

Paris, August 27, 2018

By successfully closing, ahead of schedule, the acquisition of PCC Interlining – USD 80m in revenue – by its Chargeurs Fashion Technologies business unit, Chargeurs has taken its creation of global innovation champions to the next level

- **Creation of a global innovation champion:** Chargeurs Fashion Technologies and PCC will generate an aggregate €200 million in revenue, €20 million in EBITDA and more than €15 million in recurring operating profit
- **PCC Interlining, an innovation leader in the United States and Asia** in performance materials and technical interlinings for fashion brands and emerging global fast-fashion players, is driving a triple revolution by combining **creative, innovative solutions, speed-to-market expertise and advanced technologies**
- **Chargeurs will exceed €600 million in revenue per year on a full-year basis** thanks to the acquisition, which will be **accretive** to margins and profitability and is based on an **attractive, reasonable valuation**

In accordance with the equity and assets purchase agreement signed on June 27, 2018 and following completion of the conditions to closing, Chargeurs today announced that its Chargeurs Fashion Technologies business unit has completed the acquisition process, which consisted of a share deal for PCC Asia and an asset deal for the PCC USA interlinings business.



A TRANSFORMATIVE CONSOLIDATION THAT WILL CREATE MAJOR VALUE FOR CHARGEURS FASHION TECHNOLOGIES

For Chargeurs Fashion Technologies, the acquisition of the interlinings business of Precision Custom Coatings (PCC) is a major new milestone in its expansion in the United States and Asia. The acquisition, the largest ever made by the business unit in these two regions, extends its global geographic footprint and thrusts it into a new category of high-performance, engineered apparel, such as upscale outerwear. Chargeurs Fashion Technologies customers include luxury, ready-to-wear and fast-fashion brands.

Since late 2015, under the leadership of Bernard Vossart and then Angela Chan, who was recently appointed Worldwide Managing Director of Chargeurs Fashion Technologies, the business unit has successfully implemented a more selective marketing strategy to move its product range and prices upscale, improved its competitiveness and opened new service centers in Paris, New York and Milan. Backed by PCC’s competitively differentiated marketing capabilities, based on the nomination and certification of its products by leading brands, and by the right fit within the combined teams and products portfolio, the new amalgamation will further strengthen its position as an innovative champion in its markets around the world. Note that since late 2015, Chargeurs Fashion Technologies has increased its EBITDA by 18%, to €11.3 million in 2017, and is generating solid cash flow.

Created in 1987, PCC Interlining has grown steadily over the past thirty years and today ranks among the world's five leading interlinings manufacturers. It employs 300 people in around a dozen countries worldwide. In 2017, the company reported USD 80 million in revenue, of which more than 90% was generated in Asia, and USD 8.6 million in recurring operating profit.

THE NEW UNIT'S MANAGEMENT TEAM IS ALREADY IN PLACE

Angela Chan is overseeing the unit's expansion in the United States and other markets, in a commitment to strengthening its global leadership.

Scott Tesser, formerly Chairman and Chief Executive Officer of PCC, has joined Chargeurs Fashion Technologies as Senior Vice President & Chief Sales Officer. He reports directly to Angela Chan and is in charge of the new organization's worldwide sales strategy.

Audrey Petit, former Group Strategy Director & Head of Chargeurs Business Solutions and recently promoted to Chief Strategy and Integration Officer at Chargeurs Fashion Technologies, will be in charge of the strategic integration of PCC within Chargeurs Fashion Technologies in order to allow the division to offer new solutions and services to its portfolio of international customers. Based in Hong Kong, she will report to Angela Chan, Worldwide Managing Director for Chargeurs Fashion Technologies and based in New York.

THE STRATEGIC GROWTH PROGRAM IS LAUNCHED TO ENHANCE ICONIC LEADERSHIP

The plan to integrate PCC Interlining into the Chargeurs Group was prepared as part of the due diligence process and will be methodically implemented. It will enable the new Chargeurs Fashion Technologies/PCC amalgamation to accelerate its development by leveraging its many strengths and seizing the opportunities created by such a value-enhancing combination.

Note that the amount of PCC Interlining revenue and recurring operating profit consolidated in Chargeurs' 2018 financial statements will not necessarily correspond to the annual reported figures calculated pro rata to the acquisition date, due to the integration schedule and the seasonal nature of the business.



Financial Calendar

Thursday, September 6, 2018 (before trading)
Wednesday, November 14, 2018 (after trading)

First-half 2018 results
Third-quarter 2018 financial information



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.

Prior to acquiring PCC Interlining, it had some 1,600 employees based in 34 countries on five continents, serving a diversified customer base spanning more than 80 countries.

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

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