



# FIRST-HALF 2023 RESULTS

# HERIGE

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## A limited decline in operating performance despite an unfavorable new construction market, aim to the Group's business diversification strategy

- ▶ Turnover up 10.2% to €455.0 million
- ▶ EBITDA resilient at €28.8 million
- ▶ Net income, Group share of €9.8 million

HERIGE has released its first-half 2023 results. The consolidated financial statements were examined by the Supervisory Board at its meeting of September 22, 2023.

French GAAP – € million	H1 2022	H1 2023	2023/22 change
Turnover	413.0	455.0	+10.2%
EBITDA <sup>1</sup>	31.0	28.8	-7.1%
EBIT <sup>2</sup>	22.5	18.3	-18.7%
Net income	14.4	9.9	-31.1%
Net income, Group share	14.4	9.8	-31.4%
Net financial debt	113.7	163.9	+€50.2 m
Net cash position	14.0	-1.9	-€15.9 m
Gearing <sup>3</sup>	85.2%	112.9%	+27.7 pts

<sup>1</sup> EBITDA: EBIT + net depreciation and amortization.

<sup>2</sup> EBIT before depreciation, amortization and impairment of goodwill.

<sup>3</sup> Net financial debt to shareholders' equity.

**Commenting on the Group's first-half 2023 results, Benoît Hennaut, Chairman of the Executive Board of HERIGE Group, said:** "As anticipated, first-half 2023 was characterized by unfavorable conditions, mainly in the new construction market. The sharp fall in single housing unit permits (down 31% year-on-year in July 2023) is impacting our market segments in different ways. In this context, the Group is relying on its diversified business model to continue to move forward through the cycles, support the performance of its businesses and create long-term value. It is also counting on the contribution of its acquisitions. Prudent and agile, HERIGE is pursuing a growth strategy focused on the renovation and refurbishment markets, based on a product range tailored to meet energy and decarbonization challenges, notably with the ramp-up of its Vitaliss® low-carbon footprint concrete product range."

## A context of a sharply deteriorated new construction market, partially offset by the Group's strategic focus on the renovation and refurbishment markets

In first-half 2023, HERIGE Group posted turnover of €455.0 million, an increase of 10.2% (up 0.2% like for like) compared to the same period in 2022. Sales growth was mainly driven by pricing power and acquisitions carried out in 2022.

Despite a decline in volumes, HERIGE Group posted a gross margin of €185.2 million, up €22.3 million compared to the same period in 2022, representing a gross margin of 40.7% of turnover, up 1.2 points versus first-half 2022.

The Group quickly took steps to improve operating performance in order to limit the decline in EBITDA. For the first half of 2023, EBITDA totaled €28.8 million, down by just 7.1%, representing an EBITDA margin of 6.3%, down 1.2 points versus first-half of 2022.

HERIGE's operating income came in at €18.3 million (down 18.7% compared to H1 2022), representing an operating margin of 4.0% versus 5.4% one year earlier.

After taking into account a net financial loss of €2.3 million (versus €0.6 million in first-half 2022) and a non-recurring loss result of €0.5 million (versus a non-recurring loss of €0.4 million one year earlier), net income Group share amounted to €9.8 million in first-half 2023 compared with €14.4 million in first-half 2022.

## Financial structure

Investments (excluding external growth) amounted to €10.3 million in first-half 2023.

Against a backdrop of dynamic external growth in 2022, net financial debt amounted to €163.9 million and shareholders' equity to €145.2 million at June 30, 2023. As a result, the net debt-to-equity ratio rose to 112.9% from 85.2% in the first half of 2022.

Restated for acquisitions, the net debt-to-equity ratio was 91%, with shareholders' equity of €143.5 million and net financial debt of €130.9 million.

## Outlook and developments

In an uncertain geopolitical and macroeconomic environment, marked by rising interest rates, ongoing high inflation and a declining new construction market, the Group will continue to implement its strategic priorities.

- ▶ Consolidation of operating performance: pricing power, control of fixed costs and improved productivity.
- ▶ Growth focused on high value-added activities: integration and ramp up of the latest major acquisitions, a product range in line with energy and decarbonization challenges (special and low-carbon concretes, wood and biosourced range, etc.).
- ▶ Ramp up of CSR policy: implementation of the carbon pathway and circular economy initiatives.

**NEXT PUBLICATION:** Q3 2023 turnover on November 7, 2023 (after the close of trading)

*All our financial communications are available on our website: [www.groupe-herige.fr/en](http://www.groupe-herige.fr/en)*

## ABOUT HERIGE

HERIGE Group focuses on three sectors of the building industry: Building Materials Trading, the Concrete Industry and Industrial Joinery. Originally based in the Vendée region, HERIGE currently employs over 3,000 people and has a strong presence in Western France.

**HERIGE is listed on Euronext Growth**

**PEA/PME eligible**

**Indices:** EURONEXT FAMILY BUSINESS, EURONEXT GROWTH

ALL SHARE, ENTERNEXT@PEA-PME 150

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