



## **Strong growth in 2020 half-year results for Delta Plus Group amid Covid-19 crisis**

**Revenue increase of + 11.6% to €137.0 M**  
**Significant current operating profitability (14.7% of turnover)**  
**Strengthening the financial structure: equity, WCR and net debt**

The Board of Directors of Delta Plus Group, a major player in the Personal Protective Equipment (P.P.E) market, approved the group's consolidated financial statements for the first half of the 2020 financial year on September 4, 2020.

These accounts have been subject to a limited review by the auditors.

The results for the first half of 2020 confirm the dynamics of profitable growth announced on the occasion of the publication of the half-year results in July.

DELTA PLUS GROUP sales increased by +11.6% in the first six months of 2020 (+6.3% at constant scope and exchange rates) to reach €137.0 M.

This growth, coupled with good margins and cost control, allows current operating income to increase significantly (€20.1 M in 2020 compared to €16.0 M in 2019). It amounted to 14.7% turnover compared to 13.0% last year.

Net income, which amounted to €13.3 M, also increased (+13.7% compared to 2019), despite foreign exchange effects negatively impacting the financial result.

The balance sheet structure is strengthened in the first half of 2020, due to the improvement of the self-financing capacity and the WCR. The group's debt ratios benefit from this double improvement.

### **Reminder on 2020 half-year results**

- A revenue of €137.0 M in growth of +11.6%
- Dynamic growth at constant scope and exchange rates: +6.3%
- Organic growth marked by the strong contribution of "Covid-19" products that compensates for the decline in other product families
- A positive perimeter effect (+ €11.2 M or + 9.1%) thanks to the impact of acquisitions finalised at the end of 2019 (Odco) and early 2020 (Boots Company and Netco Safety boots)
- An unfavourable exchange rate effect (- €4.8 M or -3.8%) linked to the development of the parity between the Euro and certain currencies of South American countries (Brazil and Argentina)

## Consolidated income statement

- Current operating profit increased sharply by + 25.9% in the first half of 2020 (€20.1 M)
- Current operating profitability of 14.7% of turnover compared to 13.0% in 2019
- Consolidated net income group share up +13.7% compared to 2019 (€13.3 M)

in millions of Euro	30.06.2020	30.06.2019	Variation	%
<b>Turnover</b>	<b>137.0</b>	<b>122.7</b>	<b>+14.3</b>	<b>+11.6%</b>
Cost of sales	-65.0	-59.1	-5.9	+9.9%
Variable loads	-10.4	-9.5	-0.9	+9.0%
Staff costs	-24.4	-22.5	-1.9	+8.4%
Fixed Charges	-17.6	-15.7	-1.9	+11.9%
Other operating income & expenses	0.5	0.1	+0.4	+398.9%
<b>Current operating income</b>	<b>20.1</b>	<b>16.0</b>	<b>+4.1</b>	<b>+25.9%</b>
<i>in % of turnover</i>	<i>14.7%</i>	<i>13.0%</i>		
Non-current operating income	0.6	0.5	+0.1	
Non-current operating expenses	-0.5	-0.2	-0.3	
<b>Operating income</b>	<b>20.2</b>	<b>16.3</b>	<b>+3.9</b>	<b>+24.5%</b>
Cost of financial debt	-1.0	-1.2	+0.2	
Other financial items	-1.4	0.6	-2.0	
<b>Income before tax</b>	<b>17.8</b>	<b>15.7</b>	<b>+2.1</b>	<b>+13.3%</b>
Income taxes	-4.5	-4.0	-0.5	+13.4%
<b>Net income from continuing operations</b>	<b>13.3</b>	<b>11.7</b>	<b>+1.6</b>	<b>+13,2%</b>
Income from sales activities	-	-	-	
<b>Net income for the consolidated group</b>	<b>13.3</b>	<b>11.7</b>	<b>+1.6</b>	<b>+13,2%</b>
of which are group share	13.3	11.7	+1.6	+13.7%

Thanks to the increase in its revenue, the good maintenance of its margins and control of its structural costs, Delta Plus Group shows an increase in its half-year operating profitability in the first half of 2020, which reached a record level of 14.7% of revenue as of June 30, 2020.

As in 2019, non-current items are of little significance in 2020.

The cost of financing is down slightly compared to 2019, while other financial elements are impacted in the first half of 2020 by negative currency spreads.

The effective tax rate, which amounted to 25% in the first half of 2020, is in line with that recorded over the twelve months of fiscal 2019 (25%).

Incorporating these elements, the consolidated net income increased by +13.2% on June 30, 2020 to €13.3 million, compared to €11.7 million for the first six months of the previous year.

The group's consolidated net profit amounted to €13.3 million as of June 30, 2020.

## Consolidated balance sheet

- A WCR in sharp improvement over the first six months of the financial year
- Financial debt ratios benefit from first-half cash generation
- Equity strengthened as a result of first-half net income but negatively impacted by foreign exchange effects

ASSETS in millions of €	30.06.2020	31.12.2019	Variation 6 months
Goodwill	105.4	97.9	+7.5
Intangible assets	2.2	1.7	+0.5
Tangible fixed assets	20.1	19.6	+0.5
Rights of use (IFRS 16)	25.8	24.7	+1.1
Other financial assets	5.7	5.6	+0.1
Deferred tax assets	4.8	4.5	+0.3
<b>Fixed assets</b>	<b>164.0</b>	<b>154.0</b>	<b>+10.0</b>
Stock	67.8	69.2	-1.4
Receivables	49.0	54.4	-5.4
Other claims	19.4	12.7	+6.7
Availability	61.3	18.4	+42.9
Assets for sale	-	-	-
<b>Current assets</b>	<b>197.5</b>	<b>154.7</b>	<b>+42.8</b>
<b>Total Assets</b>	<b>361.5</b>	<b>308.7</b>	<b>+52.8</b>
PASSIVE in millions of €	30.06.2020	31.12.2019	Variation 6 months
Capital	3.7	3.7	-
Self-control securities	-5.9	-5.9	-
Consolidated income & reserves	154.1	152.5	+1.6
Non-controlling interests	0.4	0.5	-0.1
<b>Equity</b>	<b>152.3</b>	<b>150.8</b>	<b>+1.5</b>
Non-current financial liabilities	49.7	37.3	+12.4
Non-current lease liabilities (IFRS 16)	21.4	20.2	+1.2
Commitments given to employees	2.0	1.5	+0.5
Non-current Provisions	1.6	2.0	-0.4
<b>Non-current liabilities</b>	<b>74.7</b>	<b>61.0</b>	<b>+13.7</b>
Supplier debts	34.0	21.8	+12.2
Tax and social debts	16.0	13.5	+2.5
Other debts	8.8	9.8	-1.0
Current financial liabilities	70.8	46.8	+24.0
Current lease liabilities (IFRS 16)	4.9	5.0	-0.1
Liabilities for sale	-	-	-
<b>Current liabilities</b>	<b>134.5</b>	<b>96.9</b>	<b>+37.6</b>
<b>Total Liabilities</b>	<b>361.5</b>	<b>308.7</b>	<b>+52.8</b>

On the balance sheet, the first half of 2020 allowed the group to strengthen its financial structure. The operational working capital requirement improved significantly (107 days of sales as at June 30, 2020 compared to 126 days as at June 30, 2019) due in particular to the decrease in inventories on product references used in the fight against Covid-19 (masks, gloves, visors, disposable suits), but also due to the reduction in the average time customers took to make payment during the semester.

Debt ratios are improving compared to 2019, with net bank debt (€57.7 M) representing 38% of equity (compared to 45% a year ago) and 1.3 times the EBITDA of the last twelve months (compared to 1.7 as of June 30, 2019).

The government-guaranteed loan of €42.0 million, obtained by the group in June 2020, explains the increase in availability on June 30, 2020.

Finally, equity increased by €1.5 M over the six months to €152.3 m, with net income for the first six months of 2020 (+ €13.3 M) partially offset by dividends paid in June (- €5.0 M) and negative foreign exchange effects (- €7.4 M).

## 2020 Outlook

- **Respond to demand for Covid-19 protection products while limiting the negative effects of the crisis on the turnover of other product families**
- **Maintain the level of profitability achieved before the crisis**
- **Confirm the strength of the group's financial structure during this period of uncertainty**
- **Successful integration of recent acquisitions**
- **Confirming development ambitions**

The first impacts of the Covid-19 crisis, which marked the end of the first quarter, were confirmed throughout the second quarter of the Year for the group.

Nevertheless, exceptional sales of Covid-19-related products offset a significant drop in activity on other product families.

In the current context, it is still difficult today to predict and quantify the impact this crisis will have on the group's consolidated revenue and results for the whole of 2020.

Nevertheless, Delta Plus Group has demonstrated in recent weeks its ability to limit the consequences of this first phase of the crisis on its business.

In addition, the group has put in place all the necessary measures to minimize the negative impact of this crisis on the growth and future developments of its activities, such as the loan guaranteed by the state, finalised in June 2020, or the reorientation of production in some of its factories.

Benefiting from a sound financial structure to address this period of crisis, Delta Plus Group, which has accelerated its development in recent years, due to a proactive acquisition policy, confirms its willingness to continue its deployment in areas with high growth potential and on high value-added businesses.

Confident at the end of this first half of the year, Delta Plus Group aims to record further growth in its revenue this year, despite the very uncertain health and economic environment.

The group's ambition is also to this year confirm the record level of operational profitability reached at the end of 2019.

Next publication:      Revenue 3<sup>rd</sup> quarter 2020  
Monday, November 9, 2020 after trading

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#### **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 Compartment B of NYSE-EURONEXT (ISIN: FR0013283108-Mnémo: DLTA)*

More information: [www.deltaplusgroup.com](http://www.deltaplusgroup.com)

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