PRESS RELEASE
Paris
September 10, 2020

First-half 2020 results:
Unprecedented solidarity and operational excellence

Chargeurs demonstrates the quality of its businesses and the strength of its entrepreneurial business model during the Covid-19 crisis

- **Unstinting support for all of the Group's stakeholders**
  - Protection of employees, jobs safeguarded, and employee engagement bonuses
  - Exceptional mobilization of talent to meet our customers' operational needs
  - Outstanding effort to help combat the health crisis in the Group's main operating countries
  - Major donations of protective personal equipment to healthcare workers and vulnerable people

- **Value-creating operational excellence**
  - €518.5 million in revenue, up 59%, and €59.5 million in recurring operating profit in H1, representing a recurring operating margin of 11.5%
  - Long-standing businesses remained globally profitable and generated positive cash flow from operations
  - Successful formation of the new business line, Chargeurs Healthcare Solutions
  - Successful integration of D&P and Hypsos within Chargeurs Museum Solutions

"Across the globe, Chargeurs' talented people have demonstrated outstanding solidarity and operational excellence in the face of one of the most severe crises ever experienced by modern-day capitalist society. We would like to take this opportunity to congratulate them and thank them for all of their efforts, which epitomize the Group's four core values – reliability, boldness, commitment and passion. Thanks to the spontaneous, authentic and courageous involvement of our teams, Chargeurs helped steer its customers through the crisis so they could get back to business as quickly as possible.

We are pleased to say that, thanks to the investments made under our "Game Changer" program, our long-standing businesses remained profitable overall, demonstrating their underlying quality, strategic potential and rigorous management. The speed at which we set up our new division – Chargeurs Healthcare Solutions, which managed to supply groundbreaking solutions worldwide in response to an unprecedented health crisis – clearly illustrates our operational maturity and the strength of our entrepreneurial model.

Despite the ongoing uncertainty regarding Covid-19, the economic situation and geopolitical tensions, Chargeurs is standing by its long-term strategic vision, buoyed by its strong track record in recent years and the commitment of its reference shareholder, the Groupe Familial Fribourg. After an unprecedented performance in 2020, marked by certain exceptional needs, we are making prudent assumptions for 2021. We expect 2021 to be more lackluster and volatile than currently forecast by the main economic institutions, and envisage that it will be more likely to be as from 2022 that we will see the full worldwide effect of economic restart plans.

Lastly, the Group is preparing a new strategic plan – "Leap Forward 2025" – which will pick up the baton from the "Game Changer" program and will be presented in March 2021. Backed by a solid balance sheet, this plan will reflect the Group's change of scale and will target between €1 billion and €1.5 billion in revenue by 2025 with a high return on capital employed.

More than ever, our model focused on making Chargeurs a champion in high-potential niche markets is proving its worth at a time when global capitalism is probably going to traverse a necessary change process".
Michaël Fribourg, Chairman and Chief Executive Officer

ALONG-STANDING BUSINESSES STILL PROFITABLE

Faced with the challenges of a severe health and economic crisis, Chargeurs' long-standing businesses held firm in first-half 2020 overall, showing particularly strong resilience in the second quarter. These businesses have the advantage of a diversified customer base, both in terms of market positioning or sectors, and geographic location. Thanks to the exceptional agility of its people and manufacturing base, as well as its global logistics coverage, Chargeurs was able to continually serve its customers, even at the height of the crisis.
In addition, the Group's businesses have a favorable natural positioning as their products are critical components of the value chain in key economic and industrial sectors.
It was due to all of these reasons that, even during this acute period of the crisis, the Group's long-standing businesses were able to work together to generate positive recurring operating profit and cash flows from operations.

CREATION OF CHARGEURS HEALTHCARE SOLUTIONS – A SYMBOL OF THE GROUP'S ENTREPRENEURIAL MINDSET

Set up in the space of just a couple of months, Chargeurs Healthcare Solutions (CHS) quickly became a leader in the healthcare industry, illustrating the agility and boldness that are central to the Group's DNA. Beyond the financial performance of this new business – which generated €253.9 million in revenue in a single quarter – Chargeurs' major feat with setting up CHS was the ability of its teams to swiftly understand the needs resulting from a shortage of personal protective equipment caused by the crisis, and then to identify and implement solutions to meet those needs – prototyping, certification, production and sourcing, quality control, logistics, air bridges, sales platforms – all in extremely tight timeframes.
Our rapid climb up the learning curve – which now means the Group can look towards expanding internationally in the field of health protection – was directly attributable to our corporate culture of engagement, effectiveness and pride.
CHS has already invested in production capacity that is contributing to health protection independence in a number of countries, including France, the USA, the United States and Switzerland.

CHARGEURS MUSEUM SOLUTIONS – A NEW GROWTH DRIVER FOR THE GROUP

In the first half of 2020, Chargeurs also set up a new business called Chargeurs Museum Solutions (CMS) – a global champion in the museum visitor experience. Following the acquisitions of D&P and Hypsos – which were completed in first-half 2020 – CMS now has all the expertise required to offer museums turnkey solutions for designing, producing and, ultimately, revolutionizing the visitor experience.
With its unique global expertise, CMS is a very promising growth driver for the Group at a time when museums are increasingly looking to create a luxury experience – both for international and domestic visitors – and are being used by their owners to put their country in the spotlight and stand out in the cultural world. Additionally, the ability of museums to organize safe visitor routes in view of the current health risks gives them unparalleled resilience in the world of arts and entertainment.

CONSOLIDATED KEY FIGURES FOR FIRST-HALF 2020

The consolidated financial statements for the six months ended June 30, 2020 were approved for issue by Chargeurs' Board of Directors at its meeting held on September 9, 2020.

In € millions	H1 2020	H1 2019	H1 2020 vs H1 2019	Q2 2020 vs Q2 2019	Q1 2020 vs Q1 2019
Revenue	**518.5**	**326.1**	**+59.0%**	**+119.1%**	**-2.3%**
Like-for-like change			**+54.4%**	**+112.3%**	**-4.7%**
EBITDA	**71.2**	**32.5**			
as a % of revenue	***13.7%***	***10.0%***			
Recurring operating profit	**59.5**	**22.7**			
as a % of revenue	***11.5%***	***7.0%***			
Profit for the period	**28.9**	**8.3**			

REVENUE

Consolidated revenue totaled €518.5 million in first-half 2020, up by a very strong 59% on first-half 2019. This outstanding performance was fueled by CHS's sales primarily in Europe in the second quarter, which reached €253.9 million. The Group's overall revenue in Europe amounted to €362.3 million in the six months ended June 30, 2020, 139% higher than in the same period of 2019. Consolidated revenue was also up in the Americas, rising 2.1% to €78.8 million, but in Asia it fell by 20.7% to €77.4 million.

EBITDA

Consolidated EBITDA came in at €71.2 million, representing 13.7% of revenue. The sharp year-on-year rise stemmed from CHS's outstanding performance and the consolidation of D&P – the U.S. leader in museum services – which was acquired on February 29, 2020 and has performed well since that date.

RECURRING OPERATING PROFIT

The Group ended the first six months of 2020 with recurring operating profit of €59.5 million, representing 11.5% of revenue. This performance was propelled mainly by:

- Very brisk sales momentum for CHS.
- Robust resilience from the Group's long-standing businesses, which reported positive recurring operating profit overall.

PROFIT FOR THE PERIOD

Profit for the period came to €28.9 million, with €29.0 million in profit attributable to owners of the parent, driven by the sharp rise in recurring operating profit.

ANALYSIS BY BUSINESS SEGMENT

Chargeurs Protective Films

In € millions	H1 2020	H1 2019	H1 2020 vs H1 2019	Q2 2020 vs Q2 2019	Q1 2020 vs Q1 2019
Revenue	133.7	142.1	-5.9%	-13.9%	+2.5%
Like-for-like change			-6.3%	-13.9%	+1.6%
EBITDA	12.7	19.2			
as a % of revenue	*9.5%*	*13.5%*			
Recurring operating profit	6.9	14.1			
as a % of revenue	*5.2%*	*9.9%*			

Chargeurs Protective Films generated revenue of €133.7 million in the first half of 2020, down just 5.9% year on year. This performance – which was good in view of the current context – was buoyed by the resilience of the segment's core business thanks to (i) the ramp-up of the new production line in Italy and (ii) high orders for new applications. The fall in sales volumes in Europe due to the economic slowdown was cushioned by dynamic sales momentum in the United States and, to a lesser extent, in Asia. The segment's sales advanced 2.5% in the first quarter, with the order book growing until end-March, but then dropped 13.9% in the second quarter. This pushed down recurring operating profit to €6.9 million, representing 5.2% of revenue.

Classified as a business "essential to the economy" in industrialized countries, CPF demonstrated strong resilience during a crisis of unprecedented scale. At the height of the crisis, CPF adjusted its production levels to more effectively respond to erratic customer orders, leveraging its global footprint and multi-support technologies. As well as capitalizing on its strategic potential, in order to tackle the consequences of the Covid-19 crisis the segment will be able to draw on fast-tracked innovation projects and the launch of new digital initiatives such as a dedicated e-shop. Furthermore, thanks to an increase in orders taken during the summer, the current order book offers more visibility for the end of the year. We expect 2021 to continue to be marked by the crisis, until the effects of the governmental recovery plans launched by the world's major economies are fully felt.

Chargeurs-PCC Fashion Technologies

In € millions	H1 2020	H1 2019	H1 2020 vs H1 2019	Q2 2020 vs Q2 2019	Q1 2020 vs Q1 2019
Revenue	65.5	107.7	-39.2%	-62.9%	-14.7%
Like-for-like change			-38.5%	-61.8%	-14.5%
EBITDA	5.2	11.4			
as a % of revenue	*7.9%*	*10.6%*			
Recurring operating profit	2.3	8.1			
as a % of revenue	*3.5%*	*7.5%*			

Chargeurs-PCC Fashion Technologies posted revenue of €65.5 million for the first half of 2020, down 39.2% on first-half 2019. This year-on-year decrease was due to the national lockdown measures that led to the closure of stores in many countries and regions and an overall contraction in the fashion and luxury goods markets. The segment's core business of interlining suffered considerable losses in sales volumes, particularly in the second quarter. However, as a result of the strategy implemented over the past five years – a selective sales approach, constant efforts to achieve productivity gains and bringing on board the expertise of PCC (which also has a lighter cost structure) – CFT-PCC was able to stay profitable despite its steep fall in revenue. The segment's recurring operating profit for first-half 2020 came in at €2.3 million, mainly thanks to CFT-PCC's stable gross profit figure, which reflects the strength of its pricing power.

During the second quarter, CFT-PCC's teams remained fully mobilized and drew on the Group's logistical strengths to help their customers restart their businesses across the globe. Just one year after its launch, the *Sustainable 50* range of eco-responsible and innovative interlinings continued to notch up commercial successes with major global brands and contributed to the division's market share gains. Innovation still lies at the heart of the division's strategy, along with reinforcing digital solutions and creating new BtoB and BtoC distribution channels to partner the gradual recovery expected in late 2021, early 2022. Also in the first half of 2020, CFT-PCC was able to very rapidly redeploy a significant amount of its manufacturing equipment and logistics, sourcing and quality control expertise to play a key role in helping set up Chargeurs Healthcare Solutions.

Chargeurs Luxury Materials

In € millions	H1 2020	H1 2019	H1 2020 vs H1 2019	Q2 2020 vs Q2 2019	Q1 2020 vs Q1 2019
Revenue	40.4	58.2	30.6%	-62.3%	-2.6%
Like-for-like change			-30.1%	-62.3%	-1.6%
EBITDA	-0.9	1.5			
as a % of revenue	*-2.2%*	*2.6%*			
Recurring operating profit	-1.0	1.5			
as a % of revenue	*-2.5%*	*2.6%*			

Chargeurs Luxury Materials' sales dropped 30.6% to €40.4 million in first-half 2020. The brisk momentum in the first two months of the year was stopped in its tracks by the Covid-19 crisis, with the segment weighed down by postponed purchases due to the overall contraction in the fashion and luxury goods markets. Sales also suffered from a negative price effect, with wool prices slumping by an unprecedented 35.3% between June 30, 2019 and June 30, 2020. The downturn was particularly severe for the segment in the second quarter.
In view of these factors, CLM ended first-half 2020 with a €1.0 million recurring operating loss.

Although wool prices are still at record lows and the prospects for a market recovery are still uncertain, Nativa – the Group's label that guarantees the quality and traceability of wool fibers – stepped up the number of its sales contacts and partnerships with internationally renowned brands, to help drive the segment's gradual business recovery expected during the second half of 2021.

Chargeurs Museum Solutions

In € millions	H1 2020	H1 2019	H1 2020 vs H1 2019	Q2 2020 vs Q2 2019	Q1 2020 vs Q1 2019
Revenue	25.0	18.0	+38.9%	+38.4%	+39.5%
Like-for-like change			-46.7%	-79.8%	-6.2%
EBITDA	2.1	2.3			
as a % of revenue	*8.4%*	*12.8%*			
Recurring operating profit	0.8	1.4			
as a % of revenue	*3.3%*	*7.8%*			

Chargeurs Museum Solutions – which was formed at the beginning of the year – posted €25 million in revenue for first-half 2020, up 38.9% on the first six months of 2019. This year-on-year increase was led by the consolidation of the segment's recently-acquired companies, notably D&P since March 1 and Hypsos since April 22, as well as the contributions from MET and Design PM, whose acquisitions were completed in the second half of 2019. Despite the Covid-19 crisis, the integration of these acquisitions took place as planned and enabled CMS to leverage commercial synergies between its various companies.

On a like-for-like basis, sales fell 46.7% as CMS suffered from (i) lower volumes in its long-standing business of technical textiles due to the abrupt slowdown for the retail, business convention and trade fair sectors, and (ii) postponements of several projects for its museum services managed by the business's long-standing entities. The positive contributions from the companies acquired over the past year enabled CMS to generate €0.8 million in recurring operating profit for the first half of 2020. It is important to note that so far, no major projects have been canceled as a result of the Covid-19 crisis – there have only been postponements. In addition, throughout the first six months of 2020, CMS continued to actively respond to and win numerous bids in the market. This means that it now has a sizable order book offering good visibility of future business.

In order to adapt its offering to the new health situation, CMS has developed Chargeurs Living Solutions. Proposing turnkey solutions with strong growth prospects for the coming months, this new offering is designed to create safe customer and visitor environments in sectors such as museums, retail, hospitality and aviation. Lastly, CMS contributed to the creation of the CHS offering, with Senfa bringing its textile expertise to help develop and produce reusable face masks.

Chargeurs Healthcare Solutions

In € millions	H1 2020	H1 2019
Revenue *Like-for-like change*	**253.9**	-
EBITDA *as a % of revenue*	**55.4** ***21.8%***	-
Recurring operating profit *as a % of revenue*	**54.3** ***21.4%***	-

Chargeurs Healthcare Solutions – the Group's new division specialized in high-tech health protection solutions – generated €253.9 million in revenue in the second quarter of 2020 and €54.3 million in recurring operating profit.

By drawing on the long-standing textile expertise of its plants – notably Lainière de Picardie and Senfa in France – and on PCC's expertise in sourcing and quality control in Asia, as well as on the technological and commercial synergies leveraged with the Group's other divisions, CHS established itself as a major player in France for health protection products and services during the crisis. The combination of this expertise and the agility of Chargeurs' teams meant that CHS was able to fulfill all of the orders taken across all market segments (public orders, BtoB and BtoC), despite the numerous logistic, regulatory and customs/border constraints encountered when the crisis was at its peak.

In line with the Group's strategic focus on technological differentiation, CHS stands out from the competition by proposing a high-tech product and service offering. Its innovation capabilities, supply chain management skills and sales and marketing clout will be key assets for its continued expansion. Having gained a strong foothold in the French health protection market, going forward CHS is looking to internationalize its business and extend and premiumize its product and service offering.

AN EVEN STRONGER BALANCE SHEET

In an environment marked by the current health and economic crisis, the Group is striving to maintain a high level of liquidity, not only to enable it to weather the crisis and continue its internal developments but also to ensure it has the agility it needs to rise to future challenges and speed up the return to normal business levels. Consequently, in the first half of 2020 the Group further increased its financial headroom, raising €30 million in new short- and medium-term facilities.

It also stabilized its net debt, which stood at €122.4 million at June 30, 2020, on par with the December 31, 2019 figure. This stability was all the more impressive given that in the first half of 2020 not only did the Group have to face an economic crisis of unprecedented scale but it also acquired D&P and Hypsos, paid the balance of its dividend and carried out strategic investments.

The Group was able to keep its debt stable thanks to EBITDA rising steeply to €71.2 million and cash generated by operations up sharply to €63.2 million, driven by CHS's very good showing and the fact that the Group's four long-standing businesses were able to generate overall positive cash flow from operations during the period. This debt performance also reflects tight control over working capital requirement, as despite the Group's high level of business activity, working capital requirement decreased by €8.3 million compared with December 31, 2019. The global optimization program launched in September 2019 allowed Chargeurs to make further headway in controlling its WCR, and the very specific circumstances caused by the Covid-19 crisis meant that the WCR generated by its new business, CHS, could be optimized. The combination of high EBITDA and contained WCR led to the generation of €71.5 million in net cash from operating activities versus €0.5 million in first-half 2019.

In light of the above factors, Chargeurs significantly reduced its leverage ratio (net debt/EBITDA) from 2x at December 31, 2019 to 1.2x at June 30, 2020. In parallel, the increase in the Group's equity from €232.4 million to €249.9 million meant that it was able to lower its gearing ratio (net debt/equity) to 0.5x at June 30, 2020. Today, Chargeurs Group has a solid financial base, built on a well-balanced financial structure that has been reinforced during the crisis, and has given itself the additional resources it needs to continue to develop and grow in the months ahead.

INTERIM DIVIDEND FOR 2020

In view of the Group's first-half 2020 performance and promising outlook, the Board of Directors has decided to pay an interim dividend of €0.28 per share, with the option to reinvest the interim dividend in Chargeurs shares.

The payment timeline for the interim dividend is:

Ex-dividend date:	September 16, 2020
Start of reinvestment option period:	September 18, 2020
End of reinvestment option period:	October 1, 2020
Announcement of no. of options exercised:	October 5, 2020
Delivery date of shares and payment of cash interim dividend:	October 7, 2020

SHARE BUYBACK PROGRAM

Chargeurs is pursuing its share buyback program, which was renewed in September 2019 and will expire on November 5, 2020. The program calls for the investment services provider to purchase Chargeurs shares, depending on market conditions, in a total amount of up to €15 million and at a maximum price of €29 per share.

In the first half of 2020, based on the mandate it was given in September 2019, the investment services provider purchased 18,696 Chargeurs shares for €0.2 million.

Confident of its performance, Chargeurs has decided to renew its share buyback program. The provider will be authorized to purchase Chargeurs shares (depending on market conditions) for up to €15 million, at a maximum price of €29 per share.

The program, which will run until October 27, 2021, falls within the scope of the shareholder authorization granted at the AGM of April 28, 2020 to buy back Chargeurs shares representing up to 10% of the Company's capital for a period of 18 months as from the AGM date.

Amongst the 1,167,610 Chargeurs shares currently held, the Board of Directors is considering the possibility of canceling one million treasury shares. Shares canceled for the purposes of the share buyback program may be done so before June 30, 2021.

OUTLOOK

In view of the current difficult economic conditions, the results of Chargeurs' long-standing businesses are expected to be impacted for 2020 as a whole, but should continue to hold up against the crisis as they did in the first half of the year. At the same time, the Group will pursue its development of Chargeurs Healthcare Solutions, both in France and internationally. Overall, the Group's outstanding performance in the first six months of 2020 means that despite the ongoing high level of uncertainty, it is standing by its targets of exceeding €750 million in revenue for full-year 2020 and over €60 million in recurring operating profit, representing a sharp increase on 2019.

The creation of Chargeurs Healthcare Solutions just a few months after that of Chargeurs Museum Solutions – the global leader in museum services – confirms the Group's entrepreneurial mindset and the strength of its business model, characterized by strict financial discipline and a highly agile organizational structure. Today, Chargeurs has a dynamic and well-balanced portfolio of businesses operating in the materials protection, fashion and luxury, museum services, and more recently, healthcare sectors. As well as energizing its development potential, the Group's two new business lines have reduced and diversified its risk profile. Chargeurs intends to expand its new healthcare business and ensure its longevity by focusing on the internationalization, diversification and premiumization approach that it applies to all of its businesses.

Ultimately, the crisis has highlighted the major value of the Group's intensive investment drive carried out as part of the Game Changer program, as well as demonstrating the strong resilience of its businesses against an exceptionally tough economic backdrop and proving the effectiveness of the value creation strategy deployed over the past five years.

As things currently stand, we at Chargeurs consider that the economic crisis is opening up a new cycle and believe that a solid economic recovery, stimulated by national economic restart plans, will not fully materialize until 2022. Consequently in view of the health and economic crisis caused by Covid-19, we do not feel that it is appropriate at present to focus on a short-term revenue target. Instead, we prefer to concentrate our resources on a more long-term growth trajectory and on creating a new chapter in our business development. Going forward, Chargeurs' teams are currently preparing a new strategic development plan to reap further successes for the Group in high added-value niche markets between now and 2025.

This new plan – called "*Leap Forward 2025*" – will pick up the baton from the "Game Changer" program, and will be presented in March 2021. Based on the Group's already solid financial resources, it will underpin like-for-like growth and profit quality, while providing for an entrepreneurial approach to seeking out acquisition opportunities.

Glossary of financial terms

The **like-for-like or organic change** from one year to the next is calculated:

- **by applying the average exchange rates for year Y-1 to the period concerned (year, half-year, quarter); and**
- **based on the scope of consolidation for Year Y-1.**

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

Recurring operating profit corresponds to gross profit after distribution costs, administrative expenses and research and development costs. It is stated:

- before amortization of **acquired intangible assets**; and
- before **other operating income and expense, which correspond to material non-recurring items that 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.

Cash flow corresponds to the flow of net cash from operating activities net of any change in working capital.

2020 Financial Calendar

Thursday, November 10, 2020 (before the close of trading) Third-quarter 2020 financial information

ABOUT CHARGEURS

Chargeurs offers its customers integrated differentiation solutions to meet the new aspirations of consumers in terms of quality, innovation, environmental sustainability and experience. **World leader in all of its businesses, the Group, whose marketing signature is High Emotion Technology®, delivers its expertise in four key sectors with very high potential for value creation: protection for premium materials, fashion and luxury, museum services and healthcare.**

The Group has over 2,400 employees in five continents, who serve a diversified customer base spanning more than 90 countries. Revenue for first-half 2020 amounted to €518.5 million.