H1 2024 Results

Strong cash generation, business lines ramping up

SEPTEMBER 5, 2024

CHARGEURS
High Emotion Technology®

AMBITION & STRENGTH

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Such forward-looking statements are based on assumptions that are currently considered reasonable, but which are dependent on external factors and unforeseeable events such as changes and developments in:

- the health crisis across all the Group's geographies,
- the geopolitical backdrop,
- the economic climate,
- commodity prices,
- exchange rates,
- laws,
- demand in the Group’s leading markets,
- new product launches by competitors.

The performance targets and estimated are also dependent on these unforeseeable events and are provided for information purposes only.

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The risk factors that could significantly influence the Group’s financial performance are set out in the Universal Registration Document, which is filed with the French Financial Markets’ Authority (AMF) on an annual basis.

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Business overview

Michaël Fribourg
Chief Executive Officer

Successful public tender offer enabling Chargeurs to open a new chapter in value creation

An enriched shareholder structure around the Fribourg Family Group

- The Fribourg Family Group and its partners have significantly increased their equity stake in Chargeurs, in which they now hold 67.6% of the capital and 68.5% of the voting rights
- Alongside the Fribourg family, the controlling shareholder, leading family-owned and institutional investors have taken part in this reinforcement, expressing their long-term confidence in the attractiveness of the Group's diversified and entrepreneurial business model: Habert-Dassault family, Groupama, MACSF, BNP Paribas Développement and CARAC are shareholders in Colombus Holding 1 and 2, the Group's controlling entities
- A still very significant free float of 32% expresses the market's interest in the Group's future potential, including a very high proportion of individual shareholders

The new 2025-2030 strategic plan, which is currently being prepared and will be presented in spring 2025, will aim to enhance the value of all the Group's assets

- Operating environment ramping up for each business, offering extensive value-creation options and scenarios
- Very solid cash generation in H1 24, reflecting the quality of the portfolio and the robustness of the Group's business model
- Resumption of dividend payments, expected as early as 2025, based on the good momentum observed this year

Strong rebound and ramp up in all business lines with a spectacular outperformance at Museum studio

After an exceptionally unfavorable past year, H1 2024 is marked by a strong operational rebound in key businesses and spectacular growth for Museum Studio.

- Group revenue rose by +11.1% on a like-for-like basis, to €374.3 million
- Group EBITDA up over +20%. Group recurring operating profit up by almost +34% to €17.0 million
- Acceleration of the rebound at Novacel (+7.6% in H1 24, +12.5% in Q2 24 on a like-for-like basis) with EBITDA up +60.5% and recurring operating profit up over +120%
- Chargeurs PCC achieved +9.4% growth in H1 2024 and its recurring operating profit rose by +11.3%
- Museum Studio posted revenue growth of +27.5%, EBITDA at +28.6%, and +33.3% recurring operating profit growth, while its order book topped the €300 million mark, equivalent x2 expected revenue for 2024.

Very strong cash generation, which was the priority this half-year

- €39.6 million of operating cashflow generated in H1 2024 (x44 vs H1 2023)
- Very strong cash generation at Novacel (+€32.8 million), Chargeurs PCC (+€7.4 million), Luxury Fibers (+€10.4 million), Museum Studio (+€8.0 million)

Significant increase in shareholders' equity and **in the reduction of financial debt**, while pursuing targeted investments in France and worldwide

- Shareholders' equity up by €39.7 million to almost €300 million
- Financial debt reduced by €32.4 million, while continuing to invest in operations and fixed assets

CONTENT

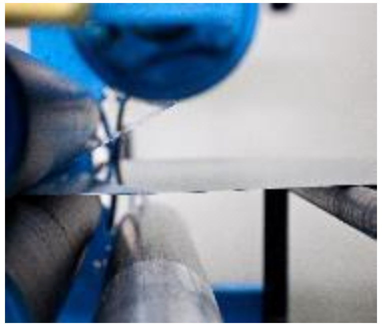
Business lines' review

Michaël Fribourg

Chief Executive Officer

Chargeurs, an international Group with a portfolio of world-leading businesses, diversified both geographically and by sector

With commercial and industrial operations in almost 100 countries and 2,600 employees, the Group owns and operates four world leaders in the industrial technologies, services and luxury sectors.



Novacel

World No.1 in industrial process films

Chargeurs PCC

World No.1 in interlining for fashion brands

Museum Studio

World No.1 in engineering and cultural production

Luxury Fibers

World No.1 supplier in traceable natural fibers

Personal Goods

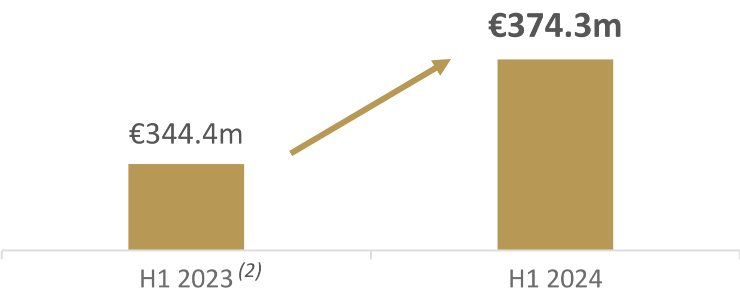
High-end personal accessories

Solid, growing, cash-generating assets

Very strong sales and operating performance and significant cash generation, driven by accelerating business lines

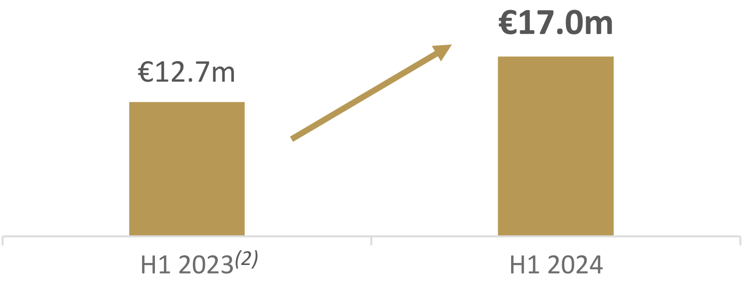
Revenue

+11.1%(1)



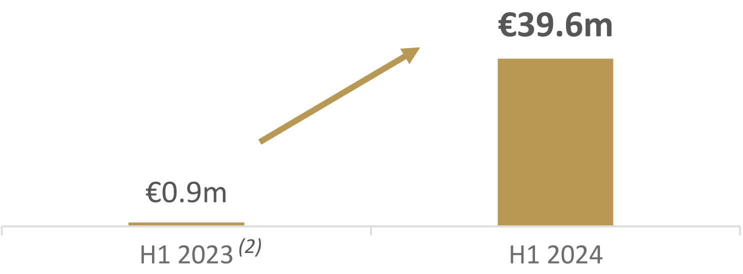
Recurring operating profit

+33.9%



Operating cashflow

x44



(1) Like-for-like growth

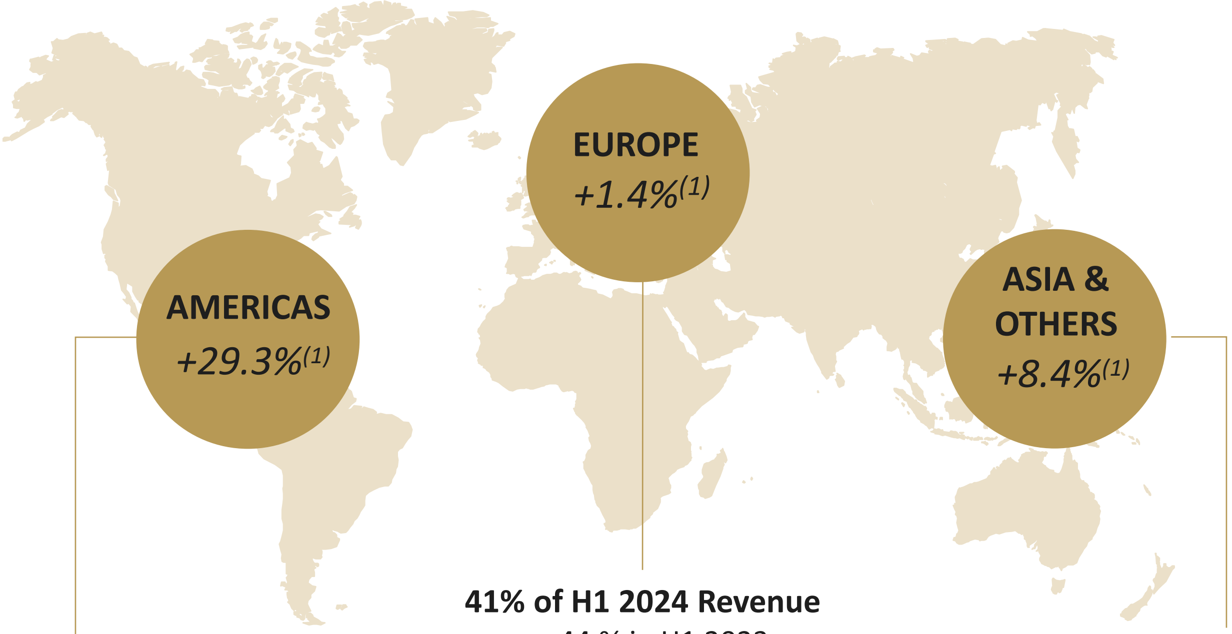
(2) 2023 calculated on a comparable basis following the change in valuation method for land and buildings, the consolidation of Swaine and the application of IFRS 5 Assets held for sale and discontinued operations

Sustained growth in Group sales throughout the first half: confirmation of return to growth in all businesses

Balanced contribution of Technology and Luxury assets to Q2 2024 growth

2024 vs 2023[1]	Q1	Q2	H1
Technologies division	+6.2%	+10.4%	+8.3%
Luxury division	+26.0%	+11.8%	+18.1%
Chargeurs	**+11.3%**	**+10.9%**	**+11.1%**

Chargeurs takes advantage of favorable economic conditions in the USA



30% of H1 2024 Revenue
vs. 27% in H1 2023

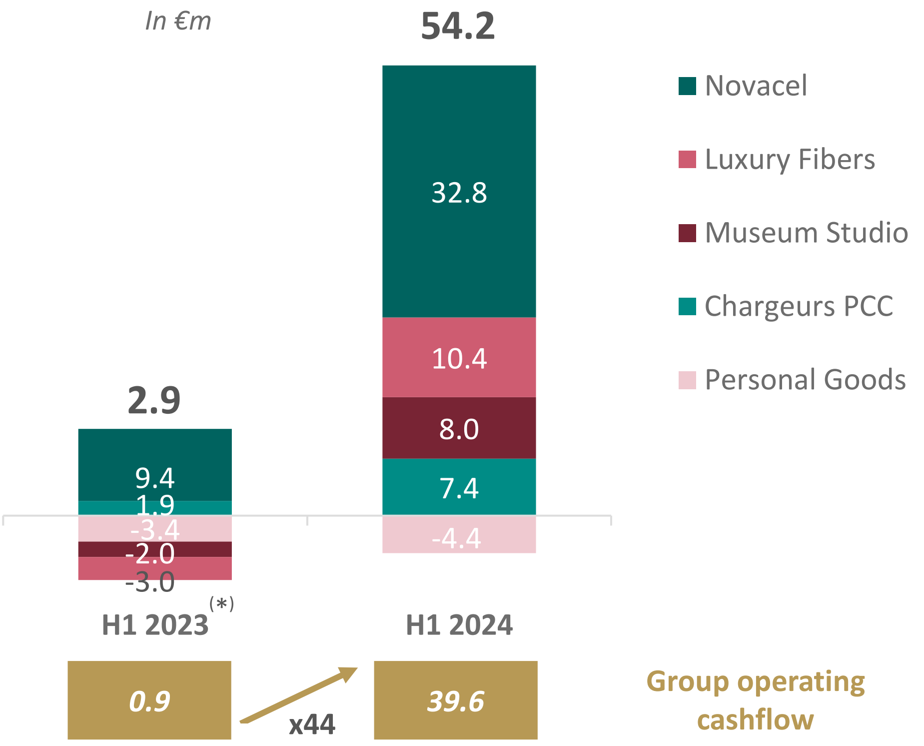
41% of H1 2024 Revenue
vs. 44 % in H1 2023

29% of H1 2024 Revenue
Stable vs. H1 2023

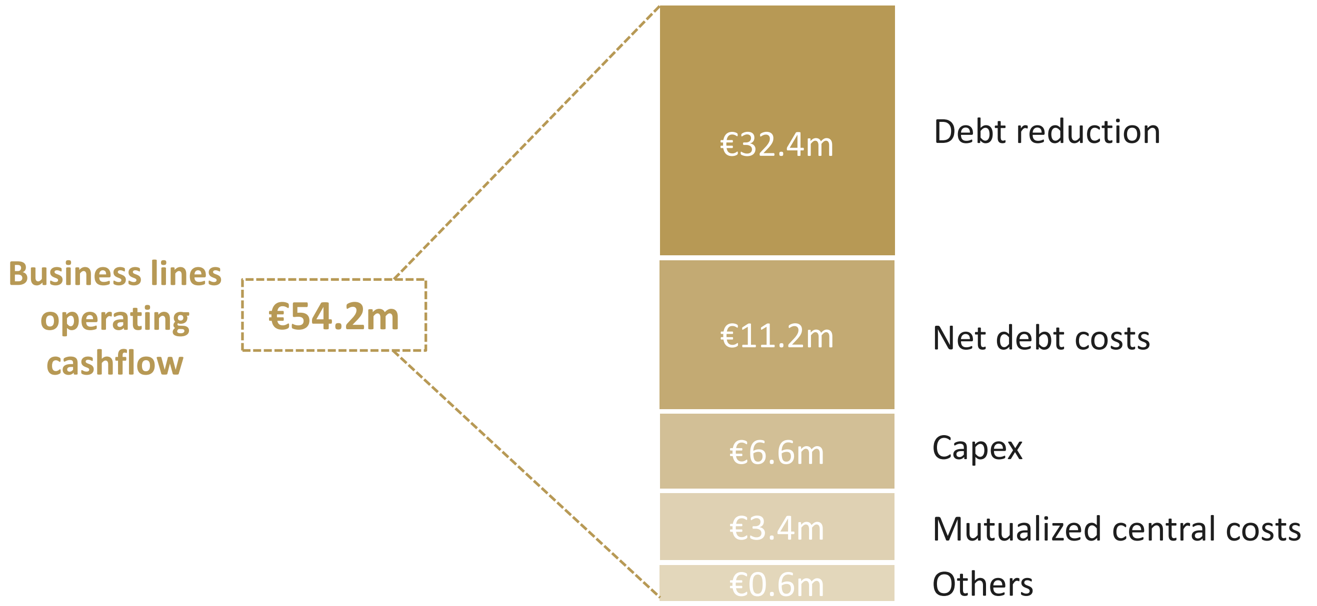
[1] *Growth rates indicated on a like-for-like basis and 2023 calculated on a comparable basis following the consolidation of Swaine and the application of IFRS 5 assets held for sale and discontinued operations*

Remarkable rise in cash flow from operating activities: €54.2 million in H1 2024

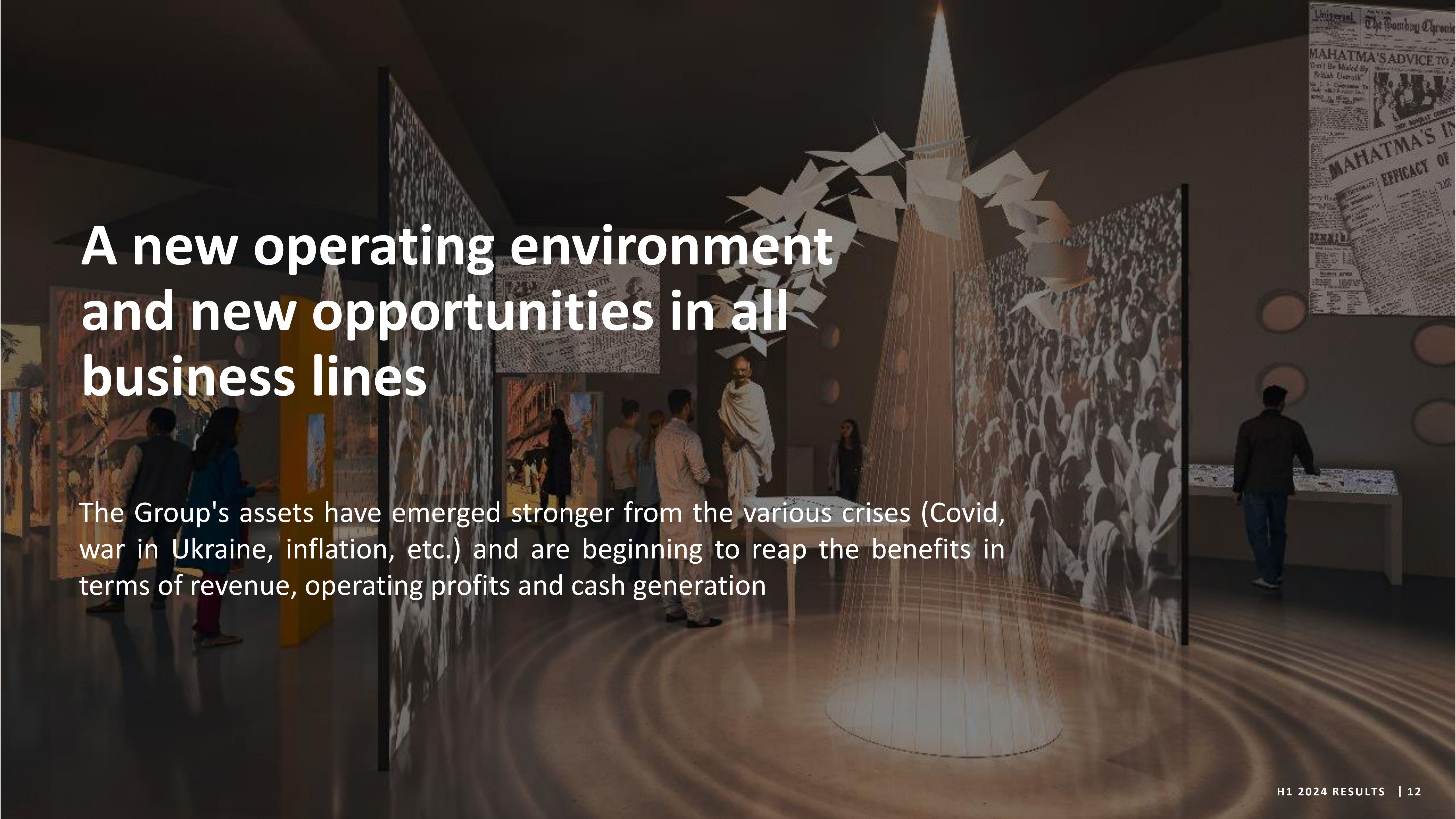
Portfolio assets generated operating cash flow of €54.2 million



- **Novacel:** very strong cash generation driven by business recovery
- **CFT PCC and CMS:** strong conversion of EBITDA into operating cash flow
- **CLF** : WCR optimization

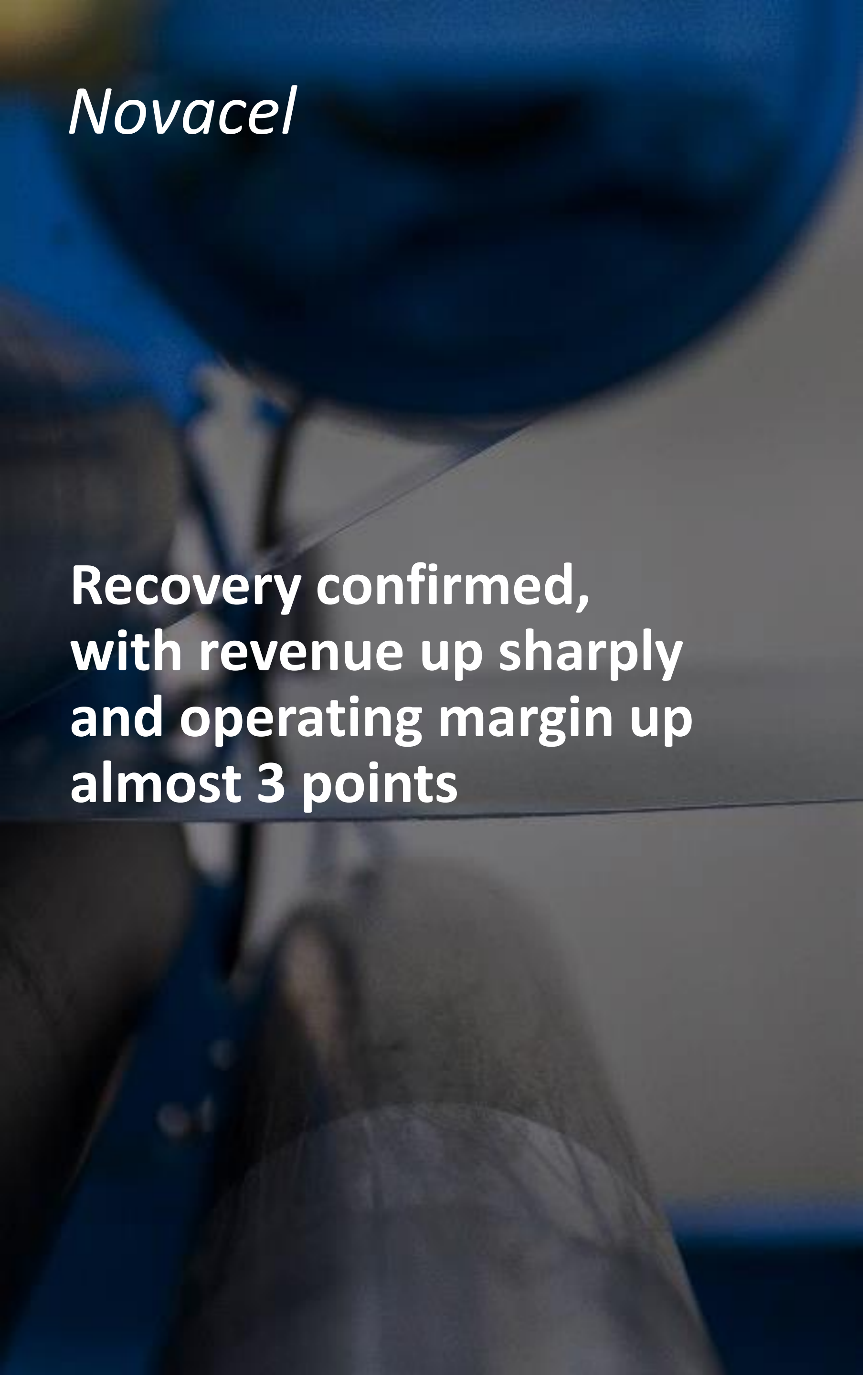


(*) Amounts calculated on a comparable basis following the consolidation of Swaine



A new operating environment and new opportunities in all business lines

The Group's assets have emerged stronger from the various crises (Covid, war in Ukraine, inflation, etc.) and are beginning to reap the benefits in terms of revenue, operating profits and cash generation



Novacel

Recovery confirmed, with revenue up sharply and operating margin up almost 3 points

Novacel

€m	H1 2024	H1 2023 (*)	*Change*	Q2 2024	Q2 2023	*Change*
Revenue	**157.9**	146.7	*+7.6%*	85.5	76.0	*+12.5%*
Like-for-like growth			*+7.6%*			*+12.2%*
EBITDA	**13.8**	8.6	*+60.5%*			
as a % of revenue	***8.7%***	*5.9%*				
Recurring operating profit	**8.6**	3.9	*+120.5%*			
as a % of revenue	***5.4%***	*2.7%*	*+2.7pts*			

(*) Amounts calculated on a comparable basis following the change in valuation method for land and buildings

- Strong rebound in revenue, particularly in Q2, marked by a significant upturn in volumes, up by almost 10% in H1 2024
- Revenue up sharply by +7.6% on a like-for-like basis: higher volumes and price increases more than offset lower EP prices
- EMEA, as main growth driver:
  - Sales teams are gaining market share, thanks to their presence in the field and new products
  - And benefiting from a more favorable economic climate and the first restocking by manufacturers
- Rise in sales of the Oxygen range, which increased 4-fold: increasing awareness among manufacturers about the use of more sustainable products
- Renewed activity in Asia, stimulated by the boom in the Indian market
- Strong increase in profitability, as expected: operating margin doubled, benefiting from the upturn in volumes and a more favorable product mix.

Novacel

Outlook: rebound confirmed, supported by strengthened governance

- A new management team led by Philippe Denoix, whose in-depth knowledge of the sector and commitment to the field are successfully supporting the business' rebound and doubling of the operating margin, with the aim of returning to the level of normative operating margin (>9-10% of sales) by 2025

- Novacel's own sector environment becoming favorable, particularly in Europe, driving business growth and enabling outperformance on its markets

- Increased production capacity to meet demand and boost volumes, combining cost control and operational efficiency

- An aggressive sales strategy that is bearing fruit: price increases, sales force structuring, product innovation

- Targeted investments to expand the range of sustainable products, particularly bioplastics, against a backdrop of growing demand (4-fold sales increase in the Oxygen range)

Chargeurs PCC

Sustained organic growth, driven by a record number of new nominations with U.S. fashion brands and by Chargeurs PCC's strong foothold in Asia

Chargeurs PCC

€m	H1 2024	H1 2023 (*)	*Change*	Q2 2024	Q2 2023	*Change*
Revenue	**101.2**	100.5	*+0.7%*	49.9	49.2	*+1.4%*
Like-for-like growth			*+9.4%*			*+7.8%*
EBITDA	**11.1**	10.9	*+1.8%*			
as a % of revenue	***11.0%***	*10.8%*				
Recurring operating profit	**7.9**	7.1	*+11.3%*			
as a % of revenue	***7.8%***	*7.1%*	*+0.7pt*			

(*) Amounts calculated on a comparable basis following the change in valuation method for land and buildings

- Sustained growth in volumes and revenue, thanks to Chargeurs PCC's strong penetration of the US market, as illustrated by the record number of worldwide nominations with major US fashion brands
- Continued efforts in marketing and commercial in Asia, aimed at increasing nominations with emerging and fast-growing fashion brands
- As a result, sales in Asia rose sharply by +14% in H1 2024: 60% of the division's revenue now generated in the region, compared to 53% in H1 2023
- 11% increase in EBITDA and 0.7-point improvement in operating margin to 7.8%:
  - Laser focused on operating performance, through selective sales strategy combined with cost discipline
- Acquisition of the strategic assets of Swiss company Cilander finalized, an exceptional growth opportunity:
  - Positioning in new niche markets
  - Expanding Chargeurs PCC's range of products and services

Chargeurs PCC

Outlook: growing performance, driven by the USA and China

- Growth driven by strong momentum in the United States and China
- Strong penetration of the domestic market in Asia, where the business line now generates 60% of its revenue. Successful participation in India's Bharat Tex 2024 event underpins brands' influence on the continent
- Solid cost control has led to a significant increase in EBITDA (+11.3%)
- The successful acquisition of Cilander enhances the Group's know-how and opens new markets with high potential: military, mobility and high-end textiles

Acquisition of Cilander: complementary assets and integration of world-renowned Swiss industrial know-how

PLANOFIL

- Finishing technologies for complex niche markets such as military and mobility applications

ALUMO

EUGSTER + HUBER

BRENNET

SWISS GHUTRA
CILANDER

- A portfolio of well-known brands offering top-quality fabrics, particularly for high-end shirts

- This operation is fully in line with Chargeurs PCC's growth strategy:
  - ➢ Acquire complementary expertise to strengthen global leadership and gain access to new, high-potential niche markets

Museum Studio

Half-year growth in line with forecasts

Order book of €300 million, equivalent to two years of 2024 expected revenue

Museum Studio
(excl. Hypsos)

€m	H1 2024	H1 2023 (*)	*Change*	Q2 2024	Q2 2023	*Change*
Revenue	**66.3**	52.0	*+27.5%*	38.1	33.0	*+15.5%*
Like-for-like growth			*+26.8%*			*+14.3%*
EBITDA	**7.2**	5.6	*+28.6%*			
as a % of revenue	***10.9%***	*10.8%*				
Recurring operating profit	**6.0**	4.5	*+33.3%*			
as a % of revenue	***9.0%***	*8.7%*	*+0.3pt*			

(*) Amounts calculated on a comparable basis following the change in valuation method for land and buildings

- In the USA, major projects are progressing according to plan (National Air & Space Museum in Washington, Cleveland Museum of Natural History). CMS has also started work on the new White House Museum, which contributed to the strong growth in half-year revenue
- In the Middle East, solid growth momentum particularly in Saudi Arabia, driven by regular deliveries for the major project in the city of Diriyah, and delivering the first services in project management for six major regional museum projects
- In Europe, a higher volume of services for the Statens Naturhistoriske Museum in Denmark contributed to growth in H1. The Carlsberg Museum in Denmark and Trinity College in Dublin were finalized this semester
- Great success of the Cézanne-Renoir exhibition produced by Skira in Milan, with almost 150,000 visitors, also contributing to H1 growth
- Continued improvement in operating margin, resulting from priority given to higher-margin projects and strong sales momentum

Museum Studio

Outlook: outstanding growth, reflecting the power of the brand and model worldwide

- In just a few years, Museum Studio has become a key player in the global museum and cultural ecosystem, recognized by institutions, international architects and advisors worldwide

- Recognition that has fueled sales momentum, with Museum Studio recording order book of €300 million (twice the sales expected in 2024)

- Continued expansion in the USA, with the award of major projects such as the historic San Jacinto contract in Texas

- The success of the Cézanne-Renoir exhibition in Milan, demonstrating the relevance of Museum Studio's offering to public expectations (150,000 visitors) and generating a significant profit

- Continued international momentum with the opening of new markets, rich in opportunities, in Asia and the Middle East

- Confirmation of expected revenue of €150 million and recurring operating profit in excess of €11 million for 2024

Museum Studio takes control of Grand Palais Immersif: Réunion des Musées Nationaux, Caisse des Dépôts and VINCI Immobilier remain long-term minority shareholders

Museum Studio becomes controlling shareholder (52%), alongside leading players

A strategic partnership to:

- **Strengthen Museum Studio's French roots** and relationships with French cultural institutions, the RMN, the Paris Opera and related ecosystem
- **Accelerate the international development** of the prestigious “Grand Palais Immersif” brand, and strengthen the export of French know-how in culture, art and technology
- **Create a new dynamic** for Museum Studio **in the field of immersive visitor experience**

Luxury Fibers

Revenue growth resumed, thanks to market share gains, but margins are still not satisfactory enough

Luxury Fibers

€m	H1 2024	H1 2023 (*)	Change	Q2 2024	Q2 2023	Change
Revenue	**43.1**	40.3	*+6.9%*	20.0	18.6	*+7.5%*
Like-for-like growth			*+7.6%*			*+7.7%*
EBITDA	**1.1**	1.3	*-15.4%*			
as a % of revenue	***2.6%***	*3.2%*				
Recurring operating profit	**0.9**	1.1	*-18.2%*			
as a % of revenue	***2.1%***	*2.7%*	*-0.6pt*			

(*) Amounts calculated on a comparable basis following the change in valuation method for land and buildings

- Like-for-like revenue growth in Q2 in line with that achieved in Q1 2024, resulting from an aggressive sales strategy implemented and aimed at winning market share in the highly competitive conventional wool segment
- Strong growth in NATIVA™ sales, up almost 20% in H1:
  - NATIVA™ continues to make breakthrough with international fashion brands
  - Aggressive marketing strategy to promote NATIVA™ at all textile trade fairs to reach new markets
- Launch of NATIVA™ cotton and cashmere programs, to meet growing demand from fashion brands for natural fibers produced in an eco-responsible manner

- NATIVA™ : sales of €30 million in 2023, expected to grow by 25% to almost €38 million in 2024
- The successful expansion of NATIVA™'s offering to include cotton and cashmere fibers illustrates the brand's sound positioning in the face of ever-increasing demand and promising opportunities
- Solid, sustained growth, thanks to a boosted commercial and marketing strategy

Personal Goods

Gradual implementation of the strategy of operational investment and expansion of the sales network, to support the development of long-term brand value

Personal Goods

€m	H1 2024	H1 2023 (*)	*Change*	Q2 2024	Q2 2023 (*)	*Change*
Revenue	5.8	5.1	*+13.7%*	3.0	2.7	*+11.1%*
Like-for-like growth			*+12.1%*			*+9.7%*
EBITDA	**-1.9**	-0.2				
as a % of revenue	***-32.8%***	*-3.9%*				
Recurring operating profit	**-3.7**	-1.2				
as a % of revenue	***-63.8%***	*-23.5%*				

(*) Amounts calculated on a comparable basis following the consolidation of Swaine

- The Swaine brand benefits from increased visibility since the opening of its flagship store in London
- Expanded product offering: new collections and lines very well received by customers, particularly international ones
- Strong growth at Altesse Studio, driven by its successful listing in French department stores and the development of its international sales network
- Marketing investments now focused on Cambridge Satchel to raise brand awareness, particularly on social networks, and to focus on direct customer contact, with new boutiques to be opened soon
- The Group charges most of its brand development investments to Expenses
- Business line profitability expected during the next strategic plan 2025-2030:
    - Priority given to investments to consolidate the marketing positioning of the three Houses
    - Expansion of sales network outside the UK

Personal Goods

Outlook: development of directly-operated-stores and distributor network to support break-even target by 2025-2026

- **Quiet luxury brands whose sales momentum outstrips general trends in conventional luxury,** with +12% like-for-like growth

- Phased, targeted investments **to strengthen, develop and structure sales outlets:** opening of directly-operated-stores, sales force structuring, geographic expansion, distribution agreements

- Works on the SWAINE flagship are bearing fruit**, with growing interest from an exclusive international clientele** and requests from leading players in **the film industry**

- **High-visibility collaborations** for CAMBRIDGE SATCHEL (Hello Kitty, Wicked, Emily In Paris, etc.), which is also gearing up to increase sales with the opening of new stores

- Continued expansion for ALTESSE STUDIO, **with growth accelerating,** internationally

Financial overview

Olivier Buquen

Deputy CEO

Group Financial Affairs and Performance

Strong growth in revenue and recurring operating profit at €17.0 million

€m	H1 2024	H1 2023(*)	Change
Revenue	**374.3**	**344.6**	***+8.6%***
Gross profit	99.3	88.3	*+12.5%*
as a % of revenue	*26.5%*	*25.6%*	*+0.9pt*
EBITDA	**29.6**	**24.5**	***+20.8%***
as a % of revenue	*7.9%*	*7.1%*	*+0.8pt*
Recurring operating profit	**17.0**	**12.7**	***+33.9%***
as a % of revenue	*4.5%*	*3.7%*	*+0.8pt*
Operating profit	**10.2**	**7.9**	***+29.1%***
Net financial expense	-15.7	-12.7	
Tax	2.8	7.0	
Net profit	**-3.4**	**1.9**	
Attributable net profit	**-3.5**	**2.1**	

(*) Amounts calculated on a comparable basis following the change in valuation method for land and buildings, the consolidation of Swaine and the application of IFRS 5, Assets Held for Sale and Discontinued Operations

1. Revenue up +11.1% on a like-for-like basis, +8.3% for the Technologies division and +18.1% for the Luxury division
2. Strong improvement in gross margin driven by Technologies division thanks to Novacel's rebound and continuous improvement at Chargeurs PCC
3. Strong growth in EBITDA, with improvements in almost all businesses, particularly at Novacel: EBITDA multiplied by 2.2x
4. After a peak in financial expenses (refinancing overlap and interest-rate effect), reduction is expected in H2 2024, thanks to lower Group's debt, interest rates and excess liquidity
5. Taxes: lower capitalization of tax losses
6. Net income: impact of certain exceptional expenses (takeover costs, restructuring)

   2024 Net income expected to be profitable, on a constant environment basis

Very strong generation of operating cashflow

€m	H1 2024	H1 2023[(*)]
EBITDA continued and discontinued activities	29.7	24.2
Non-recurring – cash	*-6.0*	*-4.3*
Financial expenses – cash	*-11.2*	*-11.0*
Tax – cash	*-2.0*	*-3.2*
Other	*-4.5*	*-0.3*
Cash flows provided by operating activities, before changes in net working capital	6.0	5.4
Dividends from associates	-	0.3
Change in working capital at constant exchange rates	33.6	-4.8
Operating cashflow	39.6	0.9
Acquisition of property, plant and equipment and intangible assets, net of disposals	-6.6	-12.0
Acquisitions	-	-1.0
Dividends paid in cash	-	-8.6
Other	-2.0	-10.2
Total	31.0	-30.9
Effect of changes in exchange rates on cash and cash equivalents	1.4	-1.5
Opening net cash/(net debt)	-251.1	-173.3
Closing net cash/(net debt)	-218.7	-205.7

(*) Amounts calculated on a comparable basis following the consolidation of Swaine

1. Strong EBITDA growth of over 20%, driven by a rebound in profitability at Novacel and good profitability at Chargeurs PCC and Museum Studio
2. Rigorous WCR management
3. Capex at a more normalized level, following the major investments made in 2023 to prepare for the energy and digital transformation in the Technologies division's business lines
4. Debt reduced by more than €32m

Stronger balance sheet and sound reduction in net financial debt driven by strong generation of operating cashflow

€m	30/06/2024	31/12/2023(*)
Intangible assets	296.3	289.7
Property, plant and equipement	133.6	133.4
Associates	5.4	5.6
Other net assets and liabilities	42.6	36.2
WCR	46.2	84.9
Total capital employed	524.1	549.8
Group equity	292.1	286.0
Net borrowings	218.7	251.1

€m and years	30/06/2024	Average maturity	31/12/2023	Average maturity
Drawn financing facilities	349.8	2.6	360.3	2.8
Undrawn financing facilities	144.8	1.7	148.8	2.3
Total financing	494.6	2.3	509.1	2.6
Available financial resources (cash + undrawn facilities)	256.0		241.7	

- Reduction in leverage ratio to 4.3x from 5.0x at year-end 2023 and gearing ratio to 0.7x from 0.9x thanks to strong cash generation
- Objective confirmed of a leverage ratio below 3.5x at the end of 2024, thanks to normalization of EBITDA and generation of free cashflow over the year
- Shareholders' equity of €292.1m, up €39.7m on the published figure at 31/12/2023, mainly due to the revaluation of real estate assets at market value, which better reflects the Group assets' value
- In the absence of any plans for significant external growth, the Group has decided to reduce its excess liquidity, which will reduce financial expenses, in parallel with the reduction in debt resulting from improved performance.

	30/06/2024	31/12/2023
Leverage ratio: Net Debt/EBITDA	4.3x	5.0x
Gearing ratio: Net Debt/Equity	0.7x	0.9x

(*) *Amounts calculated on a comparable basis following the change in valuation method for land and buildings and the consolidation of Swaine*

Conclusion

Michaël Fribourg
Chief Executive Officer

In 2024, we will continue to improve organic profitability and cash generation of the assets in our portfolio, while preparing the 2025 - 2030 strategic plan

Chargeurs hence relies on several solid strengths :

1

A committed family shareholding with strong ambitions in asset management

2

A portfolio of world-leading assets, with multiple development prospects

3

A powerful international network, with a foothold in fast-growing markets (USA, Asia...) and openings in new markets

4

Solid commercial, operational and financial fundamentals, providing an excellent foundation for the Group's future development

S2 2024: Focus on improved profitability and cash generation

Pursue efforts to increase the profitability of each business line

- Strengthen sales momentum in all business lines, in a still uncertain market environment
- Increase sales of higher-margin products and services
- Maintain an ambitious marketing strategy in the USA and Asia, particularly at Novacel and Chargeurs PCC

Strengthen cash generation

- Maximize the conversion rate of profit into cash
- Further actions to optimize WCR

Integrate Cilander quickly and efficiently

- Quickly develop commercial and industrial synergies
- Immediately prepare a joint product and service offering Chargeurs PCC / Cilander to position into new markets

CHARGEURS

High Emotion Technology®