



Turnover of €81.5M in the first quarter of 2021 Growth of +20.3% against 2020 Organic growth +9.6%

The sales of Delta Plus Group, a major player on the Personal Protective Equipment (PPE) market, have increased by +20.3% (+€13.8M) in the first quarter of 2021, reaching €81.5 million.

The Group has started 2021 with a sustained rate of organic growth, and has benefited from a positive scope effect, linked to the integration of ERB Industries (USA), a company acquired in December 2020, and Alsolu (France) and Artex (Germany) acquired at the beginning of 2021.

At constant scope and exchange rate, organic growth in consolidated sales was +9.6% in the first quarter of 2021 (+€6.6M).

The positive scope effect (+17.2%) represents an impact of +€11.6M on turnover.

The negative currency effect amounted to €4.4M in the first quarter, representing an impact of -6.5% on the variation in sales.

Consolidated turnover <i>In millions of Euros</i>	2021	2020	Evolution 2020/2019	Evolution Constant scope and exchange rate (1)
Group turnover	81.5	67.7	+20.3%	+9.6%
1 st quarter	41.4	36.0	+15.1%	+0.3%
2 nd quarter	40.1	31.7	+26.2%	+20.2%

(1) For 2021 Q1, the scope change was +17.2% (+€11.6M) and currency effect was -6.5% (-€4.4M)

The first quarter of 2020 was marked by the Coronavirus (Covid-19) pandemic that hit China, then a large part of Europe and America, and which began to impact the Group's activities from February 2020, in several ways:

- The activity of our main production site in China was severely disrupted from the beginning of February until mid-March due to the strict lockdown measures implemented in the country.
These disruptions resulted in a sharp slowdown in sales in China in the first quarter compared to 2019.

- Sales of disposable masks and overalls and to a lesser extent, certain gloves and goggles, were very high in most of our subsidiaries throughout the first quarter of 2020. These sales led to stock shortages and lasting supply issues for several product references.
- Finally, from March 2020 onwards, demand slowed down sharply in several European countries affected by the pandemic: Italy, Spain, France and eastern Europe in particular.

With regard to the exceptional items that marked 2020 Q1, and the return to more usual activity in 2021 Q1, the Group's growth logically benefited in early 2021 from a strong recovery in products that had particularly suffered during the economic slowdown of 2020. The unfavourable base effect on Covid-19 products weighted on organic growth in the first quarter of 2021.

The table below summarises, for the first quarter of 2021, the breakdown of organic growth, distinguishing the proportion of organic growth (in relation to consolidated sales) from "Covid-19" products from that coming from other product families:

Breakdown of organic growth <i>In contribution to consolidated organic growth</i>	"Covid-19" Products	Other Products	Total
Organic growth for Group	-4.8%	+14.4%	+9.6%
Europe	-3.8%	+4.1%	+0.3%
Outside Europe	-5.8%	+26.0%	+20.2%

Turnover from Covid-19 products fell by -27.6% in the first quarter of 2021, while turnover from other products rose by +17.3%.

The relative weight of Covid-19 products represents 11% of consolidated sales in the first quarter of 2021, compared to an atypical level of 17% last year.

Breakdown of organic growth <i>In value</i>	2021 (1)	2020	Evolution (in €M)	Evolution (in %)
Group turnover	74.2	67.7	+6.5	+9.6%
1 st quarter	8.4	11.6	-3.2	-27.6%
2 nd quarter	65.8	56.1	+9.7	+17.3%

(1) Sales excluding scope effect (+€11.6M) and currency effect (-€4.4M): €81.5M - €11.6M + €4.4M = €74.2M

Europe

In Europe, turnover for 2021 Q1 (€41.4M) grew by +€5.4M (+15.1%) thanks to the integration of Alsolu (France) and Artex (Germany) acquired in early 2021 (+€5.4M total, i.e. +15.4% scope effect) and despite a slightly unfavourable currency effect of -€0.2M (-0.6%), concentrated on the Polish Zloty.

Organic growth, net of scope and exchange rate effects was therefore +0.3% for the quarter, despite a -31% drop in Covid-19 products (i.e. a contribution of -3.8% to turnover for the first quarter in that geographical area).

Activity in other product families in Europe benefited from a recovery of +4.1% over the quarter, thanks in particular to a favourable base effect in March in the countries most affected in the same period last year by lockdown measures and the slowdown of economic activity (Italy, France, Spain).

Outside Europe

In markets outside Europe, the earlier effects of the pandemic had a greater impact in the first quarter last year.

As such, business in China suffered two months of a slowdown in February and March 2020. A catch-up effect therefore favourably impacted turnover in that area in 2021.

Turnover generated outside Europe in the first quarter of 2021 amounted to €40.1M, an increase of +26.2% compared with 2020.

As fluctuations in the Euro against most South American currencies have been much more pronounced in recent months, the Group has recorded an unfavourable currency effect in 2021 Q1 of (€4.2M) on sales generated outside Europe (-13.2%).

The scope effects are however favourable (+€6.1M or +19.2%) thanks to the integration of ERB Industries (USA) and White Lake (Brazil), acquired in late 2020.

Adjusted for currency effects and scope changes, organic turnover growth was +20.2% (€6.3M) in 2021 Q1.

Sales of respiratory products related to the pandemic contributed -5.8% to this organic growth. Sales of these products are in decline by -26%, particularly in China.

Sales of other product families grew over the quarter however (+33.6%), thanks to a significant rebound in China, South America and all Export markets, countries that particularly suffered in the first quarter of last year. These products contributed by +26.0% to this zone's organic growth in 2021 Q1.

Perspectives

- **Benefit from the expected recovery in economic activity in 2021 while continuing to meet the demand for Covid-19 protection products**
- **Maintain the level of profitability achieved before the pandemic**
- **Confirm the solidity of the Group's financial structure during this period of uncertainty**
- **Successful integration of recent acquisitions**

Throughout 2020 and the first quarter of 2021, Delta Plus Group demonstrated its ability to limit the impact of the Covid-19 pandemic on its business and, at the same time, to pursue a

proactive acquisition policy, thereby confirming its strategy of deploying in areas with high growth potential and in high value-added businesses.

Over recent months, the Group finalised the following operations, which are not included in the Group's turnover until 1 January 2021:

- December 2020: Acquisition of ERB Industries in the United States, offering head and body protection equipment on the American market
- January 2021: Acquisition of Alsolu in France in the collective protection and high access sector
- January 2021: Acquisition of Artex, key provider of personal fall protection equipment in Germany

The Group's main objective for 2021 is to successfully integrate these new subsidiaries into the Group.

Another challenge for the Group in 2021 will be to take advantage of the expected gradual return to normal in its long-standing markets, while responding to the demand that remains strong at the beginning of the year for certain Covid-19 protection products.

Delta Plus Group therefore has started 2021 with a sound financial structure and should record further organic turnover growth this year, despite an unfavourable base effect in Covid-19 products.

The Group also aims to achieve a higher level of operating profitability than that for 2019, as 2020 cannot be used as a benchmark due to its atypical nature. The Group remains prudent and vigilant in view of the health and economic context, which remains very uncertain at the beginning of the year.

Next publication: 2021 Q1 turnover
Wednesday 28 July 2021, after close of trading

About DELTA PLUS

Delta Plus Group designs, standardises, manufactures or manages the manufacture of and distributes a full range of Personal Protective Equipment (PPE). Delta Plus Group is listed on NYSE-EURONEXT compartment B (ISIN: FR0013283108 - Mnemo: DLT)

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GLOSSARY

Definition of organic growth, or growth at constant scope and exchange rates

Organic growth, or growth at constant scope and exchange rates, is calculated by excluding the impact of exchange rate variations and scope effects (impact of acquisitions and disposals).

The restatement of the exchange rate effect consists of calculating the current year's aggregates at the exchange rate of the previous year.

The restatement of scope effects for incoming entities (acquisitions) consists of:

- For acquisitions in the current year, deducting the contribution of the acquisition from the current year's aggregates
- For acquisitions in the previous year, deducting the contribution of the acquisition from 1 January of the current year to the last day of the month in which the acquisition was made in the previous year

The restatement of scope effects, for entities leaving the scope of consolidation (disposals) consists of:

- For disposals in the current year, deducting the contributions of the exiting entity to the aggregates of the previous year from the first day of the month of disposal
- For exits from the previous year, deducting the contributions of the exiting entity to the previous year's aggregates