

The Group successfully pursues its premiumization and consolidation strategy as part of its *Game Changer* plan

- Backed by its strong performances, Chargeurs confidently expects to meet its targets for 2018
- Significant contribution to revenue from acquisitions which accelerated in the third quarter of 2018:
 - Revenue for the nine months ended September 30, 2018 up 4.6% to €421.3 million
 - Third-quarter 2018 revenue up 10.9% to €134.2 million
 - Ongoing integration of acquisitions during the year
 - Ramp-up of high-potential operational transformations
- 2018 expected to be another solid year, with investments paving the way for future growth
- €1 billion revenue target set for end-2021, ahead of schedule

“We expect 2018 to be another vintage year for the Group, as we step up our commercial and technological premiumization and our consolidation strategy to craft our businesses into iconic B to B champions with highly profitable profiles. Thanks to its sound balance sheet structure, Chargeurs has the financial strength it needs to move up another gear with its *Game Changer* plan and seize any additional carefully selected growth opportunities that may arise. Barring any changes in our operating environment, we are now targeting over €1 billion in profitable revenue by end-2021, one year ahead of our original schedule”, said **Michaël Fribourg**, Chargeurs’ Chairman and Chief Executive Officer.

SOLID GROWTH FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

Revenue for the nine months ended September 30, 2018 rose by 4.6% year on year to €421.3 million, with 2.5% like-for-like growth despite a highly unfavorable basis of comparison with the same period of 2017.

Third-quarter 2018 revenue was up 10.9% (with 1.0% like-for-like growth), during a period that saw sales peak in June, a ramp-up of the selective sales strategy across all of the Group’s businesses, and tech upgrades at several strategic manufacturing facilities.

ACCELERATION OF GROWTH IN ALL GEOGRAPHIC REGIONS IN THIRD-QUARTER 2018

In euro millions	Nine months		Change		Third quarter		Change	
	2018	2017	reported	like-for-like *	2018	2017	reported	like-for-like *
Europe	210.0	192.0	+9.4%	+4.9%	62.6	56.8	+10.2%	+2.5%
Americas	105.1	105.3	-0.2%	+6.4%	33.7	29.9	+12.7%	+13.7%
Asia	106.2	105.5	+0.7%	-5.9%	37.9	34.3	+10.5%	-12.5%
Chargeurs	421.3	402.8	+4.6%	+2.5%	134.2	121.0	+10.9%	+1.0%

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

The overall 4.6% growth figure for the first nine months of 2018 breaks down as follows by geographic region:

- **In Europe**, the Group’s revenue **rose 10.2%** in the third quarter of 2018 and **9.4%** for the nine months ended September 30, 2018, led by (i) the development of Chargeurs Protective Specialty Machines created in 2017 as part of Chargeurs Protective Films, (ii) the acquisition of Leach in the United Kingdom, and (iii) new strategic industrial partnerships.
- **The Americas** posted **12.7% growth** for the three months ended September 30, 2018, following on from a first half of the year when revenue was weighed down by an unfavorable US dollar currency effect. This third-quarter increase was fueled by the acquisition of PCC Interlining in the United States and the capture of new markets.
- **In Asia**, despite Chargeurs Technical Substrates being adversely affected by the phasing of major export orders, revenue **climbed 10.5%** in third-quarter 2018 thanks to the positive impact of the PCC Interlining acquisition.

THE GROUP'S BUSINESSES ARE EXPECTED TO DELIVER ROBUST PERFORMANCES FOR THE FULL YEAR

In euro millions	Nine months		Change		Third quarter		Change	
	2018	2017	reported	like-for-like *	2018	2017	reported	like-for-like *
Protective Films	217.7	211.0	+3.2%	+1.1%	67.7	67.7	+0.0%	-4.1%
Fashion Technologies	107.8	98.7	+9.2%	+5.9%	39,0	30.9	+26.2%	+2.9%
Technical Substrates	20.4	18.3	+11.5%	-9.3%	5.6	5.8	-3.4%	-43.1%
Luxury Materials	75.4	74.8	+0.8%	+4.8%	21.9	16.6	+31.9%	+33.7%
Chargeurs	421.3	402.8	+4.6%	+2.5%	134.2	121.0	+10.9%	+1.0%

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

The overall 4.6% growth figure for the first nine months of 2018 breaks down as follows by operating segment:

- Chargeurs Protective Films** fully confirmed its robust fundamentals in the nine months ended September 30, 2018, reporting a **3.2% year-on-year revenue rise** despite a highly unfavorable basis of comparison. Following a pronounced peak in sales at the end of first-half 2018, third-quarter 2018 saw a less intensive month of August with key US and European customers which is more in line with normal business trends. Chargeurs Protective Films pursued its product range premiumization and selective sales strategy, on the one hand helping its customers to standardize and reduce their inventory buffer, and on the other carrying out strategic upgrades at its Main Tape manufacturing facility. This means it will now be able to step up both the pace of its production transfers to the United States and the sales of more sophisticated products that generate very strong margins in the years to come. It will also be able to strengthen its natural currency hedge, and prepare, both in commercial and manufacturing terms, for the arrival of new capacity in Europe in 2019.

In addition, having recorded an increase in structural demand for premium products, Chargeurs Protective Films is well on schedule with building its techno-smart facility which will come on stream in mid-2019 and will further strengthen the segment's global leadership.
- Chargeurs PCC Fashion Technologies** saw its **revenue surge 26.2%** year-on-year for the third quarter of 2018, spurred by the rapid integration of PCC Interlining in the United States and Asia, consolidated in the accounts by the end of August. During the nine months ended September 30, 2018, Chargeurs PCC Fashion Technologies pursued its pro-active commercial strategy of upscaling its products and services, and its nine-month revenue figure was 9.2% higher than for the same period of 2017, led by a good performance in Europe.

For the full twelve months of 2018, this segment's operating performance should be sharply up on 2017, thanks to new commercial wins, brisk business with customers that have been the focus of priority strategies and new synergies with PCC Interlining.
- Chargeurs Technical Substrates** delivered **11.5% growth** for the first nine months of 2018, fueled since May 2018 by the integration of Leach – the UK market leader in graphic display solutions – which has enabled this segment to propose a new and unique offering of end-to-end visual communication solutions. This segment's third-quarter performance was hampered by the annual summer closure of manufacturing facilities as well as the phasing of orders for major export destinations such as China, India and Oceania which, like last year, will lead to a high concentration of orders in the final months of the year.

As previously announced, the fact that a substantial proportion of major export distribution has been brought back in-house creates a more cyclical revenue pattern during the year, while global growth and growth over a rolling twelve-month period remains robust.

In parallel, Chargeurs Technical Substrates is speeding up its transformation and internationalization process, based on an increasingly integrated and more tightly controlled model. In the first nine months of 2018, this segment pursued its growth opex in order to accelerate the brisk sales momentum created by game-changing innovations such as Sublimis, which was voted "Product of the Year" at the SGIA trade fair in Las Vegas, as well as by the capture of new markets and the development of strategic partnerships with key accounts.
- Chargeurs Luxury Materials** – whose business involves trades of premium fibers that are systematically hedged by forward sale contracts – generated revenue of €75.4 million in the first nine months of 2018, up 4.8% like-for-like on the corresponding period of 2017. **Revenue growth, which reached 31.9%** in the third quarter, was buoyed by stronger sales in Europe, achieved on the back of robust business momentum that looks set to continue for the rest of the year.

Chargeurs Luxury Materials is continuing to implement its premiumization strategy, offering premium, traceable and durable products designed for major brands in the global luxury and sportswear markets. A prime example is the Organica Precious Fiber range of premium traceable wools whose commercial success is gathering pace in the second half of 2018.

OUTLOOK

In view of its solid growth for the nine months to September 30, and its performance at October 31, Chargeurs expects 2018 to be another vintage year and has confirmed its annual targets of profitable growth and solid cash generation on a like-for-like basis and barring any unforeseen changes in the geopolitical and economic environment.

Excluding any changes in its operating environment, the Group is now targeting over €1 billion in revenue by end-2021, one year ahead of schedule.

Appendices – Definitions

Like-for-like change (lfl) – Organic change:

Like-for-like or organic change from one year to the next is calculated:

- applying the average exchange rates for year Y-1 to the period concerned (year, half-year, quarter); and
- based on the prior-year scope of consolidation.

Revenue by geographical market (or destination):

Revenue by geographical market (or destination) is presented according to customer location.

2019 Financial Calendar

Wednesday, January 30, 2019 (after trading)

Financial Information - 2018 annual revenue



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 2,000 employees based in 45 countries on five continents, who serve a diversified customer base spanning more than 90 countries.

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

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