

2022 EARNINGS REPORT

STRONG PERFORMANCE FROM HOME BUILDING, REAL ESTATE AND LAND DEVELOPMENT, AND B2C RENOVATION SEGMENTS

SIGNIFICANT LOSS FROM THE B2B RENOVATION SEGMENT HAS IMPACTED CONSOLIDATED RESULTS

GOOD VISIBILITY FOR 2023 BOOSTED BY HIGH ORDER INTAKE

The Hexaom board of directors met on March 22nd, 2023, and approved the financial statements for the year ended December 31st, 2022. The consolidated financial statements were audited. The statutory auditors' report will be issued when the annual report is published.

Organic growth of 6.3% to €1.06 billion for the year Margins held up well for most of the group's businesses

In a hyperinflationary context marked by a sharp and continuous increase in construction costs due to a shortage of materials as well as rising energy prices, Hexaom's 2022 operating results from its Home Building, Real Estate Development, Land Development, and B2C Renovation businesses remained resilient.

As announced in the 2022 turnover press release, the significant loss of the B2B Renovation business put a damper on this performance. However, this setback has not called into question the group's short- and medium-term objectives.

For each business line, revenue and current operating income were as follows:

| Earnings per business | Revenue | Current operating income | |
|--|----------------|--------------------------|-------------|
| | € million | € million | % |
| Home Building | 809.6 | 21.9 | 2.7% |
| Real Estate Development | 67.8 | 2.6 | 3.8% |
| Land Development | 33.7 | 5.1 | 15.1% |
| B2C Renovation | 52.9 | 2.4 | 4.5% |
| Subtotal (excluding B2B renovation) | 964.0 | 32.0 | 3.3% |
| B2B Renovation | 96.0 | -30.0 | -31.3% |
| Consolidated Group | 1,060.0 | 1.9 | 0.2% |

The group stresses that the B2B Renovation entity has been facing difficulties for several months, partly linked to the excessive and poorly controlled growth of its operations. In addition, the sharp rise in construction costs affecting the entire sector has had a much bigger impact on this business, which, unlike the group's other businesses, was not absorbing rising costs by indexing selling prices to inflation and revising them accordingly.

Faced with this situation, the group has implemented an action plan aimed at restoring medium-term profitability for this business. This action plan will refocus activities on its proven know-how with a more appropriate level of production. The plan also involves a change in management and governance, stronger management control processes, and stricter procedures to secure margins.

The loss for the year was due to both a reassessment of margin estimates for work in progress once it is finished and to provisioning for risks. After taking into account all these items, the current operating loss for this business amounts to €30.0 million. This entity's contracts, most of which have not been indexed to inflation, have a relatively long production cycle with delays of 12 to 36 months between the acceptance of the offer and the final delivery. The lag induced by these long-term contracts will obviously delay the effects of this action plan and consequently its impact on the recovery.

At the end of the year, taking into account these items, the group also impaired the residual goodwill associated with the B2B Renovation business, which amounted to €31.2 million at December 31st, 2021.

Finally, convinced of the short- and medium-term growth potential of the B2B renovation market, the group—which owns 100% of the shares of the subsidiary operating this activity since January 1st, 2023—has increased the share capital of the subsidiary by almost €26 million.

As a result of these exceptional items, the group posted an operating loss of -€28.7 million for the year.

| Consolidated Net Income in € Millions | 2022 | 2021 |
|---------------------------------------|---------|-------|
| Revenue | 1,060.0 | 997.0 |
| Current operating income | 1.9 | 34.5 |
| Non-current operating items | -30.7 | -2.5 |
| Operating income | -28.7 | 32.0 |
| Net financial income | -1.1 | -0.7 |
| Net income | -37.9 | 22.7 |

Extremely solid financial structure: net cash of €42.2 million

During the year, Hexaom maintained a high level of cash. As a result, the group's financial structure remains strong at December 31st, 2022. The group share of equity amounted to €188.3 million and cash assets stood at €158.6 million. Net cash at the end of the period was €42.2 million.

Dividend

The board of directors will recommend that no dividend be paid out for 2022 at the annual general meeting to be held on June 1st.

**Order intake provides good visibility for 2023 production
Priorities are the recovery of the B2B Renovation business, margin preservation, and further development of the diversification segments**

While the market will remain disrupted due to the sharp rise in interest rates and tightening financing conditions, the order intake from the group's various business lines to date provides Hexaom good visibility for its 2023 production. Nonetheless, challenges will remain in 2023, namely:

- Maintaining order intake for the Home Building, Real Estate Development, and Land Development segments,
- Further growing the B2C Renovation business whose already favorable market conditions are being boosted by subsidies and energy-saving trends,
- Turning around performance of the B2B Renovation business.

Home Building Business

The order intake in 2022 represents revenue of €941.1 million, down 18.4% compared with 2021. Sales in the first two months of 2023 remained in line with this trend and represent revenue of €115.4 million, down 14.2% in value.

The average selling price over these first two months continues to increase, currently at €167.5k excluding tax compared to €154.5k excluding tax at the end of December 2022. The group is maintaining its policy of adjusting its selling prices to offset the increase in construction costs (materials and subcontracting) and thus preserve its margins.

In a market that remains complex, the group is confident in its ability to gain market shares thanks to its position as leader in the sector (quality of offering, nationwide coverage, market concentration, etc.). It will also benefit from taking over some construction sites of defaulting competitors in 2023 and 2024.

In terms of margins, the group can rely on its rigorous price indexation policy and on a business model that has high variable costs (subcontracting).

Land and Real Estate Development Business

At the end of February 2023, the order book (reserved stock for which the deed of sale has not yet been signed) for the Land Development business stood at €22.9 million, representing 317 lots.

On the same date, the Real Estate Development business backlog was €90.4 million and the total potential inventory to be delivered (including projects where a preliminary land deal has been signed) represented revenue of €298.7 million, or 1,370 housing units. Thanks to a strong local presence, small and medium-sized projects (low inventory) and a mid high-end positioning for first-time homeowners, the group has good prospects in this sector.

B2C Renovation Business

This business continues to grow thanks in particular to the increasing number of Camif Habitat and Illico Travaux franchisees throughout France. Since January 1st, 2023, the intake of "general contractor" orders amounted to €5.9 million. Order intake from franchisees (intermediated revenue) increased by +44.2% to €16.4 million.

The roll-out of a renovation and extension offer at home building agencies continues, and the objective is to have such an offer in every region and group subsidiary within 2 years.

Finally, to fully capture the growth potential of the energy renovation market, the group has decided to deploy, starting in September, a dedicated offer through a new network of Rénovert franchises.

B2B Renovation Business

Actions to turn around this business will continue and focus on:

- Strengthening and controlling internal processes,
- Setting up Hexaom teams to ensure compliance with procedures and thereby secure margins,
- Repositioning activities on its proven know-how with higher added value,
- Addressing markets that allow prices to be indexed to inflation,
- Keeping sales in check to allow this subsidiary to restructure before resuming a growth trajectory. Since the beginning of the year, the order intake has amounted to €17 million.

Worksites with sharply diminished margins continue to be delivered. For the current year, this subsidiary's operating loss will be significantly reduced. In the context of this long delivery cycle and taking into account the measures that needed to be implemented, the group considers that this subsidiary's results will gradually recover.

Outlook for 2023

Given the outlook for each business and in particular the turnaround action plan for the B2B business, the group remains confident that its current operating margin will improve significantly in 2023.

Thanks to its sound financial structure, the Group Hexaom will continue to gain market shares in all its businesses and thus consolidate its position as a major player in the French housing industry.

Publication of the 2022 Annual Report

You can find Hexaom's 2022 Annual Report on its website www.hexaom.fr, under Investors > Financial Information.

Information meeting, March 24th, 2023, at 10 AM at the Centre d'affaires Edouard VII.

Next press release: 2023 Q1 Revenue – May 3rd, 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 12,000 customers a year, has built more than 110,000 houses, has carried out over 85,000 renovations, employs more than 2,145 people, and recorded revenue of €1 060 million in 2022.

HEXAOM is listed on Euronext Growth Paris.

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

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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.).

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.