



Update on the group's activities in the specific context of the Covid-19 crisis.

Delta Plus Group, a major player in the Personal Protective Equipment (PPE) market, released its revenue for the first quarter of 2020 on May 11. This turnover increased by 14.0% to €67.7 m. At constant scope and exchange rates, organic growth in consolidated turnover amounted to +5.1% in the first quarter of 2020.

As noted in this publication, the consequences of the Covid-19 health crisis have impacted the group's activities starting in February in China, and then in March in most other regions of the world. In view of the rapid development of the macroeconomic context related to this health crisis, the group wishes to provide some information on its activities over the past few weeks.

General Shareholders Meeting

The general shareholders meeting was held on June 12, 2020 at the company's headquarters. On this occasion, the sixteen resolutions proposed to shareholders were approved. For each of these resolutions, votes in favour represented over 80% of the voting rights and over 93% of the votes cast.

Finalisation of the State Guaranteed Loan

As indicated at the 2019 presentation of annual accounts meeting on April 28, Delta Plus Group wished to benefit from the state-guaranteed loan facility (SGL) in order to consolidate its financial structure in the particular context of the health crisis, and to anticipate a possible impact of the current economic crisis on the group's turnover, profitability and working capital requirement.

On June 15, the group finalised the signing of a €42 million SGL package. This loan was subscribed to 10 historical banking partners of the group.

With an initial duration of one year, this loan may be subject to amortization for a maximum duration of 5 years. The cost of this loan is 0.5% for the first year.

This funding allows the group to approach with this period of restart of the activity with peace of mind.

Revenue for the second quarter of 2020

In the 2019 trend, the group started 2020 on a sustained organic growth rate, and also benefited from a positive perimeter effect, linked to the integration of Odco, a company acquired at the end of last year, and the work boot business (Boots Company and Netco Safety) acquired at the beginning of January 2020.

The first quarter had also been marked for the group by the Coronavirus epidemic (Covid-19) that hit China from February, then much of Europe and North America in March.

The impacts of this health crisis, particularly significant during the last fifteen days of March, continued into April and May 2020:

- The business activity of our main production sites, was disrupted from early February (China) to mid-May (India, South America, Middle East, Europe) due to containment measures implemented in different countries.
- Sales of disposable masks and overalls (which usually account for about 5% of the group's revenue), and to a lesser extent those of certain protective gloves and goggles, have been very high in most of our subsidiaries since February 2020. These sales have led, for several of these product references, to stock outages and difficulties in sustainable replenishment, which are now being resolved.
These sales of "Covid-19" products largely offset the decline in activity on the other product families.
- Finally, since mid-March 2020, demand has slowed sharply in several European countries affected by the pandemic: Europe, the Middle East, South America and to a lesser extent North America.

Overall, these different events have allowed the group to mitigate for the time being the impact of the crisis on the performance of the second quarter, as additional sales of products related to Covid-19 have partly replaced the decrease in activity observed on the other product families.

- In Euro, revenues in April and May contracted slightly by -3%, despite a positive scope effect of +7% related to acquisitions made at the end of 2019 (Odco) and early 2020 (Boots Company and Netco Safety).
- The strengthening of the Euro against the main currencies was reflected in a negative exchange rate impact of -5% on the revenue of the same two-month period
- Also, organic growth (restated from perimeter and foreign exchange effects) in April and May 2020 amounted to -5%.
- It should be noted, however, that this trend combines two opposite trends: a strong growth in sales on products related to Covid-19, which alone contributes to a growth of about +10% in consolidated turnover over these two months and a decrease in activity on the group's historical scope, from products related to Covid-19, from -15% over the months of April and May.
- The trend of the first days of June 2020 confirms that of the beginning of the second quarter.

Perspective

- **Limiting the effects of the Coronavirus (Covid-19) epidemic crisis on the group's turnover and profitability**
- **Confirm the soundness of the group's financial structure during this crisis period**
- **Successful integration of recent acquisitions**
- **Confirming development ambitions**

The first impacts of the Covid-19 crisis, which had marked the end of the first quarter, were confirmed throughout the second quarter of the year for the group.

Nevertheless, exceptional sales of products related to Covid-19 offset a significant decline in business activity over the other product families.

Since the beginning of the year, at the end of May the group posted a growth of +7% in its sales in Euro (+1% restated from the scope and foreign exchange effects).

In this context, it is still difficult today to predict and quantify the impact this crisis will have on the group's consolidated turnover and the results for the whole of 2020.

Nevertheless, Delta Plus Group has demonstrated in recent weeks its ability to limit the impact of this first phase of the crisis on its business activity.

In addition, the group is putting in place all the necessary measures to minimize the negative impact of this crisis on growth and future developments in its activities, such as the state-guaranteed loan, finalised this month, or the reorientation of production in some of its plants.

Benefiting from a sound financial structure to address this period of crisis, Delta Plus Group, which has accelerated its development in recent months thanks to a proactive policy of acquisitions, confirms its will in the long term continue its deployment in areas with high growth potential and on high value-added trades.

Next publication: 2nd quarter 2020 revenue
Wednesday 29 July 2020, after stock exchange

About DELTA PLUS

Delta Plus Group designs, standardizes, manufactures or produces and distributes a full range of Personal Protective Equipment (PPE). Delta Plus Group is listed on Compartment B of the NYSE-EURONEXT (ISIN: FR0013283108-Mn emo: DLTA)

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