



**"A WORLD OF"
NICHE MARKET
LEADERS**



CHARGEURS

Investor Presentation

**Chargeurs reaffirms the effectiveness
of its leadership strategy
in high value-added niche markets**



January 2019

Chargeurs: since 2015, a long-term growth strategy successfully implemented

■ From global leadership positions to iconic champions creation: upgrade of the business models

- « Performance, Discipline, Ambition » plan launched right after the change of governance structure in 2015
- Implementation of the Chargeurs Business Standards to achieve operational excellence
- Launch of the Game Changer program in 2017 to speed up the Group’s growth and profitability
- In 2018, new marketing and iconic brands strategy to become **iconic champions** in all our businesses

■ Premiumization of the solutions offers for a long-term value creation

- Strategic growth of high value-added production capacities:
launch of the first techno-smart production line mid-2019 (CPF)
- Continuous launch of disruptive innovations:
Low Noise (CPF), anti-moire effect for interlining (CFT), Sublimis (CTS), Organica (CLM)
- New complete solutions offers developed thanks to accretive acquisitions strategy:
« films + machines » (CPF) and « textile + lightbox » (CTS)
- Deployment of the CSR strategy:
Organica Precious Fiber label offering premium and 100% traceable wool, and launch of the *Amédée 1851* digital brand

■ Fundamental transformation of the company culture

- Winning spirit broadcasted within all our businesses, and internationalization of the executive management and organizations
- Strong investments on distinctive talents: young talents & executive talents programs
- Development of our long-term resilience and robustness

Chargeurs: since 2015, a long-term growth strategy successfully implemented

■ **Successful deployment of the accretive acquisitions and integration strategy**

- Champions creation in high value-added niche markets
- Since 2015, €100m in extra revenue and more than €10m in additional recurring operating profit
- New game-changing acquisitions in 2018: Leach (CTS) in May and PCC Interlining (CFT) in August

■ **Strong enhancement of the growth profile, profitability and resilience**

- **Since 2015, size change:**
in pro forma, 2018 revenue and ROP respectively tops €600m and €50m
- Margin profile constantly reinforced:
 - Annual productivity plan set up since late 2015
 - Continuous investments in growth opex and capex to rise our businesses premiumization
- Strong financial structure: €286m in financing raised at June 30, 2018 with a debt maturity of 5 years
- Conclusion in December 2018 of a €230m syndicated credit facility, with excellent financial conditions

**Our global presence, prudence and long-term vision
make us an opportunity taker,
whatever the geopolitical and economic environment**

- 1. Since 2015:
a methodical strategy of growth
to achieve €1bn in revenue by 2021**
- 2. Summary of the first nine months of 2018:
Continued enhancement of Chargeurs' growth profile,
profitability and resilience**
- 3. A successful acquisition program:
> €100 m in additional revenue from value-generating
acquisitions, purchased at reasonable price**
- 4. Case study:
Chargeurs - PCC Interlining, a remarkable acquisition**
- 5. Industrial excellence roadmap
for long-term value creation**
- 6. Outlook**

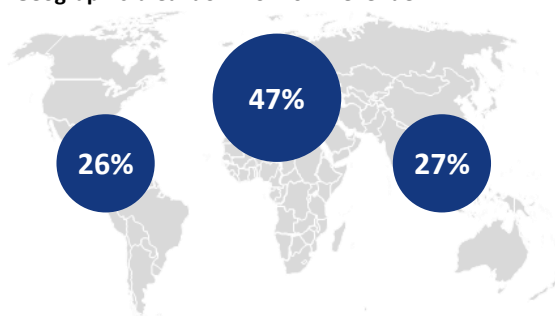


**Since 2015:
a methodical strategy of growth
to achieve €1bn in revenue by 2021**

Worldwide industrial excellence

Serving over 90 countries

Geographic breakdown of 2017 revenue



More than 90% of revenue generated in international markets

- **15 plants:**
 - 5 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 temporary 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

Solid financial performance strengthened again in 2017

Revenue

€533.0m

+5.3%

(+3.2% like-for-like)

Recurring
operating profit

€44.4m

+14.1%

(+15.9% like-for-like)

Net profit

€25.2m

+0.8%

An ever stronger balance sheet structure

- **€284m** in financing raised at Dec. 31, 2017 by the Group with a debt maturity of **5 years**
- **€230m** syndicated credit facility concluded in Dec. 2018 with excellent financial conditions

Confirmation of guidance for full-year 2018

Revenue growth

Higher operating margin

Solid cash generation

A methodical growth strategy deployed since 2015 aimed at achieving €1bn in revenue by 2021

A clear vision & solid strategy

Acting as a "designer" of our niche markets to create integrated value chains

- Strong technical expertise
- Global supply chain management
- Consumer-centric and service-oriented organizational structure
- Globally-recognized B2B brands

A success model

Managerial transformation to drive internal and external growth

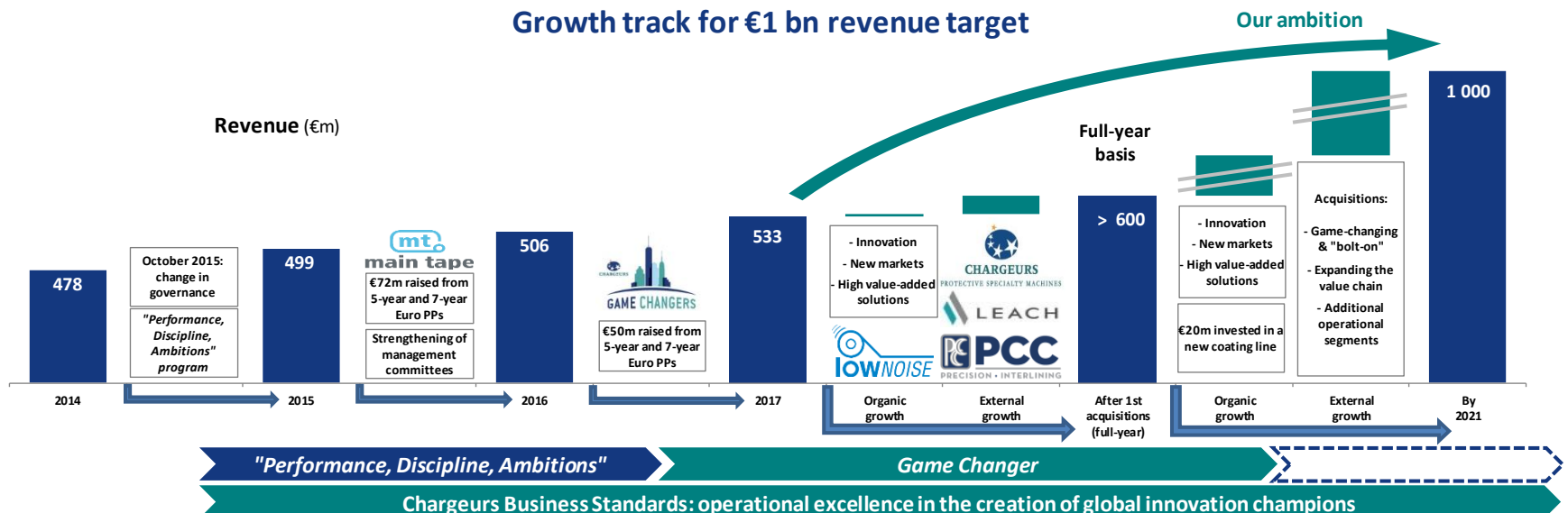
- A winning mindset and a performance culture
- Ongoing optimization of the business model
- A solid financial model
- 6 acquisitions generating €100m in revenue

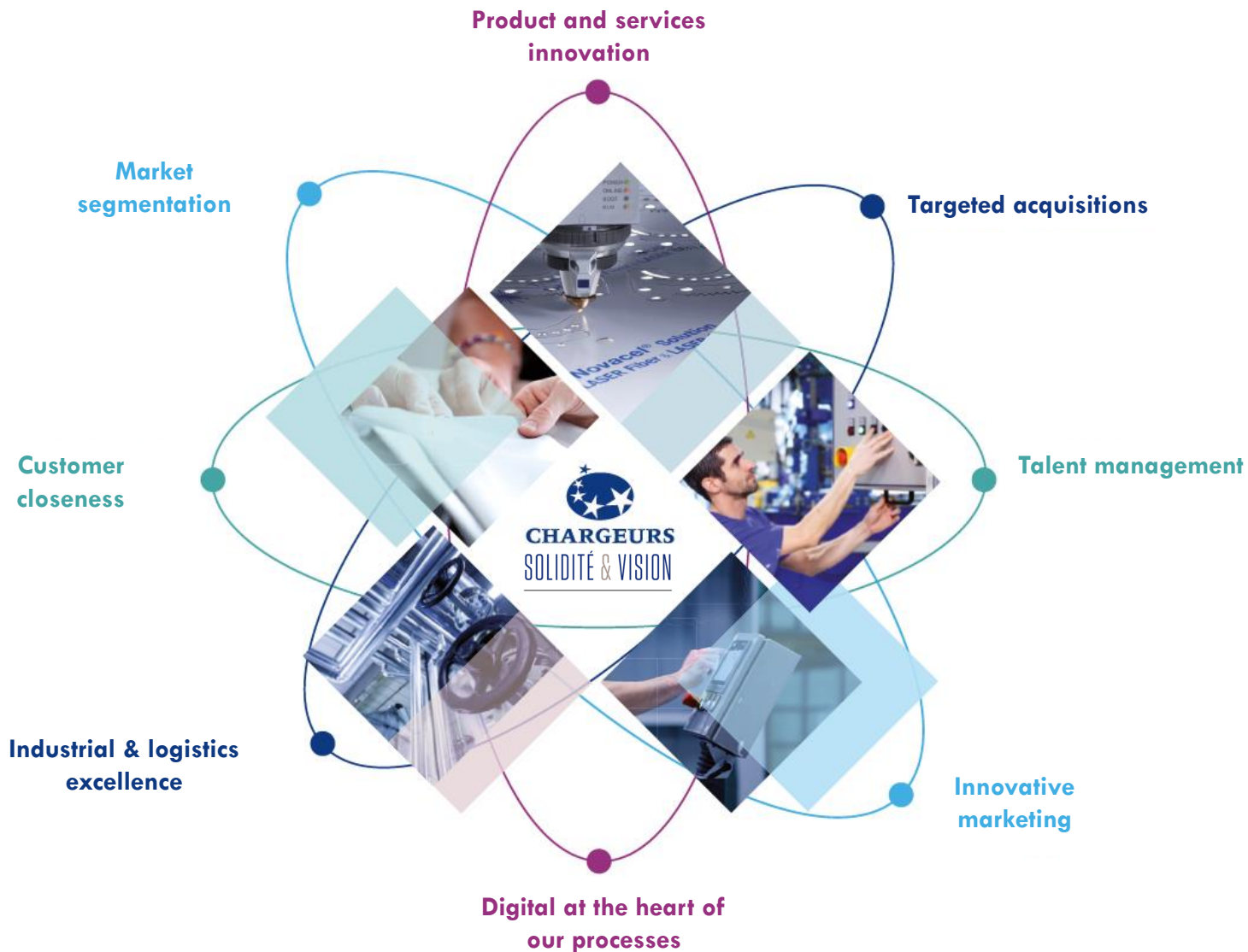
Well on the way to achieving €1bn in revenue by 2021

Upscaling and multiplying sources of growth

- Simplifying the customer universe
- Proposing multiple solutions to customers in order to meet their challenges
- Seizing highly profitable opportunities that pave the way for game-changing developments

Growth track for €1 bn revenue target





Successful deployment of the Game Changer performance acceleration plan

→ Plan aimed at accelerating the Group's growth and profitability:

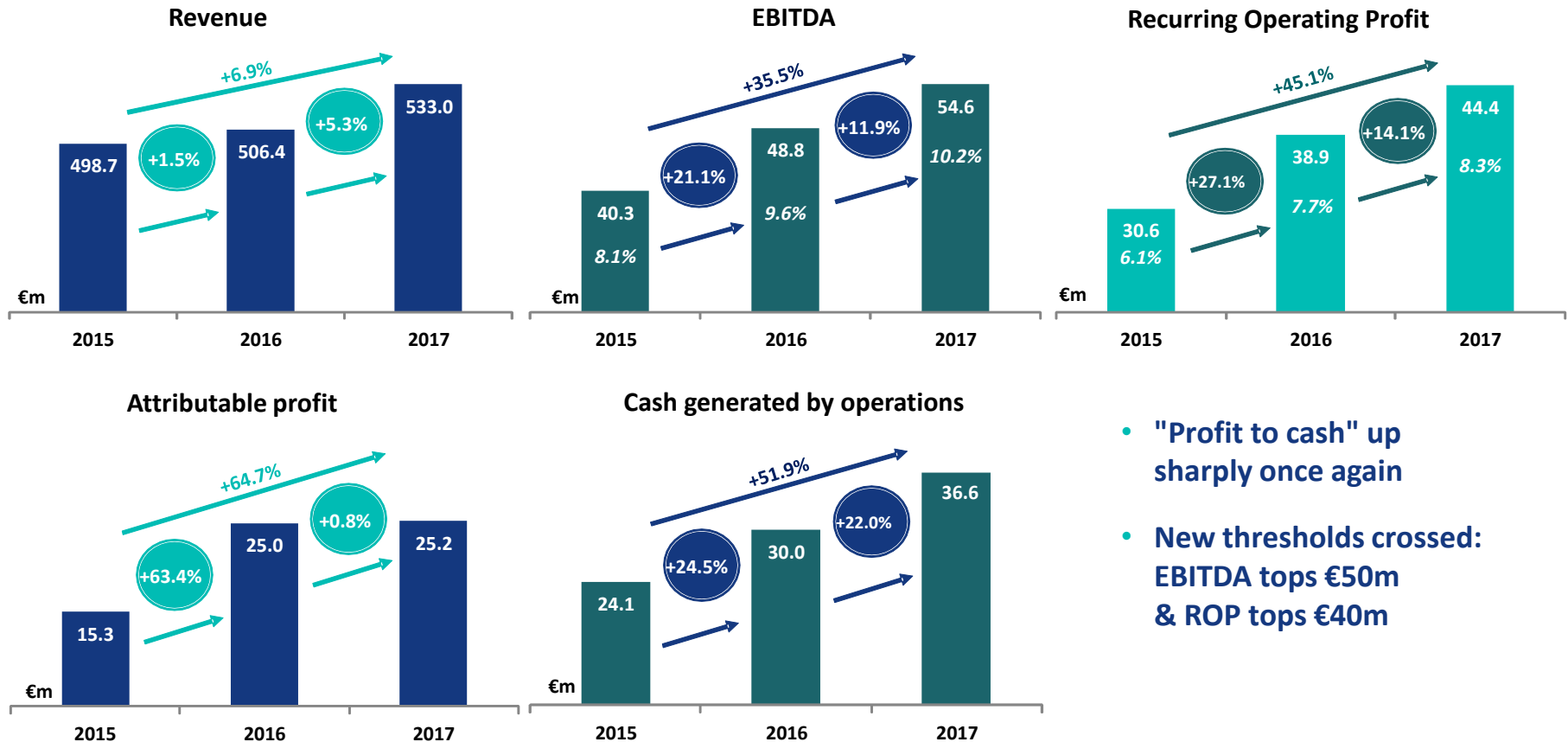
- launched in September 2017
- covering 24 months
- designed in collaboration with all of Chargeurs' teams worldwide and focused on four key areas

→ Objective:
double profitable revenue by
2021



Business upscaled in the space of three years – a robust and distinctive performance

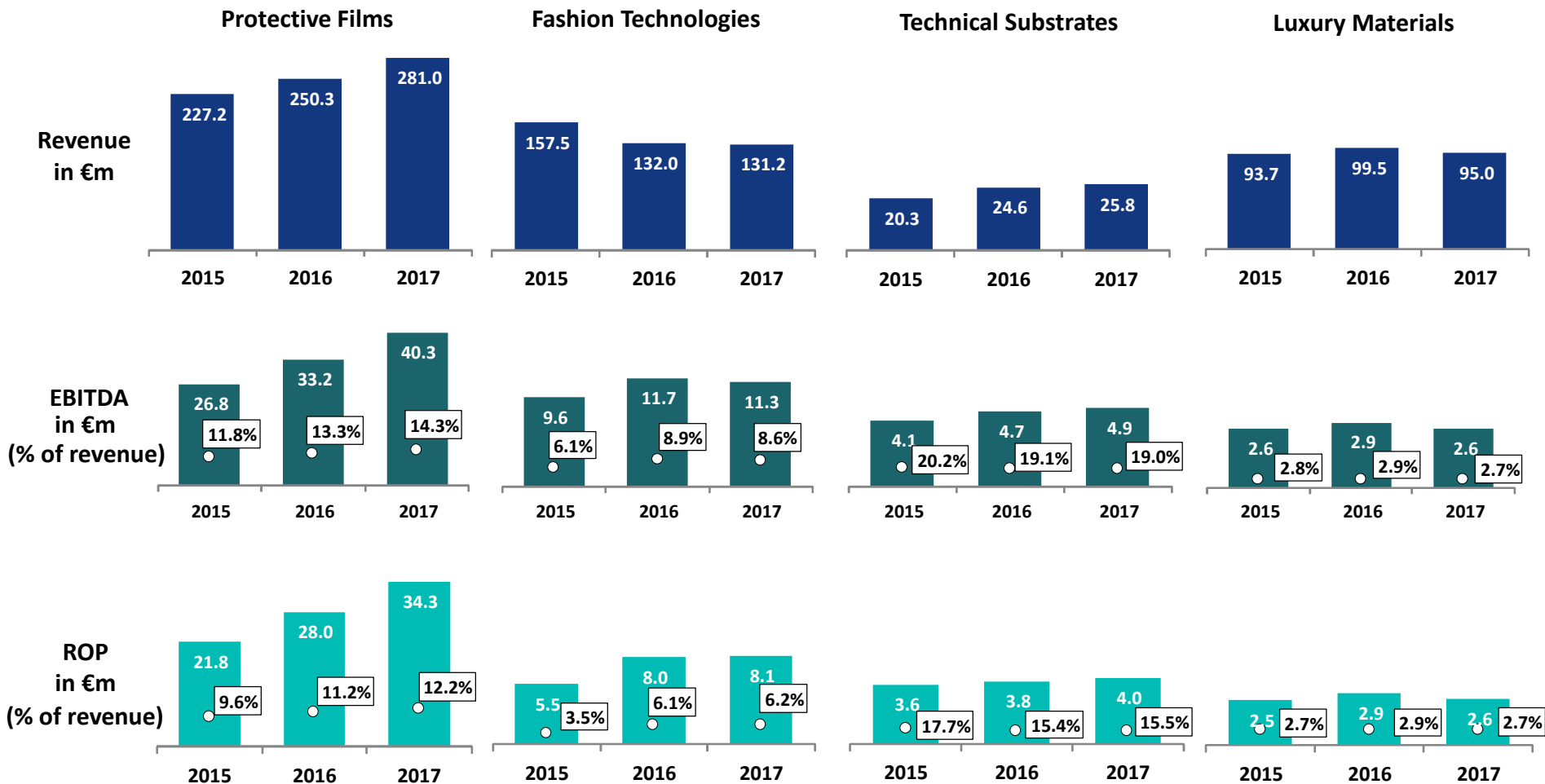
Revenue up once again and strong increase in margins and cash generated by operations



- "Profit to cash" up sharply once again
- New thresholds crossed:
EBITDA tops €50m
& ROP tops €40m

2017: an excellent year with further acceleration in performance

Results that once again reflect a stronger value creation process





Summary of the first nine months of 2018: Continued enhancement of Chargeurs' growth profile, profitability and resilience

Chargeurs continues to enhance its growth profile, profitability and resilience

Sharp improvement in performance despite:

- an adverse geopolitical and currency environment
- a very high basis of comparison

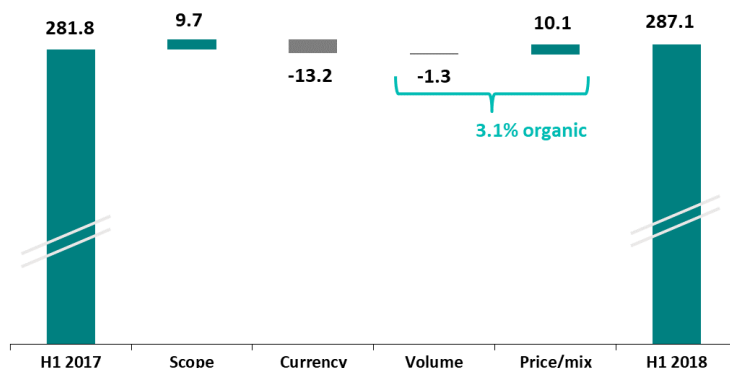


Intensified investment drive, with:

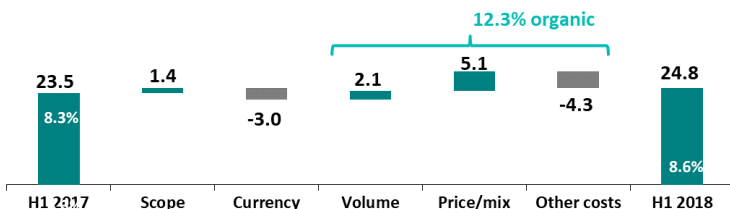
- targeted acquisitions with an accretive operating margin for the Group
- higher opex and capex to support long-term growth

➔ Immediate results combined with a long-term vision to create innovative global champions

Revenue bridge (€m)



Recurring operating profit bridge (€m)



Scope

Accretive contribution of 2017 and 2018 acquisitions:
operating margin of 14.4% in first-half 2018.

Currency

12% drop in the USD in H1 2018: negative impact of €2m on ROP linked to CPF's net seller position of around USD 20m in revenue in H1.

Excluding the USD currency effect, CPF's operating margin increased to 13.1% in first-half 2018 from 12.7% in first-half 2017.

Volume

Excluding CLM, volume had a positive impact on the Group's revenue and recurring operating profit.

Price/mix

Excluding CLM, price/mix had a positive impact on the Group's revenue and recurring operating profit.

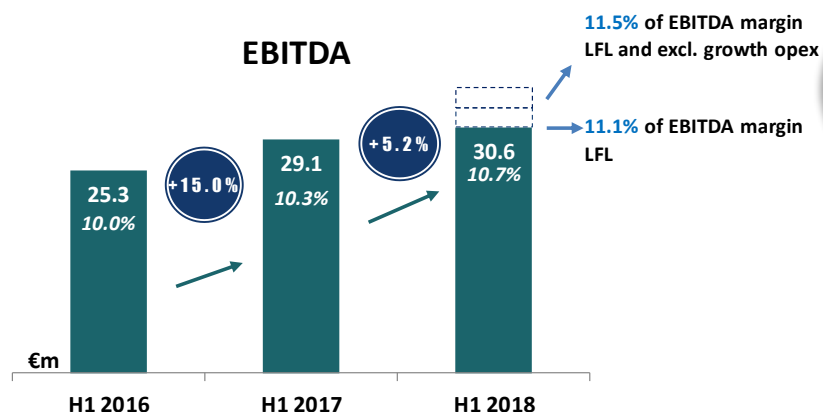
Other costs

€3.0m in opex in line with revenue growth.

€1.3m in additional growth opex over the long term.

➔ Recurring operating profit continues to grow faster than revenue despite an unfavorable currency effect

Reinvesting qualitatively our excellent financial performance in growth opex and capex



Sales & Marketing

- Bundled "products & services" offerings
- Development of iconic B2B brands
- New sales and services sites

Talent Management

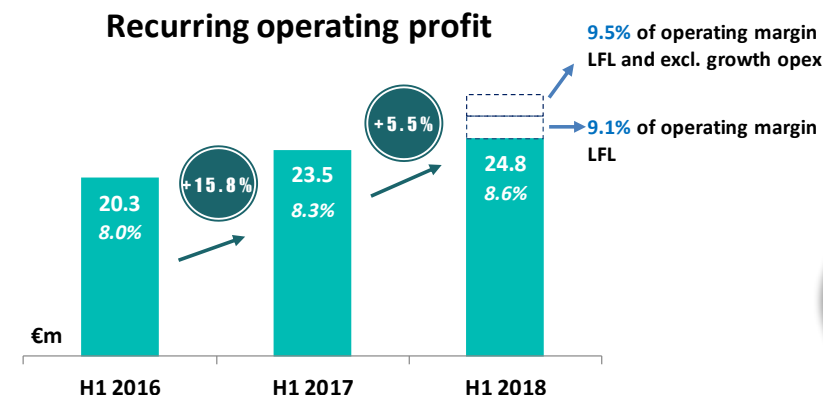
- Moves to modernize and globalize organizational structures
- High-level training for Executive Talents
- Cross-business projects led by Young Talents

Smart & Advanced Manufacturing

- Optimization of supplier and customer logistics
- Investment in the industry of the future

Distinctive Innovation

- New product ranges to capture market share
- Break-through innovations



Excluding growth opex, and on a like-for-like basis, operating margin would have widened by 120 basis points in first-half 2018 compared with H1 2017

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 at CPF
 - Sublimis at CTS
 - Organica at CLM
- **Opening of new sales sites and services centers** that are closer to customers
 - Mexico – CPF
 - Algeria and Central America – CFT
 - United States – CTS




ORGANICA
PRECIOUS FIBER

Talent Management

- **Moves to modernize and globalize organizational structures**
 - New organizational structure by continent for CPF
 - New global Managing Director for CFT, based in the United States
- **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



HARVARD
BUSINESS SCHOOL

HCI

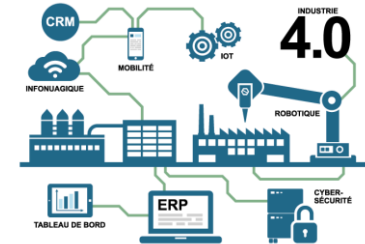
HIDDEN
CHAMPIONS
INSTITUTE



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 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

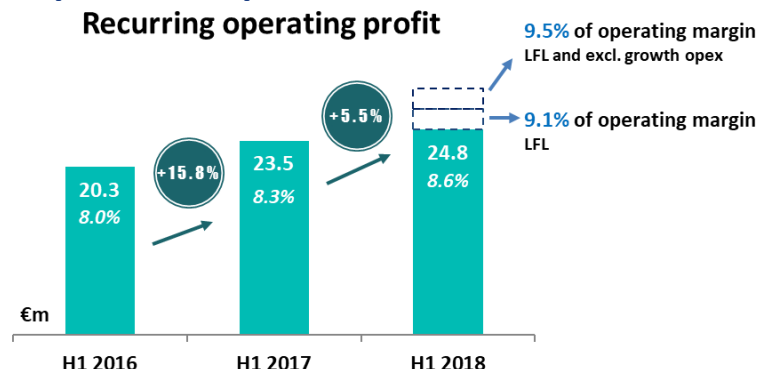
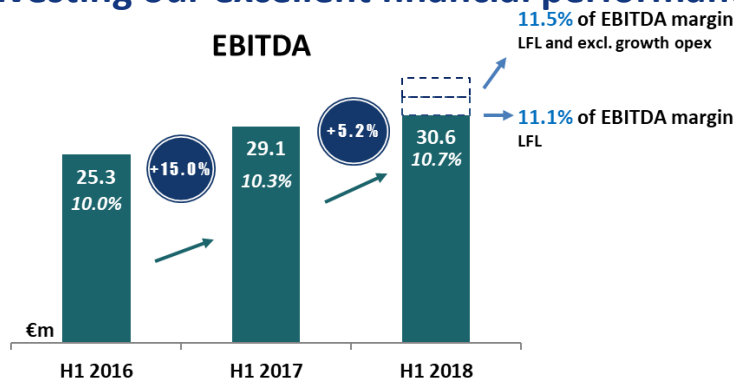


Distinctive Innovation

- **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 at CFT
 - Sublimis at CTS, voted "product of the year" by SGIA
 - Anti-counterfeit protection for premium textile products at CTS, using RFID chips

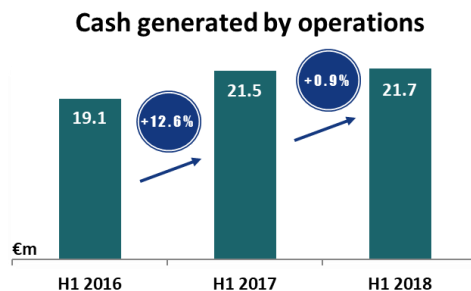
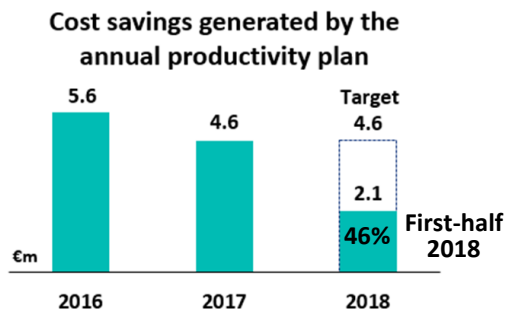


Reinvesting our excellent financial performance in growth opex and capex



➔ Excluding growth opex, and on a like-for-like basis, operating margin would have widened by 120 basis points in first-half 2018 compared with H1 2017.

Very robust cash generation and financial position to create long-term value



- **Solid cash flow from operations of €21.7m**
- Working capital increased by €16.4m in first-half 2018, due to:
 - the Group's organic growth, and
 - volatility in our markets in recent months, which reached a peak on June 30, 2018.

Note that the Group's working capital is structurally higher in the first half of the year, with December 31 marking a low point, and June 30 marking a high point, for business.

■ **Solid equity:** €240.1m at June 30, 2018, compared with €229.9m at December 31, 2017 following the payment of the €8.1m dividend for 2017

■ **Solid financing structure:** €286m in financing facilities at Group level, with an average debt maturity of 5 years, before the acquisition of PCC

Nine months ended September 30, 2018: Revenue up 4.6% year on year

<i>In euro millions</i>	Nine months		Change		Third quarter		Change	
	2018	2017	reported	like-for-like *	2018	2017	reported	like-for-like *
Protective Films	217.7	211.0	+3.2%	+1.1%	67.7	67.7	+0.0%	-4.1%
Fashion Technologies	107.8	98.7	+9.2%	+5.9%	39.0	30.9	+26.2%	+2.9%
Technical Substrates	20.4	18.3	+11.5%	-9.3%	5.6	5.8	-3.4%	-43.1%
Luxury Materials	75.4	74.8	+0.8%	+4.8%	21.9	16.6	+31.9%	+33.7%
Chargeurs	421.3	402.8	+4.6%	+2.5%	134.2	121.0	+10.9%	+1.0%

* Based on a comparable scope of consolidation and at constant exchange rates

■ Intensification of its commercial and technological premiumization strategy within Game Changer program

- Confirmation of the annual guidance and significant contribution to revenue from acquisitions
- 2018 expected to be another solid year, with investments paving the way for future growth
- €1 billion revenue target set for end-2021, ahead of schedule

■ The overall growth figure for the first nine months of 2018 breaks down as follows by operating segment:

■ Chargeurs Protective Films: confirmation of its robust fundamentals with a 3.2% year-on-year revenue rise

- Confirmation of a solid year in a highly unfavorable basis of comparison with 2017 and an unfavorable USD currency impact
- Continuation of the product range premiumization and selective sales strategy
- Launch of its techno-smart facility that will come on stream in mid-2019 to further strengthen the segment's global leadership

■ Chargeurs PCC Fashion Technologies: excellent growth dynamic with 9.2% and PCC Interlining contribution by the end of August

- PCC Interlining acquisition, located in the United States and in Asia: consolidated in the accounts by the end of August and opening up of new markets
- Pro-active commercial strategy of upscaling its products and services led by a good performance in Europe

■ Chargeurs Technical Substrates: 11.5% growth fueled by the integration of Leach proposing a new and unique offering of end-to-end solutions

- Leach acquisition, the UK market leader in graphic display solutions, in May 2018
- Speeding up the transformation and internationalization of its increasingly integrated business model and continuation of its growth opex

■ Chargeurs Luxury Materials: 4.8% like-for-like growth and continuation of the product range premiumization

- Good commercial dynamic buoyed by stronger sales in Europe
- Continuation of the premiumization strategy with an offer of premium, traceable and durable products, Organica Precious Fiber labelled.



**A successful acquisition program:
> €100m in additional revenue from value-
generating acquisitions, purchased at
reasonable price**

An acquisition strategy based on a strict and targeted model

**Distinctive
vision**

Create global champions in high value-added niche markets
Focus on accretive businesses

**Disruption
& Growth**

**Game-changing bolt-on
acquisitions** closely in line with our
strategy

Vertical acquisitions to move up
the value chain and offer
end-to-end solutions

Acquisitions in new businesses
with high growth potential

Market analysis

Target analysis

Evaluation

Integration

**Strict
methodology**

- ✓ Structural growth
- ✓ Opportunities in fragmented markets
- ✓ Strong technical features
- ✓ Opportunities for synergies

- ✓ Strong competitive positioning
- ✓ Strong, recognized brands
- ✓ Recurring revenue and a solid customer base
- ✓ Accretive margins
- ✓ Strong cultural fit

- ✓ Priority given to return on capital employed
- ✓ Sustainable revenues
- ✓ Accretive value
- ✓ High growth in EBITDA and cash flow

- ✓ Extensive work upstream of acquisitions
- ✓ Strong focus on the integration of teams and synergies
- ✓ Strict supervision of measures in place

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

An ongoing and value-creating acquisition strategy



€8m in revenue

- > Moving up the value chain
- > Offering integrated solutions



\$27m in revenue

- > Strengthening leadership in the United States
- > Adding production capacity in the USD zone



£10m in revenue

- > Disruptive vertical integration
- > Offering end-to-end solutions



\$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



Case study: Chargeurs - PCC Interlining, a remarkable acquisition

Back-to-leadership: a winning strategy from Chargeurs Fashion Technologies since 2015

A profound transformation for a return to profitable growth

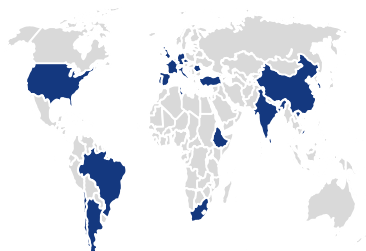
Business development



Industrial optimization



Global footprint

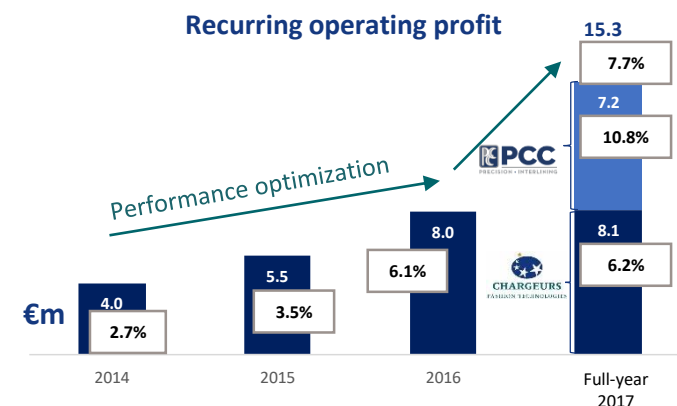
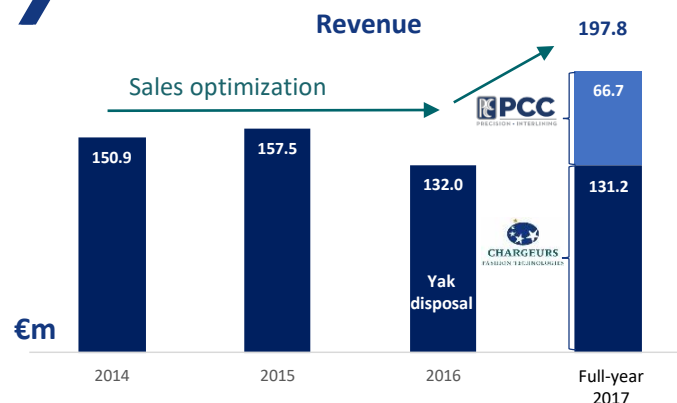


Financial growth

- **Management internationalization** and appointment of Angela Chan as Managing Director
- Major **management overhaul**: executive management and key subsidiaries
- **Decentralized management** broken down into regions

- High value-added production thanks to a **selective sales strategy**
- Supply chain optimization through **logistics excellence**
- Creation of **powerful production hubs** in Europe and Asia
- Comprehensive, innovative offering focused on **services solutions**

- **"Think global, act local"** approach closely aligned with customer needs
- An international expansion with the opening of three service centers and **operations in new countries**, such as Ethiopia, Ecuador, Peru and Bolivia
- A more diversified customer base



The fashion industry: an ongoing revolution

Chargeurs Fashion Technologies customers need to adapt to industry transforming trends



New developments in the **fast fashion** industry with extensive **digitization of the value chain**



Transition to **real-time supply chains** that require highly sophisticated logistics



The race to offer the best value for money, calling for a **"great products, great services, great expertise"** approach



More than ever before, the world's leading fast-growing brands are looking for **end-to-end and integrated solutions**



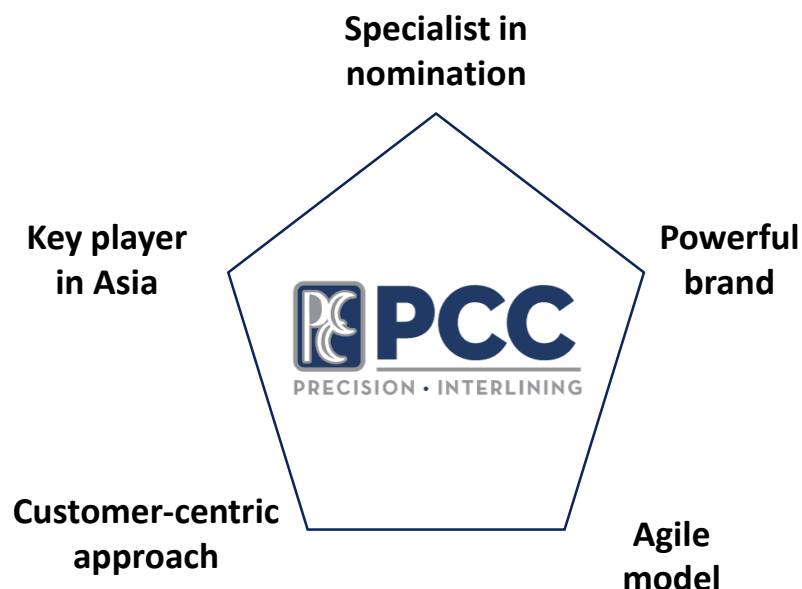
The acquisition of PCC enhances the end-customer experience with efficiency, quality and value

Precision Custom Coatings Interlining (PCC): a comprehensive array of services for brands



\$80m in revenue, of which more than **90%** generated in Asia

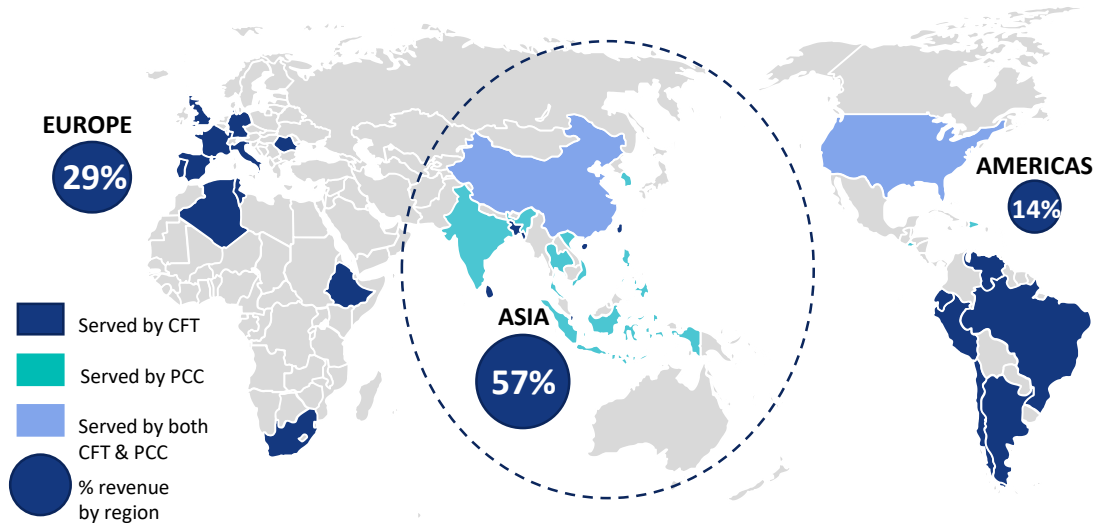
300 employees in a dozen countries, primarily in Asia and the United States



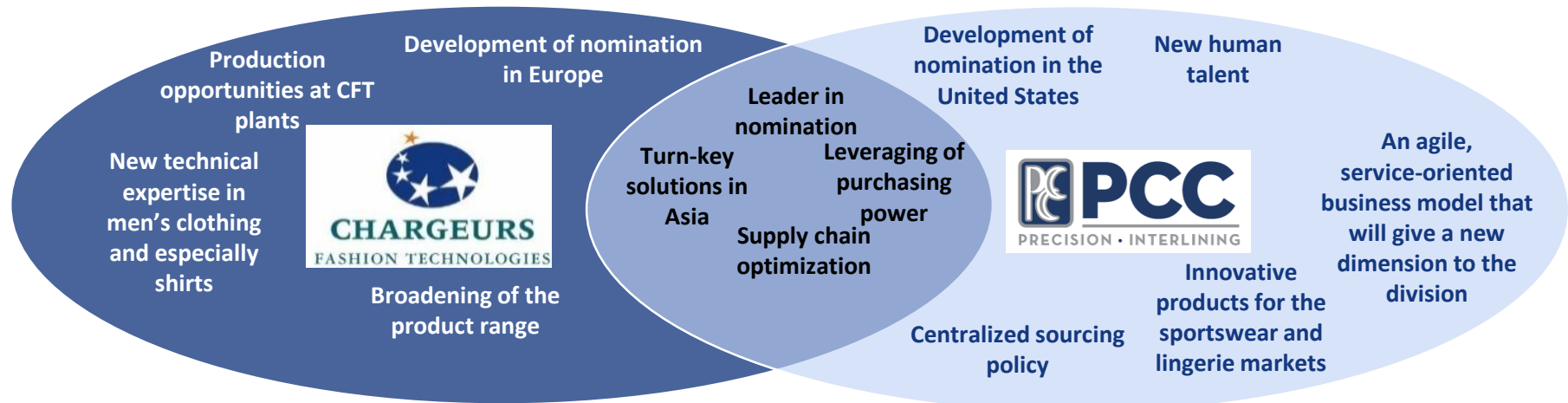
- ✓ **30 years** of business growth
- ✓ **Top 5** leading interlinings manufacturers
- ✓ Leading player in **women's fashion**
- ✓ Decision-making **at the heart of the Asian fashion industry**, with Hong Kong-based headquarters
- ✓ Sales operations in more than 20 countries, mainly in Asia
- ✓ An **international player with a local approach** and sales teams close to its major customers
- ✓ A **streamlined global sourcing strategy** built on long-term partnerships with qualified suppliers
- ✓ An **innovative business model** in a constantly evolving fashion industry
- ✓ A **consumer-centric sales strategy** creating comprehensive solutions
- ✓ **Optimized response times** to manage market expectations

CFT + PCC: a global leader with solid fundamentals at the heart of the fashion & luxury industry

A strong positioning in the new center of gravity of the fashion industry: Asia



Creation of a new leading player with solid fundamentals



A targeted and tactical acquisition for major value creation



By sharply improving the Group's profitability and financial position, the new entity is a perfect fit with Chargeurs' strict acquisition strategy

Solid revenues Accretive margins

- Since its creation in 1987, PCC's **distinctive high quality service**, has enabled it to **outperform its market** and enjoy **very strong growth** to achieve:
 - \$80m in revenue
 - \$8.8m in EBITDA and 11% EBITDA margin
 - \$8.6m in recurring operating profit and 11% operating margin
- ✓ **Strong accretive margins for CFT & Chargeurs**
- ✓ **Excellent profit-to-cash ratio**

Very strong transaction terms

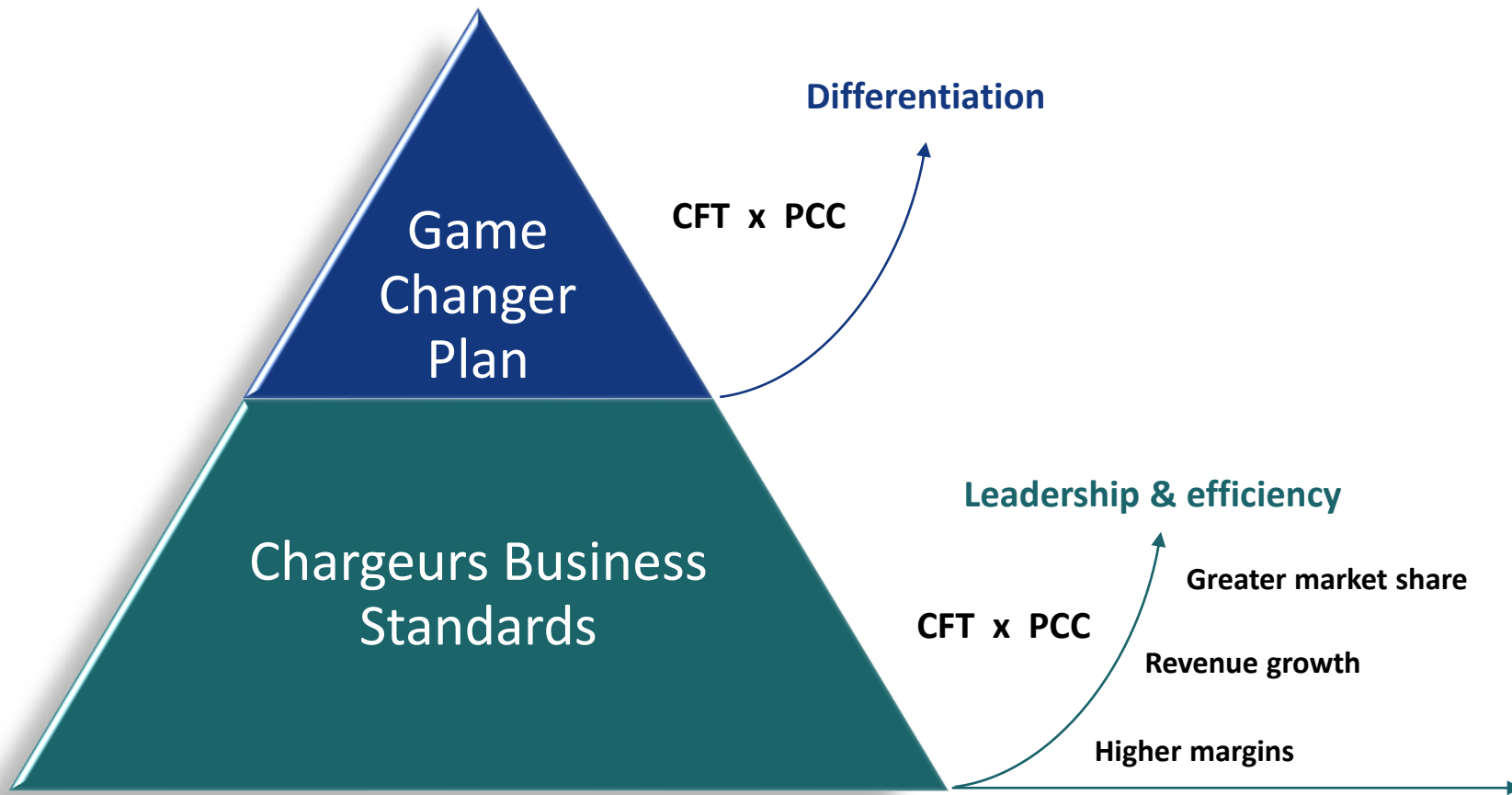
- ✓ **Fair acquisition price of \$66m**
 - Enterprise Value/EBITDA = 7.5
 - Return On Capital Employed > 10 (13%)
- ✓ **Low capital intensive business model**
- ✓ **Acquisition already financed** via €122m in Euro PPs raised in 2016 and 2017 at historically low rates with maturities of 5 and 10 years



Chargeurs Fashion Technologies accelerates to become the global champion of its market

Chargeurs and PCC Interlining: applying Chargeurs' distinctive model

Objective of Chargeurs' acquisition of PCC Interlining: become the global benchmark in interlinings





Industrial excellence roadmap for long-term value creation

**Achieve €1bn in revenue by 2021
with an operating margin topping 8%**

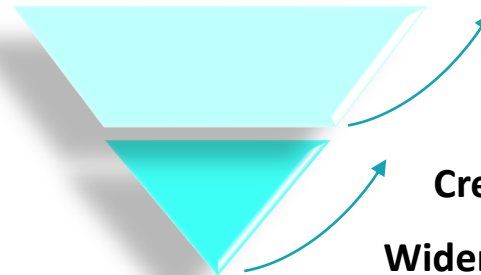
Iconic Champions

**New
markets**

**New
opportunities**

**Game Changer
plan**

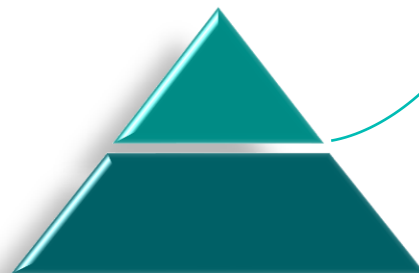
**Chargeurs
Business Standards**



Expand market opportunities

**Create strategic customer partnerships
Widen our customer & product portfolios**

**Create
global champions**



Differentiation

Leadership & efficiency

**Greater market share
Revenue growth
Higher margins**

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

Sales & Marketing



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Talent Management



HARVARD
BUSINESS SCHOOL

HCI | **HIDDEN**
CHAMPIONS
INSTITUTE



Smart & Advanced Manufacturing



Distinctive Innovation



➔ **One year 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



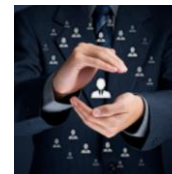
- Industry 4.0
- Product innovation
- Technical know-how

Optimized global supply chain management



- Global footprint
- 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

Global champion

- #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



Iconic champion

- #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

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



Outlook

Chargeurs is rolling out its roadmap to achieve €1bn in revenue by 2022

Confirmation of guidance for full-year 2018

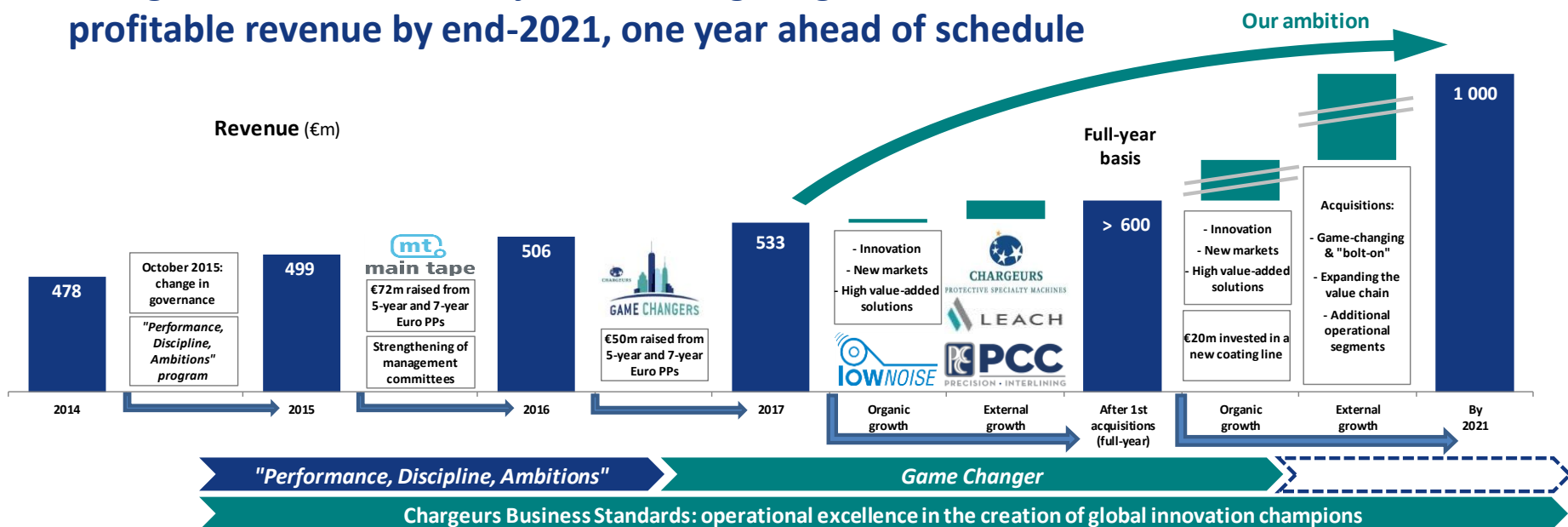
Revenue growth

Higher operating margin

Solid cash generation

One year after announcing its target:

- The goals of its roadmap are fully achieved,
- Chargeurs re-affirms its objective of targeting over €1bn in profitable revenue by end-2021, one year ahead of schedule



A pro-active and long-term excellence strategy

A clear strategy

- A committed reference shareholder
- Experienced Top Management with an international profile
- A clear vision to constantly strengthen our leadership in niche markets
- Continuous implementation and systematic deployment of excellence methods
- A long-term capital structure, a solid balance sheet and robust cash generation to support organic growth and the acquisition strategy

Operational excellence

Highly committed
teams

An operational
excellence plan:
Game Changer

Continuous
improvement of
production
& customer service

Strict
financial
discipline

Creation of quantitative & qualitative value

Game-changing
innovation

Development of the
value chain
& designing
our markets

Targeted
and accretive
acquisitions

High conversion
rates for
sales-to-profit &
profit-to-cash



Appendices

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

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

- **Net cash from operating activities:** net cash from operations = Cash flow + Dividends received from equity-accounted investees + Change in working capital (excl. currency effect)



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2019 Investor Calendar

Wednesday, January 30, 2019 (*after trading*)

Financial information: 2018 annual revenue

Chargeurs

112, avenue Kléber

75116 Paris

+33 1 47 04 13 40

comfin@chargeurs.fr

www.chargeurs.fr