



Record turnover for Delta Plus Group in 2018 Growth of 10.7% at constant scope and exchange rates

The Delta Plus Group, a major player in the market for personal protective equipment (PPE), recorded sales of € 240.5 million in 2018, up +10.7% at constant scope and exchange rates in one year. Given the impact of the negative scope and currency effects, turnover growth in Euro was up 4.6% in 2018.

The Group, which achieved an excellent performance this year, saw its sales grow for the ninth consecutive year, and reach a new record.

The dynamic growth recorded in the first months of 2018 therefore continued in the second quarter, across all geographical areas covered by the Group.

For the Delta Plus Group the year 2018 was marked by solid growth in most of its European markets (+3.1%), by a very strong momentum in its Non-European business (organic revenue growth of +18.3% in this zone), by two end-of-year acquisitions in Canada and the Netherlands, and by an ongoing divestiture process for non-core marginal activity reclassified as discontinued operations as of December 31, 2018.

Consolidated turnover <i>In millions of Euro</i>	2018	2017	Development 2018/2017	Development Constant scope and exchange rates(*)
Group turnover	240,5	229,8	+4,6%	+10,7%
1st quarter	54,4	54,1	+0,6%	+8,3%
2nd quarter	59,6	54,3	+9,7%	+17,1%
3rd quarter	57,1	52,7	+8,3%	+15,1%
4th quarter	69,4	68,7	+1,1%	+4,2%
Consolidated turnover Europe	116,3	115,2	+0,9%	+3,1%
1st quarter	28,3	28,2	+0,3%	+2,5%
2nd quarter	27,4	27,0	+1,4%	+5,0%
3rd quarter	26,7	25,8	+3,4%	+6,1%
4th quarter	33,9	34,2	-0,9%	-0,3%
Turnover Outside of Europe	124,2	114,6	+8,4%	+18,3%
1st quarter	26,1	25,9	+0,8%	+14,6%
2nd quarter	32,2	27,3	+17,8%	+29,0%
3rd quarter	30,4	26,9	+13,0%	+23,6%
4th quarter	35,5	34,5	+3,0%	+8,6%

(*) Over the 2018 fiscal year, the scope effect increased to -0.6% (- € 1.4m) and the currency effect at -5.5% (- € 12.5M).

Europe: solid growth in 2018

The Group's activity in Europe remained positively oriented throughout the 2018 financial year. Growth, at constant scope and exchange rates, was 3.1%, thanks in particular to continued sales growth in the eastern and southern countries (Spain, Poland, Romania, Greece, Czech Republic and Slovakia). The Benelux is also performing very well this year, thanks in particular to the commercial development efforts made in the Netherlands.

Activity in the United Kingdom also increased in the second half of the year, after a slow start to the year.

The activity of Delta Plus Group in France and in Italy remains stable compared to 2017.

Outside Europe: a strong momentum in 2018, driven by China, the main driver of growth

In the markets Outside of Europe, the dynamic of the first half was confirmed at the end of the year, with growth at constant scope and exchange rates of + 8.6% in the fourth quarter (+3.0% in Euro).

For the full year of 2018, the Group achieved an excellent performance, recording growth at constant scope and exchange rates of + 18.3% (+ 8.4% in Euro).

China, now the leading contributor to consolidated turnover, remains the main driver of this growth. This trend was confirmed in the second half, thanks to an increase in turnover of over 20%.

The Group also posted significant growth in sales across all other Asian markets, as well as in North America.

Fluctuations in the Euro against most emerging market currencies, particularly in South America (Argentina and Brazil), have remained significant in recent months.

These fluctuations caused an unfavourable currency effect of - € 12.5M on the consolidated turnover for the 2018 financial year (- € 3.0M in the fourth quarter alone).

Two-thirds of these negative currency effects concern currencies in South America. More generally, all the countries in which the Group operates outside of Europe saw their parity depreciate against the Euro.

Two acquisitions finalised in the fourth quarter A non-strategic activity being sold

Delta Plus Group continued its development policy in 2018 on the North American market.

Three years after having established itself in the United States through the acquisition of Elvex, the Delta Plus Group confirmed, in November 2018, its desire to develop in this high value-added market, through the acquisition of 100% of the shares Degil Safety and Ontario Glove, both of which are based in Canada and were acquired from the same shareholder.

This acquisition represented a positive scope effect for the Delta Plus Group of € 1.0 million over the last two months of the year.

At the same time, in the business of securing fall protection for infrastructure, a segment of high value-added activities, the Group strengthened its presence in the Northern European markets by finalising,

in the fourth quarter, the acquisition of 51% of shares in Dutch-based Vertic Nederland BV, with the aim of accelerating its development in this segment, two years after acquiring Vertic France. This acquisition in the Netherlands represented a positive scope effect for the Delta Plus Group of € 0.5 million over the last three months of the year.

Lastly, in the second half of 2018, the Group initiated the sale of a marginal activity, considered non-strategic.

Negotiations are underway with a potential buyer. As a result, the Group decided to reclassify this business as a discontinued operation as of December 31, 2018.

The contribution of this subsidiary to consolidated sales in 2018 (€ 2.9 million) is therefore excluded from the consolidated sales published in this press release.

The table below shows a pro-forma comparison of consolidated revenue for 2018 and 2017, excluding the contribution of this subsidiary in both 2018 (€ 2.9 million) and 2017 (€ 3.1 million):

Consolidated turnover - Proforma <i>In millions of Euro</i>	2018	2017	Development 2018/2017	Development Constant scope and exchange rates(*)
Group turnover	240,5	226,7	+6,1%	+10,9%
1st quarter	54,4	53,1	+2,5%	+9,0%
2nd quarter	59,6	53,6	+11,2%	+17,0%
3rd quarter	57,1	52,1	+9,6%	+15,2%
4th quarter	69,4	67,9	+2,2%	+4,3%
Consolidated turnover Europe	116,3	112,1	+3,8%	+3,4%
1st quarter	28,3	27,2	+4,0%	+3,8%
2nd quarter	27,4	26,3	+4,3%	+4,6%
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3rd quarter	30,4	26,9	+13,0%	+23,6%
4th quarter	35,5	34,5	+3,0%	+8,6%

(*) For the 2018 financial year, the scope effect amounted to +0.7% (€ 1.5 million) and the currency effect was -5.5% (- € 12.5 million).

Perspectives

- Exceed in 2018 the operating profitability levels achieved in 2017
- Confirm the strength of the Group's financial structure
- Pursue revenue growth in 2019
- Integrate recent acquisitions and confirm ambitions for geographic development

The increase in sales in 2018 enables the Delta Plus Group to achieve the stated objective of further organic growth in sales, both in Europe and in emerging countries.

The Group, which strengthened this year thanks to new acquisitions, capitalises on its historic presence in many countries, and confirms its desire for development through a strengthening of its geographical coverage in areas with high growth potential on high value-added trades.

This turnover growth should be combined in 2018 with a further improvement in the Group's current operating profitability.

At the same time, the Delta Plus Group is continuing its efforts to control costs, and is continuing to optimise its balance sheet structure in order to have the means to finance the next stages of its development.

The Delta Plus Group therefore starts the year 2019 with a healthy financial structure, and aims to record in this year again a new organic growth of its turnover, in a buoyant market, while remaining vigilant given a geopolitical and monetary context that remains uncertain.

Next publication: 2018 Annual Results
Monday 17 April 2019, after trading

About DELTA PLUS:

Delta Plus Group designs, standardises, manufactures, or produces and distributes, a complete range of Personal Protective Equipment (PPE). Delta Plus Group is listed on NYSE-EURONEXT Compartment B (ISIN: FR0013283108 - Ticker: DLTA)

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