

Very solid like-for-like growth in first-quarter 2018

- Revenue up by a sharp 4.0% like for like (5.7% excluding Luxury Materials) despite a high basis of comparison with first-quarter 2017
- Further moves to more evenly weight the cost base towards the dollar zone in view of the strong euro
- Continuation of the Game Changer performance acceleration plan, with the announced acquisition of Leach in the United Kingdom which will cement Chargeurs Technical Substrates' market leading position

“Chargeurs had an excellent start to 2018 despite a very high basis of comparison with the first three months of 2017. Consolidated revenue was up year on year and operating performance saw brisk momentum, confirming our competitive edge. Added to this, Chargeurs Technical Substrates' acquisition of Leach in the United Kingdom fully demonstrates the value creation potential of our Game Changer plan which is aimed at driving faster operating performance. All of these factors clearly illustrate Chargeurs' ability to meet its objective of scaling up its businesses”, said Michaël Fribourg, Chairman and Chief Executive Officer of Chargeurs.

VERY ROBUST LIKE-FOR-LIKE GROWTH IN FIRST-QUARTER 2018

Consolidated revenue for the first quarter of 2018 climbed **4.0% on a like-for-like basis** (5.7% excluding Luxury Materials), fueled by strong business volumes and ongoing optimization of the product mix. This performance was achieved despite a very high basis of comparison with first-quarter 2017 when like-for-like growth was 8.1% (versus a full-year growth figure of 3.2% for 2017). Changes in the scope of consolidation – essentially resulting from the acquisitions carried out in the Protective Films division in 2017 – had a positive 2.6% impact on revenue in the first three months of 2018, and the currency effect – which mainly related to the US and New Zealand dollars and the Argentine peso – was a negative 5.6%. The Group's cost base is now more evenly weighted, however, thanks to its July 2016 acquisition of Main Tape in the United States, to which it has transferred production activities from the euro zone.

On a reported basis, the year-on-year consolidated revenue growth figure is in line with the impact of changes in currency translation effects resulting from the geographic structure of the Group's sales and a strong euro.

(in euro millions)	First quarter		Change	
	2018	2017	Reported	Like-for-like
Protective Films	74.7	70.9	+5.4%	+5.9%
Fashion Technologies	33.8	33.6	+0.6%	+7.1%
Technical Substrates	6.3	6.6	-4.5%	-4.5%
Luxury Materials	30.0	32.3	-7.1%	-1.9%
Chargeurs	144.8	143.4	+1.0%	+4.0%
Chargeurs, excluding Luxury Materials	114.8	111.1	+3.3%	+5.7%

SIGNIFICANT EVENTS OF THE PERIOD

Chargeurs' like-for-like revenue growth in the first quarter of 2018 breaks down as follows by operating segment:

- **Chargeurs Protective Films** delivered a strong like-for-like increase of 5.9%, driven by its leading market positions and the steady launch of game-changing innovations. This performance was particularly impressive in light of the fact that revenue had already risen 10.2% on a like-for-like basis in the first quarter of 2017 (versus 7.0% for 2017 as a whole). Chargeurs Protective Films' revenue for first-quarter 2018 was also boosted by the favorable impact of acquisitions carried out in 2017 in Europe and the United States. Conversely, changes in the US dollar exchange rate had a negative impact. In 2018, the division will continue to develop Chargeurs Protective Specialty Machines, which offers new comprehensive solutions for the application of surface protection films.

- Revenue generated by **Chargeurs Fashion Technologies** was up by a robust 7.1% like for like, compared with like-for-like decreases of 3.8% in the first quarter of 2017 and 1.3% for full-year 2017. Its first-quarter 2018 showing reflects the success of the division's selective sales policy and its customer proximity strategy, with showrooms set up close to customers' decision-making centers and new marketing tools put in place. Conversely, changes in the exchange rates of the Argentine peso and Hong Kong dollar had a negative effect on this division during the period.
- **Chargeurs Technical Substrates** delivered a solid performance, with revenue coming in at €6.3 million. Nevertheless, this represented a 4.5% like-for-like decline year on year, due to a simple seasonal effect and a very high basis of comparison with first-quarter 2017 when like-for-like revenue growth hit 13.8% (versus 4.9% for 2017 as a whole). Revenue for Chargeurs Technical Substrates is being fueled by the transformation of its business model and its international sales drive. Chargeurs Technical Substrates' acquisition of Leach – a UK market leader in top-range visual communications solutions in the lightboxes sector, which generates €11 million in annual revenue – will enable this division to strengthen its positioning, increase its added value and propose ever-more comprehensive service solutions.
- **Chargeurs Luxury Materials** posted €30 million in revenue in first-quarter 2018, down 1.9% like for like on the very high level of activity seen during the first three months of 2017 when like-for-like revenue growth was 17.7% (whereas this division's revenue for full-year 2017 actually declined on a like-for-like basis, coming in 4.2% lower than the previous year). The main reason for the first-quarter 2018 revenue contraction was an unfavorable currency effect deriving from the US and New Zealand dollars.

OUTLOOK CONFIRMED

Backed by a long-term shareholder vision, on a like-for-like basis and barring any changes in the geopolitical and economic environment, Chargeurs is committed to pursuing its profitable growth and robust cash generation. Consequently, it intends to continue to grow its niche businesses, develop new ones and secure the sustainability of its distinctive growth model, which is unrivaled in the global capitalist system.

The Group is well positioned to meet its target of doubling its profitable revenue and reaching the €1 billion mark by 2022.

Terminology

On a like-for-like basis – Based on a comparable scope of consolidation and at constant exchange rates:

Like-for-like growth in a given year compared with the previous year is calculated:

- by applying the average exchange rates for the prior year to the period under consideration (year, half-year, quarter); and
- based on the scope of consolidation for the previous year.

Financial Calendar

Thursday, September 6, 2018 (before trading)

First-half 2018 results

Wednesday, November 14, 2018 (after trading)

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.

It has 1,600 employees based in 34 countries on five continents, who serve a diversified customer base spanning more than 80 countries.

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

CONTACT

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