"A WORLD OF" NICHE MARKET LEADERS

CHARGEURS

Investors Presentation

STRENGTH & VISION

April 2017

1. Summary
2. Our value creation model
3. 2016: An Excellent Performance in a Uneven Macro-Economic Environment
4. A Robust and Disciplined Financial Culture
5. Outlook

1 Summary

Performance, Discipline, Ambitions

2016 results: sustained excellent performance in a still uneven macro-economic environment

- **Sharply higher results, well in excess of targets**:
  - **Revenue** up 5.1% like-for-like to **€506.4m**
  - **Recurring operating profit** up 27.1% to **€38.9m**, despite the negative currency effect in 2016
  - **Double-digit EBITDA growth** across all businesses
  - Net profit up 63% to €25m
  - €5.6m boost to EBITDA from cost-saving plan

- Proven ability to **optimize revenue**:
  - Improved product mix and highly selective marketing strategy, delivering **more profitable revenue generation across all businesses**
  - Optimized currency effect, thanks to **broad industrial and marketing footprint (around 40 countries)**
  - **Acquisition of Main Tape in the United States** (Protective Films division) already starting to pay off

- Increased financial headroom:
  - **High level of cash generation,** allowing the Group to finance an acquisition and capex while also increasing the dividend
  - Two 7-year Euro PP issues for a total of €72m and €33.5m in new revolving credit facilities
  - **Working capital kept under control** despite growth in revenue over the year

- An **exceptional stock market performance**: 81% gain between January 1 and December 31, 2016
  - New liquidity contract
  - Recommended **2016 dividend** at €0.55/share (including €0.20 interim dividend paid in 2016)

Performance, Discipline, Ambitions

2017 outlook: further excellence-driven growth in a still uneven global economic environment

- Ongoing business optimization strategy:
  - Enhanced **industrial and marketing model** for each business
  - Development of a **performance plan** launched in 2015
  - Focus on **a unique talent development program** - Young Talents & Executive Talents - deployed on a global scale
- Enhanced **Chargeurs industrial and marketing excellence model**
  - Faster pace of investment in **innovation**, placed at the center of each business as the core driver of long-term differentiation
  - A deeper **customer service culture,** offering customers long-term and worldwide support
  - Increased emphasis on **managing costs at all stages in the value creation process**
  - An **optimized global footprint,** to **strengthen our industrial and marketing hubs**
- Focus on converting **revenue-to-profit-to-cash**
  - Improved **product mix** and sound selective marketing approach
  - Future savings to come from one-off costs incurred in 2016
  - Improved working capital management throughout the year
  - **Upgraded recurring operating profit target for 2017,** on a like-for-like basis barring unforeseen geopolitical and macro-economic developments
- Increased **financial headroom**
  - New Euro PP issue in H1 2017 to take advantage of historically low interest rates
  - Further extension of the average life of debt across all businesses

Performance, Discipline, Ambitions

Medium and long-term outlook: become a game changer in the Group's industrial niches

- A more robust **Chargeurs business model** focused on developing leadership positions in global niches and a balanced worldwide presence
  - A philosophy of creating **long-term shareholder value**, supported by robust value-drivers
  - High value-added **niche businesses** offering opportunities for differentiation through product excellence and services
  - **European and**, in some cases, **global leadership** positions, developed over the long or very long term
  - Expertise in **managing global businesses** embodied by the **Chargeurs Business Standards** describing the Chargeurs Way
- A reinvigorated culture of **operational excellence**
  - A **decentralized** managerial model by business unit, with considerable added-value provided by corporate oversight and guidance
  - Optimized **innovation-to-sales** cycles and stronger **cross-business innovations**
  - Optimized cost structures, supported by a **continuous productivity improvement** process at the level of each business
  - **Selective profitability-led investment strategy**
- A development strategy that strikes the right balance between **organic growth and acquisitions**
  - Priority given to organic growth and optimizing existing production resources
  - **Highly selective acquisitions**, to maintain a balanced geographic footprint
- A disciplined, efficiently managed financial model
  - Carefully managed **low debt profile**
  - Optimized **profit-to-cash** conversion process (including through dynamic management of tax loss carryforwards)

Our value creation model

Distinctive Growth & Performance Strategy

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CHARGEURS TODAY

A niche market leader

Protective films

No. 1 worldwide in temporary surface protection

Fashion technologies

No. 2 worldwide in interlinings

Technical substrates

European leader in functionalized textiles

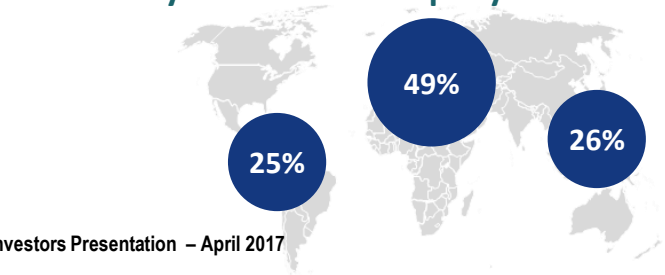
Luxury materials

No. 1 worldwide in high quality combed wool

A 500M€ revenue profitable company and strong balance sheet

506 M€	49 M€	39 M€
Revenue	**EBITDA**	**Recurring Operating Profit**

An already worldwide company



OUR AMBITION IN THE COMING YEARS

Becoming a niche market "Game Changer"

- **Consolidate leadership** in our businesses with targeted key acquisitions and R&D developments
- Move **up along the value chain** by developing new activities
- Invest in adjacent niche markets

Generating >1bn€ revenue up to 10 years, with increased margins and strong balance sheet

- Increase revenue thanks to **organic growth** and **targeted acquisitions**
- Increase margin thanks to **game changer new products** and services, marketing innovation and **industrial efficiencies**

Becoming an even more worldwide company with highly balanced geographies

- Focus on **growing geographies** (Americas, Asia, Africa) with targeted acquisitions and greenfield opportunities
- **Follow customers** and develop business in new geographies

Chargeurs' Distinctive Vision

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Our mission: Developing niche products and services recognized as remarkable, innovative, reliable and specific in order to enhance the performance and the success of our customers

Market trends		Chargeurs key strengths	Examples
Increasing new niche sub-markets	▪ Multiple changes in our customers' market leading to new demand ▪ Increasing number of sub-segments ▪ Sophistication of technologies	▪ Constant **passion** to meet customers' specific and complex needs ▪ **Deep knowledge** of our market thanks to leading market shares	***Chargeurs Protective Films*** ▪ New machine for steel laser cutting lead to new best seller film ▪ New materials (synthetic marble, zinc…) require innovative films
Complexification of worldwide supply chain	▪ More and more complex customers' supply chain ▪ Increasing value of on time delivery	▪ **Worldwide footprint** to offer local best services ▪ Pioneer ambition and **boldness**, to follow our customers	***Chargeurs Fashion Technologies*** ▪ New factory opened in Ethiopia to follow our customers implementation ▪ Increase focus on specification with opening of New York showroom
Premiumization	▪ Widening market gap between commodity and premium ▪ More and more advanced customer to assess total cost of ownership and to go for premium offer	▪ Commitment and a total control to ensure **permanent reliability**, quality and operational excellence ▪ **Innovation in marketing** to promote premium approach	***Chargeurs Luxury Materials*** ▪ New label to promote wool with specific commitment on supply chain ▪ Premium offer of full traceability
Moving up the value chain	▪ Increasing demand for technical trusted partners ▪ Willingness to have more technical support and increase services	▪ **Strong technical capabilities** with worldwide footprint ▪ **Integration of other activities** along the value chain	***Chargeurs Protective Film*** ▪ Acquisitions of laminator companies to offer machines on top of film ▪ Technical support for majority of customers to select best film

Business Models Aligned With the Best International Standards In Each Segment

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Developing high-end businesses that set Chargeurs apart from competitors

The Chargeurs business model		CHARGEURS PROTECTIVE FILMS	CHARGEURS FASHION TECHNOLOGIES	CHARGEURS TECHNICAL SUBSTRATES	CHARGEURS LUXURY MATERIALS	CHARGEURS
OVERVIEW	Key niche market	Temporary surface protection	Garment interlining	Specialty technical textiles	High quality combed wool	**4 key niche markets**
	Number of market segments covered	10 Construction, automobile, household appliances, electronics	4 Luxury goods, apparel, fast-fashion, sportswear	4 Digital printing, architecture, home furnishings, individual protection	3 Luxury goods, apparel, sportswear	**More than 20 global niche market segments**
	Global position	No.1 worldwide	No. 2 worldwide	A European leader	No.1 worldwide	**A global leader in highly specialized niche markets**
GLOBAL INTEGRATION	% of revenue generated in international markets	> 90%	> 90%	70%	100%	**> 90%**
	Number of countries covered	> 70 countries	> 70 countries	> 30 countries	> 20 countries	**Over 70 countries covered worldwide**
	Number of countries where Chargeurs has marketing operations	> 50 countries	> 20 countries	> 20 countries	5 countries	**Present in all regions of the world**
HIGH BARRIERS TO ENTRY	High quality customer solutions	Industrial materials and surface protection	Garment interlinings and technical reinforcements	Functionalized technical textiles	High quality wool for garments	**Providing not just products but integrated solutions to all customers**
	A deep pre-sale and after-sale service network	> 10 Service Centers around the world	> 20 marketing subsidiaries	Around 100 distributors worldwide	7 marketing subsidiaries	**A 100% customer-centric service culture**
	Degree of product specificity	+++	+++	+++	+++	**+++**
	Level of qualitative excellence	+++	+++	+++	+++	**+++**
	Level of customer loyalty	+++	+++	+++	+++	**+++**
	Degree of customer portfolio diversification	+++	++++	++ to +++	+++	**> 7,000 industrial customers served worldwide**

Business Models Aligned With the Best International Standards In Each Segment

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Consolidating a new industrial excellence model

The Chargeurs business model		CHARGEURS PROTECTIVE FILMS	CHARGEURS FASHION TECHNOLOGIES	CHARGEURS TECHNICAL SUBSTRATES	CHARGEURS LUXURY MATERIALS	CHARGEURS
A CULTURE OF EXCELLENCE ACROSS ALL CORE PROCESSES	Use of cutting-edge technologies	+++	+++	+++	+++	+++
	Policy of continuous technological innovation	30% of products less than 5 years old	Creation of the world's thinnest interlining	Development of Decoprint products	Total traceability of wool sold to customers	**A policy of continuous technological innovation embraced by all 4 businesses**
	Cutting-edge equipment in key plants	Development of solvent emulsion	World's first ultra-thin (40 gauge) technical knitting machine developed in 2015	Creation in 2015 of a 5-meter width coating line	Pioneering development of superwash fiber stabilization equipment	**Disruptive innovations in all Group businesses**
	Globally balanced manufacturing footprint	2 sites in Europe 2 sites in North America	1 site in Europe 3 sites in Asia-Pacific 1 site in North America 2 sites in South America 1 site in Africa	1 site in Europe	4 industrial partnerships North America, South America, Asia	**13 manufacturing units 4 industrial partnerships Global coverage**
	Green innovation and production policy	Solvent recovery unit brought on stream in France in 2015	Recycled plastics production line brought on stream in 2016	EstoMpe®, a coated fabric that selectively filters electromagnetic waves	Total traceability of wool	**Corporate social responsibility culture integrated into customer offering**
	Number of R&D and Quality laboratories	4	7	1 (10% of subsidiary's employees)	4	**More than 10 R&D centers**
A DISTINCTIVE PERFORMANCE	Sustained increase in percentage of value-added products	✓	✓	✓	✓	**High level of resilience**
	First-class management team	+++	+++	+++	+++	+++
	High profitability levels (2016 EBITDA margin)	13,3%	8,9%	19,1%	Business analyzed based on ROCE metrics	**9,6%**
	High cash conversion rate	+++	+ to ++	+++	++ to +++	**++ to +++**
	Substantial return on capital employed	★★★★★	★★★ to ★★★★	★★★	★★★	★★★★

A Successful Value Creation Strategy

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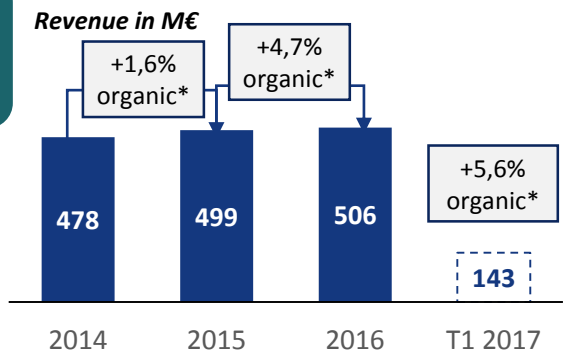
GOOD TO GREAT

Chargeurs' Strategy

An already strong track record

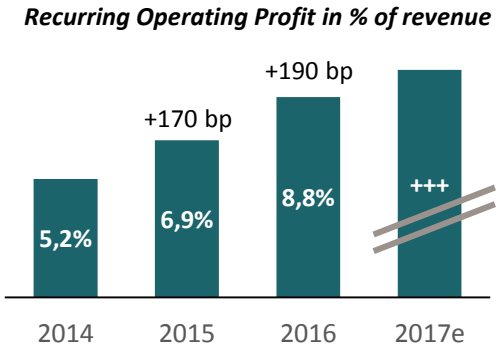
BUILT TO LAST

Organic efficiency



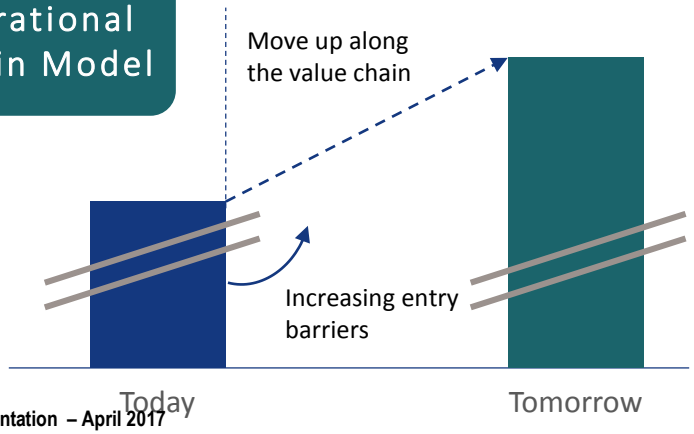
*Excluding Chargeurs Luxury Materials

Operational Margin (Industrial activities)*



*Excluding Chargeurs Luxury Materials

Operational Margin Model



Promising highly focused acquisitions

mt main tape CONFIDENCE ON CONTACT

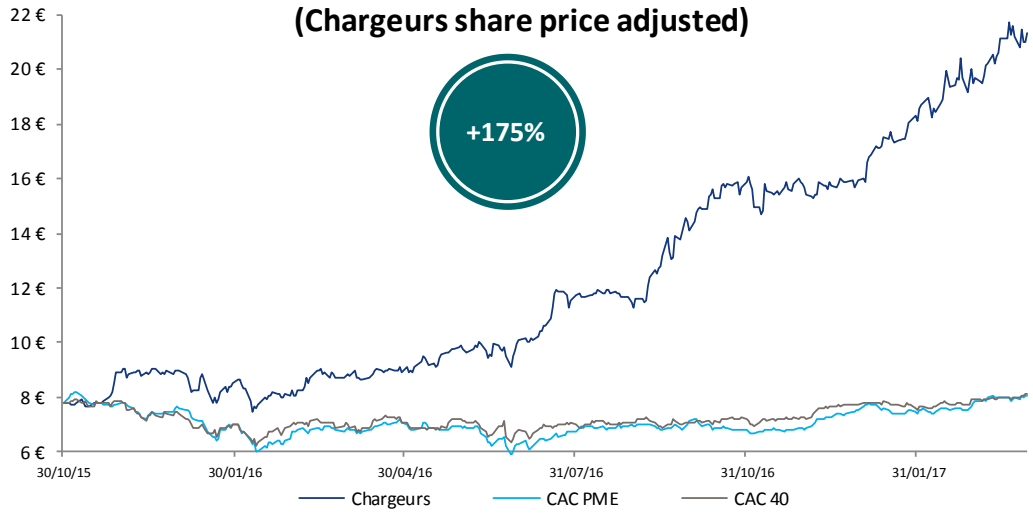
SOMERRA

WALCO

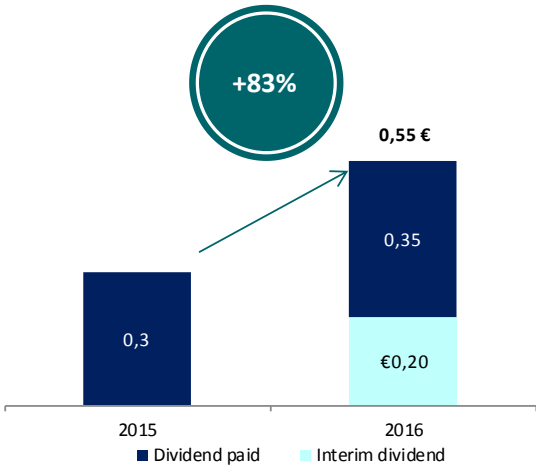
A Strong Shareholder Value Creation

Chargeurs brought high returns thanks to strong profitability improvements

Stock value since change of governance (Chargeurs share price adjusted)



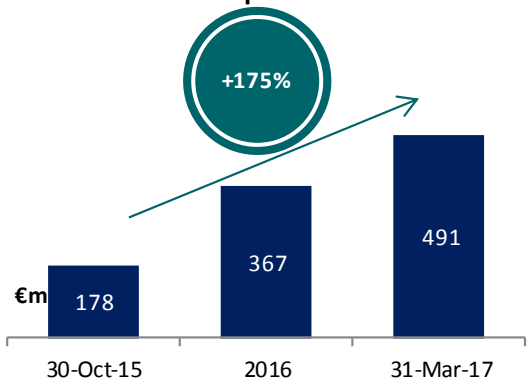
Dividend



- Strong improvement of **profitability,** despite increase CAPEX and OPEX to improve our position on the value chain

	2016	vs. 2015
EBITDA	€48.8m	+ 21 %
Current Operating Income	€38.9m	+ 27 %
Net Result	€25.0m	+ 63 %
Cash flows from operations	€30.0m	+ 24 %

Market capitalization



Our Key Value Creation Enablers

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Market segmentation

Innovation on products and services

Customer proximity

Managing talents

Industrial and logistic excellence

Digital at the core of our processes

Innovative Marketing

Our Key Value Creation Enablers in Medium and Long Term

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Our strategy : Performing as leader, acting as Game Changer

Market segmentation	Focus on growing geographies : Asia, Americas, Africa	Focus on profitable technical markets	Designing sub-market product and service offers	Increasing market shares in end sub-markets	Increasing barriers to entry
Innovation on products and services	Developing IP & new know-how	Accelerating products' renewal with game changers	Offering additional services and solutions	Fostering worldwide R&D networks	Reducing R&D lead-time
Customer proximity	Co-development product with customers	Accompanying customers worldwide	Very long term relationship	Specification & Homologation	Local and Global Coverage
Managing talents	Local Management	Young Talent Program	Executive Talent Program	Continuous Effective Training	Worldwide Opportunities
Industrial and logistic excellence	Smart Manufacturing	Industry 4.0 Model	Lean Management & Six Sigma	Focus on Effectiveness	Logistic Improvement
Innovative Marketing	Pre-sales exclusive solutions	High performing CRM	State-of-the-art marketing tools	Digital Marketing	Strong Monitoring
Digital at the core of our processes	Chargeurs what's up management tools	Data base management	Worldwide digital bridges	High cyber security focus	Digital training

Our Model for High Potential Targeted Acquisitions

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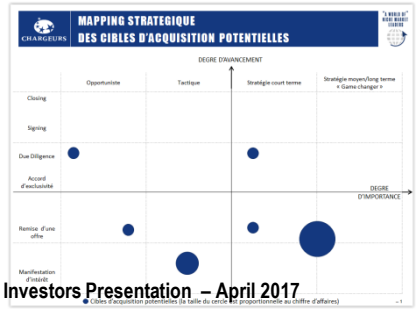
Proven approach with achieved acquisitions

Analysis

- Leverage deep market knowledge as industry leader
- Focus on qualitative and profitable companies with complementarities
- Approach preventively targeted company



Pre-acquisition

- Perform due diligence including technical, financial, legal and environmental
- Assess synergies
- Negotiate final offer

Integration

- Secure team from acquired company
- Leverage Chargeurs Business Solution team to ease integration process
- Track integration with steering committee

Transform

- Improve customer service
- Enhance processes thanks to knowledge from Chargeurs
- Bring portfolio of innovative products
- Monitor synergies

Main Tape: the First Targeted Acquisition Illustrating Chargeurs' New Strategic Growth Model

- **A high-quality company with a significant presence across the United States and proven expertise in temporary surface protection**
  - Revenue of US$27m in 2016, mainly from US operations
  - A comprehensive array of high-quality customer solutions
  - Four markets: metals, building & construction, specialty applications and automotive

- **Extended leadership in the Group's largest business and largest market**
  - A robust leadership position in the growing US market complementing the position held by CPF
  - An iconic brand that enjoys a strong reputation in the United States and products that represent a very good strategic fit with CPF's line-up
  - A second manufacturing facility in the dollar zone that improves the allocation of CPF's global production output
  - A plant located close to the airport and seaport in Newark, a fast-growing suburb of New York
  - A surgical transaction, reflecting the Group's prudent approach and disciplined financial culture
  - A positive contribution to profit from year 1

A Transaction Offering Major Benefits for Both Main Tape and CPF In Line With Forecasts

A methodical integration process enabling Main Tape to transition to Chargeurs' world-class manufacturing standards

- An integration process managed with the same rigor and attention to detail as the acquisition
- Monthly meetings of a steering committee made up of Group and CPF executives, to systematically review the various integration projects
- Transfer in progress of European manufacturing operations
- More effective quality systems have been introduced in Europe, maintenance processes have been upgraded and manufacturing processes have been improved

Qualitative and highly targeted acquisitions in the worldwide market for film laminators

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- **Customers of Chargeurs Protective Films use so-called laminators to apply films to their products (glass, metal, plastic, etc.)**
- **Chargeurs Protective Films has just completed two operations in the laminator market, covering two innovative and fast-growing companies:**

  - Walco (USA) : A leader in the North American market, achieved sales of $ 1.4 million in 2016, with significant growth prospects; It supports its development on a strong culture of innovation and customer service.
  - Somerra (France) : Leader of the French market, achieved a turnover of nearly € 1 million in 2016; It has a high-performance design office, which allows its customers to offer value-added laminators, notably in the glass segment.

- **By becoming a leading player in the world market for film laminators, Chargeurs intends to offer its customers a complete range of Application Machines-Films, enabling it to strengthen its footprint customers and promote the growth of its film sales**

WALCO

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A Powerful & Effective Management Model

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Chargeurs leverages multicultural worldwide management teams

A worldwide transformation management

- Implementation of Chargeurs Business Standards
- Monitoring of high impact projects with dedicated team (Chargeurs Business Solution)
- Supporting of key developments (investment, acquisition) with finance and legal activities
- Financing acquisitions and investments

Global coordination

- Sharing technical best practices
- Consolidating market knowledge and customer needs
- Managing R&D with development of game changer products
- Optimizing industrial footprint
- Tracking Performance Plan

Strong local commitment

- Bringing good knowledge of local specificities
- Establishing Entrepreneurship spirit
- Ensuring good reactivity to market moves
- Enabling easier integration of new industrial companies
- Leveraging multicultural teams
- Ensuring local best in class customer service

Benefits From Being Chargeurs' Shareholders

Accessing, Leveraging and Materializing

- **Accessing** to a long term distinctive industrial niche market growth and performing strategy
- **Accessing** to more than 40 macroeconomic business cycles thanks to worldwide presence

- **Leveraging** day to day strong commitment from a multicultural and decentralized worldwide team focused on effectiveness
- **Leveraging** the very long term involvement from a reference shareholder headed by Group Chairman and CEO

- **Materializing** cumulative and compounding long term value creation and capital gain
- **Materializing** over-than-standard cash returns thanks to strong cash flow generation and good payout ratio

A Strong & Rewarding Mutual Trust with Stakeholders

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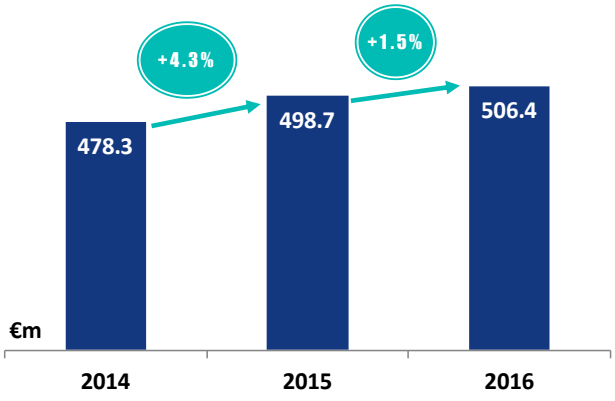
We Deliver	CHARGEURS MUTUAL TRUST	We Expect
■ Innovative reliable & Efficient products and services ■ Worldwide competitive availability	Our CUSTOMERS	■ Very long term relationship ■ Continuous profitable business opportunities
■ Respectful care ■ Job & personal development opportunities	Our PEOPLE	■ Passion and daily commitment for excellence ■ Loyalty and self-challenge
■ Distinctive game changer strategy in industrial niche market business ■ High-range long term value creation performance	Our SHAREHOLDERS	■ Mid-to-long term involvement enabling long term success ■ Smart constructive support to strategy and organization
■ Over-than-state of the art business social & environment innovation ■ Long term involvement alongside local communities	THIRD-PARTIES & CIVIL SOCIETY	■ Game changer opportunities ■ Business environment ability and stability

2016: An Excellent Performance in a Volatile Macro-Economic Environment

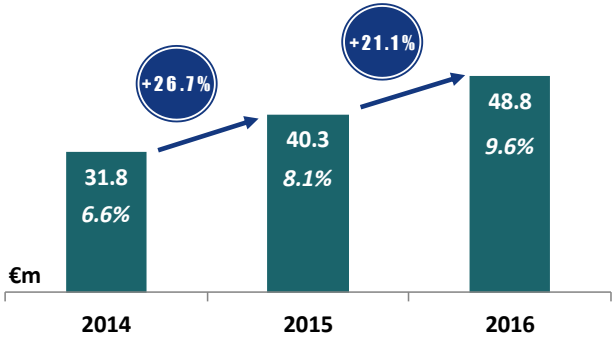
Sharply Higher Profits in 2016

A new dimension

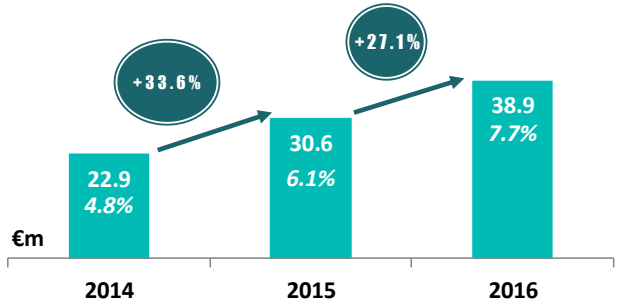
Revenue



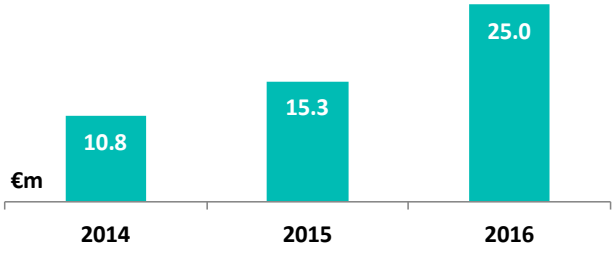
EBITDA



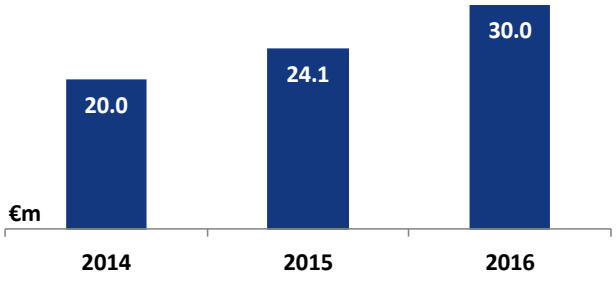
Recurring Operating Profit



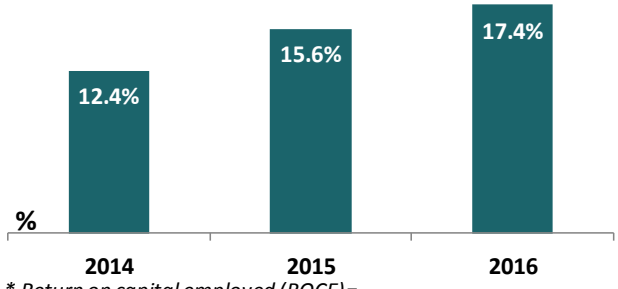
Attributable net profit



Cash flow



Return on capital employed (ROCE)



** Return on capital employed (ROCE)=*
Recurring operating profit / Capital employed *(Cf. page 53)*

Double-digit EBITDA Growth Across All of the Group's Businesses

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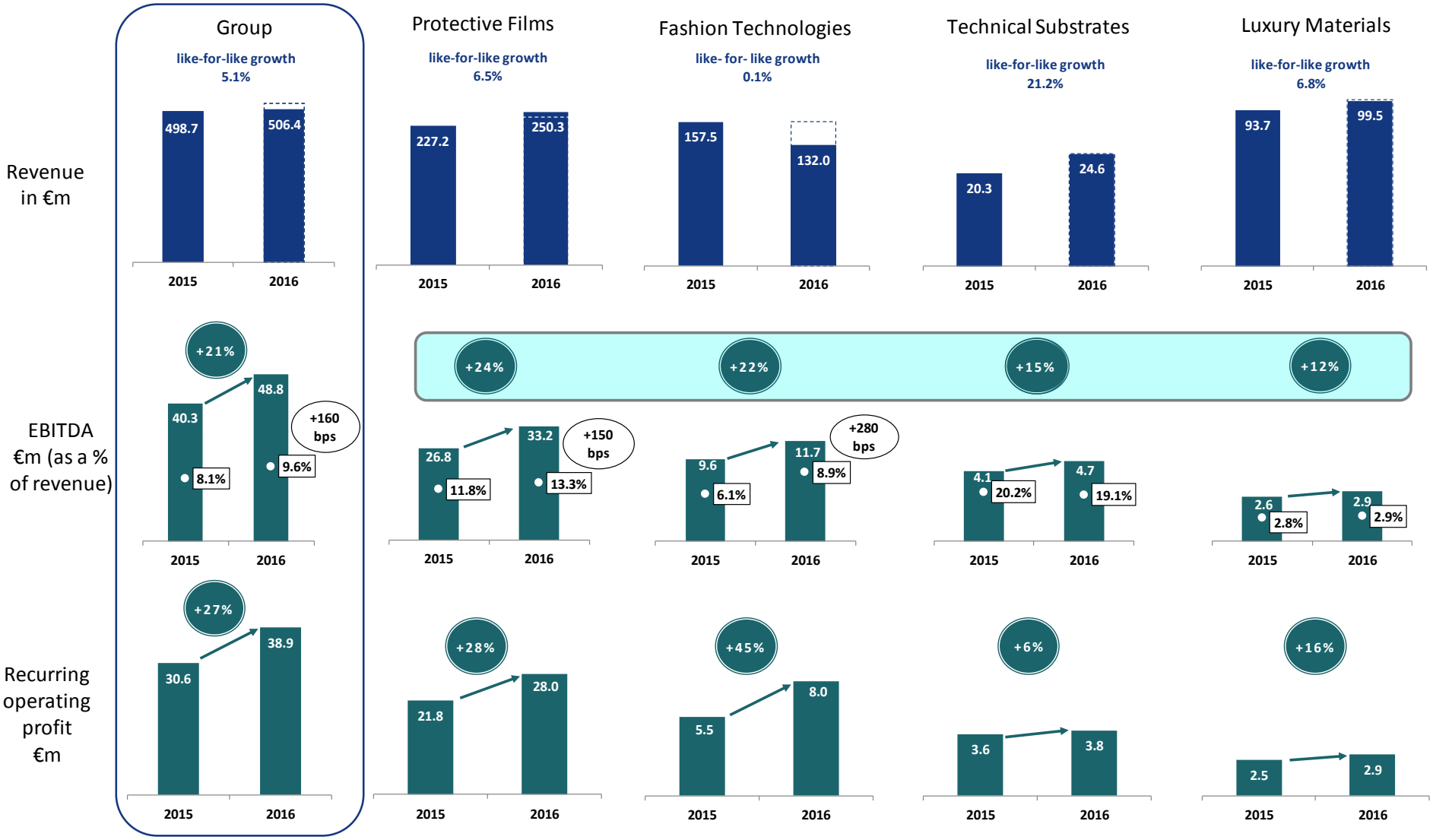

Profitable Revenue Growth

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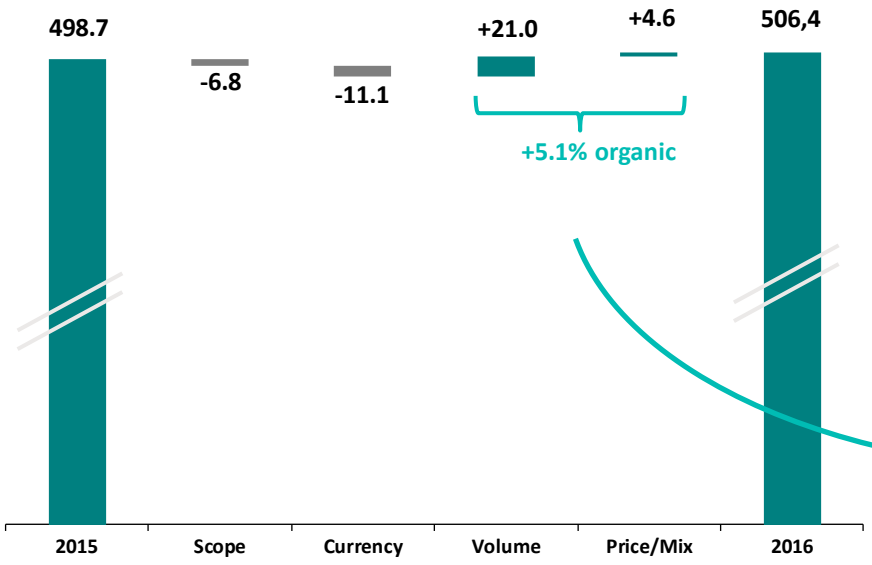
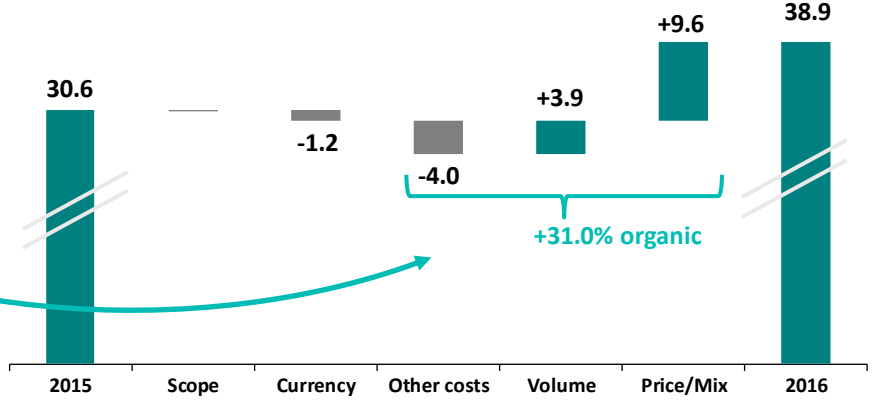
Revenue bridge (€m)



Recurring operating profit bridge (€m)



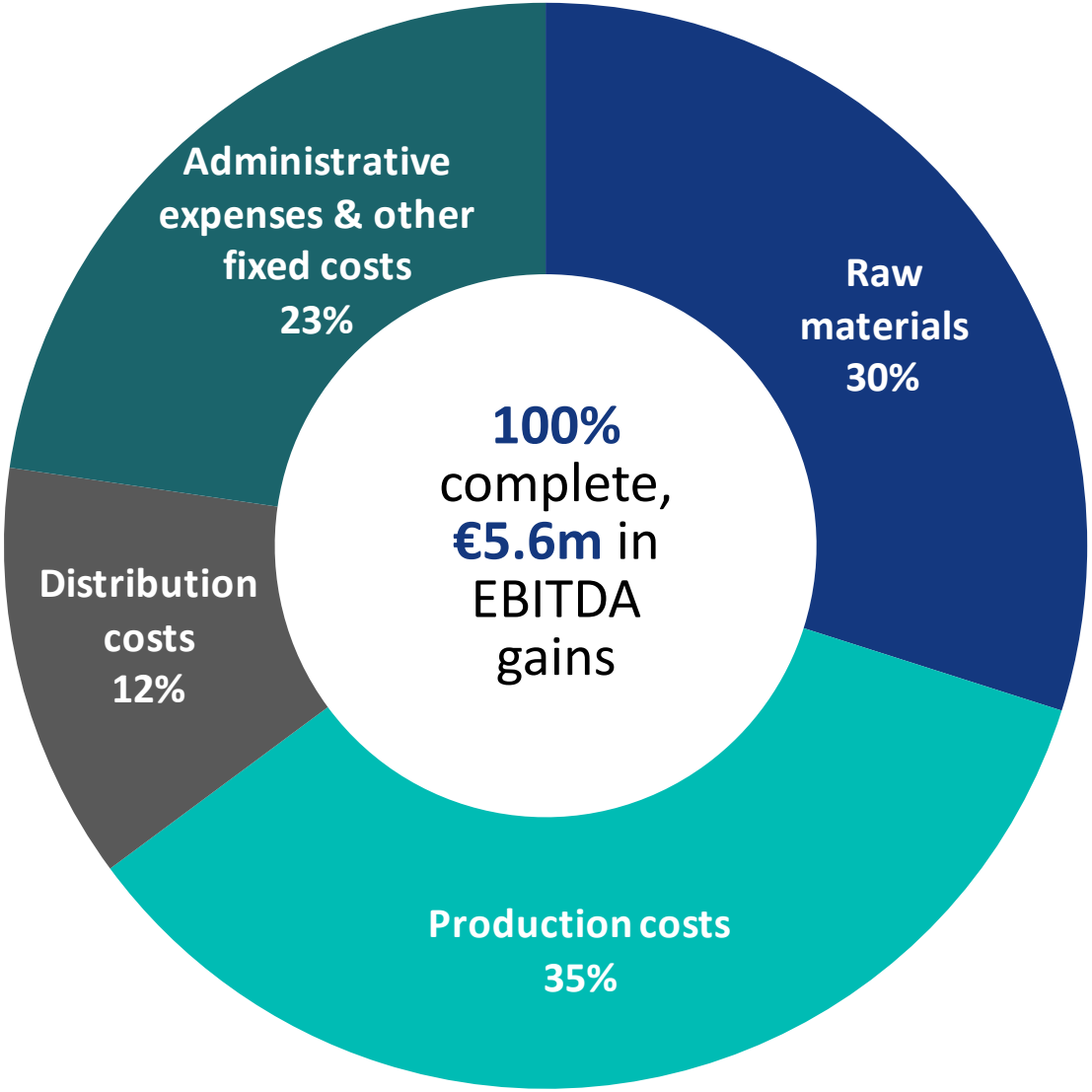
Main effects on revenue

- Scope — Yak Trading disposal & Main Tape acquisition
- Currency — Argentine peso
- Volume — all businesses
- Price/mix — mainly Protective Films & Luxury Materials

Main effects on recurring operating profit

- Currency — negative impact on all businesses
- Other costs — business growth at Protective Films
- Volume — mainly Protective Films
- Price/mix — all businesses

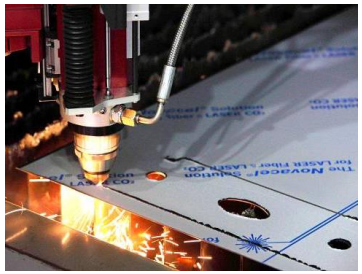
Successful Implementation of the Performance Plan



Chargeurs Protective Films

« The leading innovative coating solutions »

- Protecting numerous, constantly evolving, technical surfaces
  in the construction, household appliances, automotive & electronics industries
- Innovation in products *(e.g., fiber laser)* and processes *(e.g., machine coating)* coupled with bespoke customer service central to the differentiation strategy
- Global leadership extended with the acquisition of **Main Tape** in the United States in July 2016



CHARGEURS PROTECTIVE FILMS

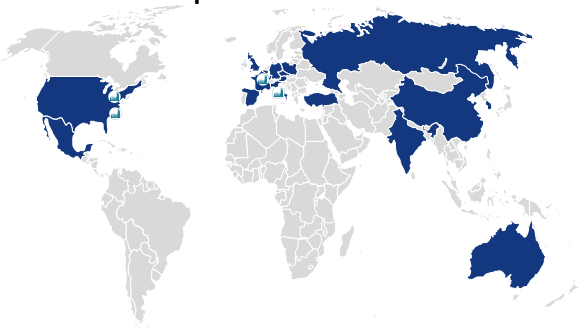
A Market Leader Dedicated to Customer Service

"A WORLD OF" NICHE MARKET LEADERS

An expert manufacturer of self-adhesive plastic films used to protect surfaces at every stage of the transformation, handling, transportation and fitting process

- A **comprehensive range** of products developed by leveraging **expertise in all the related technologies**

- **Four main customer markets (and a dozen niche segments):** construction, manufacturing, automotive and electronics industries
- **Strategic focus on delivering innovation** and partnering customers by recommending bespoke surface protection solutions, with a constant commitment to sustainable development
- A global leader:
  - Over **90%** of revenue generated in international markets
  - Over **600** employees in some **20** countries
  - **4** production units: France, Italy, the United States (2)



Financial Highlights

Over €250m in revenue and 150-bps increase in EBITDA margin

(in euro millions)	2016	2015	Change	
Revenue	**250.3**	227.2	+23.1	+10.2%
Like-for-like change				***+6.5%***
EBITDA	**33.2**	26.8	+6.4	+23.9%
As a % of revenue	***13.3%***	*11.8%*		
Recurring operating profit	**28.0**	21.8	+6.2	+28.4%
As a % of revenue	***11.2%***	*9.6%*		

- Further improvement in product mix reflecting CPF's ongoing innovation drive, technological differentiation and broader global footprint
- High business volumes
- New production capacity in the dollar zone with the Main Tape acquisition in July 2016
- Efficient management of costs and currency effect

Chargeurs Fashion Technologies

« IN'SIDE FASHION »

- Present in the products of over 1,600 leading brands in the luxury, bespoke and fast-fashion segments
- **Innovation:**
  interlining fabric made from recycled polyester yarn **(Eco'In)**
- Environmentally responsible products:
  80% of products are certified **Oekotex Class 1**-compliant
- Expertise in all phases of the manufacturing process

CHARGEURS
FASHION
TECHNOLOGIES

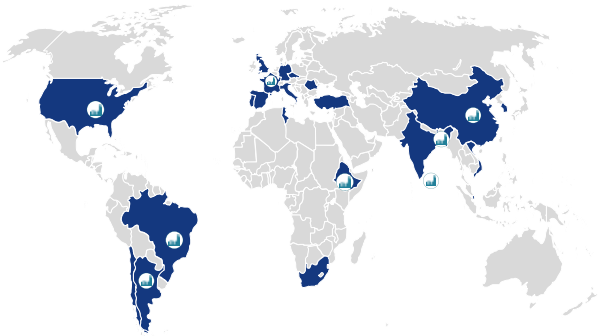
Positioned Competitively As One Of The Top Two Interlining Manufacturers

"A WORLD OF" NICHE MARKET LEADERS

An expert in the production of interlining, the only technical fabric used by the apparel industry, which is essential to help garments keep their shape

- Vertically integrated production, to maintain **control** over all phases in the **production process**

- A **diversified customer base** that includes **prestigious brands**
- A **strategy** focused on high **value-added** production combined with a highly selective marketing approach and tight control over costs
- A "think global, act local" organization:
  - Some **90%** of revenue generated in international markets
  - Over **750** employees in more than **20** countries
  - **8** production units on **4** continents



CHARGEURS FASHION TECHNOLOGIES

Financial Highlights

"A WORLD OF" NICHE MARKET LEADERS

Sharply improved operating performance: EBITDA margin up 280 bps and recurring operating profit up 45%

(in euro millions)	2016	2015	Change	
Revenue	**132.0**	157.5	-25.5	-16.2%
Like-for-like change				***+0.1%***
EBITDA	**11.7**	9.6	+2.1	+21.9%
As a % of revenue	***8.9%***	*6.1%*		
Recurring operating profit	**8.0**	5.5	+2.5	+45.5%
As a % of revenue	***6.1%***	*3.5%*		

- Continued implementation of selective marketing policy focused on the more profitable sources of revenue: withdrawal from the Yak joint ventures in China in the first half of 2016
- Transfer of Chinese manufacturing operations to CFT plant located close to Shanghai
- Full-year impact of restructuring plan launched at end-2015 and improvement in product mix (e.g., launch of 40-gauge interlining products in February 2016)

Chargeurs Technical Substrates
An industrial champion

- A strong innovation culture embedded in the Group's business model:
  - Development of **EstoMpe®**, a coated fabric that selectively filters electromagnetic waves (GSM, WiFi)
  - **Capacity** increases to offer customers innovative solutions with a **5-meter width**

An Industrial Champion

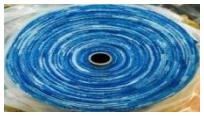
A European leader in its niche market for specialty technical textiles

- Senfa has 40 years' experience of functionalizing technical textiles, drawing on its expertise in two specialty areas – fabrics and chemicals – and its passion for innovation
- Proven expertise in building positions in emerging market segments:
  digital printing, interior decoration and venue display
- The specific formulation and manufacturing processes represent very high entry barriers
- Manufacturing facilities comply with the highest international standards
- Products enjoy a strong reputation and offer distinctive solutions
- Budget control processes are among the best in the market
- Senfa operates on a stand-alone basis with its own executive committee whose members represent the company's core competencies

The keys to Senfa's market success:

- High-level expertise in textiles and technical coating technologies
- Unrivaled print quality
- Continuous product development to keep pace with market trends
- R&D department able to respond to customer needs by developing bespoke products
- Products whose quality & properties set them apart (e.g., blackout, soundproofing)
- Efficient and effective customer service
- A coated textile offering in widths of up to 5 meters

Textile



Paste coating formulation

5-meter width coating

Inspection

Total Quality Controls

Warehousing & Supply Chain

Financial Highlights

Successful 5-meter width coating line and product innovations

(in euro millions)	2016	2015	Change	
Revenue	**24.6**	20.3	+4.3	+21.2%
Like-for-like change				***+21.2%***
EBITDA	**4.7**	4.1	+0.6	+14.6%
As a % of revenue	***19.1%***	*20.2%*		
Recurring operating profit	**3.8**	3.6	+0.2	+5.6%
As a % of revenue	***15.4%***	*17.7%*		

- More than 20% like-for-like revenue growth to some €25m
- EBITDA up by nearly 15%, reflecting tight control over costs and effective absorption of fixed costs associated with new coating line
- Improved operating performance, with recurring operating profit at €3.8m

Chargeurs Luxury Materials

(previously Chargeurs Wool)

- Local and global expertise with a strict policy of transparent communications with suppliers and customers ("**From the Sheep To the Shop**"):

- Product quality and traceability: partnerships with local industrials
- Expertise deployed to meet the needs of leading brands and spinning mills

« From the sheep to the shop »

An enhanced business model since 2012

- Local and global expertise with a strict policy of transparent communications with suppliers and customers
- Expertise deployed to meet the needs of leading brands and spinning mills
- Chargeurs Luxury Materials is committed to supplying high quality, traceable products:
  - Partner combing mills are in the process of obtaining RWS certification guaranteeing the quality of our wool
  - We supply organic wool complying with Global Organic Textile Standards
  - In partnership with New Zealand Merino, we offer ZQ-certified wool, an exceptionally high quality fiber produced in a manner that conforms to the highest environmental and sustainability standards
  - We promote application of the highest standards of animal welfare and oppose mulesing practices both in Latin America and in Australia and New Zealand

Financial Highlights

A sharper focus on high-end products

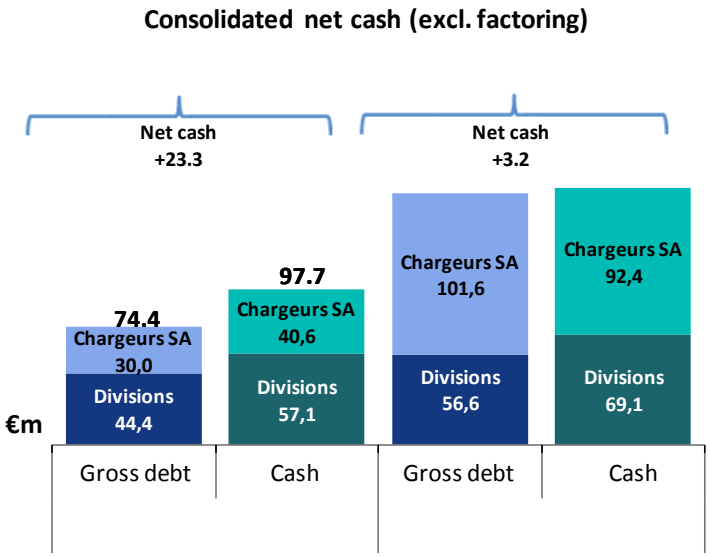
(in euro millions)	2016	2015	Change	
Revenue	**99.5**	93.7	+5.8	+6.2%
Like-for-like change				***+6.8%***
EBITDA	**2.9**	2.6	+0.3	+11.5%
As a % of revenue	***2.9%***	*2.8%*		
Recurring operating profit	**2.9**	2.5	+0.4	+16.0%
As a % of revenue	***2.9%***	*2.7%*		

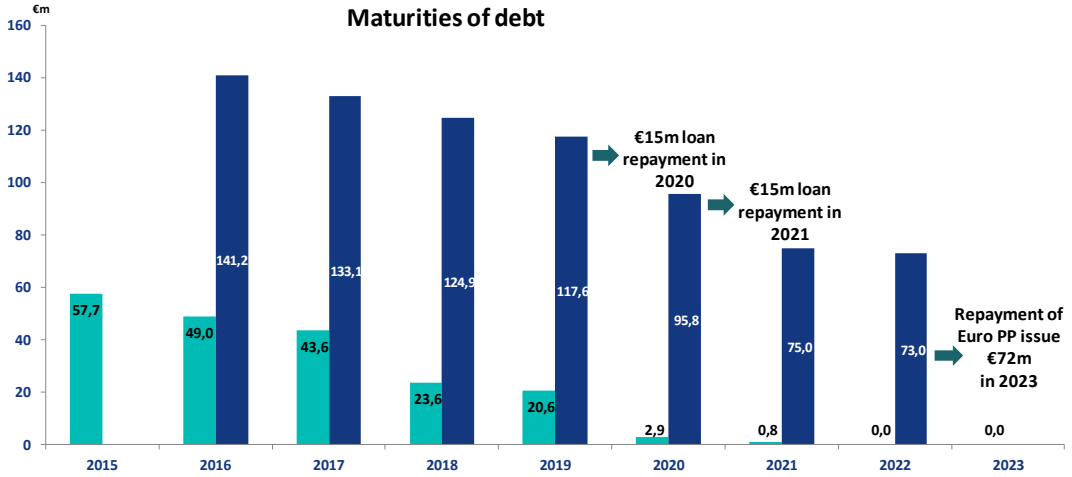
- Chargeurs Wool has been renamed Chargeurs Luxury Materials to underscore its expertise in high quality combed wool for customers at the luxury end of the apparel market
- Strategic focus on high quality, traceable and durable fibers, aimed at offering premium services
- Revenue of some €100m and operating profit up 16% at €2.9m

A Robust and Disciplined Financial Culture

A Robust Balance Sheet

A powerful financial position that was further strengthened in 2016





Average life of debt extended from 3.4 to 5.1 years

€123m in new Group financing in 2016:

- **€105m at parent company level,** including:
  - €72 million: two 7-year **Euro PP** repayable at maturity
  - €33 million: new 3- and 5-year confirmed **revolving credit facilities**, undrawn as of Dec. 31, 2016
- **€18m in funding for the divisions**, comprising medium-term bank facilities, lease financing and RCF
- Extension of existing debt maturities

Global Financial Discipline

- A global policy to protect against customer risk and country risk
  - Over 90% of revenue generated outside France
    - ⇨ Credit insurance, wherever this is available (Coface, Euler Hermès)
    - ⇨ Close monitoring of our assets in countries where a risk exists

- Increasingly strict guidelines for managing currency risk

➔ 46% of revenue in foreign currency, including a quarter in currencies pegged to the dollar **we have adapted our foreign currencies hedging strategies to the business model of each division in order to limit our exposure**

➔**Limited impact of exchange rates on 2016 recurring operating profit**

- €11.1m reduction in revenue
- €1.2m reduction in recurring operating profit (after hedging)

A Dynamic Financial Model

- An operating culture that promotes cash generation
  - Tight control over the divisions' working capital
  - Continuous optimization of cash generation process

- Responsive support for newly acquired businesses
  - Cash pool funds made immediately available, in euros or foreign currency
  - Alignment with Group financial standards
    (e.g., by September 2016, Main Tape had already joined the Group reporting system)

- A detailed budget control system that fosters accountability
  - An entrepreneurial performance culture promoted at all levels
  - At the same time as stringent reporting requirements

Consolidated Income Statement

Strong earnings growth

(in euro millions)	2016	2015	Change		*Comments*
Revenue	**506.4**	498.7	7.7	*1.5%*	Up 5.1% like-for-like: improved mix and higher volumes
Gross margin	**129.9**	120.4	9.5	*7.9%*	Improved mix, higher volumes and efficient cost management
As a % of revenue	*25.7%*	*24.1%*			
EBITDA	**48.8**	40.3	8.5	*21.1%*	Cost-saving plan: lower fixed costs
As a % of revenue	*9.6%*	*8.1%*			
Depreciation and amortization	**-9.9**	-9.7	-0.2	*2.1%*	
Recurring operating profit	**38.9**	30.6	8.3	*27.1%*	Improved mix, higher volumes and efficient cost management
As a % of revenue	*7.7%*	*6.1%*			
Non-recurring:	**-5.0**	-6.6	1.6		2016: restruct. €(1.8)m; assets depre. €(0.9)m; dvpt. project €(2.0)m; others €(0.3)m
Operating profit	**33.9**	24.0	9.9	*41.3%*	
Finance costs and other, net	**-2.0**	-5.3	3.3		Deconsolidation of Yak joint ventures (€3.7m favorable impact) and optimized borrowing costs
Income tax expense	**-4.9**	7.4	-12.3		Deferred tax assets recognized for tax loss carryforwards: €2.2m in 2016 *(vs. €13.2m in 2015)*
Associates & JVs, non-controlling interests	**-2.0**	-10.8	8.8		Deconsolidation of Yak joint ventures (€1.7m negative impact) *(in 2015, goodwill impairment losses of €10.4m)*
Net profit	**25.0**	15.3	9.7	*63.4%*	

- Cost-saving plan, improved mix and higher volumes leading to increased operating margin
- 2016 non-recurring items: restructuring costs at Fashion Technologies and development costs
- Finance costs and other, net
  - increased financing, diversified sources, extended average life of debt (from 3.4 to 5.1 years)
  - lower cost of debt: 2.79% in 2016 vs. 3.02% in 2015
- Deconsolidation of Yak joint ventures (CFT): €3.7 million positive impact on "Finance costs and other financial income and expense" and €1.7 million negative impact on "Share of profits/(losses) of associates"
- Net profit up 63%

Statement of Cash Flows

Cash flow up 24% vs. 2015

(in euro millions)	2016	2015	*Comments*
EBITDA	**48.8**	**40.3**	
Non-recurring - cash	*-4.6*	*-5.4*	Restructuring costs of €1.8m and development project costs of €2.0m
Finance costs - cash	*-4.9*	*-4.2*	Increase in financing and maturity extensions & lower average interest rate
Income tax - cash	*-8.0*	*-5.9*	
Other	*-1.3*	*-0.7*	
Cash flow	**30.0**	**24.1**	24% increase
Dividends from associates and JVs	**0.3**	**0.3**	
Change in working capital at constant exchange rates	**0.8**	**8.0**	Efficient working capital management
Net capex	**-10.9**	**-12.9**	Capex: €7m for CPF, €3.3m for CFT ad €0.6m for CTS
Free cash flow	**20.2**	**19.5**	
Dividends	**-11.5**	**-3.2**	2015 dividend: €6.9m & 2016 interim dividend: €4.6m
Changes in consolidation scope	**-20.6**	**-1.1**	Acquisition of Main Tape and deconsolidation of Chargeurs Yak Trading
Currencies	**-0.4**	**0.3**	
Other	**-7.8**	**-1.5**	Partial return of a guarantee deposit (€6m negative impact)
Total	**-20.1**	**14.0**	
Net cash and cash equivalents at beginning of period	**23.3**	**9.3**	
Net cash and cash equivalents at end of period	**3.2**	**23.3**	

- Strong cash generation used to finance additional restructuring operations, a business acquisition, investments in profitable existing businesses and an increase in the dividend

Balance Sheet Analysis

A very robust balance sheet structure

(in euro millions)	December 31, 2016	December 31, 2015	*Comments*
Intangible assets	**92.1**	78.5	€10.9m in goodwill on Main Tape acquisition, €2.6m favorable currency effect
Property, plant and equipment	**61.8**	55.9	Acquisitions: Main Tape (€4.5m positive impact)
Associates and joint ventures	**15.0**	18.1	Deconsolidation of Yak joint ventures (Fashion Technologies)
Net non-current assets	**11.5**	3.2	Return of guarantee deposit (€6m positive impact) and recognition of deferred tax assets (€2.2m positive impact)
Working capital	**43.7**	40.3	Efficient working capital management
Total capital employed	**224.1**	196.0	
Net cash position	**3.2**	23.3	Main Tape acquisition, sustained capex, 2015 dividend + 2016 interim dividend: €11.5 million negative impact
Net assets	**227.3**	219.3	
Equity (excl. non-controlling interests)	**227.3**	219.3	Profit for the year of €25m, less dividends of €11.5m and €3.3m negative adjustment to translation reserve
Equity	**227.3**	219.3	

Number of shares at December 31, 2016 22,966,144

- Two Euro PP issues for a total of €72m in 2016
- Additional 3- and 5-year confirmed lines of credit obtained for a total of €33m

5

Outlook

Q1 2017 : Chargeurs steps up the pace of growth again

(in euro millions)	First quarter 2017	First quarter 2016	Change reported	Change like-for-like*
Protective Films	**70.9**	58.7	*+20.8%*	*+10.2%*
Fashion Technologies	**33.6**	34.3	*-2.0%*	*-3.8%*
Technical Substrates	**6.6**	5.8	*+13.8%*	*+13.8%*
Luxury Materials**	**32.3**	26.5	*+21.9%*	*+17.7%*
Chargeurs	**143.4**	**125.3**	*+14.4%*	*+8.1%*
Chargeurs, excluding Luxury Materials	**111.1**	**98.8**	*+12.4%*	*+5.6%*

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

*** Chargeurs Luxury Materials is the new name given to Chargeurs Wool to reflect its expertise in the supply of premium combed wool for luxury market customers.*

- **Chargeurs Protective Films : solid growth dynamics**
  - Significant increase in volumes
  - Improvement of the product mix driven by the continuous launch of innovations
  - Contribution of the production capacity of Main Tape in the United States (acquired in July 2016)
- **Chargeurs Fashion Technologies : Turnover in line with the strategy and a less advanced schedule in 2017**
  - Continuation of the strategy, already very successful in 2015 and 2016, focusing on the most profitable activities
  - Unfavorable baseline effect of purchasing schedule for winter season of major international brands: less advanced in 2017
- **Chargeurs Technical Substrates : A very significant increase of 13.8%**
  - Progressive loading of its production line in width 5 meters (inaugurated at the end of 2015)
  - Continuous development of innovations for the digital market on textile supports
- **Chargeurs Luxury Materials : Net increase of + 21.9% with no expected impact on operating margin**
  - Historical rise in wool prices and favorable currency effect related to the New Zealand dollar
  - Structural upgrade and supply chain investments for luxury customers

2017 Outlook

- Improved operating performance
- Ongoing innovation-led differentiation
- Increased financial headroom: liquidity buffer, longer debt maturities
- Ability to take up attractive acquisition opportunities
- 2017 guidance:

Revenue (excluding Chargeurs Luxury Materials) *	+
Recurring Operating Profit	++
Cash flow	+++

** Based on a comparable scope of consolidation and at constant exchange rates, barring any major global macro-economic upset*