

After a resilient first quarter, strong momentum for Lainière Santé™ in the current global health crisis



**€157.5 million in first-quarter 2020 revenue, as the Group contains the impact on its business of
the current health and economic crisis**

**Creation of the Lainière Santé™ offering, made up of diversified and innovative healthcare
products**

- Revenue down by a slight 2.3% on the excellent level achieved in first-quarter 2019.
- Consolidation and integration of D&P – the world leader in museum services – into Chargeurs Museum Solutions as from March 1.
- Creation of the Lainière Santé™ offering, underpinned by Chargeurs' DNA, business model and drawing on the strategy implemented by the Group over the past five years, particularly in relation to the Game Changer plan.
- Worldwide reorganization of the Group's manufacturing and logistics operations with a view to developing, and mass producing innovative products such as disposable and reusable protective face masks, surgical gowns, protective gloves, CleanTouch anti-bacterial protective films, fabrics that protect against electromagnetic waves and smart fabrics.
- Deployment of a multi-channel sales model to serve major public and private organizations, key international accounts, small and medium-sized businesses and private individuals.
- Financial guidances confirmed.

"The outbreak of Covid-19 in the first quarter of 2020 and the ensuing pandemic has led to unprecedented manufacturing and operational challenges for companies across the world. Faced with this crisis, Chargeurs has once again demonstrated its resilience, through a strategy of diversifying its business and geographic mix. Thanks to its diversified business model and the investments it has made over recent years under its

Game Changer plan, the Group has been able to draw on its entrepreneurial DNA and redeploy its capabilities and talents to develop, in record time, a new diversified, disruptive and innovative offering, under the Lainière Santé™ brand, with a view to mass producing and selling healthcare products. In these extraordinary circumstances, the Group is rallying all of its resources to ensure continuity of operations and services for its customers, all the while taking care to ensure that its 2,200 worldwide employees and its partners remain safe and well. Thanks to the unwavering commitment of its people, Chargeurs is confident in its ability to come through this crisis and is therefore standing by its targets”, said Michaël Fribourg, Chargeurs’ Chairman and Chief Executive Officer.

SOLID SALES PERFORMANCE DESPITE THE GLOBAL ECONOMIC CRISIS

In the first quarter of 2020, consolidated revenue edged down by 2.3% (4.7% like for like) to €157.5 million. The Group’s overall performance during the period was led by (i) a resilient showing from Chargeurs Protective Films, (ii) 5.9% sales growth in Asia, and (iii) the integration of the recent acquisitions at Chargeurs Museum Solutions – the world leader in museum services – including D&P, which has been consolidated since March 1, 2020.

This controlled overall sales decline underlines the effectiveness of Chargeurs' strategy of diversifying its business and geographic mix, which has enabled the Group to rise to the challenges of the current health and economic crisis.

GOOD CONTRIBUTIONS FROM ASIA AND THE AMERICAS IN FIRST-QUARTER 2020

<i>In euro millions</i>	First quarter		Change 20/19	
	2020	2019	Reported	Like-for-like*
Europe	71.2	78.4	-9.2%	-9.8%
Americas	39.3	38.4	+2.3%	-2.6%
Asia	47.0	44.4	+5.9%	+2.5%
Chargeurs	157.5	161.2	-2.3%	-4.7%

* Based on a comparable scope of consolidation and at constant exchange rates

The overall slight 2.3% contraction in consolidated revenue in first-quarter 2020 breaks down as follows by geographic region:

- **In Europe**, revenue **fell 9.2%**, with business hit by the health crisis and the lockdowns introduced in a large number of countries. The impact was particularly felt by CFT-PCC in France and Italy in March.
- **In the Americas**, revenue rose 2.3%, fueled by a robust showing from Chargeurs Protective Films.
- **In Asia**, revenue **was up 5.9% year on year**, driven by a catch-up on orders from Chargeurs Protective Films’ main customers and by the recent acquisitions in the Chargeurs Museum Solutions division, which have a major operating presence in this geographic region.

SIGNIFICANT EVENTS OF FIRST-QUARTER 2020

<i>In euro millions</i>	First quarter		Change 20/19	
	2020	2019	Reported	Like-for-like*
Protective Films	70.9	69.2	+2.5%	+1.6%
Fashion Technologies	45.2	53.0	-14.7%	-14.5%
Luxury Materials	30.1	30.9	-2.6%	-1.6%
Museum Solutions	11.3	8.1	+39.5%	-6.2%
Chargeurs	157.5	161.2	-2.3%	-4.7%

* Based on a comparable scope of consolidation and at constant exchange rates

The Group's €157.5 million revenue figure for first-quarter 2020 breaks down as follows by operating segment:

- **Chargeurs Protective Films** posted revenue of €70.9 million, representing 1.6% like-for-like growth compared with first-quarter 2019. This performance was notably led by the ramp-up of the division's new production line in Italy and its strong resilience in the face of the current crisis, as illustrated by the fact that its order book was higher at end-March 2020 than one year earlier.
- Revenue for **Chargeurs PCC Fashion Technologies** contracted 14.7% to €45.2 million. This division was impacted by the global slowdown in the fashion and luxury sectors caused by the lockdown measures imposed in many countries since March 2020. However, all of its plants worldwide are preparing for business to gradually restart when countries begin to ease their lockdowns, and some facilities are shifting their capacity towards manufacturing healthcare products.
- **Chargeurs Luxury Materials** generated revenue of €30.1 million, slightly down on first-quarter 2019. This reflects a good start to the year followed by a steep decline in March due to the tough conditions encountered in the global fashion and luxury sectors.
- **Chargeurs Museum Solutions** reported robust 39.5% growth, with revenue coming in at €11.3 million, propelled by the integration of its recent acquisitions, particularly the first-quarter 2020 acquisition of D&P, the world leader in museum services. Overall, although at Senfa Technologies business has been hit hard by the current situation, Chargeurs' museum services arm has not experienced any significant project cancellations to date and is continuing to actively respond to invitations to tender worldwide. Lastly, the Group successfully completed its acquisition of a 51% stake in Hypsos on April 22, and in five years its ownership interest in this company will be increased to 100%. Hypsos is being integrated into Chargeurs Creative Collection alongside D&P, Leach, Met, and Design P&M.

LAINIERE SANTE™: AN INNOVATIVE AND DIVERSIFIED OFFERING OF HEALTHCARE PRODUCTS

The current unprecedented situation has also further demonstrated the Group's agility, with its creation of the Lainière Santé™ offering, which has involved reorganizing a large part of our worldwide manufacturing and logistics operations in record time. This new business proposes a wide range of healthcare products, which will gradually be deployed worldwide, such as disposable and reusable protective face masks, surgical gowns, protective gloves, CleanTouch anti-bacterial protective films, fabrics that protect against electromagnetic waves and smart fabrics. Through Lainière Santé™, Chargeurs is spearheading new concepts and innovations for diversifying and premiumizing an offer of technologies and solutions for healthcare and personal protective equipment. We have been able to make this fast strategic shift mainly thanks to the strength of our business model. A model that is based on short and responsive decision chains, resilience and a sense of initiative shown time and time again over our nearly 150-year history, outstanding employee engagement worldwide, and an ability to leverage technical and commercial synergies between our various divisions. In addition, Lainière Santé™ is benefiting from the strategy methodically implemented by the Group since 2015, particularly under the Game Changer plan. Chargeurs drew on the full range of its underlying strengths for the launch of Lainière Santé™: its rejuvenated, international talent pool, its constant innovation capacity, its disruptive sales and marketing creativity, its ultra-modern production facilities and its substantial and flexible financial resources.

The sales model for this new offering is also state-of-the-art as it is based on a multi-channel approach that targets B2B customers – major public and private organizations, key international accounts and small and medium-sized businesses – as well as the B2C market. Lainière Santé™ can reach out widely to private individuals, through major national distribution agreements that it has signed – such as with the French tobacconist network – and via the laniere-sante.com website. Thanks to all of these strengths Lainière Santé™ currently has an indicative short-term order book (within one year) representing approximately €250 to €300 million, with a recurring operating margin in line with the Group's normative margin. However, Chargeurs wishes to once again stress the need for prudence concerning the outlook for this business as it is still in the start-up phase and is subject to considerable operational performance constraints (such as the risk of production interruption in Asia or the Euromed region) in the current unsettled and fast-changing environment.

GUIDANCE CONFIRMED

In this still uncertain environment and despite the investments it has made under the Game Changer plan, the Group expects the financial results of its pre-existing businesses to be strongly impacted by the current unprecedented global health crisis. However, the performance of the Lainière Santé™ business should enable it to at least partially offset the effects of the revenue contractions experienced by the Group's other divisions.

Moreover, Chargeurs has once again strengthened its financing, raising €30 million in new short- and medium-term facilities in March and April. In light of its financial flexibility and dynamic business performance, the Group currently has the resources needed to fund its development plan.

Despite the current extraordinary times, our exceptional agility means we are standing by our guidances of exceeding €750 million in revenue for full-year 2020, with an increase in the operating margin compared to 2019, and topping the €1 billion annual revenue mark by end-2021, with a normative recurring operating margin of more than 10% in the medium-term.

2020 Financial Calendar

Thursday, September 10, 2020

First-half 2020 results



ABOUT CHARGEURS

Chargeurs offers its customers integrated differentiation solutions to meet the new aspirations of consumers in terms of quality, innovation, environmental sustainability and experience. Number one in the world in all of its businesses, the Group, whose marketing signature is High Emotion Technology®, delivers its expertise in three key sectors with very high potential for value creation: protection for premium materials, fashion and luxury and visitor experience.

The Group has close to 2,100 employees in five continents, who serve a diversified customer base spanning more than 90 countries.

In 2019, revenue totaled €626.2 million, of which more than 90% was generated outside France.