

Montaigu-Vendée, September 24, 2024 – 6 p.m.

HERIGE: 2024 FIRST-HALF RESULTS

- Operating performance impacted by a heavily deteriorated market**
- Significant strengthening of financial structure**
- Stronger management performance**

HERIGE has released its first-half 2024 results. The 2024 half-year consolidated financial statements were reviewed by the Supervisory Board at its meeting on September 20, 2024.

French GAAP – € million	H1 2023 reported	H1 2023¹ Proforma basis	H1 2024¹ Proforma basis	H1 2024 reported²	Change
Turnover	455.0	249.3	215.6	335.5	-€33.7 m
EBITDA³	28.8	21.0	12.1	11.8	-€9.0 m
EBIT⁴	18.3	13.9	4.7	2.0	-€9.2 m
Net income	9.9	8.5	29.4	25.0 ⁵	+€20.9 m

Commenting on the Group's first-half 2024 results, Benoît Hennaut, Chairman of the Executive Board of HERIGE Group, said: "As expected, the first half of 2024 reflected an unprecedented market environment in the construction sector, marked by a nationwide collapse in housing unit permits and a declining renovation market. This unfavorable economic climate, accentuated by the contraction in household purchasing power, impacted our business and operating performance.

For the second half of 2024, we expect the market conditions to remain challenging. However, we remain confident in our ability to adapt to market cycles, by stepping up our management initiatives. France's housing shortage has hit record levels, pointing toward a medium- to long-term recovery in view of structural needs."

¹ 2023 figures have been restated to reflect the sale of the businesses sold to SAMSE on 05/01/2024 – 2024 figures do not include discontinued businesses

² Including businesses sold on a pro rata basis (4 months)

³ EBITDA: Operating income + net depreciation and amortization

⁴ Before depreciation, amortization and impairment of goodwill

⁵ Including a net capital gain on disposal of €33m / contribution of sold perimeter -€4.4m

Pressure on performance in the first half due to a crisis-hit construction market

Comments on the income statement are based on the new Group structure unless otherwise stated.

HERIGE posted turnover of €215.6 million in the first half of 2024, down 13.5% on the same period in 2023. This downward trend reflects both a deteriorating new construction and renovation market (32.6% drop in individual single-family housing starts over the last 12 months⁶) and the political crisis in France, which heightened uncertainty in households.

Against a decline in volumes, HERIGE reported a gross margin of €109.9 million, down €13.8 million compared to the same period in 2023. As a percentage of sales, gross margin was up 1.3 points at 51%. This increase is notably due to purchasing synergies in the Industrial Joinery sector and a price increase, while the Industrial Concrete sector continues to suffer from competitive pressure and inflation in raw material costs.

As a result, EBITDA for the first half of 2024 amounted to €12.1 million, down by €9.0 million, representing an EBITDA margin of 5.6%, down 2.8 points on the first half of 2023.

HERIGE' operating income came in at €4.7 million (down €9.2 million compared to first-half 2023), representing an operating margin of 2.2% versus 5.6% one year earlier.

A €6.8 million impairment loss was recorded against goodwill, due to the acceleration of the residual amortization period in the Concrete Industry sector from the end of the 2023 financial year. Besides, the market downturn was more severe than expected, resulting in an additional impairment charge of €5.0 million over the period.

After taking into account a net financial expense of €0.8 million (vs. an expense of €1.3 million in H1 2023) and non-recurring income of €32.4 million, including a net capital gain on the disposal of the Building Materials Trading division (€33.0 million), net income, for first-half 2024 came to €29.4 million.

Significantly stronger financial structure

French GAAP – € million	H1 2023 reported	S1 2024 reported ²	Var.
Shareholders' equity	145.2	165.7	+€20.5 m
Net financial debt	163.9	23.0	-€140.9 m
Net cash position	-1.9	+75.4	+€77.3 m
Gearing⁷	112.9%	13.9%	-99 pts

At end-June 2024, investments carried out stood at €6.7 million.

The disposal of the Building Materials Trading division has enabled the Group to significantly reduce its net financial debt to €23.0 million at June 30, 2024, and to strengthen its shareholders' equity to €165.7 million. As a result, the net debt-to-equity ratio stood at 13.9%.

⁶ Source: SDES, Sit@del2, estimations as of June 30, 2024

⁷ Net financial debt as a percentage of equity

Outlook and developments

HERIGE will continue to take targeted measures to improve its performance by adapting its operating expenses and investments. In doing so, it will be able to preserve its economic fundamentals and maintain its competitiveness in this complex environment.

NEXT PUBLICATION: Q3 2024 turnover on November 5, 2024 (after the close of trading)

All our financial communications are available on our website: www.herige-industries.fr/en

About HERIGE

HERIGE Industries focuses on two sectors of the building industry: the Concrete Industry and Industrial Joinery. HERIGE is a multi-regional group of Vendée origin, with a workforce of almost 2,000 employees, present in mainland France, Canada and overseas.

**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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