CHARGEURS

High Emotion Technology®

Financial Report
Year ended December 2022

CONTENT

Paris, March 9, 2023

Recurring operating profit in 2022 of €45.4 million at the upper end of expectations, despite record levels of inflation and volatility
Chargeurs is reaping the rewards of its diversified model and is accelerating in ultra-premium

At the start of 2023, the new contributory drivers are leading to an acceleration in sales and the historic business lines are showing signs of a rebound

- A strong 2022 performance against a backdrop of inflation
  - Revenue of €746.4 million, the second best performance in more than 10 years
  - **Increased market share** in all business lines
  - **Gross profit up 80 basis points to 26.1% of revenue, demonstrating the businesses' pricing power**
  - **Excluding healthcare business activities**, which demonstrated an atypical level in 2021, the Group achieved like-for-like growth of 8.7% in revenue and 22.4% in EBITDA
  - Recurring operating profit of €45.4 million: **+41.7% excluding healthcare business activities**
  - Attributable net profit of €22.1 million and a **proposed dividend of €0.76 per share**
- Robust balance sheet structure
- The Group's new contributory drivers are gaining strength and demonstrate promising visibility
  - **Chargeurs Museum Studio confirms its unprecedented sales momentum**, a future source of acceleration
  - Creation of **Chargeurs Personal Goods, which brings together the** Group's **luxury, high potential B2C brands**
  - The success of Nativa™ vindicates the **transformation of Chargeurs Luxury Fibers' economic model**
- The historic high-growth business lines are on the offensive
  - **Chargeurs PCC Fashion Technologies** is building on the recovery of 2022 and is winning new business
  - **Chargeurs Advanced Materials** is beginning to take advantage of the reversal of trends on its major markets

Confident in its strengths, Chargeurs has set itself three priorities for 2023

- Extract value from the recovery seen on the Technologies Division's major markets
- Complete Museum Studio's change of scale
- Make a key acquisition within the Luxury Division

Key figures from the 2022 income statement

€m	2022	2021	change	Comments
Revenue	**746.4**	736.6	*+1.3%*	Like-for-like growth of 8.7% excl. healthcare activities
Gross profit	195.0	186.3	*+4.7%*	Growth reflecting the pricing power of the businesses in an inflationary environment
As a % of revenue	26.1%	*25.3%*		
EBITDA	**67.9**	73.8	*-8.0%*	+22.4% excluding healthcare activities
As a % of revenue	*9.1%*	*10.0%*		
Recurring operating profit	**45.4**	50.7	*-10.5%*	+41.7% excluding healthcare activities
As a % of revenue	*6.1%*	*6.9%*		
Attributable net profit	**22.1**	30.6	*-27.8%*	+16.1% excluding healthcare activities

Commenting, **Michaël Fribourg, Group Chairman and CEO**, said: "*With 2022 operating performances once again above the consensus, Chargeurs has fully demonstrated the strengths of its word-leading businesses, which are increasingly focused on ultra-premium segments and are transformative for its customers. Chargeurs has been able to both pass on record levels of inflation and increase the market share of all its businesses. The new contributory drivers are leading to an acceleration in sales that is more rapid than expected: Chargeurs PCC Fashion Technologies' recurring profit almost tripled, demonstrating that it has fully recovered despite high inflation and the Covid crisis in Asia, and Chargeurs Museum Studio is continuing to grow its order book, which is already at record levels, with profits accelerating in 2022 and increasing further in 2023. Excluding the profits of its healthcare business – which resulted in an atypical comparison basis in 2021 – the Group's recurring operating profit increased by more than 40%.*

Our flexible manufacturing model, which is not particularly capital intensive, offered us significant protection against the unprecedented energy crisis in 2022 and we were able to negotiate competitive energy access terms. As announced, after a record first half of the year, the volumes sold by Chargeurs Advanced Materials, our historic high-growth branch, fell in the second half of the year against a backdrop of energy stresses for the manufacturing sectors and an accelerated – and atypical – adjustment in customers' inventory levels. It should be noted that order volumes began to recover at the start of 2023, more quickly than anticipated in our initial scenario, with beneficial effects, which could be achieved, on a constant recovery basis, at the end of the second quarter and logically thereafter.

Although we stand by our prudent forecasts, Chargeurs has begun 2023 confidently as a result of the continuous acceleration of our new contributing business lines and the recovery of our historic high-growth business lines, which is already underway. We believe that there may be grounds for macroeconomic visibility to increase during the year and that the second half of the year may in this case offer significant profitable opportunities. Chargeurs has, since 2015, generated aggregate cash flows of more than €310 million, made capacity-developing investments of €121 million and invested €184 million in profitable acquisitions. In 2023, Chargeurs intends to accelerate its strategy of expanding into luxury segments, with the aim of making transformative acquisitions that serve to balance, in terms of volume and growth, the respective contributions of its Luxury and Technologies Divisions. We are continuing to develop the Group's growth and profitability profile in an accelerated manner, with business lines that offer considerable decorrelation between sectors and regions and significant potential for increasing the Group's general profitability."

2022 Significant events

- Creation of two business divisions that reflect the Group's value creation strategy:
  - The Technologies Division comprises Chargeurs Advanced Materials, Chargeurs PCC Fashion Technologies and Chargeurs Healthcare Solutions;
  - The Luxury Division comprises Chargeurs Museum Studio, Chargeurs Luxury Fibers and Chargeurs Personal Goods, a recently created activity for the B2C brands that operate in the luxury personal goods segment – Altesse Studio and The Cambridge Satchel.

- Two acquisitions that have strengthened the Luxury division:
  - Acquisition of Skira Editore, the renowned luxury art publisher, which consolidated the leading position of Chargeurs Museum Studio;
  - Acquisition of The Cambridge Satchel Company, a champion of affordable Made in Britain luxury leather goods.
- Commercial successes that are emblematic of the premium nature of the Group's business lines, including:
  - The strong growth of the Sustainable 360™ and Fusion ranges, which now represent 30% of the revenue of the interlinings business;
  - The global launch of Oxygen, a responsible range of surface solutions unique on the market;
  - The agreement between Nativa™ and Gucci;
  - The Richard Avedon exhibition organized by Skira;
  - The award of a number of major museum projects, including the renovation of the East Wing of the National Air & Space Museum in Washington;
  - The extension of the retail distribution network for Personal Goods activities.

Outlook

To date, Chargeurs considers the global macroeconomic environment to be more favorable than during the fourth quarter of 2022, demonstrating improved visibility. Despite the Group's caution and its scenario of gradual normalization, the easing of the health crisis in Asia as well as the easing of the energy crisis in Europe and policies to control inflation at the global level, should converge in favor of all of the Group's activities, which are also supported by their fundamentals. The prevailing scenario of normalization expected in the second half could show initial signs earlier than expected. On a full-year basis, the Group is assuming an acceleration in its growth due to the following factors:

- The dynamism of Chargeurs PCC Fashion Technologies, whose order book remains at a high level;
- The prospects of a recovery in Chargeurs Advanced Materials' business activity, which could materialize commercially at the end of the first half of the year, with the business able to capitalize on the flexibility of its manufacturing system;
- The sales momentum of the Luxury Division. This is primarily due to the favorable outlook of Chargeurs Museum Studio, whose order book should help to push revenue above €120 million in 2023;
- The expected growth of Chargeurs Personal Goods;
- The contribution made by acquisitions.

After three years of significant value creation in 2020, 2021 and 2022, in which Chargeurs generated total cashflow from operating activities close to €130 million, the Group consolidated the leading positions of its traditional business lines and built new growth platforms.

In 2023, Chargeurs intends to continue its acquisition strategy with a view to balancing the respective contributions of its two Luxury and Technologies Divisions. After a number of targeted small and mediumsized acquisitions since 2015, the Group is now looking to prioritize assets that will make more significant financial contributions. This strategy may lead to a key transaction for the Luxury Division that will take it rapidly over the €500 million revenue threshold.

Assuming normalized economic conditions, the Group is confirming its ambition to achieve revenue of €1 billion and recurring operating profit of €100 million, excluding acquisitions, by 2025. The acquisitions are expected to make an additional material contribution to the Group's performance. If such transactions, primarily concentrated in the Luxury Division, are carried out, the contribution of the Technologies and Luxury Divisions to the Group's recurring operating profit could be relatively equal by 2025.

Consolidated financial statements at December 31, 2022

The consolidated financial statements for the year ended December 31, 2022 were approved for issue by the Board of Directors at its meeting on March 8, 2023. They have been audited and the Statutory Auditors' report is in the process of being prepared.

€m	*2022*	*2021*	*Change*	*Change excl. CHS*
Revenue	***746.4***	*736.6*	*+1.3%*	*+15.3%*
Gross profit	**195.0**	186.3	*+4.7%*	*+21.2%*
As a % of revenue	26.1%	*25.3%*		
EBITDA	**67.9**	73.8	*-8.0%*	*+22.5%*
As a % of revenue	*9.1%*	*10.0%*		
Recurring operating profit	**45.4**	*50.7*	*-10.5%*	*+41.7%*
As a % of revenue	*6.1%*	*6.9%*		
Operating profit	**38.5**	*41.2*	*-6.6%*	*+62.6%*
Net financial expense	-19.1	-10.6		
Tax	2.5	-0.5		
Net profit	21.9	30.8		
Attributable net profit	**22.1**	*30.6*	*-27.8%*	*+16.1%*
Earnings per share (euros per share)	**0.92**	1.30	*-29.4%*	

<u>Recurring operating profit: €45.4 million</u>

2022 revenue came out at €746.4 million, which represents the second best Group performance in more than 10 years.

Gross profit was €195.0 million, representing 26.1% of revenue. In an inflationary environment, this 80 basis point increase from 2021 underlines the capacity of the Group's businesses to pass on the inflation in their costs through their sales prices.

EBITDA and recurring operating profit were €67.9 and €45.4 million, up 22.4% and 41.7%, respectively, excluding the healthcare business activities, with 2021 representing an atypical comparison basis.

<u>Attributable net profit was €22.1 million and net earnings per share were €0.92</u>

Attributable net profit was €22.1 million. It includes the following:

- A slight increase in the amortization of intangible assets linked to acquisitions within Museum Studio;
- Non-recurring costs kept under control, amounting to -€0.4 million, with the costs of restructuring the business lines and acquisition expenses offset by the recognition of an accounting profit resulting from the favorable conditions on the acquisition of The Cambridge Satchel Company;
- Operating profit, which totalled €38.5 million, up 62.6% compared to 2021 excluding the healthcare business activities;
- A financial loss of -€19.1 million: financial borrowing costs, which include early refinancing in 2022, only increased by 15% thanks to the Group's fixed-rate financing, despite the sharp rise in interest rates worldwide; in addition, the accounting treatment of active cash management, which resulted

in a substantial accounting profit at end-2021, was reversed in 2022. These investments are expected to be favorably unwound. The cost of lease liabilities remained stable;
- Taxable profit of €2.5 million, mainly due to the recognition of tax loss carryforwards, reflecting the improvement in the outlook for business activity and profits in certain countries, particularly in the United States.

Revenue by business line

€m	2022	2021	chg. 22 vs. 21		Q4 2022	Q4 2021	chg. 22 vs. 21	
			reported	like-for-like			reported	like-for-like
Technologies	**559.0**	**600.6**	**-6.9%**	**-9.4%**	**118.3**	**151.4**	**-21.9%**	**-20.4%**
Chargeurs Advanced Materials	332.6	340.9	-2.4%	-6.3%	65.1	86.2	-24.5%	-26.9%
Chargeurs PCC Fashion Technologies	220.0	164.9	+33.4%	+32.4%	53.1	53.0	+0.2%	+8.2%
Chargeurs Healthcare Solutions	6.4	94.8	-93.2%	-93.2%	0.1	12.2	-99.2%	-99.2%
Luxury	**187.4**	**136.0**	**+37.8%**	**+17.6%**	**54.5**	**39.9**	**+36.6%**	**-1.9%**
Chargeurs Museum Studio	87.2	49.8	+75.1%	+34.5%	30.5	15.2	+100.7%	+36.2%
Chargeurs Luxury Fibers	94.7	86.2	+9.9%	+7.9%	18.5	24.7	-25.1%	-25.3%
Chargeurs Personal Goods	5.5	-			5.5	-		
GROUP TOTAL	**746.4**	736.6	+1.3%	-4.4%	**172.8**	191.3	-9.7%	-16.6%

In 2022, Chargeurs posted revenue of €746.4 million, up 1.3% from 2021, and up 15.3% excluding the healthcare business activities. This growth was due to:
- consistent growth of 8.7% excluding the healthcare business activities and -4.4% for the Group as a whole. Segment by segment, the Luxury Division (+17.6%) and Fashion Technologies (+32.4%) enjoyed strong like-for-like growth, while Advanced Materials contracted (-6.3%) after an historic 2021 and Healthcare Solutions posted an expected loss as a result of the significant waning of the health crisis;
- a scope effect of +2.9%, caused by the acquisitions of Event Communications and Skira Editore, which joined Museum Studio, and the consolidation of The Cambridge Satchel Company, acquired in August 2022 and Fournival Altesse, acquired in 2021, consolidated within the recently created Personal Goods activity;
- a currency effect of +2.8%, mainly caused by the appreciation of the US dollar, the Hong Kong dollar and the yuan against the euro.

Q4 2022 revenue was €172.8 million, down 9.7% from Q4 2021, which represented a high comparison basis. Like-for-like activity fell by 16.6%, essentially attributable to the temporary adjustment in Advanced Materials' business activity as a result of the expected normalization of its customers' inventories. The recovery of Fashion Technologies and Museum Studio – which posted consistent growth of 8.2% and 36.2%, respectively – gathered pace, with the businesses confirming their status of contributory drivers at Group level.
The scope effect was 7.2%. As well as reflecting the impact of CMS's acquisitions of Skira and Event Communications, it includes the contributions to fiscal 2022 made by Fournival Altesse and The Cambridge Satchel Company.
The currency impact was almost neutral (-0.4%).

All business lines made a positive contribution to operating profit

Technologies: strong performances in a volatile economic environment

Advanced Materials

€m	2022	2021	Change
Revenue	332.6	340.9	-2.4%
Like-for-like growth			*-6.3%*
EBITDA	32.0	36.7	-12.8%
As a % of revenue	*9.6%*	*10.8%*	
Recurring operational profit	22.8	26.1	-12.6%
As a % of revenue	*6.9%*	*7.7%*	

Rebranded Chargeurs Advanced Materials (CAM) to consolidate its premium technology positioning and confirm its change of brand, the business posted revenue of €332.6 million in 2022, down only 6.3% on a like-for-like basis from 2021, which was a record year in volume terms. By way of reminder, fiscal 2021 effectively represented an extremely high comparison basis, as the business's customers had, in that year, significantly increased their inventory levels to mitigate against the risk of disruptions to supply chains at a time when their business sectors were recovering. The 2022 performance was therefore achieved despite a sharp fall in volumes, particularly in the second half of the year, partially offset by the significant increase in sales prices as a result of the business's ability to pass on rising costs.

Although activity levels were also affected by the economic caution caused by the geopolitical environment in Europe and the stop-and-go health measures imposed in China, it stabilized at a high level in the United States.

The business continued its sales offensives, developing a program aimed at accelerating cross-selling on major accounts, which has had a noticeable impact in all regions. In terms of innovation, Chargeurs Advanced Materials continued to sustainably develop its offering with the global launch of the Oxygen range. Designed using recycled, vegetal or lean polyethylene, this offering, which is unique on the market, has generated considerable interest, particularly among European customers. It should be noted that CAM is still increasing its market share, particularly with its major international customers.

Recurring operating profit was €22.8 million, representing almost 7.0% of revenue. These results show that a good gross profit margin has been maintained and confirm the business's pricing power in a complex and volatile environment.

The expected rebound in orders after the first half of 2023 should be assisted by public regional investment programs and the easing of health restrictions in China. The business will seek to capitalize on the flexibility of its manufacturing base to make the most of the dynamics at play on the different continents.

Although still volatile, average order intake since the start of the year – with a net acceleration between January and February – seems to point, particularly in Europe, to the early stages of a recovery in business activity.

PCC Fashion Technologies

€m	2022	2021	Change
Revenue	220.0	164.9	+33.4%
Like-for-like growth			*+32.4%*
EBITDA	24.2	12.2	+98.4%
As a % of revenue	*11.0%*	*7.4%*	
Recurring operational profit	17.0	4.8	+254.2%
As a % of revenue	*7.7%*	*2.9%*	

Chargeurs PCC Fashion Technologies posted revenue of €220.0 million, representing like-for-like growth of 32.4%. All regions generated high levels of growth, with South America in the lead, where sales almost doubled.

The business benefited from a significant increase in volumes, driven by the ongoing rebound in the fashion industry that began in the second half of 2021, and from a larger market share as a result of sales offensives. Sales to the major French luxury brands were particularly strong.

The growth in activity levels was also underpinned by a positive price effect. It is the result of a positive price mix linked to the success of innovative interlinings, including the Sustainable 360™ and Fusion ranges. The business has also developed a range of wool interlinings in collaboration with Nativa™ principally for the luxury segment. Lastly, it relaunched its Bertero high-end interlining range, designed particularly for suit jackets, which also uses Nativa™ wool. The price effect was also a consequence of the business's ability to pass rises in the cost of materials, including polyester and polyamide, onto customers.

Combined with the significant level of operating leverage, this pricing power means that operating profit can be almost tripled, to €17 million. Underpinned by a significant rise in gross profit, the operating margin increased from 2.9% to 7.7% of revenue.

At the end of fiscal 2022, the business had a sizeable order book and significant momentum in all regions, with the trend continuing to the present day.

Healthcare Solutions

€m	2022	2021	Change
Revenue	6.4	94.8	-93.2%
Like-for-like growth			*-93.2%*
EBITDA	5.2	22.6	-77.0%
As a % of revenue	*81.3%*	*23.8%*	
Recurring operational profit	4.3	21.7	-80.2%
As a % of revenue	*67.2%*	*22.9%*	

Given its manufacturing links with Chargeurs PCC Fashion Technologies, Chargeurs Healthcare Solutions, which produces and distributes personal protective equipment to B2B and B2B2C customers, is now part of the Technologies Division. In the future, as the health environment normalizes, CHS's financial statements will be consolidated within CFT PCC.

CHS posted revenue of €6.4 million in 2022. The fall in sales from 2021 stemmed from the widespread easing of the health crisis in Europe, which led customers to use up their mask inventories and defer replenishments of strategic inventories. CHS is, however, still benefiting from contracts to supply healthcare equipment and from its capacity to mobilize its logistics chain very rapidly and for very large volumes. The business's production facilities have remained unchanged, with very limited costs.

It should be noted that the return on capital employed amounted to 1,198%, 443% and 39% in 2020, 2021 and 2022 respectively.

Luxury: strong sales momentum and value-creating acquisitions for the future

Museum Studio

€m	2022	2021	Change
Revenue	87.2	49.8	+75.1%
Like-for-like growth			+34.5%
EBITDA	8.3	7.2	+15.3%
As a % of revenue	*9.5%*	*14.5%*	
Recurring operational profit	5.2	4.7	+10.6%
As a % of revenue	*6.0%*	*9.4%*	

Chargeurs Museum Studio posted revenue of €87.2 million, up 75.1%. This performance incorporates like-for-like growth of 34.5% and a scope effect of 32.3% related to the acquisitions of Event Communications and Skira Editore.

Sales were driven by the strong business momentum in the United States and the recovery in business activity at Leach and Hypsos, which primarily focus on *retail* sales and event hosting. The cultural content creation business for museums and corporate foundations enjoyed significant success in 2022, and is set to accelerate as a result of the large number of contracts awarded to the various entities operating in this segment over the last 18 months. CMS's subsidiaries have been engaged to carry out interior design work on a significant number of museum projects in the United States, Europe and the Middle East, including the renovation of the Grand Mosque in Abu Dhabi and the renovation of the East Wing of the National Air & Space Museum in Washington. At the end of 2022, the value of firm museum-related contracts was €122 million, compared with €94 million at the end of 2021. This order book should allow the business to achieve revenue in excess of €120 million in 2023.

The business line also finalized the restructuring of its London-based entitles—Event, Design PM and MET—by establishing Chargeurs Museum Studio UK, which will contribute to strengthening their sales force and creativity.

In addition, the business line continued to expand its scope of activity with the acquisition in July of Skira Editore. This prestigious art publisher, which also produces iconic temporary exhibitions and operates permanent and temporary bookstores, has already identified development synergies with CMS UK, particularly in the Middle East.

The business generated recurring operating profit of €5.2 million, corresponding to operating profitability of 6.0%. Due to the phasing of the performance of the major contracts won since 2021, CMS's profitability is expected to significantly increase from the second half of 2023 onwards.

Luxury Fibers

€m	2022	2021	Change
Revenue	94.7	86.2	+9.9%
Like-for-like growth			+7.9%
EBITDA	2.1	1.2	+75.0%
As a % of revenue	*2.2%*	*1.4%*	
Recurring operational profit	2.0	1.0	+100.0%
As a % of revenue	*2.1%*	*1.2%*	

Chargeurs Luxury Materials, rebranded Chargeurs Luxury Fibers, posted revenue of €94.7 million, up 7.9% from 2021 on a like-for-like basis. Growth was particularly strong in Europe and was underpinned by a positive price mix effect which was particularly strong in the finest premium wool fibers segment.

Buoyed by increased visibility, the Nativa™ label continued to expand, securing new collaborations with sustainable and high-profile brands. Of these, the most notable has been signed with Gucci, under which CLF will supply the luxury brand with traceable wool produced by farms that follow regenerative agriculture programs, under the Nativa™ Regenerative Agriculture Program. Adding regenerative agriculture to the existing benefits offered by Nativa™ is a key factor for the brands, as in addition to sustainable sourcing, they will be further supporting farmers and their communities, as well as reducing their carbon footprint The business also partnered with UK brand and materials Science Company PANGAIA, known for creating essential products from innovative tech and bio-engineered materials.

To meet this growing demand, CLF is expanding its reach on NATIVARegen with global programs in Australia, the United States and Uruguay, with Argentina soon to follow.

In 2022, the business demonstrated its ability to monetize the benefits offered by Nativa™, whose gross margin was higher than that of the CLF business line. Over time, the expected acceleration in the volume of products sold under the Nativa™ protocol—whose share of the business's total sales increased by several points in 2022 and is now more than 10%—should favorably alter the business's economic profile.

Growth in volumes and a favorable price effect enabled the business to double its operating profitability to €2.0 million. It should be noted that activity levels in the final quarter, which were affected by energy uncertainty in Europe, were not representative, as the order book of the business line remains at a high level.

Personal Goods

€m	2022	2021	Change
Revenue	5.5	-	-
Like-for-like growth			-
EBITDA	0.6	-	-
As a % of revenue	*10.9%*		
Recurring operational profit	0.3	-	-
As a % of revenue	*5.5%*		

Chargeurs Personal Goods was created as a result of the first-time consolidation of Fournival Altesse, which sells the Altesse Studio brand, and The Cambridge Satchel Company in Chargeurs' financial statements, acquired in 2021 and August 2022, respectively.

In the 2022 financial year, Altesse Studio's sales were very strong, underpinned by an effective upscaling strategy and the commercial launch of its new ultra-luxury range of brushes. These new businesses fully confirm their success.

For its part, only five months after being acquired, The Cambridge Satchel is already enjoying new sales momentum. This momentum is demonstrated by the opening of two new points of sale in the United Kingdom (Edinburgh and London) and by new unprecedented collaborations with the British children's clothing brand, Pepa & Co, and significant visibility through a partnership with the musical film, Matilda, produced by Netflix and Sony.

Change in net debt

€m	2022	2021
EBITDA	67.9	73.8
Other operating income and expense	*-10.4*	*-10.4*
Financial expenses - cash	*-15.8*	*-14.0*
Tax - cash	*-4.0*	*-6.1*
Other	*-4.8*	*-0.3*
Cash flow provided by operating activities, before changes in net working capital	32.9	43.0
Dividends from associates	0.2	-
Change in operating working capital	-40.5	21.9
Net cash from operating activities	-7.4	64.9
Acquisition of property, plant and equipment and intangible assets, net of disposals	-10.5	-12.5
Acquisitions, net of the cash acquired	-7.9	-20.4
Dividends paid in cash	-17.9	-17.7
Other	-21.4	-6.0
Total	-65.1	8.3
Effect of changes in exchange rates on cash and cash equivalents	0.3	-1.9
Opening net cash/(net debt)	-109.3	-119.5
Closing net cash/(net debt)	-174.7	-109.3

The business lines generated cash flows from operating activities of €32.9 million, close to the level reached in 2019. The Group's aggregate cash flows from operating activities since 2015 amounted to €313 million.

After a fall of €21.9 million in 2021, which caused the WCR/revenue ratio to fall to the exceptionally low level of 3.8%, working capital requirements increased by €40.5 million in 2022. It should be noted that the WCR of the CFT PCC business line remained stable over the fiscal year despite the very strong acceleration in activity, whereas CMS ended with a negative WCR.
As such, the changes are mainly owing to the atypical development of the CAM business line, which is now beginning to rebound. Indeed, during fiscal 2022, CAM, which had experienced record volumes in the first half of the year, faced a temporary adjustment in customer demand as previously announced, thereby maintaining a high level of inventories. In addition, the business line accelerated the adjustment of its supplier purchases through industrial flexibility. This atypical situation, which had already been temporarily observed in 2019, is expected to be resolved as a result of global logistics optimization plans on the one hand and the pace of the business rebound on the other.
However, working capital requirements remain very much under control – at 9.0% of revenue, or approximately one month of revenue – comparable to the average performances seen in the sectors in which the Group operates. All told, operating cash flow generation was -€7.4 million.

Net debt, which was €174.7 million as of December 31, 2022, remains under control. It rose as a result of capital expenditure, acquisitions and the increase in working capital requirements. It is also a factor of the shareholder return policy, based, in 2022, on a dividend cash out of €17.9 million, and the introduction of a share buyback program with the actual acquisition of 266,986 shares.

Financing and liquidity profile

At the end of the financial year, the level of net debt corresponded to a leverage ratio of 2.6x. Gearing (net debt/equity) stood at 0.6x.

The Group's balance sheet structure remained robust at December 31. Supported by the signing of new bilateral bank facilities of a total amount of €104.3 million, the level of available liquidity (total cash plus undrawn bank facilities) is €345.5 million, providing the Group with the room for maneuver it needs to implement its Leap Forward 2025 development program.

Appointment of Delphine de Canecaude, Managing Director of Chargeurs Museum Studio

Delphine de Canecaude was appointed the Managing Director of Chargeurs Museum Studio at the beginning of 2023. Her role will be to unite the branch's various entities to increase sales and develop new offerings. After being awarded a degree by the prestigious Ecole des Beaux-Arts in Paris, Delphine de Canecaude founded the advertising agency, Etoile Rouge, which she managed for 17 years before its merger with BETC Luxe (Havas Group) and the creation of BETC Etoile Rouge, where she was chief executive officer before moving to Chargeurs. Having also created cultural businesses such as The RedList and Stella Studio, the business will benefit from Delphine de Canecaude's entrepreneurial mindset, her recognized creativity and her in-depth knowledge of the luxury and culture universes, with a view to expanding the business's reach.

Annual dividend of €0.76 per share

In view of the strong performances achieved in 2022 and based on management's confidence in the Group's business model and outlook, the Board of Directors decided to propose to the General Shareholders' Meeting an interim dividend of €0.76 per share to be paid out the Group's earnings.

In October 2022, the Group paid an interim dividend of €0.22. It will now pay the balance of €0.54, with the option to reinvest in Chargeurs' shares based on the following timeline:

The payment timeline for the interim dividend is:

Ex-dividend payment date	May 2, 2023
Start of reinvestment option period	May 4, 2023
End of reinvestment option period	May 19, 2023
Announcement of reinvestment results	May 23, 2023
Delivery date of shares and payment of final dividend in cash	May 25, 2023

Major risks and uncertainties

Please refer to Chapter 2 entitled "Risk factors and the control environment" of the 2021 Universal Registration Document. The main risks to which the Group is exposed are classified based on their potential impact and the likelihood of them occurring.

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.

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

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

- before **amortization of intangible assets linked to acquisitions**; 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.**

The 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 requirement (WCR).

A presentation on the annual results will be available at 9.30 a.m. at the following address:
https://www.chargeurs.com/investisseurs/publications/?lang=en

The presentation will be broadcast online at 10 a.m. on that date at the following address:
https://channel.royalcast.com/landingpage/chargeurs/20230309_1/

Financial calendar 2023

Wednesday, April 26, 2023	General Shareholders' Meeting
Wednesday, May 23, 2023 (before market)	First-quarter 2023 financial information

150 YEARS OF ENTREPRENEURIAL SPIRIT

ABOUT CHARGEURS

CHARGEURS is a family-owned entrepreneurial Group and world leader in high value added niche markets. Located in nearly 100 countries with more than 2,600 employees, the Group is organized into two strategic business segments: Technologies and Luxury.

Benefiting from the long-term strategy of the Fribourg Family Group, its reference shareholder via Columbus Holding, Chargeurs serves sectors with strong structural growth and expresses its know-how of excellence in the commercial, industrial, marketing and logistics fields. The Group, whose global signature is High Emotion Technology, achieved revenues of €746 million in 2022 and celebrated its 150 years of entrepreneurial boldness.

The Chargeurs share is listed on Euronext Paris and is PEA-PME eligible.

ISIN Code: FR0000130692, Bloomberg Code: CRI:FP, Reuters Code: CRIP.PA

Breakdown of revenue by business line

€m	2022	2021	2020	2019	Change 2022/2021
First quarter					
Technologies	**156.6**	**151.8**	**120.4**	**127.7**	**3.2%**
Advanced Materials	95.9	76.5	70.9	69.2	25.4%
PCC Fashion technologies	54.6	33.6	49.5	58.5	62.5%
Healthcare Solutions	6.1	41.7	-	-	-85.4%
Luxury	**46.9**	**29.0**	**37.1**	**33.5**	**61.7%**
Museum Studio	15.9	10.6	7.0	2.6	50.0%
Luxury Fibers	31.0	18.4	30.1	30.9	68.5%
Personal Goods					
CHARGEURS	**203.5**	**180.8**	**157.5**	**161.2**	**12.6%**
Second quarter					
Technologies	**151.4**	**158.3**	**338.4**	**134.7**	**-4.4%**
Advanced Materials	94.8	92.0	62.8	72.9	3.0%
PCC Fashion technologies	56.5	36.7	21.7	61.8	54.0%
Healthcare Solutions	0.1	29.6	253.9	-	-99.7%
Luxury	**43.8**	**33.3**	**22.6**	**30.1**	**31.5%**
Museum Studio	20.4	12.3	12.3	2.8	65.9%
Luxury Fibers	23.4	21.0	10.3	27.3	11.4%
Personal Goods					
CHARGEURS	**195.2**	**191.6**	**361.0**	**164.8**	**1.9%**
Third quarter					
Technologies	**132.7**	**139.1**	**149.3**	**121.8**	**-4.6%**
Advanced Materials	76.8	86.2	67.1	69.8	-10.9%
PCC Fashion technologies	55.8	41.6	35.5	52.0	34.1%
Healthcare Solutions	0.1	11.3	46.7	-	-99.1%
Luxury	**42.2**	**33.8**	**20.4**	**24.5**	**24.9%**
Museum Studio	20.4	11.7	10.6	3.0	74.4%
Luxury Fibers	21.8	22.1	9.8	21.5	-1.4%
Personal Goods					
CHARGEURS	**174.9**	**172.9**	**169.7**	**146.3**	**1.2%**
Fourth quarter					
Technologies	**118.3**	**151.4**	**108.7**	**128.0**	**-21.9%**
Advanced Materials	65.1	86.2	69.6	66.2	-24.5%
PCC Fashion technologies	53.1	53.0	36.1	61.8	0.2%
Healthcare Solutions	0.1	12.2	3.0	-	-99.2%
Luxury	**54.5**	**39.9**	**25.1**	**25.8**	**36.7%**
Museum Studio	30.5	15.2	10.7	5.3	100.7%
Luxury Fibers	18.5	24.7	14.4	20.5	-25.1%
Personal Goods	5.5	-	-	-	
CHARGEURS	**172.8**	**191.3**	**133.8**	**153.8**	**-9.7%**
Full-year total					
Technologies	**559.0**	**600.6**	**716.8**	**512.3**	**-6.9%**
Advanced Materials	332.6	340.9	270.4	278.1	-2.4%
PCC Fashion technologies	220.0	164.9	142.8	234.2	33.4%
Healthcare Solutions	6.4	94.8	303.6	-	-93.2%
Luxury	**187.4**	**136.0**	**105.2**	**113.9**	**37.8%**
Museum Studio	87.2	49.8	40.6	13.7	75.1%
Luxury Fibers	94.7	86.2	64.6	100.2	9.9%
Personal Goods	5.5	-	-	-	
CHARGEURS	**746.4**	**736.6**	**822.0**	**626.2**	**1.3%**

Breakdown of revenue by geographic region

€m	2022	2021	2020	2019	Change 2022/2021
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	86.7	99.7	291.2	72.9	-13.0%
Americas	53.3	46.2	39.4	38.8	+15.4%
Asia	55.2	45.7	30.4	53.2	+20.8%
CHARGEURS	**195.2**	**191.6**	**361.0**	**164.9**	**+1.9%**
Third quarter					
Europe	69.1	80.9	96.3	63.0	-14.6%
Americas	55.4	44.7	38.1	36.3	+23.9%
Asia	50.4	47.3	35.3	47.1	+6.6%
CHARGEURS	**174.9**	**172.9**	**169.7**	**146.4**	**+1.2%**
Fourth quarter					
Europe	71.4	83.9	53.2	59.8	-14.9%
Americas	50.7	49.7	39.8	36.4	+2.0%
Asia	50.7	57.7	40.8	57.5	-12.1%
CHARGEURS	**172.8**	**191.3**	**133.8**	**153.7**	**-9.7%**
Full-year total					
Europe	322.1	368.0	511.9	274.1	-12.5%
Americas	213.6	181.8	156.6	149.9	+17.5%
Asia	210.7	186.8	153.5	202.2	+12.8%
CHARGEURS	**746.4**	**736.6**	**822.0**	**626.2**	**+1.3%**

Consolidated Income Statement *(in €m)*

	Note	Year ended December 31 2022	2021
Revenue	4	746.4	736.6
Cost of sales		(551.4)	(550.3)
Gross profit		195.0	186.3
Distribution costs		(85.5)	(78.6)
Administrative expenses		(59.9)	(51.5)
Research and development costs		(4.2)	(5.5)
Recurring operating profit		45.4	50.7
Amortization of intangible assets acquired through business combinations		(6.5)	(5.5)
Other operating income	5	10.1	5.5
Other operating expense	5	(10.5)	(9.5)
Operating profit		38.5	41.2
Cost of net debt		(14.9)	(13.0)
Other financial expense		(5.2)	(2.0)
Other financial income		1.0	4.4
Net financial expense	7	(19.1)	(10.6)
Pre-tax profit for the period		19.4	30.6
Share of profit/(loss) of associates	13	-	0.7
Income tax expense	8	2.5	(0.5)
Profit from continuing operations		21.9	30.8
Net profit		21.9	30.8
Attributable to owners of the parent		22.1	30.6
Attributable to non-controlling interests		(0.2)	0.2
Earnings per share *(in €)*	9	0.92	1.30
Diluted earnings per share *(in €)*	9	0.96	1.33

Consolidated Statement of Comprehensive Income *(in €m)*

	Note	Year ended December 31 2022	2021
Net profit		21.9	30.8
Exchange differences on translating foreign operations		7.4	21.0
Cash flow hedges		0.3	(2.1)
Total items that may be reclassified subsequently to profit or loss		7.7	18.9
Other comprehensive income/(expense) for the period		(0.8)	(1.0)
Actuarial gains and losses on post-employment benefit obligations	19	5.0	1.9
Total items that will not be reclassified to profit or loss		4.2	0.9
Other comprehensive income for the period, net of tax		11.9	19.8
Total comprehensive income for the period		33.8	50.6
Attributable to:			
Owners of the parent		34.0	50.4
Non-controlling interests		(0.2)	0.2

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

Consolidated Statement of Financial Position *(in €m)*

Assets	Note	12/31/2022	12/31/2021
Intangible assets	10	276.0	238.1
Property, plant and equipment	11	84.4	85.3
Leasing right-of-use assets	12	29.5	31.4
Investments in associates and joint ventures	13	8.1	7.9
Deferred tax assets	8	48.1	42.0
Financial assets	14	12.6	30.9
Other non-current assets		4.4	2.2
Net non-current assets		**463.1**	**437.8**
Inventories and work-in-progress	15	163.3	150.1
Long-term contract assets	15	5.8	5.6
Trade receivables	15	81.0	78.3
Derivative financial instruments	15	0.8	0.6
Miscellaneous receivables	15	38.0	33.9
Short-term tax receivables	15	-	0.1
Other short-term financial receivables	14	11.5	6.7
Cash and cash equivalents	17	121.7	219.2
Net current assets		**422.1**	**494.5**
Total assets		**885.2**	**932.3**

Equity and liabilities		12/31/2022	12/31/2021
Attributable to owners of the parent		279.7	267.4
Non-controlling interests		0.2	(0.6)
Total equity		**279.9**	**266.8**
Medium and long-term borrowings	18	243.9	303.8
Medium and long-term lease liabilities	12	22.2	23.4
Deferred tax assets	8	5.3	5.1
Pension and other post-employment benefit obligations	19	12.6	14.6
Provisions for other liabilities	20	13.1	13.8
Other non-current liabilities	21	5.2	13.7
Net non-current liabilities		**302.3**	**374.4**
Short-term portion of long-term borrowings	18	68.3	28.4
Short-term portion of lease liabilities	12	7.8	8.5
Short-term portion of provisions for other liabilities	20	2.1	2.7
Trade payables	15	147.3	153.5
Long-term contract liabilities	15	9.4	8.8
Other payables	15	61.3	71.5
Current income tax liabilities	15	3.0	5.3
Derivative financial instruments	15	1.0	1.4
Short-term bank loans and overdrafts	18	2.8	11.0
Net current liabilities		**303.0**	**291.1**
Total equity and liabilities		**885.2**	**932.3**

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

Consolidated Statement of Cash Flows *(in €m)*

	Note	Year ended December 31 2022	2021
Cash flows from operating activities			
Pre-tax profit of consolidated companies		19.4	30.6
Adjustments to reconcile pre-tax profit to cash generated from operations		17.5	18.5
- depreciation and amortization expense	10 & 11 & 12	*28.9*	*28.6*
- Provisions and pension and other post-employment benefit obligations		*(2.3)*	*(0.7)*
- impairment of non-current assets		*0.2*	*(0.2)*
- fair value adjustments		*(0.9)*	*(6.7)*
- discounting of receivables and borrowings		-	*(0.1)*
- (gains)/losses on disposals of investments in non-consolidated companies and other non-current assets		-	*0.2*
- (gains)/losses on foreign currency receivables/payables		*(1.5)*	*(0.8)*
- other non-cash adjustments (1)		*(6.9)*	*(1.8)*
Income tax paid		(4.0)	(6.1)
Cash flows provided by operating activities, before changes in net working capital		**32.9**	**43.0**
Dividends from associates	13	0.2	-
Change in operating working capital	15	(40.5)	21.9
Net cash from operating activities		**(7.4)**	**64.9**
Cash flows from investing activities			
Acquisitions of subsidiaries, net of the cash acquired and non-consolidated securities *(2)*		(5.1)	(20.4)
Acquisition of intangible assets	10	(1.6)	(1.2)
Acquisition of property, plant and equipment	11	(9.2)	(11.8)
Proceeds from disposals of intangible assets and property, plant and equipment		0.3	0.5
Net change in other short-term financial receivables *(3)*	18	(7.2)	*17.3*
Other changes		(0.3)	(1.3)
Net cash used in investing activities		**(23.1)**	**(16.9)**
Cash flows from financing activities			
Cash dividends paid to owners of the parent		(17.9)	(17.7)
(Purchases)/sales of treasury stock		(3.9)	-
Proceeds from new borrowings	18	14.7	20.4
Repayments of borrowings	18	(37.3)	(34.3)
Repayments of lease liabilities	12	(10.3)	(10.9)
Change in short-term bank loans and overdrafts	18	(8.8)	2.1
Other changes		(3.3)	(0.6)
Net cash from financing activities		**(66.8)**	**(41.0)**
Increase/(decrease) in cash and cash equivalents		**(97.3)**	**7.0**
Cash and cash equivalents at beginning of period	18	219.2	209.0
Effect of changes in foreign exchange rates on cash and cash equivalents		(0.2)	3.2
Cash and cash equivalents at end of period	**18**	**121.7**	**219.2**

(1) Includes the badwill generated on the acquisition of The Cambridge Satchel Company (see Note 1.2 and note 5)

(2) Includes the acquisitions of Skira and minority interests (see Note 1.1).

(3) Change in shares of listed companies (see Note 14).

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

Consolidated Statement of Changes in Equity *(in €m)*

	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	Group total	Non-controlling interests	Total
At 12/31/2020 (1)	**3.8**	**74.0**	**203.2**	**(21.3)**	**1.0**	**(7.2)**	**(20.3)**	**233.2**	**(0.8)**	**232.4**
IFRS IC employee benefits (2)	-	-	0.7	-	-	-	-	0.7	-	0.7
At 12/31/2020	**3.8**	**74.0**	**203.9**	**(21.3)**	**1.0**	**(7.2)**	**(20.3)**	**233.9**	**(0.8)**	**233.1**
Issue of share capital	0.1	17.5	-	-	-	-	-	17.6	-	17.6
Changes in treasury stock	-	-	(10.0)	-	-	-	10.0	-	-	-
Share-based payment	-	-	0.9	-	-	-	-	0.9	-	0.9
Payment of dividends	-	-	(35.3)	-	-	-	-	(35.3)	*(0.1)*	(35.4)
Profit for the period	-	-	30.6	-	-	-	-	30.6	0.2	30.8
Other comprehensive income/(expense) for the p	-	-	(1.1)	21.0	(2.1)	1.9	-	19.7	0.1	19.8
At 12/31/2021	**3.9**	**91.5**	**189.0**	**(0.3)**	**(1.1)**	**(5.3)**	**(10.3)**	**267.4**	**(0.6)**	**266.8**
Capital increase *(3)*	0.1	5.5	-	-	-	-	-	5.6	-	5.6
Changes in treasury stock	-	-	-	-	-	-	(4.0)	(4.0)	-	(4.0)
Share-based payment	-	-	1.2	-	-	-	-	1.2	-	1.2
Dividend payments *(3)*	-	-	(23.5)	-	-	-	-	(23.5)	-	(23.5)
Shareholder transactions	-	-	(1.0)	-	-	-	-	(1.0)	1.0	-
Profit for the period	-	-	22.1	-	-	-	-	22.1	(0.2)	21.9
Other comprehensive income/(expense) for the p	-	-	(0.8)	7.4	0.3	5.0	-	11.9	-	11.9
At 12/31/2022	**4.0**	**97.0**	**187.0**	**7.1**	**(0.8)**	**(0.3)**	**(14.3)**	**279.7**	**0.2**	**279.9**

(1) Restated amounts at December 31, 2020, pursuant to IAS 8 (see Note 26 of the 2021 Universal Registration Document).

(2) The application of IFRS IC at December 31, 2020 had an impact of €0.7 million.

(3) €23.5 million paid in respect of the remaining dividend for 2021 and the 2022 interim dividend, of which €17.9 million paid in cash and €5.6 million paid in shares (see Note 17).

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