

"A WORLD OF"
NIGHE MARKET
LEADERS





Chargeurs: a world of niche market leaders

The transforming acquisition of US & Asia based Precision Custom Coatings Interlining (PCC) by Chargeurs Fashion Technologies







- 1. Since 2015, Chargeurs is highly benefiting from a strong and methodic strategy to enhance growth towards € 1bn of revenues in 2022
- 2. With the acquisition of PCC, Chargeurs Fashion Technologies completes and achieves the vision of worldwide niche market dominance
- 3. Chargeurs accelerates its champions strategy to create new value



Executive Summary



Chargeurs is successfully deploying, and will continue to escalate, its strategy of expanding and consolidating its positions in high value-added niches



Chargeurs is creating niche business iconic champions and shaping its markets, through a continuous transformation towards a global integrated solutions provider

This acquisition of PCC Interlining accelerates Chargeurs' growth, expands its global reach in attractive, rapidly growing regions and provides new avenues for growth

PCC Interlining delivers attractive financial benefits, accretive to Chargeurs Fashion Technologies, and enhances long-term growth profile

PCC revenues \$80 m and EBITDA > \$8.8 m
Acquisition for \$66 m, EV/EBIT at 7.5 illustrating financial acquisition discipline

Low capital intensive business model excellent profit to cash ratio > 90%



Since 2015, Chargeurs is highly benefiting from a strong and methodic strategy to enhance growth towards €1 bn of revenues in 2022









Since 2015: high benefits from a clear strategy to enhance growth towards €1 bn of revenues within 2022



Clear vision & strong strategy

Designing our niche markets to create highly integrated value chain

- High technical expertise
- Global logistics management
- Customer centered & service oriented
- Worldwide renowned B to B brands

Proven model which has delivered strong results

Managerial transformation leading to organic & external growth

- Winning culture & mindset
- Dynamic optimization of commercial model
- Strong financial model

2016

2017

■ 6 acquisitions generating €100 m of revenues

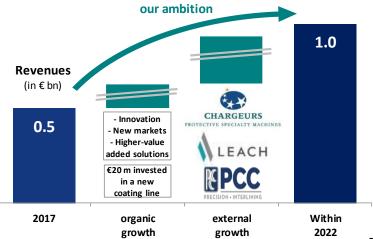
Chargeurs is poised to reach €1 bn of revenues within 2022

Step change in growth options & multiple growth layers

- Remove complexity from the customers
- Abundance of solution options to meet customer challenges
- Expanding numerous high-return opportunities offering step change options

EBITDA Revenue 506.4 +21.1% 9.6% 8.1% €m €m 2015 2016 2017 2015 2016 2017 **Recurring Operating Profit** Cash generated by operations +45.1% +22.0% 38.9 +24.5% 24.1 6.1%

Growth track for €1 bn revenue target





Clear distinctive vision of industrial markets



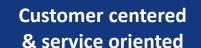
Chargeurs: designer of iconic niche market leaders

While keeping the operational excellence of an industry leader, the Group is the new driving force of its market and shapes its future businesses through 4 main principles.



Strong technical expertise









Industry 4.0
Products innovation
Technical know how



International footprint Close relationships with customers



Integrated solutions
Service provider
Technical advisor



Upgrading the value chain dealing with decision makers Building strong brands



Achieved successful improvement since 2015 due to a strict model of operational excellence



Chargeurs is reaping the rewards of a committed and long-term strategy of excellence

A clear vision, with new management systems

Quantitative and qualitative value creation

Strong like-for-like

growth

Improving margins

Healthy cash flow

Acquisitions

= Increase in the

pace of value

creation

Improve production

& customer

service

Talent nanagement

- A new management team
- Hands-on management
- More international teams
- Promoting talent and encouraging mobility

Vision

- Effective segmentation based on niche markets
- Leadership goals in each of these niche markets

Systematic excellence methods

- "Performance,
 Discipline, Ambitions"
 plan a new
 momentum with very
 tight operational
 discipline
- Game Changer plan pushing our own boundaries

Financial esources

- New ownership structure
- Stronger balance sheet
- · Launch of acquisition strategy
- Higher visibility for shares

implementation **Ensure the** Sell more **Group's lasting** In-depth Targeted and & better segmentation of strength accretive markets served acquisitions and and expansion to diversification new niche Focus on strategy sectors high-potential Low net debt major and and LT resources emerging clients **Ongoing** Benchmark and stable Product referrals by our optimization shareholder structure clients and new market committed over the very of the share long term **Chargeurs** Global expansion of our Unique culture of innovation **Business** commercial, industrial and for a new generation of products logistics reach and services **Standards** Reengineering **Ongoing** and ramp-up of production and logistics sites **Business Systematic** Unique strategy Standards programs

for productivity

and cost savings

for lasting

competitiveness

Innovate and

make a difference

in all of the Group's

businesses

Ongoing and tightly-controlled



Proven success and delivered strong results: transformation leads to organic & external growth



Winning culture & mindset

- Renewal, strengthening and internationalization of the management
- Hands-on management focused on specific leadership goals to improve win rate
- Promoting talent and encouraging mobility with attractive growth opportunities
- Successful integration through rigorous and advanced integration plan

Strong financial model

- Stable shareholder committed over the very long term
- Financial structure strengthened
 - €284 m financing facilities, incl. €122 m EuroPP up to 10 years
 - Average debt maturity of 5.2 years with historical low rates
- Low capital intensive business model with an excellent profit to cash ratio
- Since 2015, the market cap has increased by 231% and the recurring dividend has doubled

Dynamic optimization of commercial model

- In-depth effective segmentation of our niche markets to focus on high-potential major & emerging clients
- New generation of product & services
- Reengineering & ramp-up of production & logistic sites
- Systematic programs for productivity & cost savings
- Game Changer program pushing our own boundaries

6 acquisitions generating €100 m of revenues

- Launch of acquisition strategy
- Targeted & accretive acquisitions















A successful strategy for value creation



Since 2015, Chargeurs has made targeted acquisitions meeting the Chargeurs Business Standards and creating champions in high value-added niche markets







Continuous
acquisitions strategy
generating
a perpetual set of
improvement
opportunities



Move up the value chainOffer integrated solutions

€8 m revenues





- > Disruptive vertical integration
- > Offer end-to-end solutions



\$80 m revenues

- > Creating innovative global champion
- > Strengthening service capabilities

Next steps:

- > Transforming & "Bolt-on" acquisitions
- > Acquisitions expanding the value chain
- > Acquisition of an additional operational segment

INFIDENCE ON CONTACT

\$27 m revenues

- > Reinforce leadership in the US
- > Add production capacities in USD zone

Additional €100 m of revenues & €10 m of recurring operating profit



Committed and long-term acquisition strategy



An acquisition strategy based on a strict and targeted model

Distinctive Vision

Create niche businesses champions Focus on accretive businesses

Disruption & Growth

Transforming & "Bolt-on" acquisitions with a strong strategic fit

Vertical acquisitions to move up the value chain and offer integrated solutions

Acquisitions in **new niche business segments** with high growth potential

Market segmentation

Target analysis

Evaluation

Integration

Strict methodology

- ✓ Strong structural growth trends
- ✓ Opportunities in fragmented markets
- ✓ High technical expertise
- ✓ Opportunities for synergies
- ✓ Strong competitive positioning
- ✓ Successful and recognized ✓ Stable revenues brands
- ✓ Recurrent revenues and solid client base
- ✓ Accretive margins
- ✓ Strong cultural fit

- ✓ Priority given to return on capital employed
- ✓ Accretive value
- ✓ High growth in EBITDA and cash flow
- ✓ Extensive work upstream of acquisitions
- ✓ Strong focus on the integration of teams and synergies
- ✓ Strict supervision of measures in place



With the acquisition of PCC, Chargeurs Fashion Technologies completes and achieves the vision of worldwide niche market dominance





« Back-to-leadership » - A winning strategy from Chargeurs Fashion Technologies since 2015



A profound transformation to renew with high profitable growth

Business development



- Management internationalization and appointment of Angela Chan as President and General Manager
- Strong management renewal at business and key subsidiaries level
- Lean and decentralized management with a worldwide area management

Industrial optimization

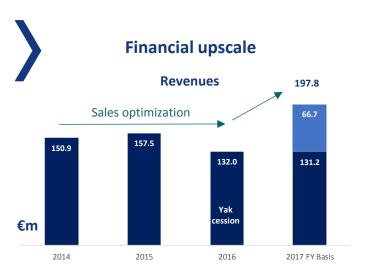


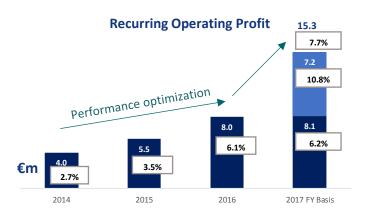
- High value-added production thanks to commercial selectivity
- Supply chain optimization with logistics excellence
- Creation of powerful hubs of production in Europe and Asia
- Global innovative offer focused on services solutions

Global footprint



- « Think global, act local » organization close to customers need
- Worldwide expansion with opening of 3 fashion service centers and presence in new territories such as Ethiopia, Ecuador, Peru, Bolivia, etc.
- A more diversified customer base





Chargeurs Fashion Technologies: A worldwide leader ready for a strong alliance



Strengthening a global position by the acquisition of PCC Interlining



Prestigious
customer
portfolio with
renowned
brands in luxury
and fashion
industry

Global presence to serve customers locally

Full range of technical interlining solutions

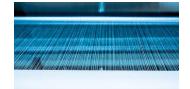




Industrial and logistics excellence with high valuedadded production



Worldwide area management



Worldwide player



Production sites respectful of Chargeurs Business standards

Vertical production with a good mastery of the production process

Technological leadership with innovative solutions focused on clients needs



The fashion industry: an ongoing revolution



Chargeurs Fashion Technologies customers need to adapt to industry transforming trends



New developments in fast fashion industry with strong digitization of the value chain







Beginnings of the real time supply chain requiring highly sophisticated **logistics**











A run for the best price for value driving a new call for great products, great services, great expertise



Main & fast growing brands are looking for more than ever global and integrated solutions

The PCC acquisition enhances our total customer service experience with efficiency, quality and value

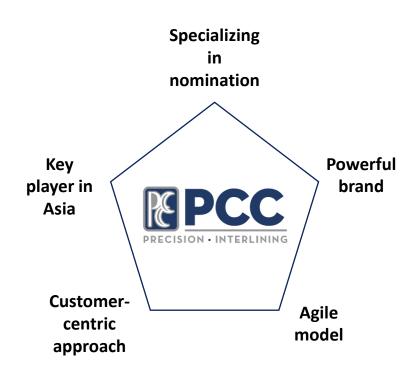


Precision Custom Coatings Interlining (PCC): a comprehensive array of services for brands



\$80 million in revenue, of which more than 90% generated in Asia

300 employees in more than **10 countries**, primarily in Asia and the United States

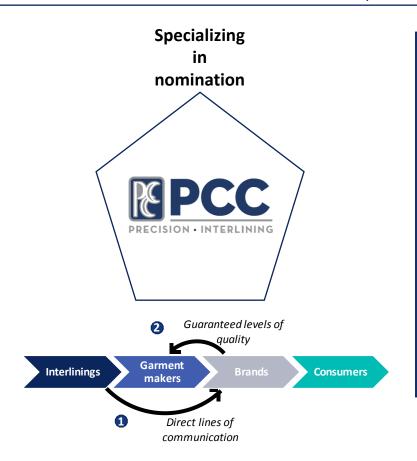


- √ 30 years of growing business
- ✓ Top 5 leading interlinings manufacturers
- ✓ Leading actor in women's fashion
- ✓ Decision-making at the **heart of Asian fashion industry** in Hong Kong-based headquarters
- ✓ Sales operations in over 20 countries mainly in Asia
- ✓ An international player with a local approach and sales teams close to its major customers
- ✓ A **streamlined global sourcing strategy** built on long-term partnerships with qualified suppliers
- ✓ An innovative business model in a constantly evolving fashion industry
- ✓ A consumer-centric sales strategy creating comprehensive solutions
- ✓ Optimized response times to manage market expectations

Precision Custom Coatings Interlining (PCC): a comprehensive array of services for brands



Leader in nomination strategy: leading fashion and apparel brands select and approve their suppliers through nomination, in which a given product is "nominated" for use in their garments, thereby guaranteeing that their stakeholders around the world will source that product from the specified supplier.

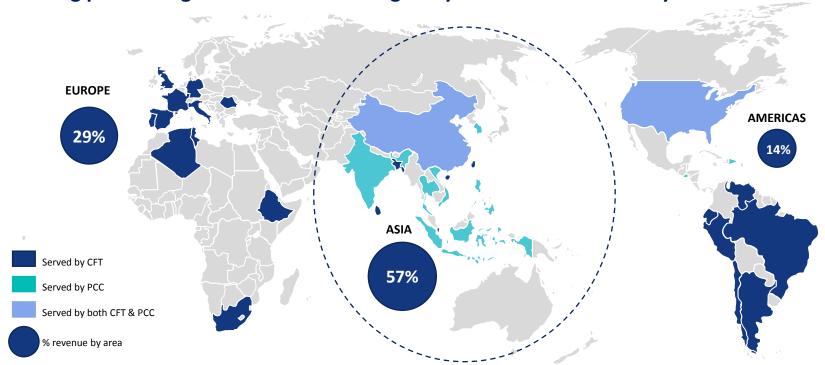


- ✓ Improve pricing power with respect to strategic global suppliers
- ✓ Consolidate the operational segment's commercial strategy by integrating a sales force experienced in nomination and recognized for its technical expertise
- ✓ Broaden the geographic footprint
- ✓ Strengthen direct ties to decision makers in the fashion industry via product nomination and develop a portfolio of prestigious clients
- ✓ Boost synergies with other Group businesses, including Chargeurs Luxury Materials and its Organica label

Chargeurs Fashion Technologies and PCC: A world leader at the core of fashion & luxury industry



A strong positioning in the new center of gravity of the fashion industry: Asia





Paris – **Milan**: longstanding fashion capitals at the center of the European cluster. Europe will continue to dominate the fashion industry in creativity and craftsmanship



Consolidation of **Hong Kong's** position as the decision-making center for Asia: a key platform with a direct line to textile industry players and with operations in more than 11 Asia Pacific and North Asian countries. **Chargeurs is doubling up on its positions in this strategic area**



New York: strategically positioned at the center of the specification model and decision makers of the US fashion industry.

Chargeurs Fashion Technologies and PCC: The leading player combining strong skills







Development of the nomination in Europe

Providing technical expertise in men's clothing and especially shirts

Possibility to produce in the CFT manufacturing sites

Broadening of the product range

Human talent

Leader in Nomination

Leverage purchasing power

Turn key operation in Asia

Optimized sourcing & supply chain

Development nomination in the United States

An agile, service-oriented business model that will give a new dimension to the division

Innovative products for the sportswear and lingerie markets

Centralized sourcing policy



A focused, targeted and tactical acquisition that leads to significant value creation



Combined assets to enhance financial performance and position, completely in line with our strict acquisition strategy

Solid revenues & Accretive value

- Since its creation in 1987, thanks to its distinctive high quality service, PCC has over performed its market by generating a very strong growth reaching
 - \$80 m annual revenues
 - \$8.8 m EBITDA and 11% EBITDA margin
 - \$8.6 m ROP and 11% operating margin
 - ✓ Strong accretive margins for CFT & Chargeurs
 - ✓ Excellent profit to cash ratio

Fair conditions for transaction

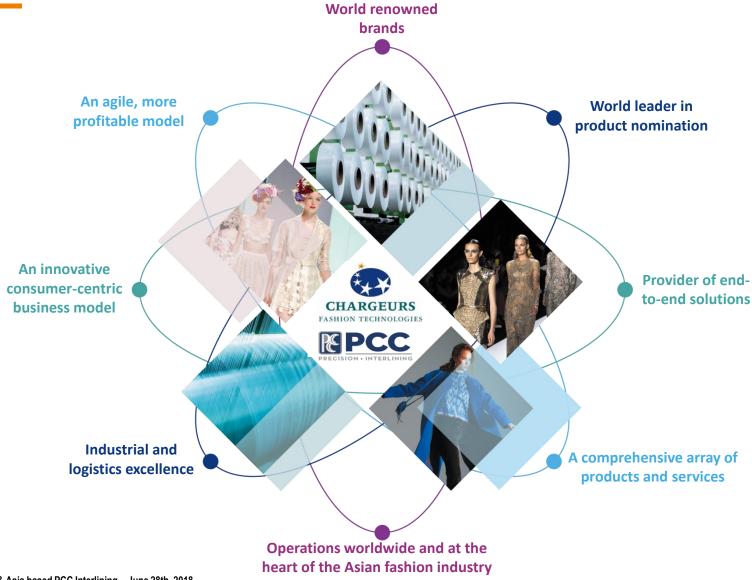
- Acquisition price of \$66 m ✓ Fair price
 Enterprise Value / EBITDA = 7.5
 Return On Capital Employed > 10 (13%)
 - ✓ Low capital intensive business model
- Acquisition already financed thanks to the €122 m of Euro PP raised in 2016 & 2017 at historical low rates with maturities from 5 to 10 years



Chargeurs Fashion Technologies accelerates in becoming the world champion of its market

The creation of a global champion







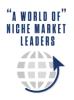
Chargeurs accelerates its worldwide champion strategy to create new value







Chargeurs intends to accelerate with strong business excellence standards



Committed and long term strategy of excellence

Clear Strategy

- Strong commitment of the board & top management
- Clear vision: constantly extending our leaderships in niche markets
- Continuously implementing and deploying systematic excellence methods
- Long term capital structure, robust balance sheet & cash flow to support organic growth and acquisitions strategy

Operational excellence

High Committed teams Excellence operational programs: "Game Changer"

Continuously improving production & customer service

Strict financial discipline

Quantitative & qualitative value creation

Disruptive innovation

Expanding the value chain & designing our markets

Targeted & accretive acquisitions

Strong
"Sales to Profit"
&
"Profit to Cash"



Chargeurs Accelerate the Group's transformation



Confirmation of guidance for full-year 2018:

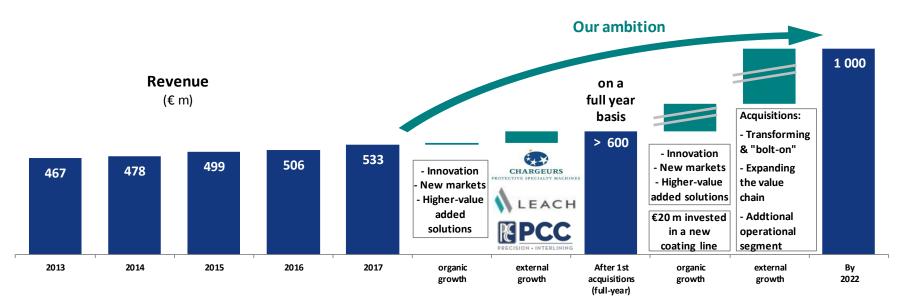
Revenue growth *
Higher operating margin
Solid cash generation

^{*} Based on a like-for-like basis and barring any changes in the geopolitical and macro-economic environment

Pushing new operational limits

Revenue	~ €600 m
ROP	~ €50 m, above 8.3%
Cash flow	~ €40 m

Growth track for €1 bn revenue target





2018 Investor Calendar

Thursday, September 6, 2018 (before trading)

First-half 2018 results

Wednesday, November 14, 2018 (after trading)

Third-quarter 2018 financial Information

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