



Record profitability for Delta Plus Group in 2019
Increase in current operating profit of +12.8% (13.7% of the turnover)
Net income (Group share) up + 27.2% (€ 26.7 million)

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 financial year 2019 on 27th April 2020.

The audit procedures on the consolidated financial statements have been carried out. The certification report is being issued.

The income of the financial year 2019 confirms the profitable growth momentum in which the Group has been active for several years.

In 2019, Delta Plus Group achieves a new record year in terms of turnover and profitability and strengthens its financial structure.

Sales of Delta Plus Group has increased by +9.5% over 2019 (+4.8% restated from perimeter and currency impacts) to reach € 263.3 million).

Current operating income has increased significantly compared to 2018 (+12.8%). For the first time, it exceeds the mark of 13.5% of turnover (13.7%).

The net income (Group share) which amounts to € 26.7 million, increases in larger proportions (+27.2% compared to 2018).

The balance sheet structure remains very strong: equity is strengthening significantly, debt ratios are improving slightly and the need for working capital is maintained at normative levels.

Summary of the Turnover of 2019

- Turnover of € 263.3 million up +9.5%
- Dynamic organic growth: + 4.8%
- Positive perimeter effects of + € 12.2 million (+5.1%), as a result of the completion of two acquisitions at the end of 2018: Degil Safety and Ontario Glove in Canada (+ € 5.8 million in 2019) and Vertic Nederland in the Netherlands (+ € 1.8 million) and the acquisition of Odco in France mid-2019 (+ € 4.6 million as a scope effect for 6 months of integration in 2019)
- An insignificant exchange rate change (€ -0.8 million or -0.4%) linked to the fluctuation of the Euro against some of the currencies of South American countries in which the Group is established

Current operating income and net income up sharply

- Current operating income of € 36.1 million, up +12.8% in 2019 (13.7% of the Turnover)
- Net Income (Group share) of €26.7 million, up +27.2% compared to 2018

in millions of Euro	31.12.2019	31.12.2018 (1)	31.12.2018	Variation	%
Turnover	263.3	240.5	240.5	+22.8	+9.5%
Cost of consumed purchases	-126.1	-117.2	-117.2	-8.9	+7.6%
Variable expenses	-19.8	-18.4	-18.4	-1.4	+7.6%
Salary costs	-46.0	-42.3	-42.3	-3.7	+8.8%
Fixed expenses	-35.3	-30.2	-30.6	-4.7	+15.2%
Current operating income	36.1	32.4	32.0	+4.1	+12.8%
<i>as a % of the turnover</i>	<i>13.7%</i>	<i>13.5%</i>	<i>13.3%</i>		
Non-current operating income	0.4	0.2	0.2	+0.2	
Non-current operating expenses	-0.9	-0.7	-0.7	-0.2	
Operating income	35.6	31.9	31.5	+4.1	+13.0%
Cost of gross financial debt	-2.2	-2.3	-1.9	-0.3	
Other financial items	0.1	-1.7	-1.7	+1.8	
Income before tax	33.5	27.9	27.9	+5.6	+19.9%
Income tax	-6.7	-6.6	-6.6	-0.1	
Net income from continuing activities	26.8	21.3	21.3	+5.5	+25.9%
Net income from discontinued activities	-	0.3	0.3	-0.3	
Net income of the consolidated group	26.8	21.6	21.6	+5.2	+24.3%
of which Group share	26.7	21.0	21.0	+5.7	+27.2%
of which Minority interest share	0.1	0.6	0.6	-0.5	

(1) 2018 Accounts adjusted according to IFRS 16

Thanks to the increase in its turnover, the good holding of its margins and the control of its structural costs, Delta Plus Group shows an increase of almost half a point in its operating profitability in 2019. It reached a historic level of 13.7% of turnover as of 31st December 2019.

The cost of financing remained stable compared to 2018, while, unlike last year, other financial elements linked to the change in currencies have been little impacted.

The effective tax rate, which stood at 20% in 2019, compared to 24% in 2018, benefited (on a non-recurring basis) from the profits of subsidiaries with non-activated tax losses.

Taking these different elements into account, the net income (Group's share) rose by +27.2% on 31st December 2019, to € 26.7 million compared to € 21.0 million for the previous year.

Consolidated balance sheet: a strengthened financial structure

- Increased equity was attributed to the very good performance of the group in 2019
- A Working Capital Requirement that continues to remain at normative levels
- A low-level indebtedness which makes it possible to consider the continuation of development projects

ASSETS

millions of Euro	31.12.2019	31.12.2018 (1)	31.12.2018	Variation (2)
Goodwill assets	97.9	91.5	91.5	+6.4
Intangible assets	1.7	1.6	1.6	+0.1
Tangible assets	19.6	18.9	18.9	+0.7
Usage rights	24.7	27.6	-	-2.9
Other financial assets	5.6	2.0	2.0	+3.6
Deferred tax assets	4.5	3.1	3.0	+1.4
Fixed assets	154.0	144.7	117.0	+9.3
Inventories	69.2	64.9	64.9	+4.3
Receivables from customers	54.4	48.1	48.1	+6.3
Other receivables	12.7	11.0	11.1	+1.7
Availability	18.4	17.0	17.0	+1.4
Assets for sale	-	1.8	1.8	-1.8
Current assets	154.7	142.8	142.9	+11.9
Total Assets	308.7	287.5	259.9	+21.2

LIABILITIES

millions of Euro	31.12.2019	31.12.2018 (1)	31.12.2018	Variation (2)
Capital	3.7	3.7	3.7	-
Treasury securities	-5.9	-6.1	-6.1	+0.2
Consolidated Reserves & income	152.5	129.8	130.2	+22.7
Non-controlling interests	0.5	0.7	0.7	-0.2
Equity	150.8	128.1	128.5	+22.7
Non-current financial liabilities	37.3	42.7	42.7	-5.4
Non-current rental debts	20.2	22.8	-	-2.6
Undertakings given to employees	1.5	1.1	1.1	+0.4
Non-current provisions	2.0	1.5	1.5	+0.5
Non-current liabilities	61.0	68.1	45.3	-7.1
Trade payables	21.8	26.6	26.6	-4.8
Tax and corporate debts	13.5	12.1	12.1	+1.4
Other debts	9.8	9.1	9.1	+0.7
Current financial liabilities	46.8	37.3	37.3	+9.5
Current rental debts	5.0	5.2	-	-0.2
Liabilities for sale	-	1.0	1.0	-1.0
Current liabilities	96.9	91.3	86.1	+5.6
Total liabilities	308.7	287.5	259.9	+21.2

(1) 2018 Accounts adjusted according to IFRS 16

(2) Variation between the accounts of 2019 and 2018 adjusted according to IFRS 16

On the balance sheet, the increase in assets (+ € 21.2 million) compared to the balance sheet of 2018 adjusted according to IFRS 16 reflects the acceleration of the group's business in 2019:

- Acquisition of Odco, impacting goodwill assets, with an increase of + € 6.4 million
- Increase in inventories and receivables (+ € 10.6 million being +9.4%) in line with the increase in turnover

Under liabilities, equity strengthened significantly (+ € 22.7 million to € 150.8 million) as a result of a sharp increase in net income.

Net financial liabilities (before IFRS 16) amount to € 65.7 million. They are up + € 2.7 million compared to 31st December 2018.

In particular, net bank debt increased by + € 4.5 million over the year to € 63.0 million on 31st December 2019, as a result of the increase in the use of short-term bank credit lines to finance the increase in the value of the WCR (working capital requirement).

Despite this slight increase in net financial debt, debt ratios remain at historically low levels for the group: gearing (net financial debt/equity) stand at 42% (up from 46% last year) while the leverage ratio (net financial debt/ EBITDA) remains at 1.6 as of 31st December 2019.

Perspectives

- **To limit the effects of the crisis due to Coronavirus epidemic (Covid-19) on the turnover and profitability of the Group**
- **To confirm the soundness of the financial structure of the Group during this crisis period**
- **Successful integration of recent acquisitions**
- **To confirm development ambitions**

The increase in sales in 2019 allows Delta Plus Group to achieve the stated goal of further organic growth in its turnover, both in Europe and in developing countries.

The Group, which accelerated its development this year due to a proactive acquisition policy - which has resulted in five operations over the past 18 months - capitalises on its historical presence in many countries. In 2019 and early 2020, it confirmed its willingness for deployment in areas with high growth potential and on high value-added trades.

This growth in turnover has resulted in new records of profitability and allows Delta Plus Group to start the year 2020 with a healthy financial structure and the ambition to continue its development strategy.

The Coronavirus epidemic (Covid-19) that hit China and then much of Europe in the first quarter began to impact the group's activities since February 2020 in several ways:

- The business of our main production site, based in China, was severely disrupted from early February to mid-March due to the implementation of containment measures in the country.
- Sales of disposable masks and suits (which represent about 5% of the Group's turnover), and to a lesser extent that of certain protective gloves and goggles, were very high in most of our subsidiaries throughout the first quarter of 2020. For many of these references, these sales have led to disruptions in inventories and difficulties in sustainable replenishment.

- Finally, since mid-March 2020, demand has slowed sharply in several European countries affected by the pandemic: Italy, Spain and France in particular.

Overall, these different events did not have a significant impact on consolidated revenue for the 1st quarter of the year, which shows positive organic growth compared to 2019.

However, to date, it is difficult to predict and quantify the impact this crisis will have on the Group's consolidated turnover and income for the whole of 2020.

It is likely at this stage that the second quarter will be negatively impacted, particularly in Europe and the American continent.

Delta Plus Group is currently implementing all necessary measures to minimise the negative impact of this crisis on the growth and future development of its business.

The Group also announces the end of the talks with the shareholders of the company Gamesystem started in the 4th quarter of 2019. The proposed acquisition of Delta Plus Group into the capital of this company, mentioned in November 2019, is abandoned.

2019 dividend adjusted downward due to the uncertain environment

As net income growth for 2019 was close to 25% compared to 2018, it was initially envisaged to propose a dividend of 0.85 Euro per share at the next general meeting, up by +21.4% compared to the dividend paid last year (0.70 Euro).

In view of the unprecedented and uncertain international environment and in accordance with recent recommendations calling for caution on this subject, Delta Plus Group will propose at the next general meeting a dividend of 0.70 Euro per share, identical to that paid last year, and 17.6% lower than the dividend originally envisaged (0.85 Euro).

Next publication: Turnover for 1st quarter of 2020
Monday, 11th May 2020 after closure of the stock market

About DELTA PLUS

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

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