

## PRESS RELEASE

### Sharp rise in results for the 1<sup>st</sup> half of 2021

#### Increase in target turnover for 2021 around €280 m compared with >€250 m

- 87.6% increase in HY1 2021 turnover to €125.3 m and 60.0% growth in EBITDA to €13.9 m.
- Doubling of net result to € 4.0 m

*Saint-Herblain, 16 September 2021, 5.45 p.m. The Board of Directors of the regional development group REALITES met on this day and approved the consolidated financial statements for the 1<sup>st</sup> half of 2021.*

<i>In millions of Euros excl. tax IFRS</i>	<b>30/06/2021</b>	30/06/2020	Variation N-1	30/06/2019
Turnover	125.3	66.8	+87.6%	62.2
EBITDA	13.9	8.7	+60.0%	4.6
EBITDA margin rate	11.1%	13.0%		7.4%
Operating result	7.5	4.2	+77.8%	3.4
Operating margin rate	6.0%	6.3%		5.5%
Net result	4.0	2.1	+96.3%	2.3
Net margin rate	3.2%	3.1%		3.7%
Group share of net result	2.8	1.2	+133.3%	1.7
Net earnings per share - Group share	0.77	0.48	+60.4%	0.65

**Out-performance of the project management activity in a declining market, boosted by the Group's position as regional developer**

A market still under strain in the 1<sup>st</sup> half of 2021 (-5.5% in Q1 2021/Q1 2019 - source FPI), the REALITES Group has recorded a consolidated turnover €125.3 m, up +87.6% compared with the 1<sup>st</sup> half of 2020. This performance has been boosted by the project management activity, with turnover increasing by +98% to €117.8 m. This can be compared with the 1<sup>st</sup> half of 2020 taking into account the 1<sup>st</sup> lockdown (-4.7%), whose impact was largely limited thanks to the Group's dynamic model. This strong growth is sustained by a 125% increase in deeds, amounting to €108.7 m, boosted by scattered sales, and the transformation of property development with the launch of 18 new projects.

This out-performance of end-user consultancy compared with the market confirms the relevance of the Group's position as regional developer and of its breakthrough model incorporating end-user consultancy (operations) in order to obtain and sustain the trust of different regions. These strategic assets, enhanced by strong technical expertise, allow the Group to maintain a high property development rate so that it can continue to offer its commercial services in a market characterised by a shortage of supply.

Reservations increased by 14.3% to €133.2 m compared with €116.6 m in the 1<sup>st</sup> half of 2020 and €84.7 m in the 1<sup>st</sup> half of 2019, which is a major indicator of the Group's short / medium-term growth. The order book, which incorporates the commercial backlog, the commercial offer and the property portfolio, has increased by 13.5% to €2,162.4 m, providing excellent visibility in terms of the Group's 4 year activity plan.

In addition, the percentage of stock completed by the Group amounts to 0.1% of the overall offer, reflecting the success of launched projects.

The end-user consultancy activity has recorded stable turnover of €7.5 m, pending contributions in the 2<sup>nd</sup> half of 2021 from two new serviced homes for the elderly HEURUS opened at the end of the 1<sup>st</sup> half-year in Noyal-Châtillon-sur-Seiche (35) and Brest (29), and a new student accommodation complex CAP'ETUDES, delivered at the beginning of August in Besançon (25). The reopening of the UP2PLAY centre at the beginning of June and the acquisition of the VINDEMIA group (Midi & Demi) on 1<sup>er</sup> September will consolidate the expected growth in turnover from end-user consultancy in the 2<sup>nd</sup> half of this year.

**Sharp increase in profitability indicators**

In the 1<sup>st</sup> half of 2021, the EBITDA rose by 60.0% to €13.9 m, giving a margin rate of 11.1%. Following this same trend, the operating result increased by 77.8% to €7.5 m, taking into account the investment efforts relating to the development of end-user consultancy activities.

The Group pursued its proactive investment and structuring policy associated with its strong development during the period with a 53% increase in its payroll.

The net result stood at €4.0 m, up 96.3%, with the Group share of the net result amounting to €2.8 m, up 133.2%, after taking into account a financial result of €-3.8 m and tax charges of €0.4 m.

### Contribution of businesses to profitability

<i>HY1 2021</i> <i>In millions of Euros IFRS</i>	<b>Project management</b>	<i>Rate</i>	<b>End-user consultant</b>	<i>Rate</i>	<b>Total</b>
<b>Turnover</b>	<b>117.8</b>		<b>7.5</b>		<b>125.3</b>
<b>EBITDA</b>	<b>12.2</b>	<i>10.3%</i>	<b>1.7</b>	<i>22.4%</i>	<b>13.9</b>
Allowances for depreciation and provisions	-2.1		-4.4		-6.4
<b>Operating result</b>	<b>10.1</b>	<i>8.6%</i>	<b>-2.6</b>	<i>NA</i>	<b>7.5</b>

Project management, which is the group's traditional business, represents 94% of the total turnover and will continue to be the Group's main area of growth over the coming years, with an operating result rate of 8.6%.

End-user consultancy, the Group's growth driver, remained stable over the period.

It should be pointed out that end-user consultancy, a development tool for project management and the Group's a driving force for recurrent activity, will lead to a significant increase in the profitability of REALITES by around 2025 when it reaches a critical scale.

### A controlled balance sheet structure

In the 1<sup>st</sup> half of 2021, the Group's self-financing capacity amounted to €13.5 m, illustrating the capacity of REALITES to generate cash during a financial year marked by strong growth.

On 30 June 2021, REALITES recorded equity of €102.3 m with available cash amounting to €58.7 m, debt of €185.5 m (excluding lease obligations and property debts) and a net financial debt of €126.8 m. Gearing stands at 124%, compared with 134% in HY1 2020, and is expected to decrease by the end of the year.

### Outlook

Thanks to its excellent results in the 1<sup>st</sup> half of the year and a new increase in reservations, REALITES has achieved its target turnover for 2021 of around €280 m compared with over €250 m initially announced. The Group has confirmed an operating result rate of around 7% for the financial year.

Property development under project management amounted to €297.1 m in the 1<sup>st</sup> half of the year. Combined with the growth in end-user consultancy, it provides excellent visibility for the "Ambitions 2025" plan, which has a target turnover of €800 m and an operating result rate of 8%.

**About REALITES**

REALITES was founded in 2003 by its CEO, Yoann CHOIN-JOUBERT as a regional development company which develops new, innovative solutions with and for cities and urban areas to create value, enhance attractiveness and promote economic development. Thanks to its twofold positioning as project manager (construction of apartments, managed housing, shops, offices, business premises, etc.) and end-user consultant (hospitality services, health, entertainment, etc.), REALITES is able to develop projects which anticipate the needs of cities and local districts.

The Group is committed to the in-depth transformation of construction processes with REALITES Building Technologies (RBT), an off-site industrial construction engineering / technology centre, promoting carbon-free, high energy performance buildings insulated with bio-based materials. Thanks to its exclusive innovations and developments in the field of robotics, RBT is able to offer breakthrough solutions to balance out increasing costs and halve construction deadlines, whilst significantly reducing its carbon footprint.

As the leading social purpose corporation in France, REALITES is officially confirming its commitment to reconcile lucrative targets with collective interest, with the support of a mission committee made up of well-known experts.

With over 640 employees and an ambitious development strategy in France and Africa (Morocco and Senegal), REALITES recorded a turnover of €204 m in 2020, representing a 23.8% increase.

The Group's aim is to generate a turnover of €800 m in 2025, with an operating result of 8%.

REALITES has been listed on Euronext Growth Paris since 2014 and its stock is eligible for PEA PME (Isin code: FRO011858190, ticker: ALREA).

Further information: [www.groupe-realites.com](http://www.groupe-realites.com)



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