



## Solid performance of the Group in the first half of 2020 against the backdrop marked by the crisis related to Covid-19 Turnover of €137.0 M up by +11.7%

The consolidated turnover of Delta Plus Group, a major player in the Personal Protective Equipment (P.P.E.) market, increased by + 11.7% (+ €14.3 M) in the first half of 2020.

Sales amount to €137.0 M for the first six months of the year compared €122.7 M in 2019.

In recent weeks, the Group has demonstrated its ability to limit the impact of this first phase of the crisis related to the Covid-19 pandemic on its business.

For the 2019 financial year, the Group started 2020 with a sustained organic growth, and also benefited throughout the first half of the year from a positive scope effect, with respect to the integration of Odco, a company acquired at the end of last year, and the occupational boots business (Boots Company and Netco Safety) acquired at the beginning of January 2020.

At constant scope and exchange rates, the organic growth in consolidated turnover amounted to +6.3% over the first half of 2020.

The scope effect represents a positive impact of + €11.2 M on turnover (+9.1%).

The negative currency impacts amount to (€4.8 M) in the first half of the year, i.e. an impact of -3.8% on the turnover variation. They increased in the second quarter.

<b>Consolidated turnover</b> <i>In millions of Euro</i>	<b>2020</b>	<b>2019</b>	<b>Progress 2020/2019</b>	<b>Progress Constant scope and exchange rates (1)</b>
<b>Group turnover - 6 months</b>	<b>137.0</b>	<b>122.7</b>	<b>+11.6%</b>	<b>+6.3%</b>
1 <sup>st</sup> quarter	67.7	59.4	+14.0%	+5.1%
2 <sup>nd</sup> quarter	69.3	63.3	+9.3%	+7.5%
<b>Turnover in Europe - 6 months</b>	<b>67.6</b>	<b>57.6</b>	<b>+17.3%</b>	<b>+0.0%</b>
1 <sup>st</sup> quarter	36.0	29.2	+23.3%	+3.8%
2 <sup>nd</sup> quarter	31.6	28.4	+11.0%	-3.8%
<b>Turnover outside Europe - 6 months</b>	<b>69.4</b>	<b>65.1</b>	<b>+6.6%</b>	<b>+11.9%</b>
1 <sup>st</sup> quarter	31.7	30.2	+5.0%	+6.3%
2 <sup>nd</sup> quarter	37.7	34.9	+8.0%	+16.8%

(1) In the first half of 2020, the scope effect amounts to +9.1% (+€11.2 M) and the currency impact amounts to -3.8% (-€4.8 M)

This first half was marked by the Coronavirus outbreak (Covid-19) that hit China, then a large part of Europe and finally the American continent, and which began to impact the Group's business from February 2020.

The impacts of this health crisis on the Group accelerated from March and continued throughout the second quarter of 2020:

- The business of our main production sites, was disrupted from early February (China) to mid-May (India, South America, Middle East, Europe) due to lockdown measures implemented in the different countries.
- Sales of disposable masks and coveralls, and to a lesser extent those of protective gloves and goggles, which usually represent less than 10% of the Group's turnover, amounted over 20% of turnover in the first half of 2020. These sales led, for several references, to disruption in stocks and replenishment difficulties, most of which have now been resolved.  
The sales growth of these "Covid" products (+146% over the first half, to €27.5M) contributed +13.3 points to the organic growth of +6.3% recorded in the first half of the year at Group level.
- Finally, since mid-March 2020, demand has slowed sharply in several European countries affected by the pandemic: Europe, the Middle East, South America and to a lesser extent North America. This decrease in demand was reflected throughout the half-year by a decrease in turnover of -7.0%.

The table below, for the first two quarters of 2020 summarises the detail of organic growth, distinguishing the share of organic growth (in relation to consolidated turnover) related to "Covid" products from those of the other product families:

<b>Detail of organic growth</b> <i>As a contribution to consolidated organic growth</i>	<b>Products "Covid"</b>	<b>Other products</b>	<b>Total</b>
<b>Group Organic Growth - 6 months</b>	<b>+13.3%</b>	<b>-7.0%</b>	<b>+6.3%</b>
1 <sup>st</sup> quarter	+10.6%	-5.5%	+5.1%
2 <sup>nd</sup> quarter	+15.8%	-8.3%	+7.5%
<b>Organic growth in Europe - 6 months</b>	<b>+10.9%</b>	<b>-10.9%</b>	<b>+0.0%</b>
1 <sup>st</sup> quarter	+6.5%	-2.7%	+3.8%
2 <sup>nd</sup> quarter	+15.3%	-19.2%	-3.8%
<b>Organic growth outside Europe - 6 months</b>	<b>+15.4%</b>	<b>-3.5%</b>	<b>+11.9%</b>
1 <sup>st</sup> quarter	+14.5%	-8.2%	+6.3%
2 <sup>nd</sup> quarter	+16.3%	+0.5%	+16.8%

In a nutshell, these new demands have enabled the Group to mitigate for the time being the impact of the crisis on the performance of the Group, additional sales of products related to Covid-19 have supplemented to the decrease in business observed on the other product families and directly related to the strong economic downturn.

## Europe

The Group's business in Europe was strongly affected by the crisis from the second half of March. The turnover of €67.6 M grew by €10.0 M (+17.3%) solely by the integration of Odco and the workboots business (+€10.2 M, being +17.7% in scope effect) and despite a slightly unfavorable currency impact of € -0.3 M (-0.5%) concentrated on the Polish Zloty.

Organic growth, adjusted to the scope effects and currency impact, was therefore zero in the first six months of the year, due to the turnover generated on the sales of respiratory and disposable products (+10.9%).

The rest of the business decreased by -10.9% over the first six months of the year, the main countries that suffered a decline in their business were those that were most affected by the lockdown measures and due to economic activity being placed on hold (Italy, Spain, France) as well as the subsidiaries most exposed to the business of Building, Public Works and construction (Vertic, Odco).

## Outside Europe

In markets outside Europe, the crisis had a greater impact in the first quarter, business activity, particularly in China, then having rebounded since April. Turnover amounts to €69.4 M, up +6.6% compared to 2019.

Since the fluctuations of the Euro against most South American currencies have been much more marked in recent months, the Group recorded an unfavourable currency impact of €(4.5) M on turnover outside Europe (-6.8%) in the first half.

After the scope effect and the currency impact (+ €1.0 M or +1.5%), the organic growth in turnover was +11.9.

Sales of respiratory products related to the health crisis contributed +15.4% to this organic growth in the first half, concentrated in China in the first quarter and then in the American continent between April and June.

The decline in sales for the other product families is more moderate than in Europe (-3.5%), with the Group benefiting from a dynamic rebound in sales in China from April, and a favourable maintenance of business activity in countries whose economies have been less impacted by lockdown measures (North America, IEC).

The Middle East Area, on the other hand, suffered a more significant decline in business, with the health crisis in this region cumulating the oil crisis.

## Outlook for 2020

- Limiting the negative effects of the Coronavirus outbreak crisis (Covid-19) on the Group's turnover and profitability
- Responding to the demand for protective products against Covid-19
- Confirming the strength of the Group's financial structure during this crisis period
- Successful integration of recent acquisitions
- Confirming development ambitions

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

Nevertheless, exceptional sales of products related to Covid-19 enabled to offset a significant decline in business over the 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 turnover and results for the whole of 2020.

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

In addition, the Group has put in place all necessary measures to minimise the negative impact of this crisis on the growth and future development of its business, such as the loan guaranteed by the state, finalised in June 2020, or the reorientation of the production in some of its plants.

Benefiting from a solid financial structure to address this period of crisis, Delta Plus Group, which has accelerated its development in recent years due to a proactive policy of acquisitions, confirms its will in the long term to continue its deployment in areas with high growth potential and on high value-added trades.

**Next publication:** Half-yearly results of 2020  
Monday 7th September 2020, after stock exchange closure

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### About DELTA PLUS

*Delta Plus Group designs, standardises, manufactures or produces and distributes a comprehensive range of Personal Protective Equipment (PPE). Delta Plus Group is listed on compartment B of the NYSE-EURONEXT (ISIN: FR0013283108-Mn mo: DLTA)*

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

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