



2020, solid performance despite the health crisis

- ▶ The strong business recovery in the second quarter (up 10.9% like-for-like) helped limit the decline in annual turnover
- ▶ Improved EBITDA at €34.9 million due to strict management of expenses and rapid roll-out of actions
- ▶ Stronger net cash position (excluding the State-guaranteed loan) at €64.3 million

HERIGE has released its audited results¹ for the 2020 financial year. The consolidated financial statements were reviewed by the Supervisory Board at its meeting on March 26, 2021.

French GAAP - € million	2019	2020	Change
Turnover	622.1	600.4	-3.5%
EBITDA ¹	31.3	34.9	+€3.6 m
EBIT	18.3	19.7	+€1.4 m
Net income	7.5	10.7	+€3.2 m
Net income, Group share	7.5	10.5	+€3.0 m
Net financial debt ²	67.4	51.3	-€16.1 m
Net cash position (excluding the State-guaranteed loan) ³	28.6	64.3	+€35.7 m
Gearing ²	68%	47%	-21 pts

¹EBITDA: EBIT + net depreciation and amortization

² Restated for current accounts (€0.3 million in 2020 vs €0.2 million in 2019)

³ published cash position at 12/31/2020 at €114.3 million including €50 million of State-guaranteed loan

Clear improvement in operating performance

HERIGE Group's turnover rose 10.9% (like-for-like) in the second half of 2020, reflecting a vast improvement in each of its divisions after a sharp drop of 16.5% in the first half (like-for-like), limiting the decline to 3.5% for the year as a whole. Following a sharp drop in business in March, April and May as a result of measures put in place due to the Covid-19 crisis (of around 37% like-for-like), Group sales gradually recovered.

In a context of decreasing volumes, the Group's gross margin was down €7.5 million like-for-like to €222.3 million (€230.9 million on a current basis). However, thanks to strict management, the Group's gross margin in percentage terms improved by 0.6 points to 38.3% of turnover (like-for-like).

The rapid roll-out of prompt actions under the performance plan to protect the Group's profitability saw EBITDA increase by €3.6 million to €34.9 million in 2020.

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

Thanks to the rise in margins, initiatives taken in regard to expenses and the business recovery in the second half of the year, HERIGE Group's operating profit came in at €19.7 million (versus €18.3 million in 2019).

After taking into account a net financial expense of €1.6 million (a €0.3 million improvement versus 2019), the Group's recurring income before tax rose to €18.1 million (versus €16.4 million in 2019). Non-recurring loss amounted to €0.3 million (versus €1.6 million one year earlier).

Net income, Group share amounted to €10.5 million for 2020 compared with €7.5 million for 2019.

Strengthened financial position

Investments are down sharply at €15.6 million compared to €32.1 million in 2019, partly related to the end of investments in the Industrial Joinery 4.0 plant in Saint-Sauveur-des-Landes. In this unstable environment triggered by the health crisis, non-strategic investments were also deferred as a precaution.

At December 31, 2020, the Group's financial structure was solid, with shareholders' equity of €109.8 million, a positive net cash position of €64.3 million (excluding the State-guaranteed loan) versus €28.6 million in 2019, and net financial debt down to €51.3 million, representing a net debt ratio of 47% down 21 points compared to end-December 2019.

Additionally, in order to secure its cash flow, HERIGE obtained, in the uncertain context of spring 2020, State-guaranteed loans for €50 million from its historic banking partners who, once again, demonstrated their full confidence in the Group's ability to recover. All these loans will be repaid by 30 June 2021.

Resumption of the dividend payout policy in respect of 2020 financial year

In light of the improvement in the Group's performance and the resilience of the market outlook despite the health crisis, HERIGE decided to resume the dividend payout policy.

The Group will propose the payment of a dividend of €1.25 per share in respect of 2020 at its Annual General Meeting on May 28, 2021. Payment will be made from June 7, 2021.

Outlook and developments

Despite the still uncertain macroeconomic backdrop and health situation, HERIGE is stepping up its transformation and performance actions in its various activities.

Furthermore, the Group confirms its goal of participating in the development of its sector by providing practical and sustainable solutions to construction stakeholders.

Building an ambitious CSR policy, developing human capital by ensuring the health and safety of teams and actively participating in an effective circular economy are among its priority commitments. Innovation is at the core of the process in pursuing the development of bespoke products and services, designed to increasingly simplify everyday life for customers. Project enhancement and sustainability will be supported by the Group's ongoing digital transformation.

NEXT PUBLICATION: Q1 2021 turnover on May 11, 2021 (after the close of trading)
All our financial communications are available on our website 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***

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