Press Release
Alençon, September 20th, 2021

EXCELLENT HALF-YEAR PERFORMANCE AND SALES MOMENTUM

SHARP RISE IN PROFITABILITY

CONFIRMING 2021 GROWTH GOALS: ANNUAL REVENUE OF AROUND €1 BILLION

HEXAOM's Board of Directors approved the accounts for the first half of 2021 during its meeting on September 20th, 2021.. The Statutory Auditors have carried out a limited review of these consolidated financial statements

Consolidated in € Millions	06/30/2021	06/30/2020	% Change
Revenue	499.6	398.7	+25.3%
Operating income	16.2	6.1	+165.6%
Operating margin	3.2%	1.5%	+1.7 pts
Financial income	-0.3	-0.2	-
Net income	11.6	3.9	+197.4%
Net margin	2.3%	1.0%	+1.3 pts

Revenue growth is accelerating

As previously announced, the half year group revenue grew strongly, up +25.3% compared to the first half of 2020 to €499.6 million. On a like-for-like basis, revenue grew by +22.7%.

All of the group's business lines contributed to this growth:

- The Home Building business benefited both from a positive base effect in comparison with last year and a catch-up effect after openings of construction sites were delayed in 2020. This business grew by +14.9% during this period, to €386.0 million.
- The Renovation business (B2B and B2C) added €81.1 million (+59.0%) to group revenue during the first six months of the year.
- Revenue from the Real Estate Development and Land Development businesses rose respectively to €26.7 million (+233.8%) and €5.9 million (+64.9%).

The ramp-up of the new businesses reflects our changing business portfolio: Real Estate Development and Land Development accounted for 6.5% of total revenue in the first six months of the year (compared to 2.9% in the first six months of 2020), Renovation contributed 16.2% (12.8% in the first six months of 2020), and Home Building made up the remaining 77.3% (84.3% in the first six months of 2020).

Operating margins more than doubled

Driven both by strong production growth, allowing improvement of the amortization of fixed costs, and by the expected gradual profitability improvements of our growth drivers, group profitability rose sharply in the first half. Operating income grew +165.6% to €16.2 million. Operating margins more than doubled rising to 3.2% for the first half of the year, compared to 1.5% last year.

A business sector analysis revealed the following changes:

- The net contribution margin in the Home Building business remained mostly stable, despite higher material costs during the first half of the year. The review of the group's pricing policy last year has limited the impact of the inflation of production costs. Fixed costs were also kept under control in a context of sharply increasing production. The business' operating margin grew significantly, reaching 4.3% for the first half of 2021, compared to 3.2% one year earlier.
- Operating losses in the Renovation business were cut down by nearly half, to -€2.2 million.
  The B2C business returned to normal profitability levels: with €1.6 million in operating income, a more than five-fold increase compared to the first half of 2020, and an operating margin of 6.6%. The B2B business remained in the red for the 6-month period, due to normal seasonality effects in this sector, but it should be profitable by the end of 2021. Measures to improve margin control are also being implemented.
- Real Estate Development and Land Development posted €1.8 million in operating income, for an operating margin of 5.5% over the first six months of the year: the profitability of these two growth drivers has continued to improve, approaching the target annual operating margins of over 7%.

Annual net income amounted to €11.6 million, up +197.4%, for a net margin of 2.3%, compared to 1.0% in the first half of 2020. Net earnings stood at €1.64 per share, compared to €0.63 at the end of June 2020.

At June 30th, 2021, the group's financial structure is strong, with €210.1 million in group equity, a cash position of €149.2 million, and net cash of €137.6 million. The net cash position at June 30th, 2021 was €11.6 million, lower than the €29.5 million at December 31st, 2020 due to the dividend payout and the ramp up of the Real Estate Development and Land Development businesses, which require more working capital.

Sales momentum remains strong

Heralding continued strong growth over the coming months, advanced group business indicators are largely positive:

- The Home Building business made 5,637 sales by the end of August 2021, an increase of +29.4% in the number of houses sold, and of +36% in value. These figures confirm that Hexaom meets the requirements of its customers.
- benefiting from the buoyant renovation market and from the group's both strategically and commercially attractive offers, order intake in the B2C Renovation business rose by +41.7% by the end of August 2021, to €33.2 million. The group's brokerage business, franchised as Illico Travaux, also saw steady growth, thanks to its original business model that continues to attract new franchisees. Finally, order intake in the B2B Renovation business generated €70.8 million by the end of August 2021, a decrease of -29.3%, in line with expectations. As previously announced, the group wants to steady its order book, in order to focus on improving margins.
- At the end of August 2021, order intake for the Land Development business has continued to grow, with €36.3 million on the order book (reserved stock for which notarial deeds of sale have not yet been signed), compared to €29.9 million at the end of March 2021, and €22.2 million at the end of December 2020.

- Finally, in the Real Estate Development business, backlog at the end of August 2021 amounts to €96 million, compared to €60.1 million (Claimo Group not included) at the end of December 2020. This business continues to show its vitality, despite ongoing administrative issues.

Outlook

Given these positive results for the first half of the year and the rising order intakes that give the group good visibility, Hexaom remains confident that strong growth will continue throughout the rest of the year. The group anticipates generating around €1 billion in revenue in 2021.

Despite the rising cost of materials and tensions around rising labor costs, which have led the group to monitor its Home Building business margins closely, Hexaom is nevertheless expecting greater profitability throughout the rest of the year, driven by higher production volumes that will allow it to better absorb fixed costs and by the ramp up of its accretive growth drivers.

Next press release: 2021 Q3 revenue, November 4th, 2021, 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 49 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 11,000 customers a year, has built more than 100,000, has carried out over 80,000 renovations, employs more than 2,100 people, and recorded revenue of €881.8 million in 2020.
HEXAOM equities are eligible for PEA-PME equity savings plan.
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.

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.).

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