

## The recovery is underway at Chargeurs Advanced Materials and Q3 2023 Group revenue at €150.8 million (-7.6% LFL)

- Q3 2023 Group revenue at €150.8 million, down -7.6% on a like-for-like basis and -13.8% on a reported basis
- Positive signs of recovery at Chargeurs Advanced Materials in Q3 and early Q4 2023:
  - ✓ Monthly sales volumes in September and October 2023 above 2022 levels,
  - ✓ Five consecutive months of monthly new orders above 2022
- Considering these positive signals and the structural needs of its markets, the Group reaffirms its scenario of a gradual recovery for CAM, the world leader in process films, and expects that by 2024 customers will need to rebuild inventories at a more normative level
- In Q3 2023, Chargeurs Museum Studio maintained a solid growth momentum with like-for-like growth of +13.6% compared with Q3 2022, which benefited from a very strong activity. The business confirms its revenue target of €120 million for 2023 (up more than 35% compared with 2022) and further double-digit growth in 2024 to reach €150 million
- The Group, which has several businesses that provide an upstream view of the economic cycle, remains committed to the scenario of a gradual recovery in CAM's business and its ambition to achieve in 2024 revenue above €800 million, an EBITDA margin between 9% and 10% and a debt/EBITDA multiple of less than 3x

**Michaël Fribourg, Chairman and Chief Executive Officer of Chargeurs Group**, stated: *“Because of their nature and their position in the cycle, the environment for Chargeurs' businesses at the end of 2023 was **much less uncertain** than it was a year ago. The beginning of a recovery at **CAM bodes well** for the coming quarters and, above all, for 2024, after 2023 which was logically expected to be a difficult year for our historic growth driver. CAM will have been penalized for several months by the energy crisis and the destocking or wait-and-see attitude observed in several industrial sectors. At the same time, our **new growth drivers** confirmed their strong sales performance: Chargeurs PCC Fashion Technologies succeeded in keeping sales stable on a like-for-like basis and Chargeurs Museum Studio confirmed its strong growth in sales and operating profit for the year. As always, Chargeurs remains cautious about macroeconomic trends and is applying its operational and financial discipline and flexibility to take advantage of the rebound in 2024. Amidst a context of ambition and prudence, the Group is focusing on **developing, optimizing, and adding value to its portfolio of assets**, which includes **four world leaders in businesses that are essential to customers**. Over the cycles, the Group's **diversified** portfolio has demonstrated its protective and offensive profile.”*

## Q3 2023 REVENUE

€m	2023	2022	chg. 23 vs. 22	
			reported	like-for-like
<b>Third quarter</b>				
<b>Technologies</b>	<b>112.7</b>	<b>132.7</b>	<b>-15.1%</b>	<b>-6.1%</b>
Advanced Materials	64.1	76.8	-16.5%	-13.9%
PCC Fashion Technologies (incl. Healthcare Solutions)	48.6	55.9	-13.1%	+4.7%
PCC Fashion Technologies (excl. Healthcare Solutions)	48.6	55.8	-12.9%	+4.8%
<b>Luxury</b>	<b>38.1</b>	<b>42.2</b>	<b>-9.7%</b>	<b>-12.3%</b>
Museum Studio	22.8	20.4	+11.8%	+13.6%
Luxury Fibers	13.2	21.8	-39.4%	-36.5%
Personal Goods	2.1	-		
<b>CHARGEURS</b>	<b>150.8</b>	<b>174.9</b>	<b>-13.8%</b>	<b>-7.6%</b>

In the third quarter of 2023, the Group posted revenue of €150.8 million, compared with €174.9 million in the third quarter of 2022. This represents a decline of -13.8% on a reported basis and -7.6% like-for-like, thus improving compared with H1 2023 which was down -12 % like-for-like. The reported quarterly change includes a negative currency effect of -7.7% (mainly due to changes in the Argentine peso, the renminbi and the US dollar) which has no impact on profitability. It also includes a positive scope effect of +1.6%, resulting from the consolidation of Skira in September 2022 within Chargeurs Museum Studio and the consolidation of the Chargeurs Personal Goods in the fourth quarter of 2022. This division comprises the Altesse Studio and Cambridge Satchel brands.

The Technologies division's revenue amounted to €112.7 million in the third quarter of 2023, compared with €132.7 million in the same period of 2022, down -6.1% on a like-for-like basis and -15.1% on a reported basis. Although the Chargeurs Advanced Materials business continued to be affected at the beginning of the quarter by a difficult market, compounded by the seasonal effect of the traditionally weak month of August, the decline in revenue is easing: in Q3 2023, Advanced Materials revenue was down -13.9% on a like-for-like basis, compared with a decline of -27.0% in Q1 2023 and -19.2% in Q2 2023 on a like-for-like basis. A recovery began at the end of the third quarter of 2023 and continued into October: sales volumes picked up in Asia, then in Europe and the Americas in September. And for the fifth month in a row, monthly new orders are higher than those recorded for the same period in 2022, confirming that the low point has been passed. For the record, the ingredients for high profitability at CAM are simultaneously:

- The marketing of a high overall level of volumes throughout the year,
- A fairly deep order book, and
- A level of daily order intakes that stabilise the order book at a level that allows good industrial planning.

By 2024, the Group confirms its ambition for a gradual return to normal for these three key ingredients.

The Fashion Technologies business (excluding Healthcare Solutions) reported like-for-like revenue growth of +4.8%, benefiting from a very favorable price effect - particularly in Argentina with the impact of hyperinflation - and a recovery in volumes in Asia.

The Luxury division's revenue totaled €38.1 million in the third quarter of 2023, compared with €42.2 million in the third quarter of 2022, down -12.3% on a like-for-like basis and -9.7% on a reported basis. The +13.6% like-for-like growth at Chargeurs Museum Studio partially offset the -36.5% like-for-like decline at Chargeurs Luxury Fibers (CLF). This like-for-like decline in CLF, **with no negative impact on operating profit**, is the result of the business line's increased commercial selectivity, which is accelerating the concentration of its revenue on higher-margin traceable and sustainable fibres, marketed under the Nativa™ brand.

## REVENUE FOR THE FIRST NINE MONTHS OF 2023

€m	2023	2022	chg. 23 vs. 22	
			reported	like-for-like
<b>September (9 months)</b>				
<b>Technologies</b>	<b>359.9</b>	<b>440.7</b>	<b>-18.3%</b>	<b>-13.6%</b>
Advanced Materials	210.8	267.5	-21.2%	-20.5%
PCC Fashion Technologies (incl. Healthcare Solutions)	149.1	173.2	-13.9%	-2.9%
PCC Fashion Technologies (excl. Healthcare Solutions)	149.1	166.9	-10.7%	+0.8%
<b>Luxury</b>	<b>143.7</b>	<b>132.9</b>	<b>+8.1%</b>	<b>-1.0%</b>
Museum Studio	84.0	56.7	+48.1%	+35.9%
Luxury Fibers	53.5	76.2	-29.8%	-28.4%
Personal Goods	6.2	-		
<b>CHARGEURS</b>	<b>503.6</b>	<b>573.6</b>	<b>-12.2%</b>	<b>-10.7%</b>

In the first nine months of 2023, Group revenue reached €503.6 million, compared with €573.6 million in the first nine months of 2022. The decrease was -10.7% on a like-for-like basis and -12.2% on a reported basis. It includes a negative currency impact of -4.1% (mainly due to changes in the Argentine peso, the renminbi and the US dollar) and a positive scope effect of +2.5%, related to the integration of Skira and the consolidation of the Chargers Personal Goods activity.

The Technologies division posted revenue of €359.9 million, compared with €440.7 million for the first nine months of 2022. The decline of -13.6% on a like-for-like basis and -18.3% on a reported basis was mainly due to a lower contribution from Chargeurs Advanced Materials, whose revenue fell by -20.5% on a like-for-like basis and by -21.2% on a reported basis.

The Luxury division posted revenue of €143.7 million, compared with €132.9 million for the first nine months of 2022. Impacted by the decline at Chargeurs Luxury Fibers in the third quarter of 2023, the Luxury division's revenue was down -1.0% on a like-for-like basis but grew by +8.1% on a reported basis in the first nine months of 2023, driven by a significant growth of +48.1% in Chargeurs Museum Studio revenue on a reported basis and +35.9% on a like-for-like basis.

## ACTIVITY BY BUSINESS

Based on like-for-like revenue growth, the performance of each business breaks down as follows:

In the Technologies division:

### Advanced Materials

€m	9M 2023	9M 2022	Change	Q3 2023	Q3 2022	Change
revenue	210.8	267.5	-21.2%	64.1	76.8	-16.5%
like-for-like growth			-20.5%			-13.9%

Chargeurs Advanced Materials' revenue for the first nine months of 2023 fell by -20.5% to €210.8 million, compared with €267.5 million for the first nine months of 2022.

In the third quarter of 2023, the recovery in revenue volumes in Asia (+7%) and the beginning of a stabilization in volumes in Europe and the Americas limited the decline in revenue to -13.9%. The business' customers continue to be cautious in their replenishment strategy to limit their inventory levels in a still volatile environment. Revenue in the third quarter of 2023 amounted to €64.1 million, compared with €76.8 million in the third quarter of 2022.

Nevertheless, the first positive signs recorded in the third quarter point to a recovery in CAM's business:

- The increase in volumes that began in Asia in July spread to the EMEA and Americas regions in September
- And for the fifth month in a row, monthly new orders are higher than those recorded over the same period in 2022.

The first positive signals in September, reiterated in October, confirm that the low point in CAM's activity has passed. Of course, this trend needs to be confirmed in the months ahead, but it is positive and encouraging.

Chargeurs is maintaining its scenario of a gradual recovery in Advanced Materials' business, based on :

- Leadership maintained despite difficult market conditions, thanks to the quality of its products, its customer service, and its ability to offer its customers more sustainable product innovations;
- Its broad portfolio of 3,000 customers operating in a wide range of sectors and in all geographic regions.
- The gradual normalization of activity among our customers, who are gradually adopting a more regular buying behavior.

**CFT PCC**  
(excl. Healthcare Solutions)

€m	9M 2023	9M 2022	Change	Q3 2023	Q3 2022	Change
revenue	149.1	166.9	-10.7%	48.6	55.8	-12.9%
like-for-like growth			+0.8%			+4.8%

Chargeurs PCC Fashion Technologies' revenue for the first nine months of 2023, excluding Healthcare Solutions, amounted to €149.1 million, compared with €166.9 million for the same period of 2022. In the third quarter of 2023, Chargeurs PCC Fashion Technologies enjoyed favorable momentum, driven by the positive impact of price adjustments made in 2022 and higher sales volumes in Asia. Marketing and sales efforts are bearing fruit. Fashion Technologies sales grew by +4.8% in the third quarter of 2023 compared with the same period in 2022, boosted by a positive price effect partly linked to hyperinflation in Argentina.

During the quarter, there was a slight slowdown in sales in Europe, particularly to luxury brands. However, the division is continuing to roll out its action plan aimed at expanding its global network across all apparel segments, to increase its market share, which should pay off in the coming months.

The Group is particularly relying on its range of innovative products to position itself in new applications:

- Thermo+, the business' new brand expands its existing wadding offering with more environmentally friendly solutions, obtained by blending traceable Nativa™ wool with natural down, PLA or recycled PES fibers, to create comfortable, high-quality insulating products for multiple clothing applications in extreme outdoor conditions.
- Zero-Water™, an interlining product developed with a new dyeing process that consumes little water and energy and is therefore more environmentally friendly. This innovative Made in France process provides unique color reproduction on both ultralight and heavier fabrics, addressing the most demanding requirements of Haute Couture.

**In the Luxury division:**

**Museum Studio**

€m	9M 2023	9M 2022	Change	Q3 2023	Q3 2022	Change
revenue	84.0	56.7	+48.1%	22.8	20.4	+11.8%
like-for-like growth			+35.9%			+13.6%

Chargeurs Museum Studio's revenue rose by +35.9% in the first nine months of the year to €84.0 million. In the third quarter of 2023, the division's revenue grew by +13.6% compared with the extremely buoyant third quarter of 2022, which was marked by strong activity, particularly in the United States. It is important to remember that the recognition of revenue is correlated with the different phases of projects' cycle; CMS's performance should therefore be viewed over a longer period than the quarter.

Museum Studio's sales momentum continues worldwide: the fitting-out of the Sheikh Zayed Grand Mosque in Abu Dhabi, the Monaco Yacht Show and the launch of numerous projects including the Bronbeek military museum in the Netherlands, contributed to the business growth during this third quarter 2023.

Moreover, the Humanity exhibition of the famous photographer Jimmy Nelson at the Palazzo Reale in Milan marked the opening of the Fashion Week. Designed and produced by Skira in collaboration with the Jimmy Nelson Foundation, the exhibition aimed at being deployed in other countries by Museum Studio which holds the rights for the next five years.

To make its expertise and international network available to French private and public sector players, Museum Studio has opened an office in France which will help them promote their cultural footprint.

With a strong order book of €137 million at June 30, 2023 and continuing geographic expansion, Chargeurs Museum Studio maintains its sales target of €120 million in 2023, and reaching €150 million in 2024.

#### Luxury Fibers

€m	9M 2023	9M 2022	Change	Q3 2023	Q3 2022	Change
revenue	53.5	76.2	-29.8%	13.2	21.8	-39.4%
like-for-like growth			-28.4%			-36.5%

Chargeurs Luxury Fibers' revenue for the first nine months of 2023 was down -28.4% at €53.5 million, compared with €76.2 million for the same period in 2022. The third quarter of 2023 was marked by a fall in wool prices and a high level of conventional wool inventories held by spinners and weavers in both the United States and Europe, which they are gradually selling off. The business is therefore pursuing its strategy of commercial selectivity, having no negative impact on operating profit, speeding up successfully the roll-out of the Nativa™ brand in Europe and in the USA among all apparel manufacturers. Sales of Nativa™ certified wool doubled in the first nine months of 2023, and now account for more than 20% of Chargeurs Luxury Fibers' sales volumes, compared with 10% for the same period in 2022. As a result of this selective marketing strategy, Luxury Fibers sales came to €13.2 million in the third quarter of 2023, down -36.5% compared with the third quarter of 2022.

In response to growing demand from garment manufacturers for greater traceability of the raw materials used, Luxury Fibers is extending the label to other wool thinnesses, as well as to cotton and cashmere fibers, positioning the business as a market leader in sustainable and traceable natural fibers.

#### Personal Goods

€m	9M 2023	9M 2022	Change	Q3 2023	Q3 2022	Change
revenue	6.2	-		2.1	-	
like-for-like growth						

In the first nine months of 2023, the Group's new business line, Chargeurs Personal Goods, generated revenue of €6.2 million, including €2.1 million in the third quarter of 2023. The activity, which includes the

Cambridge Satchel and Altesse Studio brands, was consolidated in December 2022 in the Group's financial statements, which therefore did not recognize any revenue in the first nine months of 2022.

During the third quarter of 2023, Cambridge Satchel transformed its visual identity to make it more appealing to young people. The brand continued its sales offensive with the opening of a first permanent shop in the heart of London, in Covent Garden. A new, completely redesigned online site was launched in September, to optimize customer experience. Cambridge Satchel also intends to develop partnerships with leading brands. During the third quarter, a collaboration agreement with the Hello Kitty franchise was signed.

Altesse Studio has continued its commercial roll-out targeting numerous distributors; the brand is now listed in the Galeries Lafayette department stores in Paris, Nice and Bordeaux. Altesse Studio has also entered the American market with a physical sales outlet in New York. These new distribution agreements confirm that the Altesse Studio brand's positioning and product ranges are in line with global haircare trends.



#### **ABOUT CHARGEURS**

CHARGEURS is a family-owned entrepreneurial Group and world leader in high value added niche markets. Located in nearly 100 countries with nearly 2,500 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.

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## BREAKDOWN OF REVENUE BY OPERATING SEGMENT

€m	2023	2022	Change 2023/2022
<b>First quarter</b>			
<b>Technologies</b>	<b>122.0</b>	<b>156.6</b>	<b>-22.1%</b>
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%
<b>Luxury</b>	<b>47.7</b>	<b>46.9</b>	<b>+1.7%</b>
Museum Studio	24.0	15.9	+50.9%
Luxury Fibers	21.7	31.0	-30.0%
Personal Goods	2.0	-	
<b>CHARGEURS</b>	<b>169.7</b>	<b>203.5</b>	<b>-16.6%</b>
<b>Second quarter</b>			
<b>Technologies</b>	<b>125.2</b>	<b>151.4</b>	<b>-17.3%</b>
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%
<b>Luxury</b>	<b>57.9</b>	<b>43.8</b>	<b>+32.2%</b>
Museum Studio	37.2	20.4	+82.4%
Luxury Fibers	18.6	23.4	-20.5%
Personal Goods	2.1	-	
<b>CHARGEURS</b>	<b>183.1</b>	<b>195.2</b>	<b>-6.2%</b>
<b>Third quarter</b>			
<b>Technologies</b>	<b>112.7</b>	<b>132.7</b>	<b>-15.1%</b>
Advanced Materials	64.1	76.8	-16.5%
PCC Fashion Technologies (incl. Healthcare Solutions)	48.6	55.9	-13.1%
PCC Fashion Technologies (excl. Healthcare Solutions)	48.6	55.8	-12.9%
<b>Luxury</b>	<b>38.1</b>	<b>42.2</b>	<b>-9.7%</b>
Museum Studio	22.8	20.4	+11.8%
Luxury Fibers	13.2	21.8	-39.4%
Personal Goods	2.1	-	
<b>CHARGEURS</b>	<b>150.8</b>	<b>174.9</b>	<b>-13.8%</b>
<b>Fourth quarter</b>			
<b>Technologies</b>	-	<b>118.3</b>	-
Advanced Materials	-	65.1	-
PCC Fashion Technologies (incl. Healthcare Solutions)	-	53.2	-
PCC Fashion Technologies (excl. Healthcare Solutions)	-	53.1	-
<b>Luxury</b>	-	<b>54.5</b>	-
Museum Studio	-	30.5	-
Luxury Fibers	-	18.5	-
Personal Goods	-	5.5	-
<b>CHARGEURS</b>	-	<b>172.8</b>	-
<b>Full-year total</b>			
<b>Technologies</b>	-	<b>559.0</b>	-
Advanced Materials	-	332.6	-
PCC Fashion Technologies (incl. Healthcare Solutions)	-	226.4	-
PCC Fashion Technologies (excl. Healthcare Solutions)	-	220.0	-
<b>Luxury</b>	-	<b>187.4</b>	-
Museum Studio	-	87.2	-
Luxury Fibers	-	94.7	-
Personal Goods	-	5.5	-
<b>CHARGEURS</b>	-	<b>746.4</b>	-



## BREAKDOWN OF REVENUE BY GEOGRAPHY

€m	2023	2022	Change 2023/2022
<b>First quarter</b>			
Europe	80.4	95.0	-15.4%
Americas	44.8	54.2	-17.3%
Asia	44.5	54.3	-18.0%
<b>GROUP TOTAL</b>	<b>169.7</b>	<b>203.5</b>	<b>-16.6%</b>
<b>Second quarter</b>			
Europe	78.0	86.7	-10.0%
Americas	49.3	53.3	-7.5%
Asia	55.8	55.2	+1.1%
<b>GROUP TOTAL</b>	<b>183.1</b>	<b>195.2</b>	<b>-6.2%</b>
<b>Third quarter</b>			
Europe	63.3	69.1	-8.4%
Americas	41.2	55.4	-25.6%
Asia	46.3	50.4	-8.1%
<b>GROUP TOTAL</b>	<b>150.8</b>	<b>174.9</b>	<b>-13.8%</b>
<b>Fourth quarter</b>			
Europe	-	71.4	-
Americas	-	50.7	-
Asia	-	50.7	-
<b>GROUP TOTAL</b>	<b>-</b>	<b>172.8</b>	<b>-</b>
<b>Full-year total</b>			
Europe	-	322.1	-
Americas	-	213.6	-
Asia	-	210.7	-
<b>GROUP TOTAL</b>	<b>-</b>	<b>746.4</b>	<b>-</b>