

**2023 HALF-YEAR REVENUE
UP +6.7% TO €586.1 MILLION,
ON TRACK TO REACH TARGETS**

Consolidated (€M) unaudited	2 nd quarter			1 st half-year		
	2023	2022	% change	2023	2022	% change
Home Building	247.2	222.2	+11.3%	471.1	426.1	+10.6%
Real Estate Development	24.6	18.6	+32.3%	36.0	31.3	+15.0%
Land Development	8.2	10.1	-18.8%	15.5	16.6	-6.6%
B2C Renovation	14.5	11.6	+25.0%	27.5	24.4	+12.7%
Subtotal	294.5	262.5	+12.2%	550.1	498.4	+10.4%
B2B Renovation	13.0	26.0	-50.0%	35.9	50.6	-29.1%
Total Revenue	307.5	288.5	+6.6%	586.1	549.1	+6.7%

Production for the first half of 2023 on track to reach full year targets

In the first half of 2023, the Hexaom Group posted revenue of €586.1 million, up +6.7% compared to the same period last year, on a like-for-like basis. This growth is compared with a record-setting first half of 2022.

For the second quarter of 2023, Hexaom posted revenue of €307.5 million, up +6.6% compared to the same period last year.

By business line, production for the first six months of the year breaks down as follows:

Home Building production times remain longer than the historical norm (2 months longer on average); however, a high order intake has boosted this portfolio. Revenue was up 10.6% over the period to €471.1 million.

Real Estate Development posted revenue of €36.0 million, up +15.0% compared with €31.3 million in the first half of 2022. However, the expected growth of this business in 2023 remains hindered by unfavorable market conditions.

Land Development posted revenue of €15.5 million, compared with €16.6 million last year, down 6.6%, but in line with Group expectations for the first six months.

B2C Renovation revenue increased by 12.7% to €27.5 million. This growth was underpinned by the continued expansion of the franchisee network.

Thus, revenue from intermediated business, consisting of commissions received via the franchise network, rose sharply (+28.6%). Revenue from the “general contractor” business continues to grow and was up +10.2%.

Lastly, revenue from **B2B Renovation**—mainly derived from the activities of Atelier des Compagnons, a subsidiary which has been placed under the protection of the commercial court since last June (see press release of June 9th, 2023)—was down 29.1% to €35.9 million.

Order intake for the first half of 2023

The real estate market remains turbulent for everyone in the industry. The slowdown in order intake that occurred during the first quarter of 2023 continued into the second quarter, against a backdrop of high inflation, rising interest rates, and tighter financing conditions. No upturn in the market is expected before 2024. In this unfavorable context, Hexaom remains focused on margins over volumes and deploying its BtoC Renovation offering to take advantage of a more buoyant market.

Home Building Business:

The order intake, at June 30th, 2023, represented revenue of €331.1 million, down 35.6% in value (-41.5% in number, in line with the market).

As the hyperinflation in construction costs during recent months gradually abates, selling prices are beginning to stabilize. As a result, the average selling price over the first six months of the year was €166.8k excluding VAT, compared to €166.3k excluding VAT in the first quarter of this year and €151.6K excluding VAT a year ago.

Land and Real Estate Development Business:

The **Real Estate Development** business backlog, at June 30th, 2023, was €141.8 million and the total potential inventory to be delivered represented revenue of €412.6 million, i.e. 1,905 housing units. Due to sluggish market conditions, the focus is on first-time home buyers and high-quality homes.

For the **Land Development** business, the order book (reserved stock for which notarial deeds of sale have not yet been signed) stood at €17 million, representing 220 lots. This level of activity reflects wider trends in the homebuilding market.

B2C Renovation Business:

Though hampered by high material prices, the B2C Renovation business is thriving thanks to its network of franchisees.

General contractor work amounted to €20.9 million for the half-year compared to €26.5 million for the same period last year. On the other hand, order intake from the intermediated business rose by 26.5% to €51.8 million, compared with €40.9 million in the first half of 2022.

B2B Renovation Business:

B2B renovation sales fell sharply in the second quarter, after the subsidiary mainly responsible for this business was placed under the protection of the commercial court. At June 30th, 2023, new orders totaled €17.8 million, down -26.9%.

Outlook for 2023

With the high order intake from its homebuilding business, Hexaom forecasts production in this sector to grow slightly in 2023, despite an expected slowdown in the second half of the year.

The B2C Renovation portfolio should continue to grow, considering the buoyant market trends and the additional sales resources that will be deployed in the coming months. To date, Hexaom has 200 CAMIF Habitat and Illico Travaux franchisees.

In addition, a renovation and extension offering that leverages the group's recognized homebuilding brands is gradually being deployed throughout the existing network. Finally, a Rénovert energy renovation offering will be rolled out across France via a new network of franchisees starting in the last quarter of 2023.

Given the expected outlook for each of its business lines, and the actions taken to preserve its margins and financial equilibrium, Hexaom remains confident in its ability to improve its operating margin before non-recurring items in 2023.

Furthermore, by the end of September, the Group will have a clearer picture of the commercial court's decision concerning the subsidiary Atelier des Compagnons (continuation, sale, or liquidation), and consequently of the accounting impact from the consolidation of this subsidiary. In view of this timetable, the Group has decided to postpone the publication of its 2023 half-year results to October 4th, 2023, after the close of trading, so that any communication includes the impact from these ongoing insolvency proceedings.

A strong foundation to cope with the dip in the market

Given the current market conditions and lower order intake from the homebuilding business which will inevitably impact production in 2024 and 2025, the Group has already taken measures to adapt its fixed costs and cost of sales.

The Group will also build on the fundamentals and strengths that make its business model so strong:

- High flexibility and cost variability, with 100% of production being subcontracted.
- Its experience in the market and ability to anticipate trends which prompted it to start raising prices as early as 2021—to preserve margins and ensure operating profitability for the coming years—and quickly roll out measures to drive down fixed costs.
- A move upmarket, which has been underway for several years, to target a clientele that qualifies for financing more easily, thus reducing exposure to the financing difficulties experienced by first-time buyers.
- A leading position in the homebuilding business which helped it gain market share (as customers seek out reliable companies) and allowed it to take over projects from failing companies in a market where consolidation is set to accelerate.
- The growing role of the BtoC Renovation business, which is seeing its market grow and benefitting from shorter production lead times.
- A very sound financial structure coupled with very low inventory exposure and low working capital requirements.

Faced with the current challenges in the real estate sector, Hexaom has positioned itself to adapt quickly to difficult market conditions and is prepared to seize opportunities as soon as better conditions prevail.

Next press release: 2023 Half-Year Results, October 4th, 2023, after market close.

Next meeting: A videoconference will be held on October 5th, 2023, at 10:00 a.m.

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 2,000 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.