



CHARGEURS  
BEING GAME CHANGERS

“A WORLD OF”  
NICHE MARKET  
LEADERS



CHARGEURS

# 2018 Annual Results Presentation

## STRENGTH & VISION

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March 12, 2019

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- 2. The *Game Changer* program in action**
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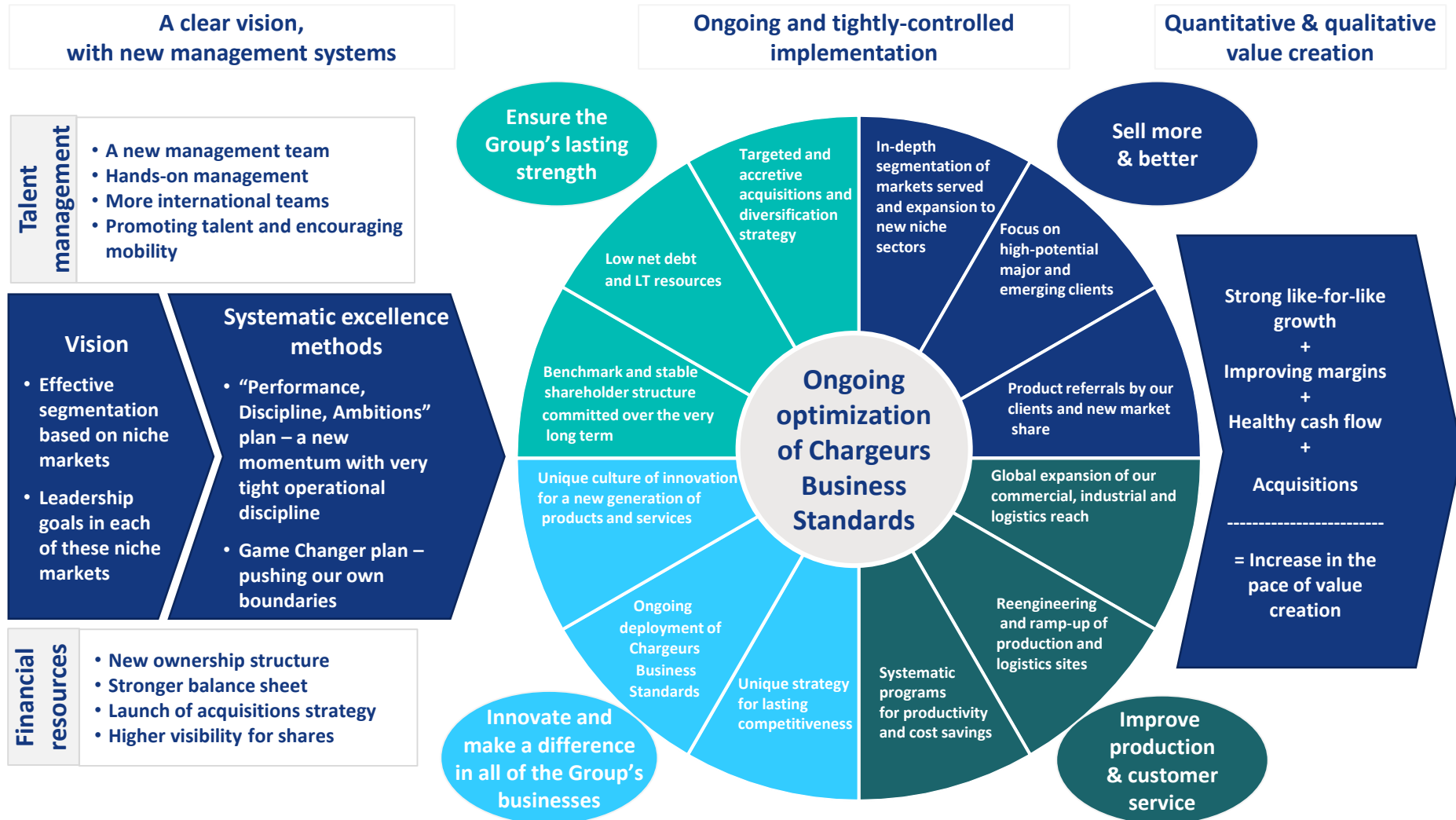
# Summary

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**Michaël Fribourg**

Chairman & Chief Executive Officer

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



# 2018: successful upscaling thanks to the *Game Changer* program

## ■ Another sharp increase in performance

- Full-year revenue up 7.6% year-on-year, or **€619m including the full-year contribution of companies acquired in 2018**
- **EBITDA > 10%** of revenue thanks to successful Annual Productivity Plan
- **Recurring operating profit<sup>(1)</sup> up 10.4% on 2017 and 26.0% on 2016**, despite negative currency effects & ramp-up of opex and capex
- **Operating profit up 9.6% on 2017**
- **Net profit up 5.6%**

## ■ Leadership positions strengthened in all of our businesses

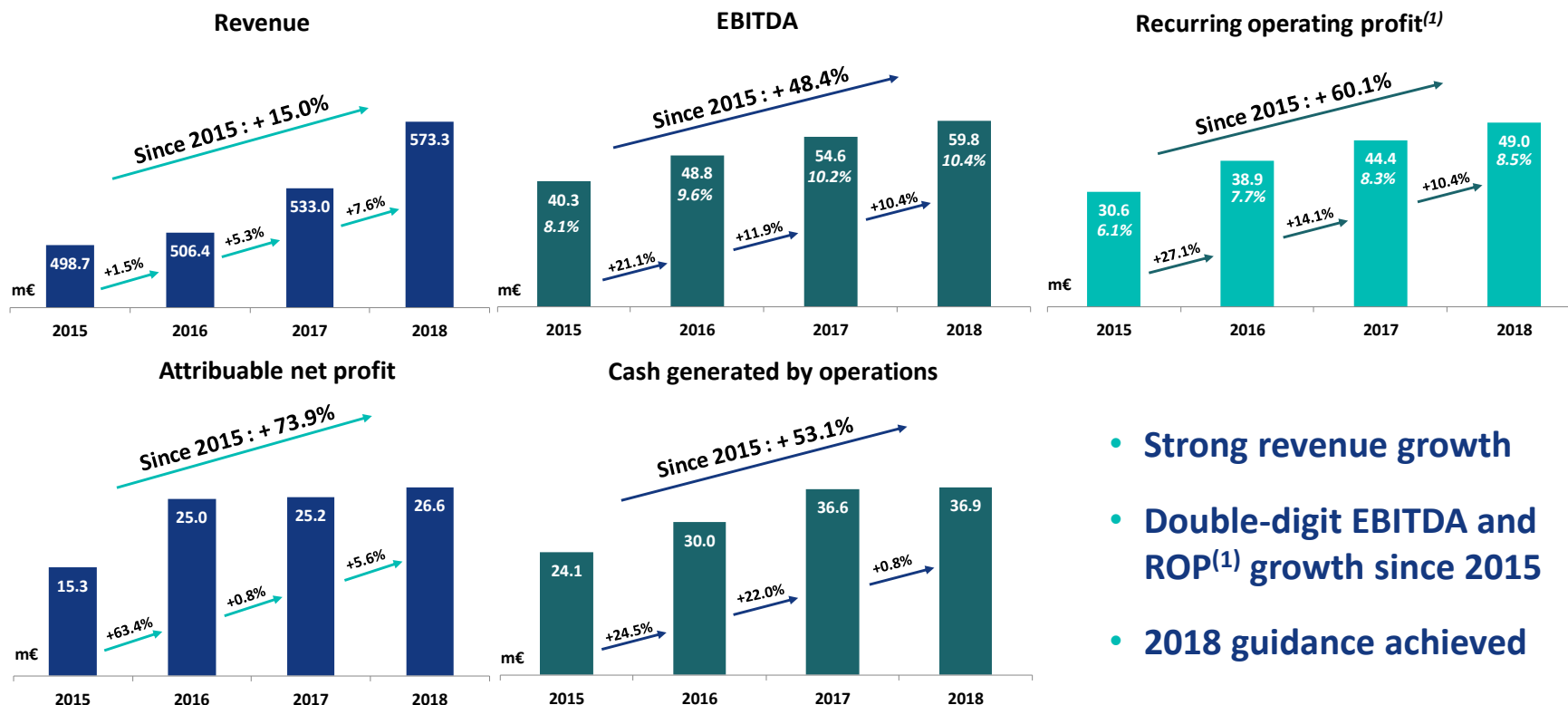
- Strategic consolidations, with the acquisitions of **PCC and Leach**, enabling CFT and CTS to **upscale, push the boundaries of their markets and extend their product and service offerings**
- Success stories recognized worldwide: **Novacel** (CPF) wins Arcelor Mittal's **Sustainability and Circular Economy Award**; **Sublimis** (CTS) is voted **product of the year** in the textile category at the **SGIA Expo** print technology trade show in Las Vegas; and the **RWS (Responsible Wool Standard) certification** is integrated into the **Organica Precious Fiber** label
- Exceptional talent reinforcement worldwide: **organizational structure by continent** put in place at CPF; **Angela Chan** appointed CFT's Worldwide Managing Director; an **executive talents program set up with Harvard**; and **new, experienced international talent** brought on board via **acquisitions**

## ■ Strong resistance in the face of a less favorable and more volatile operating context

- A very high basis of comparison and a very unfavorable currency effect: **record-high performance for CPF in 2017** (revenue up 12.3% vs. 2016) and **significant negative currency effect on both revenue (€19.1m) and ROP<sup>(1)</sup> (€5.2m)**
- Customer inventory-shedding effectively managed by CPF
- Less sensitivity than competitors to changes in the operating environment due to **more premiumized product ranges (price/mix effect on ROP +€4.9m)** and a broad geographic footprint (**stronger presence in the USA and Asia** thanks to the acquisition of PCC).

(1) Before amortization of intangible assets resulting from acquisitions

## Robust 240-bp rise in ROP<sup>(1)</sup> margin since 2015



- Strong revenue growth
- Double-digit EBITDA and ROP<sup>(1)</sup> growth since 2015
- 2018 guidance achieved

(1) Before amortization of intangible assets resulting from acquisitions

# 2019: Chargeurs intends to change the game in all of its businesses

## ■ Our analysis of the market and economic environment

- An **ever-more economic and geopolitical volatile environment**, requiring a prudent approach: the USA and Asia still performing well, but a more mixed picture for Europe
- Our **premiumization** strategy and focus on customer service is **making the difference in all of our markets**: CPF is focusing on very high-end products; CFT is developing the nomination of its products by leading brands; CTS now offers a global visual communications solution; CLM is accelerating the sales of certified sustainable Organica wool
- ➔ **Chargeurs is much better equipped than its competitors to take advantage of such an environment in the long term**: financial solidity, sectorial and geographical diversity, optimized capabilities, innovative technologies and strong agility

## ■ Our strategic offensives

- Putting in place our **Iconic Branding** strategy:  
Consolidating our brand portfolio on a business by business basis to reinforce our customer marketing and showcase the exceptional nature of the Group's products and services
- **Prioritizing “green” and technologic innovations** :  
CPF is giving priority to new “green” products and CFT to new CRM tools
- Ability to play the role of a **strategic consolidator**:  
Selectively targeted acquisitions to cement the strategic positioning of our businesses as designers of their markets

## ■ Our growth drivers, underpinned by the ongoing rollout of the Game Changer plan

- **Ever-more global and distinctive talent management**:  
Tailor-made training programs with the Hidden Champions Institute in Berlin; a more international profile for the management teams of CFT's continental hubs
- **Distinctive industrial and technological capabilities**:  
CPF: a new 4.0 coating line in Italy; CFT: high-tech 40-gauge production lines; CTS: new technological developments
- **An even more robust balance sheet structure**:  
€120m in new money available after setting up a flexible and innovative syndicated credit facility

# Game Changer – the Group's performance acceleration plan

## Objective:

**Double profitable revenue by 2021**

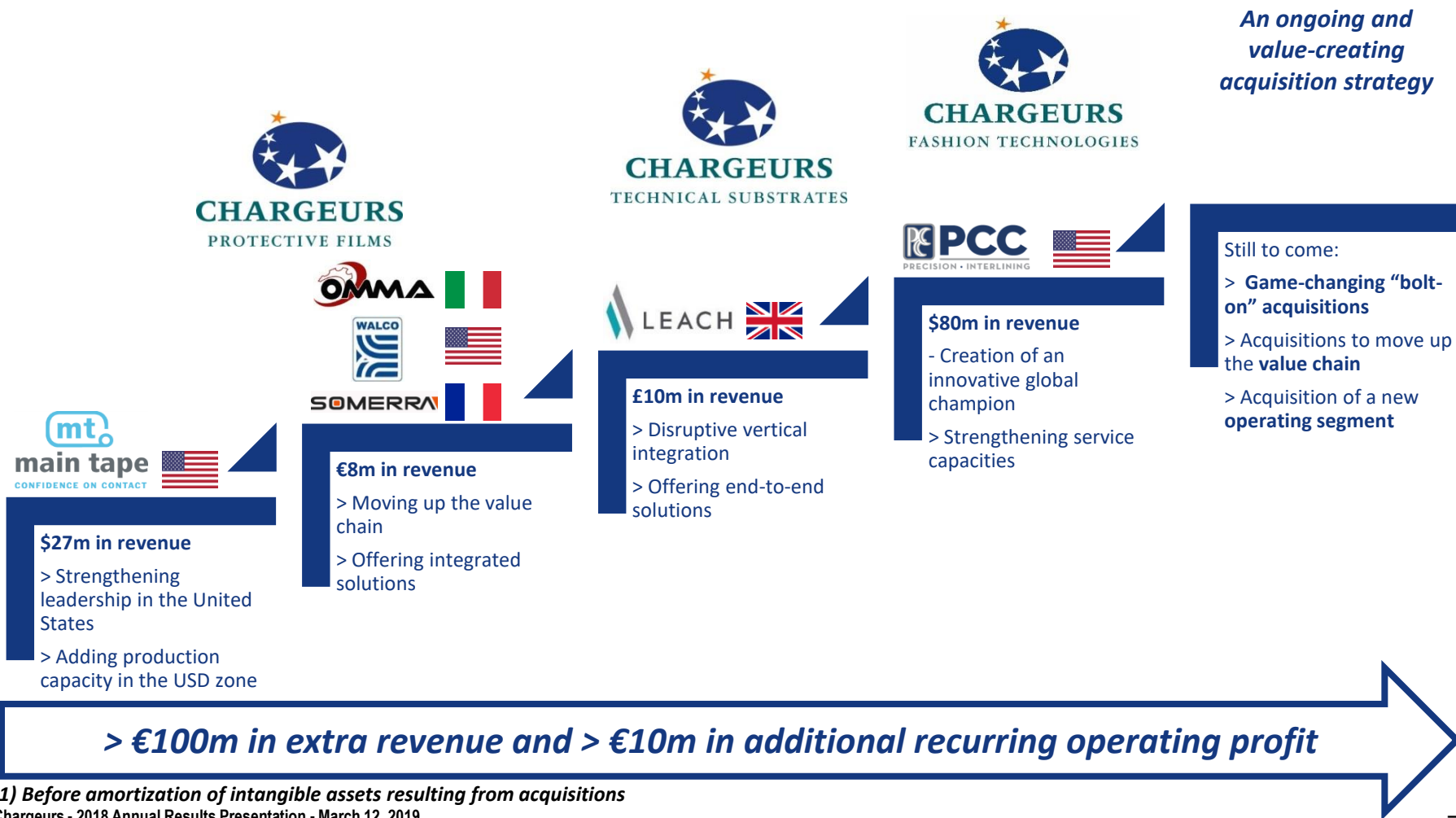
→ Aimed at speeding up the Group's growth and profitability, designed in collaboration with all of Chargeurs' teams worldwide and focused on 4 key areas





# Acceleration of our acquisitions strategy: integration of Leach and PCC Interlining

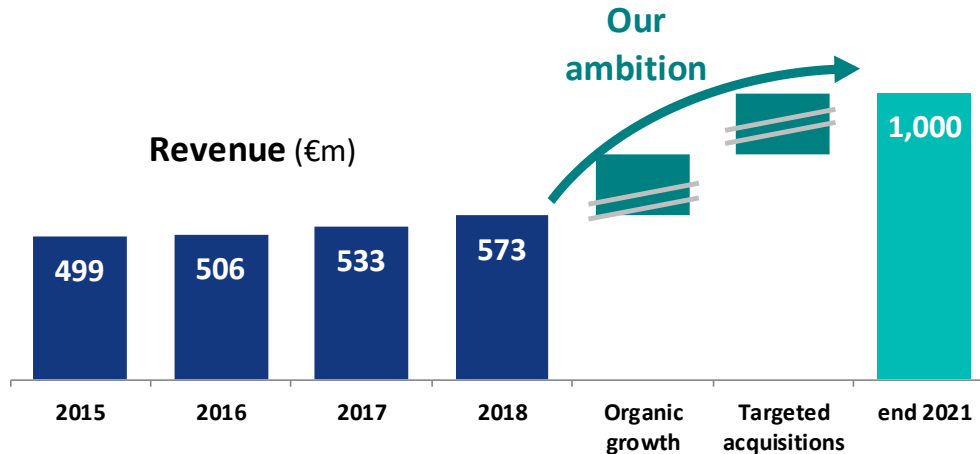
Since 2015, Chargeurs has carried out targeted acquisitions, creating champions in high value-added niche markets



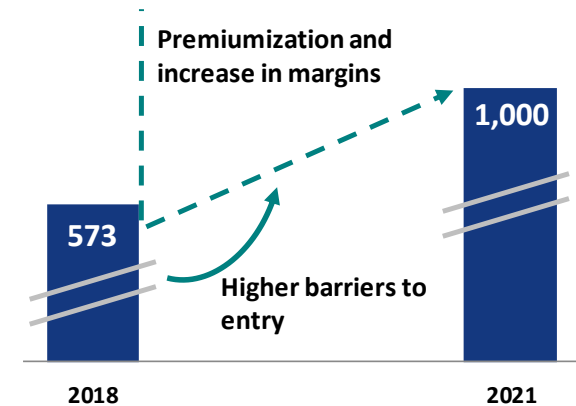
# Chargeurs 2021: an iconic champion in high value-added niche markets

- Target confirmed of topping €1bn in profitable revenue

## Growth track for €1bn revenue target



## Steady rise in margins thanks to the product mix and economies of scale



- A rigorous model of creating long-term asset value

- Focus on cash generation
- Most profitable customers prioritized
- Cost-cutting programs pursued

- A strategy of underlying excellence built over the long term

- A culture of creating long-term asset value
- A long-term commitment from the Group's reference shareholder and the Fribourg Family Group



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# **The *Game Changer* program in action**

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**Joëlle Fabre-Hoffmeister**

Secretary General & Group Chief Compliance Officer

Game Changer: an operating performance acceleration plan that advocates daily discipline in the creation of long-term value and that is based on 4 key areas:

## Sales & Marketing



## Talent Management



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BUSINESS SCHOOL

HCI | HIDDEN  
CHAMPIONS  
INSTITUTE



## Smart & Advanced Manufacturing



## Distinctive Innovation

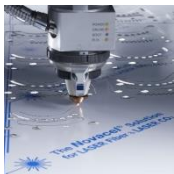


➔ 18 months after its launch,

the plan has already had multiple successes and new, promising developments are being pursued

Chargeurs: a designer of leaders recognized in their niche markets whose operations are shaped according to four core principles:

## Cutting-edge technical expertise



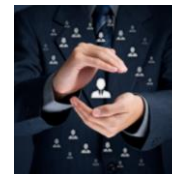
- Industry 4.0
- Product innovation
- Technical know-how

## Optimized global supply chain management



- A global presence
- Customer proximity

## A consumer centric and service oriented approach



- Integrated solutions
- Service provider
- Technical advice

## Globally-recognized B2B brands



- Moving up the value chain
- Direct links with decision-makers
- Creation of recognized brands

## Game Changer – our major achievements

### Sales and Marketing

- **Development of bundled “products & services” offerings**
  - “Films + Machines” at CPF thanks to the acquisitions of Somerra, Omma and Walco
  - “Textiles + Lightboxes” at CTS following the acquisition of Leach
- **Development of iconic B2B brands**
  - Low Noise and Deep Blue at CPF
  - Sublimis and Alterra at CTS
  - Organica Precious Fiber and Amédée 1851 at CLM
- **Opening of new sales sites and services centers** that are closer to customers
  - Mexico – CPF
  - Algeria, Central America and Asia – Chargeurs PCC Fashion Technologies
  - United States and China – CTS



### Talent Management

- **Moves to modernize and globalize organizational structures**
  - New organizational structure by continent for CPF
  - New Worldwide Managing Director for Chargeurs PCC Fashion Technologies, based in the United States, and synergies created in the new merged outfit
- **High-level, tailor-made training programs** at Harvard and with the Hidden Champions Institute in Berlin for a first group of Chargeurs Executive Talents
- **Launch of innovative cross-business projects** led by Young Talents identified within the Group



**HARVARD  
BUSINESS SCHOOL**



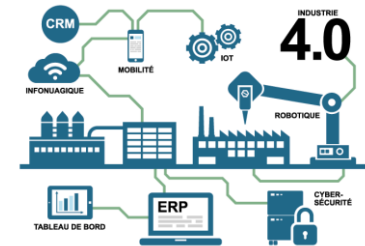
**HIDDEN  
CHAMPIONS  
INSTITUTE**



## Game Changer – our major achievements

### Smart & Advanced Manufacturing

- **Optimization of supplier and customer logistics across all businesses**
  - Re-engineering raw materials and logistics flows
  - Automating new production phases
- **Investing in the industry of the future and game-changing technologies**
  - "Techno Smart" 4.0 production line, big data management and vertical laminators for applying protective films to glass at CPF
  - New high-tech 40 gauge machine at CFT
  - Mastering new materials at CTS
  - Sublimation printing line at Leach
  - Blockchain at CLM



### Distinctive Innovation

- **New product ranges to capture additional market share at CPF:**
  - Product ranges dedicated to protecting structured surfaces and PVC-like products for stamping
  - Introducing Low Noise technologies to new market sub-segments: stainless steel, stratified and profiled
- **Break-through innovations**
  - Anti-moire effect for interlining, and extension of the 40-gauge product range at CFT
  - Sublimis, voted "product of the year" by SGIA, Alterra and Acoustic pods at CTS
  - Anti-counterfeit protection for premium textile products at CTS, using RFID chips





# Non-financial drivers underpinning our value creation strategy

## INNOVATION

Innovating to meet global challenges and enhance the sustainability of our customers' products

## TALENT MANAGEMENT

Investing in our people to support the Group's growth

## ENVIRONMENT

A commitment to the environment that means reducing our footprint by managing our resources and nurturing a circular economy



## DIGITAL

Investing in digital technology to secure ties between Chargeurs and its ecosystem

## COMMUNITY ENGAGEMENT

Supporting community initiatives that have a positive impact on society

## GOVERNANCE

A robust corporate governance structure to ensure the consistency of Chargeurs' strategy over the long term



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# The *Iconic Champions* program in action

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**Matthieu Balescut**

Executive Vice President, Business Development & Strategy



# Launch of the Iconic Champions plan: continued premiumization

*From  
"the best-offer culture"  
to  
"the must-have strategy"*



## "Iconic champions"

- #1 brand worldwide
- A go-to, indispensable partner
- An unrivaled partner
- Superior emotional appeal
- Designer of innovations
- Additional success and value creation
- Creative, proactive partners
- Fully immersed in our customers' strategies



## Global champions

- #1 in global market share
- Superior technical and services offering
- Best value for money
- Superior functional & experimental expertise
- Provider of innovative products
- Technical experts
- Reliable teams
- Proximity with customers



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# Business Review

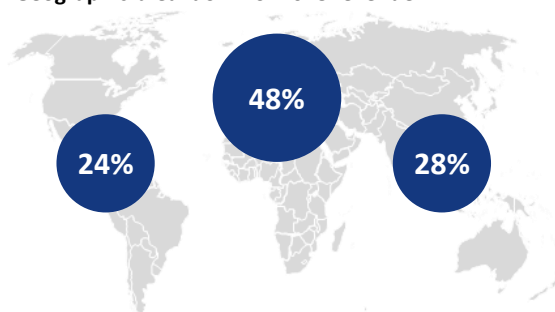
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**Olivier BUQUEN**  
Chief Financial Officer

## Worldwide industrial excellence

### Serving over 90 countries

Geographic breakdown of 2018 revenue



**94% of revenue**  
generated in international markets

- **17 plants:**
  - 7 in Europe
  - 4 in North America
  - 3 in Asia
  - 2 in Latin America
  - 1 in Africa

- **16 R&D and Quality laboratories:**
  - 7 for Fashion Technologies
  - 4 for Protective Films
  - 4 for Luxury Materials
  - 1 for Technical Substrates

## Leadership positions in niche markets

### Protective Films



**No. 1 worldwide**  
in quality surface protection  
Leadership position in  
**10 market segments**

### Fashion Technologies



**No. 1 worldwide**  
in interlinings  
Leadership position in  
**4 market segments**

### Technical Substrates



**European leader**  
in functionalized textiles  
Leadership position in  
**4 market segments**

### Luxury Materials



**No. 1 worldwide**  
in high-quality combed wool  
Leadership position in  
**3 market segments**

## A robust financial profile

### Success of the strategic Game Changer plan confirmed in 2018

Revenue

**€573.3m**

**+7.6%**  
(+2.6% like-for-like)

EBITDA

**€59.8m**

**+9.5%**

Recurring operating profit

**€49.0m**

**+10.4%**

Net profit

**€26.6m**

**+5.6%**

Cash generated by operations

**€36.9m**

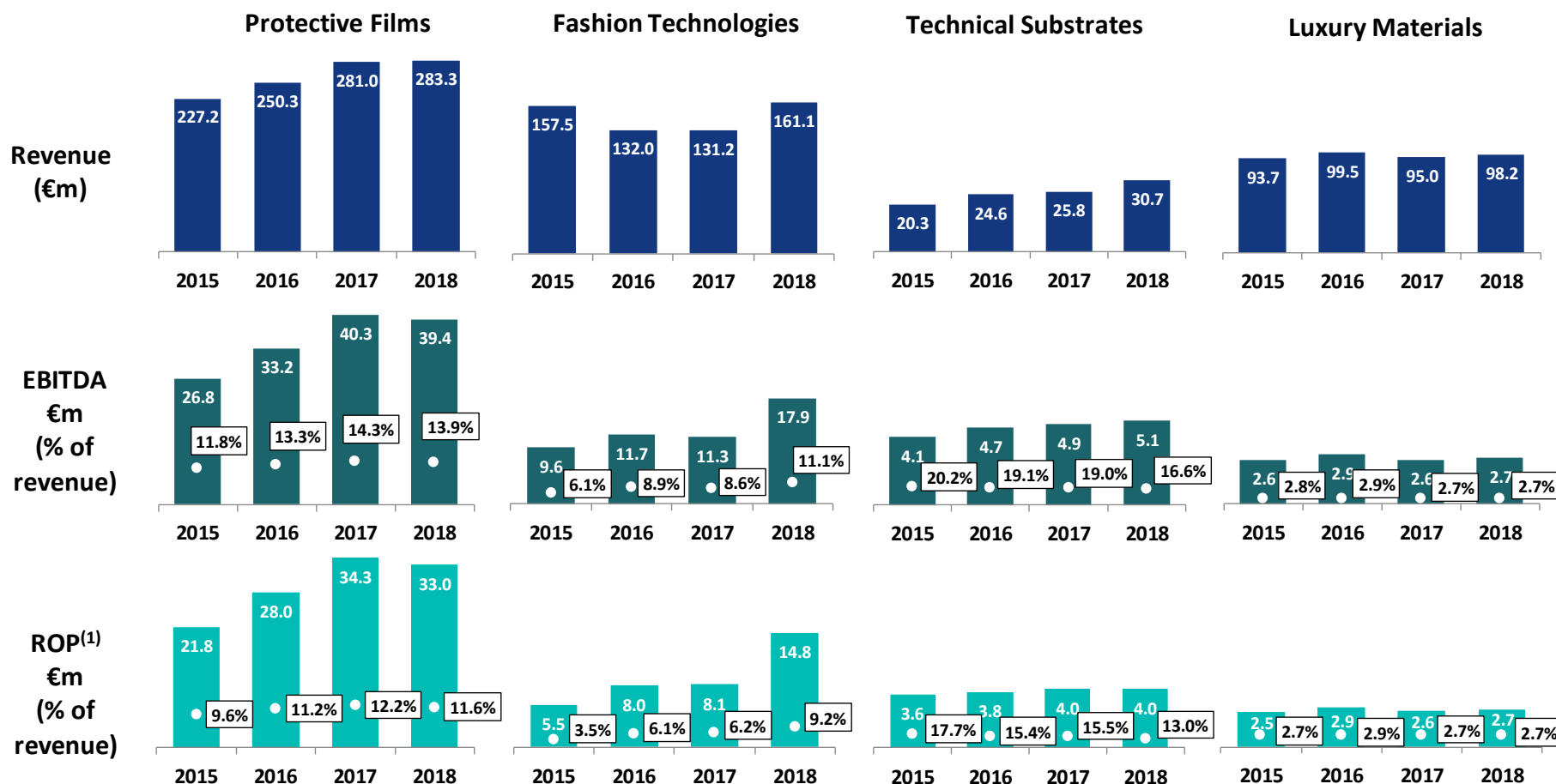
**+0.8%**

### A strong balance sheet structure

- Signature of a **game-changing €230 million syndicated loan agreement** in December 2018, with excellent financial terms and conditions

# 2018: an excellent year with further acceleration in performance

Very robust growth in the Group's operating performance: 8.5% operating margin in 2018, representing a 240-bp increase in ROP<sup>(1)</sup> margin since 2015



(1) Before amortization of intangible assets resulting from acquisitions

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CPF

# Chargeurs Protective Films

## "The leading innovative coating solutions"

### 2018 Highlights

- Preparation for the launch of a **techno-smart 4.0 production line** in Italy, scheduled for mid-2019
- Launch of **Deep Blue**, a new range of phthalate-free and PVC-free environmentally-friendly films
- Acceleration of the rollout of the division's innovative offering of surface protective film application solutions, **Chargeurs Protective Specialty Machines**



## Record-high revenue in 2018 and preparations for stepping up the premiumization of the solutions offering in 2019

In euro millions	Twelve months			Change 18/17		Change 18/16
	2018	2017	2016	reported	like-for-like <sup>(2)</sup>	
Revenue	<b>283.3</b>	281.0	250.3	+0.8%	+0.0%	+13.2%
EBITDA	<b>39.4</b>	40.3	33.2	-2.2%		+18.7%
as a % of revenue	<b>13.9%</b>	14.3%	13.3%			
Recurring operating profit <sup>(1)</sup>	<b>33.0</b>	34.3	28.0	-3.8%		+17.8%
as a % of revenue	<b>11.6%</b>	12.2%	11.2%			

(1) Before amortization of intangible assets resulting from acquisitions

(2) Based on a comparable scope of consolidation and at constant exchange rates

- Record-high revenue of €283.3 million, **up 0.8% on 2017** – which was a particularly high basis of comparison – and a sharp 13.2% rise compared with 2016.
- Pursuit of the premiumization strategy for the solutions offering and continuation of the selective marketing policy aimed at improving the product mix and strengthening pricing power:  
**operating margin above 11.5%** despite a negative currency effect and continued investment in growth opex;  
**excluding currency effect, the operating margin rate would have been higher than 12.5%**
- Launch of the new techno-smart 4.0 coating line in Italy, scheduled for mid-2019. This line will enable CPF to increase its capacity for producing premium & high added-value solutions and ultimately to consolidate its global leadership position.



# Chargeurs PCC Fashion Technologies

## "IN'SIDE FASHION"

### 2018 Highlights

- Game-changing acquisition of the USA and Asia-based **PCC Interlining**, bringing together two entities with **solid fundamentals** to create long-term value
- **Global leadership** strengthened, notably in terms of nomination
- Acceleration of the **customer-centric** strategy



## An excellent operating performance, with a 300-bp increase in ROP margin in 2018

In euro millions	Twelve months			Change 18/17		Change 18/16
	2018	2017	2016	reported	like-for-like <sup>(2)</sup>	
Revenue	161.1	131.2	132.0	+22.8%	+6.9%	+22.0%
EBITDA	17.9	11.3	11.7	+58.4%		+53.0%
as a % of revenue	11.1%	8.6%	8.9%			
Recurring operating profit <sup>(1)</sup>	14.8	8.1	8.0	+82.7%		+85.0%
as a % of revenue	9.2%	6.2%	6.1%			

(1) Before amortization of intangible assets resulting from acquisitions

(2) Based on a comparable scope of consolidation and at constant exchange rates

- A **22.8% revenue hike**, with strong like-for-like growth (6.9%), fueled by the fast integration of **PCC Interlining in the United States and Asia** and by the business's customer-centric strategy
- An excellent operating performance, with a **300-bp increase** in ROP margin to 9.2% in 2018
  - Strong commercial momentum for upscaling solutions and services offerings
  - Numerous synergies achieved thanks to the addition of PCC Interlining's expertise: a stronger presence in all geographic regions and a greater revenue contribution from nominations



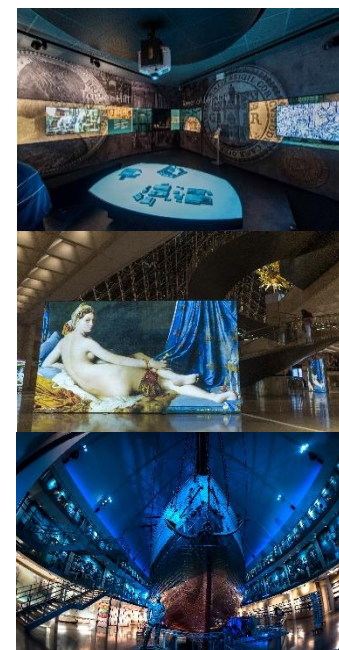


# Chargeurs Technical Substrates

## An industrial champion

### 2018 Highlights

- Integration of **Leach**, the leading UK producer of high-end visual communication solutions, and creation of a comprehensive solution offering
- Sublimis voted “**product of the year**” at the SGIA Expo printing technology trade show in Las Vegas
- First industrial partnership forged in innovation-intensive textiles



## Acceleration of growth capex to help top the €100m revenue mark by 2021

In euro millions	Twelve months			Change 18/17		Change 18/16
	2018	2017	2016	reported	like-for-like <sup>(2)</sup>	
Revenue	<b>30.7</b>	25.8	24.6	+19.0%	-5.4%	+24.8%
EBITDA	<b>5.1</b>	4.9	4.7	+4.1%		+8.5%
as a % of revenue	<b>16.6%</b>	19.0%	19.1%			
Recurring operating profit <sup>(1)</sup>	<b>4.0</b>	4.0	3.8	+0.0%		+5.3%
as a % of revenue	<b>13.0%</b>	15.5%	15.4%			

(1) Before amortization of intangible assets resulting from acquisitions

(2) Based on a comparable scope of consolidation and at constant exchange rates

- **19.0% increase in revenue to €30.7 million**, led by strategic acquisition of **Leach**, the leading UK producer of high-end visual communication solutions, enabling CTS to widen its offer of original solutions and access new niche markets
- More launches of disruptive innovations, such as Sublimis, which was voted “product of the year” at the SGIA Expo printing technology trade show in Las Vegas
- Establishment of strategic partnerships which should represent growth potential of turnover up to 10% per year in a full year
- Appointment of Sampiero Lanfranchi as Managing Director of Chargeurs Technical Substrates in January 2019 to intensify its external growth with the **aim of topping the €100 million revenue mark by 2021**

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CLM

# Chargeurs Luxury Materials

## "From the sheep to the shop"

### 2018 Highlights

- Accelerated premiumization of the product range thanks to the launch of the digital brand, **Amédée 1851**, specialized in scarves and squares made of premium-grade fibers
- Integration of **RWS** (Responsible Wool Standard) certification into CLM's Organica Precious Fiber label – the world's first label for certified and traceable premium-grade fibers



## Successful premiumization strategy

In euro millions	Twelve months			Change 18/17		Change 18/16
	2018	2017	2016	reported	like-for-like <sup>(2)</sup>	
Revenue	30.7	25.8	24.6	+19.0%	-5.4%	+24.8%
EBITDA	5.1	4.9	4.7	+4.1%		+8.5%
as a % of revenue	16.6%	19.0%	19.1%			
Recurring operating profit <sup>(1)</sup>	4.0	4.0	3.8	+0.0%		+5.3%
as a % of revenue	13.0%	15.5%	15.4%			

(1) Before amortization of intangible assets resulting from acquisitions

(2) Based on a comparable scope of consolidation and at constant exchange rates

- Strong sales performance with **revenue up 3.4%** year on year, particularly buoyed by the signature of a strategic commercial agreement in Europe
- Launch of the luxury digital brand, Amédée 1851, [www.amedee1851.com](http://www.amedee1851.com), specialized in scarves and squares made of premium-grade
- Strengthened marketing clout thanks to the integration of RWS (Responsible Wool Standard) certification into the Organica Precious Fiber label
- Continuation of the commercial strategy of selecting high quality, traceable and durable fibers whose properties mean they can be sold at a premium to major customers in the luxury and sportswear markets worldwide



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# Financial review

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**Olivier BUQUEN**  
Chief Financial Officer

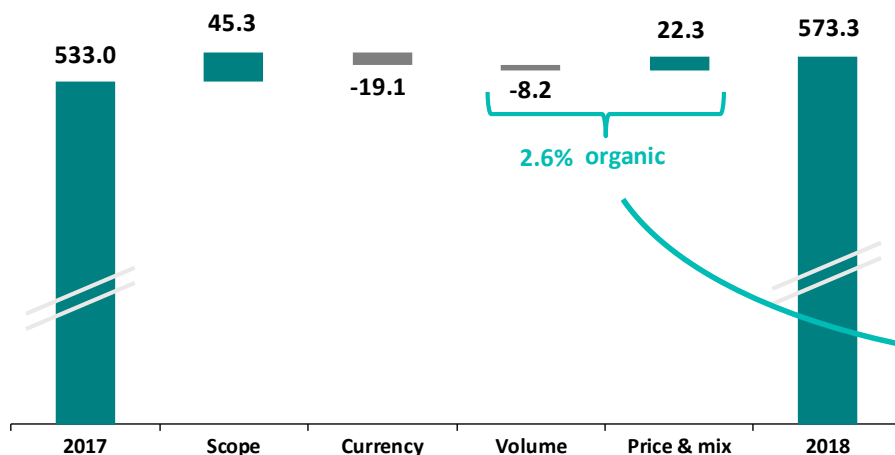
## Double digit growth in recurring operating profit: + 10.4%

In euro millions	2018	2017	Change	Comments
<b>Revenue</b>	<b>573,3</b>	533,0	+40.3	+7.6% +2.6% like-for-like: premiumization, new improvement in price/mix despite a difficult basis for comparison
Gross margin	<b>154,3</b>	141,6	+12.7	+9.0% Positive price/mix effect and impact of acquisitions
as a % of revenue	26,9%	26,6%		
EBITDA	<b>59,8</b>	54,6	+5.2	+9.5% Growth driven by effects of productivity plan
as a % of revenue	10,4%	10,2%		
Depreciation and amortization	<b>(10,8)</b>	(10,2)	(0,6)	+5.9% Ambitious and tightly-controlled strategy for capacity and technology spending
<b>Recurring operating profit</b>	<b>49,0</b>	44,4	+4.6	+10.4% Up 6.5% like-for-like: improved mix and higher volumes. Oper. leverage effect and accretive impact of acquisitions
as a % of revenue	8,5%	8,3%		
Amort. assets linked to acquis.	<b>(0,9)</b>	0,0		Amortization of intangible assets linked to acquisitions in 2018: PCC and Leach
Non-recurring items	<b>(5,9)</b>	(5,9)	0,0	Negative impacts of acq. and development projects (€6.4m); CFT & CTS restructuring (€1.3m); and badwill (€1.7m)
<b>Operating profit</b>	<b>42,2</b>	38,5	+3.7	+9.6% Improved mix, accretive impact of acquisitions and good cost discipline
Finance costs, net	(8,9)	(7,5)	(1,4)	Full year effect of the June 2017 Euro PP and strengthening of financial resources
Other financial income and expense	(1,7)	(1,0)	(0,7)	Change in fair value of shares held in treasury
Net financial expense	<b>(10,6)</b>	(8,5)	(2,1)	
Income tax expense	<b>(5,1)</b>	(4,0)	(1,1)	Optimized use of the Group's tax loss carryforwards
Investments in equity-accounted investees	<b>0,1</b>	(0,8)	+0.9	Positive impact of CLM accounted investees
<b>Profit for the period</b>	<b>26,6</b>	25,2	+1.4	+5.6% Increase of +5.6% thanks to the operational leverage and accretive acquisitions of PCC and Leach

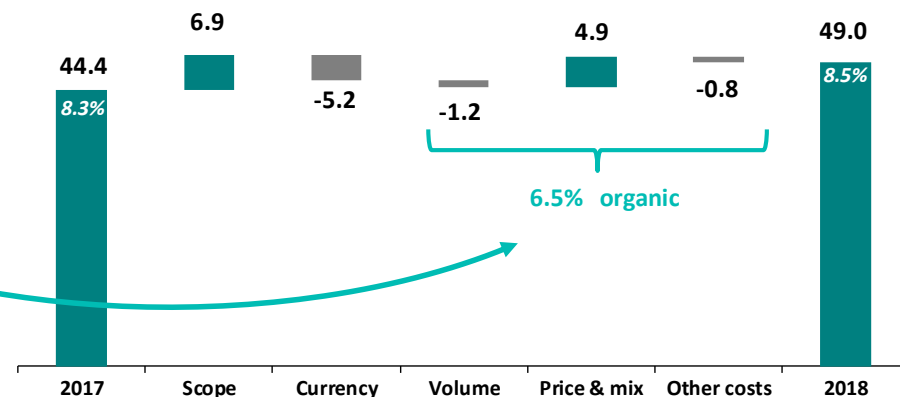
- 2.6% like-for-like revenue growth, driven by the **Group's premiumization strategy**
- Gross profit up 9.0% thanks to a better product mix and rigorous currency and commodities management
- EBITDA up 9.5%, led by revenue growth, on the back of strong operating showings and the effect of the Annual Performance Plan
- **ROP<sup>(1)</sup> 10.4% higher year on year, fueled by the sharp rise in EBITDA** and the fact that there was only a slight increase in depreciation and amortization expense
- Net finance costs higher due to additional financial resources raised to support the Group's growth targets
- Contained income tax expense, with continued optimal use of tax loss carry forwards (amounting to over €300m)
- **Attributable net profit up 5.6%, thanks to strong operating showings and the accretive acquisitions of PCC and Leach**

(1) Before amortization of intangible assets resulting from acquisitions

Revenue bridge (in €m)



Recurring Operating Profit<sup>(1)</sup> bridge (in €m)



## Main effects on revenue

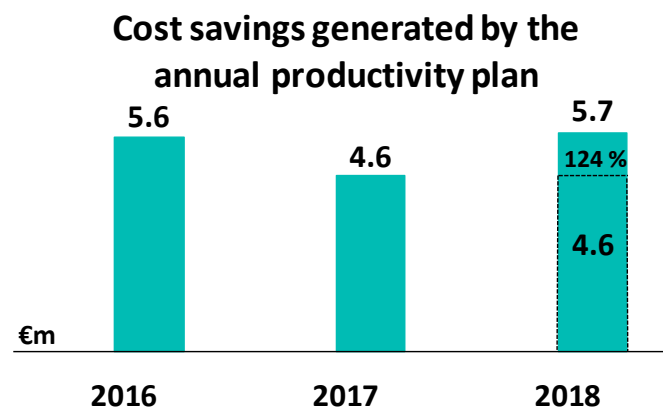
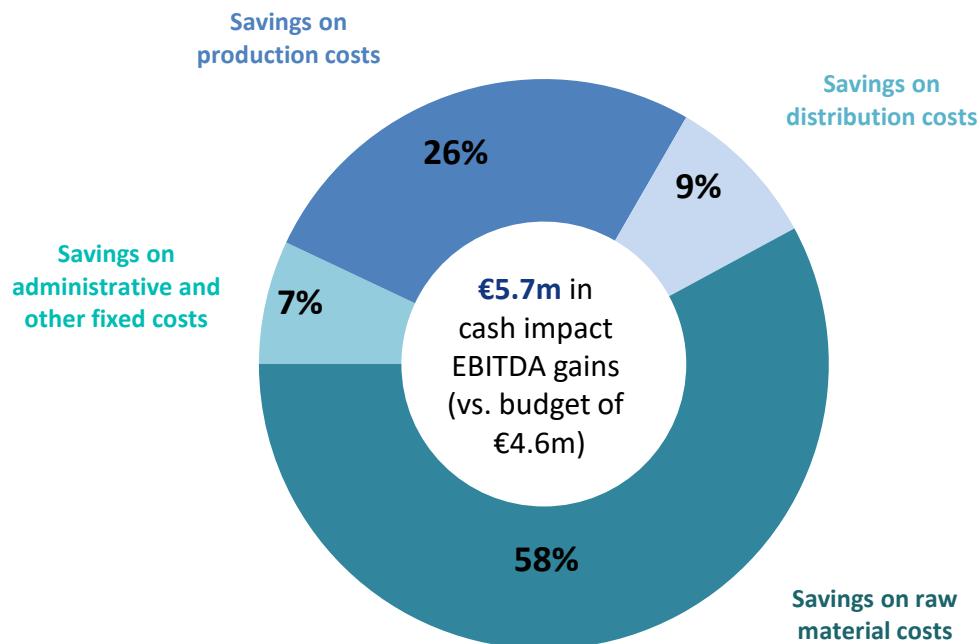
- Scope acquisitions: PCC, Leach and CPSM
- Currency ARS, BRL, NZD and USD
- Volume inventory shedding by CPF's customers
- Price/mix premiumization in all businesses

## Main effects on recurring operating profit

- Scope accretive effect of PCC, Leach and CPSM
- Currency negative impact of USD for CPF
- Volume inventory shedding by CPF's customers
- Price/mix premiumization in all businesses
- Other costs opex to drive growth

(1) Before amortization of intangible assets resulting from acquisitions

**2018 achievement: €5.7m in cost savings for the full year, with a cash impact (vs. target of €4.6m)**



## 2016-2018 Group performance plans:

- **€5.7m in savings** achieved in 2018, i.e. **124%** of the €4.6m target set for the year
- An aggregate **€15.9m** in savings achieved since end-2015



## Further strong cash generation, with resources used in line with the Group’s growth strategy

<i>In euro millions</i>	2018	2017	<i>Comments</i>
<b>EBITDA</b>	<b>59.8</b>	<b>54.6</b>	Up 9.5% thanks to a better mix; and the productivity plan
<i>Non-recurring – cash</i>	(7.7)	(5.1)	Acquisitions and development projects (€6.4m); CFT & CTS restructuring (€1.3m)
<i>Finance costs - cash</i>	(8.9)	(7.5)	Increase and extension in financing raised for the Group’s development
<i>Income tax – cash</i>	(6.0)	(7.0)	Optimized use of tax credits
<i>Other</i>	(0.3)	1.6	
<b>Cash generated by operations</b>	<b>36.9</b>	<b>36.6</b>	<b>Solid cash generation</b>
Dividends from equity-accounted investees	0.0	0.8	2017: exceptional dividend related to a real estate sale
Change in working capital (excl. currency effect)	(22.5)	(6.7)	Lower inventories for CPF clients and growth strategy
<b>Net cash from operating activities</b>	<b>14.4</b>	<b>30.7</b>	<b>Solid operating cash flow maintained including the effects of the Game Changer Plan</b>
Purchases of PPE and intangible assets	(24.3)	(13.6)	Protective Films: capex of the techno-smart 4.0 production line launch scheduled for mid-2019
Cash dividend	(10.8)	(6.6)	Policy of paying a recurring increasing the dividend
Changes in scope of consolidation	(65.3)	(5.5)	2018 acquisitions: PCC for €51.1m and Leach for €14.8m
Currency	(3.5)	0.3	
Other	(11.6)	0.4	Repurchase of treasury stock between September and December 2018
<b>Total</b>	<b>(101.1)</b>	<b>5.7</b>	<b>Deployment of financial resources in line with the Group’s growth strategy</b>
<b>Opening net cash (12/31/y-1)</b>	<b>8.9</b>	<b>3.2</b>	
<b>Net debt (-)/cash (+) at closing (12/31/y)</b>	<b>(92.2)</b>	<b>8.9</b>	

- Strong cash generation allowed the Group to spend on growth capex (e.g. for CPF’s techno-smart coating line which will be launched in mid-2019) and carry out targeted acquisitions, while once again paying a higher dividend

## A very robust balance sheet structure

<i>In euro millions</i>	Dec. 31, 2018	Dec. 31, 2017	Comments
Intangible assets	158.1	88.3	2018 acquisitions: +€41m in goodwill and +€28m in brands
Property, plant and equipment	80.7	63.2	Higher capex, reflecting €20m outlay in Nov. 2017 for CPF
Equity-accounted investees	13.1	11.7	Change in scope : acquisition of PCC equity-accounted investees
Net non-current assets	12.9	13.2	
Working capital	64.6	44.6	Lower inventories for CPF clients and growth strategy
<b>Total capital employed</b>	<b>329.4</b>	<b>221.0</b>	
<b>Equity</b>	<b>237.2</b>	<b>229.9</b>	Profit: €26.6m; div. €(10.8)m; Treasury stock €(10.2)m
<b>Net debt (+) / Net cash (-)</b>	<b>92.2</b>	<b>(8.9)</b>	Net cash from op. activities: €143m; capex: €(24)m; acq.: €(65)m; div.: €(11)m; treasury stock €(10)m
<b>Total</b>	<b>329.4</b>	<b>221.0</b>	

Number of shares at December 31, 2018: 23,551,755

### ■ Financial resources strengthened again

	Dec. 31, 2018		Dec. 31, 2017	
	Nominal (€m)	Average maturity (years)	Nominal (€m)	Average maturity (years)
Drawn financing facilities	195.7	4.7	199.0	5.0
Undrawn financing facilities (*)	206.5	5.8	78.2	3.3
<b>Total financial resources confirmed</b>	<b>402.2</b>	<b>5.3</b>	<b>277.2</b>	<b>4.6</b>

(\*) of which € 130 million dedicated to the financing of future acquisitions and investments

### ■ Tightly-managed financial ratios

	Dec. 31, 2018	Dec. 31, 2017
<b>Leverage ratio: net debt/EBITDA</b>	<b>1.5</b>	<b>(0.2)</b>
<b>Gearing ratio: net debt/equity</b>	<b>0.4</b>	<b>0.0</b>



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# Outlook

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**Michaël Fribourg**

Chairman & Chief Executive Officer

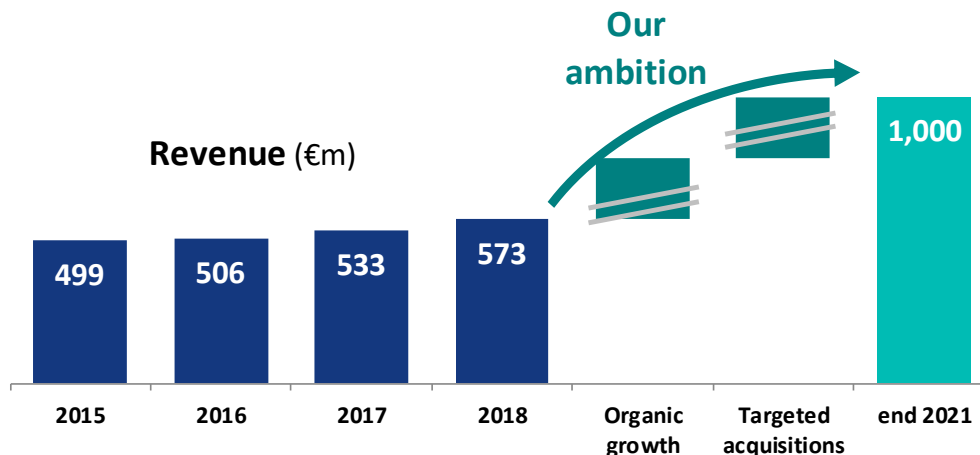
## 2019 outlook

- Revenue growth
- Higher ROP (before amortization of intangible assets resulting from acquisitions)
- Solid cash generation
- Rollout of the Iconic Champions plan

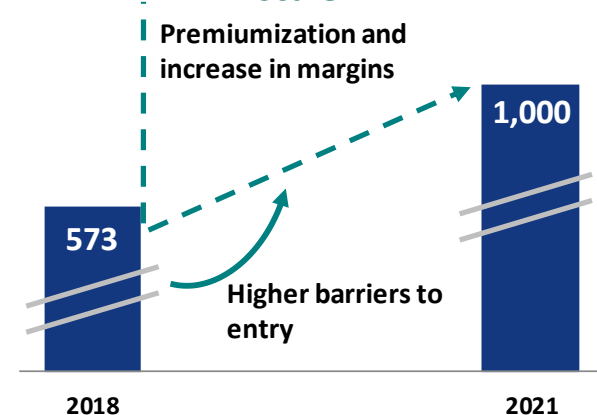
## Ambitious and achievable medium- and long-term objectives

- Target for end-2021: €1bn in profitable revenue  
(subject to macro-economic conditions remaining constant)

### Growth track for €1bn revenue target



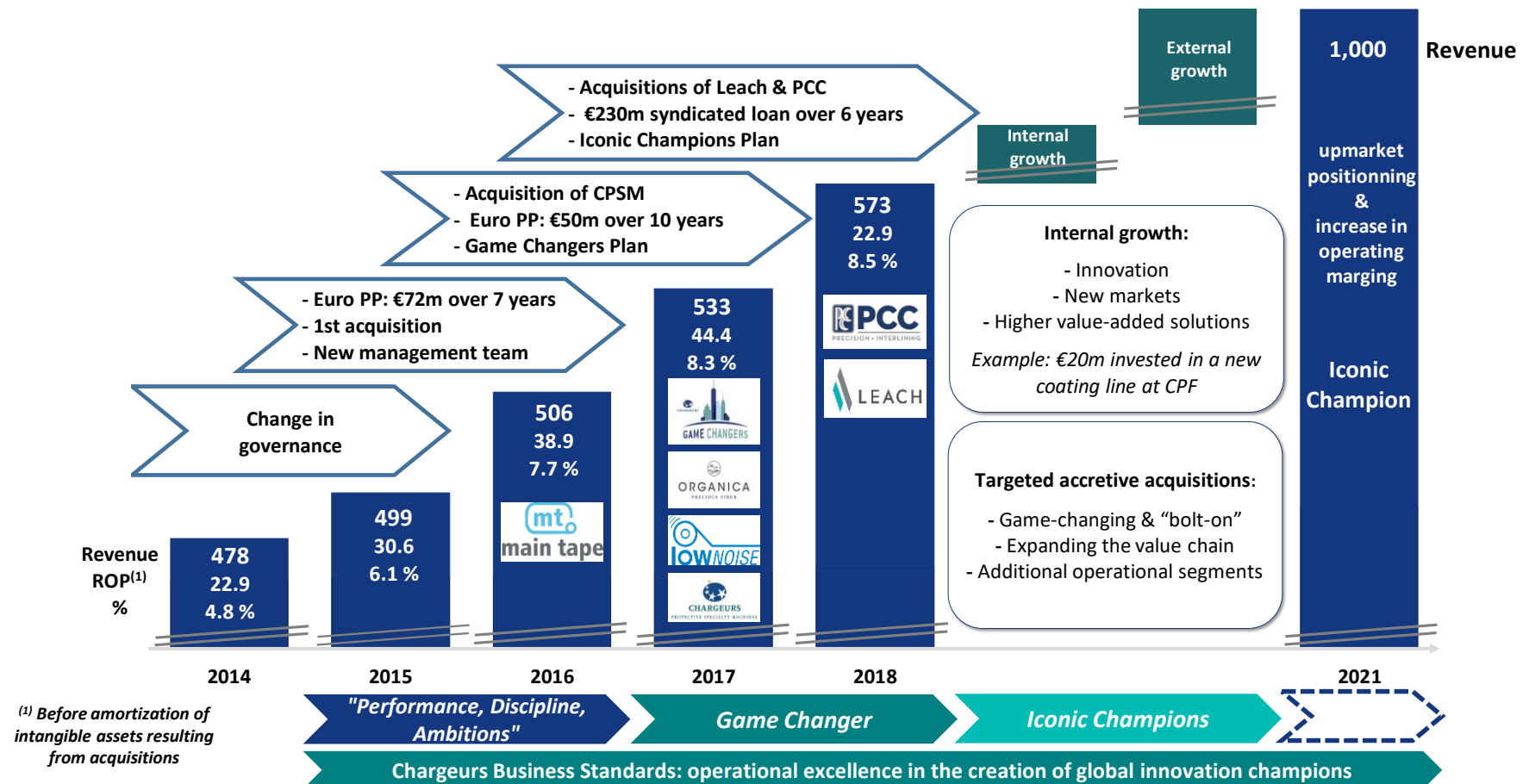
### Steadily rising margins thanks to the product mix and economies of scale



# Chargeurs is rolling out its roadmap to top the €1bn revenue mark by 2021

18 months after announcing its target, Chargeurs has:

- Fully implemented its roadmap
- Confirmed its target of topping the €1 billion revenue mark by end-2021, one year ahead of schedule





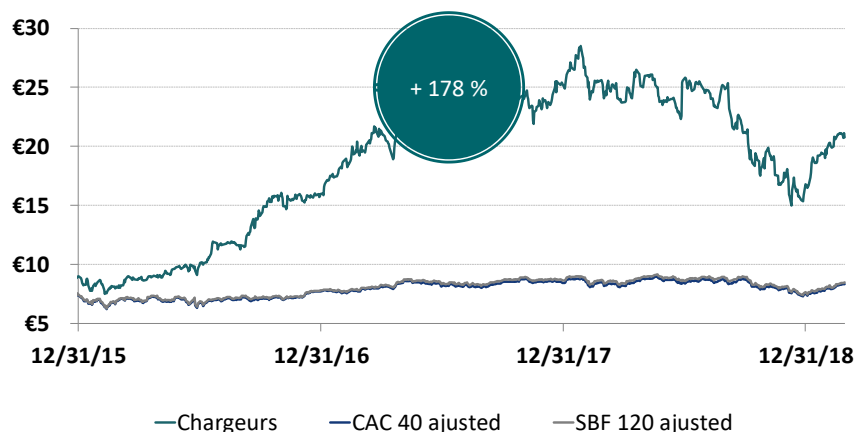
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# Appendices

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## Shareholder value creation strategy

Share performance since the change in Chargeurs' governance structure  
(CAC 40 and SBF 120 adjusted in ligne with Chargeurs' share price)



- Policy of paying a recurring dividend, steadily increasing the dividend and offering a dividend reinvestment option
- Putting in place a share buyback program capped at €12m
- Renewal of the liquidity agreement in February 2019 (representing €1.3m)
- Chargeurs' share performance now covered by 6 analysts:

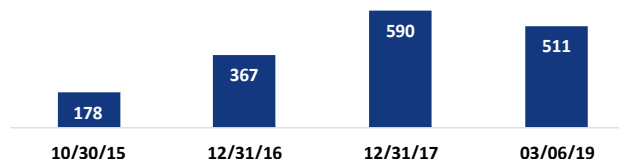


ODDO BHF

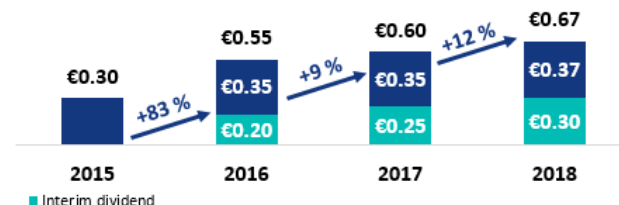


Portzamparc  
GROUPE BNP PARIBAS

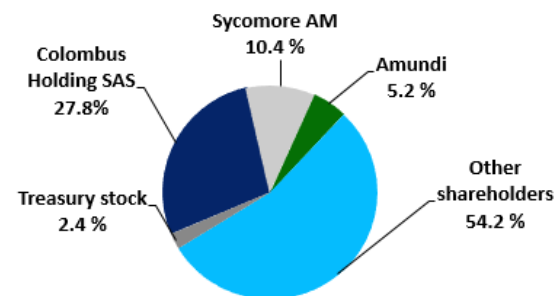
Market capitalization (in €m)  
+187 % since 2015



Dividend per share  
+123% since 2015



Ownership structure at January 31, 2019:  
23,551,755 shares



## Glossary

- Change **based on a comparable scope of consolidation and at constant exchange rates** (like-for-like), **organic** change or **internal** change for year Y compared with year Y-1 is calculated:
  - by applying the average exchange rates for year Y-1 to the period concerned (year, half-year, quarter); and
  - using the scope of consolidation for year Y-1.
- **EBITDA** corresponds to recurring operating profit (as defined below) restated for the amortization of property, plant and equipment and intangible assets.
- **Recurring operating profit (ROP)** corresponds to gross profit after distribution costs, administrative expenses and research and development costs. It is calculated:
  - before amortization of intangible assets resulting from acquisitions, and
  - before other operating income and expense, which correspond to non-recurring items that represent material amounts, are unusual in nature and occur infrequently, and therefore distort assessments of the Group's underlying performance.
- **Recurring operating margin** is recurring operating profit as a % of revenue.





“A WORLD OF”  
NICHE MARKET  
LEADERS



**CHARGEURS**

# 2019 Investor Calendar

Monday, May 6, 2019  
*(before the start of trading)*

First-quarter 2019 financial information

Monday, May 6, 2019

Annual General Meeting

Thursday, September 12, 2019  
*(before the start of trading)*

First-half 2019 results

Thursday, November 14, 2019  
*(after the close of trading)*

Third-quarter 2019 financial Information

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