



**Growth in Delta Plus Group's profitability in 2021**  
**Increase in current operating income of +11.1% (14.0% of turnover)**  
**Net income (Group share) up +10.8% to €32.4m**

On 4 April 2022, 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 year 2021. The audit procedures were performed on the consolidated accounts. The certification report is being issued.

The results for the 2021 financial year confirm the profitable growth dynamics, in which the Group has been involved for several years and demonstrate Delta Plus Group's ability to adapt in 2020 and 2021 in a context marked by the Covid-19 crisis.

Delta Plus Group achieved a solid performance in terms of turnover and profitability, while strengthening its financial structure.

Delta Plus Group's sales were up by +19.2% in 2021 (+5.4% on a constant scope and exchange rate basis) at €344.2m.

The current operating income increased significantly compared to 2020 (+11.1%). It reached 14.0% of the turnover, i.e., an increase of +0.3 points compared to the 2019 financial year (13.7%), as the year 2020 (15.0%) cannot be used as a reference due to its atypical nature.

The net income (Group share), which increased proportionately, was at €32.4m (+10.8% compared to 2020).

The balance sheet structure remains very solid: shareholders' equity has strengthened; debt ratios have remained at the level of recent years despite the acquisitions made during the past financial year and working capital requirements have stabilised at the record levels reached on 31 December 2020.

## **2021 turnover recall**

- Turnover of €344.2m up +19.2%
- Dynamic growth at constant scope and exchange rates: +5.4%, despite the decline in turnover of "Covid-19" products
- Positive scope effects of +€47.2m (+16.3%), as a result of the acquisition of White Lake in Brazil in mid-2020, ERB Industries (USA) in December 2020 and the acquisitions made in the first quarter of 2021: Alsolu in France and Artex in Germany
- A concentrated negative exchange rate effect (-€7.3m or -2.5%) in the first half of the year and mainly linked to the evolution of the Euro against certain currencies of South American countries in which the Group is established

## Increase in current operating income and net income

- Current operating income of €48.1m, up +11.1% in 2021 (14.0% of turnover)
- Net income (Group share) of €32.4m, up 10.8% (9.4% of the turnover)

in millions of Euros	31.12.2021	31.12.2020	Change	%
<b>Turnover</b>	<b>344.2</b>	<b>288.7</b>	<b>+55.5</b>	<b>+19.2%</b>
Cost of purchases consumed	-162.9	-137.6	-25.3	+18.4%
Variable costs	-30.2	-22.1	-8.1	+36.4%
Staff costs	-64.3	-51.9	-12.4	+23.8%
Fixed costs	-38.7	-33.8	-4.9	+14.8%
<b>Current operating income</b>	<b>48.1</b>	<b>43.3</b>	<b>+4.8</b>	<b>+11.1%</b>
<i>in % of the turnover</i>	<i>14.0%</i>	<i>15.0%</i>		
Non-current operating income	0.1	0.4	-0.3	
Non-current operating costs	-2.9	-2.4	-0.5	
<b>Operating income</b>	<b>45.3</b>	<b>41.3</b>	<b>+4.0</b>	<b>+9.9%</b>
Cost of gross financial debt	-2.1	-1.9	-0.2	
Other financial elements	-0.4	-2.1	+1.7	
<b>Income before tax</b>	<b>42.8</b>	<b>37.3</b>	<b>+5.5</b>	<b>+14.9%</b>
Income tax	-10.1	-8.4	-1.7	
<b>Net income from continuing operations</b>	<b>32.7</b>	<b>28.9</b>	<b>+3.8</b>	<b>+13.2%</b>
Net income from discontinued operations	-	-	-	
<b>Net income of all consolidated accounts</b>	<b>32.7</b>	<b>28.9</b>	<b>+3.8</b>	<b>+13.2%</b>
of which Group share	32.4	29.3	+3.1	+10.8%
of which Minority share	0.3	-0.4	+0.7	

Thanks to the increase in its turnover, good performance of its margins and the control of its structural costs, despite the sharp rise in the prices of certain materials and transport costs throughout the year, Delta Plus Group posted an increase in the value of its operating profitability in 2021, which reached €48.1m (14.0% of the turnover as at 31 December 2021), up 0.3 points compared with the level before the health crisis (13.7% as at 31 December 2019).

Like in 2020, non-current items (-€2.8m) include acquisition costs incurred by the Group as part of its M&A activity and restructuring costs.

The cost of financing is slightly higher than in 2020 (+€0.2m), while other financial items are not impacted much in 2021 by negative exchange rate differences (-€0.4m), unlike 2020 (-€2.1m).

The effective tax rate, at 24% in 2021, is in line with last year's rate of 23%.

Including these various elements, the consolidated net income increased by 13.2% as of 31 December 2021, to €32.7 million, compared with €28.9 million for the previous year.

The Group's share in the consolidated net income was €32.4 million as of 31 December 2021 (+10.8%).

## Consolidated balance sheet: a strengthened financial structure

- Equity reinforced by strong Group performance in 2021
- WCR maintained at the record levels of 31 December 2020
- Debt contained despite acquisitions in 2021

### ASSETS

in millions of Euros	31.12.2021	31.12.2020	Change
Goodwill	153.0	129.1	+23.9
Intangible assets	1.6	1.9	-0.3
Property, plant and equipment	30.6	24.9	+5.7
Rights of use	28.0	24.5	+3.5
Other financial assets	2.3	2.1	+0.2
Deferred tax assets	4.1	4.6	-0.5
<b>Fixed assets</b>	<b>219.6</b>	<b>187.1</b>	<b>+32.5</b>
Stocks	91.2	72.6	+18.6
Trade receivables	60.6	49.6	+11.0
Other receivables	18.7	17.3	+1.4
Available funds	55.5	45.7	+9.8
<b>Current assets</b>	<b>226.0</b>	<b>185.2</b>	<b>+40.8</b>
<b>Total assets</b>	<b>445.6</b>	<b>372.3</b>	<b>+73.3</b>

### LIABILITIES

in millions of Euros	31.12.2021	31.12.2020	Change
Capital	3.7	3.7	-
Treasury shares	-6.0	-5.9	-0.1
Reserves & consolidated income	197.6	159.5	+38.1
Non-controlling interests	-0.2	-0.2	-
<b>Shareholders' equity</b>	<b>195.1</b>	<b>157.1</b>	<b>+38.0</b>
Non-current financial liabilities	86.7	54.2	+32.5
Non-current rental liabilities	22.6	20.0	+2.6
Commitments given to employees	1.4	2.1	-0.7
Non-current provisions	1.3	1.6	-0.3
<b>Non-current liabilities</b>	<b>112.0</b>	<b>77.9</b>	<b>+34.1</b>
Trade payables	43.3	31.9	+11.4
Tax and social security liabilities	20.7	15.8	+4.9
Other liabilities	8.4	9.4	-1.0
Current financial liabilities	60.1	75.2	-15.1
Current rental liabilities	6.0	5.0	+1.0
<b>Current liabilities</b>	<b>138.5</b>	<b>137.3</b>	<b>+1.2</b>
<b>Total liabilities</b>	<b>445.6</b>	<b>372.3</b>	<b>+73.3</b>

In terms of the balance sheet, the 2021 financial year enabled the Group to strengthen its financial structure.

The acquisitions of Alsolu and Artex in early 2021 resulted in an increase in goodwill at €153.0m as of 31 December 2021 (+€23.9m year-on-year).

Operating Working Capital Requirement (in number of days of revenue) stabilised in 2021 at the historically low levels reached as of 31 December 2020.

It amounted to €102.2m (+€15.2m) and represented 107 days of revenue as of 31 December 2021, compared with 109 days as of 31 December 2020 and 131 days at the end of 2019.

On the liabilities side, shareholders' equity increased by €38.0m over the year to €195.1m. The impact of the net income for the year 2021 (€32.7m) is partially offset by the dividend payment made in June 2021 (-€7.2m). Equity also benefited from positive exchange rate impacts over the year (+€12.5m).

Net financial debt (before IFRS16) amounted to €91.3m. It was up by €7.6m compared to 31 December 2020.

In particular, net bank debt increased by €7.5m over the year to €90.8m as of 31 December 2021, as a result of the medium-term financing raised during the year to fund the acquisitions made in 2021.

Debt ratios remained at very satisfactory levels despite the acquisitions made in 2021, all funded through bank loans.

Net bank debt before IFRS16 (€90.8m) represents 47% of the equity (compared to 53% at the end of 2020) and 1.7 times EBITDA over the last twelve months (as of 31 December 2020).

The State Guaranteed Loan of €42.0m obtained by the Group in June 2020 was repaid in the amount of €28.0m in June 2021. The remaining €14m has been extended for a period of two years, until June 2023.

## Outlook for 2022

- **Confirm positive organic growth in turnover in 2022**
- **Successfully consolidate Maspica and Safety Link, acquired in January and March 2022**
- **Maintain operating profitability at these historical levels**
- **Confirm the strength of the Group's financial structure during this period of uncertainty**

Over the past two years, Delta Plus Group has proven its ability to limit the impact of the Covid-19 crisis on its business and at the same time pursue a proactive acquisition policy, confirming, through 8 acquisitions finalised since the beginning of 2020, its strategy of deploying in areas with strong growth potential and high value-added businesses.

The Group achieved its main objectives in 2021, which were to successfully consolidate the newly acquired subsidiaries into the Group (contribution to turnover close to €46m in line with the most optimistic forecasts drawn up at the time of their acquisition) and to take advantage of the gradual return to normalcy in its historical markets, while meeting demand for certain products designed to protect against Covid-19.

Thus, Delta Plus Group recorded further organic growth in turnover of more than 5%, despite a negative base effect on Covid-19 product sales.

For 2022, the Group expects continued organic growth in turnover, despite the highly uncertain macroeconomic and geopolitical environment.

Thanks to the acquisition of Maspica in Italy and Safety Link in Australia, finalised in January and March 2022, Delta Plus Group also confirmed its desire to continue its development in the coming years in high value-added businesses and in regions with strong growth potential, enabling the Group to deploy its upmarket strategy.

In the short term, the consolidation of these two companies as on 1<sup>st</sup> January 2022 should generate a scope effect of over 13% for the Group.

In 2021, the Group achieved a higher level of current operating profitability than that of 2019.

The year 2022 looks more uncertain, particularly in view of the Russo/Ukrainian events and their repercussions on world economy.

In 2021, the Group achieved a turnover of €8.2m in this geographical area and aimed to achieve a turnover of €9.6m in Ukraine and Russia in 2022.

Current events put this perspective at risk.

We deplore this situation and offer our full support to our local employees affected by these tragic events.

In addition to this geopolitical unrest, the Group has noted the persistence of strong inflationary pressures since 2021, notably affecting the price of transport and raw materials. This situation is expected to continue in 2022.

In this uncertain environment, the Group aims to pursue its growth, while maintaining its current level of profitability and strengthening its financial structure to ensure its development is financed.

## **Dividend of €1.10 Euro, up by 10%**

The dividend proposed in the next General Meeting will amount to €1.10 per share, an increase of 10% compared to the dividend paid last year (€1.00).

Next publication: Turnover for the 1<sup>st</sup> quarter of 2022  
Thursday, 5 May 2022, after market hours

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### **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)*

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

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## **GLOSSARY**

### Definition of organic growth, or growth on a constant scope and exchange rate basis

Organic growth, or growth on a constant scope and exchange rate basis, is calculated by excluding the impacts of changes in exchange rates as well as scope effects (impact of acquisitions and disposals).

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

The restatement of scope effects, for newly consolidated entities (acquisitions) consists of:

- For newly consolidated companies of the current year, subtract the contribution of aggregates for the current year from the acquisition
- For newly consolidated companies from the previous year, subtract the contribution of the acquisition of 1<sup>st</sup> January of the current year until the last day of the month of the current year in which the acquisition was made last year

The restatement of scope effects, for deconsolidated entities (disposals) consists of:

- For deconsolidated entities of the current year, subtract the contributions of the deconsolidated entity from the aggregates of the previous year from the 1<sup>st</sup> day of the month of disposal
- For deconsolidated entities from the previous year, subtract the contributions of the deconsolidated entity from the aggregates of the previous year