



**Strong increase in Delta Plus Group profits in 2020 amid the Covid-19 pandemic**  
**Current operating profit up +19.8% (15.0% of sales)**  
**Net profit for the Group up +9.8% (€29.3M)**

The Board of Directors of Delta Plus Group, a major player in the Personal Protective Equipment (PPE) market), approved the Group's consolidated financial statements for 2020. The audit procedures on the consolidated accounts have been carried out. The certification report is being issued.

The results for the 2020 financial year confirm the profitable growth dynamic in which the Group has been engaged for several years and demonstrate Delta Plus Group's ability to adapt in a context marked by the Covid-19 pandemic in 2020.

Delta Plus Group achieved another record year in terms of turnover and profitability while strengthening its financial structure.

Delta Plus Group's sales increased by 9.6% in 2020 (+7.3% at constant scope and exchange rates) reaching €288.7M.

Current operating income significantly increased compared to 2019 (+19.8%). It reached 15.0% of revenue for the first time in the Group's history.

The Group's share of net income, which grew in the same proportions as revenue, amounted to €29.3M (+9.8% compared to 2019).

The balance sheet structure remains very solid: equity has strengthened, debt ratios have remained at the level of recent years despite the acquisitions made over recent months, and working capital requirements have stabilised at the record levels reached on 30 June 2020.

## Summary of 2020 turnover

- Sales of €288.7M, up by +9.6%
- Dynamic growth at constant scope and exchange rates: +7.3%, driven by sales of "Covid-19" products (masks, disposable suits, goggles, gloves)
- Positive scope effects of +€21.0M (+8.0%), as a result of the acquisition of Odco in France in mid-2019 (+€3.4M) and the acquisitions made in 2020: Netco Safety in France (+€4.7M), Boots Company in Italy (+€10.7M) and White Lake in Brazil (+€2.2M)
- A significant unfavourable exchange rate effect of (-€14.9M or -5.7%) mainly due to the evolution of the Euro against certain currencies of the South American countries in which the Group operates

## Strong increase in current operating profit

- Current operating profit of €43.3m, up +19.8% in 2020 (15.0% of sales)
- Net profit (Group share) of €29.3m, up 9.8% (10.1% of sales)

In millions of Euros	31.12.2020	31.12.2019	Variation	%
<b>Sales</b>	<b>288.7</b>	<b>263.3</b>	<b>+25.4</b>	<b>+9.6%</b>
Cost of purchases consumed	-137.6	-126.1	-11.5	+9.2%
Variable charges	-22.1	-19.8	-2.3	+11.8%
Staff costs	-51.9	-46.0	-5.9	+12.7%
Fixed charges	-33.8	-35.3	+1.5	-4.3%
<b>Current operating result</b>	<b>43.3</b>	<b>36.1</b>	<b>+7.2</b>	<b>+19.8%</b>
<i>in % of turnover</i>	<i>15.0%</i>	<i>13.7%</i>		
Non-current operational income	0.4	0.4	-	
Non-current operational charges	-2.4	-0.9	-1.5	
<b>Operating result</b>	<b>41.3</b>	<b>35.6</b>	<b>+5.7</b>	<b>+15.9%</b>
Gross financial debt cost	-1.9	-2.2	+0.3	
Other financial items	-2.1	0.1	-2.2	
<b>Gross result</b>	<b>37.3</b>	<b>33.5</b>	<b>+3.8</b>	<b>+11.3%</b>
Tax on profits	-8.4	-6.7	-1.7	
<b>Result of activities</b>	<b>28.9</b>	<b>26.8</b>	<b>+2.1</b>	<b>+7.8%</b>
Net result of activities for sale	-	-	-	
<b>Consolidated net result</b>	<b>28.9</b>	<b>26.8</b>	<b>+2.1</b>	<b>+7.8%</b>
Of which Group Share	29.3	26.7	+2.6	+9.8%
Of which Minority Share	-0.4	0.1	-0.5	

Thanks to the increase in its turnover, the good performance of its margins and a drop in its fixed costs (-4.3% despite the consolidation scope effects) due to the constraints caused by the health situation (restrictions on travel, cancellation of trade shows, etc.), Delta Plus Group posted an increase of more than one point in its operating profitability in 2020.

This reached a historic level of 15.0% of turnover as at 31 December 2020.

Non-current operating expenses are explained by the costs of acquiring shares during the year.

The cost of financing is slightly lower than in 2019, while, contrary to last year, other financial items related to currency movements were negatively impacted.

The effective tax rate, which stood at 22% in 2020, compared to 20% in 2019, had benefited last year (on a non-recurring basis) from the profitable results of subsidiaries with non-activated tax losses. It returns to a normative level in 2020.

Including these various elements, the Group's share of net income increased by 9.8% at 31 December 2020, to €29.3 million compared to €26.7 million for the previous year.

## Consolidated balance sheet: a strengthened financial structure

- Equity strengthened thanks to the Group's solid performance in 2020
- Working capital maintained at the record levels of 30 June 2020
- Debt contained despite acquisitions in 2020 and early 2021

### ASSETS

In millions of €	31.12.2020	31.12.2019	Variation
Goodwill	129.1	97.9	+31.2
Intangible fixed assets	1.9	1.7	+0.2
Tangible fixed assets	24.9	19.6	+5.3
Licences	24.5	24.7	-0.2
Other financial assets	2.1	5.6	-3.5
Deferred tax assets	4.6	4.5	+0.1
<b>Fixed assets</b>	<b>187.1</b>	<b>154.0</b>	<b>+33.1</b>
Stocks	72.6	69.2	+3.4
Trade receivables	49.6	54.4	-4.8
Other receivables	17.3	12.7	+4.6
Cash and cash equivalents	45.7	18.4	+27.3
<b>Current assets</b>	<b>185.2</b>	<b>154.7</b>	<b>+30.5</b>
<b>Total Assets</b>	<b>372.3</b>	<b>308.7</b>	<b>+63.6</b>

### LIABILITIES

In millions of €	31.12.2020	31.12.2019	Variation
Capital	3.7	3.7	-
Treasury shares	-5.9	-5.9	-
Reserves & consolidated result	159.5	152.5	+7.0
Non-controlling interests	-0.2	0.5	-0.7
<b>Equity</b>	<b>157.1</b>	<b>150.8</b>	<b>+6.3</b>
Non-current financial liabilities	54.2	37.3	+16.9
Non-current lease liabilities	20.0	20.2	-0.2
Employee commitments	2.1	1.5	+0.6
Non-current provisions	1.6	2.0	-0.4
<b>Non-current liabilities</b>	<b>77.9</b>	<b>61.0</b>	<b>+16.9</b>
Trade payables	31.9	21.8	+10.1
Tax and social security liabilities	15.8	13.5	+2.3
Other liabilities	9.4	9.8	-0.4
Current financial liabilities	75.2	46.8	+28.4
Current lease liabilities	5.0	5.0	-
<b>Current liabilities</b>	<b>137.3</b>	<b>96.9</b>	<b>+40.4</b>
<b>Total Liabilities</b>	<b>372.3</b>	<b>308.7</b>	<b>+63.6</b>

In terms of the balance sheet, the increase in assets (+€63.6M) compared to the 2019 balance sheet reflects the key events that impacted the Group's business in 2020:

- Acquisitions of Boots Company, Netco Safety, White Lake and ERB Industries impacting goodwill, the increase of which amounts to +€31.2M
- Increase in cash and cash equivalents of €27.3M (and current financial liabilities of €28.4M) as a result of the implementation of the State Guaranteed Loan in June 2020

On 15 June 2020, the Group finalised the signature of a €42 million State Guaranteed Loan package. This loan was taken out with 10 of the Group's long-standing banking partners.

Given the improvement in the Group's financial structure during the 2020 financial year, Delta Plus Group has decided to repay a significant portion of this loan (€28 million) at the end of the initial one-year term in June 2021.

Due to the continuing uncertainties in the global health and economic situation, the Group has decided to request an extension of the balance of this loan, i.e. €14 million, over a period of two years, until June 2023. This financing allows the Group to approach this period of economic recovery with confidence.

Working capital requirements amounted to €87.0M (i.e. 109 days of sales). It is down by 22 days compared to 2019 (131 days) thanks in particular to a significant improvement in the average customer payment period and optimised inventory levels.

With regard to liabilities, equity increased (+€6.3M to €157.1M) due to a strong increase in net income and despite a significant negative exchange rate effect.

Net financial debt (before IFRS16) amounted to €83.7M. It is up by +€18M compared to 31 December 2019.

In particular, net bank debt increased by €20.3M over the year to €83.3M at 31 December 2020, as a result of the medium-term financing raised during the year and intended to finance the acquisitions made in 2020.

Despite this increase in net bank debt, debt ratios remain at low levels for the Group: gearing (net bank debt / equity) stands at 53% (compared to 42% last year) while the leverage ratio (net bank debt / EBITDA) remains at 1.7 at 31 December 2020 (compared to 1.6 last year).

## Perspectives

- **Avail of the economic activity resumption expected in 2021 while continuing to meet demand for Covid-19 protection products**
- **Maintain the level of profitability achieved prior to the pandemic**
- **Confirm the solidity of the Group's financial structure during this period of uncertainty**
- **Successfully integrate recent acquisitions**

In 2020, Delta Plus Group demonstrated its ability to limit the impact of the Covid-19 crisis on its business and at the same time pursue a proactive acquisition policy, thus confirming its strategy of deploying in areas with high growth potential and in high value-added businesses.

In particular, the Group has finalised the following transactions in recent weeks, which will only be included in the Group's turnover from 1 January 2021:

- December 2020: Acquisition of ERB Industries in the United States, offering head and body protection equipment on the US market
- January 2021: Acquisition of Alsolu in France in the collective protection and height access sector
- January 2021: Acquisition of Artex, a significant player in personal fall protection equipment in Germany

The Group's main objective in 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 traditional markets, while meeting demand that remains strong at the beginning of the year for certain products designed to protect against Covid-19.

Delta Plus Group is therefore starting 2021 with a healthy financial structure and should once again record organic growth in turnover this year despite an unfavourable base effect on Covid-19 product sales.

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

## **Dividend of €1.00, up +43%**

The amount of dividend paid in June 2020 was frozen at the level of the previous year (€0.70) due to the uncertainties related to the Covid-19 pandemic.

The dividend proposed to the next General Assembly will amount to €1.00 per share, an increase of +43% compared to the dividend paid last year.

Next publication: 2021 Quarter 1 sales turnover yearly profits  
Thursday 6 May 2021, after close of trading

### **About DELTA PLUS**

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*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: DLTA)*

Further information available at: [www.deltaplusgroup.com](http://www.deltaplusgroup.com)

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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