

2022 9-MONTH REVENUE UP +8% to €765.6 MILLION

ORDER INTAKE IN LINE WITH OBJECTIVES

Consolidated (€M) unaudited	3 rd quarter			9 months (January 1 st - September 30 th)		
	2022	2021	% change	2022	2021	% change
Revenue	216.6	207.8	+4.2%	765.6	707.5	+8.2%
Of which Home Building	162.9	142.5	+14.3%	589.0	528.5	+11.5%
Of which Renovation	31.0	41.5	-25.3%	106.1	122.6	-13.5%
Of which Land Development	10.4	11.8	-11.5%	27.0	17.6	+53.1%
Of which Real Estate Development	12.3	12.0	+2.2%	43.6	38.7	+12.5%

Production for the first 9 months: €765.6 million, an organic growth of 8.2%

Over the nine-month period, Hexaom Group's revenue was up 8.2% to €765.6 million. This like-for-like production growth compares with a record high 2021 activity.

Furthermore, this level of activity is reached in a complex environment of prolonged construction delays due, amongst other things, to supply chain disruptions and a lack of available subcontractors.

For the third quarter of 2022, Hexaom posted revenue of €216.6 million, up +4.2% compared to the same period last year.

With the exception of B2B renovation, all the group's businesses contributed to this growth. Revenue for the first nine months of the year breaks down as follows:

- The **Home Building** business shows a revenue of €589.0 million, up 11.5% compared with the same period last year. Despite construction times continuing to suffer from significant delays, performance during the third quarter was excellent at +14.3%.
- The **Renovation** business posted revenue of €106.1 million, down 13.5% compared with the previous year.
The B2B segment, undergoing a restructuring process, generated revenue of €68.7 million, compared with €87.2 million over the same period in 2021.
The B2C segment maintained a good growth rate with a +6.2% increase in revenue to €37.6 million.
- **Land Development** posted a +53.0% increase in revenue to €27.0 million.
- Finally, the **Real Estate Development** business contributed €43.6 million to revenue during the period. Despite an increase of +12.5%, this business was also penalized by certain programs being postponed.

Order intake at September 30th, 2022: In line with group expectations*Home Building Business*

The entire construction industry is being affected by difficult market conditions, marked by rising construction costs and tighter financing conditions (rising interest rates, obstructive usury rates, etc.). In this difficult context, the order book for home building proved resilient, with a 15.2% decline in the value of orders at the end of September, compared with a 26.5% drop in the number of orders. Order intake amounted to 4,753 sales, representing revenue of €726.5 million.

Several months ago, the group decided to adjust selling prices to preserve its margins. This policy has helped offset both the increase in construction costs (materials and subcontracting) and the effects of changes in regulatory standards (RE 2020). The average selling price in September 2022 was €156.9k excluding VAT, compared to €132.4k excluding VAT for the same period in 2021, an increase of 18.5% over one year. In comparison, in 2019, the average selling price was €120.4k excluding VAT.

Furthermore, in response to tightening credit conditions, the group has put in place a range of solutions to help its customers find financing.

Finally, as consolidation in the market continues, Hexaôm is gaining market share.

Renovation Business

The B2C Renovation business has favorable tailwinds. At the end of September 2022, order intake for Renover and Camif Habitat stood at €35.1 million. At the same date, intermediated order intake for Illico Travaux franchisees had grown by +32.8% to €58.6 million.

The development plan for the national network of franchisees continues with the arrival of new franchisees for Camif Habitat (2023 target: 40 franchisees) and Illico Travaux (2023 target: 200 franchisees).

While still being monitored closely, sales activity for B2B renovation rebounded strongly in the third quarter (+94.1% compared to Q3 in 2021). At the end of September, the order book reached €76.4 million compared to €77.0 million at the same date in 2021. The restructuring plan put in place by the group to restore the profitability of this subsidiary continues.

Real Estate and Land Development Businesses

At the end of September 2022, the order book (reserved stock for which a notarial deed has not yet been signed) for the Land Development business stood at €28.0 million, representing 388 lots.

At the same date, the Real Estate Development backlog was €82.4 million and the total potential inventory to be delivered represents revenue of €295.5 million, i.e. 1,412 housing units.

Outlook for 2022: Revenue set to exceed €1 billion

For the full year 2022, the group confirms its goal of exceeding €1 billion in revenue.

With regard to earnings, the group remains very vigilant about the impact current projects will have on its margins due to the ever-increasing costs of construction. However, pricing adjustments implemented over the past several months should improve its margins in 2023.

For the B2B segment of the Renovation business, actions to turn around the Atelier des Compagnons subsidiary are continuing. Despite these efforts, this business will post a significant loss in 2022.

In 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), Hexaom remains confident in its ability to stick to its roadmap. This confidence is based on:

- An order intake that offers good visibility in terms of activity 18 months ahead.
- A model that has already proven itself (variable cost structure thanks to a network of qualified subcontractors).
- Being a historical actor, recognized, and with a strong financial structure that reassures customers concerned about the success of their project in a difficult market that is undergoing consolidation.
- A diversification of activities that continues with Renovation, Real Estate Development, Land Development and Services, all of which offer good prospects for growth.

For the B2C Renovation business, the group's objective is to significantly strengthen its positions in a market driven by transactions for existing properties (due to a shortage of new properties), by improvements to reduce energy consumption (energy transition), by compliance requirements for residential units (energy audits), and by renovation subsidies.

With its solid financial structure, the Hexaom group will continue to increase its market share in all its businesses, further strengthening its position as a major player in the French housing market.

Next press release: 2022 Q4 Revenue, February 7th, 2023, 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, 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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CONTACTS

HEXAOM

Loïc Vandromme

Chief Executive Officer

Tel: + 33 2 33 80 66 61

E-mail: lvandromme@hexaom.fr

EDIFICE Communication

Amalia Naveira

Analyst/Investor/Press Relations

Tel: + 33 6 31 35 99 50

E-mail: hexaom@edifice-communication.com

Jean-Christophe Godet

Chief Financial Officer

Tel: + 33 2 33 80 66 61

E-mail: finances@hexaom.fr

hexaom.fr



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.