



## Half-year results 2024

**Sales down 8.9% to €193.9million**

**Recurring operating margin up 12.5% to €24.2m**

**Strengthening the financial structure**

On August 30, 2024, the Board of Directors of Delta Plus Group, a major player in the Personal Protective Equipment (PPE) market, approved the Group's consolidated financial statements for the first half of the 2024 financial year.

The results for the first half of 2024 confirm the trends mentioned when the half-year sales figures were published last July.

DELTA PLUS GROUP sales fell by 8.9% in the first six months of 2024 (-5.8% on a like-for-like basis and at constant exchange rates restated for Argentina) to €193.9m.

Despite the continued improvement in margins which began in 2023, this drop in sales weighed on recurring operating profitability, mainly due to its impact on the absorption of structural costs.

This brings operating income to €24.2m (vs. €28.3m in 2023). It represents 12.5% of sales, compared with 13.3% in 2023.

Net income, at €12.3m at June 30, 2024, was also down (-€7.5m) as a result of the trend in operating income, financial impacts linked to the treatment of hyperinflation in Argentina, and a higher effective tax rate.

The balance sheet structure remained solid in the first half of 2024, driven by the cash flow generated during the period and despite a return of working capital to its normal levels, as expected. The Group's debt-to-equity ratios were stable over the first half.

## Reminder of half-year sales 2024

- Sales of €193.9m, down 8.9% compared with 2023
- The decline in sales was limited to -6.8% after adjustment for the impact linked to Argentina
- No scope effect in first-half 2024
- A slightly negative currency effect on sales of -€2.1m (-1.0%) excluding the Argentine Peso, due mainly to the strengthening of the Euro against the RMB (China).
- Organic growth of -5.8% over the first six months of the year

## Consolidated income statement

- Operating income before non-recurring items of €24.2m in the first half of 2023
- Recurring operating profitability of 12.5% of sales, compared with 13.3% in 2023
- Consolidated net income up 6.3% of sales (€12.3m)

in millions of Euros	30.06.2024	30.06.2023	Variation 2024 vs. 2023 (M€)	Variation 2024 vs. 2023 (%)
<b>Sales figures</b>	<b>193,9</b>	<b>213,0</b>	<b>-19,1</b>	<b>-8,9%</b>
Cost of sales	-85,7	-103,9	+18,2	-17,4%
Variable expenses	-15,2	-14,6	-0,6	+4,4%
Personnel expenses	-42,1	-41,6	-0,5	+1,2%
Fixed expenses	-27,1	-25,1	-2,0	+7,9%
Other operating income & expenses	0,4	0,5	-0,1	-27,2%
<b>Current operating income</b>	<b>24,2</b>	<b>28,3</b>	<b>-4,1</b>	<b>-14,7%</b>
<i>in % of sales</i>	<i>12,5%</i>	<i>13,3%</i>		
Non-current operating income	0,5	0,1	+0,4	
Non-current operating expenses	-1,9	-0,7	-1,2	
<b>Operating income</b>	<b>22,8</b>	<b>27,7</b>	<b>-4,9</b>	<b>-17,8%</b>
Cost of debt	-2,5	-2,2	-0,3	
Other financial items	-1,8	0,2	-2,0	
<b>Profit before tax</b>	<b>18,5</b>	<b>25,7</b>	<b>-7,2</b>	<b>-28,2%</b>
Income tax	-6,2	-5,9	-0,3	+4,4%
<b>Net income from continuing operations</b>	<b>12,3</b>	<b>19,8</b>	<b>-7,5</b>	<b>-38,0%</b>
Profit from activities held for sale	-	-	-	
<b>Consolidated net income</b>	<b>12,3</b>	<b>19,8</b>	<b>-7,5</b>	<b>-38,0%</b>
of which Group share	12,1	19,4	-7,3	-37,4

The downturn in sales (-8.9%) weighed on the Group's operating profitability in the <sup>first</sup> half of 2024. Indeed, despite the strong increase of over 3 points in margin after variable costs, in line with the performance recorded in 2023, the lower absorption of wage costs and fixed charges had an unfavorable effect on profitability.

As expected, this result, expressed as a % of sales, is slightly down compared with last year (12.5% at June 30, 2024 vs. 13.3% at June 30, 2023).

Confident of the sales rebound expected in the second half of the year, the Group has continued on its investment path designed to support long-term growth (recruitment, ERP changes, marketing and R&D investments).

Non-current items amounted to -€1.4m in 2024 compared with -€0.6m last year.

In the first half of 2024, they include an impact of -€1.0m linked to a negotiation with our historical partner in this business, which led to the acquisition of BSAs. These warrants were backed by a 2020 bond issue in connection with the acquisition of Boots Company and Italboot (Italy).

The cost of financing is slightly up by +€0.3m compared with 2023, at €2.5m, as a result of higher interest rates on bank overdrafts used by the Group to finance working capital.

Fluctuations in exchange rates and other financial factors linked to our presence in Argentina resulted in a cost of €1.8m over the period. We do not expect this impact to recur.

The effective tax rate, which stood at 33% in the first half of 2023, is significantly higher than that recorded in the first half of the 2023 financial year (23%). This increase was due to a combination of non-recurring events:

- The restructuring of the Boots business, the cost of which is not tax-deductible;
- Lower utilization of unused tax losses in the period compared with last year;
- Technical adjustments related to currency effects (IFRIC 16 and IFRS 29) resulting in non-taxable charges in the income statement.

Including these various items, consolidated net income fell by -38.0% to €12.3m at June 30, 2024, compared with €19.8m for the first six months of the previous year.

Consolidated net income (Group share) came to €12.1m at June 30, 2024.

## Consolidated balance sheet

- WCR back to normal levels as inventories are replenished to June 2023 levels
- Shareholders' equity strengthened by net income of the first-half
- Stable debt-to-equity ratios compared with end December 2023

### ASSETS

in € millions	30.06.2024	31.12.2023	Variation	30.06.2023	Variation
Goodwill	200,5	199,3	+1,2	202,3	-1,8
Intangible assets	3,1	2,3	+0,8	2,0	+1,1
Property, plant and equipment	51,1	49,1			
Rights of use	21,8	23,0	-1,2	24,2	-2,4
Other financial assets	2,3	3,2	-0,9	2,3	-
Deferred tax assets	2,1	2,7	-0,6	2,5	-0,4
<b>Fixed assets</b>	<b>280,9</b>	<b>279,6</b>	<b>+1,3</b>	<b>276,9</b>	<b>+4,0</b>
Stocks	113,5	102,9	+10,6	113,1	+0,4
Accounts receivable	69,4	73,6	-4,2	74,4	-5,0
Other receivables	24,7	23,1	+1,6	21,7	+3,0
Availability	34,9	41,3	-6,4	44,0	-9,1
<b>Current assets</b>	<b>242,5</b>	<b>240,9</b>	<b>+1,6</b>	<b>253,2</b>	<b>-10,7</b>
<b>Total assets</b>	<b>523,4</b>	<b>520,5</b>	<b>+2,9</b>	<b>530,1</b>	<b>-6,7</b>

### LIABILITIES

in € millions	30.06.2024	31.12.2023	Variation	30.06.2023	Variation
Capital	3,7	3,7	-	3,7	-
Treasury shares	-6,0	-6,0	-	-6,0	-
Consolidated reserves and income	253,7	244,4	+9,3	230,0	+23,7
Non-controlling interests	1,0	0,9	+0,1	-1,3	+2,3
<b>Shareholders' equity</b>	<b>252,4</b>	<b>243,0</b>	<b>+9,4</b>	<b>226,4</b>	<b>+26,0</b>
Non-current financial liabilities	91,0	103,1	-12,1	110,1	-19,1
Non-current rental liabilities	15,5	16,6	-1,1	17,9	-2,4
Commitments given to employees	0,8	0,7	+0,1	0,7	+0,1
Non-current provisions	1,2	1,6	-0,4	1,7	-0,5
<b>Non-current liabilities</b>	<b>108,5</b>	<b>122,0</b>	<b>-13,5</b>	<b>130,4</b>	<b>-21,9</b>
Trade payables	44,7	44,9	-0,2	47,2	-2,5
Tax and social security liabilities	26,1	27,0	-0,9	26,4	-0,3
Other liabilities	6,7	6,7	-	6,5	+0,2
Current financial liabilities	78,3	70,3	+8,0	86,3	-8,0
Current rental liabilities	6,7	6,6	+0,1	6,9	-0,2
<b>Current liabilities</b>	<b>162,5</b>	<b>155,5</b>	<b>+7,0</b>	<b>173,3</b>	<b>-10,8</b>
<b>Total liabilities</b>	<b>523,4</b>	<b>520,5</b>	<b>+2,9</b>	<b>530,1</b>	<b>-6,7</b>

On the balance sheet front, the first half of 2024 enabled the Group to confirm the strengthening of its financial structure.

Operating working capital requirement has returned to its normal levels after having reached exceptionally low levels at the end of December 2023.

WCR stood at 119 days of sales at June 30, 2024, compared with 106 days at December 31, 2023.

Inventories represented 102 days of sales at June 30, 2024, compared with 88 days at December 31, 2023. Inventories totaled €113.5m, identical to the figure at June 30, 2023 (€113.1m).

Other working capital items are stable compared with end-December 2023.

Debt ratios benefited from the good performance of the first half of 2024.

Net bank debt, at €124.7m (up slightly by €2.3m over six months and down by -€18.1m year-on-year) represents 49% of shareholder's equity (versus 50% six months ago) and 2.1 times EBITDA over the last twelve months (versus 1.9 at December 31, 2023 and 2.3 at June 30, 2023).

Lastly, shareholder's equity rose by €9.4m to €252.4m.

The positive impact of the cash flow generated in the first six months of 2024 (€20.0m) was partially offset by the dividend payment made in June 2024 (-€9.5m).

## 2024 outlook

- **Maintain positive organic sales growth in 2024**
- **Confirm the level of operating profitability achieved in recent years**
- **Strengthening the Group's financial structure during this period of uncertainty**

Over the last few years, Delta Plus Group has demonstrated its ability to limit the consequences of successive crises, while at the same time pursuing a proactive acquisition policy, confirming its strategy of deployment in regions with high growth potential and in high value-added businesses.

The Group, which posted record sales of €420.6m in 2023, confirms its aim to achieve further organic sales growth in 2024, despite a highly uncertain macro-economic and geopolitical scenario, and an unfavorable base effect in the first half, as indicated by the figures for the first six months of the year.

At this stage, we do not anticipate any significant scope effects for the 2024 financial year, despite the Group's intention to pursue its policy of investing in external growth.

In terms of profitability, the year 2024 will continue to be marked by a number of short-term uncertainties: war in Ukraine and the Middle East, persistent inflationary pressures, and uncertainties over the evolution of the world's main currencies.

Results for the first half of 2024 confirm this target.

Against this backdrop, the Group continues to implement all measures designed to limit the impact of these significant events at the level of operating profitability, with the ambition of maintaining the level achieved in 2023.

In addition, the Group aims to maintain a solid financial structure, enabling it to finance its expansion, particularly as part of its strategy to move higher up the range and expand geographically.

Next publication: Sales<sup>3rd</sup> quarter 2024  
Thursday, November 7, 2024 after market close

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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).*

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

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