

Recurring operating profit up 27% to €38.9 million
Net profit up by a very strong 63% to €25.0 million
Recommended dividend up 83% at €0.55 per share

These above-target performances attest to the success of Chargeurs' new strategic growth model and "Performance, Discipline, Ambitions" plan:

- Revenue growth driven by innovation, success in international markets and seamless integration of highly selected acquisitions
- Double-digit EBITDA growth across all of the Group's businesses
- Successful deployment of the new Chargeurs Business Standards embodying the powerful and transformative Chargeurs Way

In 2017, Chargeurs will pursue its strategy of operational excellence and hold fast to its global leadership goals with the aim of becoming the long-term game changer in its markets.

"Chargeurs moved up a gear in its development in 2016, building on its solid strategic vision and distinctive operational and financial discipline, underpinned by the new Chargeurs Business Standards describing the Chargeurs Way," said Michaël Fribourg, Chargeurs' Chairman and Chief Executive Officer. "In 2017, while maintaining the constant vigilance required by today's global geopolitical and macro-economic environment, we will pursue our strategic ambition of building global positions in our niche industrial markets. We intend to be the game changer in these markets, setting a trajectory for our competitors to follow. The focus will be on internationalization, innovation, operational discipline and a unique approach to managing talent, all in support of a strong and sustainable value creation process."

The fiscal 2016 accounts have been approved by the Board of Directors at its meeting held on March 08, 2017, under the Chairmanship of Michaël Fribourg. The consolidated accounts for fiscal 2016 have been audited and the auditor's report is about to be issued.

2016 CONSOLIDATED RESULTS

(in euro millions)	2016	2015	Change (reported) (like-for-like)	
Revenue	506.4	498.7	+1.5%	+5.1%
EBITDA	48.8	40.3	+21.1%	+24.1%
As a % of revenue	9.6%	8.1%		
Recurring operating profit	38.9	30.6	+27.1%	+31.0%
As a % of revenue	7.7%	6.1%		
Attributable net profit	25.0	15.3	+63.4%	

Revenue crossed the symbolic €500 million mark

Like-for-like revenue growth was greater than global economic growth and three times greater than euro zone growth

Revenue for the twelve months ended December 31, 2016 was up 5.1% like-for-like, fueled by a solid increase in business volumes and a further improvement in the product mix across all of the Group's businesses. Excluding Chargeurs Luxury Materials, year-on-year revenue growth was 4.7% on a like-for-like basis.

Changes in the scope of consolidation had a 1.4% negative effect, reflecting the January 1, 2016 deconsolidation of Yak Trading (Fashion Technologies) in China, the effect of which was partly offset by the acquisition of Main Tape (Protective Films) in the United States. Changes in exchange rates trimmed 2.2% from revenue. The impact mainly concerned the Argentine peso with the Fashion Technologies business being the most affected.

Faster improvement in operational performance: higher net profit and cash flow

Operating margin rate widened by 160 basis points compared to 2015, with all of the Group's businesses contributing to the increase. Successful implementation of the "Performance, Discipline, Ambitions" plan launched at the end of 2015 and last year's deployment of the Chargeurs Business Standards have aligned all of the businesses with the best international benchmarks in terms of innovation strategy, operational and technological excellence, quality and services. Net profit rose by 63% to €25.0 million while cash flow, at €30.0 million, was 24% higher year-on-year, reflecting the steady improvement in the Group's cash generation.

ANALYSIS BY BUSINESS SEGMENT

Chargeurs Protective Films: more than €250 million in revenue for the year and a 150-basis point increase in operating margin rate

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

Chargeurs Protective Films' revenue grew by 6.5% like-for-like in 2016. The main growth drivers were high business volumes and a further improvement in product mix, reflecting the division's ongoing innovation drive, technological differentiation and broader global footprint. The July 2016 acquisition of Main Tape in the United States – representing Chargeurs Protective Films' first external growth transaction in over 15 years – has added new production capacity in the dollar zone, robust synergies and a product offer that complements the division's existing line-up.

It helped to lift Chargeurs Protective Films' revenue to above the symbolic €250 million mark. The division's contribution to recurring operating profit totaled €28.0 million, reflecting a 150-basis point improvement in operating margin rate that was attributable to efficient cost management and favorable exchange rates.

Chargeurs Fashion Technologies: an outstanding recovery, with operating margin rate up by an exceptional 280 basis points

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

In line with its more selective marketing strategy, Chargeurs Fashion Technologies delivered an excellent performance in 2016 by focusing on the most profitable product lines meeting the needs of global customers.

The division optimized its presence in China by selling its stake in the Yak Trading joint venture (representing revenues of €17.3 million in 2015) and transferring all local manufacturing operations to its plant located close to Shanghai.

Despite the unfavorable exchange rate for the Argentine peso, operating margin rate increased by an exceptional 280 basis points, leading to recurring operating profit of €8.0 million. This performance reflects the full-year impact of the restructuring plan launched at the end of 2015 and the improvement in product mix that followed the February 2016 marketing launch of ultra-thin (40-gauge) high-end interlining products.

Chargeurs Technical Substrates: successful commissioning of 5-meter width coating line and launch of product innovations

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

Last year's commissioning of the new 5-meter width coating line and the steady stream of innovations for the digital fabric printing market helped to drive more than 20% like-for-like revenue growth at Chargeurs Technical Substrates, near €25 million.

Profitability remained strong thanks to effective cost management. Recurring operating profit rose to €3.8 million despite the additional depreciation expense and fixed costs associated with the new coating line.

Chargeurs Luxury Materials: a sharper focus on high-end products

Chargeurs Wool has been renamed Chargeurs Luxury Materials to underscore its expertise in managing the high quality combed wool supply chain for customers at the luxury end of the apparel market.

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

Chargeurs Luxury Materials reported revenue of nearly €100.0 million in 2016, an increase of 6.8% like-for-like compared with the previous year. This performance attests to the effectiveness of the division's strategic focus on high quality, traceable and durable fibers, aimed at offering premium services to customers in the luxury segment. Chargeurs Luxury Materials reported recurring operating profit of €2.9 million for 2016, up 16% on the prior year, and return on capital employed of some 10%.

Sustainable development is a growing concern for the leading luxury brands and this will be a key factor in Chargeurs Luxury Materials' strategy going forward.

A ROBUST FINANCIAL POSITION WITH INCREASED RESOURCES TO FINANCE FUTURE GROWTH

Chargeurs' robust financial position was further strengthened during the year, with equity attributable to owners of the parent rising to €227.3 million at December 31, 2016 from €219.3 million at the previous year-end.

Thanks to its high profit-to-cash conversion rate and tight control of working capital, the Group ended the year with a €3.2 million net cash position despite sustained investment to support its leadership of niche markets, an increase in the dividend and external growth (acquisition of Main Tape).

A total of €89 million in new financing was raised during the year, extending the average life of financing from 3.4 to 5.1 years. The new facilities included the Group's first foray into France's Euro PP market, in the shape of two seven-year issues for a total of €72 million.

INCREASED DIVIDEND

At the Annual General Meeting on April 20, the Board of Directors will recommend increasing the 2016 dividend by 83% to €0.55 per share, to take account of the faster pace of improvement in the Group's operating performance and its enhanced fundamentals.

An interim dividend of €0.20 was paid on September 21, 2016, after the 2016 interim financial statements had been approved.

The proposed timeline for payment of the final dividend of €0.35 is as follows:

- Ex-dividend date: May 3th, 2017
- Payment date of the final dividend: May 30th, 2017

OUTLOOK

With the Chargeurs Business Standards providing leverage, the Group is well placed to report increased recurring operating profit and high free cash flow in 2017, on a like-for-like basis and barring any unforeseen changes in the geopolitical and macro-economic environment. During the year, the Group will invest more than ever in the qualitative aspects of business growth, placing Chargeurs in a class of its own compared to the competition.

The dates of the Annual General Meeting and the publication of first-quarter 2017 financial information, initially scheduled for April 27, 2017, have been brought forward to Thursday, April 20, 2017.

Appendices – Definitions

Net profit: profit for the period reported in the consolidated financial statements.

Like-for-like growth: determined by excluding the effects of changes in the scope of consolidation and exchange rate changes. The effect of exchange rate changes is calculated by converting current period figures at the prior period exchange rate.

Operating margin: recurring operating profit

Free cash flow = Cash flow + Dividends received from associates and joint ventures – Change in working capital – Capital expenditure

Return on capital employed (ROCE) = Recurring operating profit / Capital employed (as presented in the consolidated financial statements)

2017 Financial Calendar

Thursday, April 20, 2017 (before the start of trading)

Thursday, April 20, 2017

Thursday, September 7, 2017 (before the start of trading)

Thursday, November 14, 2017 (after the close of trading)

First-quarter 2017 financial information

Annual General Meeting

First-half 2017 results

Third-quarter 2017 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 over 1,500 employees based in 34 countries on five continents, who serve a diversified customer base spanning more than 70 countries.

In 2016, revenue totaled more than €500 million, of which more than 90% was generated outside France.

CONTACT

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