



PRESS RELEASE – DELFINGEN

1st HALF 2021 RESULTS

Anteuil, September 3rd, 2021

Strong organic growth and outperformance in the automotive market

Current Operating Income (COI) of 9.8% of sales

Net income of 6.6% of sales

Improvement of liquidity and financial structure ratios

| Net Sales | Current operating income | Shareholders' equity | Cashflow from operating activities |
|-----------|---------------------------------|----------------------|------------------------------------|
| 193.7 m€ | 19.1 m€ (i.e. 9.8% of sales) | 131.0 m€ | 7.9 m€ |

| In million euros | S1 2021 | S1 2020 |
|------------------------------------|---------|---------|
| Net sales | 193.7 | 84.0 |
| Ebitda | 28.9 | 8.3 |
| Current operating income | 19.1 | 1.4 |
| Operating income | 18.8 | 0.6 |
| Net income Group share | 12.7 | -1.4 |
| Cashflow from operating activities | 7.9 | 8.5 |
| Net financial debt | 101.6 | 70.1 |
| Equity | 131.0 | 73.4 |

Revenues for the first half of 2021 reached €193.7m, up 130% compared to the first half of 2020 (+52% in organic growth).

Sales in the Automotive Division are up 55% at constant perimeter and exchange rates to the end of June 2021 (46% on a reported basis).

At constant perimeter and exchange rates, the two main businesses performed as follows:

- The "Protection Systems" business grew by 70%, confirming the DELFINGEN Industry Group's strategic positioning as a key player in the transition to sustainable mobility with hybrid and electric vehicles.
- The "Fluid Transfer Tubing" business grew by 32%, despite the shortage of electronic chips that brought several customer plants in North America to a standstill.
- The "Logistics and assembly services" business was down 55%, following the sale of the Tangiers site in December 2020.

Sales in the Industrial Market increased by 40% at constant exchange rates (+30% on a reported basis):

- Drossbach North America sales rose by 60% (+46% on a reported basis);
- The "Electrical and Thermal Insulation" business grew by 34% (+24% on a reported basis);
- The "Technical Straps and Belts" activity grew by 4% (same variation in published data).

Sales from the Schlemmer perimeter, which will be fully integrated as of January 1, 2021, amounted to €73.6 million at the end of June, representing 38% of the Group's total sales. The level of activity is higher than expected at the time of the acquisition.

The effect of exchange rates on sales was a negative €7.5 million.

Profit from recurring operations amounted to €19.1m in the first half of 2021 (or 9.8% of revenues), mainly impacted by:

- The full integration of the ex-Schlemmer entities, earnings accretion ;
- The increase in the price of the main raw materials (€4.0m);
- The adaptation of cost structures

Other operating results include a loss of €2.6m on the sell off of the "technical straps and belts" activity, achieved on June 26, 2021, and a profit of €2.6m relating to the agreement by the US administration to waive the repayment of a PPP loan granted in 2020 to address the covid crisis.

Net financial expense was €1.6 million, compared with €1.8 million in the first half of 2020.

Net income (group share) was €12.7 million, compared to €1.4 million in the first half of 2020.

Net financial debt amounted to €101.6 million at June 30, 2021, compared to €103.7 million at December 31, 2020. Investments amounted to €6.3m, while working capital requirements increased by €17.5m. The Gearing is 78% compared to 96% at June 30, 2020, the leverage ratio is 1.79 compared to 2.98 at June 30, 2020.

In a market context that remains volatile (variability of demand, shortage of materials and components, soaring purchase prices, logistical difficulties, development of the COVID crisis in Asia, etc.), The DELFINGEN Industry Group is doing its utmost to adapt the management of its operations in order to strengthen its leadership as a privileged partner of its customers by offering a unique service and quality.

Under these conditions, DELFINGEN expects a lower performance in the second half of 2021 than in the first half. Barring a more unfavorable market environment, sales in 2021 are expected to reach €360 million with an operating margin of 8%.

The development of hybrid and electric engines, as well as the connectivity of cars, makes the electrical wiring the real nervous system of the vehicle. DELFINGEN's mission is to protect it by providing more innovative solutions with higher added value.

*source : IHS

“Safe Harbor” statement

Although DELFINGEN's management believes that these forward-looking statements are reasonable as of the date of this document, investors are cautioned that forward-looking statements are subject to numerous factors, risks and uncertainties, many of which are difficult to predict and generally beyond DELFINGEN's control, that could cause actual results and events to differ materially from those expressed or implied in the forward-looking statements.

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and routing solutions for electric and fluid on-board networks**

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