CHARGEURS
High Emotion Technology®

Interim Financial Report 2023

Sommaire

H1 2023 results:

Chargeurs limits the impact of an unfavorable business climate

Confirmed momentum of new growth drivers and Luxury division, which now accounts for nearly 60% of Group revenue

After a transitional year in 2023, Chargeurs aims to achieve more than €800 million of revenue in 2024

- H1 2023 Group revenue at €352.8 million, down 11.5%: Q2 buoyant after a sharp decline in Q1
- The dynamic performance of new growth drivers and the Luxury division partly offset the temporary contraction of Chargeurs Advanced Materials, whose sales fell by 23.1% in the first half
- H1 2023 revenue growth of 16.4% of the Luxury division, driven by strong sales momentum at Chargeurs Museum Studio
- H1 2023 Group operating profit amounted to €14.1 million with an operating margin at 4.0%, down 2.4 points
- H1 2023 Attributable net profit was positive at €3.3 million
- Assuming a gradual recovery in CAM's business, Chargeurs aims to achieve in 2024 revenue of more than €800 million, an EBITDA margin between 9% and 10% and a debt/EBITDA multiple of less than 3x

	H1 2023	H1 2022	Change		Q2 2023	Q2 2022	Change	
€m			reported	like-for-like			reported	like-for-like
Revenue	352.8	398.7	*-11.5%*	*-12.0%*	183.1	195.2	*-6.2%*	*-5.7%*
EBITDA	24.9	37.0	*-32.7%*					
as a % of revenue	*7.1%*	*9.3%*						
Recurring operating profit	14.1	25.4	*-44.5%*					
as a % of revenue	*4.0%*	*6.4%*						
Attributable net profit	3.3	10.2	*-67.6%*					

Michaël Fribourg, Chief Executive Officer of Chargeurs group, stated: "*2023 is a year of transition. Unsurprisingly, it is marked by a disrupted and unfavorable economic climate which has impacted our businesses in different ways: our new growth drivers are doing well, confirming their momentum and offsetting part of the temporary downturn in CAM's business, which remains profitable despite sluggish volumes. The Group's business portfolio combines assets that are both protective, as they remain profitable even in difficult times, and promising, as they are driven by structural growth in demand. Thus, Chargeurs benefits from its diversified business model, which enables the Group to progress through cycles and to pursue the transformation of its businesses, in order to create long-term value. Cautious and flexible, the Group is aiming for sales of over €800 million by 2024, with an EBITDA margin between 9 and 10%. Chargeurs consolidates its strategy of excellence in sustainable products and services.*

H1 2023 performances

At its meeting held on September 6, 2022, the Chargeurs' Board of Directors approved the consolidated financial statements for the six months ended June 30, 2023. A limited review of the first-half financial statements was conducted.

Consolidated Statement of Income as of June 30, 2023

€m	H1 2023	H1 2022	Change
Revenue	**352.8**	398.7	***-11.5%***
Gross profit	88.9	105.3	*-15.6%*
as a % of revenue	25.2%	*26.4%*	*-1.2 pt*
EBITDA	**24.9**	37.0	***-32.7%***
As a % of revenue	*7.1%*	*9.3%*	*-2.2 pts*
Recurring operating profit	**14.1**	25.4	***-44.5%***
as a % of revenue	*4.0%*	*6.4%*	*-2.4 pts*
Amort. Intangible assets linked to acq.	-3.1	-3.2	
Non-recurring	-1.8	-0.9	
Operating profit	**9.2**	21.3	***-56.8%***
Net financial expense	-12.4	-8.8	
Tax	6.5	-2.6	
Net profit	3.1	10.0	***-69.0%***
Attributable net profit	**3.3**	10.2	***-67.6%***
Earnings per share	0.14	0.44	*-68.2%*

Revenue of €352.8 million

Revenue for the first half of 2023 is down 11.5% on a reported basis compared with the first half of 2022, and 12.0% on an like-for-like basis. The decline is mainly due to i) the contraction in sales volumes at Chargeurs Advanced Materials, linked to the unfavourable global macroeconomic context, ii) the absence of sales from the healthcare business during the half-year, because of the end of the pandemic.

Recurring operating profit of €14.1 million

The Group's gross margin amounts to 88.9 million euros in the first half of 2023, compared with 105.3 million euros in the first half of 2022. Gross margin as a percentage of revenue has reduced by 1.2 points to 25.2%, compared with 26.4% in first-half 2022. However, excluding Healthcare Solutions, gross margin has decreased by just 0.4 points to 25.0%, compared with 25.4% in first-half 2022 proforma. The negative impact of lower volumes at Chargeurs Advanced Materials on gross margin was largely offset by a stronger contribution from the Group's other business lines.

Group recurring operating profit, amounting to €14.1 million, is down 44.5% compared to the first half of 2022. This decline is mainly attributable to a lower contribution from CAM and the absence of revenue from Healthcare Solutions in the first half of 2023. Excluding Healthcare Solutions, the recurring operating income is down 36.0%.

It is important to note that all the Group's businesses, including CAM, are profitable, despite the troubled context.

Attributable net profit of €3.3 million

Group attributable net profit for the first half came to 3.3 million euros, compared with 10.2 million euros in H1 2022. It includes a financial charge of 12.4 million euros, linked to higher financial expenses and hyperinflation in Argentina. The positive tax charge of 6.5 million euros is due to the activation of deferred tax credits, in anticipation of future profits for the French entities, which are mainly exporters.

Revenue by operating segment

H1 2023 vs. H1 2022

€m	First half		Chg. 23 vs. 22		2nd Quarter		Chg. 23 vs. 22	
	2023	2022	reported	like-for-like	2023	2022	reported	like-for-like
Technologies	247.2	308.0	-19.7%	-16.8%	125.2	151.4	-17.3%	-12.9%
Advanced Materials	146.7	190.7	-23.1%	-23.1%	76.0	94.8	-19.8%	-19.2%
PCC Fashion Technologies (incl. Healthcare Solutions)	100.5	117.3	-14.3%	-6.5%	49.2	56.6	-13.1%	-2.5%
PCC Fashion Technologies (excl. Healthcare Solutions)	*100.5*	*111.1*	*-9.5%*	*-1.3%*	*49.2*	*56.5*	*-12.9%*	*-2.3%*
Luxury	105.6	90.7	+16.4%	+4.3%	57.9	43.8	+32.2%	+19.0%
Museum Studio	61.2	36.3	+68.6%	+48.5%	37.2	20.4	+82.4%	+62.7%
Luxury Fibers	40.3	54.4	-25.9%	-25.2%	18.6	23.4	-20.5%	-18.8%
Personal Goods	4.1	-			2.1	-		
TOTAL GROUP	352.8	398.7	-11.5%	-12.0%	183.1	195.2	-6.2%	-5.7%

First-half revenue 2023 is down 11.5% compared with the first half of 2022. The smaller decline in the second quarter, down by 5.7% on a like-for-like basis, reflects the growing contribution of new growth drivers and the gradual recovery in sales at Chargeurs Advanced Materials.

Total revenue for the Technologies division amounts to €247.2 million in the first half of 2023, down 19.7% on a reported basis and 16.8% on a like-for-like basis. The €60.8 million drop in sales compared with the first half of 2022 is mainly due to a lower contribution from Chargeurs Advanced Materials, whose sales fell by €44.0 million over the period.

Total revenue for the Luxury division totals €105.6 million in the first half of 2023, up 16.4% on a reported basis and 4.3% on a like-for-like basis. Growth is driven by the ramp-up in revenue at Chargeurs Museum Studio, whose sales soared 68.6% vs. H1 2022 (+48.5% in like-for-like growth). It includes a scope effect linked to the acquisition (80% of the capital), in July 2022, of the Italian publishing house Skira Editore. Revenue of the Luxury Fibers business line have been impacted by lower sales volumes in the first half, following the cyclone that hit New Zealand in February. The Luxury division also has benefited from the consolidation of the two companies Altesse Studio and Cambridge Satchel, making up the new Personal Goods business segment and representing €4.1 million of revenue in the first half of 2023.

The Luxury division accounts for 30% of the Chargeurs group's total revenue vs. 23% in the first half of 2022.

Operating segments: Growing share of the Luxury division in Group revenue, representing 30% of sales in the first half of 2023

Technologies Division: Solid fundamentals in a troubled environment

Advanced Materials

€m	2023	2022	*Change*
Revenue	146.7	190.7	*-23.1%*
Like-for-like growth			*-23.1%*
EBITDA	8.6	21.0	
As a % of revenue	*5.9%*	*11.0%*	
Recurring operating profit	4.1	16.0	*-74.4%*
As a % of revenue	*2.8%*	*8.4%*	*-5.6 pts*

Chargeurs Advanced Materials revenue of €146.7 million in the first half of 2023 is down 23.1%. The contraction in sales is due to lower industrial volumes from customers, who have been coping with the energy and inflationary shocks experienced overall since the summer of 2022. However, in Q2 2023, the decline in sales is less marked than in previous quarters.

In a troubled environment, Chargeurs Advanced Materials, which is the market leader in industrial process film, has maintained its market shares. At the same time, the business segment is exploring less cyclical industrial applications, where there is a strong appetite for more technical, higher value-added industrial process products, particularly in the food and leisure markets. In terms of sustainable products, its new Oxygen range is continuing to grow and attract new customers. Sales of products in this range have doubled in the first half of this year compared with the first half of 2022.

Recurring operating profit of Chargeurs Advanced Materials amounts to €4.1 million, with an operating margin of 2.8% of sales in the first half of 2023. The business segment remains profitable thanks to its flexible organization and tight cost control.

Amidst the real estate crisis in several parts of the world, Chargeurs points out that housing represents only a fraction of the end-use applications for the industrial process film business of Chargeurs Advanced Materials. The Group assumes that, once the energy uncertainty of the early part of the year has passed and economic players have adapted to restrictive monetary policies, the gradual recovery in Chargeurs Advanced Materials' volumes will be based primarily on products and applications unrelated to the new housing market (estimated directly and indirectly at 25% of its revenue). These priority recovery markets should be:

- the industrial equipment market (machine tools, professional fittings and equipment),
- the building renovation market - both residential and non-residential - driven by environmental concerns and supported by governments,
- the mobility equipment market (personal and commercial vehicles, public transport, aeronautics)
- the market for high-end household appliances and electronics, supported by wealthy customers
- the infrastructure market, made indispensable by increasing urbanization
- the market for industrial and logistics buildings, supported, for example, by the IRA in the United States.

It should be noted that these non-new housing applications are those in which CAM, with its premium positioning, has the highest global market shares and the best added value.

Fashion Technologies (excluding Healthcare Solutions)

€m	2023	2022	Change
Revenue	100.5	111.1	-9.5%
Like-for-like growth			*-1.3%*
EBITDA	10.3	11.3	
As a % of revenue	*10.2%*	*10.2%*	
Recurring operating profit	7.2	7.5	-4.0%
As a % of revenue	*7.2%*	*6.8%*	*+0.4 pt*

Excluding the healthcare business segment, Fashion Technologies revenue stands at €100.5 million in the first half of 2023. Change like-for-like has remained almost stable compared with the first half of 2022. On a reported basis, the 9.5% decline is due to the negative currency impact of the continued devaluation of the Argentine peso.

In the second quarter of 2023, the decline was 2.3% like-for-like. As a reminder, Fashion Technologies had benefited from a significant catch-up effect in the fashion and luxury goods sector throughout the first half of 2022. In H1 2023, the business segment has consolidated its market share, in a context where certain markets have not returned yet to pre-Covid levels.

Chargeurs PCC Fashion Technologies is strengthening its leadership in the transformation of a more sustainable textile industry, by launching its new dyeing solution Zero Water, a range of innovative products that is unique in the world as it consumes very little water during the dyeing process. This French innovation was acclaimed by customers at the leading international trade shows in Milan and London.

Chargeurs PCC Fashion Technologies' recurring operating profit, excluding Healthcare Solutions, amounts to €7.2 million, compared with €7.5 million in the first half of 2022. The operating margin has reached 7.2% of sales, up 0.4 points, despite the impact of the energy crisis. This improvement results from measures implemented by the business segment to rationalize its product range and customer/product mix, in an inflationary environment. Price increases implemented in 2022, following the rise in raw material and energy costs, also contributed to the improvement in profitability over the half-year. The division intends to pursue its initiatives and increase the efficiency of its organization, both commercial and industrial.

Since January 1, 2023, the Healthcare Solutions business has been consolidated in the Chargeurs PCC Fashion Technologies business segment.

Fashion Technologies
(including Healthcare Solutions)

€m	2023	2022	Change
Revenue	100.5	117.3	-14.3%
Like-for-like growth			*-6.5%*
EBITDA	10.9	15.2	
As a % of revenue	*10.8%*	*13.0%*	
Recurring operating profit	7.3	10.9	-33.0%
As a % of revenue	*7.3%*	*9.3%*	*-2.0pts*

Total revenue of the business segment, including Healthcare Solutions, amounts to €100.5 million in the first half of 2023, down 14.3% on a reported basis and 6.5% like-for-like, vs. H1 2022. With the pandemic now over, Healthcare Solutions generated no sales in the first half 2023. As a reminder, Healthcare Solutions sales were €6.2 million for the same period in 2022. Recurring operating profit of Chargeurs PCC Fashion Technologies, including Healthcare Solutions, totals €7.3 million. Operating margin stands at 7.3% in the first half of 2023, compared with 9.3% in the first half of 2022, which benefited from the contribution of the healthcare business.

Luxury Division: Promising quantitative and qualitative trends

Museum Studio

€m	2023	2022	Change
Revenue	61.2	36.3	+68.6%
Like-for-like growth			*+48.5%*
EBITDA	5.3	3.2	
As a % of revenue	*8.7%*	*9.0%*	
Recurring operating profit	3.8	1.8	+111.1%
As a % of revenue	*6.2%*	*5.0%*	*+1.2 pt*

Chargeurs Museum Studio reported sales up 68.6% in the first half of 2023 to €61.2 million and up 48.5% like-for-like. In July 2022, the Chargeurs Group acquired 80% of the Italian company Skira Editore, consolidated in the Group since the third quarter of 2022. Skira Editore is specialized in high-end art books and the company also designs and produces temporary exhibitions for Italian cultural institutions and foundations.

In the second quarter of 2023, revenue growth of Museum Studio accelerated with sales up 62.7% like-for-like. Ramp-up of projects for museums awarded in 2021 and 2022 is driving revenue growth. The following projects in particular are contributing to the growth:

- Diriyah Gate project in Saudi Arabia: with the aim of transforming the historical city of Diriyah into a cultural and entertainment zone promoting Saudi Arabian heritage
- Carlsberg Museum in Copenhagen, Denmark, one of the country's largest museums
- Cleveland Museum of Natural History in Ohio, USA. The museum is currently undergoing the most extensive restructuring in its history, and Chargeurs Museum Studio will provide a full range of services, including lighting for the rooms and exhibits and the creation of graphics and casework.

The strong performance recorded over the half-year confirms Museum Studio's sales target of €120 million for 2023, and close to €150 million in 2024.

With Museum Studio, Chargeurs is building a powerful brand and a global platform of cultural products and services. By building on this business, the Group is positioning itself in the fast-growing global market for cultural services, thus creating a new engine for growth. Museum Studio won several new projects during the half-year: among the most emblematic are the Danish Natural History Museum, the three year-renewal of the contract for the Monaco Yacht Show and the organization of the next Milan Fashion Week.

Recurring operating income of Chargeurs Museum Studio has more than doubled in the first half of 2023 to 3.8 million euros, compared with €1.8 million in the first half of 2022. Operating margin improved by 1.2 points to 6.2%, compared with 5.0% for the same period in 2022, resulting from the ramp-up phases of higher profitable projects.

Luxury Fibers

€m	2023	2022	Change
Revenue	40.3	54.4	-25,9%
Like-for-like growth			*-25,2%*
EBITDA	1.3	1.1	
As a % of revenue	*3.2%*	*2.0%*	
Recurring operating profit	1.2	1.0	+20.0%
As a % of revenue	*3.0%*	*1.8%*	*+1.2 pt*

Chargeurs Luxury Fibers achieved sales of €40.3 million in the first half of 2023, compared with 54.4 million euros in the first half of 2022, down 25.9% on a reported basis and 25.2% like-for-like. Revenue was impacted by the cyclone that hit New Zealand in February 2023. In the second quarter of 2023, revenue declined by 18.8% like-for-like.

Recurring operating profit continued its upward trajectory to stand at €1.2 million, a strong improvement of 20% versus the first half of 2022. Chargeurs Luxury Fibers is successfully rolling out its higher-margin Nativa™ range of products and services to all the major international brands in the apparel industry. Nativa™ sales jumped 40% in the first half of 2023. The operating margin of

Chargeurs Luxury Fibers improved by 1.2 points to 3.0%, compared with 1.8% in the first half of 2022.

Personal Goods

€m	2023	2022	Change
Revenue	4.1	-	
Like-for-like growth			
EBITDA	0.5	-	
As a % of revenue	*12.2%*		
Recurring operating profit	0.2	-	
As a % of revenue	*4.9%*		

Chargeurs Personal Goods revenue amounts to €4.1 million in the first half of 2023. The new business segment, created in the third quarter of 2022 and comprising the Altesse Studio and Cambridge Satchel brands, positions the Chargeurs Group in the Luxury Goods sector and marks a first step in the Group's focus on luxury categories offering strong differentiation and growth potential, particularly in the Quiet Luxury. Double-digit sales growth is driven by i) Altesse Studio's upmarket strategy and the launch of a new line of ultra-luxury brushes, ii) Cambridge Satchel's positive momentum notably with the signing of new partnerships.

Chargeurs Personal Goods' recurring operating profit stands at €0.2 million for the first half of 2023, with an operating margin of 4.9%. A marketing action plan has just been launched, aimed at accelerating the international brand deployment and boosting the business segment's profitability.

Change in net debt

€m	H1 2023	H1 2022
EBITDA	24.9	37.0
Non-recurring – cash	*-4.3*	*-4.8*
Financial expenses – cash	*-10.5*	*-7.0*
Tax – cash	*-3.2*	*-3.0*
Other	*-*	*-4.1*
Cash flows provided by operating activities, before changes in net working capital	6.9	18.1
Dividends from associates	0.3	-
Change in working capital at constant exchange rates	-3.2	-17.8
Net cash from operating activities	4.0	0.3
Acquisition of property, plant and equipment and intangible assets, net of disposals	-8.2	-3.9
Acquisitions	-1.2	-1.5
Dividends paid in cash	-8.6	-12.8
Other	-3.9	-9.8
Total	-17.9	-27.7
Effect of changes in exchange rates on cash and cash equivalents	1.8	-1.2
Opening net cash/(net debt)	-174.7	-109.3
Closing net cash/(net debt)	-194.4	-135.8

In the first half of 2023, cash flow from operations amounts to €6.9 million. The decline compared with H1 2022 is due to a lower EBITDA contribution. Thanks to controlled working capital requirements in an inflationary environment, operating cash flow generation in the first half of 2023 amounted to €4.0 million, compared with €0.3 million in H1 2022.

Financing and liquidity profile

Chargeurs Group has a solid financial structure. At June 30, 2023, net debt stood at €194.4 million, well under control and after capital expenditures for the half-year and the dividend paid for the fiscal year 2022. The gearing ratio (net debt/equity) stands at 0.7x and the leverage ratio (net debt/Ebitda) at 3.5x.

At June 30, 2023, the Group benefited from a high level of liquidity (total cash and undrawn bank credit lines) of €270.9 million, enabling it to finance the development of its activities and seize opportunities for external growth.

In addition, on September 4, 2023, the Group announced that it had expanded and diversified its sources of financing with competitive and complementary financing solutions for the short, medium and long term. (see section: Highlights of the first half 2023 and subsequent events).

Highlights of the first half 2023 and subsequent events

Change in Governance

At the Ordinary General Meeting of April 26, 2023, Alexandra Rocca was appointed as an independent director for a term of 3 years, until the end of the Ordinary General Meeting to be held in 2026 to approve the financial statements for the year ended December 31, 2025.

Emmanuel Coquoin has been appointed as Climate Change Officer within the Board of Directors.

Strengthening the Group's presence in Saudi Arabia

On June 20th, 2023, Chargeurs announced the creation of a joint venture between Chargeurs Museum Studio and two Saudi companies, Knowliom and Zamil Group Trade & Services Co., to support the development of Saudi megaprojects in the cultural sector. This joint venture will enable the business line to increase its material, technological and human capacities in the field of services to museums and cultural institutions in Saudi Arabia, and thus benefit from a reduced cost structure and an essential comparative advantage that will be essential for winning new projects.

In addition, to benefit from competitive access to raw materials, particularly LDPE films and energy, and a strategic position at the crossroads of Europe and Asia, Chargeurs Advanced Materials is studying a project to build additional production capacity in Saudi Arabia. An R&D laboratory dedicated to green plastics and biodegradability would round out the project, strengthening the business' position at the cutting edge of the industry's sustainable development challenges.

Inauguration of Swaine's new global flagship store

Chargeurs announced on June 30th, the inauguration in London, in the heart of New Bond Street, of Swaine's new flagship store which showcases the brand's exceptional craftsmanship and historic expertise. Sales areas dedicated to leather accessories, hats and umbrellas, as well as a "bespoke orders" area catering to special requests and to showcase exceptional pieces, are available to customers.

In addition to the opening of the flagship store in London, Swaine is accelerating its commercial expansion in Europe and Asia with the brand's entry into the Ritz Paris place Vendôme boutique in France and the successful opening of points of sale in Tokyo and Osaka, within the Vulcanize and Isetan department stores.

Diversification and extension of the Group's financing resources

Once again demonstrating the attractiveness of its financial credentials, Chargeurs extended and diversified its financial resources with the extension of €125 million in revolving syndicated credit lines, bringing maturity to end-December 2025, and the extension for another year, to mid-2026, of €40 million in bilateral financing. The Group also arranged an additional €20 million revolving credit facility with a new leading international bank and launched a short-term Negotiable EUropean Commercial Paper (NEU CP) program.

Major risks and uncertainties

Please refer to Chapter 2 entitled "Risk factors and the control environment" of the 2022 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 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, 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).

BREAKDOWN OF REVENUE BY OPERATING SEGMENT

€m	2023	2022	Change 2023/2022
First quarter			
Technologies	**122.0**	**156.6**	**-22.1%**
Advanced Materials	70.7	95.9	-26.3%
PCC Fashion technologies (incl. Healthcare Solutions)	51.3	60.7	-15.5%
PCC Fashion technologies (excl. Healthcare Solutions)	*51.3*	*54.6*	*-6.0%*
Luxury	**47.7**	**46.9**	**+1.7%**
Museum Studio	24.0	15.9	+50.9%
Luxury Fibers	21.7	31.0	-30.0%
Personal Goods	2.0		
CHARGEURS	**169.7**	**203.5**	**-16.6%**
Second quarter			
Technologies	**125.2**	**151.4**	**-17.3%**
Advanced Materials	76.0	94.8	-19.8%
PCC Fashion technologies (incl. Healthcare Solutions)	49.2	56.6	-13.1%
PCC Fashion technologies (excl. Healthcare Solutions)	49.2	56.5	-12.9%
Luxury	**57.9**	**43.8**	**32.2%**
Museum Studio	37.2	20.4	82.4%
Luxury Fibers	18.6	23.4	-20.5%
Personal Goods	2.1	-	
CHARGEURS	**183.1**	**195.2**	**-6.2%**
Third quarter			
Technologies	-	**132.7**	-
Advanced Materials	-	76.8	-
PCC Fashion technologies (incl. Healthcare Solutions)	-	55.9	-
PCC Fashion technologies (excl. Healthcare Solutions)	-	55.8	-
Luxury	-	**42.2**	-
Museum Studio	-	20.4	-
Luxury Fibers	-	21.8	-
Personal Goods	-		-
CHARGEURS	-	**174.9**	-
Fourth quarter			
Technologies	-	**118.3**	-
Advanced Materials	-	65.1	-
PCC Fashion technologies (incl. Healthcare Solutions)	-	53.2	-
PCC Fashion technologies (excl. Healthcare Solutions)	-	53.1	-
Luxury	-	**54.5**	-
Museum Studio	-	30.5	-
Luxury Fibers	-	18.5	-
Personal Goods	-	5.5	-
CHARGEURS	-	**172.8**	-
Full-year total			
Technologies	-	**559.0**	-
Advanced Materials	-	332.6	-
PCC Fashion technologies (incl. Healthcare Solutions)	-	226.4	-
PCC Fashion technologies (excl. Healthcare Solutions)	-	220.0	-
Luxury	-	**187.4**	-
Museum Studio	-	87.2	-
Luxury Fibers	-	94.7	-
Personal Goods	-	5.5	-
CHARGEURS	-	**746.4**	-

BREAKDOWN OF REVENUE BY GEOGRAPHY

€m	2023	2022	Change 2023/2022
First quarter			
Europe	80.4	95.0	-15.4%
Americas	44.8	54.2	-17.3%
Asia	44.5	54.3	-18.0%
GROUP TOTAL	169.7	203.5	-16.6%
Second quarter			
Europe	78.0	86.7	-10.0%
Americas	49.3	53.3	-7.5%
Asia	55.8	55.2	1.1%
GROUP TOTAL	183.1	195.2	-6.2%
Third quarter			
Europe	-	69.1	-
Americas	-	55.4	-
Asia	-	50.4	-
GROUP TOTAL	-	174.9	-
Fourth quarter			
Europe	-	71.4	-
Americas	-	50.7	-
Asia	-	50.7	-
GROUP TOTAL	-	172.8	-
Full-year total			
Europe	-	322.1	-
Americas	-	213.6	-
Asia	-	210.7	-
GROUP TOTAL	-	746.4	-

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ERNST & YOUNG Audit

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Chargeurs

Statutory auditors' review report on the half-yearly financial information

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ERNST & YOUNG Audit

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Chargeurs

Statutory auditors' review report on the half-yearly financial information

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting of Shareholders 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 half-yearly consolidated financial statements of Chargeurs, for the period from January 1st, 2023 to June 30, 2023,

- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. 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 half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

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

Neuilly-sur-Seine and Paris-La Défense, September 7, 2023

The Statutory Auditors
French original signed by

Grant Thornton Membre français de Grant Thornton International	ERNST & YOUNG Audit
Olivier Bochet	François-Guillaume Postel

CHARGEURS

CONSOLIDATED FINANCIAL STATEMENTS

H1 2023

Consolidated Income Statement *(in €m)*

	Note	Six months ended June 30 2023	2022
Revenue	4	**352.8**	**398.7**
Cost of sales		(263.9)	(293.4)
Gross profit		**88.9**	**105.3**
Distribution costs		(40.5)	(45.4)
Administrative expenses		(31.8)	(32.1)
Research and development costs		(2.5)	(2.4)
Recurring operating profit		**14.1**	**25.4**
Amortization of intangible assets acquired through business combinations		(3.1)	(3.2)
Other operating income	5	1.0	3.2
Other operating expense	5	(2.8)	(4.1)
Operating profit		**9.2**	**21.3**
Cost of net debt		(10.0)	(6.6)
Other financial expense		(2.7)	(2.9)
Other financial income		0.3	0.7
Net financial expense	7	**(12.4)**	**(8.8)**
Pre-tax profit for the period		**(3.2)**	**12.5**
Share of profit/(loss) of associates	13	(0.2)	0.1
Income tax expense	8	6.5	(2.6)
Profit from continuing operations		**3.1**	**10.0**
Net profit		**3.1**	**10.0**
Attributable to owners of the parent		**3.3**	**10.2**
Attributable to non-controlling interests		(0.2)	(0.2)
Earnings per share (in €)	9	0.14	0.42
Diluted earnings per share (in €)	9	0.14	0.44

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

	Note	Six months ended June 30 2023	2022
Net profit		**3.1**	**10.0**
Exchange differences on translating foreign operations		(5.8)	17.4
Cash flow hedges		(1.1)	(2.0)
Total items that may be reclassified subsequently to profit or loss		**(6.9)**	**15.4**
Other comprehensive income/(expense) for the period		-	(0.9)
Actuarial gains and losses on post-employment benefit obligations	18	(0.2)	5.3
Total items that will not be reclassified to profit or loss		**(0.2)**	**4.4**
Other comprehensive income for the period, net of tax		**(7.1)**	**19.8**
Total comprehensive income for the period		**(4.0)**	**29.8**
Attributable to:			
Owners of the parent		(3.8)	30.0
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	06/30/2023	12/31/2022
Intangible assets	10	272.2	276.0
Property, plant and equipment	11	84.8	84.4
Leasing right-of-use assets	12	26.9	29.5
Investments in associates and joint ventures	13	7.3	8.1
Deferred tax assets	8	56.2	48.1
Non-current financial assets	14	34.2	12.6
Other non-current assets		4.7	4.4
Net non-current assets		**486.3**	**463.1**
Inventories and work-in-progress	15	156.4	163.3
Long-term contract assets	15	18.4	5.8
Trade receivables	15	76.1	81.0
Derivative financial instruments	15	0.3	0.8
Miscellaneous receivables	15	39.0	38.0
Short-term tax receivables	15	0.2	-
Short-term financial receivables	14	7.7	11.5
Cash and cash equivalents	17	114.1	121.7
Net current assets		**412.2**	**422.1**
Total Assets		**898.5**	**885.2**

Equity and liabilities	Note	06/30/2023	12/31/2022
Attributable to owners of the parent		266.7	279.7
Non-controlling interests		-	0.2
Total equity		**266.7**	**279.9**
Medium and long-term borrowings	17	302.4	243.9
Medium and long-term lease liabilities	12	19.7	22.2
Deferred tax assets	8	6.7	5.3
Pension and other post-employment benefit obligations	18	12.4	12.6
Provisions for other liabilities	19	6.2	13.1
Other non-current liabilities	20	3.7	5.2
Net non-current liabilities		**351.1**	**302.3**
Short-term portion of long-term borrowings	17	41.1	68.3
Short-term portion of lease liabilities	12	7.4	7.8
Short-term portion of provisions for other liabilities	19	7.4	2.1
Trade payables	15	151.9	147.3
Long-term contract liabilities	15	5.8	9.4
Other payables	15	61.4	61.3
Current income tax liabilities	15	2.5	3.0
Derivative financial instruments	15	1.9	1.0
Short-term bank loans and overdrafts	17	1.3	2.8
Net current liabilities		**280.7**	**303.0**
Total equity and liabilities		**898.5**	**885.2**

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

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

	Note	Six months ended June 30 2023	2022
Cash flows from operating activities			
Pre-tax profit of consolidated companies		(3.2)	12.5
Adjustments to reconcile pre-tax profit to cash generated from operations		13.3	8.6
- depreciation and amortization expense	10 & 11 & 12	*13.9*	*14.8*
- provisions and pension and other post-employment benefit obligations		*(1.8)*	*(0.9)*
- impairment of non-current assets		*-*	*0.3*
- fair value adjustments		*0.7*	*(3.6)*
- discounting of receivables and payables		*(0.2)*	*-*
- (gains)/losses on foreign currency receivables/payables		*0.7*	*(2.0)*
Income tax paid		(3.2)	(3.0)
Cash flows provided by operating activities, before changes in net working capital		6.9	18.1
Dividends paid by companies accounted for by the equity method	13	0.3	-
Change in operating working capital	15	(3.2)	(17.8)
Net cash from operating activities		4.0	0.3
Cash flows from investing activities			
Acquisitions of subsidiaries, net of the cash acquired		(1.2)	(1.5)
Acquisition of intangible assets	10	(1.3)	(0.8)
Acquisition of property, plant and equipment	11	(7.1)	(3.3)
Proceeds from disposals of intangible assets and property, plant and equipment		0.2	0.2
Net change in short-term financial receivables	17	(6.4)	(4.7)
Other changes		(0.1)	(0.1)
Net cash used in investing activities		(15.9)	(10.2)
Cash flows from financing activities			
Cash dividends paid to owners of the parent		(8.6)	(12.8)
(Purchases)/sales of treasury stock		(0.7)	(0.8)
Proceeds from new borrowings	17	69.7	5.0
Repayments of borrowings	17	(38.4)	(17.3)
Repayments of lease liabilities	12	(4.4)	(5.3)
Change in short-term bank loans and overdrafts	17	(1.5)	1.0
Other changes		(0.3)	(1.5)
		15.8	(31.7)
Increase/(decrease) in cash and cash equivalents		3.9	(41.6)
Cash and cash equivalents at beginning of period	17	121.7	219.2
Other changes	17	(9.7)	-
Effect of changes in foreign exchange rates on cash and cash equivalents		(1.8)	2.1
Cash and cash equivalents at end of period	17	114.1	179.7

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 12/31/2021	**3.9**	**91.5**	**189.0**	**(0.3)**	**(1.1)**	**(5.3)**	**(10.3)**	**267.4**	**(0.6)**	**266.8**
Capital increase	0.1	5.4	-	-	-	-	-	5.5	-	5.5
Changes in treasury stock	-	-	0.4	-	-	-	(0.8)	(0.4)	-	(0.4)
Payment of dividends	-	-	(18.2)	-	-	-	-	(18.2)	-	(18.2)
Profit for the period	-	-	10.2	-	-	-	-	10.2	(0.2)	10.0
Other comprehensive income/(expense) for the p	-	-	(0.9)	17.4	(2.0)	5.3	-	19.8	-	19.8
At 06/30/2022	**4.0**	**96.9**	**180.5**	**17.1**	**(3.1)**	**-**	**(11.1)**	**284.3**	**(0.8)**	**283.5**
At 12/31/2022	**4.0**	**97.0**	**187.0**	**7.1**	**(0.8)**	**(0.3)**	**(14.3)**	**279.7**	**0.2**	**279.9**
Capital increase (1)	0.1	4.3	-	-	-	-	-	4.4	-	4.4
Changes in treasury stock (2)	-	-	(8.5)	-	-	-	8.0	(0.5)	-	(0.5)
Share-based payment	-	-	(0.1)	-	-	-	-	(0.1)	-	(0.1)
Dividend payments (1)	-	-	(13.0)	-	-	-	-	(13.0)	-	(13.0)
Profit for the period	-	-	3.3	-	-	-	-	3.3	(0.2)	3.1
Other comprehensive income/(expense) for the p	-	-	-	(5.8)	(1.1)	(0.2)	-	(7.1)	-	(7.1)
At 06/30/2023	**4.1**	**101.3**	**168.7**	**1.3**	**(1.9)**	**(0.5)**	**(6.3)**	**266.7**	**-**	**266.7**

(1) A payment of €13.0m was made for the balance of the 2022 dividend, with €8.6m paid in cash and €4.4m in shares (see Note 17).

(2) At its meeting on April 26, 2023, the Board of Directors decided to cancel 500,000 treasury shares. This transaction has no impact on the Group's consolidated financial statements nor on net earnings per share.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Chargeurs and its subsidiaries carry out their activities in five segments:

Technologies:

- *Chargeurs Advanced Materials (CAM),* is the world leader in the design, production and marketing of industrial process films, technical adhesives, lamination machines and specialty paper that protects high-end materials during transformation processes;
- *Chargeurs PCC Fashion Technologies (CFT PCC)* is the world leader in the production and marketing of top-of-the-range interlinings for clothing and accessories. The Chargeurs Healthcare Solutions business is now integrated within CFT PCC, due to the standardization of the healthcare environment.

Luxury:

- *Chargeurs Museum Studio (CMS)* is the leading studio worldwide in the creation of cultural content and consultancy for cultural institutions and corporate brands;
- *Chargeurs Luxury Fibers (CLF)* manufactures and markets premium, sustainable and traceable wool tops;
- *Chargeurs Personal Goods (CPG)* comprises the brands that develop, produce and market premium accessories and personal goods (The Cambridge Satchel Company and Fournival Altesse).

Chargeurs is a *société anonyme* governed by the laws of France. Its registered office is located at 7 Rue Kepler, 75116 Paris, France.

Chargeurs shares are listed on Euronext Paris.

The consolidated financial statements for the six months ended June 30, 2023 were approved by the Board of Directors on September 6, 2023.

1 Significant events of the period

1.1 Acquisitions in the Museum Studio segment

Acquisition of Skira

On July 21, 2022, Chargeurs finalized the acquisition of 80% of the capital of Skira Editore S.p.A, the world-renowned publisher of classical and modern art and design books. This acquisition of a majority stake was accompanied by a cross put option with a call option on the remaining 20%.

During the first half of 2023, at the end of the purchase price allocation exercise, the Group recognized a non-depreciable trademark for an amount of €3.7m (see Note 10.2). Final goodwill amounts to €6.9m.

At June 30, 2023, the company contributed €7.7m to the Group's revenue.

1.2 Conflict between Ukraine and Russia

The Chargeurs Group is watching developments in Ukraine and Russia very closely. The exposure of the Group's businesses to this conflict is very small, and represents less than 0.3% of consolidated revenue.

2 Summary of significant accounting policies

2.1 Basis of preparation

The first-half 2023 consolidated financial statements of the Chargeurs group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU). These standards can be downloaded from the European Commission's website https://ec.europa.eu/info/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, 2022.

The consolidated financial statements are presented in millions of euros (€m).

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 IFRS 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, 2023:

Adopted by the European Union:

– Amendments to IAS 1 - Presentation of Financial Statements - Disclosure of Accounting Policies
– Amendments to IAS 8 – Definition of Accounting Estimates;
– Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
– Amendments to IFRS 17: Initial application of IFRS 17 and IFRS 9 - Comparative information

Not yet adopted by the European Union:

– Amendments to IAS 12 - Pillar II - "Income taxes". The Group is currently analyzing the impact of Pillar II.

2.2.2 New standards, interpretations and amendments to existing standards and non-obligatory interpretations in the financial statements at June 30, 2023 and not applied early by the Group

Adopted by the European Union:

– Amendments to IAS 1 - Presentation of Financial Statements - Classification of Liabilities as Current or Non-current.
– Amendments to IFRS 16 - Leases - Lease Liability in a Sale and Leaseback.

- Amendments to IAS 7 and IFRS 7 - Disclosure of concentration risk with reference to supplier financing arrangements

These three amendments will apply to fiscal years beginning after January 1, 2024.

These texts did not have a material impact on the Group's consolidated financial statements.

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 Depreciation of goodwill and other intangible assets with an indefinite life

Goodwill is tested for impairment on an annual basis as described in note 2.11 to the financial statements for the year ended December 31, 2022. The recoverable amounts of cash-generating units (CGUs) are determined based on calculations of value in use, which require the use of estimates (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.

Deferred tax assets are recognized in the accounts to the extent that their recovery is considered probable. The amount of these assets is assessed based on taxable profit projections over a period of seven years.

The exercise of judgment is 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 main estimates

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

- 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 positions;
- impairment of assets;
- provisions for contingencies and charges;
- liabilities related to acquisitions of consolidated companies.

3.4 Risks associated with climate change

The Group's current exposure to the consequences of climate change in the short term is limited and does not therefore have a material impact on the financial statements.

Since 2016, Chargeurs has been committed to developing its value chains, with a view to reducing its environmental impact. The Group is also committed to contributing to carbon neutrality by reducing its energy consumption, transitioning to renewable energies and strengthening its responsible purchasing practices.

4 Segment reporting

4.1 Information by segment

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.

Created in the second half of 2022, the Personal Goods segment comprises The Cambridge Satchel Company and Fournival Altesse, which develop, produce and market accessories and personal goods.

With effect from January 1, 2023, the Healthcare Solutions segment, which had no significant sales in the first half of 2023, will be monitored and managed by the Fashion Technologies segment.

In compliance with IFRS 8, comparative information has been restated.

The Chargeurs group therefore operates in five operating segments. Their performance is presented below.

4.1.1 *Income statement by segment*

	Technologies			Luxury					
Six months ended 06/30/2023 (in €m)	Advanced Materials	Fashion Technologies	Total Technologies Division	Luxury Fibers	Museum Studio	Personal Goods	Total Luxury Division	Non operating	Consolidated
Revenue	**146.7**	**100.5**	**247.2**	**40.3**	**61.2**	**4.1**	**105.6**	**-**	**352.8**
EBITDA	**8.6**	**10.9**	**19.5**	**1.3**	**5.3**	**0.5**	**7.1**	**(1.7)**	**24.9**
Depreciation and amortization	(4.5)	(3.6)	(8.1)	(0.1)	(1.5)	(0.3)	**(1.9)**	(0.8)	(10.8)
Recurring operating profit	**4.1**	**7.3**	**11.4**	**1.2**	**3.8**	**0.2**	**5.2**	**(2.5)**	**14.1**
Amortization of intangible assets acquired through business combinations	-	(1.1)	(1.1)	-	(2.0)	**-**	**(2.0)**	**-**	(3.1)
Other operating income and expense (Note 5)	(0.5)	(0.3)	(0.8)	-	0.3	-	**0.3**	(1.3)	(1.8)
Operating profit	**3.6**	**5.9**	**9.5**	**1.2**	**2.1**	**0.2**	**3.5**	**(3.8)**	**9.2**
Net financial expense									(12.4)
Pre-tax profit for the period									**(3.2)**
Share of profit/(loss) of associates									(0.2)
Income tax expense									6.5
Profit for the period									**3.1**

	Technologies			Luxury					
Six months ended 06/30/2022 (in €m)	Advanced Materials	Fashion Technologies (*)	Total Technologies Division	Luxury Fibers	Museum Studio	Personal Goods	Total Luxury Division	Non operating	Consolidated
Revenue	**190.7**	**117.3**	**308.0**	**54.4**	**36.3**	**-**	**90.7**	**-**	**398.7**
EBITDA	**21.0**	**15.2**	**36.2**	**1.1**	**3.2**	**-**	**4.3**	**(3.5)**	**37.0**
Depreciation and amortization	(5.0)	(4.3)	(9.3)	(0.1)	(1.4)	-	(1.5)	(0.8)	(11.6)
Recurring operating profit	**16.0**	**10.9**	**26.9**	**1.0**	**1.8**	**-**	**2.8**	**(4.3)**	**25.4**
Amortization of intangible assets acquired through business combinations	-	(1.1)	(1.1)	-	(2.1)	-	(2.1)	-	(3.2)
Other operating income and expense (Note 5)	(1.5)	(1.3)	(2.8)	-	2.6	-	2.6	(0.7)	(0.9)
Operating profit	**14.5**	**8.5**	**23.0**	**1.0**	**2.3**	**-**	**3.3**	**(5.0)**	**21.3**
Net financial expense									(8.8)
Pre-tax profit for the period									**12.5**
Share of profit/(loss) of associates									0.1
Income tax expense									(2.6)
Profit for the period									**10.0**

(*) Information modified following the reclassification as of January 1, 2023 of the Healthcare Solutions segment within the Fashion Technologies segment.

4.1.2 *Assets and liabilities by segment*

	Technologies			Luxury					
At 06/30/2023 (in €m)	Advanced Materials	Fashion Technologies	Total Technologies Division	Luxury Fibers	Museum Studio	Personal Goods	Total Luxury Division	Non operating	Consolidated
Assets (1)	225.6	188.8	414.4	66.6	173.0	22.4	262.0	79.4	755.8
Liabilities (2)	89.8	76.2	166.0	40.2	59.2	4.3	103.7	17.3	287.0
Capital employed	135.8	112.6	248.4	26.4	113.8	18.1	158.3	62.1	468.8
Capital expenditure	4.0	2.9	6.9	-	0.7	0.2	0.9	0.5	8.3

(1) Excluding cash and cash equivalents and other current and non-current financial receivables.

(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).

At 12/31/2022 (in €m)	Technologies			Luxury					
	Advanced Materials	Fashion Technologies (*)	Total Technologies Division	Luxury Fibers	Museum Studio	Personal Goods	Total Luxury Division	Non operating	Consolidated
Assets (1)	238.5	187.6	426.1	68.4	167.4	17.3	253.1	72.8	752.0
Liabilities (2)	84.6	77.4	162.0	42.1	59.3	5.4	106.8	21.7	290.5
Capital employed	**153.9**	**110.2**	**264.1**	**26.3**	**108.1**	**11.9**	**146.3**	**51.1**	**461.5**
Capital expenditure	6.9	2.4	9.3	0.1	0.5	0.3	0.9	0.6	10.8

(*) Information modified following the reclassification as of January 1, 2023 of the Healthcare Solutions segment within the Fashion Technologies segment.

(1) Excluding cash and cash equivalents and other current and non-current financial receivables.

(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).

4.1.3 Additional information

Six months ended 06/30/2023 (in €m)	Technologies			Luxury					
	Advanced Materials	Fashion Technologies	Total Technologies Division	Luxury Fibers	Museum Studio	Personal Goods	Total Luxury Division	Non operating	Consolidated
Depreciation of property, plant and equipment	(2.7)	(2.3)	(5.0)	-	(0.3)	(0.2)	(0.5)	(0.2)	(5.7)
Impairment:									
-Inventories	1.8	-	1.8	0.1	0.6	0.4	1.1	-	2.9
- Trade receivables	-	0.2	0.2	-	0.1	-	0.1	-	0.3
Allowances net of reversals for other liabilities	-	0.2	0.2	0.2	0.1	1.6	1.9	-	2.1
Restructuring costs (Note 5)	(0.9)	(0.2)	(1.1)	-	(0.5)	-	(0.5)	(0.1)	(1.7)

Six months ended 06/30/2022 (in €m)	Technologies			Luxury					
	Advanced Materials	Fashion Technologies (*)	Total Technologies Division	Luxury Fibers	Museum Studio	Personal Goods	Total Luxury Division	Non operating	Consolidated
Depreciation of property, plant and equipment	(3.3)	(2.6)	(5.9)	-	(0.4)	-	(0.4)	(0.2)	(6.5)
Impairment:			-				-		-
- Property, plant and equipment (Note 5)	-	(0.1)	(0.1)	-	-	-	-	-	(0.1)
Impairment:									
-Inventories	(0.6)	5.6	5.0	0.1	0.1	-	0.2	-	5.2
- Trade receivables	0.1	-	0.1	-	-	-	-	-	0.1
Restructuring costs (Note 5)	(0.7)	(0.7)	(1.4)	-	(0.6)	-	(0.6)	-	(2.0)

(*) Information modified following the reclassification as of January 1, 2023 of the Healthcare Solutions segment within the Fashion Technologies segment.

4.2 Information by geographical area and by stage of revenue recognition

4.2.1 Revenue

Revenue by customer location breaks down as follows:

Six months ended 06/30/2023 (in €m)	Technologies			Luxury				
	Advanced Materials	Fashion Technologies	Total Technologies Division	Luxury Fibers	Museum Studio	Personal Goods	Total Luxury Division	Consolidated
Geographical areas								
Europe	75.0	33.8	108.8	22.2	24.2	3.2	49.6	158.4
Asia-Oceania-Pacific and Africa	25.7	53.1	78.8	3.9	17.4	0.2	21.5	100.3
Americas	46.0	13.6	59.6	14.2	19.6	0.7	34.5	94.1
Total revenue	**146.7**	**100.5**	**247.2**	**40.3**	**61.2**	**4.1**	**105.6**	**352.8**
At a given date	146.7	100.5	247.2	40.3	12.6	4.1	57.0	304.2
On completion	-	-	-	-	48.6	-	48.6	48.6
Total revenue	**146.7**	**100.5**	**247.2**	**40.3**	**61.2**	**4.1**	**105.6**	**352.8**

Six months ended 06/30/2022 (in €m)	Technologies			Luxury				
	Advanced Materials	Fashion Technologies (*)	Total Technologies Division	Luxury Fibers	Museum Studio	Personal Goods	Total Luxury Division	Consolidated
Geographical areas								
Europe	96.1	42.2	138.3	26.5	16.9	-	43.4	181.7
Asia-Oceania-Pacific and Africa	34.0	61.8	95.8	6.5	7.2	-	13.7	109.5
Americas	60.6	13.3	73.9	21.4	12.2	-	33.6	107.5
Total revenue	**190.7**	**117.3**	**308.0**	**54.4**	**36.3**	**-**	**90.7**	**398.7**
At a given date	190.7	117.3	308.0	54.4	5.3	-	59.7	367.7
On completion	-	-	-	-	31.0	-	31.0	31.0
Total revenue	**190.7**	**117.3**	**308.0**	**54.4**	**36.3**	**-**	**90.7**	**398.7**

(*) Information modified following the reclassification as of January 1, 2023 of the Healthcare Solutions segment within the Fashion Technologies segment.

At June 30, 2023, the order backlog for long-term contracts amounted to €137.3m, and concerns only the Museum Studio business.

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

(in €m)	Six months ended June 30 2023		2022	
United States	67.4	19.1%	81.3	20.4%
Italy	45.9	13.0%	45.7	11.5%
Mainland China and Hong Kong	29.1	8.2%	37.5	9.4%
Germany	21.7	6.2%	30.5	7.6%
France	22.7	6.4%	28.5	7.1%
United Kingdom	19.6	5.6%	16.5	4.1%
Top 5 countries	206.4	58.5%	240.0	60.2%
Other countries	146.4	41.5%	158.7	39.8%
Total	352.8	100.0%	398.7	100.0%

5 Other operating income and expense

Other operating income and expense can be analyzed as follows:

(in €m)	Six months ended June 30 2023	2022
Reorganization costs (1)	(1.7)	(2.0)
Acquisitions costs (2)	(0.4)	(0.6)
Other operating expense (3)	(0.7)	(1.5)
Other operating income (3)	1.0	3.2
Total	(1.8)	(0.9)

(1) In the first half of 2023, the Group carried out and scheduled reorganizations for certain business lines.
(2) Acquisition-related expenses correspond to costs incurred in connection with external growth programs in progress or completed within the Group's various businesses.
(3) These items include costs relating to various disputes, as well as reversals of provisions no longer required.

6 Number of employees and payroll costs

6.1 Number of employees

The average number of employees of fully consolidated subsidiaries was as follows:

	Six months ended June 30 2023	2022
Employees in France	619	603
Employees outside France	1,676	1,687
Total employees	2,295	2,290

6.2 Payroll costs

(in €m)	Six months ended June 30 2023	2022
Wages and salaries	51.4	52.4
Payroll taxes	14.5	14.7
Discretionary profit sharing	0.6	1.3
Total	66.5	68.4

7 Net financial expense

(in €m)	Six months ended June 30 2023	2022
- Interests and related expenses	(10.7)	(6.6)
- Income from loans and investments	0.7	-
Cost of net debt	**(10.0)**	**(6.6)**
- Interest on lease liabilities	(0.4)	(0.4)
- Interest expenses on employee benefit obligations	-	(0.1)
- Discounting liabilities	(1.5)	-
- Exchange gains and losses on foreign currency receivables and payables	(0.2)	0.7
- Dividends and capital gains or losses on other financial receivables (1)	(0.4)	(1.8)
- Fair value adjustments to financial instruments	(0.2)	(0.3)
- Other	0.3	(0.3)
Other financial income and expenses	**(2.4)**	**(2.2)**
Net financial expense	**(12.4)**	**(8.8)**

(1) Gains and losses recorded in cash investments in shares of listed companies (see Note 14).

8 Income tax

8.1 Income tax

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

(in €m)	Six months ended June 30 2023	2022
Current taxes	(1.5)	(2.8)
Deferred tax	8.0	0.2
Total	**6.5**	**(2.6)**

As of June 30, 2023, the amount of tax loss carryforwards was estimated based on taxable profit projections over a period of seven years, derived from the updated business plans approved by Management.

In the first half of 2023, change in deferred taxes was mainly due to the activation of French tax consolidation losses for €7.4m.

8.2 Analysis of the net deferred tax asset

(in €m)	12/31/2022	Share of profit/(loss)	Translation adjustment	Other	06/30/2023
France	34.0	7.4	-	-	41.4
United States	9.6	(0.7)	(0.2)	-	8.7
Germany	1.0	-	-	-	1.0
Italy	0.6	0.4	-	-	1.0
Other countries	(2.4)	0.9	(0.1)	(1.0)	(2.6)
Total	**42.8**	**8.0**	**(0.3)**	**(1.0)**	**49.5**

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 €0.14 in first-half 2023 (net profit/average number of shares).

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. Bonus share plans were unwound during the period.

Diluted earnings per share were the same as basic earnings per share.

	Six months ended June 30			
	2023		2022	
(in €m)	Basic	Diluted	Basic	Diluted
From continuing operations	3.3	3.3	10.2	10.8
Weighted average number of shares	24,282,997	24,282,997	24,114,960	24,393,960
Earnings per share from continuing operations	0.14	0.14	0.42	0.44

Based on a par value of €0.16 per share, the shares outstanding at June 30, 2023 represented issued capital of €3,977,970.24.

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 €m)	Advanced Materials	Fashion Technologies	Museum Studio	Total
12/31/2021	72.8	36.2	79.8	188.8
Acquisition	-	-	11.3	11.3
Translation adjustment	6.2	2.5	3.9	12.6
Other (1)	-	11.0	(11.0)	-
06/30/2022	79.0	49.7	84.0	212.7
12/31/2022	77.2	48.6	91.4	217.2
Translation adjustment	(1.4)	(0.8)	(0.1)	(2.3)
Other (2)	-	-	(2.7)	(2.7)
06/30/2023	75.8	47.8	88.6	212.2

(1) Restatement from January 1, 2022 of Senfa from CMS to CFT PCC.
(2) Finalization of Skira purchase price allocation (see Notes 1.1 and 10.2).

ADVANCED MATERIALS

The Advanced Materials segment is managed on a worldwide basis to meet the needs of global customers, and is considered to represent a group of cash-generating units.

Substantially all of Advanced Materials' goodwill is denominated in US dollars and the fluctuation in the dollar against the euro between December 31, 2022 and June 30, 2023 resulted in a €1.4 million increase in this goodwill.

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 2023 resulted in a €0.8m decrease in the segment's goodwill.

MUSEUM STUDIO

The Museum Studio operating segment is managed on a worldwide basis to meet the needs of global customers, and is considered to represent a group of cash-generating units.

The purchase price allocation for the acquisition of Skira was finalized during the period. Goodwill is definitive and amounts to €6.9m (see Note 1.1).

Since Museum Studio's goodwill is partially denominated in British pounds and US dollars, changes in the value of these currencies against the euro resulted in a €0.1m decrease in the carrying value at June 30, 2023.

10.1.2 Goodwill impairment tests

As of June 30, 2023, the Chargeurs group considers that the assumptions used to calculate the recoverable amount of goodwill as of December 31, 2022 have not been materially amended.

As of June 30, 2023, the Group assessed whether there was any indication that any of its cash-generating units (CGUs) may have become impaired at that date. Management concluded that there were no triggering events that would indicate any reduction in the value of any CGU or groups of CGUs, compared to December 31, 2022. The Group will also carry out impairment tests on the carrying amount of goodwill and other intangible assets on the annual reporting date.

10.2 Other intangible assets

(in €m)	Brands, portfolio customers and patents	Development costs	Other	Total
12/31/2021	45.5	0.5	3.3	49.3
Acquisitions	-	-	0.8	0.8
Changes in scope of consolidation	3.0	-	-	3.0
Amortization	(3.3)	(0.1)	(0.4)	(3.8)
Other	-	-	(0.1)	(0.1)
Translation adjustment	2.7	-	-	2.7
06/30/2022	47.9	0.4	3.6	51.9
12/31/2022	54.0	0.4	4.4	58.8
Activation of R&D costs	-	0.1	-	0.1
Acquisitions	-	-	1.2	1.2
Changes in scope of consolidation	3.7	-	-	3.7
Amortization	(3.1)	-	(0.6)	(3.7)
Other	(0.1)	-	-	(0.1)
06/30/2023	54.5	0.5	5.0	60.0

(1) *The purchase price allocation processes carried out for the Group's acquisition of Event Communications during the fiscal year resulted in the recognition of intangible assets for the following:*

- *customer portfolios, for €1.8m in 2022,*
- *non-competition clauses for €0.6m in 2022,*
- *and brands, for €0.6m in 2022.*

(2) *Allocation of the Skira acquisition price was finalized during the period, resulting in the allocation of €3.7m to the brand.*

11 Property, plant and equipment

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

(in €m)	Land	Buildings	Furnishings Installations	Equipment and tools	Fixed assets pending	Total
12/31/2021	4.7	8.5	56.4	10.3	5.5	85.3
Additions	0.1	-	1.0	0.1	2.1	3.3
Disposals	-	-	(0.1)	-	-	(0.1)
Changes in scope of consolidation	-	-	0.1	-	-	0.1
Amortization	(0.2)	(0.5)	(5.7)	(0.1)	-	(6.5)
Impairment	-	-	(0.1)	-	-	(0.1)
Other	-	0.2	2.6	-	(3.0)	(0.2)
Translation adjustment	-	0.3	0.5	-	0.1	0.9
06/30/2022	4.6	8.5	54.7	10.3	4.7	82.7
12/31/2022	2.3	11.0	54.7	10.1	6.4	84.5
Additions	-	0.1	2.6	0.3	4.1	7.1
Disposals	-	-	(0.1)	-	0.1	-
Amortization	-	(0.4)	(4.8)	(0.5)	-	(5.7)
Impairment	-	-	-	-	-	-
Other	0.2	-	2.2	(1.1)	(1.4)	(0.1)
Translation adjustment	-	-	(0.6)	(0.1)	(0.3)	(1.0)
06/30/2023	2.5	10.7	54.0	8.7	8.9	84.8

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 €m)	Land	Buildings	Furnishings Installations	Equipment and tools	Total
12/31/2021	1.6	22.8	7.1	(0.1)	31.4
New contracts	0.1	1.6	0.5	-	2.2
End of contracts	-	(0.1)	-	-	(0.1)
Change in scope of consolidation	-	0.9	-	-	0.9
Amortization	-	(3.2)	(1.3)	-	(4.5)
Other	-	(0.1)	(0.1)	0.3	0.1
Translation adjustment	-	0.8	-	-	0.8
06/30/2022	1.7	22.7	6.2	0.2	30.8
12/31/2022	2.6	20.1	6.6	0.2	29.5
New contracts	-	1.2	0.7	-	1.9
Amortization	-	(3.3)	(1.1)	(0.1)	(4.5)
Other	(1.7)	1.5	0.1	-	(0.1)
Translation adjustment	-	0.1	-	-	0.1
06/30/2023	0.9	19.6	6.3	0.1	26.9

12.2 Lease liabilities

Changes in lease liabilities were as follows:

(in €m)	06/30/2023	06/30/2022
Lease debt at opening	30.0	31.9
Cash movements		
Decrease	(4.4)	(5.3)
Non-cash movements		
New contracts	1.9	2.2
End of contracts	(0.3)	0.1
Changes in scope of consolidation	-	1.0
Changes in exchange rates	(0.1)	0.9
Leasing debt at closing	27.1	30.8

Interest expense on lease liabilities amounted to €0.4m in first-half 2023.

At June 30, 2023, the maturities of the Group's lease liabilities were as follows:

(in €m)	06/30/2023	06/30/2022
Due in less than one year	7.4	8.4
Due in one to two years	5.9	7.0
Due in two to three years	4.1	4.3
Due in three to four years	3.1	3.5
Due in four to five years	2.4	2.5
Due in more than five years	4.2	5.1
Total	27.1	30.8

13 Associate and joint venture interests

13.1 Companies

Fashion Technologies segment

Since the acquisition of the PCC Interlining group, the Fashion Technologies segment has included a 20%-owned associate, Weemeet Korea.

Luxury Fibers Segment

Wool USA is 35% owned by Chargeurs Wool USA.

CW Uruguay, comprising Lanas Trinidad SA and its subsidiaries.

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

Museum Studio Segment

The Museum Studio business includes four companies accounted for by the equity method, all of which are owned by Hypsos.

Changes in associates can be analyzed as follows:

(in €m)	12/31/2022	Share of profit/(loss)	Dividends	Translation adjustment	Scope changes	Other	06/30/2023
CW Uruguay	5.3	-		(0.1)	-	-	5.2
CW Argentine	0.5	0.1		(0.2)	-	-	0.4
Total Chargeurs Luxury Fibers	*5.8*	*0.1*	*-*	*(0.3)*	*-*	*-*	*5.6*
Hypsos Leisure Asia Ltd	0.5	-		-	-	-	0.5
Hypsos Moscow	0.2	-		-	-	-	0.2
Total Chargeurs Museum Studio	*0.7*	*-*	*-*	*-*	*-*	*-*	*0.7*
Toral joint ventures	**6.5**	**0.1**	**-**	**(0.3)**	**-**	**-**	**6.3**
Wool USA	-	(0.2)		-	-	0.2	-
Ningbo Textile Co Ltd (2)	0.4	-	(0.3)	-	(0.1)	-	-
Weemeet Korea	1.2	(0.1)	-	(0.1)	-	-	1.0
Total associates	**1.6**	**(0.3)**	**(0.3)**	**(0.1)**	**(0.1)**	**0.2**	**1.0**
Total equity-accounted investments	8.1	(0.2)	(0.3)	(0.4)	(0.1)	0.2	7.3

(1) The share of the negative net position has been reclassified to provisions (see Note 20).

(2) Ningbo Textile Co Ltd was liquidated on June 30, 2023.

(in €m)	12/31/2021	Share of profit/(loss)	Dividends	Translation adjustment	Scope changes	Other	06/30/2022
CW Uruguay	4.8	0.1		0.4	-	0.1	5.4
CW Argentine	0.6	0.2		(0.2)	-	0.1	0.7
Total Chargeurs Luxury Fibers	*5.4*	*0.3*	*-*	*0.2*	*-*	*0.2*	*6.1*
Hypsos Leisure Asia Ltd	0.6	-		0.1	-	(0.1)	0.6
Hypsos Moscow	0.2	-		-	0.1	-	0.3
Total Chargeurs Museum Studio	*0.8*	*-*	*-*	*0.1*	*0.1*	*(0.1)*	*0.9*
Toral joint ventures	**6.2**	**0.3**	**-**	**0.3**	**0.1**	**0.1**	**7.0**
Wool USA	-	(0.2)		-	-	(0.1)	(0.3)
Ningbo Textile Co Ltd	0.6	-	-	-	-	-	0.6
Weemeet Korea	1.1	-		-	-	0.1	1.2
Total associates	**1.7**	**(0.2)**	**-**	**-**	**-**	**-**	**1.5**
Total equity-accounted investments	7.9	0.1	-	0.3	0.1	0.1	8.5

13.2 Key figures for the main associates

Key figures for material associates are presented below (on a 100% basis):

	Six months ended June 30 2023			Year ended December 31 2022		
	Chargeurs Luxury Fibers			Chargeurs Luxury Fibers		
(in €m)	CW Uruguay	CW Argentine	Total	CW Uruguay	CW Argentine	Total
Non-current assets	1.9	0.8	2.7	1.9	1.7	3.6
Current assets	42.7	11.9	54.6	45.2	12.8	58.0
Cash and cash equivalents	1.8	0.2	2.0	0.2	0.1	0.3
Other non-current liabilities	0.2	-	0.2	0.2	-	0.2
Current financial liabilities	28.9	6.3	35.2	24.6	6.1	30.7
Other current liabilities	7.0	5.8	12.8	11.9	7.5	19.4
Total net assets	10.3	0.8	11.1	10.6	1.0 -	11.6
% interest	50%	50%	n.a.	50%	50%	n.a.
Group share	5.2	0.4	5.6	5.3	0.5	5.8
Carrying amount	5.2	0.4	5.6	5.3	0.5	5.8

	Six months ended June 30 2023			Six months ended June 30 2022		
	Chargeurs Luxury Fibers			Chargeurs Luxury Fibers		
(in €m)	CW Uruguay	CW Argentine	Total	CW Uruguay	CW Argentine	Total
Revenue	14.9	5.0	19.9	22.1	9.2	31.3
Depreciation, amortization and impairment	(0.2)	-	(0.2)	(0.2)	-	(0.2)
Net interest income (expenses)	(0.7)	(0.1)	(0.8)	(0.5)	(0.2)	(0.7)
Profit/(loss) from continuing operations	-	0.2	0.2	0.2	0.4	0.6
% interest	50%	50%	n.a.	50%	50%	n.a.
Share in net income	-	0.1	0.1	0.1	0.2	0.3

13.3 Transactions with associates

In the first half of 2023, the main transactions with the Group’s associates (Lanas Trinidad and Chargeurs Wool Argentina) were as follows:

- Purchases booked in cost of sales for €11.5 million,
- Trade receivables for €0.2m and trade payables for €8.3m.

14 Financial assets (non-current and current)

14.1 Non-current financial assets

Non-current financial assets mainly comprised the following:

- deposits for €7.7m;
- shares in listed companies for €8.6m;
- loans for €12.4 million;
- and investments in non-consolidated companies of €5.5m.

The carrying amounts of the Group's main investments in non-consolidated companies can be analyzed as follows:

(in €m)	06/30/2023	12/31/2022
Shareholdings of more than 50%	4.5	4.5
Shareholdings less than 20%.	1.0	1.0
Total	5.5	5.5

14.2 Current financial assets

At June 30, 2023, current financial assets amounted to €7.7m, comprising:

- loans amounting to €7.4m,
- shares in listed companies for €0.3m. They are included in the determination of net debt (see Note 17). The fair value change, the dividends received along with the disposal of a portion of these securities generated a financial expense of €0.4 million (see Note 7).

15 Working capital

15.1 Analysis of change in working capital

(in €m)	12/31/2022	Change in operating working capital (2)	Other changes	Translation adjustment	Impact of changes in scope of consolidation	06/30/2023
Inventories and work-in-progress	163.3	(3.9)	(0.1)	(2.9)	-	156.4
Long-term contract assets	5.8	12.6	(0.1)	0.1	-	18.4
Trade receivables	81.0	(3.7)	0.3	(1.5)	-	76.1
Derivative financial instruments	0.8	(0.1)	(0.4)	-	-	0.3
Miscellaneous receivables	38.0	2.4	(1.5)	0.1	-	39.0
Current income tax receivables	-	-	0.2	-	-	0.2
Assets	**288.9**	**7.3**	**(1.6)**	**(4.2)**	**-**	**290.4**
Trade payables	147.3	7.2	(0.4)	(2.2)	-	151.9
Derivative financial instruments	1.0	(0.1)	1.1	(0.1)	-	1.9
Other payables	61.3	0.7	0.3	(0.9)	-	61.4
Long-term contract liabilities	9.4	(3.7)	0.1	-	-	5.8
Current income tax liability	3.0	-	(0.5)	-	-	2.5
Liabilities	**222.0**	**4.1**	**0.6**	**(3.2)**	**-**	**223.5**
Working capital requirement	66.9	3.2	(2.2)	(1.0)	-	66.9

(in €m)	12/31/2021	Change in operating working capital (2)	Other changes	Translation adjustment	Impact of changes in scope of consolidation	06/30/2022
Inventories and work-in-progress	150.1	17.2	(0.2)	2.8	-	169.9
Long-term contract assets	5.6	2.6	(0.8)	-	-	7.4
Trade receivables	78.3	9.8	(0.3)	2.2	1.4	91.4
Derivative financial instruments	0.6	(0.7)	0.3	-	-	0.2
Miscellaneous receivables	33.9	2.2	(0.2)	(0.4)	0.2	35.7
Current income tax receivables	0.1	-	-	-	-	0.1
Assets	**268.6**	**31.1**	**(1.2)**	**4.6**	**1.6**	**304.7**
Trade payables	153.5	6.9	0.1	2.1	0.3	162.9
Derivative financial instruments	1.4	3.2	(0.1)	-	-	4.5
Other payables	71.5	1.6	(2.4)	0.7	1.0	72.4
Long-term contract liabilities	8.8	1.6	(0.2)	0.4	1.2	11.8
Current income tax liability	5.3	-	-	-	-	5.3
Liabilities	**240.5**	**13.3**	**(2.6)**	**3.2**	**2.5**	**256.9**
Working capital requirement	28.1	17.8	1.4	1.4	(0.9)	47.8

16 Factoring

Chargeurs SA and a number of its subsidiaries have negotiated with banking and financial institutions the terms and conditions of the Group's factoring programs in Europe, the United States and Hong Kong in the course of financing its activities.

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 €66.5m at June 30, 2023 versus €58.0m at December 31, 2022.

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

17.1 Net debt

		Cash movements			Non-cash movements		
(in €m)	12/31/2022	Increase	Decrease	Changes in scope of consolidation	Changes in exchange rates	Other	06/30/2023
Of which bank borrowings	312.2	69.7	(38.4)	-	-	-	343.5
Short-term bank loans	1.3	-	(1.0)	-	-	-	0.3
Overdrafts	1.5	-	(0.5)	-	-	-	1.0
Total gross debt	315.0	69.7	(39.9)	-	-	-	344.8
Cash and cash equivalents	121.7	18.8	(14.9)	-	(1.8)	(9.7)	114.1
- Term deposits (2)	*25.6*	*3.4*	*(14.9)*	-	*(0.3)*	*(9.7)*	*4.1*
- Cash at bank	*96.1*	*15.4*	-	-	*(1.5)*	-	*110.0*
Current and non-current financial receivables (1) (2)	18.6	9.8	(3.4)	-	-	11.3	36.3
(Net cash position/(net debt position)	174.7	41.1	(21.6)		1.8	(1.6)	194.4

(1) Investments in listed companies, loans and deposits and guarantees

(2) Reassessment during the period of the accounting classification criteria for certain financial assets

There were no restrictions on the use of the cash and cash equivalents held by the Group at June 30, 2023.

The following main changes were made to bank financing arrangements during this period:

- Redemption at maturity of a Euro PP for €25.0m
- the €10.0m amortization of its syndicated loan credit facility

- Drawdown of revolving credit lines for €67.0m

17.2 Change in net debt

(in €m)	Six months ended June 30 2023	2022
EBITDA	24.9	37.0
Other operating income and expense (1)	(4.3)	(4.8)
Cost of net debt and interest on leases	(10.4)	(7.0)
Income tax paid	(3.2)	(3.0)
Others	(0.1)	(4.1)
Cash flows provided by operating activities, before changes in net working capital	6.9	18.1
Dividends received from associates	0.3	-
Change in operating working capital	(3.2)	(17.8)
Operating cash flow	4.0	0.3
Acquisition of PPE and intangible assets, net of disposals	(8.2)	(3.9)
Acquisitions of subsidiaries, net of the cash acquired	(1.2)	(1.5)
Other investing cash flows	(0.1)	(0.1)
Share buybacks	(0.7)	(0.8)
Cash dividends paid to owners of the parent	(8.6)	(12.8)
Repayment of lease liabilities	(4.4)	(5.3)
Variation other short-term financial receivables	1.6	(2.1)
Other	(0.3)	(1.5)
Change in net cash/(net debt)	(17.9)	(27.7)
Opening net cash/(net debt)	174.7	109.3
Changes in exchange rates	1.8	(1.2)
Closing net cash/(net debt)	194.4	135.8

(1) Of which cash items included in other operating income and expenses (see Note 5).

17.3 Financial covenants

Chargeurs' bank financing and Euro PP loans are not subject to any leverage covenants. They are, however, subject to a gearing covenant of ≤1.2x, calculated on a half-yearly basis.

This ratio was respected at June 30, 2023.

17.4 Nominal value of debt by maturity and rate

17.4.1 Analysis of nominal debt by maturity and interest rate

	06/30/2023			12/31/2022		
(in €m)	Total	Of which fixed rate	Of which variable rate	Total	Of which fixed rate	Of which variable rate
Due in less than one year	37.5	31.1	6.4	67.1	46.1	21.1
Due in one to two years	92.5	87.0	5.5	38.9	6.7	32.2
Due in two to three years	63.2	34.7	28.5	45.0	44.5	0.5
Due in three to four years	2.7	2.5	0.2	35.0	34.6	0.4
Due in four to five years	22.5	2.5	20.0	2.5	2.5	-
Due in more than five years	122.3	122.3	-	123.6	123.6	-
Total	340.7	280.1	60.6	312.1	258.0	54.1

The carrying amount of fixed-rate debt, after hedging, was €280.1 million. The average proportion of debt at fixed rates of interest was 82.2% in first-half 2023 versus 82.7% for full-year 2022.

The carrying amount of variable-rate borrowings approximates their fair value in view of the interest rates applied.

17.4.2 Maturities of the Group's confirmed credit facilities

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

(in €m)	06/30/2023	Average maturity	12/31/2022	Average maturity
Drawn financing facilities	341.0	3.2	313.4	3.4
Undrawn financing facilities	156.8	1.8	223.8	2.6
Total confirmed financial resources	497.8	2.9	537.2	3.2

17.5 Analysis of debt by currency

(in €m)	06/30/2023	12/31/2022
Euro	344.1	312.4
Dollar US	-	1.0
Renminbi	-	1.1
Other	0.7	0.5
Total	344.8	315.0

18 Pension and other long-term employee benefit obligations

The impact of employee benefits for the period amounted to €0.4m, of which €0.4m was included in operating income before non-recurring items, with no material impact on net financial expense. This income stemmed from the gradual increase in the legal retirement age from September 1, 2023, reaching 64 years old in 2030 in France.

United States: actuarial gains and losses arising during the first half of 2023 were estimated based on sensitivity tests performed on December 31, 2022 using a discount rate of 5.30% (compared with 5.47% in 2022). A net actuarial expense of €0.2m was recognized for the period.

Europe: actuarial gains and losses arising during the first half of 2023 were estimated based on sensitivity tests performed on December 31, 2022 using a discount rate of 3.71% (compared with 3.67% in 2022). Changes in actuarial gains and losses had no material impact on the period.

19 Provisions for other liabilities

(in €m)	Provision for other liabilities Non-current	Provision for other liabilities Current	Total
12/31/2021	13.8	2.7	16.5
Allowances to provisions	0.1	0.1	0.2
Reversals of provisions used	(0.3)	(1.0)	(1.3)
06/30/2022	13.6	1.8	15.4
12/31/2022	13.1	2.1	15.2
Allowances to provisions	0.2	0.5	0.7
Reversals of provisions used	(0.3)	-	(0.3)
Reversals of surplus provisions	(1.3)	(1.2)	(2.5)
Other	(5.5)	6.0	0.5
06/30/2023	6.2	7.4	13.6

(in €m)	06/30/2023	12/31/2022
Provisions for losses on completion	0.2	0.1
Provisions for miscellaneous contingencies	13.4	15.1
Total	13.6	15.2

In particular, provisions for other contingencies include risks related to supplier disputes (€4.7 million) and the risk of litigation (€5.7 million).

Cash outflows covered by provisions for other contingencies are set to amount to €1.7m in 2023 and €11.9m in subsequent years.

20 Other non-current liabilities

At June 30, 2023, "Other non-current liabilities" mainly included debt linked to the acquisition of consolidated companies for €2.0m and guarantees for €1.6m received in respect of license contracts.

21 Related-party transactions

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

There were no material changes in transactions with related parties between December 31, 2022 and June 30, 2023.

22 Commitments and contingencies

22.1 Commercial commitments

At June 30, 2023, Chargeurs and its subsidiaries had given firm commitments to purchase manufacturing assets representing an aggregate amount of €1.9m.

22.2 Guarantees

As part of the Group's financing and activity, Chargeurs and its subsidiaries had given guarantees for a total of €45.9 million related to the Group’s financing.

22.3 Collateral

At June 30, 2023, Chargeurs and its subsidiaries had granted collateral representing a total of €0.2m.

23 Seasonal fluctuations in Group activities

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

24 Subsequent events

In late August and early September 2023, Chargeurs strengthened and diversified its financing resources with:

- the extension of the syndicated loan's revolving credit lines for €125m, bringing the maturity to end-December 2025, plus the extension for a further year of €40m in bilateral financing,
- an additional €20m in revolving financing from a new leading bank,
- as well as the launch of a short-term negotiable securities program, NEU CP, for a maximum amount of €200m.

25 Main consolidated companies

At June 30, 2023, 97 companies were fully consolidated (compared with 98 in 2022), and 13 were accounted for by the equity method (14 in 2022).

Parent company	Chargeurs SA
France	Chargeurs Boissy SARL / Chargeurs Textiles SAS / Chargetex 35 / Chargeurs Cloud
Germany	Chargeurs Deutschland GmbH / Leipziger Wollkämmerei AG
Switzerland	Chargeurs Développement International / Chargeurs Diversification SA
North America	Chargeurs Inc. (USA) / Chargeurs USA Holding (USA)

Advanced Materials Segment

Holding company for the segment	Chargeurs Films de Protection SAS
France	Novacel SAS / Walco SAS
Italy	Novacel SPA. / Novacel Tapes S.r.l. / Novacel Italia S.r.l. / Omma S.r.l
Germany	Novacel GmbH

United Kingdom	Novacel UK Ltd
Spain	Novacel Iberica S.A.U
Belgium	S.A Novacel Belgium N.V
North America	Novacel Inc. (USA) / Novacel Americas, Inc. (USA) / Novacel Performance Coatings, Inc (USA) / Walco Inc (USA)
Central America	Novacel CPF de Mexico S.a de C.v (MexIco)
Asia	Novacel Shanghai Co. Ltd. (China)

Fashion Technologies segment

Holding company for the segment	Chargeurs PCC Corporate
France	Lainière de Picardie BC SAS / Intissel / Senfa
Italy	Chargeurs PCC Italy S.p.A.
Germany	Chargeurs PCC Germany GmbH
United Kingdom	Chargeurs PCC United Kingdom Limited
Portugal	Chargeurs Entretelas (Iberica) Ltd
Romania	Chargeurs PCC Romania S.R.L.
North America	Chargeurs PCC North America, Inc. Lainière Health Inc.
South America	Chargeurs PCC Brasil Textil Ltda. (Brazil) / Chargeurs PCC Argentina S.A. (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	CI Hong Kong (Hong Kong) / Chargeurs PCC China Manufacturing (China) / Chargeurs PCC Korea Ltd. (South Korea) / DHJ China (China) – Etacol Bangladesh Ltd (Bangladesh) / Chargeurs PCC SINGAPORE PTE. Ltd. (Singapour) / Intissel Lanka PVT Ltd (Sri Lanka) / Lantor Lanka (Sri Lanka) / PCC Asia LLC (China) / Intissel China LTD (China) / Weemeet Korea (20 %) (South Korea).

Luxury Fibers 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%)

Museum Studio Segment

Holding company for the segment	Chargeurs Museum Studio
France	Skira France
Italy	Skira Italia
Netherlands	Hypsos Holding BV / Hypsos National BV/Hypsos International BV / Hypsos BV / Hypsos Russia BV (50%) / Retail is Detail BV (50%)
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 / Event Communications Ltd
Ireland	Event Ireland Ltd
Asia	MET Studio Design Ltd. HK / MET Studio Singapore Pte Ltd./Hypsos Leisure Asia Ltd. (50%) (Hong Kong)
North America	D&P Incorporated
Russia	Hypsos Moscow (50%)

Personal Goods Segment

France	Fournival Altesse / Chargetex 39
United Kingdom	The Cambridge Satchel Company

The percentages indicated correspond to Chargeurs’ percentage of control at June 30, 2023 for companies that are not almost or entirely wholly owned by the Group.

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, 2023 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 7, 2023

Michaël FRIBOURG
Chief Executive Officer