PRESS RELEASE
Anteuil, 2 April 2024

2023 full-year results

- Revenue of €456.7m, up 9.5%
- 33.6% growth in recurring operating income
- Rise in recurring operating margin to 6.2% of revenue
- A dividend increase to €1.15 per share to be proposed for 2023

DELFINGEN (Euronext Paris, ISIN code: FR0000054132), a global auto parts manufacturer, world leader in cable protection solutions for the mobility and industry markets, has released its 2023 full-year results.

	2022	2023	Chg.
Revenue	**417.1**	**456.7**	**+9.5%**
EBITDA	**40.0**	**49.0**	**+22.5%**
% of revenue	9.6%	*10.7%*	*+1.1pt*
Recurring operating income (expense)	**21.1**	**28.1**	**+33.6%**
% of revenue	*5.0%*	*6.2%*	*+1.2pt*
Operating income (expense)	17.7	23.8	+34.5%
Net financial income (expense)	(3.6)	(9.6)	*NA*
Income tax	(5.9)	(7.2)	*NA*
Group net income	**8.1**	**6.9**	**-14.8%**
% of revenue	*2.0%*	*1.5%*	*-0.5pt*

The consolidated financial statements were approved by the Board of Directors on 29 March 2024.
These financial statements were audited and the associated certification reports are currently being prepared.

Revenue up 9.5% in 2023

Revenue for full-year 2023 came to €456.7m, up 9.5% (+9.6% at constant scope and exchange rates). There was an exchange rate effect of -2.3% mainly linked to an unfavourable change in the €/$ exchange rate over the year, offset by a scope effect of +2.1%.

The Mobility business posted revenue of €386.9m (85% of revenue), up 8.3% (+10.3% at constant scope and exchange rates), outperforming the global automotive market by 70 basis points[1].

With revenue of €80.0m, up 22.6% after an increase of 42.0% in 2022, **the Textile business confirmed its potential as a growth driver in the Mobility market**. To capitalise on this potential,

[1] Source: S&P Global Mobility automotive production – Update February 2024

at the end of the year DELFINGEN inaugurated extensions to its factories in Mexico and Honduras designed to enable increase of its textile sleeving production capacity.

Sales from the Industry market amounted to €69.8m (15% of revenue), up 16.4% (+5.4% at constant scope and exchange rates), including REIKU, a German company acquired in April 2023[2]. DELFINGEN intends to capitalise on automation and robotisation in industrial applications, one of the Group's priority areas of diversification.

33.6% growth in recurring operating income and a recurring operating margin of 6.2% of revenue

Benefiting from growth in activity combined with good cost control (materials, transport, energy, etc.) and despite pressure on payroll, recurring operating income rose by 33.6% to €28.1m.

The recurring operating margin was 6.2% of revenue, higher than the revised target of around 6% announced during the Q4 2023 revenue release[3], up 1.2 points on 2022.

After the recognition of non-recurring operating expenses in the amount of €4.3m related to external growth and reorganisation costs, operating income came to €23.8m, up 34.5%.

Taking into account a financial result of -€9.6m, of which €8m in net cost of financial debt, a negative impact on foreign exchange rate of €1.4m and a tax expense of €7.2m (along with an effective tax rate of 50.8% versus 41.7% in 2022), Group net income came to €6.9m, down 14.8%.

Generation of cash and reduction of debt in the current scope

The balance sheet shows a total of €386.4m at December 31st, 2023, up 10% compared with December 31st, 2022, and Group shareholders' equity stands at €146.6m, up 1%.

DELFINGEN generated free cash flow of €23.4m (5.1% of revenue), and net cash flow of €13.7m (3.1% of revenue). Its working capital requirement decreased by €15.4m between December 31st, 2022 and December 31st, 2023, due in particular to a reduction in inventories.

Net financial debt thus stood at €147.4m at December 31st, 2023 (versus €128.3m at end-2022), including a decrease of €2.7m related to the recognition of debt under IFRS 16 and an increase of €35.9m related to acquisitions. At constant scope, excluding liabilities related to the acquisition of REIKU and Ahn Chem, and before restatement for IFRS16, net financial debt came to €83.1m, down €14.2m compared with December 31st, 2022.

Debt leverage, after acquisitions, increased with gearing (net debt/equity) of 100% at December 31st, 2023 compared with 88% at December 31st, 2022. On the other hand, the leverage ratio (net debt/EBITDA) decreased to 3.01x compared with 3.20x at December 31st 2022, due to positive cash flow generated over the period.

A dividend increase to €1.15 per share proposed for 2023

The Board of Directors of DELFINGEN Industry will propose at the Shareholders' Meeting of June 14th, 2024 the payment of a dividend of €1.15 per share for the 2023 financial year, an increase of 80% compared with the previous financial year, reflecting management's confidence in the Group's fundamentals.

[2] See press release of 3 April 2023.
[3] See press release of 5 February 2024.

Outlook for 2024

According to the S&P Global Mobility forecast of February 2024, global automotive production is expected to remain stable at 90 million vehicles worldwide in 2024.

Thanks to its strategic global positions in cable protection, DELFINGEN intends, on the one hand, to continue outperforming the global automotive market and, on the other hand, to continue diversifying in industrial applications.

After strong growth that has enabled the Group to triple its revenue over the past few years, DELFINGEN will continue to assert its leadership while aiming to improve its operating performance and reduce its debt through positive net cash-flow and strict investment management.

Next publication: Q1 2024 revenue, 13 May 2024 (after market close)

About DELFINGEN (www.delfingen.com)

DELFINGEN is a global auto parts manufacturer, world leader in cable protection solutions for the mobility and industry markets.

A family-owned company dating back more than 70 years, the Group has 4,000 employees and a global presence that ensures proximity to its customers, with 42 offices in 21 countries on four continents: North & South America, Europe, Africa and Asia.

DELFINGEN is at the heart of the new challenges of mobility: electrification, connectivity, autonomous driving, safety and environmental standards.

DELFINGEN is listed on the Euronext Growth Paris market (FR0000054132 - ALDEL) and is a member of the MiddleNext association.

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