



L'Herbergement, April 2, 2024 – 6 p.m.

## Resilient 2023 results in a heavily deteriorated market

- ▶ Turnover up 5.4% to €835.6 million, driven by industrial activities
- ▶ EBITDA of €46.8 million
- ▶ Net income, Group share of €9.3 million
- ▶ Proposed dividend payment of €1.90 per share (vs. €1.80 paid in 2023)
- ▶ Refocusing the Group on its higher value-added industrial businesses
- ▶ Beginning of debt reduction

HERIGE has released its audited results<sup>1</sup> for the 2023 financial year. The consolidated financial statements were examined by the Supervisory Board at its meeting on March 29, 2024.

French GAAP – € million	Audited figures as reported			Pro forma data Restated for disposal of the trading businesses <sup>2</sup>		
	2022	2023	2022/2023 change	2022	2023	2022/2023 change
Turnover	792.9	835.6	+5.4%	385.0	460.8	+19.7%
EBITDA <sup>3</sup>	55.5	46.8	-€8.7 m	33.5	36.1	+€2.6 m
EBIT <sup>4</sup>	37.2	25.6	-€11.6 m	21.0	21.6	+€0.6 m
Net income	22.0	9.4	-€12.6 m	12.1	10.2	-€1.9 m
Net income, Group share	21.9	9.3	-€12.6 m	12.0	10.1	-€1.9 m
Net financial debt <sup>5</sup>	144.3	156.1	+€11.8 m <sup>6</sup>		26.8	
Net cash position	35.6	0.5	-€35.1 m		83.6	
Gearing <sup>7</sup>	103%	107%	+4 pts		15.8%	

**Commenting on the Group's annual results for 2023, Benoît Hennaut, Chairman of the Executive Board of HERIGE Group, said:** *"Backed by the remarkable commitment and agility of our teams, HERIGE once again demonstrated its resilience in contrasting markets. By rapidly taking steps to improve our performance, we were able to limit the effects of a heavily deteriorated new construction market. At the same time, and in line with our development strategy, we have stepped up our efforts in terms of industrial efficiency, innovation and decarbonization within our two divisions, Joinery and Concrete. With this in mind, we recently signed a share purchase agreement to sell our Building Materials Trading, Public Works and Natural Stone businesses to SAMSE Group.*

<sup>1</sup> The Statutory Auditors have audited the consolidated financial statements and their report will be issued to coincide with the publication of the annual financial report.

<sup>2</sup> [See press release dated February 7, 2024](#) relating to HERIGE's signature of a share purchase agreement to sell its Building Materials Trading, Public Works and Natural Stone businesses (VM Matériaux, LNTP and Cominex) to SAMSE Group.

<sup>3</sup> Operating profit + net depreciation and amortization

<sup>4</sup> Before depreciation, amortization and impairment of goodwill

<sup>5</sup> Restated for current accounts (negative €0.8 million impact in 2023 vs negative €0.6 million impact in 2022)

<sup>6</sup> Negative €14 million excluding impact of cyclical peak in working capital requirement (WCR)

<sup>7</sup> Net financial debt as a percentage of equity



# HERIGE

*For 2024, our Group is pressing ahead with integration of its latest acquisitions, particularly in the joinery and industrial concrete sectors, where we aim to consolidate our positions.*

*On the strength of our robust financial structure and our two business lines, where we can demonstrate leadership thanks to our products, our innovations and our CSR approach, the Group's management believes it is well equipped to weather this market cycle, as we have demonstrated in the past."*

## **A performance that validates the Group's strategy to refocus on its industrial businesses**

In 2023, HERIGE Group posted turnover of €835.6 million, up 5.4% (or down 3.2% like for like) on 2022. Based on its continuing operations, the Group posted turnover of €460.8 million in 2023, up 19.7% (up 2.3% like for like). Despite a deteriorated construction market (single housing unit permits down 28.5% year on year), HERIGE has demonstrated its resilience, with performance driven by the external growth operations completed in 2022.

It posted a gross margin of €338.2 million, up €25.2 million compared to 2022, representing 40.5% of turnover, up 1 point versus the prior year. Based on its continuing operations, the gross margin came to €228.1 million, or 49.5% of turnover (on a 2022 pro forma basis, the gross margin came to €187.5 million, or 48.7% of sales).

In response to the struggling new construction market, the Group quickly took steps to improve its operating performance, which limited the decline in EBITDA over the year. As a result, 2023 EBITDA totaled €46.8 million, down by just €8.7 million, representing an EBITDA margin of 5.6%, down 1.4 points on 2022. For the Group's future scope of consolidation, the EBITDA margin was 7.8%, down 0.9 points compared with 2022 on a pro forma basis.

HERIGE's operating income came in at €25.6 million (down €11.6 million compared to 2022), representing an operating margin of 3.1% versus 4.7% one year earlier. For the Group's future scope of consolidation, operating profit amounted to €21.6 million, or 4.7% of turnover.

After taking into account a net financial expense of €5.4 million (vs. a €1.8 million expense in 2022) and a non-recurring loss of €2.0 million (vs. a €1.6 million loss one year earlier), net income, Group share amounted to €9.3 million in 2023 (vs. €21.9 million in 2022).

## **Robust financial structure**

Investments amounted to €24.9 million in 2023, stable compared with 2022.

At December 31, 2023, reported net cash stood at €0.5 million, penalized by a one-off peak in working capital requirement (WCR) due mainly to an unusual reduction in purchases at the end of the year. Adjusted for this impact, which is set to smooth out, net cash amounted to €26.3 million, compared with €35.6 million in 2022, and net financial debt remained under control at €130.3 million (compared with €156.1 million as reported).

With shareholders' equity of €145.4 million, the adjusted net debt-to-equity ratio was 89.6% (versus the reported figure of 107.3%) compared with 102.9% one year earlier, a 13-point decrease.

For the Group's future scope of consolidation and adjusted for the one-off peak in WCR, the net debt-to-equity ratio was 10%, with shareholders' equity of €169.4 million and net financial debt of €16.9 million.

## **Proposed dividend payment of €1.90 per share**

On the basis of the 2023 annual results and the financial profile of continuing operations, the Supervisory Board decided to propose to shareholders the payment of a dividend of €1.90 per share at the Annual General Meeting to be held on May 31, 2024. The payment will be made from June 10, 2024 (ex-coupon date of June 6, 2024).



# HERIGE

## Outlook and developments

In a sharply declining market, HERIGE nevertheless intends to continue implementing its strategic priorities by leveraging the favorable regulatory context: a two-fold increase in the *MaPrimeRénov'* renovation program and extension of the *Prêt à Taux Zéro* interest-free loan until 2027, with relaxed eligibility conditions. On the strength of these factors and its robust financial structure, the Group is well placed to weather this market cycle, thanks in particular to its industrial performance and cost management program.

With the planned sale of the Building Materials Trading, Public Works and Natural Stone businesses (VM Matériaux, LNTP and Cominex) to SAMSE Group, all the Group's teams are centered around a single ambition: to become a high-quality, customer-focused and environmentally committed industrial player.

**NEXT PUBLICATION:** Q1 2024 turnover on May 14, 2024 (after the close of trading)

*All our financial communications are available on our website: [www.groupe-herige.fr/en](http://www.groupe-herige.fr/en)*

## ABOUT HERIGE

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HERIGE Group focuses on three sectors of the building industry: Building Materials Trading, the Concrete Industry and Industrial Joinery. Originally based in the Vendée region, HERIGE currently employs around 3,000 people and has a strong presence in Western France.

**HERIGE is listed on Euronext Growth**

**PEA/PME eligible**

**Indices:** EURONEXT FAMILY BUSINESS, EURONEXT GROWTH ALL SHARE, ENTERNEXT©PEA-PME 150

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