H1 2023 financial results

SEPTEMBER 7, 2023

TRANSFORMATION AND DISCIPLINE

CHARGEURS

High Emotion Technology®

NATIONAL AIR AND SPACE MUSEUM by MUSEUM STUDIO, Washington DC, USA

Disclaimer

This presentation may contain forward-looking statements relating to the business, results and financial position of the Chargeurs group.
Such forward-looking statements are based on assumptions that are currently considered reasonable, but which are dependent on external factors and unforeseeable events such as changes and developments in:

- the health crisis across all the Group's geographies,
- the geopolitical backdrop,
- the economic climate,
- commodity prices,
- exchange rates,
- laws,
- demand in the Group’s leading markets,
- new product launches by competitors.

The performance targets and estimated objectives included in the *Leap Forward 2025* strategic plan are also dependent on these unforeseeable events and are provided for information purposes only.

In view of these uncertainties, the Chargeurs group may not be held responsible for any differences between its forward-looking statements and actual results which arise due to new facts or circumstances or unforeseeable developments.

The risk factors that could significantly influence the Group’s financial performance are set out in the Universal Registration Document, which is filed with the French Financial Markets’ Authority (AMF) on an annual basis.

Where this presentation cites information or statistics from an outside source, it should not be interpreted to mean that the Group endorses such information or statistics or considers them to be accurate.

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Introduction

Michaël Fribourg
Chief Executive Officer

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Chargeurs, an international, diversified group and leader in its markets

COMPLEMENTARY BUSINESSES

TECHNOLOGIES

CHARGEURS ADVANCED MATERIALS
World No. 1

CHARGEURS PCC FASHION TECHNOLOGIES
World No. 1

LUXURY

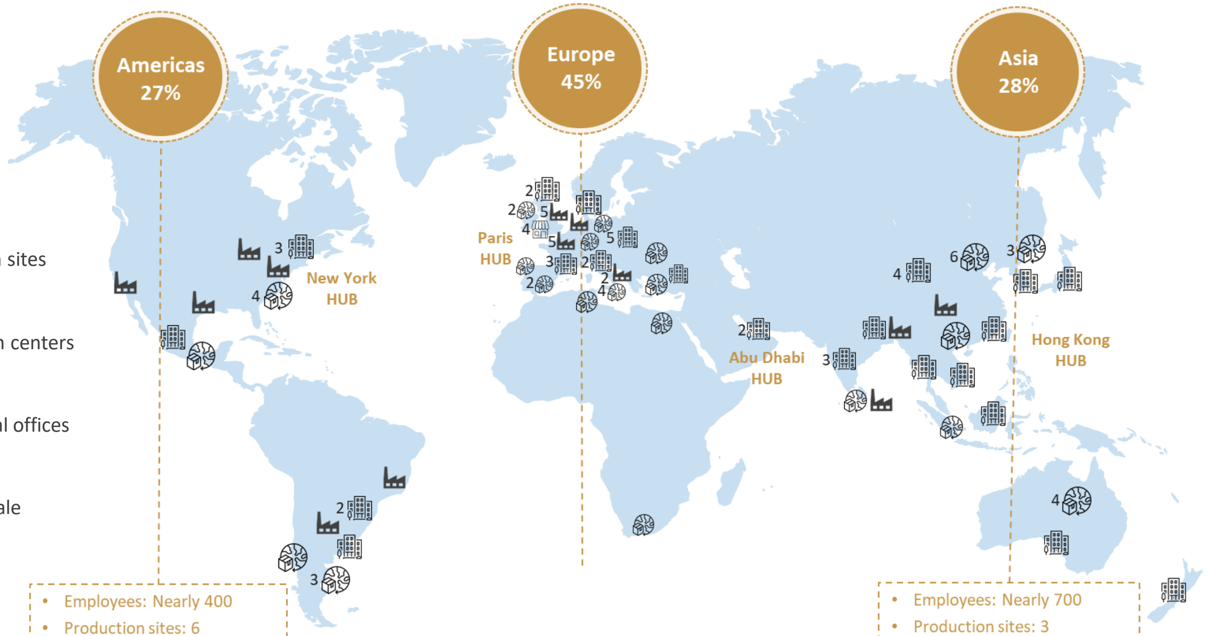
CHARGEURS MUSEUM STUDIO
World No. 1

CHARGEURS LUXURY FIBERS
World No. 1

CHARGEURS PERSONAL GOODS
"Quiet Luxury“ brands

INTERNATIONAL FOOTPRINT

- Production sites
- Distribution centers
- Commercial offices
- Points of sale



- Employees: Nearly 400
- Production sites: 6
- Distribution centers: 13
- Commercial offices: 9

- Employees: Nearly 700
- Production sites: 3
- Distribution centers: 12
- Commercial offices: 17

H1 2023 KEY FIGURES

Revenue	EBITDA	Recurring operating profit	Net cash from operating activities
€352.8m	€24.9m	€14.1m	€4.0m

Flexible and proactive business model with strong operating leverage

A protective portfolio of businesses...

Advanced Materials :

- Thanks to its position as world No. 1, the business has remained profitable despite strong economic headwinds
- Streamlined production tool, low break-even point close to customers

Fashion Technologies :

- Thanks to its position as world No. 1, the business remained profitable during the Covid crisis, with an accelerated rebound over the past 18 months
- Excellence and operating flexibility: cost base under control

Museum Studio

- World champion in cultural services operating in a global market
- High multi-year visibility
- Recognized expertise in the U.S., a showcase for the Group

Luxury Fibers

- Unique value chain driven by innovation: transformation towards a Product As A Service model

Personal Goods

- First steps towards Quiet Luxury trends

...and promising for the Group's future growth

- Optimized production costs and a rebound in profitability as soon as customer volumes recover
- Strong capacity for innovation in high value-added products, targeting demanding new markets. Strong pricing power

- High pricing power thanks to strong innovation
- Potential to increase operating margin by optimizing the product/customer mix
- 2020 health crisis, a revelation of industrial agility

- Becoming a key player in a fast-growing international market

- Strong organic growth potential around the Nativa™ brand
- Global deployment to boost pricing power
- Expanding the share of services in revenues

- Building a brand portfolio in a non-cyclical, high-growth market segment

Low capex consumption
Talented, high skilled teams
Solid balance sheet

Strong capacity for international expansion
Room for operational improvement

A flexible and forward-looking business model: as shown in H1 2023

A protective portfolio of businesses...

	Technologies, resilient profitability in H1 2023		Luxury, 30% of total Group revenue in H1 2023		
	ADVANCED MATERIALS	FASHION TECHNOLOGIES	MUSEUM STUDIO	LUXURY FIBERS	PERSONAL GOODS
H1 2023 revenue	€146.7m	€100.5m	€61.2m	€ 40.3m	€4.1m
H1 2023 Op. Profit	€4.1m	€7.3m	€3.8m	€1.2m	€0.2m





Strong innovative capacity

Pearlflex
Innovation launched with JC Decaux

Oxygen
Sales x2 on H1 2023

Thermo+
Innovation targeting a new market

... with a promising outlook

Signs of rebound and acceleration: positive operating profit in all divisions in H1 2023

- ✓ **Advanced Materials, positive recurring operating profit despite the plunge in volumes**
- ✓ **Fashion Technologies, increased profitability thanks to the business line's pricing power**
- ✓ **Luxury Fibers, sales of the Nativa™ range up 40%**
- ✓ **Museum Studio: revenue up 48.5% like-for-like and operating margin up to 6.2%**
- ✓ **Personal Goods, new business line contributing to revenue (+€4m in H1 2023)**
- ✓ **Operating cash flow of €4m, thanks to well-controlled WCR**
- ✓ **Solid balance sheet and liquidities strengthened further, reflecting high confidence in the Group's all-weather business model**

H1 2023: Chargeurs adapted from the top to the unfavorable economic backdrop

H1 2023 results affected by headwinds

- **High inflationary backdrop** throughout H1 2023
- The **energy crisis** hit energy intensive sectors
- **Wait-and-see global economic outlook**
- **Gradual inventory shedding at industrial customers** impacting the pace of recovery in sales at CAM
- **Cyclone in New Zealand** impacted Luxury Fibers production capacity and sales in H1 2023

Favorable trends started to have a positive impact on Group results in Q2 2023

CAM: industrial breakeven under control

- **Continued customer inventory shedding enabling anticipation of recovery in sales volumes in H2 2023**
- **Decline in revenue in Q2 2023 less marked than in previous quarters**

CFT PCC: resilience and discipline

- **Optimization measures for the product/customer mix, with operating margin expanding by 0.4 pts to 7.2% in H1 2023**
- **Recognized technological know-how and pricing power**

CMS: acceleration in revenue growth in Q2 2023

- **And doubling of H1 2023 operating margin to 3.8% (vs. 1.8% in H1 2022)**

CLF: optimized value chain

- **Success of Nativa™ with sales up 40% in H1 2023**

CPG: diversification into Quiet Luxury

- **Opening of the flagship Swaine store in London**

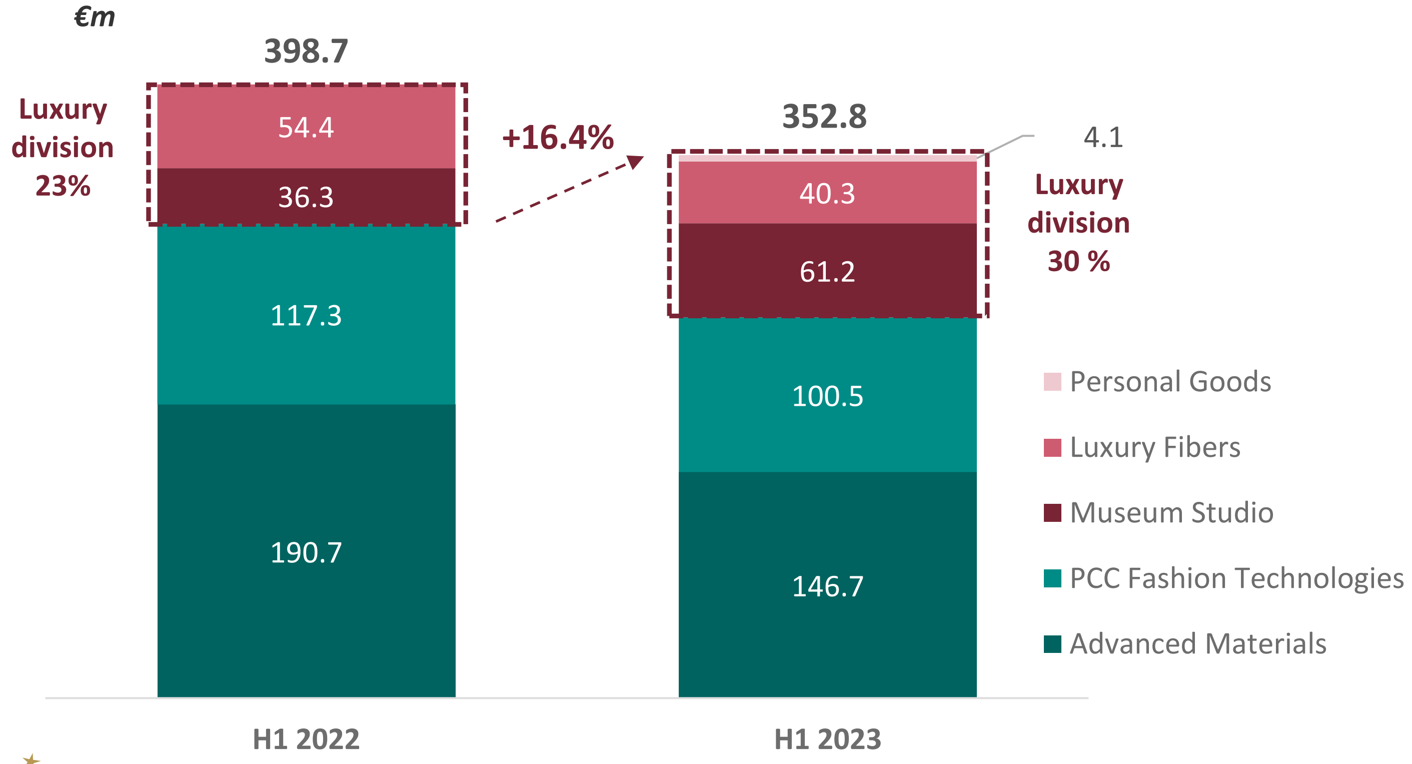
Taking advantage of the current context, Chargeurs continued to transform its business lines, preparing the fundamentals for tomorrow

		Economic situation		Structural demand		Pricing Power		Efficiency of organizations		Product and services innovation	
		Sept 2022	Sept 2023	Sept 2022	Sept 2023	Sept 2022	Sept 2023	Sept 2022	Sept 2023	Sept 2022	Sept 2023
Technologies Division	Advanced Materials	Unfavorable environment	Transitional situation	Promising momentum to be rolled out	Good to strong momentum	Good to strong momentum	Good to strong momentum	Promising momentum to be rolled out	Good to strong momentum	Promising momentum to be rolled out	Good to strong momentum
	Fashion Technologies	Promising momentum to be rolled out	Good to strong momentum	Promising momentum to be rolled out	Good to strong momentum	Good to strong momentum	Good to strong momentum	Promising momentum to be rolled out	Good to strong momentum	Promising momentum to be rolled out	Good to strong momentum
Luxury Division	Museum Studio	Good to strong momentum	Good to strong momentum	Good to strong momentum	Good to strong momentum	Good to strong momentum	Good to strong momentum	Promising momentum to be rolled out	Promising momentum to be rolled out	Promising momentum to be rolled out	Good to strong momentum
	Luxury Fibers	Promising momentum to be rolled out	Promising momentum to be rolled out	Promising momentum to be rolled out	Good to strong momentum	Promising momentum to be rolled out	Promising momentum to be rolled out	Promising momentum to be rolled out	Good to strong momentum	Promising momentum to be rolled out	Good to strong momentum
	Personal Goods	Good to strong momentum	Good to strong momentum	Good to strong momentum	Good to strong momentum	Good to strong momentum	Good to strong momentum	Transitional situation	Promising momentum to be rolled out	Promising momentum to be rolled out	Good to strong momentum

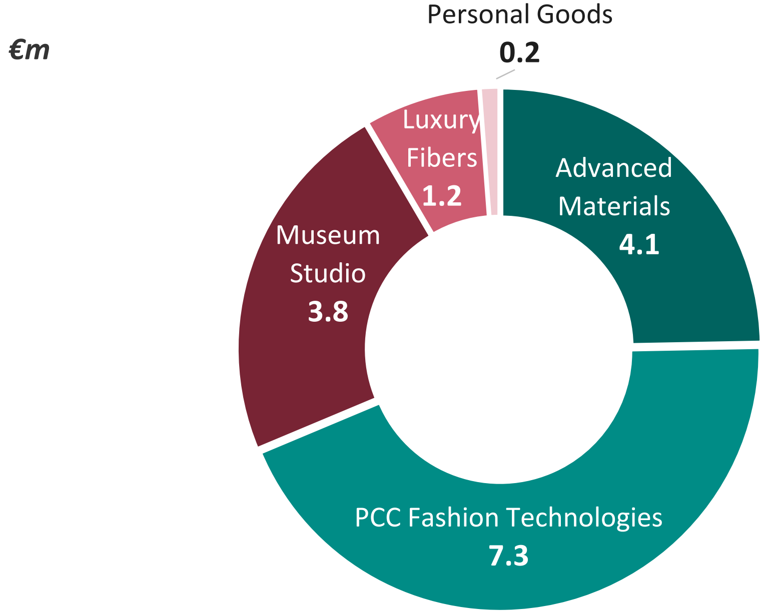
- Good to strong momentum
- Promising momentum to be rolled out
- Transitional situation
- Unfavorable environment

New growth drivers have mitigated the decline in CAM's contribution to operating profit in H1 2023

Luxury revenue : +16.4% representing 30% of Group revenue, driven in particular by the strong sales momentum of Chargeurs Museum Studio



New growth drivers partially offset CAM's lower contribution to the Group's operating profit



H1 2023
Recurring operating profit

In summary, Chargeurs is advancing with ambition, discipline and flexibility, and maintains its 3 priorities:

Ensure like-for-like growth

Enhance operating performance

Continued cash generation

Assuming the confirmation of a gradual recovery at CAM, Chargeurs' ambition for 2024 is to generate:

- Group revenue in excess of €800m
- EBITDA margin between 9% and 10%
- A Debt/EBITDA ratio of less than 3x

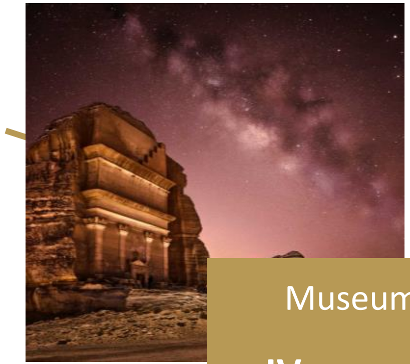
H1 2023 Highlights

Advanced Materials

Low point in activity exceeded

PCC Fashion Technologies

Improved profitability



Museum Studio

JV agreement in Saudi Arabia

SWAINE

Opening of the London flagship store

CSR

Launch of an innovative ZERO WATER range for interlinings

NATIVA™

Sales up +40%

H1 2023 Highlights

Two structuring announcements for future growth in Luxury

- **Joint venture agreement between Museum Studio and Knowliom and Samil Group**

Assist museums and cultural institutions with the development of cultural megaprojects in Saudi Arabia. The collaboration with these groups will enable the study of building additional production capacity for CAM in this country.

Chargeurs accelerates its roll-out in Middle-East markets with strong development potential

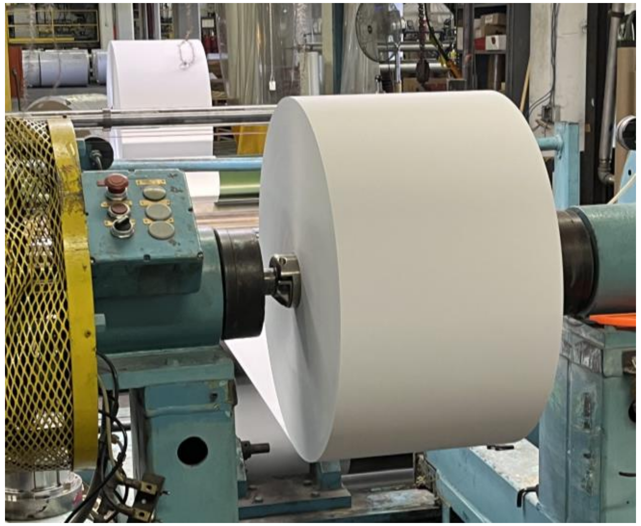
- **Inauguration of the Swaine brand's new global flagship store in London**

Increase the visibility of the brand born in Mayfair in 1750, synonym of excellent craftsmanship and offering British luxury to an upscale clientele.

Major stage in the global roll-out of the Swaine brand

H1 2023 CSR Highlights

Launch of innovative and responsible products, capex to enhance energy performance



CAM:

- **Oxygen continues to pursue its development and attract new customers.** 40% of new products developed at Novacel in 2023 are part of this range, with sales doubling in H1 2023 vs. H1 2022.
- **Investment in the latest technology for machines at the Italian production site**, to reduce consumption of electricity and gas: respectively by ~ 12% and ~ 9% in 2023 (scopes 1-2)*.

CFT PCC:

- **Launch of an innovative and globally unique range of interlining products, Zero Water,** which uses much less water during the dying process.
- **Nativa™** expands into lining applications as a replacement for PES fibers.

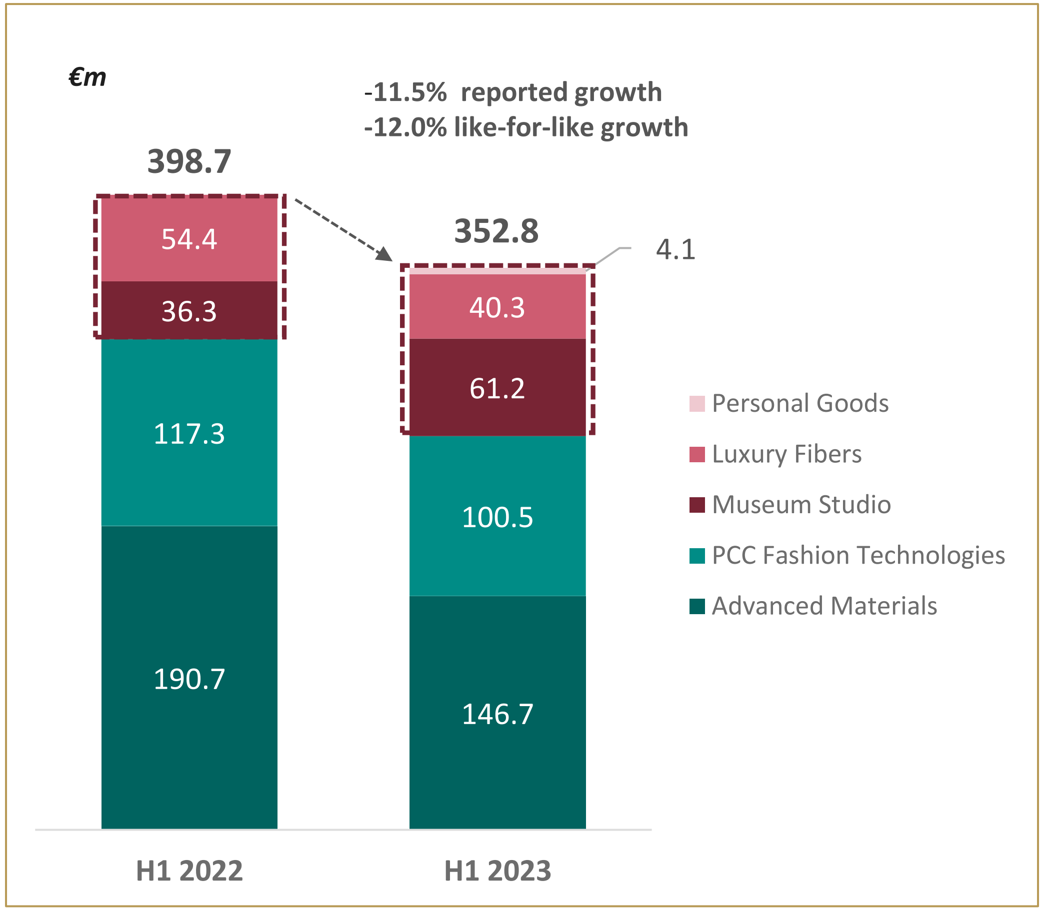
Chargeurs strengthens its leadership in the ecological transition by assisting its customers in their transformation

** For reference, international climate agreements call for GHG emission reductions (scopes 1-2-3) of around 4-5% per year*

Operating and financial review

Olivier Buquen
Chief Financial Officer

The decline in Group revenue in H1 2023 is due mainly to the contraction in sales volumes at CAM

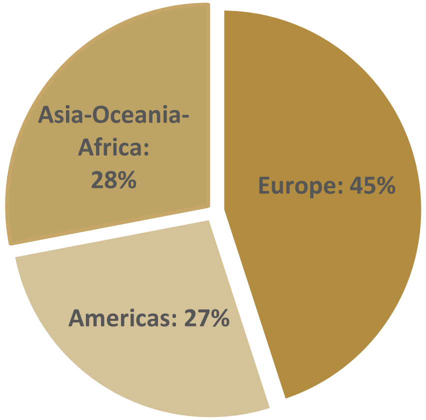


Slower decline in the Technologies division and acceleration in the Luxury division in Q2

2023 vs 2022	Q1	Q2	H1
Luxury division	+1.7%	+32.2%	+16.4%
Technologies division	-22.1%	-17.3%	-19.7%
Chargeurs	**-16.6 %**	**-6.2%**	**-11.5%**

A balanced global presence: Chargeurs capitalizes on growth in Asia and the Middle East

Breakdown of H1 2023 revenue



TECHNOLOGIES Division

Solid fundamentals

CHARGEURS ADVANCED MATERIALS

H1 2023 results impacted by the decline in volumes

Advanced Materials *€m*	2023	2022	*Change*
Revenue	**146.7**	190.7	*-23.1%*
Like-for-like growth			*-23.1%*
EBITDA	**8.6**	21.0	
As a % of revenue	***5.9%***	*11.0%*	
Recurring operating profit	**4.1**	16.0	*-74.4%*
As a % of revenue	***2.8%***	*8.4%*	*-5.6 pts*

Q2 2023	Q2 2022	*Change*
76.0	94.8	*-19.8%*
		-19.2%

- The 23.1% contraction in H1 2023 revenue was due to the decline in industrial volumes at our customers tackling the energy and inflation shocks suffered globally since the summer of 2022
- The fall in Q2 2023 revenue was less marked than in previous quarters
- In an environment of low, CAM, leader in industrial process films, maintained its market share
- The business remains profitable thanks to the flexibility of its organization and its tight control of costs, despite the decline in volumes and the increase in energy costs in Europe
- Chargeurs assumes a gradual recovery CAM to be driven primarily by products and applications linked to the following markets:
  - Industrial equipment (machine tools, fittings and professional equipment)
  - building renovation - residential and non-residential
  - Mobility equipment (automotive, public transports, aeronautics)
  - high-end household appliances and electronics
  - Infrastructure, essential as urbanization increases
  - Industrial and logistics buildings

CHARGEURS PCC FASHION TECHNOLOGIES*

Improvement in operating margin driven by operating leverage and pricing power

PCC Fashion Technologies (excl. Healthcare Solutions) €m	2023	2022	*Change*	Q2 2023	Q2 2022	*Change*
Revenue	**100.5**	111.1	*-9.5%*	49.2	56.5	*-12.9%*
Like-for-like growth			*-1.3%*			*-2.3%*
EBITDA	**10.3**	11.3				
As a % of revenue	***10.2%***	*10.2%*				
Recurring operating profit	**7.2**	7.5	*-4.0%*			
As a % of revenue	***7.2%***	*6.8%*	*+0.4 pt*			

Excluding Healthcare Solutions,

- Despite Covid in Asia at the start of H1 2023, revenue was almost stable (-1.3% organic growth) in H1 2023 vs. H1 2022, which had benefited from a major catch-up effect in the fashion and luxury goods sector
- Operating profit from activities at €7.2m in H1 2023. The 4% decline vs. H1 2022 stemmed from the slight contraction in volumes
- Improvement of 0.4 pts in H1 2023 operating margin to 7.2%. This was the result of a more favorable customer/product mix, rationalization of the product range and the price increases applied throughout 2022
- The Fashion Technologies business maintained its market share even though certain markets have not yet returned to pre-Covid levels

** Excluding the Healthcare Solutions business. From 1 January 2023, the Healthcare Solutions business is consolidated within the Chargeurs PCC Fashion Technologies division*

LUXURY Division

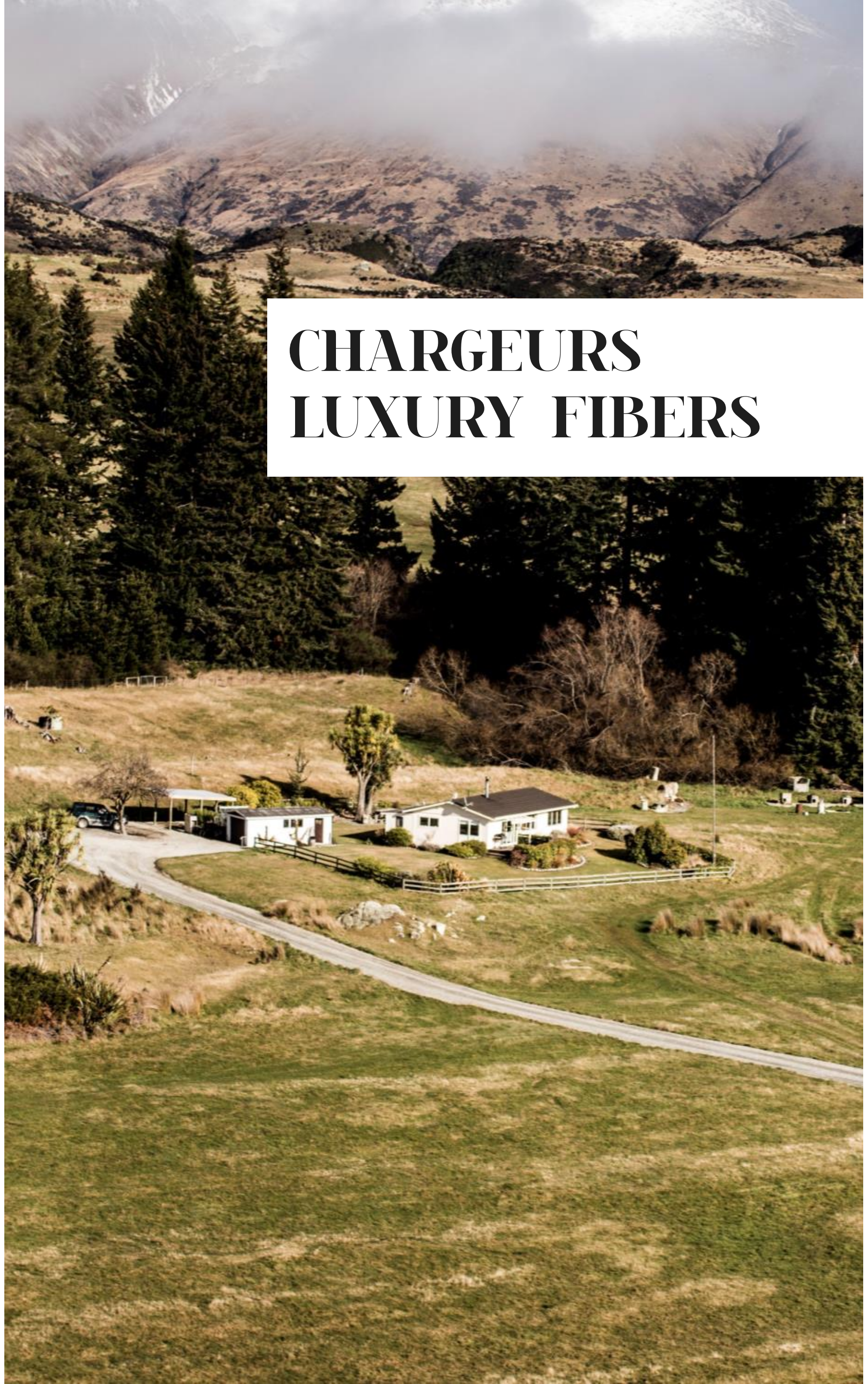
Promising quantitative and qualitative trends

CHARGEURS MUSEUM STUDIO

Acceleration in growth and profitability in H1 2023

Museum Studio *€m*	2023	2022	*Change*	Q2 2023	Q2 2022	*Change*
Revenue	**61.2**	36.3	*+68.6%*	37.2	20,4	*+82.4%*
Like-for-like growth			*+48.5%*			*+62.7%*
EBITDA	**5.3**	3.2				
As a % of revenue	***8.7%***	*9.0%*				
Recurring operating profit	**3.8**	1.8	*+111.1%*			
As a % of revenue	***6.2%***	*5.0%*	*+1.2 pt*			

- **Strong revenue growth of 68.6% and 48.5% like-for-like,** with an acceleration in Q2 2023 (+82.4%)
- Projects awarded in 2021/2022 and their gradual ramp-up in H1 2023 drive the business line's robust growth. Among the significant projects: Diriyah Gate (Saudi Arabia), the Carlsberg Museum (Denmark), Cleveland Museum of Natural History (USA)
- The excellent performance recorded in H1 2023 confirms Museum Studio's 2023 revenue target of €120m, and the prospect of moving towards €150m in 2024
- H1 2023 operating profit has doubled to €3.8m; operating margin up 1.2 pts to 6.2%
- The Burrell Collection in Glasgow, developed with the expertise of Museum Studio UK, awarded Art Fund Museum of the year 2023
- New iconic projects won by Museum Studio during the first half: the Museum of Natural History (Denmark), Monaco Yacht Show, Fashion Week (Milan)



CHARGEURS LUXURY FIBERS

The success of Nativa^{TM} accelerates the division's transformation towards a Product As A Service model

Luxury Fibers €m	2023	2022	*Change*	Q2 2023	Q2 2022	*Change*
Revenue	**40.3**	54.4	*-25,9%*	18.6	23.4	*-20.5%*
Like-for-like growth			*-25,2%*			*-18.8%*
EBITDA	**1.3**	1.1				
As a % of revenue	***3.2%***	*2.0%*				
Recurring operating profit	**1.2**	1.0	*+20.0%*			
As a % of revenue	***3.0%***	*1.8%*	*+1.2 pt*			

- Production and sales heavily impacted in the first half by the cyclone which hit New Zealand in early 2023
- Operating profit continued to increase to reach €1.2m, up 20% vs. H1 2022, while operating margin improved by 1.2 points to 3.0% in H1 2023
- The improvement in the division's profitability stemmed from a more favorable mix, with an increased contribution from the Nativa^{TM} range (up 40% in H1 2023 vs H1 2022)
- Chargeurs Luxury Fibers continued the successful roll-out of the brand in all key markets: Europe, North America mainly and in the premium segment, thereby winning market share
- Preparations planned for new collaborations with major brands
- Chargeurs Luxury Fibers demonstrates its ability to monetize the entire Nativa^{TM} value chain in all areas of the clothing industry

CHARGEURS PERSONAL GOODS

A new business line with promising potential

Personal Goods €m	2023	2022	*Change*	Q2 2023	Q2 2022	*Change*
Revenue	4.1	-		2.1	-	
Like-for-like growth						
EBITDA	0.5	-				
As a % of revenue	*12.2%*					
Recurring operating profit	0.2	-				
As a % of revenue	*4.9%*					

- Double-digit growth in sales driven by:
  - The strategy of premiumization and the commercialization of a new range of ultra-luxury hairbrushes from Altesse Studio
  - Good momentum at Cambridge Satchel, following the signing of new partnerships
- Opening of the flagship Swaine store on New Bond Street last June boosted the visibility of the brand
- Globally recognized brands benefiting from a large community of fans loyal to the quality of the products and aware of their appeal (200k followers on TikTok)
- Action plan roll-out to accelerate international growth and increase profitability
- High product visibility through the film industry, with major commercial returns: Indiana Jones for Swaine, Matilda & Wicked for Cambridge Satchel
- Strong visibility and appeal for Swaine and its accessory lines, following the coronation of King Charles III

Positive attributable net profit at €3.3m

€m	H1 2023	H1 2022	Change
Revenue	**352.8**	398.7	***-11.5%***
Gross profit	88.9	105.3	*-15.6%*
as a % of revenue	25.2%	*26.4%*	*-1.2 pt*
EBITDA	**24.9**	37.0	***-32.7%***
As a % of revenue	*7.1%*	*9.3%*	*-2.2 pts*
Recurring operating profit	**14.1**	25.4	***-44.5%***
as a % of revenue	*4.0%*	*6.4%*	*-2.4 pts*
Amort. Intangible assets linked to acq.	-3.1	-3.2	
Non-recurring	-1.8	-0.9	
Operating profit	**9.2**	21.3	***-56.8%***
Net financial expense	-12.4	-8.8	
Tax	6.5	-2.6	
Net profit	3.1	10.0	***-69.0%***
Attributable net profit	**3.3**	10.2	***-67.6%***
Earnings per share	0.14	0.44	*-68.2%*

1. Revenue growth of 16.4% in Luxury and a 19.7% decline for Technologies, primarily due to the contraction in sales at CAM
2. Gross margin down 1.2 pt: impacted mainly by the absence of contribution from the healthcare business in H1 2023
   Excluding the healthcare business, gross margin virtually stable
3. CAM's lower contribution to operating profit partially offset by other growth drivers
   Excluding the Healthcare business, Group operating margin down 1.6 points
4. Impact of higher financial expenses and hyperinflation in Argentina
5. Activation of tax loss carry forwards, primarily linked to prospects of future profits in France, mainly exporters

Gorwth in operating cash and tight control of WCR

€m	H1 2023	H1 2022
EBITDA	24.9	37.0
Non-recurring – cash	*-4.3*	*-4.8*
Financial expenses – cash	*-10.5*	*-7.0*
Tax – cash	*-3.2*	*-3.0*
Other	*-*	*-4.1*
Cash flows from operating activities, before changes in net working capital	6.9	18.1
Dividends from associates	0.3	-
Change in working capital at constant exchange rates	-3.2	-17.8
Cash flow from operating activities	4.0	0.3
Acquisition of property, plant and equipment and intangible assets, net of disposals	-8.2	-3.9
Acquisitions	-1,2	-1.5
Dividends paid in cash	-8.6	-12.8
Other	-3.9	-9.8
Total	-17.9	-27.7
Effect of changes in exchange rates on cash and cash equivalents	1.8	-1,2
Opening net cash/(net debt)	-174.7	-109.3
Closing net cash/(net debt)	-194.4	-135.8

1. Lesser EBITDA contribution, mainly from CAM, to cash flow from operations
2. Sound control of WCR in a demanding environment
3. Increase in investments for the future (energy performance, industrial digital transformation) mainly in Technologies division
4. Dividend payment in line with the shareholder returns policy
5. Debt under control and factoring in financing of capex and dividend payment to shareholders

A robust balance sheet and even stronger financial resources

€m	06/30/2023	12/31/2022
Intangible assets	**272.2**	276.0
Property, plant and equipment	**84.8**	84.4
Associates	**7.3**	8.1
Other net assets and liabilities	**37.6**	26.1
WCR	**66.9**	66.9
Total capital employed	468.8	461.5
Group equity	266.7	279.7
Net borrowings	194.4	174.7

More than €200m in available financial resources

€m and years	30/06/2023	Average maturity	31/12/2022	Average maturity
Drawn financing facilities	341.0	3.2	313.5	3.4
Undrawn financing facilities	156.8	1.8	223.8	2.6
Total financing	497.8	**2.9**	537.3	3.2
Available financial resources (cash + undrawn facilities)	**270.9**		345.5	

Debt under control and factoring in financing of capital expenditure and dividend payment to shareholders

Solid financial ratios

	30/06/2023	31/12/2022
Leverage ratio: Net Debt/EBITDA	3.5x	2.6x
Gearing ratio: Net Debt/Equity	0.7x	0.6x

Chargeurs strengthens its financial resources and liquidity

- Syndicated revolving credit lines extended by €125m to December 2025 and €40m extension of bilateral financing to summer 2026

- An additional €20m in revolving financing obtained from a new leading bank

- Launch of a short-term marketable securities program, NEU CP

Conclusion

Michaël Fribourg
Chief Executive Officer

Given the current context, Chargeurs is advancing with confidence and caution, and maintains its 3 priorities

Ensure like-for-like growth

- Capitalizing on the leadership and competitiveness of Technologies division
- Monetizing product and technology innovation to gain market share in all of the Technologies division
- Realizing the benefits of Museum Studio's change of scale

Enhance operating performance

- The low point is behind us and a recovery in profitability in Technologies is expected as soon as volumes recover
- Converting Museum Studio's order book into profits

Continued cash generation

- Financing capex and innovation
- Undertaking an acquisition to strengthen the positioning in Quiet Luxury
- Maintaining an attractive dividend policy

Assuming the confirmation of a gradual recovery at CAM, Chargeurs' ambition for 2024 is to generate:

- Group revenue in excess of €800m
- EBITDA margin of between 9% and 10%
- A Debt/EBITDA ratio of less than 3x

CHARGEURS

High Emotion Technology®