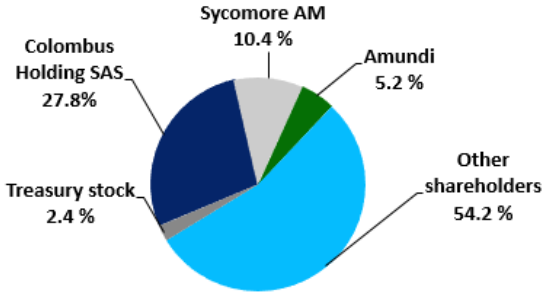
Dividend per share
+123% since 2015



- **Policy of paying a recurring dividend, steadily increasing the dividend and offering a dividend reinvestment option**
- **Putting in place a share buyback program capped at €12m**
- **Renewal of the liquidity agreement in February 2019 (representing €1.3m)**
- **Chargeurs' share performance now covered by 6 analysts:**

ALPHAVALUE
BERENBERG PARTNERSHIP SINCE 1590
ID. MidCaps
MIDCAP PARTNERS
ODDO BHF
Portzamparc GROUPE BNP PARIBAS

Ownership structure at January 31, 2019:
23,551,755 shares



Glossary

- Change **based on a comparable scope of consolidation and at constant exchange rates** (like-for-like), **organic** change or **internal** change for year Y compared with year Y-1 is calculated:
  - by applying the average exchange rates for year Y-1 to the period concerned (year, half-year, quarter); and
  - using the scope of consolidation for year Y-1.

- **EBITDA** corresponds to recurring operating profit (as defined below) restated for the amortization of property, plant and equipment and intangible assets.

- **Recurring operating profit (ROP)** corresponds to gross profit after distribution costs, administrative expenses and research and development costs. It is calculated:
  - before amortization of intangible assets resulting from acquisitions, and
  - before other operating income and expense, which correspond to non-recurring items that represent material amounts, are unusual in nature and occur infrequently, and therefore distort assessments of the Group's underlying performance.

- **Recurring operating margin** is recurring operating profit as a % of revenue.

2019 Investor Calendar

Monday, May 6, 2019 *(before the start of trading)*	First-quarter 2019 financial information
Monday, May 6, 2019	Annual General Meeting
Thursday, September 12, 2019 *(before the start of trading)*	First-half 2019 results
Thursday, November 14, 2019 *(after the close of trading)*	Third-quarter 2019 financial Information

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CHARGEURS