



# HERIGE

## 2018 ANNUAL RESULTS

L'Herbergement, Tuesday, March 26, 2019 – 6pm

**Growth of 4.6% (like for like)**

**52% increase in operating margin  
(excluding base effects and non-recurring items)**

**Net profit affected by non-recurring items with no cash impact**

IFRS – € million	2017 IFRS 5	2018	Change
Turnover	547.3	570.7	+4.3%
EBITDA <sup>(1)</sup>	21.0	24.0	+14.3%
Current operating profit	9.1	11.7	+27.9%
Consolidated net profit/(loss)	0.4	(8.6)	-
Net profit/(loss), Group share	0.9	(8.6)	-
Net financial debt	63.5	67.9	-
Gearing	57%	68%	-

<sup>(1)</sup> EBITDA: recurring operating profit + net depreciation and amortization.

HERIGE has released its audited results<sup>1</sup> for the 2018 financial year. The consolidated financial statements were examined by the Supervisory Board at its meeting on March 22, 2019.

### Improvement in operating performance

HERIGE reported turnover of €570.7 million in 2018, up 4.6% like for like, reflecting good momentum across all businesses despite a more challenging market environment.

Lifted by this good performance, consolidated gross margin rose €9.3 million like for like to €216.7 million, representing 38% of turnover.

EDITDA accordingly came out at €24.0 million for the year, an improvement of 14% compared to 2017.

Current operating profit amounted to €11.7 million, up 27.9%, resulting in a current operating margin of 2.0% versus 1.7% one year earlier. Excluding 2017 base effects (consolidation scope and non-recurring items), and 2018 non-recurring items operating margin grew by 52%.

Given the drop in new housing starts and building permits observed in late 2018, coupled with an uncertain economic and regulatory environment, the Group exercised caution and revised its market projections downward, in line with the guidance issued in February 2019.

Accordingly, the Group reported a consolidated net loss of €8.6 million, reflecting the significant €15.6 million impact of impairment to goodwill.

<sup>1</sup> The audit procedures have been completed and the auditors' report on the financial statements will be issued for the released of the 2018 annual report.

## Financial position: carefully managed net debt

The Group continued its capital expenditure program in 2018 (€23.3 million invested versus €16.1 million in 2017), devoting 70% of the outlay to industrial projects.

Even after these significant investments, financial net debt remained at a carefully managed €67.9 million at end-2018, compared with €63.5 million at end-2017. Following the €10.2 million decrease in equity, resulting primarily from the impairment of goodwill, HERIGE finished the year with gearing of 68%, versus 57% at December 31, 2017.

## Proposed payment of a dividend of €0.75 per share

HERIGE will propose the payment of a dividend of €0.75 per share in respect of 2018 at its Annual General Meeting on May 24. Payment will be made from June 3, 2019.

## Strategy and outlook

The Group is continuing to invest internally and remains attentive to external investment program as part of its focus on innovation, which is intended to further its strategy of product differentiation and industrial performance.

In the Industrial Joinery business, this strategy is reflected in:

- the renovation of the Pontivy site (56), with an optimized production plant and the new headquarters of ATLANTEM a 1,700-square-meter building delivering a very high level of technical performance;
- the start-up of its new generation production site in Fougères in the second half of 2019, dedicated entirely to AM-X product.

The Concrete Industry business will continue to upgrade its industrial facilities during the year.

In addition, the Group is in the process of recruiting a new Chief Executive Officer for the Building Materials Trading business, whose priority will be to continue the operational efficiency drive by improving sales performance and forging closer ties with customers.

Lastly, in a fragile construction market, HERIGE remains confident in its fundamentals, its capacity to adapt and its disciplined management approach.

**NEXT PUBLICATION:** Q1 2019 turnover on May 7, 2019  
(after the stock exchange closes)

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

### ABOUT HERIGE

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 more than 2,300 people and has a strong presence in Western France.

**HERIGE is listed on Euronext Growth**

**PEA/PME eligible**

**Indices:** CAC SMALL, CAC MID & SMALL, CAC ALL TRADABLE, ENTERNEXT@PEA-PME 150

**ISIN FR0000066540, Ticker: ALHRG, Reuters ALHRG.PA**

### HERIGE

Alain Marion - Chairman of the Executive Board

Caroline Lutinier - Head of Group Communication

Tel.: +33 (0)2 51 08 08 08

E-mail: [communication@groupe-herige.fr](mailto:communication@groupe-herige.fr)

### ACTUS finance & communication

Corinne Puissant - Analyst/Investor Relations

Tel.: +33 (0)1 53 67 36 77 - E-mail: [cpuissant@actus.fr](mailto:cpuissant@actus.fr)

Anne-Catherine Bonjour - Press relations

Tel.: +33 (0)1 53 67 36 93 - E-mail: [acbonjour@actus.fr](mailto:acbonjour@actus.fr)