

**THE GROWING MOMENTUM OF THE RENOVATION BUSINESS AND
EXCEPTIONAL COSTS TEMPORARILY IMPACT 2019 1ST HALF RESULTS
SIGNIFICANT INCREASE IN ORDER INTAKE
SUSTAINED GROWTH EXPECTED IN 2020**

HEXAOM's Board of Directors, during its meeting held on September 18th 2019, approved the accounts for the first half of 2019. These consolidated accounts have been reviewed by the Statutory Auditors.

Consolidated (€M)	1 st half year		
	2019	2018	Var.
Sales	418.0	410.7	+1.8%
Operating Income	10.4	19.1	-45.6%
Operating Margin	2.5%	4.7%	-
Financial Income	-	-	-
Net Income	7.0	13.0	-46.2%
Net Margin	1.7%	3.2%	-

A first half year that is not representative due to exceptional elements

In the first half of 2019, the Group HEXAOM recorded Sales for €418M, up by 1.8% over the same period in 2018. The home building business is stable at €359.1M which is consistent with the 2018 order intake. The Renovation business, at €56.9M, is up by 14.2% over the half-year, driven by a dynamic B2B segment that saw its order intake more than double in 2018.

The operating income for the first half stands at €10.4M against €19.1M last year. The decrease is mainly due to exceptional items and growth related structuring costs of the Renovation activity:

- Costs up by €3.8M in the Home building business, of which €2.0M are non-recurring expenses mainly due to the Group centenary and its change of name,
- The launch of the property development activity accounts for 0.8M in operating profitability and is due to generate its first turnover in 2020,
- Production delays in the B2B Renovation activity combined with a classic seasonal effect (production substantially higher in the 2nd half) and a B2C activity falling short of expectations in the 6-month period with all the entities undergoing a structuring phase. Overall, the operating income of the Renovation business stands at -€3,5M against -€1.4M in the first half of 2018.

At June 30th, 2019, excluding the IFRS 16 impact, the Group's financial structure remains sound with shareholder's equity (Group share) reaching €179.9M, available cash for €102.3M and indebtedness of €64.9M. The net cash position thus stands at €37.4M against €30.8M at June 30th, 2018.

Sustained commercial dynamic in all activities

Home Sales continue their rebound, while the Group once again outperforms the market (around +6 points in comparison with the Markemetron indicator). At August 31st, 2019, the

Group recorded 5,066 sales, representing a turnover of €609.8M. Gross order intake was up by 10.4% in volume and by 12.2% in value over August 31st, 2018, with record sales in June 2019 (814 houses sold). The Group continues to move upmarket with an average sale price of €120.4K (excl. tax), up by 1.6% against last year. These healthy sale performances benefited both from the Group centenary marketing dynamic and the strengthened motivation of our teams following in-house events to celebrate the Group's centenary.

At the end of August 2019, order intake of the **B2C Renovation activity** was down by 10.7% at €32.1M with a negative base effect due to a contract signed in June 2018 for a particularly large amount (€3M). ILLICO TRAVAUX now has 72 franchisees (65 in n-1) and achieved good performances while CAMIF HABITAT, undergoing structuration, is expected to rebound in the months to come.

B2B Renovation sales at August 31st, 2019 are strong, up by 30.5 % at €79.5M against €60.9M at the same period in 2018. The end of the year should confirm this trend.

Finally, the **property development activity launched a year ago is consistent with the set targets**. To date, HIBANA registers a building portfolio of over 300 homes for a potential turnover of €96M.

Confirmation of 2019 growth targets and favourable trends for 2020

For the 2019 financial year, given the good visibility allowed by the sound order backlog, the Group HEXAOM expects a new upturn in its Home building and Renovation business. Group profitability should significantly improve in the 2nd half through the combined effects of the disappearance of non-recurring costs linked to the celebration of the Group's centenary and a marked improvement in operating profitability in B2B Renovation.

For the 2020 financial year, the Group has good visibility with strong Home Construction and Renovation order backlogs. Furthermore, the property development activity should contribute to increase the Group's turnover and profitability next year.

With strong fundamentals, the Group HEXAOM carries on its development strategy and remains attentive to all external growth opportunities that would allow it to strengthen its housing generalist position. We are looking into external growth opportunities that could come to fruition in the months ahead.

2019 half-year results presentation meeting, on September 19th, 2019 at 10 a.m. at Centre de conférences Edouard VII, square Edouard VII, Paris 9

Next press release: 3rd quarter 2019 Sales, on November 5th, 2019, after stock exchange closing.

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 40 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 home building, renovation and home ownership markets in France, serves more than 9,500 clients per year, has built over 100,000 homes, has carried out more than 75,000 renovations, employs over 2,000 people and recorded sales for €804M in 2018.

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

HEXAOM is listed on the Euronext Paris - Compartment B.

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GLOSSARY:

Gross order intake: a contract is recorded in gross order intakes on signature by the client and acceptance by our sales administration departments (control of documents and validity of the project's financing plan, return of the field survey, verification and acceptance of the selling price). The amount recorded corresponds to the pre-tax turnover generated on this contract

Order backlog: all recorded orders which have not been cancelled or transferred to "production in progress".

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).

Evolution of sales at constant scope: evolution of sales of periods to be compared, recalculated as follows:

- In the event of an acquisition, the turnover of the acquired company that has no correspondence in the comparison period is deducted from the current period,
- In the event of transfer, the turnover of the transferred company that has no correspondence in 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 sales 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 debts.

Cash net of debt: available cash less debt.