Interim Financial Report 2020

CONTENT

The Interim Financial Report 2020 is a translation from the original, which was prepared in French. In all matters of interpretation of information, views or opinions expressed therein, the original language version of the report takes precedence over this translation.

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

CHARGEURS

CONSOLIDATED FINANCIAL STATEMENTS

Six months ended June 30, 2020

Consolidated Income Statement *(in euro millions)*

	Note	Six months ended June 30 2020	2019
Revenue	4	**518.5**	**326.1**
Cost of sales		(386.7)	(241.1)
Gross profit		**131.8**	**85.0**
Distribution costs		(39.5)	(37.4)
Administrative expenses		(30.2)	(22.8)
Research and development costs		(2.6)	(2.1)
Recurring operating profit		**59.5**	**22.7**
Amortization of intangible assets acquired through business combinations		(1.7)	(1.2)
Other operating income	5	-	-
Other operating expense	5	(12.5)	(4.2)
Operating profit		**45.3**	**17.3**
Finance costs, net		(5.4)	(4.7)
Other financial expense		(2.8)	(1.1)
Other financial income		0.8	-
Net financial expense	7	**(7.4)**	**(5.8)**
Pre-tax profit for the period		**37.9**	**11.5**
Share of profit/(loss) of equity-accounted investees	13	(1.3)	-
Income tax expense	8	(7.7)	(3.2)
Profit from continuing operations		**28.9**	**8.3**
Profit for the period		**28.9**	**8.3**
Attributable to owners of the parent		**29.0**	**8.3**
Attributable to non-controlling interests		(0.1)	-
Earnings per share *(in euros)*	9	**1.28**	0.36
Diluted earnings per share *(in euros)*	9	**1.28**	0.36

Consolidated Statement of Comprehensive Income *(in euro millions)*

	Note	Six months ended June 30 2020	2019
Profit for the period		**28.9**	**8.3**
Exchange differences on translating foreign operations		(5.4)	0.3
Cash flow hedges		(0.2)	0.3
Total items that may be reclassified subsequently to profit or loss		**(5.6)**	**0.6**
Other components of other comprehensive income		(2.9)	(0.3)
Actuarial gains and losses on post-employment benefit obligations	18	(0.4)	(1.7)
Total items that will not be reclassified to profit or loss		**(3.3)**	**(2.0)**
Other comprehensive income for the period, net of tax		**(8.9)**	**(1.4)**
Total comprehensive income for the period		**20.0**	**6.9**
Attributable to:			
Owners of the parent		**20.2**	**6.9**
Non-controlling interests		**(0.2)**	**-**

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Financial Position *(in euro millions)*

Assets	Note	June 30, 2020	Dec. 31, 2019
Intangible assets	10	240.0	173.1
Property, plant and equipment	11	80.1	87.3
Right-of-use assets	12	37.3	25.8
Investments in associates and joint ventures	13	10.9	12.6
Deferred tax assets		33.4	33.4
Non-current financial assets	14	17.7	6.7
Other non-current assets		2.0	1.1
Non-current assets held for sale	13	1.0	-
Net non-current assets		**422.4**	**340.0**
Inventories and work-in-progress	15	148.3	126.1
Long-term contract assets	15	3.1	-
Trade receivables	15	147.3	73.5
Derivative financial instruments	15	1.2	1.4
Other receivables	15	34.7	27.8
Current tax receivables	15	-	1.3
Cash and cash equivalents	17	237.4	93.9
Net current assets		**572.0**	**324.0**
Total assets		**994.4**	**664.0**

Equity and liabilities	Note	June 30, 2020	Dec. 31, 2019
Attributable to owners of the parent	9	250.1	232.4
Non-controlling interests		(0.2)	-
Total equity		**249.9**	**232.4**
Medium and long-term borrowings	17	319.0	193.5
Medium and long-term lease liabilities	12	27.2	17.3
Deferred taxes		5.3	5.7
Pension and other post-employment benefit obligations	18	18.9	18.3
Provisions	19	1.8	0.4
Other non-current liabilities	20	12.4	7.4
Net non-current liabilities		**384.6**	**242.6**
Short-term portion of long-term borrowings	17	26.8	7.5
Short-term portion of lease liabilities	12	10.8	9.1
Provisions for other liabilities	19	15.8	0.7
Trade payables	15	152.9	105.6
Long-term contract liabilities	15	9.8	-
Other payables	15	119.1	44.8
Current tax liability	15	9.8	5.9
Derivative financial instruments	15	0.9	0.1
Short-term bank loans and overdrafts	17	14.0	15.3
Net current liabilities		**359.9**	**189.0**
Total equity and liabilities		**994.4**	**664.0**

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows *(in euro millions)*

	Note	Six months ended June 30 2020	2019
Cash flows from operating activities			
Pre-tax profit of consolidated companies		37.9	11.5
Adjustments to reconcile pre-tax profit to cash generated from operations		26.9	11.7
- Depreciation and amortization expense	10 & 11 & 12	*13.5*	*11.0*
- Provisions and pension and other post-employment benefit obligations		*13.9*	*0.2*
- Fair value adjustments		*(0.9)*	*0.1*
- Impact of discounting		*0.1*	*0.3*
- Exchange (gains)/losses on foreign currency receivables and payables		*0.3*	*0.1*
Income tax paid		(1.6)	(0.4)
Cash generated by operations		**63.2**	**22.8**
Change in operating working capital	15	8.3	(22.3)
Net cash from operating activities		**71.5**	**0.5**
Cash flows from investing activities			
Acquisitions of subsidiaries, net of the cash acquired *(1)*		(54.4)	-
Acquisition of investment securities *(2)*	14	(12.0)	-
Purchases of intangible assets	10	(0.5)	(0.8)
Purchases of property, plant and equipment	11	(2.8)	(15.5)
Proceeds from sales of intangible assets and property, plant and equipment		4.7	-
Other movements		0.4	(0.9)
Net cash used in investing activities		**(64.6)**	**(17.2)**
Cash flows from financing activities			
Cash dividends paid to owners of the parent		(2.5)	(5.1)
(Purchases)/sales of treasury stock		(0.1)	(4.5)
Proceeds from new borrowings	17	145.6	32.2
Repayments of borrowings	17	(0.9)	(9.3)
Repayments of lease liabilities	12	(5.1)	(4.8)
Change in bank overdrafts	17	(1.2)	(2.9)
Other movements		1.5	-
Net cash from financing activities		**137.3**	**5.6**
Increase/(decrease) in cash and cash equivalents		**144.2**	**(11.1)**
Cash and cash equivalents at beginning of period	17	93.9	110.0
Effect of changes in foreign exchange rates on cash and cash equivalents		(0.7)	*(0.3)*
Cash and cash equivalents at end of period	**17**	**237.4**	**98.6**

(1) Acquisitions of D&P and Hypsos in first-half 2020 (see note 1.3).
(2) Investment in investment securities (see note 1.5).

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity *(in euro millions)*

	Share capital	Share premium account	Other reserves and retained earnings	Translation reserve	Cash flow hedges	Actuarial gains and losses on post-employment benefit obligations	Treasury stock	Equity attributable to owners of the parent	Non-controlling interests	Total equity
At December 31, 2018	**3.7**	**64.6**	**182.9**	**3.1**	**-**	**(6.7)**	**(10.4)**	**237.2**	**-**	**237.2**
Issue of share capital	0.1	3.3	-	-	-	-	-	3.4	-	3.4
Changes in treasury stock	-	-	-	-	-	-	(4.5)	(4.5)	-	(4.5)
Share-based payment	-	-	0.1	-	-	-	-	0.1	-	0.1
Payment of dividends	-	-	(8.5)	-	-	-	-	(8.5)	-	(8.5)
Profit for the period	-	-	8.3	-	-	-	-	8.3	-	8.3
Other comprehensive income for the period	-	-	(0.3)	0.3	0.3	(1.7)	-	(1.4)	-	(1.4)
At June 30, 2019	**3.8**	**67.9**	**182.5**	**3.4**	**0.3**	**(8.4)**	**(14.9)**	**234.6**	**-**	**234.6**
At December 31, 2019	**3.7**	**69.1**	**179.8**	**6.1**	**1.3**	**(7.4)**	**(20.2)**	**232.4**	**-**	**232.4**
Issue of share capital	0.1	1.9	-	-	-	-	-	2.0	-	2.0
Changes in treasury stock	-	-	-	-	-	-	(0.1)	(0.1)	-	(0.1)
Share-based payment	-	-	0.1	-	-	-	-	0.1	-	0.1
Payment of dividends *(1)*	-	-	(4.5)	-	-	-	-	(4.5)	-	(4.5)
Profit for the period	-	-	29.0	-	-	-	-	29.0	(0.1)	28.9
Other comprehensive income/(loss) for the period *(2)*	-	-	(2.8)	(5.4)	(0.2)	(0.4)	-	(8.8)	(0.1)	(8.9)
At June 30, 2020	**3.8**	**71.0**	**201.6**	**0.7**	**1.1**	**(7.8)**	**(20.3)**	**250.1**	**(0.2)**	**249.9**

(1) The €4.5 million paid in first-half 2020 corresponds to the balance of the 2019 dividend, with €2.5 million paid in cash and €2.0 million in shares.

(2) In the first half of 2020, the Group included in its consolidated financial statements the impact of the "Amédée Paris" business. This impact represented an aggregate €3.4 million, of which €2.6 million was recognized directly in equity (€1.8 million for 2019 and €0.8 million for prior years) and €0.8 million was recognized in net financial expense.

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Chargeurs and its subsidiaries (the Chargeurs Group) are organized around five business lines:

- ***Chargeurs Protective Films (CPF)***, which develops, manufactures and markets (i) technical solutions to protect steel, aluminum, plastic and other surfaces during the production process and (ii) laminators for temporary surface protection films ***(Chargeurs Protective Specialty Machines, CPSM)***.
- ***Chargeurs PCC Fashion Technologies (CFT),*** which manufactures and markets garment interlinings.
- ***Chargeurs Museum Solutions (CMS)***, (formerly Chargeurs Technical Substrates), which comprises a manufacturing arm made up of Senfa – specialized in functionalized technical textiles – and a services arm – Chargeurs Creative Collection – a global standard-setter for services to cultural establishments.
- ***Chargeurs Luxury Materials (CLM),*** which manufactures and markets premium wool tops (*top making*).
- ***Chargeurs Healthcare Solutions,*** which develops, produces and markets technologies and solutions dedicated to healthcare and personal protective equipment.

Chargeurs is a *société anonyme* governed by the laws of France. Its headquarters are located at 112 avenue Kléber, 75016 Paris, France.

Chargeurs shares are listed on Euronext Paris.

The consolidated financial statements for the six months ended June 30, 2020 were approved by the Board of Directors on September 9, 2020.

1 Significant events of the period

1.1 Key information concerning the impact of the Covid-19 crisis on the Group

With four production sites in Asia, the Group understood the gravity of the Covid-19 crisis very early on and adapted its sites to put in place physical distancing and other protective measures as well as setting up systems for staff to work from home whenever possible. As a result, it was able to continue conducting operations in its long-standing businesses and set up, in record time, a new business line – Chargeurs Healthcare Solutions. Thanks to the Group’s tight control of its supply chain, it did not experience any supply disruptions with its suppliers able to continue providing their services.

By June 30, 2020 all of the Group’s plants had resumed operations. Some offices remained closed, however, notably in India, due to lockdown measures still in place.

Protective Films:

Chargeurs Protective Films generated revenue of €133.7 million in the first half of 2020, down just 5.9% year on year. This strong performance in light of the current context was mainly due to the ramp-up of the new production line in Italy, as well as the depth of the product range, the quality of service and the global reach of the division, which have allowed it to continually adapt to customer needs.

Furthermore, as the surface protection business was classified as essential to the economy in industrialized countries, Protective Films’ main production plants were able to continue operating, even at the peak of the crisis. The fall in sales volumes due to the economic slowdown was the main reason for the drop in profitability, which nonetheless remains broadly in positive territory despite the current economic backdrop.

CPF thus ended the first six months of 2020 with recurring operating profit of €6.9 million, representing 5.1% of revenue.

PCC Fashion Technologies:

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 lockdowns imposed in many countries which led to the closure of stores and an overall contraction in the fashion and luxury goods markets.

Despite the lockdowns now being lifted in most European countries there has only been a slight recovery in purchases of clothes. This situation led to lower recurring operating profit for PCC Fashion Technologies but it nevertheless remained in positive territory, coming in at €2.3 million.

Luxury Materials:

Chargeurs Luxury Materials registered €40.4 million in revenue for the first half of 2020, down 30.5% year on year. The brisk momentum seen in the first two months of 2020 was stopped in its tracks by the Covid-19 crisis. This business line suffered during the period from a fall in sales volumes caused by the overall contraction in the fashion and luxury markets, as well as a negative price effect, with wool prices slumping by an unprecedented 35.3% between June 30 2019 and June 30, 2020. CLM's customers had to reduce – or even stop – their production, which negatively affected the business line's volumes and order book.

In view of these factors, CLM ended first-half 2020 with a €1.0 million recurring operating loss.

Museum Solutions:

At €25 million, Chargeurs Museum Solutions' revenue for first-half 2020 was up 38.9% on the same period of 2019, led by the consolidation of recent acquisitions, notably D&P since March 1 and Hypsos since April 22, 2020.

On a like-for-like basis, however, sales fell 46.7%, as CMS suffered from lower volumes in its long-standing business of technical textiles and the postponement of several projects in its museum services arm.

However, the positive contributions from the companies acquired over the past year enabled CMS to generate €0.8 million in recurring operating profit for the six months ended June 30, 2020, despite the extraordinarily tough operating environment. It is important to note that no major projects have been canceled due to the current circumstances – there have only been postponements. In addition, throughout the six-month period, CMS continued to actively respond to and win numerous bids in the market.

Looking ahead, in order to prepare for the gradual recovery in museum services and adapt its offering to the new health situation, CMS has developed turnkey solutions for the museum, retail, hospitality, aviation and other sectors that have good growth prospects in the coming months.

Healthcare Solutions:

In view of the extremely difficult situation resulting from the Covid-19 crisis, the Group reoriented and mobilized the manufacturing capacity of CFT's and CMS's textile activities as well as its global supply chain in order to respond to the urgent worldwide demand for supplies of personal protective equipment ("PPE") solutions and technologies. The Group therefore produced (both directly and through third parties), transported and delivered PPE to both public and private customers.

The development and mass production of PPE, such as face masks, surgical gowns, protective gloves and hand sanitizer, enabled the Group to more than offset the revenue decreases in its long-standing businesses. For the six months ended June 30, 2020, CHS generated €253.9 million in revenue and €54.3 million in recurring operating profit.

From the very outset of the crisis, the Group strengthened its liquidity position by (i) making additional drawdowns on its bank credit facilities set up in December 2018 and (ii) putting in place new bank credit facilities totaling €30.0 million (€22.5 million of which had been drawn down at June 30, 2020).

Consequently, at June 30, 2020, the Group had a significant level of liquidity, with €237.4 million in available cash and €49.5 million in undrawn confirmed credit facilities.

As it is not subject to any leverage covenants, the Group was able to dedicate itself entirely to managing the crisis and steering its operations through the extremely tough conditions caused by the Covid-19 pandemic.

Information about the Group's net debt is presented in note 17.

1.2 Creation of Chargeurs Healthcare Solutions

In response to the urgent need for PPE at the height of the crisis, the Group set up a fifth business segment in record time, called Chargeurs Healthcare Solutions (CHS).

CHS's offering is based on (i) a full range of products (face masks, hand sanitizer, surgical gowns, protective gloves, decontamination cubicles, anti-bacterial protection films) and (ii) a service offering that provides customers with end-to-end solutions for equipment supply, product traceability and managing and renewing inventories, using a proprietary blockchain solution that is the only one of its kind in Europe. The segment's products are marketed under the Lainière Santé™ brand.

CHS's offering was developed by drawing on the long-standing textile know-how of Chargeurs' plants (especially in France), PCC's expertise, and technological and commercial synergies leveraged with the Group's other businesses. The Group's overall expertise in terms of supply, production, logistics and sales and marketing meant that it was able to fulfill all of the orders taken in all market segments (public orders, BtoB and BtoC).

The face masks produced by CHS are highly innovative and were developed through a research platform shared by Lainière de Picardie and Senfa Technologies. Made using nanofiltration membrane technology and treated with an anti-bacterial and water-repellent coating, they meet the specifications of the AFNOR (French Standards Authority).

Following its creation, the Group decided to strengthen its capacity by installing automated face mask production machines in France and other European countries, giving it the capacity to produce several million surgical and FFP2 masks per year. Similar production lines have also been set up in the United States, in order to more effectively serve the American market. The Group's operational teams are also involved in the research, production and marketing of products destined for the healthcare sector.

The sales model for CHS's offering is based on a multi-channel approach that targets BtoB customers – major public and private organizations, key international accounts and small and medium-sized businesses – as well as the BtoC market. CHS is able to address a large customer base of private individuals thanks to its use of a real-time digitalization system for inventories, order shipments and customer services, as well as the major nationwide agreements it has signed with all of France's transport providers.

This new segment is headed up by a Global CEO and a Europe CEO of Chargeurs Healthcare Solutions.

1.3 Acquisitions in the Chargeurs Museum Solutions segment

During the first half of 2020, the Group acquired majority interests in two companies that reinforce its CMS division:

Design & Production Incorporated (D&P)

On February 29, 2020, Chargeurs acquired the entire capital of D&P – the U.S. leader in turnkey services for museums. D&P has built up many years of expertise in museum exhibit services, including project management, prefabrication consulting and exhibit engineering/detailing. Through this acquisition, Chargeurs now has on board the largest U.S. platform of integrated museum solutions, as well as a solid and innovation-driven team who will continue to manage the company on a daily basis.

The provisional goodwill recognized on the transaction at June 30, 2020 amounted to €67.8 million ($74.6 million).

The purchase price allocation and related goodwill calculation will be finalized within 12 months of the acquisition date.

D&P contributed €12.3 million to the Group's revenue in the six months ended June 30, 2020.

Hypsos

On April 22, 2020, the Group acquired 50.01% of Hypsos – an Amsterdam-based international company that offers comprehensive design project solutions for all sectors, including corporate services, cultural services and retail sector services.

Chargeurs exercises exclusive control over Hypsos and accounts for it in its consolidated financial statements using the full consolidation method.

The provisional goodwill recognized on the transaction at June 30, 2020 amounted to €2.5 million.

The purchase price allocation and related goodwill calculation will be finalized within 12 months of the acquisition date.

Hypsos contributed €0.7 million to the Group's revenue in the six months ended June 30, 2020.

1.4 Acquisition of investment securities

In addition to investing in its long-standing activities, the Group has decided to acquire investment securities. Consequently, during the first half of 2020, Chargeurs purchased securities for an aggregate €12.0 million.

2 Summary of significant accounting policies

2.1 Basis of preparation

The first-half 2020 consolidated financial statements of the Chargeurs Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. These standards can be downloaded from the European Commission's website (http://ec.europa.eu/commission/index_en).

They have been prepared in accordance with IAS 34, Interim Financial Reporting, and therefore do not contain all of the information and disclosures required in annual consolidated financial statements. Consequently, they should be read in conjunction with the consolidated financial statements for the year ended December 31, 2019.

The consolidated financial statements have been prepared under the historical cost convention, except for land and buildings revalued at January 1, 2004, available-for-sale financial assets, financial assets and liabilities measured at fair value through profit or loss (including derivative instruments), financial assets and liabilities measured at amortized cost and assets and liabilities underlying fair value hedges.

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving the highest degree of judgment or estimation complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

2.2 List of new, revised and amended standards and interpretations

2.2.1 *New standards, interpretations and amendments to existing standards whose application was mandatory for the first time in the period ended June 30, 2020*

Adopted by the European Union:

– Amendments IFRS 3 – Definition of a Business.
– Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform
– Amendments to References to the Conceptual Framework in IFRS Standards
– Amendments to IAS 1 and IAS 8 – Definition of Material.

Other new standards, interpretations and amendments to existing standards whose application was mandatory for the first time in the period ended June 30, 2020:

– None.

The above amendments did not have a material impact on Chargeurs' consolidated financial statements at June 30, 2020.

2.2.2 *New standards, interpretations and amendments to existing standards applicable in future periods and not early adopted by the Group*

Adopted by the European Union:

- None.

Not yet adopted by the European Union:

- IFRS 17 – Insurance Contracts
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current
- Amendments to IFRS 16 – Covid-19-Related Rent Concessions

2.3 Accounting policies

2.3.1 *Revenue recognition*

The accounting principles and policies set out in the 2019 Universal Registration Document have been applied to the Group’s new business segment – CHS.

The entities acquired by CMS during the period generate sales under long-term contracts. This revenue is recognized in accordance with IFRS based on the accounting principles described below.

The Group generates revenue from the manufacture and sale of high value-added products, carried out by its various divisions:

- Protective Films, which supplies the construction, manufacturing and electronics industries with self-adhesive films for the temporary protection of fragile surfaces as well as laminators (machines used for applying surface protection films);
- Fashion Technologies, specialized in the manufacture and sale of interlinings – technical fabrics used in the manufacture of garments;
- Museum Solutions, which produces and sells technical textiles used in the advertising, decoration and interior architecture markets, and offers a full range of museum exhibit solutions;
- Luxury Materials, which buys premium combed wool and sells it to end customers.
- Healthcare Solutions, which develops, produces and markets technologies and solutions dedicated to healthcare and personal protective equipment such as face masks, hand sanitizer, surgical gowns, protective gloves, decontamination cubicles and anti-bacterial protective films.

The Group recognizes revenue when it transfers control of the good or service to the customer, which takes place when the good or service is delivered in accordance with the terms and conditions agreed with the customer. For all of the Group’s divisions, control is transferred at a point in time.

The amount recognized in revenue is based on the transaction price set in the contract and corresponds to the amount of consideration that the Group expects to receive in line with the related contractual provisions. The transaction prices applied by the Group do not include any variable amounts requiring the use of estimates.

No financing component is recognized, as the Group's contracts with customers do not contain any clauses providing for payment periods in excess of one year.

A receivable is recorded when the Group has performed its obligations, i.e., at the delivery date of the goods, which corresponds to the date on which the Group has an unconditional right to receive the consideration.

Short-term contracts

The Group recognizes revenue when it transfers control of the good or service to the customer, which takes place when the good or service is delivered in accordance with the terms and conditions agreed with the customer. The majority of the Group's contracts do not have terms exceeding one year and transfer of control takes place at a point in time.

Long-term contracts

The Group's long-term contracts correspond to projects carried out as part of the Museum Solutions business. These contracts can comprise several phases, including design, build and installation.

In accordance with IFRS 15, revenue generated from these services is accounted for based on the stage of the project's completion using the percentage of completion method based on the cost-to-cost approach. Under this approach, revenue is recognized for each performance obligation based on the percentage represented by the costs incurred to date compared with the total expected contract costs.

When multiple distinct performance obligations can be identified in a single contract, the total expected contract costs are split between those obligations on the basis of their relative stand-alone selling prices. If the selling price of each performance obligation is not identifiable, it is estimated based on expected costs plus a margin.

If it is probable that the expected costs to fulfill the contract will exceed total estimated revenue, the expected loss to completion is expensed directly in the income statement.

2.3.2 *Long-term contract assets and liabilities*

The difference, at the period-end, between the total amount invoiced to date in relation to a given contract and the revenue recognized to date on that contract is recorded in the consolidated statement of financial position under (i) long-term contract assets when the invoiced amount is less than the revenue figure, or (ii) long-term contract liabilities when the invoiced amount is higher than the revenue figure.

3 Critical accounting estimates and judgments

The preparation of financial statements under IFRS requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses.

The critical accounting estimates and assumptions that could result in a material adjustment to the carrying amount of assets and liabilities during subsequent periods are analyzed below.

3.1 Impairment of goodwill

Goodwill is tested for impairment on an annual basis as described in note 2.11.1 to the consolidated financial statements for the year ended December 31, 2019. The recoverable amounts of cash-generating units (CGUs) are determined based on calculations of value in use, which require the use of estimates.

In view of the impacts of the Covid-19 crisis on its operations, the Group carried out impairment tests at June 30, 2020 (see note 10).

3.2 Income tax expense

Deferred tax assets are recognized for tax loss carryforwards only if it is considered probable that there will be sufficient future taxable profit against which the loss can be utilized.

The amount of these assets is assessed based on taxable profit projections over a period of five or seven years depending on the tax jurisdiction concerned.

The exercise of judgment is therefore required in assessing the consequences that new events will have on the value of deferred tax assets, notably changes in the estimates of future taxable profit and the timings for utilizing the assets.

In addition, tax positions may depend on interpretations of legislation, and such interpretations may be uncertain.

3.3 Other significant estimates

The other main estimates made by management for preparing the consolidated financial statements primarily related to:

- measuring intangible assets (brands, customer relationships, non-compete clauses, etc.);
- measuring right-of-use assets and lease liabilities;
- provisions for disputes;
- post-employment benefit obligations;
- uncertain tax treatments representing material amounts;
- asset impairment losses;
- provisions for contingencies and charges.

4 Segment reporting

4.1 Information by operating segment

During the first half of 2020, the Group set up the Chargeurs Healthcare Solutions business, which develops, produces and markets solutions dedicated to healthcare and PPE (see note 1.2). This business constitutes a reportable segment within the meaning of IFRS 8.

Chargeurs now analyzes its performance based on five operating segments.

In accordance with IFRS 8 – Operating Segments, the segment information presented below is based on the internal reporting used by management to assess performance and allocate resources to each segment.

As the Healthcare Solutions segment was only recently set up, the allocation of its assets and liabilities had not been completed at June 30, 2020.

4.1.1 *Income statement by operating segment*

Six months ended June 30, 2020 (in euro millions)	Protective Films	Fashion Technologies	Museum Solutions	Luxury Materials	Healthcare Solutions	Non-operating	Consolidated
Revenue *(1)*	**133.7**	**65.5**	**25.0**	**40.4**	**253.9**	**-**	**518.5**
EBITDA	**12.7**	**5.2**	**2.1**	**(0.9)**	**55.4**	**(3.3)**	**71.2**
Depreciation and amortization	(5.8)	(2.9)	(1.3)	(0.1)	(1.1)	(0.5)	(11.7)
Recurring operating profit/(loss)	**6.9**	**2.3**	**0.8**	**(1.0)**	**54.3**	**(3.8)**	**59.5**
Amortization of intangible assets acquired through business combinations	-	(1.1)	(0.6)	-	-	-	(1.7)
Other operating income and expense (note 5)	(1.8)	(0.7)	(2.1)	(0.0)	(0.2)	(7.7)	(12.5)
Operating profit/(loss)	**5.1**	**0.5**	**(1.9)**	**(1.0)**	**54.1**	**(11.5)**	**45.3**
Net financial expense							(7.4)
Pre-tax profit for the period							**37.9**
Share of profit/(loss) of equity-accounted investees							(1.3)
Income tax expense							(7.7)
Profit for the period							**28.9**

(1) In first-half 2020, MET and DPM (acquired in second-half 2019), and D&P and Hypsos (acquired in first-half 2020),contributed €15.5 million to revenue generated by the Museum Solutions segment.

Six months ended June 30, 2019 (in euro millions)	Protective Films	Fashion Technologies	Museum Solutions	Luxury Materials	Healthcare Solutions	Non-operating	Consolidated
Revenue (1)	**142.1**	**107.7**	**18.1**	**58.2**	**-**	**-**	**326.1**
EBITDA	**19.2**	**11.4**	**2.3**	**1.5**	**-**	**(1.9)**	**32.5**
Depreciation and amortization	(5.1)	(3.3)	(0.9)	-	-	(0.5)	(9.8)
Recurring operating profit/(loss)	**14.1**	**8.1**	**1.4**	**1.5**	**-**	**(2.4)**	**22.7**
Amortization of intangible assets acquired through business com	-	(1.0)	(0.1)	-	-	-	(1.2)
Other operating income and expense (note 5)	(0.5)	(2.1)	(0.3)	-	-	(1.4)	(4.2)
Operating profit/(loss)	**13.6**	**5.0**	**1.0**	**1.5**	**-**	**(3.8)**	**17.3**
Net financial expense							(5.8)
Pre-tax profit for the period							**11.5**
Share of profit/(loss) of equity-accounted investees							-
Income tax expense							(3.2)
Profit for the period							**8.3**

(1) In the first half of 2019, the PCC companies acquired in August 2018 contributed €35.7 million to revenue generated by the Fashion Technologies segment.

4.1.2 *Assets and liabilities by operating segment*

Six months ended June 30, 2020 (in euro millions)	Protective Films	Fashion Technologies	Museum Solutions	Luxury Materials	Non-operating	Total
Assets(1)	230.5	248.1	151.8	56.5	70.1	757.0
Liabilities(2)	84.7	170.1	42.8	23.8	25.1	346.5
Capital employed	**145.8**	**78.0**	**109.0**	**32.7**	**45.0**	**410.5**
Capital expenditure	0.2	2.0	0.3	0.1	0.7	3.3

Year ended December 31, 2019 (in euro millions)	Protective Films	Fashion Technologies	Museum Solutions	Luxury Materials	Non-operating	Total
Assets(1)	225.7	179.5	67.9	58.8	38.2	570.1
Liabilities(2)	76.5	55.7	19.4	26.9	10.4	188.9
Capital employed	**149.2**	**123.8**	**48.5**	**31.9**	**27.8**	**381.2**
Capital expenditure	13.7	4.7	0.7	0.1	5.7	24.9

(1) Excluding cash and cash equivalents.
(2) Excluding equity attributable to owners of the parent, borrowings (long-term borrowings, short-term portion of long-term borrowings and short-term bank loans and overdrafts) and lease liabilities.

4.1.3 *Additional information*

Six months ended June 30, 2020 (in euro millions)	Protective Films	Fashion Technologies	Museum Solutions	Luxury Materials	Healthcare Solutions	Non-operating	Consolidated
Depreciation of property, plant and equipment	(4.0)	(1.5)	(0.6)	-	-	(0.2)	(6.3)
Impairment:							
- Inventories	(1.6)	(11.2)	(0.6)	-	-	-	(13.4)
- Trade receivables	-	(0.5)	-	-	-	-	(0.5)
Restructuring costs (note 5)	(0.6)	(0.4)	(0.5)	-	-	(6.0)	(7.5)

Six months ended June 30, 2019 (in euro millions)	Protective Films	Fashion Technologies	Museum Solutions	Luxury Materials	Healthcare Solutions	Non-operating	Consolidated
Depreciation of property, plant and equipment	(3.3)	(1.3)	(0.8)	-	-	(0.1)	(5.5)
Impairment:							
- Inventories	(0.7)	(0.6)	-	-	-	-	(1.3)
- Trade receivables	-	(0.1)	-	-	-	-	(0.1)
Restructuring costs (note 5)	-	(1.6)	-	-	-	-	(1.6)

4.2 Information by geographical area and by stage of revenue recognition

In view of the Covid-19 crisis and the development of the Healthcare Solutions business, the Group generated 50% of its revenue in France in the six months ended June 30, 2020. In the periods prior to first-half 2020, it generated over 90% of its revenue outside France.

Revenue recognized using the percentage of completion method concerns the Museum Solutions division's recent acquisitions.

Revenue by customer location breaks down as follows:

Six months ended June 30, 2020 (in euro millions)	Protective Films	Fashion Technologies	Museum Solutions	Luxury Materials	Healthcare Solutions	Consolidated
GEOGRAPHICAL AREA						
Europe	65.6	17.8	8.8	22.0	248.1	362.3
Asia-Pacific and Africa	23.3	41.3	3.4	7.9	1.5	77.4
Americas	44.8	6.4	12.8	10.5	4.3	78.8
Total	**133.7**	**65.5**	**25.0**	**40.4**	**253.9**	**518.5**
At a given date	133.7	65.5	8.4	40.4	253.9	501.9
On completion	-	-	16.6	-	-	16.6
Total	**133.7**	**65.5**	**25.0**	**40.4**	**253.9**	**518.5**

Six months ended June 30, 2019 (in euro millions)	Protective Films	Fashion Technologies	Museum Solutions	Luxury Materials	Healthcare Solutions	Consolidated
GEOGRAPHICAL AREA						
Europe	73.6	30.1	15.8	31.8	-	151.3
Asia-Pacific and Africa	22.3	64.7	1.8	8.8	-	97.6
Americas	46.2	12.9	0.5	17.6	-	77.2
Total	**142.1**	**107.7**	**18.1**	**58.2**	**-**	**326.1**
At a given date	142.1	107.7	18.1	58.2	-	326.1
On completion	-	-	-	-	-	-
Total	**142.1**	**107.7**	**18.1**	**58.2**	**-**	**326.1**

The main countries where the Group's customers are located are the following:

	Six months ended June 30			
(in euro millions)	2020		2019	
France	259.7	50.1%	23.2	7.1%
United States	64.2	12.4%	58.0	17.8%
Italy	33.0	6.4%	40.0	12.3%
Mainland China and Hong Kong	27.8	5.4%	34.9	10.7%
Germany	20.6	4.0%	21.9	6.7%
Top 5 countries	**405.3**	**78.2%**	**178.0**	**54.6%**
Other countries	113.2	21.8%	148.1	45.4%
Total	**518.5**	**100.0%**	**326.1**	**100.0%**

5 Other operating income and expense

Other operating income and expense can be analyzed as follows:

	Six months ended June 30	
(in euro millions)	2020	2019
Adjustment and restructuring costs *(1)*	(7.5)	(0.3)
Acquisition-related expenses *(2)*	(2.3)	(3.9)
Other *(3)*	(2.7)	-
Total	**(12.5)**	**(4.2)**

(1) In the first half of 2020, the Group incurred and scheduled adaptation and restructuring costs for all of its businesses.
(2) Acquisition-related expenses correspond to costs incurred in connection with external growth programs in progress or completed within the Group's various businesses.

6 Number of employees and payroll costs

6.1 Number of employees

The average number of employees of fully consolidated subsidiaries was as follows in first-half 2020 and 2019:

	Six months ended June 30	
	2020	2019
Employees in France	586	577
Employees outside France	1,695	1,497
Total employees	**2,281**	**2,074**

The year-on-year increase in number of employees was primarily due to the consolidation of MET and DPM (acquired in second-half 2019), and D&P and Hypsos (acquired in first-half 2020).

6.2 Payroll costs

	Six months ended June 30	
(in euro millions)	2020	2019 (*)
Wages and salaries	44.9	38.0
Payroll taxes	15.9	13.0
Discretionary profit sharing	1.6	0.9
Total	**62.4**	**51.9**

(*) The figures for first-half 2019 have been restated.

7 Financial income and expense

	Six months ended June 30	
(in euro millions)	2020	2019
- Finance costs	(5.4)	(4.7)
Cost of net debt	**(5.4)**	**(4.7)**
Interest on lease liabilities	(0.5)	(0.6)
- Interest expense on employee benefit obligations	(0.1)	(0.2)
- Exchange gains and losses on foreign currency receivables and payables	(1.1)	(0.3)
- Unrealized capital gains on investment securities	0.8	-
- Other financial expense	(0.8)	-
- Other	(0.3)	-
Other financial income and expenses	**(2.0)**	**(1.1)**
Finance costs and other financial income and expense, net	**(7.4)**	**(5.8)**

8 Income tax

The income tax expense reported in the income statement can be analyzed as follows:

	Six months ended June 30	
(in euro millions)	2020	2019
Current taxes	(7.8)	(3.4)
Deferred taxes	0.1	0.2
Total	**(7.7)**	**(3.2)**

No deferred tax assets have been recognized for a significant portion of the evergreen losses of the various tax groups (see note 8 to the consolidated financial statements for the year ended December 31, 2019).

The Covid-19 crisis did not have a material impact on the amount of deferred tax assets recognized at June 30, 2020.

9 Earnings per share

Basic earnings per share are calculated by dividing profit from continuing operations attributable to owners of the parent by the weighted average number of shares outstanding during the period.

Basic earnings per share amounted to €1.28 in first-half 2020.

Diluted earnings per share takes into account the weighted average number of performance shares granted to employees, interim dividends and dividends paid in the form of shares. The calculation of diluted earnings per share also involved adding back to profit from continuing operations the €0.1 million recognized for performance shares during the period.

Diluted earnings per share were the same as basic earnings per share in first-half 2020 as there was no dilutive impact during the period.

	Six months ended June 30			
	2020		2019	
(in euro millions)	Basic	Diluted	Basic	Diluted
From continuing operations	29.0	29.0	8.3	8.3
Weighted average number of shares	22,727,362	22,727,362	23,012,756	23,012,756
Earnings per share from continuing operations *(in euros)*	**1.28**	**1.28**	**0.36**	**0.36**

Based on a par value of €0.16 per share, the shares outstanding at June 30, 2020 represented issued capital of €3,840,540.32.

Double voting rights

Chargeurs' bylaws provide that shares registered in the name of the same owner for at least two years carry double voting rights. Consequently, in accordance with article L.225-124 of the French Commercial Code (*Code de commerce*), holders of said shares are entitled to double voting rights at Chargeurs Shareholders' Meetings. At June 30, 2020, 910,112 shares carried double voting rights.

10 Intangible assets

10.1 Goodwill

10.1.1 *Movements in goodwill*

The table below provides a breakdown of goodwill by cash-generating unit (CGU).

(in euro millions)	Protective Films	Fashion Technologies	Museum Solutions	Total
December 31, 2018	**72.1**	**35.8**	**18.9**	**126.8**
Additions	-	-	-	-
Translation adjustment	0.4	0.3	-	0.7
Other *(1)*	-	-	(0.7)	(0.7)
June 30, 2019	**72.5**	**36.1**	**18.2**	**126.8**
December 31, 2019	**73.3**	**36.6**	**26.0**	**135.9**
Additions	-	-	70.3	70.3
Translation adjustment	0.2	0.2	(2.1)	(1.7)
Other *(2)*	-	-	0.4	0.4
June 30, 2020	**73.5**	**36.8**	**94.6**	**204.9**

(1) Adjustment of the acquisition price for Leach (acquired in 2018).
(2) Adjustment of the allocation of goodwill relating to MET and DPM.

PROTECTIVE FILMS

The Protective Films segment is managed on a worldwide basis to meet the needs of global customers, and is considered to represent a single CGU.

Substantially all of this segment's goodwill is denominated in US dollars and the appreciation of the dollar against the euro between December 31, 2019 and June 30, 2020 resulted in a €0.2 million increase in its carrying amount.

FASHION TECHNOLOGIES

The Fashion Technologies segment also has a global management structure that is aligned with local needs.

A portion of Fashion Technologies' goodwill is denominated in Bangladesh taka, Hong Kong dollars and US dollars, and changes in the value of these currencies against the euro in the first half of 2020 resulted in a €0.2 million increase in the segment's goodwill.

MUSEUM SOLUTIONS

During the first half of 2020, Chargeurs continued and finished setting up the Museum Solutions operating segment, notably by acquiring D&P – the U.S. leader in turnkey services for museums – and Hypsos in the Netherlands. Following these acquisitions, through its various entities Chargeurs Museum Solutions offers a full range of services and products covering the entire value chain of the museum services and visitor experience industry.

The Museum Solutions operating segment is now managed on a worldwide basis to meet the needs of global customers and the goodwill relating to its various entities is therefore grouped together for the purpose of impairment testing.

Movements in goodwill during the period can be analyzed as follows:

- Design PM and MET (acquired in 2019): during the first half of 2020, goodwill related to these two companies was adjusted by £0.3 million. The total provisional amount of this goodwill at June 30, 2020 corresponded to £6.6 million (€7.8 million).
- The acquisition of D&P (in first-half 2020) generated provisional goodwill of US$74.6 million (€67.8 million).
- The acquisition of Hypsos (in first-half 2020) generated provisional goodwill of €2.5 million.

A portion of Museum Solutions' goodwill is denominated in GBP and USD. Changes in the value of these currencies against the euro in first-half 2020 resulted in a €2.1 million decrease in the carrying amount of that segment's goodwill.

10.1.2 Goodwill impairment tests

The impairment testing methods used by the Group are described in note 2.11.1 of the consolidated financial statements for the year ended December 31, 2019. The recoverable amount of the CGUs is determined based on value-in-use calculations.

The tests performed at the level of each CGU at June 30, 2020 showed that their recoverable amounts were higher than their carrying amounts, including for goodwill.

The Group carried out these tests using business plans drawn up at December 31, 2019, as revised for 2020, based on its best estimates and the visibility available for its operations at June 30, 2020.

The following method was used:

- A model was prepared that simulates cash flows based on different market parameters.
- Simulations were performed based on a scenario assuming that revenue for full-year 2020 will fall significantly and by an amount comparable with the first half of the year due to the uncertainties related to Covid-19.
- The simulations were broken down into various scenarios based on different assumptions for WACC, growth rates and recurring operating profit, taking into account the probability of each situation occurring.

The final value allocated to the CGUs' goodwill corresponds to the average value of all of the different simulated scenarios.

Following the tests performed at the level of each CGU and based on the scenarios used at June 30, 2020, the Group did not recognize any impairment losses.

The goodwill allocated to the Group's CGUs would not be affected if the objectives contained in the five-year business plans were achieved a year later than forecast.

10.2 Other intangible assets

(in euro millions)	Trademarks, customers and patents	Development costs	Other	Total
December 31, 2018	**28.8**	**0.5**	**2.0**	**31.3**
Acquisitions	0.1	-	0.7	0.8
Amortization	(1.2)	(0.1)	(0.3)	(1.6)
Translation adjustment	0.3	-	-	0.3
June 30, 2019	**28.0**	**0.4**	**2.4**	**30.8**
December 31, 2019	**33.5**	**0.7**	**3.0**	**37.2**
Acquisitions	-	-	0.5	0.5
Changes in scope of consolidation	0.1	-	-	0.1
Amortization	(1.7)	-	(0.5)	(2.2)
Translation adjustment	(0.5)	-	-	(0.5)
June 30, 2020	**31.4**	**0.7**	**3.0**	**35.1**

11 Property, plant and equipment

Movements in the carrying amount of property, plant and equipment can be analyzed as follows:

(in euro millions)	Land	Buildings	Fixtures and fittings	Plant and equipment	Assets under construction	Total
December 31, 2018	**5.6**	**8.9**	**44.7**	**6.9**	**14.6**	**80.7**
Transfer linked to IFRS 16 *(1)*	**(1.3)**	**(1.1)**	**(8.4)**	**(0.4)**	**-**	**(11.2)**
Acquisitions	0.2	4.5	1.3	0.2	9.3	15.5
Depreciation	(0.2)	(0.4)	(4.5)	(0.4)	-	(5.5)
Other *(2)*	-	0.3	3.2	0.8	(0.7)	3.6
Translation adjustment	-	-	(0.1)	0.1	-	-
June 30, 2019	**4.3**	**12.2**	**36.3**	**7.1**	**23.2**	**83.1**
December 31, 2019	**4.5**	**13.5**	**42.0**	**7.9**	**19.5**	**87.3**
Additions *(3)*	0.1	0.1	(1.9)	0.2	4.3	2.8
Disposals	-	(4.5)	-	-	-	(4.5)
Changes in scope of consolidation	-	0.1	0.5	0.4	-	1.0
Depreciation	(0.2)	(0.7)	(4.8)	(0.6)	-	(6.3)
Other	-	(0.1)	1.0	0.7	(1.6)	-
Translation adjustment	(0.2)	0.1	-	(0.1)	-	(0.2)
June 30, 2020	**4.2**	**8.5**	**36.8**	**8.5**	**22.2**	**80.1**

(1) *Corresponding to the reclassification on the initial application of IFRS 16 of property, plant and equipment presented at December 31, 2018 as held under finance leases to "Right-of-use assets" (see note 12).*

(2) *In the first half of 2020, the Group exercised an option related to assets held under finance leases. In accordance with IFRS 16, these assets had been reclassified to "Right-of-use assets" at January 1, 2019 (see note 12).*

(3) *The Group received a €3.3 million grant relating to its new production line in Italy.*

12 Right-of-use assets and lease liabilities

12.1 Right-of-use assets

The carrying amounts of right-of-use assets related to property, plant and equipment break down as follows:

(in euro millions)	Land	Buildings	Fixtures and fittings	Plant and equipment	Total
First-time adoption of IFRS 16 ***(1)***	**0.2**	**12.3**	**10.2**	**-**	**22.7**
Transfer linked to IFRS 16 ***(2)***	**1.3**	**1.1**	**8.4**	**0.4**	**11.2**
New contracts	-	0.1	0.3	-	0.4
Depreciation	-	(1.7)	(2.2)	(0.1)	(4.0)
Other *(3)*	-	-	(3.6)	(0.2)	(3.8)
Translation adjustment	-	-	-	0.1	0.1
June 30, 2019	**1.5**	**11.8**	**13.1**	**0.2**	**26.6**
December 31, 2019	**1.6**	**12.6**	**11.6**	**-**	**25.8**
New contracts	-	4.4	0.5	-	4.9
End of contracts	-	(0.1)	(0.2)	-	(0.3)
Changes in scope of consolidation *(4)*	-	11.8	0.4	-	12.2
Depreciation	-	(2.6)	(2.4)	-	(5.0)
Other	(0.2)	-	0.2	-	-
Translation adjustment	-	(0.3)	-	-	(0.3)
June 30, 2020	**1.4**	**25.8**	**10.1**	**-**	**37.3**

(1) Final impact of the first-time application of IFRS 16 as shown in the consolidated financial statements for the year ended December 31, 2019.

(2) Corresponding to the reclassification on the initial application of IFRS 16 of property, plant and equipment presented at December 31, 2018 as held under finance leases to "Right-of-use assets" (see note 11).

(3) In the first half of 2020, the Group exercised an option related to assets held under finance leases. In accordance with IFRS 16, these assets had been reclassified to "Right-of-use assets" at January 1, 2019 (see note 11).

(4) The main impacts of changes in scope of consolidation concern D&P and Hypsos.

12.2 Lease liabilities

Movements in lease liabilities can be analyzed as follows:

(in euro millions)	June 30, 2020	June 30, 2019
Lease liabilities at December 31	26.4	-
Cash movements		
Decrease	(5.1)	(4.8)
Non-cash movements		
First-time adoption of IFRS 16	-	23.5
Transfer linked to IFRS 16	-	8.7
New contracts	4.9	0.4
End of contracts	(0.1)	-
Changes in scope of consolidation	12.2	-
Changes in exchange rates	(0.3)	-
Lease liabilities at 30 December	**38.0**	**27.8**

Interest expense on lease liabilities amounted to €0.5 million in first-half 2020.

At June 30, 2020, the maturities of the Group's lease liabilities were as follows:

(in euro millions)	June 30, 2020	December 31, 2019
Due in less than one year	10.8	9.1
Due in one to two years	8.0	6.8
Due in two to three years	5.8	3.9
Due in three to four years	3.9	2.3
Due in four to five years	2.7	1.6
Due in more than five years	6.8	2.7
Total	**38.0**	**26.4**

13 Equity-accounted investees

13.1 Companies

<u>Luxury Materials segment</u>

- CW Uruguay, comprising Lanas Trinidad SA and its subsidiaries.

- CW Argentina, comprising Chargeurs Wool Argentina and its subsidiary, Peinadura Rio Chubut.

Zhangjiagang Yangtse Wool Combing Co. Ltd, comprising Zhangjiagang Yangtse Wool Combing Co. Ltd and its subsidiary Yangtse (Australia) PTY Ltd: at June 30, 2020, Chargeurs decided to sell part of its interest in Zhangjiagang. This interest has been reclassified to "Non-current assets held for sale" in the amount of €1.0 million, corresponding to the portion of its interest that the Group intends to sell.

<u>Fashion Technologies segment</u>

Following the acquisition of the PCC Interlining group, the Fashion Technologies segment now has two equity-accounted investees: Ningbo Textile Co Ltd (25%-held) and Weemeet Korea (20%-held).

<u>Museum Solutions segment</u>

Following the acquisition of the Hypsos group during the period, the Museum Solutions segment now has four equity-accounted investees, including Retail is Detail BV.

Movements in equity-accounted investees (associates and joint ventures) can be analyzed as follows:

(in euro millions)	Dec. 31, 2019	Share of profit/(loss)	Translation adjustment	Scope changes	Other *(1)*	June 30, 2020
CW Uruguay	7.1	(0.2)	-	-	-	6.9
CW Argentina	1.3	(0.2)	(0.1)	-	-	1.0
Zhangjiagang Yangtse Wool Combing Co Ltd	2.2	(0.5)	(0.1)	-	(1.0)	0.6
Hypsos	-	-	-	0.9	-	0.9
Total joint ventures	**10.6**	**(0.9)**	**(0.2)**	**0.9**	**(1.0)**	**9.4**
Wool USA	0.5	(0.4)	-	-		0.1
Ningbo Textile Co Ltd	0.6	-	(0.1)	-	-	0.5
Weemeet Korea	0.9	-	-	-	-	0.9
Total associates	**2.0**	**(0.4)**	**(0.1)**	**-**	**-**	**1.5**
Total equity-accounted investees	**12.6**	**(1.3)**	**(0.3)**	**0.9**	**(1.0)**	**10.9**

(1) In late June 2020, Chargeurs signed a letter of intent to sell 31% of its interest in Zhangjiagang, representing €1.0 million of the overall amount recognized for this equity-accounted investee. This amount has been reclassified to "Non-current assets held for sale" in the statement of financial position.

13.2 Key figures for the main equity-accounted investees

Key figures for material equity-accounted investees are presented below (on a 100% basis):

	At June 30, 2020 Chargeurs Luxury Materials				At December 31, 2019 Chargeurs Luxury Materials			
(in euro millions)	CW Uruguay	CW Argentina	Zhangjiagang Yangtse Wool Combing Co Ltd	Total	CW Uruguay	CW Argentina	Zhangjiagang Yangtse Wool Combing Co Ltd	Total
Non-current assets	2.3	1.7	4.1	8.1	2.5	1.8	4.6	8.9
Current assets	35.2	16.7	16.4	68.3	38.4	20.6	20.0	79.0
Cash and cash equivalents	1.7	0.4	0.8	2.9	0.9	0.1	1.4	2.4
Non-current financial liabilities	-	-	-	-	-	-	-	-
Other non-current liabilities	0.1	-	0.2	0.3	0.1	-	0.2	0.3
Current financial liabilities	22.2	13.0	5.4	40.6	22.6	13.0	8.6	44.2
Other current liabilities	3.1	3.9	12.5	19.5	4.9	7.0	12.8	24.7
Total net assets	**13.8**	**1.9**	**3.2**	**18.9**	**14.2**	**2.5**	**4.4**	**21.1**
% interest	50%	50%	50%	n.a.	50%	50%	50%	n.a.
Group share	6.9	1.0	1.6	9.5	7.1	1.3	2.2	10.6
Other	-	-	(1.0)	(1.0)	-	-	-	-
Carrying amount	**6.9**	**1.0**	**0.6**	**8.5**	**7.1**	**1.3**	**2.2**	**10.6**

	At June 30, 2020 Chargeurs Luxury Materials				At June 30, 2019 Chargeurs Luxury Materials			
(in euro millions)	CW Uruguay	CW Argentina	Zhangjiagang Yangtse Wool Combing Co Ltd	Total	CW Uruguay	CW Argentina	Zhangjiagang Yangtse Wool Combing Co Ltd	Total
Revenue	12.5	5.1	6.5	24.1	29.8	10.9	8.2	48.9
Depreciation, amortization and impairment	(0.2)	-	(0.4)	(0.6)	(0.2)	-	(0.4)	(0.6)
Finance costs, net	(0.5)	(1.1)	(0.1)	(1.7)	(0.6)	(0.5)	(0.1)	(1.2)
Profit/(loss) from continuing operations	**(0.4)**	**(0.4)**	**(1.0)**	**(1.8)**	**0.1**	**0.2**	**(0.4)**	**(0.1)**
% interest	50%	50%	50%	n.a.	50%	50%	50%	n.a.
Group share of profit/(loss)	**(0.2)**	**(0.2)**	**(0.5)**	**(0.9)**	**0.1**	**0.1**	**(0.2)**	**-**

13.3 Transactions with equity-accounted investees

In the first half of 2020, the main transactions with the Group's equity-accounted investees (Lanas Trinidad, Chargeurs Wool Argentina and Zhangjiagang Yangtse Wool Combing Co. Ltd and its subsidiary Yangtse Pty Ltd) were as follows:

- purchases recorded in cost of sales for €11.6 million;
- trade receivables for €10.2 million.

14 Non-current financial assets

During the first half of 2020 Chargeurs acquired securities for an aggregate €12.0 million. These investment securities are accounted for at fair value through profit or loss. At June 30, 2020, €0.8 million in fair value remeasurements related to these securities was recognized in net financial expense.

15 Working capital

(in euro millions)	Dec. 31, 2019	Change in operating working capital *(1)*	Other changes	Translation adjustment *(2)*	Impact of changes in scope of consolidation	June 30, 2020
Inventories and work-in-progress	126.1	24.9	(0.5)	(2.3)	0.1	148.3
Long-term contract assets	-	2.1	0.4	-	0.6	3.1
Trade receivables	73.5	69.5	(0.3)	(1.3)	5.9	147.3
Derivative financial instruments	1.4	-	(0.2)	-	-	1.2
Other receivables	27.8	6.8	(0.2)	(0.6)	0.9	34.7
Current income tax receivables	1.3	-	(1.3)	-	-	-
Assets	**230.1**	**103.3**	**(2.1)**	**(4.2)**	**7.5**	**334.6**
Trade payables	105.6	42.1	-	(0.9)	6.1	152.9
Derivative financial instruments	0.1	0.9	(0.1)	-	-	0.9
Other payables *(3)(4)*	44.8	70.5	2.1	(0.6)	2.3	119.1
Long-term contract liabilities	-	(1.9)	(0.2)	(0.1)	12.0	9.8
Current income tax liability	5.9	-	3.9	-	-	9.8
Liabilities	**156.4**	**111.6**	**5.7**	**(1.6)**	**20.4**	**292.5**
Working capital	**73.7**	**(8.3)**	**(7.8)**	**(2.6)**	**(12.9)**	**42.1**

(1) Presented in the consolidated statement of cash flows under "Net cash from operating activities".
(2)Including €0.1 million corresponding to the impact of hyperinflation in Argentina.
(3) Until December 31, 2019 the short-term portion of provisions for other liabilities was included in "Other payables". The Group has now changed this presentation by creating a separate line in the statement of financial position. Consequently, the €0.7 million recorded for this item under "Other payables" at January 1, 2020 has been reclassified to "Provisions for other liabilities - Current" (see note 19).
(4) At June 30, 2020 "Other payables" included €48.4 million in contract downpayments relating to CHS's business, mainly arising from the highly specific operating context in first-half 2020 due to Covid-19.

(in euro millions)	Dec. 31, 2018	Change in operating working capital *(1)*	Other changes	Translation adjustment *(2)*	Impact of changes in scope of consolidation	June 30, 2019
Inventories and work-in-progress	128.4	1.0	-	0.3	-	129.7
Trade receivables	72.4	14.9	0.1	0.2	-	87.6
Derivative financial instruments	0.7	0.2	-	-	-	0.9
Other receivables	20.5	2.3	(0.3)	0.1	-	22.6
Current income tax receivables	3.2	-	(2.3)	-	-	0.9
Assets	**225.2**	**18.4**	**(2.5)**	**0.6**	**-**	**241.7**
Trade payables	116.8	0.3	-	0.4	-	117.5
Derivative financial instruments	0.4	0.2	(0.4)	-	-	0.2
Other payables	42.3	(4.4)	-	0.1	-	38.0
Current income tax liability	1.0	-	0.6	-	-	1.6
Liabilities	**160.5**	**(3.9)**	**0.2**	**0.5**	**-**	**157.3**
Working capital	**64.7**	**22.3**	**(2.7)**	**0.1**	**-**	**84.4**

(1) Presented in the consolidated statement of cash flows under "Net cash from operating activities".
(2) Including €0.3 million corresponding to the impact of hyperinflation in Argentina.

16 Factoring

Chargeurs SA and a number of its subsidiaries have negotiated with French financial institutions the terms and conditions of the Group's factoring programs in Europe.

The new programs provide for no-recourse sales with the transfer of substantially all of the risks and rewards of ownership of the sold receivables. Only the non-material risk of dilution is not transferred to the purchaser. Consequently, the sold receivables have been derecognized.

The amount of receivables sold under these programs totaled €48.7 million at June 30, 2020 versus €59.9 million at December 31, 2019.

17 Long- and short-term debt, cash and cash equivalents

17.1 Net debt

(in euro millions)	Dec. 31, 2019	Cash movements: Increase	Cash movements: Decrease	Cash movements: Changes in scope of consolidation	Non-cash movements: Changes in exchange rates	Non-cash movements: Other	June 30, 2020
Term deposits	4.3	1.2	-	-	(0.1)	-	5.4
Cash at bank	89.6	136.1	-	7.1	(0.6)	(0.2)	232.0
Total cash and cash equivalents	**93.9**	**137.3**	**-**	**7.1**	**(0.7)**	**(0.2)**	**237.4**
Medium and long-term borrowings	201.0	145.6	(0.9)	0.2	(0.1)	-	345.8
Short-term bank loans	12.2	-	(1.1)	-	-	-	11.1
Overdrafts	3.1	-	(0.1)	-	(0.1)	-	2.9
Total gross debt	**216.3**	**145.6**	**(2.1)**	**0.2**	**(0.2)**	**-**	**359.8**
Net cash position/(Net debt position)	**(122.4)**	**(8.3)**	**2.1**	**6.9**	**(0.5)**	**(0.2)**	**(122.4)**

There were no restrictions on the use of the cash and cash equivalents held by Group at June 30, 2020.

During the first half of 2020, Chargeurs put in place three new bilateral credit facilities, including two short-term facilities representing €7.5 million each and a medium-term facility of €15.0 million.

17.2 Change in net debt

(in euro millions)	Six months ended June 30: 2020	2019
EBITDA	71.2	32.5
Other operating income and expense *(1)*	(4.1)	(4.2)
Cost of net debt and interest on leases	(5.9)	(5.3)
Income tax paid	(1.6)	(0.4)
Other	3.6	0.2
Cash generated by operations	**63.2**	**22.8**
Change in operating working capital	8.3	(22.3)
Operating cash flows	**71.5**	**0.5**
Transfer linked to IFRS 16	-	8.7
Acquisition of PPE and intangible assets, net of disposals	1.4	(16.3)
Acquisitions of subsidiaries, net of cash acquired	(54.6)	-
Acquisitions of investment securities	(12.0)	-
Other investing cash flows	0.4	(0.9)
Share buybacks	(0.1)	(4.5)
Cash dividends paid to owners of the parent	(2.5)	(5.1)
Repayment of lease liabilities	(5.1)	(4.8)
Other	1.5	(0.1)
Currency effect	(0.5)	(0.5)
Change in net cash/(net debt)	**0.0**	**(23.0)**
Opening net cash/(net debt)	(122.4)	(92.2)
Closing net cash/(net debt)	**(122.4)**	**(115.2)**

(1) This line only includes cash items relating to restructuring costs and acquisition expenses (see note 5).

17.3 Financial covenants

Neither (i) the Group's €230 million syndicated credit facility set up in December 2018 – comprising a €100 million RCF maturing in 5+1 years and a €130 million 6-year term loan – nor (ii) the Group's Euro PP notes (amounting to €122 million), are subject to a leverage covenant. They are, however, subject to a gearing covenant of ≤1.2x, calculated on a half-yearly basis.

This covenant was respected at June 30, 2020.

The new credit facilities set up in first-half 2020 are not subject to any covenants.

17.4 Debt by maturity and interest rate

17.4.1 *Analysis of long-term and medium-term debt by maturity and interest rate:*

(in euro millions)	June 30, 2020 Total	June 30, 2020 Of which fixed rate	June 30, 2020 Of which variable rate	December 31, 2019 Total	December 31, 2019 Of which fixed rate	December 31, 2019 Of which variable rate
Due in less than one year	26.8	6.5	20.3	7.5	5.4	2.1
Due in one to two years	27.7	7.3	20.4	4.7	2.9	1.8
Due in two to three years	50.3	30.4	19.9	3.1	1.8	1.3
Due in three to four years	39.0	19.2	19.8	41.7	40.5	1.2
Due in four to five years	159.9	43.8	116.1	62.0	-	62.0
Due in more than five years	42.1	42.0	0.1	82.0	82.0	-
Total	**345.8**	**149.2**	**196.6**	**201.0**	**132.6**	**68.4**

The carrying amount of fixed-rate debt, after hedging, was €149.2 million at June 30, 2020. The average proportion of debt at fixed rates of interest was 43.1% in first-half 2020 versus 66.0% in full-year 2019.

17.4.2 *Maturities of the Group's confirmed credit facilities*

The maturities of the Group's confirmed credit facilities are as follows:

(in euro millions)	June 30, 2020	Average maturity	Dec. 31, 2019	Average maturity
Drawn financing facilities	356.9	3.7	213.2	4.5
Undrawn financing facilities (1)	49.5	3.9	162.0	5.0
Total confirmed financial resources	**406.4**	**3.7**	**375.2**	**4.7**

(1) Of which €37.0 million at June 30, 2020 allocated to financing future acquisitions and capital expenditure.

17.5 Analysis of debt by currency

(in euro millions)	June 30, 2020	Dec. 31, 2019
Euro	344.4	201.3
US dollar	10.6	7.1
Chinese yuan	2.7	2.9
Other	2.1	5.0
Total	**359.8**	**216.3**

18 Pension and other post-employment benefit obligations

Employee benefits expense for the first half of 2020 totaled €0.3 million, of which €0.2 million was recognized in recurring operating profit and €0.1 million in net financial expense.

United States: actuarial gains and losses arising during the first half of 2020 were estimated based on sensitivity tests performed at December 31, 2019, using a discount rate of 2.72% compared with 3.26% in 2019. A net actuarial gain of €0.4 million was recognized for the period.

Europe: actuarial gains and losses arising during the first half of 2020 were estimated based on sensitivity tests performed at December 31, 2019, using a discount rate of 0.78% compared with 0.75% in 2019. The net actuarial gain recognized for the period was not material.

19 Provisions for other liabilities

The amount reported under "Provisions for other liabilities" in the statement of financial position does not include short-term provisions, which are included in "Other payables".

(in euro millions)	Provision for other liabilities Non-current	Provision for other liabilities Current	Total
December 31, 2018	**0.5**	**0.7**	**1.2**
December 31, 2019	**0.4**	**0.7**	**1.1**
Additions	0.7	13.2	13.9
Changes in scope of consolidation	0.7	0.6	1.3
Other *(1)*	-	1.3	1.3
June 30, 2020	**1.8**	**15.8**	**17.6**

(in euro millions)	**June 30, 2020**	**Dec. 31, 2019**
Provisions for losses on completion	0.3	
Provisions for miscellaneous contingencies	17.3	1.1
Total	**17.6**	**1.1**

Provisions for miscellaneous contingencies include (i) €10.9 million in contingencies related to product returns and disputes with suppliers and (ii) €3.7 million in costs for the Group's adaptation plan aimed at reducing the structural costs of its long-standing businesses and enhancing financial performance.

The main cash outflows covered by provisions for other liabilities are estimated to total €8.7 million within the next twelve months and €6.8 million beyond that period.

20 Other non-current liabilities

"Other non-current liabilities" mainly include a €3.4 million guarantee received concerning licenses.

21 Related-party transactions

Related-party transactions with equity-accounted investees are presented in note 13.3.

There were no material changes in related-party transactions between December 31, 2019 and June 30, 2020.

22 Commitments and contingencies

22.1 Commercial commitments

At June 30, 2020, Chargeurs SA and its subsidiaries had given firm commitments to purchase manufacturing assets representing an aggregate amount of €3.2 million.

22.2 Guarantees

At June 30, 2020, Chargeurs SA and its subsidiaries had given guarantees for a total of €11.8 million related to the Group's financing.

22.3 Collateral

At June 30, 2020, Chargeurs SA and its subsidiaries had granted collateral representing a total of €1.5 million.

23 Subsequent events

No significant events requiring disclosure occurred between June 30, 2020 and the date on which these financial statements were approved for issue.

24 Seasonal fluctuations in business

Seasonal fluctuations in the Group’s long-standing businesses do not have a material impact on its financial statements.

25 Main consolidated companies

At June 30, 2020, 90 companies were fully consolidated (compared with 85 in 2019), and 16 were accounted for by the equity method (12 in 2019).

Parent company	**Chargeurs SA**
France	Chargeurs Boissy SARL / Chargeurs Textiles SAS / Chargetex 35/ Chargeurs Cloud
Germany	Chargeurs Deutschland GmbH / Leipziger Wollkämmerei AG
Switzerland	CMI
North America	Chargeurs Inc (USA)

Protective Films segment

Holding company for the segment	**Chargeurs Films de Protection SA**
France	Novacel SA / Asidium (Somerra)
Italy	Boston Tapes S.p.A. / Boston Tapes Commercial S.r.l. / Novacel Italia S.r.l. / Omma S.r.l
Germany	Novacel GmbH
United Kingdom	Novacel UK Ltd
Spain	Novacel Iberica S.p.A.
Belgium	S.A Novacel Belgium N.V
North America	Chargeurs Protective Films Inc. (United States) – Novacel Inc. (United States) – Main Tape Inc. (United States) – T.L.C. Inc (United States) / Walco Machines Company (United States)
Central America	Novacel Mexico S.a de C.v (Mexico)
Asia	Novacel Shanghai Co. Ltd. (China) – Novacel Korea Ltd. (South Korea)

Fashion Technologies segment

Holding company for the segment	**Fitexin**
France	Lainière de Picardie BC SAS / Intissel / Chargeurs Entoilage SA
Italy	Chargeurs Interfodere Italia
Germany	Lainière de Picardie Deutschland GmbH / Chargeurs Deutschland
United Kingdom	Chargeurs Interlining (UK) Ltd
Portugal	Chargeurs Entretelas (Iberica) Ltd
Romania	Lainière de Picardie Insertii S.r.l.
North America	LS Inc / Lainière de Picardie Inc. (USA)
South America	Lainière de Picardie Golaplast Brazil Textil Ltda (Brazil) / Entretelas Americanas SA (Argentina) / Lainière de Picardie DHJ Chile SA (Chile)
Africa	Stroud Riley (Proprietary) Limited (South Africa) / ADT Chargeurs Entoilage Tunisie SARL (Tunisia) / Chargeurs Fashion Technologies Ethiopia (Ethiopia)
Asia	Chargeurs Interlining Limited (HK) / LP (Wujiang) Textiles Co. Ltd (China) / Lainière de Picardie Korea Co. Ltd (South Korea) / DHJ Interlining Limited (China) / Etacol Bangladesh Ltd (Bangladesh) / Chargeurs Interlining Singapore PTE Ltd (Singapore) / Intissel Lanka PVT Ltd (Sri Lanka) / Lantor Lanka (Sri Lanka) / Intissel China Ltd (China) / PCC Asia LLC (China) / PCC Guangzhou Trading Co Ltd (China) / Weemeet Korea (20%) (South Korea) / Ningbo Textile Co Ltd (25%) (China)

Museum Solutions segment

Holding company for the segment	**Chargeurs Technical Substrates**
France	Senfa
United Kingdom	A.H Leach & Company Limited – Leach Colour Limited / Design PM Limited / Design PM (International) Limited / MET London Studio Design Ltd / Oval Partnership (36%) / Hypsos London Ltd (50%)
Asia	MET Studio Design Ltd HK / MET Studio Singapore Pte Ltd / Hypsos Leisure Asia Ltd (25%) (Hong Kong)
North America	D&P Incorporated
Netherlands	Hypsos Holding BV (50%) / Hypsos National BV (50%) / Hypsos International BV (50%) / Hypsos BV (50%) / Hypsos Russia BV (25%) / Retail is Detail BV (25%)
Russia	Hypsos Moskow (25%)

Luxury Materials segment

Holding company for the segment	**Chargeurs Wool Holding GmbH**
France	Chargeurs Wool (Eurasia) SAS
Italy	Chargeurs Wool Sales (Europe) S.r.l.
New Zealand	Chargeurs Wool (NZ) Limited
North America	Chargeurs Wool USA Inc. (USA) / USA Wool (35%)
South America	Alvisey (Uruguay) / Nuovalane (Uruguay) / Lanas Trinidad SA (50%) (Uruguay) / Lanera Santa Maria (50%) and its subsidiary Hart Newco SA (50%) / Chargeurs Wool (Argentina) SA (50%) and its subsidiary Peinaduria Rio Chubut (25%)
Asia Pacific	Zhangjiagang Yangtse Wool Combing Co Ltd (50%) and its subsidiary Yangtse (50%) (Australia) Pty Ltd, Weemeet Korea (20%) (South Korea) and Ningbo Textile Co Ltd (25%) (China).

The percentages indicated correspond to Chargeurs' percentage of control at June 30, 2020 for companies that are not almost or entirely wholly owned by the Group.

CHARGEURS

RELATED PARTY TRANSACTIONS

During the first half of 2020, two related-party agreements were signed between Chargeurs USA, LLC – a wholly-owned Chargeurs subsidiary – and Foncière Transcontinentale LLC, a company controlled by Michaël Fribourg.

One of these agreements concerns the sale by Chargeurs USA, LLC to Foncière Transcontinentale LLC of offices located in the Chelsea Arts Tower in New York, and the other concerns Foncière Transcontinentale LLC leasing those same offices to Chargeurs USA, LLC.

The two agreements were signed on June 18, 2020. They were presented in the Board of Directors' report to the April 28, 2020 Annual General Meeting and were approved by Chargeurs' shareholders at that AGM prior to their signature.

September 9, 2020

CHARGEURS

STATEMENT BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

I declare that, to the best of my knowledge, (i) the condensed half-year consolidated financial statements for the six months ended June 30, 2020 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the consolidated companies, and (ii) the interim management report includes a fair review of significant events of the past six months, their impact on the interim financial statements and the main related party transactions for the period, as well as a description of the main risks and uncertainties in the second half of the year.

Paris, September 9, 2020

Michaël FRIBOURG
Chairman & Chief Executive Officer

CHARGEURS

Statutory Auditors' report
on the interim financial information

For the six months ended June 30, 2020

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine, France

Crowe HAF
A member of Crowe Global
85, rue Edouard Vaillant
92300 Levallois-Perret, France

Statutory Auditors' report on the interim financial information

For the six months ended June 30, 2020

This is a translation into English of the statutory auditors' review report on the interim financial information issued in French and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,
CHARGEURS
112 avenue Kleber
75116 Paris
France

In compliance with the assignment entrusted to us by your Shareholders' Meeting and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of CHARGEURS for the six months ended June 30, 2020;
- the verification of the information contained in the interim management report.

These condensed interim consolidated financial statements were prepared under the responsibility of the Board of Directors on September 9, 2020 based on information available at that date and in the evolving context of the Covid-19 health crisis and the difficulties in assessing its impact and future prospects. Our role is to express a conclusion on these financial statements based on our review.

I - Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting, as adopted by the European Union.

II - Specific verification

We have also verified the information given in the interim management report prepared on September 9, 2020 on the condensed interim consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the condensed interim consolidated financial statements.

The Statutory Auditors

PricewaterhouseCoopers Audit

Crowe HAF
A member of Crowe Global

Dominique Ménard

Marc de Prémare