

**2022 FIRST HALF EARNINGS  
IMPACTED BY THE B2B RENOVATION BUSINESS  
GOOD PERFORMANCE IN OTHER AREAS**

**GOOD LEVEL OF ORDER INTAKE  
IN LINE WITH GROUP TARGETS FOR THE YEAR**

Hexaom's Board of Directors approved the financial statements for the first half of 2022 during its meeting on September 21<sup>st</sup>, 2022. The Statutory Auditors have carried out a limited review of these consolidated financial statements.

Consolidated in € Million (January 1 <sup>st</sup> – June 30 <sup>th</sup> )	First half- year 2022	First half- year 2021	For reference Second half- year 2021
Revenue	549.1	499.6	497.4
Current operating income	7.6	16.2	18.3
Current operating margin	1.4%	3.2%	3.7%
Other non-recurring operating items	-5.1	0.0	-2.5
Operating income	2.5	16.2	15.8
Financial income	-0.7	-0.3	-0.4
Net income	0.0	11.6	11.1
Of which, Net income, group share	1.2	11.2	10.4

**Production: 10% organic growth in the first six months of 2022**

The group generated €549.1 million in revenue, a 9.9% increase on a like-for-like basis. This growth was driven by the Home Building business (€426.1 million, i.e. +10.4%), the B2C Renovation business (€26.4 million, i.e. +8.6%), Land Development (€16.6 million, i.e. +181.4%), and Real Estate Development (€31.3 million, i.e. +17.2%).

The B2B Renovation business, far more affected by the increasing supply difficulties, registered significant production delays. These delays come at a time when the group has intentionally decided to limit growth in a restructuring context aiming at restoring profitable development. Revenue for this activity fell 14.4%, to €48.6 million.

**Group half-year results were held back by a significant operational loss in the B2B Renovation business and an impairment charge**

The first half of 2022 was significantly affected by strains on the availability and cost of construction materials.

While the Home Building business was able to limit these unfavorable circumstances to some extent, the B2B Renovation business was hit hard by the rising prices, leading to a significant operational loss over the semester.

The current operating income for the first half of the year stood at €7.6 million, for a current operating margin of 1.4%. The contribution of each of the group's businesses to the current operating income was as follows:

- Despite an unsettled context, the Home Building business showed solid performance. Its operating income was €14.7 million, for an operating margin of 3.4%, up 0.7 points compared to the second half of 2021. The gross margin erosion due to ongoing projects mainly ordered before the recent rise in inflation were partially made up for by record sales volumes in 2021. Given the sale price increases applied over the last few months and the systematic indexing of contracts since the second half of 2021, the gross margin should improve in the medium term.
- Thanks to a favorable volume effect and to shorter fulfillment times, the B2C Renovation business was able to partially contain the impact of rising labor and materials prices, with a €1.4 million operating income, representing 5.3% of revenue.

The B2B Renovation business, on the other hand, which was already undergoing structuring due to problems with overly strong and poorly controlled growth, was severely impacted by the current context, as most of its sale prices are not indexed to inflation. Its operating income for the period was thus -€13.1 million. This loss is due to volume effects (production delays), unfavorable mark-ups for projects that had already started in 2021, and finally, to a higher level of risk provision. A corrective action plan is ongoing regarding processes to secure margins and renewed management, which should allow Atelier des Compagnons to improve performance levels in the second half of 2022 and reach a close-to-balance financial year in 2023.

- Real Estate Development saw continued profitable growth, with a well-controlled operating margin (3.7% compared to 3.4% in the first half of 2021) and a €1.1 million operating income.
- Land Development saw a sharp increase in operating income, rising to €3.5 million for a margin of 21.1% (compared to 15.3% in the first half of 2021).

Operating income for the period was impacted by a €5.1 million impairment charge due to the Atelier des Compagnons subsidiary and is set at €2.5 million. With the market context remaining extremely promising for this business, the subsidiary's development is not in question. However, the expected medium term profitability level of the subsidiary is approached with due care and has led to register a loss in value. However, this subsidiary should resume contributing to the group development plan as of 2024.

Due to these exceptional items and with a -€0.7 million financial income, net profit came out even.

Hexaom Group's financial structure remains very strong. Shareholders' equity, group share stood at €221.5 million and its cash position at €152.6 million. Net cash came to €51.3 million, up €39.7 million compared to June 30<sup>th</sup>, 2021.

### **Order intake on target to meet the group's annual objectives**

#### *Home Building Business*

In total, at the end of August 2022, the Home Building orders amount to 4,345 sales, i.e. a revenue of €662.5 million, down 22.9% in number of sales and 10.9% in value compared to the previous year, which was a record year for the group.

In the first six months of the year, the group also continued to adjust its sales prices (+18% over a year) to make up for rising construction costs (materials and subcontracting) and changing regulatory standards (RE 2020). Average selling prices for July and August were €155,600 excluding tax, compared to €131,800 excluding tax during the same period in 2021.

Despite a decrease in sales numbers, order intake revenue reached normal, if not higher levels than those recorded in years prior to the record year of 2021.

The unflagging performance of the group's historic business is due to the quality of its customers, to a leadership effect that allows it to grow its market share in an increasingly difficult environment, as well as to the support it provides to customers to help them find financing solutions.

### *Renovation Business*

The B2C Renovation business is a promising market, given the ongoing energy crunch and available renovation subsidies. On August 31<sup>st</sup>, 2022, order intake for Renover and Camif Habitat stood at €32.2 million. At the same date, intermediated order intake for Illico Travaux franchisees had increased by 31% to €52.4 million.

In the coming months, given the current context, all brands will begin to offer “energy renovation” solutions. Sales networks will also be reinforced through the creation of a Camif Habitat franchisee network (there are currently 12 franchisees, with a goal of 40 in 2023) and the continued recruitment of Illico Travaux franchisees (2023 goal: 200 franchisees, currently there are 165).

As for B2B Renovation, sales activity was €59.9 million at the end of August, compared to €70.8 million at the same date in 2021. The structuring action plan that has been put into place allows the group to remain confident in this business' development potential.

### *Real Estate and Land Development Businesses*

Both of these activities are on track to meet group targets.

At the end of August 2022, the order book (reserved land for which a deed has not yet been signed) for the Land Development business stood at €28.3 million, representing 398 lots.

For the Real Estate Development business, backlog was €78.8 million and the total potential stock to be delivered represents revenue of €301.3 million, i.e. 1,443 housing units.

### **2022 Outlook: confirmed business growth**

Due to strong sales performance throughout 2021 and with sales for the beginning of 2022 in line with expectations, group production will grow throughout 2022 to exceed a revenue of a billion euros.

The group will nevertheless remain attentive to its margins on ongoing projects in the second half of the year, before it can benefit from the price adjustments made in the last few months to offset the continuously rising construction costs.

The group will be focused and proactive in structuring and turning its Atelier des Compagnons subsidiary around. A sharp improvement in the performance of the B2B Renovation business is therefore expected in the second half of the year.

Although this business will continue to show a loss in 2022, a back to balance situation is expected for 2023.

Despite a context made difficult by both external factors (rising construction costs, tighter financing conditions, real estate tensions, etc.) and internal factors (reorganizing the Atelier des Compagnons subsidiary), the Hexaom group remains confident in its ability to keep to its roadmap. This confidence is based on a business model that has already proven its worth, on the group's position as a recognized leader in Home Building, and on continuing business diversification (renovation, real estate development, land development, services).

With its healthy financial structure, the Hexaom group will continue to increase its market share in the future, further strengthening its position as a housing generalist in France.

**Presentation of the 2022 half-year results:** Hexaom will host a webcast on Thursday, September 22<sup>nd</sup>, 2022, at 10:00 am. If you would like to attend this presentation, please send your request to [hexaom@edifice-communication.com](mailto:hexaom@edifice-communication.com) and you will receive a link to join.

**Next press release:** 2022 Q3 revenue, November 3<sup>rd</sup>, 2022, after market close

## ABOUT THE GROUP

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Since 1919, five generations of the same family have successively taken over the helm of Hexaom, a group that drives and federates an ecosystem of 46 brands and subsidiaries with complementary expertise. A unique story of family entrepreneurship characterized by its stability in a complex market sector.

The group, leader in the home building, renovation, and first-time owners' markets in France currently serves more than 13,000 customers a year, has built more than 105,000 houses, has carried out over 85,000 renovations, employs more than 2,250 people, and recorded revenue of €997 million in 2021.

HEXAOM is listed on Euronext Paris - Compartment B.

HEXAOM equities are eligible for PEA-PME equity savings plan.

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## GLOSSARY:

**Gross order intake:** a contract is recorded in the gross order intake as soon as it is signed by the customer and accepted by our sales administration department (administrative control of the documents and validity of the financing plan, site inspection, verification, and acceptance of the selling price). The amount recorded corresponds to the revenue excluding taxes to be generated by the contract.

**Backlog (real estate development):** represents the group's already secured future revenue, expressed in euros, for its real estate development business. The backlog includes reservations for which notarial deeds of sale have not yet been signed and the portion of revenue remaining to be generated on units for which notarial deeds of sale have already been signed (portion remaining to be built).

**Order book (land development):** represents recorded land orders that have not been canceled and for which notarial deeds of sale have not yet been signed.

**Production in progress:** all orders for which the conditions precedent to begin work have been met (building permit and client financing obtained, client ownership of the land) and which have not been accepted by the client (delivered)

**Change in like-for-like revenue:** changes in revenue for the periods under comparison, recalculated as follows:

- in the event of an acquisition, revenue from the acquired company is deducted from the current period if it was not part of the group during the previous period,
- in the event of a sale, the revenue of the divested company that is no longer part of the group during the current period is deducted from the comparison period.

**B2B (business to business):** refers to transactions conducted between two companies.

**B2C (business to consumer):** refers to transactions conducted between the company and consumers.

**Net contribution margin** corresponds to the difference between the revenue generated by contracts and the costs directly related to these contracts (construction costs, sales or broker commissions, taxes, insurance, etc.).

**Current operating income:** intended to present the group's operating performance excluding the impact of non-recurring operations and events during the period.

**Cash position:** includes cash on hand and demand deposits.

**Debt:** includes all current and non-current financial liabilities except leases according to the restatement of IFRS 16.

**Net cash:** cash position less debt.