

Paris, June 28, 2018

**Chargeurs Fashion Technologies has acquired US & Asia-based PCC Interlining – USD 80m in revenue – an innovation leader in the United States and Asia in performance materials and technical interlinings for fashion brands and emerging global fast-fashion players**

- A consolidating, transformative acquisition in the value chain that strengthens the business unit’s services capabilities and creates a **Global Innovation Champion** – Chargeurs Fashion Technologies & PCC – with, on a full year basis, around €200 million in revenue, €20 million in EBITDA and over €15 million in Recurring Operating Profit
- A **highly complementary** acquisition, **accretive** to margins and profitability, based on an **attractive, reasonable valuation**
- A progressive and innovative **market leader**, **PCC is the core driver of the triple revolution: creative products, speed-to-market expertise and advanced technologies** that offer the highest range of technical quality products and services to the world's most respected and exciting brands. A company that is recognized by customers as a solution driver and service leader
- Chargeurs will exceed €600 million in revenue per year on a full year basis

*“This pre-emptive, transformative acquisition, carefully prepared to ensure its seamless integration, will act as a Game Changer for a very high-quality customer base from luxury to fast-fashion. It will create a powerful and iconic champion in Europe, America and Asia. The new unit will offer to customers excellent integrated solutions, capable of meeting their ever-increasing need for technical and operational performance. With its distinctive, unwavering discipline, Chargeurs is successfully deploying, and will continue to accelerate, its strategy of expanding and consolidating its positions in high value-added niches,”* said **Michaël Fribourg, Chairman and Chief Executive Officer**.

*“I am excited to lead Chargeurs Fashion Technologies into a new chapter in its history by consolidating a niche business that requires the right mix of speed, technical content, differentiation and expertise. Thanks to PCC's excellent responsiveness, we're going to offer global, end-to-end solutions that will enable fashion industry leaders to transform the business, in particular by transitioning it to a real-time supply chain model,”* said **Angela Chan, Managing Director of Chargeurs Fashion Technologies**.



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

Chargeurs Fashion Technologies, the world's second largest interlinings manufacturer, today announced a major new milestone in its expansion in the United States and Asia, involving the acquisition of the interlinings business of Precision Custom Coatings (PCC). The acquisition, the largest ever made by Chargeurs Fashion Technologies in the United States and Asia, will extend the unit’s global geographic footprint and thrust 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.

Angela Chan, recently appointed as the business unit's Worldwide Managing Director, has exceptional expertise in sourcing, business development, merchandising, product development and multi-channel retailing in North America and Asia. She will oversee the unit's expansion in the United States and other markets to strengthen its global leadership. Scott Tesser, the current CEO of PCC, will join Chargeurs Fashion Technologies as Senior Vice President & Chief Sales Officer. He will report directly to Angela Chan and will be in charge of the new organization's worldwide sales strategy.

Since late 2015, Chargeurs Fashion Technologies has successfully implemented, under Bernard Vossart's and then Angela Chan's leadership, a more selective marketing strategy to move the 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.

*"We are delighted with the close strategic fit offered by this alliance. By combining Chargeurs Fashion Technologies' innovative product line and global footprint with PCC's marketing clout in earning nomination from brands in the United States and Asia, the new unit will enjoy a very broad presence in fashion markets, enabling it to maintain its growth momentum over the long term,"* said **Scott Tesser, current Chairman and Chief Executive Officer of PCC**, who will serve as Senior Vice President & Chief Sales Officer for Chargeurs Fashion Technologies.

The transaction, which consists of a share deal for PCC Asia and an asset deal for the PCC USA interlinings business, is subject to customary conditions precedent for similar type of transaction. It is expected to close before the end of the year.

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.



## 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.

It has some 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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