

Strategic Game Changer plan is a success:

- Strong sales momentum in the fourth quarter
- €533 million in revenue for 2017, up 5.3% year on year
- Very strong improvement in performance, with estimated recurring operating profit topping €43 million

“Chargeurs enjoyed a new acceleration in performance in 2017, driven by the success of its Game Changer plan and development strategy for niche businesses with high added value that moved up a gear. Thanks to Game Changer, which is based on achieving ever-higher operational excellence standards and investing in operations, people, and additional capacity, we now have the resources in place to reach our goal of doubling profitable revenue over the next five years, through internal growth and targeted acquisitions” said Michaël Fribourg, Chargeurs Chairman and Chief Executive Officer.

LIKE-FOR-LIKE GROWTH THAT WAS HIGHER THAN GLOBAL ECONOMIC GROWTH AND EURO ZONE GROWTH IN 2017

In euro millions	Twelve months		Change		Fourth quarter		Change	
	2017	2016	reported	like-for-like *	2017	2016	reported	like-for-like *
Protective Films	281.0	250.3	+30.7	+7.0%	70.0	62.8	+7.2	+9.1%
Fashion Technologies	131.2	132.0	-0.8	+1.3%	32.5	31.7	+0.8	+8.2%
Technical Substrates	25.8	24.6	+1.2	+4.9%	7.5	7.4	+0.1	+1.4%
Luxury Materials	95.0	99.5	-4.5	-4.2%	20.2	24.9	-4.7	-14.1%
Chargeurs	533.0	506.4	+26.6	+3.2%	130.2	126.8	+3.4	+3.9%
Chargeurs, excluding Luxury Materials	438.0	406.9	+31.1	+5.0%	110.0	101.9	+8.1	+8.2%

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

Revenue for the fourth quarter of 2017 rose 3.9% on a like-for-like basis to €130.2 million. Excluding Chargeurs Luxury Materials, which is a wool trader, revenue generated by the Group's industrial niche markets climbed 8.2% like-for-like.

Revenue for the twelve months ended December 31, 2017 was up 5.3%. The increase reflects higher business volumes and further improvement in the product mix across all of the Group's businesses which drove 3.2% like-for-like growth. Changes in the scope of consolidation also had a 3.2% positive impact, stemming from the acquisitions carried out by Chargeurs Protective Films in 2016 and 2017, while the currency effect trimmed 1.2% off revenue, mainly due to the US dollar, Argentine peso and Chinese yuan. Like-for-like, and excluding Chargeurs Luxury Materials, growth came to 5.0% for the year based on a comparable scope of consolidation and constant exchange rates.

The Group reaped the full benefits of its strategy of investing in niche businesses with high added value.

SUSTAINED GROWTH IN THE FOURTH QUARTER, SECURING A VERY STRONG OVERALL PERFORMANCE FOR THE YEAR

Chargeurs' like-for-like growth of 3.2% in 2017 breaks down as follows by operating segment:

- Like-for-like revenue growth for **Chargeurs Protective Films** was once again very brisk, reaching 7.0%. This performance was driven by ever stronger positions in its reference markets, the launch of game-changing innovations, ongoing improvements to the product mix, and higher global demand. The division also continued to enjoy acquisition-led growth which came in at 6.5%, fueled by the purchase of US-based Main Tape in 2016 and Somerra, Walco and Omma – acquired in 2017 in France, the United States and Italy respectively. The currency effect was a negative 1.3%, relating to the US dollar, Chinese yuan and British pound. As expected, the fourth quarter of 2017 was favorably impacted by the relaunch of projects that had been postponed due to the extreme weather events that hit the United States in the third quarter as well as by higher demand due to the ensuing reconstruction required.

- Revenue generated by **Chargeurs Fashion Technologies** grew 1.3% like-for-like in 2017, led by robust momentum in the fourth quarter when revenue was up 8.2% thanks to very good business volumes and the division's selective sales strategy focused on products with higher margins. Despite a 1.9% adverse currency effect (mainly deriving from the Argentine peso), the division once again delivered a solid operating performance within a fiercely competitive environment.
- **Chargeurs Technical Substrates** pursued its brisk growth trajectory in 2017, posting a 4.9% revenue rise for the year compared with 2016 when the division had already reported a sharp increase, particularly in the fourth quarter. Operating performance also continued down the growth track. In spite of the seasonal impacts of overseas exports (especially for China, India and the Pacific) and the usual annual closures due to the end-of-year holidays, fourth-quarter revenue rose by 1.4%. The launch of game-changing innovations in 2018 – notably Sublimis – should enable Chargeurs Technical Substrates to keep up its momentum and enter new markets, such as the United States, acoustics, etc.
- **Chargeurs Luxury Materials** – whose business involves trades of premium fibers that are hedged by forward sale contracts – generated revenue of €95 million in 2017, down 4.2% like-for-like as a result of a very strong basis of comparison for the fourth quarter of 2016. The second half of 2017 saw the division continue to shift its business model towards products with more profitable margins and launch a new range of premium fibers called Organica (<http://www.organica-preciousfiber.com>). The first benefits of this launch are expected to be felt within 18 months.

ANOTHER SHARP INCREASE IN RECURRING OPERATING PROFIT

With revenue of €533 million in 2017 and based on unaudited consolidated results, Chargeurs expects recurring operating profit for the year to top €43 million, representing another sharp increase of over 10% and proving the success of its Game Changer plan aimed at achieving operational excellence.

FINANCIAL STRENGTH AND HIGH GENERATION OF CASH FLOW

In line with its overall development strategy, the Group continued to optimize its balance sheet structure and long-term financial resources by signing a new Euro PP in June 2017, raising a total of €50 million in up to 10 years' worth of financing, repayable at maturity.

In addition, thanks to its high level of operating cash flow, in November 2017 the Group undertook a strategic internal investment worth €20 million in a new coating line for Protective Films, while being able to carry out new targeted acquisitions in the same division and pay a higher dividend for 2016.

Glossary

On a like-for-like basis (LFL) – Based on a comparable scope of consolidation and at constant exchange rates:

Like-for-like growth in a given year compared with the previous year is calculated:

- By applying the average exchange rates for the previous year to the period under consideration (year, half-year, quarter);
- And based on the scope of consolidation for the previous year.

Financial Calendar

Wednesday, March 7, 2018 (before trading)

2017 annual results

Monday, April 16, 2018

2018 Annual General Meeting



ABOUT CHARGEURS

Chargeurs is a global manufacturing and services group with leading positions in four segments: temporary surface protection, garment interlinings, technical substrates and combed wool.

It has some 1,600 employees based in 34 countries on five continents, who serve a diversified customer base spanning more than 80 countries.

In 2017, revenue totaled €533 million, of which more than 90% was generated outside France.

CONTACT

Financial Communications ● +33 1 47 04 13 40 ● comfin@chargeurs.fr ● www.chargeurs.fr