AN EXCELLENT PERFORMANCE AND STRONG CASH GENERATION FOR CHARGEURS IN FIRST-HALF 2017

"A WORLD OF" NICHE MARKET LEADERS

PRESS RELEASE

Paris – September 7, 2017

- **Recurring operating profit up 15.8% and net cash from operating activities up 87.1% year on year**
- **Interim dividend of €0.25, up 25.0%, with a reinvestment option**
- **Game Changer – a new-generation acceleration plan to further enhance the Group's performance over the long term**

Michaël Fribourg, Chargeur's Chairman and Chief Executive Officer, said: "We are continuing to successfully build on the new Chargeurs Group to secure its place amongst the world leaders in high value-added niche businesses and double its size over the next five years. Our excellent results for the first half of 2017 clearly illustrate the success of the Chargeurs Business Standards. The period saw solid cash generation and a further acceleration in the Group's growth trajectory compared with first-half 2016 when performance had already moved up a gear. And to support the acceleration in our business development strategy, we are putting in place a new-generation plan to optimize our operations that we have called Game Changer."

The consolidated financial statements for the six months ended June 30, 2017 were approved by Chargeurs' Board of Directors at a meeting held on September 6, 2017 chaired by Michaël Fribourg.

SHARP INCREASE IN CONSOLIDATED RESULTS

(€m)	**H1 2017**	H1 2016	Change	
Revenue	**281.8**	253.5	+28.3	+11.2%
Like-for-like change (%)				*+5.4%*
EBITDA	**29.1**	25.3	+3.8	+15.0%
as a % of revenue	***10.3%***	*10.0%*		
Recurring operating profit	**23.5**	20.3	+3.2	+15.8%
as a % of revenue	***8.3%***	*8.0%*		
Attributable net profit	**13.9**	13.1	+0.8	+6.1%

Another period of robust like-for-like growth

Revenue for the six months ended June 30, 2017 was up 5.4% like-for-like compared with the first half of 2016. The main growth drivers were higher sales volumes and a further improvement in the product mix, notably for the Protective Films (CPF) division. Changes in exchange rates added 0.9% to revenue – reflecting the positive impact of the New Zealand dollar and US dollar – and changes in the scope of consolidation had a 4.9% favorable effect as a result of the July 2016 acquisition of Main Tape (CPF).

The "Performance, Discipline, Ambition" Plan added an additional €2.2 million to EBITDA in first-half 2017.

The Group's operating performance in the six months ended June 30, 2017 continued its steady upward trajectory. The year-on-year increase in recurring operating profit was 15.8% – almost three times higher than sales growth for the period – and this in turn fueled an 87.1% jump in net cash from operating activities, demonstrating the success of the Chargeurs Business Standards.

Stepping up our five-year goals

During the first half of 2017 the Group decided to put in place an acceleration plan ("Game Changer"), which takes over from the "Performance, Discipline, Ambition" plan and brings together all of the Group's teams worldwide at all levels of operations. The underlying aim is to help the Group reach its objective of doubling profitable revenue within the space of five years, subject to macro-economic conditions remaining constant.

Through the new Game Changer plan, Chargeurs intends to increase its measures to enhance operating performance, focusing on four main areas:

- ***Sales & Marketing***: Chargeurs intends to give its various businesses new marketing tools to help them stand out and build even stronger customer relations, which will in turn consolidate their sales forces.
- ***Smart & Advanced Manufacturing***: the Group is taking pro-active steps to improve the performance of its production assets and is working determinedly towards reducing non-quality rates and production costs.
- ***Distinctive Innovation***: the Group is acting ahead of anticipated changes in its markets, increasing its innovation capacity by accelerating the development of game-changing products and extending its offerings to related markets.
- ***Talent Management***: as human capital is one of the cornerstones of Chargeurs' distinctive business model, the Group plans to continue streamlining its organizational structure and to set up new talent development programs – the "Excellence Training Program" and "Young & Executive Programs".

ANALYSIS BY BUSINESS SEGMENT

Chargeurs Protective Films: faster like-for-like and acquisition-led growth

(€m)	**H1 2017**	H1 2016	Change	
Revenue	**143.3**	120.5	+22.8	+18.9%
Like-for-like change (%)				*+8.7%*
EBITDA	**21.4**	16.5	+4.9	+29.7%
as a % of revenue	***14.9%***	*13.7%*		
Recurring operating profit	**18.2**	14.0	+4.2	+30.0%
as a % of revenue	***12.7%***	*11.6%*		

First-half 2017 revenue reported by Chargeurs Protective Films (CPF) came to €143.3 million, representing an increase of 18.9% as reported and 8.7% like-for-like compared with the year-earlier period. The continued brisk pace of like-for-like growth was driven by record-high sales volumes and a better product mix.

CPF achieved a solid operating performance, which resulted in an increase of the recurring operating profit by 30.0% to €18.2 million from €14.0 million in first-half 2016, and propelled its recurring operating margin to above 12%.

The integration of Main Tape, acquired in July 2016, is continuing as planned and has strengthened CPF's production capacity in the US dollar zone as well as substantially raising the high tech content of the division's products to cement its future.

Chargeurs Fashion Technologies: another solid performance despite an unfavorable basis of comparison

(€m)	**H1 2017**	H1 2016	Change	
Revenue	**67.8**	68.9	-1.1	-1.6%
Like-for-like change (%)				*-2.8%*
EBITDA	**5.8**	6.5	-0.7	-10.8%
as a % of revenue	***8.6%***	*9.4%*		
Recurring operating profit	**4.0**	4.5	-0.5	-11.1%
as a % of revenue	***5.9%***	*6.5%*		

Notching up revenue of €67.8 million, Chargeurs Fashion Technologies (CFT) turned in a solid performance for the period despite an unfavorable basis of comparison with first-half 2016 caused by a return to more normal delivery schedules compared with 2016 when sales for the winter season began earlier than usual.

The first six months of 2017 confirmed the division’s strong operating performance, with operating margin maintained at a high 5.9%, the same as in the second half of 2016, despite the return to more normal delivery schedules during first-half 2017. For the purpose of comparison, operating margin for the first six months of 2016 surged to 6.5% from 3.5% in first-half 2015, thanks to the measures taken to streamline operations and a favorable currency and calendar effect. The operating margin for the first half of 2017, which is in line with the second half of 2016, is proof of the strength of the business line's recovery. At the same time, CFT's **operating profit advanced 29% year on year**, increasing to €4.0 million over the period from €3.1 million for the first half of 2016 and marking the completion of the division's restructuring plan.

In line with its strategy to move upmarket, CFT stepped up its capital spending in first-half 2017, opening a showroom in New York and introducing new marketing tools aimed at improving the division's knowledge of its increasingly prestigious clientele.

Chargeurs Technical Substrates: another buoyant performance

(€m)	H1 2017	H1 2016	Change	
Revenue	**12.5**	11.6	+0.9	+7.8%
Like-for-like change (%)				*+7.8%*
EBITDA	**2.3**	2.3	-	-
as a % of revenue	***18.4%***	*19.8%*		
Recurring operating profit	**1.8**	1.8	-	-
as a % of revenue	***14.4%***	*15.5%*		

First-half 2017 was another period of strong growth for Chargeurs Technical Substrates (CTS), with the 7.8% year on year increase in revenue led by the gradual ramp-up of the division's new 5-meter coating line (launched in late 2015) and the successful start for its new CEO, Patrick Bonnefond.

CTS incurred a significant level of capital expenditure during the period with a view to extending the geographic reach of its commercial activities and creating more diversified, state-of-the-art products for the high-growth technical fabrics market, such as the Sublimis range which will be launched by early 2018.

As well as increasing its operating and capacity costs to prepare for the future, CTS was able to maintain its strong profitability and posted €1.8 million in operating profit for the six months ended June 30, 2017.

Chargeurs Luxury Materials: gradual ramp-up of the new business model

(€m)	H1 2017	H1 2016	Change	
Revenue	**58.2**	52.5	+5.7	+10.9%
Like-for-like change (%)				*+7.8%*
EBITDA	**1.7**	1.8	-0.1	-5.6%
as a % of revenue	***2.9%***	*3.4%*		
Recurring operating profit	**1.7**	1.8	-0.1	-5.6%
as a % of revenue	***2.9%***	*3.4%*		

Chargeurs Luxury Materials (CLM) generated revenue of €58.2 million in first-half 2017, an increase of 7.8% like-for-like on the first half of 2016 that was primarily driven by a volume effect and by the increase in wool prices. The division also benefited from a positive currency effect from the New Zealand dollar.

CLM's recurring operating profit came in at €1.7 million, which is consistent with the prudent model adopted by the Group for this division that has no open foreign exchange positions to protect it from volatility in the prices of fibers.

The division's operating margin was in line with Group expectations and notably reflects the operating investment required to meet increasingly sophisticated supply-chain requirements as well as the move towards the higher end of the market. CLM’s high quality, traceable and durable fibers have properties that will enable the Group to progressively market its products at a premium to major customers in the luxury and sportswear markets worldwide.

FINANCIAL POSITION AT JUNE 30, 2017

Chargeurs still has a robust financial position with consolidated equity (excluding non-controlling interests) amounting to €227.9 million at June 30, 2017 versus €227.3 million at December 31, 2016.

Thanks to the 87.1% jump in net cash from operating activities during the six months ended June 30, 2017, the Group ended the period with a net cash position of €9.3 million compared with €3.2 million at December 31, 2016. This was achieved despite a sustained level of investment to support its expansion (capex, innovation, acquisitions) and a €3.6 million cash outflow in May 2017 for the payment of the balance of the 2016 dividend.

During the first half of 2017 the Group further optimized its balance sheet structure and financial resources by carrying out a Euro PP involving 8-year and 10-year financing on May 30, 2017. This financing – the first in the Group’s history to have such a long maturity – was raised as part of the Group’s overall development strategy and is repayable at maturity. In tandem, the Group extended the average maturity of its existing borrowings, which also helped improve the profile of its debt.

As a result of its increased financial headroom the Group is confident that it will have the financing it needs to meet the ambitious targets set by Management.

INTERIM DIVIDEND

Due to the Group's faster pace of growth in the first half of 2017, the Board of Directors has decided to pay an interim dividend of €0.25 per share – up 25.0% on the interim dividend paid in September 2016 – with the option to reinvest the interim dividend in Chargeurs shares.

The payment timeline for the interim dividend is:

- Ex-dividend date and start of dividend reinvestment option period: September 13, 2017
- End of reinvestment option period: September 21, 2017
- Announcement of the number of options exercised: September 27, 2017
- Delivery of shares and payment of cash interim dividend September 29, 2017

SUBSEQUENT EVENT

On August 31, 2017, Chargeurs announced that it had signed an agreement to acquire Omma, Italy's leading manufacturer of application, laminating, gluing and coating machines for four key markets: the automotive industry, metals, composites and wood. Omma's annual revenue totals close to €6 million, of which more than 80% is generated outside Italy.

This transaction is the next step in Chargeurs' growth strategy following on from the acquisition in early 2017 of Walco and Somerra – the market leaders in the United States and France respectively – and illustrates the new international leadership position of Chargeurs and its Protective Films business in the specialized market of coating application machines.

OUTLOOK

The Group's first-half 2017 results once again demonstrate its excellent fundamentals in a persistently volatile global economic environment.

Chargeurs is standing by its full-year guidance, namely that it will achieve an increase in recurring operating profit and a high level of net cash from operating activities, thanks to the launch of its Game Changer acceleration plan.

The Group is also standing by its long-term objective of reaching €1 billion in revenue within five years (subject to macro-economic conditions remaining constant), with higher operating margins for all of its existing and future businesses.

SHARE BUYBACK PROGRAM

In view of its excellent showing in first-half 2017 and the confidence it has in its performance for full-year 2017, Chargeurs has decided to launch a share buyback program, which will be carried out via an investment services provider. This provider will be authorized to purchase Chargeurs shares (depending on market conditions) for up to €12 million.

The program, which will run until September 7, 2018, falls within the scope of the program authorized by shareholders at the AGM of April 20, 2017 to buy back Chargeurs shares representing up to 10% of the Company's capital for a maximum price of €30 per share every 24 months.

Appendices – Definitions

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

Operating margin: recurring operating profit.

Net cash from operating activities: Net cash from operations = Cash flow + Dividends received from equity-accounted investees + Change in working capital (excl. currency effect).

2017 Financial Calendar

Thursday, November 14, 2017 (after the close of trading) 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 over 90% was generated outside France.

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