

Record first quarter for Chargeurs

Revenue up 12.6% to €203.5 million

The Group's leadership and pricing power made the difference

- The rebound in the traditional businesses is gathering pace; like-for-like growth of 36.2% excluding CHS
 - ◆ Continued very strong growth at Chargeurs Protective Films
 - ◆ Strong acceleration at Chargeurs*PCC Fashion Technologies and Chargeurs Luxury Materials, which have recovered to their Q1 2019 levels and have record order books
 - ◆ Successful integration of Event Communications within Chargeurs Museum Solutions, which benefits from good commercial dynamics
- Confirmed ability of CPF and Chargeurs*PCC to pass on rises in production costs
- Launch of an €8m share buyback program

“Chargeurs had a very good start to the year, breaking above the €200 million mark in revenue during the first quarter. The level of business at CPF was itself a record and the textile businesses were also excellent despite the lockdown in Asia, all with high margins. This overall performance reflects both robust volume effects underpinned by the ability of our business lines to win new markets and also a price effect, reflecting their strong pricing power against a backdrop of inflation in production costs. Chargeurs Museum Solutions started up a significant number of multi-year museum construction projects, which will gradually strengthen its earnings growth. Chargeurs Healthcare Solutions had a more modest commercial performance during the quarter, linked to major customer inventory management cycles—in turn offering prospects of rebuilding strategic stocks—but generating high profitability.

Despite volatile economic, health and geopolitical conditions, Chargeurs has again demonstrated, quarter after quarter, the strength of its portfolio of low capital-intensive businesses and the efficiency of its operating and entrepreneurial management. While remaining extremely vigilant with respect to geopolitical and health risks, the Group intends to leverage the strength of its balance sheet to amplify the roll-out of its Leap Forward 2025 value creation program, based on the revelation of embedded performance of its businesses and a strategy of selective acquisitions.” **declared Chairman and CEO Michaël Fribourg.**

Q1 2022 REVENUE UP 12.6%

Revenue in the first quarter of 2022 was €203.5 million, up 12.6% from the first quarter of 2021 and 26.2% from the first quarter of 2019. Excluding the second quarter of 2020, which was boosted by exceptional business levels at Chargeurs Healthcare Solutions, this performance was Chargeurs' best for several decades. It was based on 8.1% like-for-like growth, driven by very high levels of business and pricing power at Chargeurs Protective Films, which generated double-digit like-for-like growth despite a high basis for comparison, and at Chargeurs*PCC Fashion Technologies, where the very sharp acceleration in sales reflects the business line's ability to take advantage of the recovery in the fashion and luxury sector. Excluding CHS, like-for-like growth was 36.2%, amplifying the strong sequential recovery seen since the second quarter of 2021.

Growth in revenue was also underpinned by a 1.5% scope effect resulting from the integration of Event Communications within Chargeurs Museum Solutions as of January 1, 2022, and a currency effect of 2.9%, primarily attributable to the appreciation of the US dollar, the Hong Kong dollar and the Chinese yuan against the euro.

The Group underlined that its direct business exposure to Russia is extremely limited. In 2021, revenue generated in Russia represented less than 0.4% of the Group's total revenue.

A VERY DYNAMIC START TO 2022 FOR THE TRADITIONAL BUSINESS LINES

€m	1st quarter		chg. 22 vs. 21		chg. 22 vs. 20		chg. 22 vs. 19	
	2022	2021	reported	like-for-like	reported	like-for-like	reported	like-for-like
Protective Films	95.9	76.5	+25.4%	+22.0%	+35.3%	+35.3%	+38.6%	+37.6%
Fashion Technologies (Chargeurs*PCC)	51.6	31.6	+63.3%	+57.6%	+14.2%	+19.2%	-2.6%	+3.6%
Luxury Materials	31.0	18.4	+68.5%	+66.3%	+3.0%	+1.3%	+0.3%	+0.0%
Museum Solutions	18.9	12.6	+50.0%	+24.6%	+67.3%	-12.4%	+133.3%	-14.8%
Chargeurs excl. Healthcare Solutions	197.4	139.1	+41.9%	+36.2%	+25.3%	+20.8%	+22.5%	+16.6%
Healthcare Solutions	6.1	41.7	-85.4%	-85.4%				
Chargeurs	203.5	180.8	+12.6%	+8.1%	+29.2%	+24.6%	+26.2%	+20.3%

By business line, Chargeurs' Q1 revenue performance breaks down as follows:

- **Chargeurs Protective Films** generated strong growth for the sixth successive quarter, with revenue of €95.9 million, a record high for this business line. Underpinned by a strong price effect linked to the business line's ability to pass on higher prices of raw materials, particularly the price of polyethylene, CPF posted like-for-like growth of 22.0%. All regions contributed to this significant growth, with Europe, CPF's main market, continuing to deliver robust results. It should be noted that this performance was also linked to a slight increase in volumes, which was particularly remarkable given that 2021 volumes themselves reached historic levels.

In addition to benefiting from the advantage of contractual provisions enabling the Group to pass on higher industrial polyethylene prices to customers and from continuous improvements in industrial

processes, the business line also took advantage of the flexibility provided by its regional production capacities to optimize its production and transport costs.

The CPSM – Specialty Machines – business line also posted strong growth, fueled by steady investments by industrial players.

- **Chargeurs*PCC Fashion Technologies** posted revenue of €51.6 million, up 57.6% in like-for-like growth, primarily driven by higher volumes. This strong performance enabled the business to show a 3.6% increase in organic terms compared with the reference pre-Covid period of first-quarter 2019. In line with the Group's expectations, the renewed acceleration in consumption in the fashion and luxury sectors generated a substantial acceleration in orders from brands and manufacturers in all regions. Growth also included a positive price effect driven by hikes in sales prices implemented to pass on inflation in components such as polyester and polyamide and reflecting the business line's pricing power. Beyond beneficial sector momentum, this acceleration in sales growth was also driven by fresh successes for the *Sustainable 360™* range of eco-responsible interlinings and for Fusion, a product range combining performance and comfort, both sources of additional value creation for the business line.
- **Chargeurs Luxury Materials** posted robust revenue growth, up 66.3% on an organic basis. The considerable increase in volumes since the start of 2022 added to a beneficial price effect bolstered by an increase in the price of superior quality wool. The Nativa™ eco-responsible label guaranteeing the traceability of wool, gained traction with internationally recognized brands, such as Decathlon, VF Corp and Vivienne Westwood, and certified new farms. Sales momentum was underpinned by new solutions in regenerative agriculture and the circular economy, enabling Nativa™ to reassert its leadership in eco-responsible labels in the premium wool market.
- **Chargeurs Museum Solutions** posted sales growth of 50%, with its revenue increasing to €18.9 million in the first quarter. This performance was the result of a balanced increase with 24.6% like-for-like growth on the one hand and a 21.3% scope effect on the other related to the consolidation of Event Communications from January 1, 2022. Like-for-like growth benefited from an initial recovery in retail and events activities, in particular at Leach, Senfa and Hypsos, while the museum business was marked by the launch of a number of new long-term projects, offering clear visibility on revenue and earnings trends in the coming years. CMS accelerated the integration of the various museum entities under its new umbrella brand, Museum Studio, broken down by country. Event Communications, Design PM, MET Studio and Leach are, as a result, being gradually integrated into Museum Studio UK. Actions taken to unite these various entities and strengthen their product and services offering during the first half of 2022 are set to generate efficiency gains during the second half and more intensely so next year.

Event Communications, a global leader in museum design and planning, was the last company to be acquired as part of CMS's build-up, which is set to continue. At the prestigious annual ceremony organized by the European Museum Forum from May 4 to 7, 2022, a genuine landmark event in the industry, Event Communications received an award for the design of "The Box" museum in Plymouth, England, one of the more than 60 museum projects to be recognized.

CMS and its subsidiaries are also developing their expertise in large-scale projects across all regions. Major recently completed and ongoing projects include the renovation of the west wing of the National Air & Space Museum in the United States (D&P), the Burrell Collection in Glasgow (Event Communications), the project to develop the Saudi Arabia Museum of Contemporary Art in Jax (CMS with the support of MET Studio, Hypsos and Design PM) and the Sheikh Zayed Grand Mosque Center project in Abu Dhabi (CMS).

- **Chargeurs Healthcare Solutions** posted revenue of €6.1 million. This volume of activity, which essentially corresponded to orders for personal protective equipment (PPE), was consistent with the expected inventory shedding by the business line's major customers. As seen in certain quarters in the past, CHS reported more modest business levels given the improvement in the health crisis, but continues to benefit from multi-year contracts that should enable the rebuilding of strategic inventories and boost business in the future.

In this market, the business line is continuing to develop a business model that offers secure access to PPE for private and public customers that are looking to benefit from active management of their strategic inventories. CHS's production facilities are unique in Europe, and can be mobilized within a very short timeframe and for very large volumes, and its cost structure is very flexible, allowing it to control the effects of volatility in order intake over the year.

The first quarter was also marked by the launch of sales of Sockwell products, the leading US compression sock brand with which CHS established a distribution partnership in France. Reflecting the business line's premium positioning, Sockwell's products are distributed via a network of high-end pharmacies and on the lainiere-sante.com and sockwell.fr websites. CHS is continuing to actively review potential acquisitions with a view to expanding its personal care product range and increasing its presence in these distribution channels and in travel retail.

SHARE BUYBACK

On April 12, 2022, as a result of the confidence shown in its performance and its significant cash reserves, Chargeurs announced the launch of a share buyback program for a maximum amount of €8 million. Under the program, Chargeurs engaged an investment services provider to purchase Chargeurs shares, depending on market conditions, at a maximum unit price of €30. The program will expire at the latest on October 6, 2023.

2022 Financial Calendar

Thursday September 8, 2022 (before market)

First-half 2022 results

Wednesday, November 9, 2022 (before market)

Third-quarter 2022 financial information

ABOUT CHARGEURS



CHARGEURS is a world leader of niche technologies and services, offering integrated, high value-added solutions to its B2B and B2C customers. Active in 90 countries with nearly 2,500 employees, the Group, whose global signature is High Emotion Technology®, develops its manufacturing and technological expertise across a range of sectors including premium materials protection, fashion and luxury goods, museography, health and well-being.

In 2022, the Group celebrates its 150th year of entrepreneurial boldness. With its Leap Forward 2025 strategic plan, the Group aims to step up the game by seizing market opportunities linked to developments in production, distribution and consumption methods and widespread demand for sustainable manufacturing solutions. Recognized for their highly agile manufacturing and their global footprint, Chargeurs' many areas of expertise are intended to support its profitable and sustainable growth. In 2021, the Group generated revenue of €736.6m.

APPENDICES

Breakdown of revenue by business line:

€m	2022	2021	2020	2019	Change 2022 vs. 2021
First quarter					
Chargeurs Protective Films (CPF)	95.9	76.5	70.9	69.2	+25.4%
Chargeurs*PCC Fashion Technologies	51.6	31.6	45.2	53.0	+63.3%
Chargeurs Luxury Materials	31.0	18.4	30.1	30.9	+68.5%
Chargeurs Museum Solutions	18.9	12.6	11.3	8.1	+50.0%
Chargeurs Healthcare Solutions	6.1	41.7	-	-	-85.4%
Chargeurs	203.5	180.8	157.5	161.2	+12.6%
Second quarter					
Chargeurs Protective Films (CPF)	-	92.0	62.8	72.9	-
Chargeurs*PCC Fashion Technologies	-	34.2	20.3	54.7	-
Chargeurs Luxury Materials	-	21.0	10.3	27.3	-
Chargeurs Museum Solutions	-	14.8	13.7	9.9	-
Chargeurs Healthcare Solutions	-	29.6	253.9	-	-
Chargeurs	-	191.6	361.0	164.8	-
Third quarter					
Chargeurs Protective Films (CPF)	-	86.2	67.1	69.8	-
Chargeurs*PCC Fashion Technologies	-	39.1	32.9	48.4	-
Chargeurs Luxury Materials	-	22.1	9.8	21.5	-
Chargeurs Museum Solutions	-	14.2	13.2	6.7	-
Chargeurs Healthcare Solutions	-	11.3	46.7	-	-
Chargeurs	-	172.9	169.7	146.4	-
Fourth quarter					
Chargeurs Protective Films (CPF)	-	86.2	69.6	66.2	-
Chargeurs*PCC Fashion Technologies	-	49.5	33.4	54.5	-
Chargeurs Luxury Materials	-	24.7	14.4	20.5	-
Chargeurs Museum Solutions	-	18.7	13.4	12.6	-
Chargeurs Healthcare Solutions	-	12.2	3.00	-	-
Chargeurs	-	191.3	133.8	153.8	-
Full-year total					
Chargeurs Protective Films (CPF)	-	340.9	270.4	278.1	-
Chargeurs*PCC Fashion Technologies	-	154.4	131.8	210.6	-
Chargeurs Luxury Materials	-	86.2	64.6	100.2	-
Chargeurs Museum Solutions	-	60.3	51.6	37.3	-
Chargeurs Healthcare Solutions	-	94.8	303.6	-	-
Chargeurs	-	736.6	822.0	626.2	-

Breakdown of revenue by geography:

€m	2022	2021	2020	2019	Change 2022 vs. 2021
First quarter					
Europe	95.0	103.5	71.2	78.4	-8.2%
Americas	54.2	41.2	39.3	38.4	+31.6%
Asia	54.3	36.1	47.0	44.4	+50.4%
Chargeurs	203.5	180.8	157.5	161.2	+12.6%
Second quarter					
Europe	-	99.7	291.2	72.9	-
Americas	-	46.2	39.4	38.8	-
Asia	-	45.7	30.4	53.2	-
Chargeurs	-	191.6	361	164.9	-
Third quarter					
Europe	-	80.9	96.3	63.0	-
Americas	-	44.7	38.1	36.3	-
Asia	-	47.3	35.3	47.1	-
Chargeurs	-	172.9	169.7	146.4	-
Fourth quarter					
Europe	-	83.9	53.2	59.8	-
Americas	-	49.7	39.8	36.4	-
Asia	-	57.7	40.8	57.5	-
Chargeurs	-	191.3	133.8	153.7	-
Full-year total					
Europe	-	368.0	511.9	274.1	-
Americas	-	181.8	156.6	149.9	-
Asia	-	186.8	153.5	202.2	-
Chargeurs	-	736.6	822.0	626.2	-

Glossary of financial terms

Like-for-like change from one year to the next is calculated:

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