REGULATED INFORMATION Apt, 4 September 2023, 6:00 p.m.

Delta Plus Group's half-year results for 2023 show improvement

Turnover up 4.0% to €213.0m

Current operating profitability up +14.4% at €28.3m (13.3% of the turnover)

Reinforcement of the financial structure

The Board of Directors of the Delta Plus Group, a major player in the Personal Protective Equipment (P.P.E.) market, approved the Group's consolidated accounts for the first half of 2023 on 1st September 2023.

The results for the first half of 2023 confirm the trends mentioned at the time of publication of the half-yearly turnover last July.

The sales of DELTA PLUS GROUP were up by +4.0% in the first six months of 2023 (+9.1% at constant scope and exchange rates) to reach €213.0m.

This growth has been accompanied by a recovery in margins, helped by the easing of inflationary pressures, particularly on transport costs and certain raw materials. Operating income is therefore up by 14.4% (€28.3m in 2023 compared with €24.8m in 2022). It represents 13.3% of the turnover against 12.1% in 2022.

Net income, at €19.8m as of 30 June 2023, is also up (+29.7% compared with 2022), thanks in particular to the increase in operating income.

The balance sheet structure strengthened in the first half of 2023, driven by the cash flow generated during the period. The Group's WCR and debt ratios are evolving favourably, after being impacted last year by the three acquisitions made during the year.

Reminder of the half-yearly turnover for 2023

- Turnover of €213.0m up +4.0%
- Dynamic growth at constant scope and exchange rates: +9.1%.
- A positive residual effect of changes in scope (+€3.6m, or +1.8%) due to the impact of the acquisition of Drypro (Mexico), completed in July 2022.
- A negative exchange effect on the turnover due mainly to the strengthening of the Euro against the RMB (China) and particularly against the Argentine Peso: **-€14.1m (-6.9%)** in total including **-€11.6m** on the ARS and **-€1.4m** on the RMB

Consolidated income statement

- **Current operating income up +14.4% in the first half of 2023 (€28.3m)**
- **Current operating profitability of 13.3% of the turnover compared to 12.1% in 2022**
- **Consolidated net income up +29.7% compared to 2022 (€19.8m)**

in millions of Euros	**30.06.2023**	**30.06.2022**	**Change 2023 vs 2022 (M€)**	**Change 2023 vs 2022 (%)**
Turnover	**213.0**	**204.9**	**+8.1**	**+4.0%**
Cost of sales	-103.9	-99.3	-4.6	+4.5%
Variable costs	-14.6	-17.6	+3.0	-17.4%
Staff costs	-41.6	-39.2	-2.4	+6.2%
Fixed costs	-25.1	-24.3	-0.8	+3.5%
Other operating income & expenses	0.5	0.3	+0.2	+50.5%
Current operating income	**28.3**	**24.8**	**+3.5**	**+14.4%**
in % of the turnover	*13.3%*	*12.1%*		
Non-current operating income	0.1	0.1	-	
Non-current operating costs	-0.7	-2.7	-2.0	
Operating income	**27.7**	**22.2**	**+5.5**	**+24.6%**
Cost of financial debt	-2.2	-1.4	-0.8	
Other financial elements	0.2	-0.2	+0.4	
Income before tax	**25.7**	**20.6**	**+5.1**	**+24.8%**
Income tax	-5.9	-5.4	-0.5	+10.7%
Net income from continuing operations	**19.8**	**15.2**	**+4.6**	**+29.7%**
Profit from discontinued operations	-	-	-	
Net income of all consolidated accounts	**19.8**	**15.2**	**+4.6**	**+29.7%**
of which Group share	19.4	14.7	+4.7	+32.1%

The increase in sales, the easing of inflationary pressures and the strengthening of the euro against the dollar enabled Delta Plus Group to post a 14.4% rise in its half-year operating profitability to €28.3m.
As expected, this result expressed as a % of turnover marks a return to the profitability levels achieved before the Covid-19 period (13.3% as of 30 June 2023 compared with 12.1% last year and 13.0% as of 30 June 2019).

Non-current items are not significant (€0.6m in 2023 compared with €2.6m in 2022).
Last year they included acquisition costs incurred by the Group as part of its M&A activity (two acquisitions completed in the first half of 2022).

The cost of financing is up by €0.8m compared with 2022 to €2.2m, as a result of the increase in interest rates on bank overdrafts used by the Group to finance the WCR.
The effective tax rate, which stood at 23% in the first half of 2023, is in line with that recorded in the 2022 financial year.

Including these various items, consolidated net income rose by 29.7% at 30 June 2023, at €19.8m, compared with €15.2m for the first six months of the previous financial year.
The Group's share in the consolidated net income was €19.4m at 30 June 2023.

Consolidated balance sheet

- **WCR down thanks to lower inventory levels**

- **Equity boosted by the net income of the first-half year**
- **Significant improvement in debt ratios compared with end-December 2022**

ASSETS

in millions of Euros	30.06.2023	31.12.2022	Change
Goodwill	202.3	202.8	-0.5
Intangible assets	2.0	2.1	-0.1
Property, plant and equipment	43.6	45.4	-1.8
Rights of use	24.2	27.3	-3.1
Other financial assets	2.3	3.6	-1.3
Deferred tax assets	2.5	2.7	-0.2
Fixed assets	**276.9**	**283.9**	**-7.0**
Stocks	113.1	122.8	-9.7
Trade receivables	74.4	74.5	-0.1
Other receivables	21.7	21.4	+0.3
Available funds	44.0	36.2	+7.8
Current assets	**253.2**	**254.9**	**-1.7**
Total assets	**530.1**	**538.8**	**-8.7**

LIABILITIES

in millions of Euros	30.06.2023	31.12.2022	Change
Capital	3.7	3.7	-
Treasury shares	-6.0	-5.9	-0.1
Reserves & consolidated income	230.0	224.5	+5.5
+5.5	-1.3	-0.3	-1.0
Shareholders' equity	**226.4**	**222.0**	**+4.4**
Non-current financial liabilities	110.1	116.0	-5.9
Non-current rental liabilities	17.9	20.1	-2.2
Commitments given to employees	0.7	1.0	-0.3
Non-current provisions	1.7	1.6	+0.1
Non-current liabilities	**130.4**	**138.7**	**-8.3**
Trade payables	47.2	45.4	+1.8
Tax and social security liabilities	26.4	23.9	+2.5
Other liabilities	6.5	7.9	-1.4
Current financial liabilities	86.3	93.2	-6.9
Current rental liabilities	6.9	7.7	-0.8
Current liabilities	**173.3**	**178.1**	**-4.8**
Total liabilities	**530.1**	**538.8**	**-8.7**

From a balance sheet perspective, the first half of 2023 enabled the Group to maintain a sound financial structure.

Operating working capital requirement fell significantly, with inventory levels returning to 95 days' turnover.
WCR stood at 111 days of sales as of 30 June 2023, compared with 123 days as of 31 December 2022.

Debt ratios benefited from the good performance in the first half of 2023.
Net bank debt, at €142.8m (down €20.1m over six months) represents 63% of equity (compared with 73% six months ago) and 2.3 times EBITDA over the last twelve months (compared with 2.8 times as of 31 December 2022).

Finally, shareholders' equity increased by €4.4m over the half-year to €226.4m.
The impact of the net income for the first six months of 2023 (+€19.8m) is partially offset by the dividend payment made in June 2023 (-€8.1m). Equity also benefited from negative exchange rate impacts in the first half-year (-€8.7m).

Outlook for 2023

- **Confirm positive organic growth in turnover in 2023**
- **Finalise the integration of Maspica, Safety Link and Drypro, acquired in 2022**
- **Start getting back to levels similar to the period preceding the Covid-19 crisis**
- **Confirm the strength of the Group's financial structure during this period of uncertainty**

Since 2020, Delta Plus Group has proven its ability to limit the consequences of the successive crises that have marked the last three years and at the same time pursue a proactive acquisition policy, confirming, its strategy, over the last few years, of deploying in areas with strong growth potential and high value-added businesses.

In 2022, the Group recorded dynamic organic growth of nearly 3%, and began 2023 with organic growth of +9.1% in the first half of the year, marked however by an exceptional situation in Argentina. Organic growth adjusted for the negative currency effect generated by the depreciation of the Argentine Peso against the Euro was +3.4%.

For 2023, the Group expects continued organic growth in turnover, despite the still highly uncertain macroeconomic and geopolitical environment.
In 2023, a residual scope effect of €3.6m, linked to the acquisition of Drypro (Mexico), will have a positive impact on sales of the first-half year, representing a scope effect of +1.8% over the first six months of the year (around +0.8% for the year as a whole).
Conversely, the recent strengthening of the euro against a number of currencies should result in a negative currency effect of around -2% in 2023 (excluding the impact of the Argentine peso).

In addition, the Group aims to maintain a solid financial structure that will enable it to finance its development, particularly in the context of its strategy to move upmarket and strengthen its geographical position.

In this context, the Group continues to take all measures to limit the impact of these significant events on the operating profitability level and start getting back to levels similar to the period preceding the Covid-19 crisis (recurring operating income of 13.7% in 2019).
The results for the first half of 2023 confirm this target.

In addition, the Group aims to maintain a solid financial structure that will enable it to finance its development, particularly in the context of its strategy to move upmarket and strengthen its geographical position.

Next publication: Turnover for 3rd quarter 2023
Monday, 6 November 2023, after market close

About DELTA PLUS

Delta Plus Group designs, standardizes, manufactures, or has manufactured and distributes a complete range of Personal Protective Equipment (PPE). Delta Plus Group is listed on EURONEXT GROWTH PARIS (ISIN: FR0013283108 - Mnemo: ALDLT)

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