



**2016 Half year results:**  
**Organic revenue growth of +4.2%**  
**Current operating profit up +25.1%**  
**Significant improvement in WCR**

The Board of Directors of the Delta Plus Group, a major player in the Personal Protective Equipment (PPE) market approved the Group consolidated accounts for the first half of fiscal 2016 on September 2, 2016.

These accounts were subject to a limited review by the auditors.

The results of the first half of 2016 show a very satisfactory performance, both in terms of the Group's profitability and in terms of its balance sheet structure.

Delta Plus Group sales increased by +1.4% over the first six months of 2016 (+4.2% at constant scope and exchange rates) to reach € 94,1M.

Current operating income rose in higher proportions (+25%), due to higher volumes and the control of structural costs.

Net income is also up +48% compared to 2015. It amounted to € 7.6 million at 30 June 2016.

Continued efforts on optimising working capital requirements confirmed, in the first half of 2016, the significant improvements recorded on debt and strengthening the balance sheet structure.

**Turnover: a continuation of the recovery in Europe and growth in emerging countries impacted by significant currency effects**

The Group benefited from the continued recovery of its business in Europe, where sales rose by 3.3% in the first half of 2016 (+ 4.3% at constant scope and exchange rates) to € 47,3M.

The turnover outside Europe totalled € 46,8M the first half of 2016, slightly down by -0.4% compared to last year in Euro. At constant scope and excluding exchange rate effects, the turnover generated outside Europe increased by +4.1% compared to the first half of 2015.

In contrast, the Euro fluctuations compared to the Dollar and most emerging market currencies, particularly in South America and Asia, have been significant in recent months, causing an unfavourable currency effect on the Group's consolidated turnover in the first half of 2016.

For the Group, the first half of 2016 also saw the creation of Delta Plus Philippines, a subsidiary dedicated to the commercialization of Delta Plus products on this fast growing market.

## Current operating profit: up 25% compared to 2015

In millions of Euro	30.06.2016	30.06.2015	Variation	%
<b>Turnover</b>	<b>94.1</b>	<b>92.8</b>	<b>1.3</b>	<b>+1.4%</b>
Cost of sales	-46.4	-47.8	1.4	-3.0%
<b>Gross profit margin</b>	<b>47.7</b>	<b>45.0</b>	<b>2.7</b>	<b>+6.2%</b>
<i>in% of turnover</i>	<i>50.7%</i>	<i>48.4%</i>		
Variable expenses	-6.9	-7.4	0.5	-5.9%
<i>in% of turnover</i>	<i>7.4%</i>	<i>7.9%</i>		
Personnel costs	-17.0	-16.1	-0.9	+5.6%
Fixed expenses	-12.7	-12.7	-	+0.5%
Other income and operating expenses	-	-	-	
<b>Current operating income</b>	<b>11.1</b>	<b>8.8</b>	<b>2.3</b>	<b>+25.1%</b>
<i>in% of turnover</i>	<i>11.8%</i>	<i>9.5%</i>		
Non-recurring operating income	0.6	-	0.6	
Non-recurring operating expenses	-0.6	-0.4	-0.2	
<b>Operating income</b>	<b>11.1</b>	<b>8.4</b>	<b>2.7</b>	<b>+31.3%</b>
Cost of financial debt	-0.9	-0.9	-	
Other financial items	-0.3	-0.8	0.5	
<b>Profit before tax</b>	<b>9.9</b>	<b>6.7</b>	<b>3.2</b>	<b>+47.1%</b>
Income Taxes	-2.3	-1.6	-0.7	+45.0%
<b>Net income from continuing operations</b>	<b>7.6</b>	<b>5.1</b>	<b>2.5</b>	<b>+47.7%</b>
Income from discontinued operations	-	-	-	
<b>Net income from the consolidated whole</b>	<b>7.6</b>	<b>5.1</b>	<b>1.3</b>	<b>+47.7%</b>
of which are Group share	7.6	5.0	1.1	+50.2%

With the increase in sales and significant improvement in margins, due mainly to productivity gains and the positive impact of currency fluctuations on supply costs, the Delta Plus Group shows in the first half of 2016 an increase by more than two points in operating profitability, which reached 11.8% of sales to 30 June 2016.

Variable expenses are slightly down, a result of savings made on transport costs. Personnel expenses increased by 5.6% mainly due of the integration of Elvex (USA) over six months in 2016 compared to only three months in the first half of 2015.

Fixed costs remained stable, allowing the Group to shower better absorption of its structural costs and to achieve a current operating profit of € 11.1M (11.8% of turnover), up by € 2.3 million compared to the first half of 2015.

Products and non-recurring operating expenses are zero in 2016.

The cost of funding is stable compared to 2015, the continuing bank deleveraging of the Group and favourable interest rates offsetting the higher proportion of medium-term financing in the balance sheet.

Other financial items mainly include foreign exchange differences and are improving € 0.5 million compared to last year.

The effective tax rate, which stood at 23% in the first half of 2016 is in line with that recorded last year.

Integrating these different elements, net profit was up +48% to € 7.6 million on June 30, 2015, compared to € 5.1 million in the first six months of the previous year.

### **Consolidated balance sheet structure: further improvement of key indicators**

#### **ASSETS**

In millions of Euro	30.06.2016	31.12.2015	30.06.2015	Variation 6 months
Goodwill	61.6	60.9	61.9	+0.7
Intangible assets	0.7	0.7	0.6	-
Tangible assets	6.1	6.2	6.7	-0.1
Other financial assets	1.7	1.7	1.5	-
Deferred tax assets	1.9	1.5	1.4	+0.4
<b>Fixed assets</b>	<b>72.0</b>	<b>71.0</b>	<b>72.0</b>	<b>+1.0</b>
Stocks	46.7	53.3	51.4	-6.6
Trade receivables	37.0	34.5	36.5	+2.5
Other receivables	10.3	10.9	11.4	-0.6
Availability	16.5	16.7	17.1	-0.2
<b>Current assets</b>	<b>110.5</b>	<b>115.4</b>	<b>116.4</b>	<b>-4.9</b>
<b>Total Assets</b>	<b>182.5</b>	<b>186.4</b>	<b>188.4</b>	<b>-3.9</b>

#### **LIABILITIES**

In millions of Euro	30.06.2016	31.12.2015	30.06.2015	Variation 6 months
Capital	3.7	3.7	3.7	-
Treasury shares	-0.6	-0.9	-0.9	+0.3
Reserves & consolidated income	90.9	88.0	82.2	+2.9
Non-controlling shares	-	-	-	-
<b>Equity</b>	<b>94.0</b>	<b>90.8</b>	<b>85.0</b>	<b>+3.2</b>
Non-current financial liabilities	30.7	29.4	22.1	+1.3
Commitments given to employees	1.0	0.9	1.0	+0.1
Non-recurring provisions	0.2	0.2	0.2	-
<b>Non recurring liabilities</b>	<b>31.9</b>	<b>30.5</b>	<b>23.3</b>	<b>+1.4</b>
Trade payables	18.1	17.6	19.2	+0.5
Tax and social security	8.9	8.6	7.9	+0.3
Other liabilities	3.3	3.9	11.9	-0.6
Current financial liabilities	26.3	35.0	41.1	-8.7
<b>Current liabilities</b>	<b>56.6</b>	<b>65.1</b>	<b>80.1</b>	<b>-8.5</b>
<b>Total Liabilities</b>	<b>182.5</b>	<b>186.4</b>	<b>188.4</b>	<b>-3.9</b>

On the balance sheet, the first half of 2016 enabled the Group to consolidate the improvements implemented over three years, particularly in terms of working capital requirement and debt ratio. The WCR has thus further improved by € 4.5 million (-9 days of sales) compared to 31 December 2015, due to a further decline in stock levels, despite the increase in turnover business in the first half. At June 30, 2016, working capital represents 122 days of turnover compared to 131 days at the end of December 2015.

Net bank debt benefited from the improvement in profitability and the working capital requirements during the semester. It amounted to € 30.5m at the end of June 2016 compared to € 37,7M on 31 December 2015 (€ -7.2M).

This decrease primarily impacts the current portion of bank financing (€ -8,5M) due to lower inventory levels during the semester.

The ratio of net bank debt to equity was 32% on 30 June 2016. It was 42% on June 30, 2015 and on December 31, 2015.

### **2016 growth outlook confirmed**

The performance of the first half of 2016 strengthens the Delta Plus Group in its aim to achieve another year of organic growth in turnover by year end.

The confirmed recovery in Europe and the continuation of the positive trend in most emerging countries makes it possible to envisage a growth in turnover over these two geographical areas.

In parallel, the Group continues its cost control efforts, especially in the European structures, and thus anticipates a growth in current operating income in 2016.

On the balance sheet, the performance of the first half of 2016 enable the Group to provide greater means to consider the next steps in its development.

Next publication: Turnover 3<sup>rd</sup> Quarter of 2016  
Monday 07 November 2016, after trading

### **About DELTA PLUS:**

*The Delta Plus Group designs, standardises, manufactures or produces and distributes a complete range of Personal Protective Equipment (PPE). Delta Plus Group is listed in compartment B of the NYSE-EURONEXT (ISIN: FR0012928612 - Mname: DLTA)*

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

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