



Delta Plus Group posts higher earnings in 2023

Current operating income up +10.4% (13.8% of sales)

Net income (Group share) up +12.3% (€38.0m)

Reinforcement of the financial structure

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 2023 on 2 April 2024. The audit procedures were performed on the consolidated accounts. The certification report is being issued.

The results of the 2023 financial year confirm the profitable growth dynamics in which the Group has been engaged for several years and demonstrate the Delta Plus Group's ability to adapt after a year marked by strong macroeconomic turbulences.

Delta Plus Group put up a solid performance in terms of profitability in 2023, which reinforcing its financial structure.

Delta Plus Group's sales rose by +0.1% over 2023 (+1.9% on a like-for-like basis and at constant exchange rates, restated for the impact of hyperinflation in Argentina) to €420.6m.

The current operating profit increased significantly compared to 2022 (+10.4%).

As a percentage of turnover, it amounts to 13.8% of the turnover (+1.3 points compared to 2022).

The Group's share of net profit, which increased in similar proportions, amounted to €38.0m (+12.3% compared to 2022).

The balance sheet structure improved in 2023: shareholders' equity reached a record level, debt ratios improved sharply as a result of cash generation over the past year, and working capital requirements reached a historically low level through optimisation of inventory levels.

Reminder of the 2023 turnover

- Turnover of €420.6m up +0.1%.
- A dynamic growth on a like-for-like basis and at constant exchange rates: +1.9%, restated for the impact of hyperinflation in Argentina.
- Positive scope effects to the tune of +3.6m (+0.9%), following the acquisition of Drypro (Mexico) in mid 2022.
- An unfavourable exchange rate effect (-€11.2m which is -2.7%) excluding the effect of devaluation of the Argentine Peso, linked to the strengthening of the euro against a number of currencies, in particular the RMB (China) and the US dollar.

Increase in current operating income and net income

- Current operating income of €57.9m, up +10.4% in 2023 (13.8% of turnover)
- Net income (Group share) of €38.0m, up +12.3% (9.0% of the turnover)

in millions of Euros	31.12.2023	31.12.2022	Change	%
Turnover	420.6	420.2	+0.4	+0.1%
Cost of purchases consumed	-198.6	-203.3	+4.7	-2.3%
Variable costs	-30.0	-34.4	+4.4	-12.9%
Staff costs	-81.5	-79.3	-2.2	+2.8%
Fixed costs	-52.6	-50.8	-1.8	+3.7%
Current operating income	57.9	52.4	+5.5	+10.4%
<i>in % of the turnover</i>	<i>13.8%</i>	<i>12.5%</i>		
Non-current operating income	0.2	0.2	-	
Non-current operating costs	-1.8	-3.6	+1.8	
Operating income	56.3	49.0	+7.3	+14.8%
Cost of gross financial debt	-4.9	-3.6	-1.3	
Other financial elements	-2.6	-0.3	-2.3	
Income before tax	48.8	45.1	+3.7	+8.2%
Income tax	-10.2	-10.4	+0.2	
Net income from continuing operations	38.6	34.7	+3.9	+11.1%
Net profit from discontinued operations	-	-	-	
Net income of all consolidated accounts	38.6	34.7	+3.9	+11.1%
of which Group share	38.0	33.8	+4.2	+12.3%
of which Minority share	0.6	0.9	-0.3	

The increase in turnover, the easing of inflationary pressures and the strengthening of the euro against the dollar enabled Delta Plus Group to post a 10.4% rise in current operating profitability to €57.9m. As mentioned, this result expressed as a % of turnover marks a return to the profitability levels achieved before the Covid-19 period (13.8% as of 31 December 2023 compared with 12.5% last year and 13.7% as of 31 December 2019).

Non-current items are not significant (-€1.6m in 2023 compared with -€3.4m in 2022).

Last year they included acquisition costs incurred by the Group as part of its M&A activity (three acquisitions completed in 2022).

The €4.9m cost of financing is €1.3m higher than in 2022, at €4.9m [sic]. The increase in interest rates on bank overdrafts used by the Group to finance the WCR explains this change.

The effective tax rate of 21% in 2023 is slightly lower than the 23% recorded in 2022.

Including these various elements, the consolidated net income increased by +11.1% at 31 December 2023, to €38.6 million, compared with €34.7 million for the previous year.

The Group's share in the consolidated net income was €38.0m at 31 December 2023 (+12.3%).

Consolidated balance sheet: a strengthened financial structure

- Shareholders' equity up €21.0m driven by solid Group performance
- Working Capital Requirement at an all-time low of 106 days' turnover

- **A significant reduction in net bank debt over 2023 (-€40.5m)**

ASSETS

in millions of Euros	31.12.2023	31.12.2022	Change
Goodwill	199.3	202.8	-3.5
Intangible assets	2.3	2.1	+0.2
Property, plant and equipment	49.1	45.4	+3.7
Rights of use	23.0	27.3	-4.3
Other financial assets	3.2	3.6	-0.4
Deferred tax assets	2.7	2.7	-
Fixed assets	279.6	283.9	-4.3
Stocks	102.9	122.8	-19.9
Trade receivables	73.6	74.5	-0.9
Other receivables	23.1	21.4	+1.7
Available funds	41.3	36.2	+5.1
Current assets	240.9	254.9	-14.0
Total assets	520.5	538.8	-18.3

LIABILITIES

in millions of Euros	31.12.2023	31.12.2022	Change
Capital	3.7	3.7	-
Treasury shares	-6.0	-5.9	-0.1
Reserves & consolidated income	244.4	224.5	+19.9
Non-controlling interests	0.9	-0.3	+1.2
Shareholders' equity	243.0	222.0	+21.0
Non-current financial liabilities	103.1	125.6	-22.5
Non-current rental liabilities	16.6	20.1	-3.5
Commitments given to employees	0.7	1.0	-0.3
Non-current provisions	1.6	1.6	-
Non-current liabilities	122.0	148.3	-26.3
Trade payables	44.9	45.4	-0.5
Tax and social security liabilities	27.0	23.9	+3.1
Other liabilities	6.7	7.9	-1.2
Current financial liabilities	70.3	83.6	-13.3
Current rental liabilities	6.6	7.7	-1.1
Current liabilities	155.5	168.5	-13.0
Total liabilities	520.5	538.8	-18.3

In terms of the balance sheet, the 2023 financial year enabled the Group to strengthen its financial structure.

The Operating Working Capital Requirement (in number of days of turnover) reached a historically low level owing to the optimisation of inventory levels (-€19.9m).

It stood at €123.7m (-€20.4m) and represented 106 days of turnover at 31 December 2023, compared to 123 days at 31 December 2022.

On the liabilities side, shareholders' equity increased by +€21.0m over the year to €243.0m. The impact of net profit for the 2023 financial year (+€38.6m) was partially offset by the dividend payment made in June 2023 (-€8.3m) and translation adjustments.

Net financial debt (before IFRS16) amounted to €132.0m. It was down by €41.0m compared to 31 December 2022.

In particular, net bank debt fell by €40.5m over the year to €122.4m at 31 December 2023, as a result of the self-financing capacity generated over the year and the positive impact of working capital requirements.

Debt ratios are back to pre-2022 levels, leaving the Group with significant investment capacity.

Net bank debt before IFRS16 now represents 50% of shareholders' equity (compared with 73% at the end of 2022) and 1.9 times EBITDA over the last twelve months (compared with 2.8 at 31 December 2022).

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. This EMP is now closed.

Outlook for 2024

- **Maintain a positive organic growth in turnover in 2024**
- **Confirm the return to pre-Covid levels in terms of operating profitability**
- **Strengthen the Group's financial structure during this period of uncertainty**

Since 2020, Delta Plus Group has proven its ability to limit the consequences of the successive crises that have marked the last three years and at the same time pursue a proactive acquisition policy, confirming, its strategy, over the last few years, of deploying in areas with strong growth potential and high value-added businesses.

In 2023, the Group was able to achieve further sales growth and set a new record despite the negative impact of exchange rates. Organic growth adjusted for the negative currency effect generated by the depreciation of the Argentine Peso against the Euro was +1.9%.

For 2024, the Group confirmed continued organic growth in turnover, despite the still highly uncertain macroeconomic and geopolitical environment, and an unfavourable base effect in the first quarter.

At this stage, we do not anticipate any changes in the scope of consolidation in 2024, despite the Group's intention to continue investing in acquisitions.

2023 was marked by events that make the short-term profitability level uncertain: war in Ukraine and the middle-east, persistent significant inflationary pressures, uncertainties over the changes in the exchange rates of the world's main currencies.

Against this backdrop, the Group is continuing to implement all measures designed to limit the impact of these significant events on operating profitability, with the aim of maintaining profitability levels at 2023 levels.

In addition, the Group aims to maintain a solid financial structure that will enable it to finance its development, particularly in the context of its strategy to move upmarket and strengthen its geographical position.

Dividend of €1.25

The dividend proposed in the next General Meeting on 14 June 2024 will amount to €1.25 per share, up €0.15 (+13.6%) compared to the dividend paid last year (€1.10).

Next publication: Turnover for the 1st quarter of 2024
Tuesday, 14 May 2024 after market close

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)

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

The adjusted scope effects, for newly consolidated entities (acquisitions), consist 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 1st 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 adjusted scope effects, for deconsolidated entities (disposals), consist of:

- For deconsolidated entities of the current year, subtract the contributions of the deconsolidated entity from the aggregates of the previous year from the 1st 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