

Chargeurs confirms its business scenario for 2023 Strong momentum for the new growth drivers and gradual business recovery for Advanced Materials

The new growth drivers confirm their strength and commercial acceleration

- Q1 2023 revenue came out at €169.7 million, **reflecting slight organic growth compared with Q4 2022**, despite the particularly wait-and-see and deteriorated global environment, and fell 16.6% short of the Q1 2022 performance, which was a record comparison basis
- **Success of the Group's new growth drivers:**
 - ◆ Chargeurs PCC Fashion Technologies, driven by fashion and luxury, maintained business at a very high level
 - ◆ Chargeurs Museum Studio saw a 50% increase in its business and confirmed its commercial dynamics
- **Revenue offsetting between businesses and between geographies, and leadership premium confirmed** compared with Q4 2022, Chargeurs took advantage of its diversified model and its ultra-premium positioning: indeed, the rebound in business in Europe offset the temporary wait-and-see mood in North America and Asia
- **Strength and sequential rebound within the Technologies division**
 - ◆ After a decline in volumes in 2022, Chargeurs Advanced Materials reported 21% growth in sales volumes compared with Q4 2022 and maintained its pricing power, with its leadership premium, enabling it to rebound faster than its market
 - ◆ Chargeurs PCC Fashion Technologies confirms its profitable commercial dynamics
- **Promising commercial acceleration and ambition in the Luxury division**
 - ◆ Very strong growth and clear visibility at Chargeurs Museum Studio
 - ◆ Greater commercial selectivity and greater contribution from services to major fashion brands for Chargeurs Luxury Fibers which reported a pick-up in revenue compared with Q4 2022, with the basis of comparison from the first quarter of 2022 being atypical owing to the post-Covid recovery environment
 - ◆ Confirmed ambitions for a structuring acquisition
- **Encouraging trends and dynamics**, confirming the dominant scenario already announced of accelerated profitable growth **for all contributing drivers** during the second half of 2023.

Michaël Fribourg, Chairman and Chief Executive Officer of Chargeurs Group, declared: "Once again Chargeurs confirmed its **strength and its ability to bounce back** by resisting economic volatility in a less profitable, wait-and-see environment and by steadily pursuing its **accelerated transformation in its ultra-premium business niches**.

The activation of its different growth drivers, driven by the global commercial commitment of its teams, which deserve to be congratulated, enabled Chargeurs to express its **leadership premium** in its four global champions. **The sectoral and geographical decorrelation** of operating segments allows for slight organic growth in activity in the first quarter of 2023 at the level of the fourth quarter of 2022, despite the energy crisis, inflation and the impact on consumption of the unprecedented acceleration in interest rate increases.

The new growth drivers **confirm the good news**: Chargeurs PCC Fashion Technologies, driven by the Luxury segment and digital consumption, maintained revenue and profitability at very high levels despite the prevailing wait-and-see mood in Asia. Chargeurs Museum Studio, as anticipated, is experiencing a true **commercial take-off** this year, rewarding the transformations and synergies prepared in previous years. With regard to historical growth drivers, Chargeurs Advanced Materials confirmed its sequential rebound in revenue and volumes, the return to a normal level of activity is expected in the second half of the year, with a scenario of higher volumes and a more favorable product mix.

Once more, Chargeurs activities were able to **adapt from the top** to the ups and downs of the global economy, demonstrating their industrial, logistics and commercial flexibility; pressure on energy and inflation no longer had a significant impact on the Group's business models since the end of Q1 2023.

Driven by its long-term **entrepreneurial culture** and its strengthened, talented teams, Chargeurs is developing four global champions with **unprecedented flexibility** in this first half which is mechanically less buoyant in terms of profitability but rich in environmental and digital transformation initiatives, differentiating in the short, medium and long term.

While remaining vigilant in light of the economic backdrop, Chargeurs reaffirms its **confidence in 2023**, leveraging the continued geographic expansion of all its businesses, its operational excellence, its entrepreneurial model, its powerful portfolio and balance sheet strength.

In line with its strategy and its ambitions, the Group confirms its desire to carry out a structuring acquisition in its Luxury division, while targeting revenue of more than one billion euro for 2025 at constant scope".

Slight growth in revenue in First quarter 2023 compared with Fourth quarter 2022

For the first quarter of 2023, the Group reported revenue of €169.7 million, down 16.6% compared with Q1 2022 but reflecting organic growth of 0.6% compared with Q4 2022. Chargeurs Advanced Materials reported growth compared with Q4 2022, despite the energy crisis and the erratic economic backdrop, which continue to weigh on the business.

Group activity benefited from the performance of the PCC Fashion Technologies business line, where revenue remained stable despite a record comparison base, and from the very strong dynamism of Museum Studio which reported a 50.9% surge in sales with very promising prospects, as reflected in the size of the order book.

The new growth drivers confirm their expansion and the conquest of new international markets

€m	2023	2022	chg. 23 vs. 22	
First quarter			reported	like-for-like
Technologies	122.0	156.6	-22.1%	-20.5%
Advanced Materials	70.7	95.9	-26.3%	-27.0%
PCC Fashion technologies	51.3	54.6	-6.0%	-0.2%
Healthcare Solutions	0.0	6.1		
Luxury	47.7	46.9	+1.7%	-9.5%
Museum Studio	24.0	15.9	+50.9%	+30.2%
Luxury Fibers	21.7	31.0	-30.0%	-30.0%
Personal Goods	2.0	-		
CHARGEURS	169.7	203.5	-16.6%	-18.0%

By business line, the First quarter sales performance breaks down as follows:

Technologies Division:

- Revenue at **Chargeurs Advanced Materials** was up 8.6% in Q1 2023 compared with Q4 2022. The 26.3% decline compared with Q1 2022 can be mainly attributed to an unfavorable comparison basis: indeed, the start of last year was marked by massive rebuilding of inventories post-Covid after 2021. After three consecutive quarters of declining volumes in 2022 compared to a record 2021, CAM benefited from a turnaround of 21% in volumes sold in the first quarter of 2023.

Although caution remains the watchword, we can consider that the low point in activity is behind us.

CAM continues to strengthen its positions in very promising markets, notably in India in the stainless steel market and in Australia, which partially offset the wait-and-see mood in the Chinese market. While recovery prospects in China have not yet been confirmed, the Group's leadership in premium films means it is ideally positioned to take advantage of the imminent recovery.

Furthermore, in Europe, Chargeurs Advanced Materials benefited from its solid customer base, the recognized excellence of its products and its commercial speed of reaction to chalk up a robust performance in an industrial environment which remains complex.

In all markets, the business line aims to leverage its commercial strength, the quality of its products and its innovation capacity to offer new sustainable protection solutions. In this way, it is reinforcing its position as an essential player to assist industry towards industrial and logistics processes that are more respectful of the environment. The new Oxygen range, with an innovative vegetable base enables huge reductions in CO₂ emissions, chalked up very significant commercial successes with major industrial groups, enabling them to meet the requirements of decarbonized industry.

For all of these reasons, the Group maintains its scenario of a gradual rebound in business at CAM during the second half of 2023.

- **Chargeurs PCC Fashion Technologies** maintained its first quarter revenue at the same level as the previous year, despite the still-uncertain macroeconomic environment. This performance is all the more remarkable considering that while Europe, thanks to the luxury sector, and South America, generated strong growth, Asia, despite a slight recovery in China and interesting trends in neighboring countries - notably India and Sri Lanka - has not yet fully returned to its pre-Covid level.

The activity was supported by its pricing power, which enabled integration of the increase in input prices, and by a volume effect driven by the diversification of products offered and the resulting market share gains with new customers.

Furthermore, the activity is continuing to pursue its strategic positioning as one of the players in the sustainable transformation of the textile industry. Its brand-new wool interlining solution NATIVA™ as well as its new *Zero-Water* dyeing solution, in a context where water consumption is more than ever an industrial challenge, have received numerous expressions of interest. The performance of Chargeurs PCC Fashion Technologies also leverages its innovative Fusion range to continue its expansion, notably with the signature of a new partnership with German underwear brand Triumph.

Chargeurs Healthcare Solutions, which did not generate meaningful sales in the first quarter of 2023, is now integrated within **Chargeurs PCC Fashion Technologies**, owing to the normalization of the health situation.

Luxury Division:

- The **Chargeurs Museum Studio** activity continues to enjoy very strong trends, with growth of more than 50% in revenue to reach €24.0 million, confirming its trajectory toward its objective of €120 million for all of 2023. Quarter after quarter, CMS affirms its status as a major contributor to Group growth. The structuring of a single center of excellence for all of the cultural services for institutions, museums, foundations and brands makes CMS a unique global player. This differentiating positioning at each stage of the value chain of the museum universe enables the business to win new projects and consolidate its order book, providing significant visibility on business which should see a sharp acceleration in the second half. Thanks to its recognized expertise in cultural engineering, CMS is positioned as the reference global cultural brand and continues its international deployment, with

promising discussions in India and Central Asia which could ideally complement its footprint in Europe and North America.

In this way, the business continues to win emblematic projects, like the Marine Corp Museum in North Carolina (United States) or the Lost Shtetl in Lithuania. Another major success: the luxury Maison Fendi chose Skira to publish the brand's saga in an exclusive XXL edition.

- **Chargeurs Luxury Fibers** stepped up its commercial repositioning, addressing fashion and luxury brands directly. In the first quarter, revenue generated by the activity was down owing to a high comparison basis from Q1 2022, at €21.7 million. Business was impacted by the continued effects of Covid in China and by extreme weather conditions in New Zealand which disrupted production. Apart from these economic considerations, CLF continued to pursue its differentiation strategy with the NATIVA™ brand to make wool a premium, traceable and sustainable product. Other developments, such as the NATIVA REGEN regenerative agriculture program, contribute to long-term collaborations with brands. Initial successes in 2022 will be followed in 2023 by further commercial confirmations with major fashion and luxury players, keen to demonstrate their environmental achievements, notably in reducing their carbon footprint.

In this way, CLF is positioned as the global leader for eco-fibers and will extend its lead in the coming months with the development of new very promising NATIVA™ labels for cashmere and cotton.

- **Chargeurs Personal Goods** reported revenue of €2.0 million. During the first quarter of 2023, the new division contributed to the Group's commercial dynamism.

The Cambridge Satchel Company, renamed Cambridge Satchel, continued its strong commercial revitalization which notably targets developing the brand in Asia by the end of 2023. This presence will enable Cambridge Satchel to extend its global reach, and this will also be fueled by several partnerships recently concluded with Hollywood movie studios. The brand also intends to leverage the dynamics of its digital sales channels, with the opening of a TikTok boutique.

Fournival Altesse reported another quarter of growth over the first three months of 2023, with sound prospects for the rest of the year. Boosted by its move upmarket, confirmed by its recent referencing by La Samaritaine, the luxury hairbrush brand plans to take full advantage of strong growth in the Haircare market.

The historical Swaine brand continues its commercial development offensive, with the pre-opening of a flagship store on London's New Bond Street, which offers the brand a new showcase and promising prospects. The launch of new ranges, including an exclusive women's range, should also enable Swaine, which is not yet consolidated in 2023, to take advantage of new luxury trends.

2023 Financial calendar

Thursday, September 7, 2023

First-half 2023 results

Thursday, November 9, 2023

Third-quarter 2023 revenue



ABOUT CHARGEURS

Chargeurs is a family-owned entrepreneurial Group and world leader in high value added niche markets. Located in nearly 100 countries with close to 2,500 employees, the Group is organized into two strategic business segments: industrial technologies and luxury.

Benefiting from the long-term strategy of the Fribourg Family Group, its reference shareholder, Chargeurs serves sectors with strong structural growth and expresses its know-how of excellence in the commercial, industrial, marketing and logistics fields. The Group, whose global signature is *High Emotion Technology*, achieved revenues of €746 million in 2022 and celebrated its 150 years of entrepreneurial boldness.

The Chargeurs share is listed on Euronext Paris and is PEA-PME eligible.

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Breakdown of revenue by business line

€m	2023	2022	2021	Change 2023/2022
First quarter				
Technologies	122.0	156.6	151.8	-22.1%
Advanced Materials	70.7	95.9	76.5	-26.3%
PCC Fashion technologies	51.3	54.6	33.6	-6.0%
Healthcare Solutions	0.0	6.1	41.7	
Luxury	47.7	46.9	29.0	+1.7%
Museum Studio	24.0	15.9	10.6	+50.9%
Luxury Fibers	21.7	31.0	18.4	-30.0%
Personal Goods	2.0			
CHARGEURS	169.7	203.5	180.8	-16.6%
Second quarter				
Technologies	-	151.4	158.3	-
Advanced Materials	-	94.8	92.0	-
PCC Fashion technologies	-	56.5	36.7	-
Healthcare Solutions	-	0.1	29.6	-
Luxury	-	43.8	33.3	-
Museum Studio	-	20.4	12.3	-
Luxury Fibers	-	23.4	21.0	-
Personal Goods	-			-
CHARGEURS	-	195.2	191.6	-
Third quarter				
Technologies	-	132.7	139.1	-
Advanced Materials	-	76.8	86.2	-
PCC Fashion technologies	-	55.8	41.6	-
Healthcare Solutions	-	0.1	11.3	-
Luxury	-	42.2	33.8	-
Museum Studio	-	20.4	11.7	-
Luxury Fibers	-	21.8	22.1	-
Personal Goods	-			-
CHARGEURS	-	174.9	172.9	-
Fourth quarter				
Technologies	-	118.3	151.4	-
Advanced Materials	-	65.1	86.2	-
PCC Fashion technologies	-	53.1	53.0	-
Healthcare Solutions	-	0.1	12.2	-
Luxury	-	54.5	39.9	-
Museum Studio	-	30.5	15.2	-
Luxury Fibers	-	18.5	24.7	-
Personal Goods	-	5.5	-	-
CHARGEURS	-	172.8	191.3	-
Full-year total				
Technologies	-	559.0	600.6	-
Advanced Materials	-	332.6	340.9	-
PCC Fashion technologies	-	220.0	164.9	-
Healthcare Solutions	-	6.4	94.8	-
Luxury	-	187.4	136.0	-
Museum Studio	-	87.2	49.8	-
Luxury Fibers	-	94.7	86.2	-
Personal Goods	-	5.5	-	-
CHARGEURS	-	746.4	736.6	-

Breakdown of revenue by geographic region

€m	2023	2022	2021	Change 2023/2022
First quarter				
Europe	80.4	95.0	103.5	-15.4%
Americas	44.8	54.2	41.2	-17.3%
Asia	44.5	54.3	36.1	-18.0%
CHARGEURS	169.7	203.5	180.8	-16.6%
Second quarter				
Europe	-	86.7	99.7	-
Americas	-	53.3	46.2	-
Asia	-	55.2	45.7	-
CHARGEURS	-	195.2	191.6	-
Third quarter				
Europe	-	69.1	80.9	-
Americas	-	55.4	44.7	-
Asia	-	50.4	47.3	-
CHARGEURS	-	174.9	172.9	-
Fourth quarter				
Europe	-	71.4	83.9	-
Americas	-	50.7	49.7	-
Asia	-	50.7	57.7	-
CHARGEURS	-	172.8	191.3	-
Full-year total				
Europe	-	322.1	368.0	-
Americas	-	213.6	181.8	-
Asia	-	210.7	186.8	-
CHARGEURS	-	746.4	736.6	-