



PRESS RELEASE

Anteuil, March 31st 2025

SOLID 2024 RESULTS: RECURRING OPERATING MARGIN OF 5.6% AND NET DEBT REDUCTION

- Recurring operating margin of 5.6% of revenue (vs. target set at "above 5%")
- Free cash flow of €14.9m (3.5% of revenue) and net cash flow of €3.4m
- €5m reduction in WCR
- Net financial debt down to €115.1m, for a gearing of 77% and leverage of 3.02 (excluding IFRS 16)
- Significant advances in the implementation of IMPULSE 2026
- Proposal to pay a dividend of €0.77 per share in respect of FY 2024

Gérald Streit, Chairman and Chief Executive Officer of Delfingen:

"In a demanding environment, DELFINGEN proved agile and proactive with the launch of the IMPULSE 2026 strategic plan in the second half of 2024. Based on three pillars – the consolidation of our leadership positions, the targeted rationalisation of the least-contributing activities and the acceleration of our diversification into industrial markets – the plan has already generated positive effects in 2024.

Buoyed by a solid second half, our results at the end of the 2024 financial year were in line with our targets, with a recurring operating margin of 5.6%, positive free cash flow and net cash flow, a reduction in the working capital requirement and a decrease in net financial debt.

These performances are the result of the commitment and skills of our teams, which I sincerely thank.

In 2025, we will continue to execute our strategic roadmap with view to building a more resilient model, sustainably strengthening our profitability and creating more value."



DELFINGEN INDUSTRY (DELFINGEN), a world leader in cable protection solutions in restrictive environments, has released its 2024 full-year results.

The consolidated financial statements, approved by the Board of Directors on March 28th 2025, have been audited and the certification reports are currently being prepared.

| In € millions - audited data | H1 2023 | H2 2023 | H1 2024 | H2 2024 | 2023 | 2024 | Chg. |
|--|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Revenue | 233.9 | 222.8 | 224.7 | 199.0 | 456.7 | 423.7 | -7.2% |
| EBITDA | 25.4 | 23.6 | 22.8 | 23.4 | 49.0 | 46.2 | -5.8% |
| <i>As a % of revenue</i> | <i>10.9%</i> | <i>10.6%</i> | <i>10.1%</i> | <i>11.8%</i> | <i>10.7%</i> | <i>10.9%</i> | <i>+0.2 pt</i> |
| Current operating income | 16.0 | 12.1 | 11.7 | 12.1 | 28.1 | 23.8 | -15.6% |
| <i>As a % of revenue</i> | <i>6.8%</i> | <i>5.4%</i> | <i>5.2%</i> | <i>6.1%</i> | <i>6.2%</i> | <i>5.6%</i> | <i>-0.6 pt</i> |
| Non-recurring operating income (expense) | (1.6) | (2.7) | (10.3) | 2.7 | (4.3) | (7.6) | NA |
| Operating income (expense) | 14.4 | 9.4 | 1.4 | 14.8 | 23.8 | 16.2 | -32.2% |
| Net financial income | (4.4) | (5.2) | (4.5) | (4.9) | (9.6) | (9.4) | NA |
| Income tax | (3.0) | (4.2) | (2.4) | (4.5) | (7.2) | (6.9) | NA |
| Net income, Group share | 7.0 | (0.1) | (5.6) | 5.5 | 6.9 | (0.1) | NA |
| <i>As a % of revenue</i> | <i>3.0%</i> | <i>0%</i> | <i>-2.5%</i> | <i>2.8%</i> | <i>1.5%</i> | <i>0%</i> | <i>-1.5 pt</i> |

Business growth in line with expectations

DELFINGEN generated revenue of €423.7m in 2024, down 7.2% compared with 2023, including a currency effect of -0.2% and a scope effect of +1.0%¹. At constant scope and exchange rates, revenue fell 8.0%.

Analysis of this trend should factor in the following elements:

- Continued gains in market share in textile activities in Europe;
- The end-of-life of ex-Schlemmer contracts in injected parts (€11m);
- The end-of-life of contracts in technical fluid tubing (€7m), an activity restructured as part of the IMPULSE 2026 plan;
- The overall trend in the automotive market in 2024, with an overall decline in vehicle sales, particularly in Europe.

Initial significant progress in the execution of the IMPULSE 2026 plan

In an economic environment marked by reduced visibility and a slowdown in investment decisions among its major customers, in second-half 2024 the Group established a new strategic roadmap², the IMPULSE 2026 plan. The aim with the plan is to guide and structure the company's development and financial performance.

Based on three key focuses (optimisation, rationalisation and acceleration), the IMPULSE 2026 plan will enable the Group to more effectively harness its resources, adapt to the challenges of its markets and seize all opportunities.

¹ The scope effect is related to the acquisitions in early April 2023 of REIKU GmbH in Germany and AHN Chem Co. Ltd in Korea

² See press release of September 9th 2024



Consistent with its commitments, the Group made significant progress in the implementation of the new roadmap in second-half 2024, with the initial measures having already produced results.

Regarding the first key focus of optimising its leadership positions in the automotive protection systems (PS) business, DELFINGEN has successfully:

- Concentrated its Eastern European business activities in Romania and closed the Slovak site;
- Initiated its textile business in China;
- Ramped up the textile business in Mexico and Honduras;
- Improved efficiency and operational performance at a few targeted plants.
- Migrated ex-Schlemmer sites to the Group's information systems.

Concerning the second focus of rationalising the fluid transfer tubing business unit (BU), the underperformance of which was significantly impacting its results, DELFINGEN, as planned, has:

- Terminated certain non-contributory customer contracts, representing full-year revenue of around €25m, enabling a strategic refocus on the extrusion of technical tubes (corrugated, multi-layer, composite materials, etc.), with higher added value;
- Implemented initial workforce reduction measures, to be continued in 2025 to concern some 450 positions;
- Improved the operating margin by more than €3m;
- Reduced the WCR by €4m;
- Reduced the annual investment budget by €2m.

The costs relating to this restructuring total some €8.0m (including a €4.0m cash impact), including personnel expenses, commercial costs, plant closure costs, and asset impairment. These costs were already provisioned under non-current operating expenses at June 30th 2024.

As part of the third focus of accelerating in the industrial market, excluding automotive, DELFINGEN set up a specific organisation structure for this strategic market in second-half 2024. The new structure makes it possible to allocate specific resources to this segment to step up diversification, strengthen commercial and operational synergies and seize growth opportunities in buoyant markets such as robotics, industrial automation and electrical equipment.

The Group is continuing to actively roll out the IMPULSE 2026 strategic plan in the first half of 2025, enabling it to enter a new cycle of qualitative growth, both operational and financial.

Recurring operating margin of 5.6%, in line with the target

The initial effects of the IMPULSE 2026 plan were felt in second-half 2024, with results in second-half 2024 improving overall compared with the first half.

As such, consistent with the Group's 2024 target of a recurring operating margin of over 5% of revenue, recurring operating income amounted to €23.8m, for a margin of 5.6%.

Gross margin improved owing to the decrease in the prices of the main raw materials used by the Group, the increased quality of the product mix following the repositioning of the FTT business and the improvement in the operational performance of certain sites. In addition, DELFINGEN benefited from the rationalisation measures taken in the second half of the year as part of the IMPULSE 2026 plan and the strict discipline in the management of its expense structure. In the second half of the year, the operating margin rose to as high as 6.1% of



revenue, exceeding the 5.2% rate recorded in first-half 2024, in line with the Group's commitments.

After recognising €7.6m in non-recurring operating expenses related to reorganisation measures, lower than the €9m initially planned, and financial debt and tax expense costs (€6.9m), Group net income was close to breakeven at -€0.1 million.

Cash generation, WCR reduction and deleveraging

At end-December 2024, shareholders' equity totalled €148.9m, versus €147.4m at end-December 2023.

Cash flow before the net cost of financial debt and tax was €46.2m, i.e. 10.9% of revenue.

DELFINGEN generated free cash flow of €14.9m (3.5% of revenue) and net cash flow of €3.4m, of which €10.4m and €3.1m, respectively, in the second half of 2024.

The working capital requirement decreased by €5.0m between December 31st 2023 and December 31st 2024, demonstrating the Group's effective control over its main financial balances.

Consistent with its commitments, net financial debt fell to €146.6m at December 31st 2024 (from €147.4m at end-2023), including a €31.5m change related to IFRS 16 debt. At constant scope and excluding IFRS 16, net financial debt stood at €115.1m, down €3.9m compared with end-2023.

Proposed dividend of €0.77 per share in respect of FY 2024

The Board of Directors of DELFINGEN Industry will propose to the Shareholders' Meeting of June 5th 2025 the payment of a dividend of €0.77 per share in respect of the 2024 financial year, reflecting management's confidence in the Group's fundamentals as well as the Group's gratitude to its loyal shareholders despite a difficult market environment.

Outlook

In 2025, the Group will continue to execute its IMPULSE 2026 roadmap with a view to generating qualitative growth by prioritising value over volumes, achieving the highest levels of profitability in the sector and gaining in resilience to better cope with economic cycles. DELFINGEN has set the following targets for 2026:

- Revenue of around €430m, after the termination of FTT contracts for more than €25m;
- A recurring operating margin of over 7.5%, with the FTT restructuring plan expected to contribute +1.2 pt, an improved operational efficiency +1 pt, together with a €5m savings and rationalisation plan in support services, despite persistent wage inflation;
- Leverage of less than 2.25x, following the improvement in profitability, a targeted reduction in the investment plan of €5m in 2025 and 2026, and the gain in WCR on the discontinued businesses of FTT.

Next event:

May 6th 2025: publication of Q1 2025 revenue (after market close).



About DELFINGEN (www.delfingen.com)

DELFIN GEN is the world leader in cable protection solutions in very restrictive environments.

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 41 offices in 21 countries on four continents: Americas, Europe, Africa and Asia.

DELFIN GEN is at the heart of strategic challenges in the automotive sector and manufacturing, including electrification, connectivity, safety and environmental standards.

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

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"Safe Harbor" statement

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