CHARGEURS CONCLUDES A GAME-CHANGING €230 MILLION SYNDICATED CREDIT FACILITY

“A WORLD OF” NICHE MARKET LEADERS

PRESS RELEASE

Paris – December 19, 2018

Chargeurs announces that it has signed a game-changing €230 million syndicated credit agreement, with drawdown flexibility and no leverage covenant, to accelerate its profitable growth and top the €1 billion revenue mark by 2021

- **High take-up, with a pool of 7 leading French and international banks**
- **€120 million in additional credit thanks to a €230 million syndicated facility comprising:**
  - **A €100 million RCF maturing in 5 + 1 years**
  - **A €130 million term loan repayable in installments with a 6-year final maturity**
- **Excellent financial terms and conditions:**
  - **Flexible financing: no leverage covenant and a gearing covenant of ≤ 1.2x**
  - **Lower interest margins**

“Thanks to the success of this financing deal, we have changed the financial shape of the Group at a record low cost. It is the highest amount ever obtained by the Group and marks a turning point in our financial flexibility. Our rigorous operational and financial discipline has paid off and the fact that we were able to secure this facility under the best terms and conditions demonstrates the trust placed in us not only by our long-standing banking partners but also by newcomers who are keen to support our long-term strategy”, said ***Michaël Fribourg, Chargeurs’ Chairman and Chief Executive Officer****.*

IMPLEMENTATION OF €230 MILLION IN BANK FINANCING

Having carried out three Euro PPs in 2016 and 2017 representing an aggregate €122 million and with maturities of up to 10 years, Chargeurs has now moved up a gear with implementing and optimizing its financial strategy. This will enable the Group as a whole to continue down the path of profitable growth – both organic and acquisition-led.

As part of its policy of optimizing its balance sheet and long-term resources, the Group has signed a global agreement with a pool of 7 leading French and international banks – BPCE including Natixis, CE IdF, Bred, Palatine, as well as CIC, HSBC, Saar LB, BNP Paribas, Bank of China and Commerzbank – to put in place a €230 million syndicated credit facility comprising:

- a €100 million RCF maturing in 5+1 years; and
- a €130 million term loan with a 6-year final maturity.

The financing round had a high take-up, with the Group enjoying full support from its long-standing partners and giving new banks the opportunity to play a role in its long-term growth. The deal is a first in terms of both structure and size and its conditions are unique in the market. As well as not having a leverage covenant and only being subject to a gearing covenant of ≤ 1.2x, the financing was obtained at particularly attractive interest rates with lower margins than before.

ACCELERATION OF THE GROUP’S PROFITABLE GROWTH STRATEGY

The deal not only enables the Group to refinance €110 million of its existing bank borrowings in advance of term, but also gives it access to additional stable and long-term financial resources of €120 million under the best terms and conditions, while at the same time extending the overall maturity of its funding.

This new financing strategy gives the Group the financial clout it needs to pursue its profitable growth objectives. We now have the requisite resources to finance not only organic growth but also any external growth opportunities that may arise, notably bolt-on acquisitions.

The deal has been approved by Chargeurs’ Board of Directors and the funds are available immediately. Redbridge acted as the Group's financial advisor for the deal and De Pardieu Brocas Maffei as its legal advisor.

ABOUT CHARGEURS

Chargeurs is a global manufacturing and services group with leading positions in four segments: temporary surface protection, garment interlinings, technical substrates and combed wool.

It has some 2,000 employees based in 45 countries on five continents, who serve a diversified customer base spanning more than 90 countries.

In 2017, revenue totaled €533 million, of which more than 90% was generated outside France.

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