



## **Growth in earnings of Delta Plus Group in 2022**

### **Increase in current operating income of +8.9% (12.5% of the turnover)**

### **Net income (Group share) up +4.2% to €33.8m**

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 2022 on 3 April 2023. The audit procedures were performed on the consolidated accounts. The certification report is being issued.

The results of the 2022 financial year confirm the profitable growth dynamic 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 achieved a solid performance in terms of turnover and profitability, while maintaining its financial structure.

Delta Plus Group's sales were up by +22.1% in 2022 (+2.9% on a constant scope and exchange rate basis) at €420.2m.

The current operating income also increased compared to 2021 (+8.9%).

As a percentage of turnover, it amounts to 12.5% of the turnover (-1.5 points compared to 2021).

The Group's share of net profit, which increased in similar proportions, amounted to €33.8m (+4.2% compared to 2021).

The balance sheet structure remains solid: shareholders' equity has strengthened, debt ratios have increased due to the impact of the three acquisitions made over the past year, and working capital requirements have returned to the normal levels of the years preceding the Covid-19 crisis.

## **Reminder of the 2022 turnover**

- Turnover of €420.2m up +22.1%
- Dynamic growth at constant scope and exchange rates: +2.9%, despite the war in Ukraine and the lockdowns in China
- Positive scope effects of €56.5m (+16.4%), resulting from the acquisition of Maspica (Italy), Safety Link (Australia) and Drypro (Mexico)
- A favourable exchange rate effect (+€9.4m or +2.7%) concentrated on the first nine months of the year and mainly linked to the weakening of the Euro against the RMB (China) and the Dollar (USA).

## **Increase in current operating income and net income**

- **Current operating income of €52.4m, up +8.9% in 2022 (12.5% of turnover)**
- **Net income (Group share) of €33.8m, up 4.2% (8.0% of the turnover)**

| in millions of Euros                           | 31.12.2022   | 31.12.2021   | Change       | %             |
|--|--------------|--------------|--------------|---------------|
| <b>Turnover</b>                                | <b>420.2</b> | <b>344.2</b> | <b>+76.0</b> | <b>+22.1%</b> |
| Cost of purchases consumed                     | -203.3       | -162.9       | -40.4        | +24.8%        |
| Variable costs                                 | -34.4        | -30.2        | -4.2         | +14.0%        |
| Staff costs                                    | -79.3        | -64.3        | -15.0        | +23.4%        |
| Fixed costs                                    | -50.8        | -38.7        | -12.1        | +31.1%        |
| <b>Current operating income</b>                | <b>52.4</b>  | <b>48.1</b>  | <b>+4.3</b>  | <b>+8.9%</b>  |
| <i>in % of the turnover</i>                    | <i>12.5%</i> | <i>14.0%</i> |              |               |
| Non-current operating income                   | 0.2          | 0.1          | +0.1         |               |
| Non-current operating costs                    | -3.6         | -2.9         | -0.7         |               |
| <b>Operating income</b>                        | <b>49.0</b>  | <b>45.3</b>  | <b>+3.7</b>  | <b>+8.0%</b>  |
| Cost of gross financial debt                   | -3.6         | -2.1         | -1.5         |               |
| Other financial elements                       | -0.3         | -0.4         | +0.1         |               |
| <b>Income before tax</b>                       | <b>45.1</b>  | <b>42.8</b>  | <b>+2.3</b>  | <b>+5.5%</b>  |
| Income tax                                     | -10.4        | -10.1        | -0.3         |               |
| <b>Net income from continuing operations</b>   | <b>34.7</b>  | <b>32.7</b>  | <b>+2.0</b>  | <b>+6.2%</b>  |
| Net profit from discontinued operations        | -            | -            | -            |               |
| <b>Net income of all consolidated accounts</b> | <b>34.7</b>  | <b>32.7</b>  | <b>+2.0</b>  | <b>+6.2%</b>  |
| of which Group share                           | 33.8         | 32.4         | +1.4         | +4.2%         |
| of which Minority share                        | 0.9          | 0.3          | +0.6         |               |

Despite the sharp rise in raw material prices and transport and energy costs throughout the year, and despite the unfavourable evolution of the Euro against the Dollar in the second half of the year, the Group managed to maintain good margins.

In 2022, Delta Plus Group posted an increase in the value of its operating profitability, which reached a level of €52.4m (12.5% of the turnover at 31 December 2022), down by 1.5 points compared to 31 December 2021.

Like in 2021, non-current items (-€3.4m) include acquisition costs incurred by the Group as part of its M&A activity (€2.0m) and restructuring costs (€0.9m).

The cost of financing is up compared to 2021 (+€1.5m), as a result of the increase in bank debt, while other financial items are impacted only slightly in 2022 by negative exchange rate differences (-€0.3m) as in 2021 (-€0.4m).

The effective tax rate, at 23.0% in 2022, is in line with last year's rate of 23.5%.

Including these various elements, the consolidated net income increased by 6.2% at 31 December 2022, to €34.7 million, compared with €32.7 million for the previous year.

The Group's share in the consolidated net income was €33.8m at 31 December 2022 (+4.2%).

## Consolidated balance sheet: a solid financial structure

- **Equity reinforced by strong Group performance in 2022**

- WCR is back to the normal pre-Covid crisis levels of 2020
- Debt contained despite acquisitions in 2022

## ASSETS

| in millions of Euros          | 31.12.2022   | 31.12.2021   | Change       |
|-------------------------------|--------------|--------------|--------------|
| Goodwill                      | 202.8        | 153.0        | +49.8        |
| Intangible assets             | 2.1          | 1.6          | +0.5         |
| Property, plant and equipment | 45.4         | 30.6         | +14.8        |
| Rights of use                 | 27.3         | 28.0         | -0.7         |
| Other financial assets        | 3.6          | 2.3          | +1.3         |
| Deferred tax assets           | 2.7          | 4.1          | -1.4         |
| <b>Fixed assets</b>           | <b>283.9</b> | <b>219.6</b> | <b>+64.3</b> |
| Stocks                        | 122.8        | 91.2         | +31.6        |
| Trade receivables             | 74.5         | 60.6         | +13.9        |
| Other receivables             | 21.4         | 18.7         | +2.7         |
| Available funds               | 36.2         | 55.5         | -19.3        |
| <b>Current assets</b>         | <b>254.9</b> | <b>226.0</b> | <b>+28.9</b> |
| <b>Total assets</b>           | <b>538.8</b> | <b>445.6</b> | <b>+93.2</b> |

## LIABILITIES

| in millions of Euros                | 31.12.2022   | 31.12.2021   | Change       |
|-------------------------------------|--------------|--------------|--------------|
| Capital                             | 3.7          | 3.7          | -            |
| Treasury shares                     | -5.9         | -6.0         | +0.1         |
| Reserves & consolidated income      | 224.5        | 197.6        | +26.9        |
| Non-controlling interests           | -0.3         | -0.2         | -0.1         |
| <b>Shareholders' equity</b>         | <b>222.0</b> | <b>195.1</b> | <b>+26.9</b> |
| Non-current financial liabilities   | 125.6        | 86.7         | +38.9        |
| Non-current rental liabilities      | 20.1         | 22.6         | -2.5         |
| Commitments given to employees      | 1.0          | 1.4          | -0.4         |
| Non-current provisions              | 1.6          | 1.3          | +0.3         |
| <b>Non-current liabilities</b>      | <b>148.3</b> | <b>112.0</b> | <b>+36.3</b> |
| Trade payables                      | 45.4         | 43.3         | +2.1         |
| Tax and social security liabilities | 23.9         | 20.7         | +3.2         |
| Other liabilities                   | 7.9          | 8.4          | -0.5         |
| Current financial liabilities       | 83.6         | 60.1         | +23.5        |
| Current rental liabilities          | 7.7          | 6.0          | +1.7         |
| <b>Current liabilities</b>          | <b>168.5</b> | <b>138.5</b> | <b>+30.0</b> |
| <b>Total liabilities</b>            | <b>538.8</b> | <b>445.6</b> | <b>+93.2</b> |

In terms of the balance sheet, the 2022 financial year enabled the Group to maintain a solid financial structure.

The acquisitions of Maspica, Safety Link and Drypro in 2022 resulted in an increase in goodwill to €202.8m at 31 December 2022 (€49.8m year-on-year).

Operating Working Capital Requirement (in number of turnover days) is back to pre-Covid crisis levels, after two years of historically low levels in 2020 and 2021.

It stood at €144.2m (+€42.0m) and represented 123 days of turnover at 31 December 2022, compared to 107 days at 31 December 2021.

On the liabilities side, shareholders' equity increased by €26.9m over the year to €222.0m. The impact of the net income for the year 2022 (€34.7m) is partially offset by the dividend payment made in June 2022 (-€8.1m).

Net financial debt (before IFRS16) amounted to €173.0m. It was up by €81.7m compared to 31 December 2021.

In particular, net bank debt increased by €72.1m over the year to €162.9m at 31 December 2022, as a result of the medium-term financing raised during the year to fund the acquisitions made in 2022.

Debt ratios remained at satisfactory levels despite the acquisitions made in 2022, all funded through bank loans.

Net bank debt (before IFRS16) (€162.9m) represents 73% of equity (compared to 47% at the end of 2021) and 2.8 times last twelve months' EBITDA (compared to 1.7 at 31 December 2021).

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 2023

- **Confirm positive organic growth in turnover in 2023**
- **Finalise the integration of Maspica, Safety Link and Drypro, acquired in 2022**
- **Defend the level of operational profitability in an unfavourable context**
- **Confirm the strength of 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, through 9 acquisitions finalised since the beginning of 2020, its strategy of deploying in areas with strong growth potential and high value-added businesses.

Since the beginning of 2022, the Group has recorded a dynamic organic growth of close to 3%, confirming the trend of the first half year.

Furthermore, the integration of the subsidiaries acquired in 2022 (contributing to a turnover of more than €56m for the year) was very satisfactory.

For 2023, the Group expects continued organic growth in turnover, despite the highly uncertain macroeconomic and geopolitical environment.

In 2023, a residual perimeter effect of around €4m, linked to the acquisition of Drypro (Mexico), will have a positive impact on the H1 turnover, which should represent a perimeter effect of around +2% over the first six months of the year.

Conversely, the recent strengthening of the euro against the dollar and most other currencies should result in a negative exchange rate effect of around -2% in the first half of 2023.

2022 was marked by events that made the short-term profitability level uncertain: war in Ukraine, strict lockdowns in China, persistent significant inflationary pressures affecting commodity, transport and energy prices, significant changes in the exchange rates of the world's main currencies.

In this context, the Group continues to take all measures to limit the impact of these significant events on the operating profitability level and defend a level of results in line with the performances of the period preceding the Covid-19 crisis.

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 stable at 1.10 Euro

The dividend proposed in the next General Meeting on 16 June 2023 will amount to 1.10 Euro per share, stable compared to the dividend paid last year (1.10 Euro).

Next publication: Turnover for the 1<sup>st</sup> quarter of 2023  
Wednesday, 10 May 2023 after market closing

### About DELTA PLUS

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*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)

### CONTACT

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Jérôme BENOIT

CEO

e-mail: [relation.investisseur@deltaplus.eu](mailto:relation.investisseur@deltaplus.eu)

Tel: 04.90.74.20.33

Arnaud DANIEL

Administrative & Financial Director

### 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 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 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 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