

**2019 REVENUE UP 4.7% TO €841.8 MILLION  
OPERATING INCOME OF €27.2 MILLION, IMPACTED BY  
NON-RECURRING ITEMS  
SOLID FUNDAMENTALS**

The Hexaom board of directors met on March 16<sup>th</sup>, 2020 and approved the financial statements for the year ended December 31<sup>st</sup>, 2019. Audit procedures on the consolidated accounts have been completed. The auditors' certification report will be issued upon publication of the annual financial report.

| Consolidated results in € Millions | 2019  | 2018  | % Change |
|------------------------------------|-------|-------|----------|
| Revenue                            | 841.8 | 804.0 | +4.7%    |
| Operating income                   | 27.2  | 36.0  | -24.4%   |
| Operating margin                   | 3.2%  | 4.5%  | -        |
| Net financial income               | -0.2  | -0.1  | -        |
| Net income                         | 18.5  | 24.6  | -24.8%   |
| Net margin                         | 2.2%  | 3.1%  | -        |

**Annual Revenue Growth of 4.7%**

Hexaom posted another year of growth, with 2019 revenue of €841.8 million, up 4.7% compared to 2018. All business lines contributed to this growth, particularly renovation, where revenue was up 29.9%. Like-for-like growth for the group was 4.6%.

**Earnings Improved Significantly in the 2<sup>nd</sup> Half-year**

The first half of the year was marked by a significant drop in consolidated earnings due to the recognition of exceptional items linked to the group's 100<sup>th</sup> anniversary and to an increase in structuring costs to support growth in the renovation business. Earnings during the second half of 2019 caught up with expectations, mainly due to profitable renovation activities. However, earnings from home building were lower than in 2018 due to a decline in the gross margin and to non-recurring items during the year.

For the full year, operating income was €27.2 million compared to €36.0 million last year:

- o home building generated revenue of €693.8 million. Over the year, there were non-recurring expenses totaling €4.2 million, including €2.2 million in exceptional expenses related to the group's 100<sup>th</sup> anniversary and the name change, in addition to a 0.5-point decrease in gross margin. Operating income amounted to €27.5 million, i.e. 4.0% of revenue (-1.5 points compared to 2018).
- o The renovation activity was profitable with operating income of €1.4 million on revenue of €141.9 million. This activity posted a marked increase during the second half of the year with revenue of €85.0 million compared to €56.9 million during the first half and operating profitability of 5.8% compared to -6.2% six months earlier.
- o The launch of the real estate development activity, which will add €2.0 million to the group's operating profitability as of 2020.

Net income for the 2019 financial year amounted to €18.5 million compared to €24.6 million in 2018, representing a net profitability of 2.2%.

At December 31st, 2019, the financial structure was solid, with the group share of equity amounting to €191.3 million, a cash position of €130.3 million, and debt excluding leases (IFRS 16) of €81.2 million. Net cash amounted to €49.1 million at the end of 2019.

### Dividend for the 2019 Financial Year

The board of directors will propose to shareholders voting at the general meeting on May 26<sup>th</sup>, a dividend payment of €1.10 per share. Payment will be made on July 17<sup>th</sup>, 2020.

### Outlook 2020 - Excellent Order Intake in 2019 and Solid Fundamentals

- o **home building** posted a record order intake in 2019 and was off to a good start in 2020. Excluding the Plaire group, acquired in December 2019, Hexaom recorded 7,654 sales at December 31<sup>st</sup>, 2019, representing revenue of €924.2 million. Organic growth in numbers was 6.9% and in value was 9%, compared to 2018.

Sales for the first two months of 2020 (including the Plaire group and Toits de France) remain steady with 1,089 sales over 2 months representing revenue of €137.6 million. Bolt-on growth in numbers was 2.9% and in value was 8.5%.

- o Sales for the **renovation business** amounted to €210.7 million, up 35% compared to 2018. They represent 19% of the Hexaom group's overall order book, as the group continues to successfully pursue its diversification strategy.

Sales for this activity, which can vary significantly each month, amounted to €9.0 million at February 29<sup>th</sup>, 2020, compared with €9.8 million in 2019.

Thanks to new orders in the home and renovation sector in 2019, combined with the ramp-up of the real estate development activity, the Hexaom group is targeting double-digit organic growth of production in 2020. Activity from the two acquisitions carried out at the end of 2019 and the beginning of 2020 will add to this growth. The group should reach production of around €1 billion and significantly improve its operating profitability due to the non-recurrence of exceptional items in 2019.

However, current events related to the coronavirus pandemic in France, for which the impact on the group's business is difficult to measure at this time due to the lack of visibility about future government measures to deal with the situation, could lead the group to revise this objective. The group has already drawn up a business continuity plan and taken the necessary measures to limit the impact on its business. Any new information will, if necessary, be provided via a press release.

During this time of crisis, the Hexaom group has many strengths. In particular, it can rely on its solid financial structure, a particularly variable cost structure, and a capacity to adapt and rebound quickly—something it has already proven in the highly cyclical market it operates in.

**Next Press Release:** 2020 Q1 Revenue, May 6<sup>th</sup>, 2020 after market close.

### ABOUT THE GROUP

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 is a leader in the home building, renovation, and first-time owners' markets in France. It currently serves more than 10,000 customers a year, has built more than 100,000, has carried out over 75,000 renovations, employs more than 2,100 people, and recorded revenue of €841.8 million in 2019.

Hexaom securities are eligible for inclusion in company retirement savings plans.

Hexaom is listed on Euronext Paris - Compartment B.

ISIN code: FR 0004159473 - Indices: CAC® Small, CAC® Mid & Small, CAC® All-Tradable, CAC® All-Share

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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.

**Order book:** includes recorded orders not canceled and not transferred to work in progress.

**Work in progress:** includes orders whose conditions precedent to start building are met (building permit and customer financing obtained, customer owns the land) but which have not yet been delivered to the customer.

**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 current period is deducted from the comparison period.

**B2B (business to business):** describes the sale of goods and services to companies.

**B2C (business to consumer):** describes the sale of goods and services to private individuals.

**Net margin on variable costs:** corresponds to the difference between the revenue generated by contracts and the costs directly attributable to these contracts (construction costs, sales commissions or agents, taxes, insurance, etc.).

**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:** corresponds to cash equivalents less debt.