

RESULTS FOR THE FIRST HALF OF 2022

- Results in line with expectations
- Solid financial structure
- Opening of two fully owned student Managed housing
- Kaufman & Broad awarded the “Best Managed Companies” label

■ Key sales activity indicators

(H1 2022 vs. H1 2021)

- **Total orders:**
€653.2 M vs €609.2 M incl. VAT
Of which Housing: €624.7 M vs.
€569.7 M incl. VAT
Of which Commercial Property:
€28.5M vs €39.5 M incl. VAT
- **Housing take-up period*:**
5.4 vs. 4.0 months (+1.4 months)

■ Key financial data

(H1 2022 vs. H1 2021 except where otherwise stated)

- **Revenue:**
€574.4M vs. €605.8 M
Of which Housing: €481.6M vs €519.1 M
- **Gross margin:**
€99.6M vs €104.7M
- **Operating Margin rate (EBIT)**:**
7.5% vs 7.6%
- **Current Operation income (EBIT):**
€42.8M vs €45.9 M
- **Attributable net income:**
€22.7M vs €22.7M
- **Net Financial Debt***:**
€67.1M vs €-35.9M at end-Nov. 2021
Of which Managed housing business:
€26.3M vs €17.3. at end-Nov. 2021
- **Financial Capacity:** €347.5M vs.
€439.5M at end-Nov. 2021

■ Key growth indicators

(end of May 2022 vs. end of May 2021)

- **Global Backlog:**
€3,402.4M vs €3,490.3M
Of which Housing: €2,326.3M
vs €2,289.9 M
- **Housing property portfolio:**
35,037 vs 35,000 lots at end-May 2021

Today, Kaufman & Broad SA is announcing its financial results for the first half of fiscal year 2022 (December 1, 2021 to May 30, 2022). Nordine Hachemi, President and CEO of Kaufman & Broad, stated:

“The results for the first half of 2022 are in line with expectations, with the second quarter broadly in with the previous one.

Net orders in value increased by 9.7%. They benefit from a favorable mix effect as well as an increase in selling prices per sq.m. The commercial offer is up by 20.7%.

The tensions noted in the 1st quarter on construction costs continued during the 2nd quarter. They have been absorbed by a prudent budgetary policy implemented for several years, associated with the rigor in the positions taken on land.

Continuing to favor the profitability of operations over their volume in order to preserve future growth, Kaufman & Broad has chosen to postpone certain operations whose purchase conditions do not allow direct costs (land and construction) to be borne.

This strategy made it possible to maintain a solid economic performance throughout the half-year, with a virtually stable current operating profit (COP) rate. Net income group share was unchanged from one half-year to the next and slightly up in relation to the number of shares.

During the first half of the year, Kaufman & Broad did not see any decline in demand from individuals and institutions, which was still supported by structural factors.

Over the coming period, Kaufman & Broad will be able to adapt its commercial offer to new market conditions by relying on its economic model, characterized in particular by rapid sales rates and the absence of inventory.

The development of portfolios of managed residences for seniors and students based on the unique developer/investor/operator model has been actively pursued. Kaufman & Broad now owns two student residences put into service in Gagny and Amiens. In addition, there are six new projects representing an investment in capital and debt, over the next few years, for around €100 million. These projects create value over time based on their operating history.

The planning permission for the Reims project has been obtained for an area of 82,500 m². It will see the establishment of a 35,000 m² campus as well as a student residence and a senior residence, housing and shops.

Finally, Kaufman & Broad is one of 11 French companies to have obtained Deloitte's "Best Managed Companies" label, rewarding the excellence of companies that stand out for the quality of their management and their performance, in particular CSR. Created thirty years ago by Deloitte Canada, this label has been awarded to date to nearly 1,200 companies in 45 countries.

* Calculated based on the first 6 months of the year.

** Expressed as a percentage, corresponding to recurring operating income, i.e. net profits minus recurring operating expenses, divided by revenue.

*** Except for IFRS 16 debt and Neoresid put debt.

In the medium term, Kaufman & Broad will benefit from the quality of its Backlog, its great financial solidity and its responsiveness to take advantage of a structural demand that is still sustained and, beyond that, of the effects of the major macro-economic readjustments in progress on its activity and its markets.

Over the whole of the 2022 financial year and excluding the impact of the Austerlitz station rehabilitation program, revenue should increase by around 5%. The current operating income (COP) or EBIT rate should be above 7%.

These prospects may, if necessary, be subject to revisions over the coming months depending on the evolution of the economic and financial situation, but also on the decision of the Council of State on the file of the station of Austerlitz."

◆ Sales Activity

✓ Housing

In the first half of 2022, housing orders by value stood at €624.7 million (incl. Tax), compared to €569.7 million in the first half of 2021, an increase of 9.7%. By volume, these orders were for 2,525 units (compared to 2,780 units in the first half of 2021), a decrease of 9.2%.

The take-up period for Project completion stood at 5.4 months in the first half of 2022, up 1.4 months from the first half of 2021 (4.0 months).

Our Property supply, with 92% of units located in high-demand areas (A, Abis, and B1), stood at 2,265 units at the end of May 2022 (1,876 units at the end of May 2021).

✓ Customer Breakdown

First-time buyer orders accounted for 17% of sales, compared to 10% in the first half of 2021. Second-time buyers accounted for 12% of sales, compared to 6% during the same period in 2021. Orders from investors accounted for 37% of sales (including 29% for the Pinel incentive alone). Finally, block sales shrank noticeably as a share of total sales, only reaching 33% of orders by value (incl. tax), compared to 47% in the first half of 2021).

✓ Commercial Property

In the first half of 2022, the Commercial Properties Business saw €28.5 million (incl. tax) in net orders, compared to €39.5 million (incl. tax) in the first half of 2021.

Kaufman & Broad is currently operating or considering developing roughly 145,600 sq.m of office space and around 192,500 sq.m of logistics space. There are also 65,000 sq.m of offices space either currently in construction, or starting up over the next few months, along with nearly 70,000 sq.m of logistics space. Finally, there are transactions covering nearly 88,100 sq.m of office space that are waiting to be finalized.

✓ Leading indicators for sales and growth

On May 31, 2022, the Housing Backlog stood at €2,326.3 million (excl. VAT), compared to €2,289.9 million (excl. VAT) for the same period in 2021, equivalent to 25.5 months of activity, compared to 24.3 months of activity in the first half of 2021. On the same date, Kaufman & Broad had 154 housing projects under sale, with a total of 2,265 units (compared to 155 projects and 1,876 units in the first half of 2021).

The Housing property portfolio represents 35,037 housing units. It has remained stable compared to the end of May 2021 (+0.1%) and represents more than 5 years of commercial activities.

In addition, 93% of the housing units in the land portfolio are located in high-demand areas, representing a total of 32,640 units at the end of May 2022.

In Q3 2022, the group plans on launching 23 new projects, including 9 in Ile-de-France with 434 units, and 14 in other regions, with 612 unites.

In the first half of 2022, the Commercial Properties Backlog stood at €1,076.1 million (Excl. VAT), compared to €1,200.4 million (Excl. VAT) for the same period in 2021.

◆ Financial Results

✓ Activity

Overall revenue stood at €574.4 million (Excl. VAT), compared to €605.8 million in the first half of 2021.

Housing revenue came to €481.6 million (Excl. VAT), compared to €519.1 million (Excl. VAT) in the first half of 2021. It accounted for 83.8% of group revenue.

Revenue from Apartments was €461.7 million (Excl. VAT) (compared to €487.2 million (Excl. VAT) in the first half of 2021). Revenue from Commercial Property came out at €87.3 million (Excl. VAT), compared to €83.0 million (Excl. VAT) for the same period in 2021. Other activities generated €5.5 million (Excl. VAT) in revenue, compared to €3.8 million in 2021.

✓ Profitability data

Gross margin were €99.6 million for the first half of 2022, compared to €104.7 million for the same period in 2021. The Gross Margin rate was 17.3%, the same as in 2021.

Current operating expenses totaled €56.8 million (9.9% of revenue), compared to €58.7 million in the first half of 2021 (9.7% of revenue). Current Operating Income was €42.8 million, compared to €45.9 million in 2021. The Current Operating Margin was 7.5%, compared to 7.6% in the first half of 2021.

Consolidated net income was €31.4 million for the first half of 2022, compared to €30.6 million in 2021. Non-controlling interests stood at €8.7 million, compared to €7.9 million in the first half of 2021. Attributable net income came to €22.7 million, just as in the first half of 2021.

✓ Financial Structure and Liquidity

As of May 31, 2022, Net financial debt (excluding for IFRS 16 debt and Neoresid put debt) stood at €67.1 million, compared to in positive net cash of €35.9 million at end-November 2021. Cash assets (available cash and investment securities) rose to €97.5 million on May 31, 2022, compared to €189.5 million on November 30, 2021. Financial Capacity was €347.5 million, compared to €439.5 million at the end of November 2021.

Working capital requirements were at €177.0 million at the end of May 2022, i.e. 14.2% of revenue, compared to €116.9 million at the end of May 2021 (8.4% of revenue).

◆ KB ACTIONS 2022

In a June 15, 2022, Press Release, Kaufman & Broad SA announced a new shareholder offer, "KB ACTIONS 2022," reserved for employees.

The main objective of Kaufman & Broad SA is to involve group employees more closely in the future of the company through the subscription of shares under preferred terms and offer them the opportunity to benefit from the company's development. Employees of the group are today among the principal shareholders of Kaufman & Board SA.

◆ Governance

The Combined Shareholders' Meeting on May 5, 2022 confirmed the nomination of Ms. Aline Stickel as the administration representative of shareholder employees. Aline Stickel has a degree in private law and is a fully qualified lawyer, having successfully passed her bar examinations. She joined the group in 2000 and was later appointed to manage the operative legal teams in 2001 and the corporate legal team in 2011. She has been a member of the Supervisory Board of "FCPE KB Actions" since 2018.

◆ Outlook for 2022

Over the whole of the 2022 financial year and excluding the impact of the Austerlitz station rehabilitation program, revenue should increase by around 5%. The current operating income (COP) or EBIT rate should be above 7%.

These prospects may, if necessary, be subject to revisions over the coming months depending on the evolution of the economic and financial situation, but also on the decision of the Council of State on the file of the station of Austerlitz.

This document is available from the website www.kaufmanbroad.fr

◆ Next press release planned for:

- ✓ October 3, 2022: Results for the first nine months of 2022 (after the Stock Exchange closes)

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About Kaufman & Broad - Kaufman & Broad has been designing, developing, building, and selling single-family homes in communities, apartments, and offices on behalf of third parties for more than 50 years. Its size, profitability and strong brand name have made Kaufman & Broad one of France's leading property developers and builders.

Kaufman & Broad's Universal Registration Document was filed with the Autorité des Marchés Financiers (French Financial Markets Authority, the "AMF") on March 31, 2022 under number D.22-0223. It is available on the websites of the AMF (www.amf-france.org) and Kaufman & Broad (www.kaufmanbroad.fr). It contains a detailed description of Kaufman & Broad's operations, results and outlook, as well as the related risk factors. Kaufman & Broad notes in particular the risk factors described in Chapter 4 of the Universal Registration Document. Should one or more of these risks occur, the operations, assets, financial position, results or outlook of the Kaufman & Broad group, as well as the market price of Kaufman & Broad shares, could be materially adversely affected.

This press release does not, and shall not, constitute a public offer, nor an offer to sell or to subscribe, nor a solicitation to offer to purchase or to subscribe securities in any jurisdiction.

GLOSSARY

Backlog (order book): in the case of sales before completion (VEFA), the backlog covers orders for housing units that have not been delivered and for which a notarized deed of sale has not yet been signed, and orders for housing units that have not been delivered and for which a notarized deed of sale has been signed for the portion not yet recorded in revenue (in the case of a program that is 30% complete, 30% of the revenue from a housing unit for which a notarized deed has been signed is recognized as revenue, while 70% is included in the backlog). The backlog is a summary established at a given time, making it possible to estimate the amount of revenue yet to be recognized over the coming months and thus upholding the group's forecasts - with the proviso that there is an element of uncertainty in the conversion of the backlog into revenue, particularly for orders for which a deed of sale has not yet been signed.

Lease-before-completion (BEFA): a lease-before-completion involves a customer leasing a building before it is built or redeveloped.

Working Capital Requirement (WCR): WCR results from deferrals of cash flow: inflows and outflows relating to operating expenditures and revenues necessary for the design, production and marketing of real estate projects. WCR can thus be simply expressed as current assets (inventory + accounts receivable + other operating receivables + advances received + deferred income) minus current liabilities (accounts payable + VAT and social security liabilities + other operating liabilities + prepaid expenses). The amount of WCR will depend in particular on the length of the operating cycle, the extent and duration of the work-in-process inventory carried, the number of projects initiated, and the payment terms granted by suppliers and delivery schedules granted to customers.

Free cash flow: free cash flow is equal to cash flow minus net operating investments for the financial period.

Cash flow: cash flow after cost of financial debt and taxes is equal to consolidated net income adjusted for the group's share of the income of equity affiliates and joint ventures, the income from discontinued operations, and estimated income and expenses.

Financing capacity: corresponds to cash assets plus lines of credit not yet drawn.

Senior loans (lines of credit): banks use senior debt to fund LBO (leveraged buyout) transactions. LBO financing by banks is risky in the bank credit market. It consists of loans repayable by installments and/or, most frequently, "bullet repayment" type loans, but also lines of credit to finance the working capital requirements and growth policies of companies involved in this type of acquisition. Senior debt is debt that enjoys specific guarantees, the repayment of which has priority over other so-called subordinated debt. It is therefore "priority debt".

Take-up period: the inventory take-up period is the number of months required for available housing units to be sold if sales continue at the same pace as in previous months, i.e. housing units outstanding (available supply) per quarter divided by the number of orders per quarter ended and with orders in turn divided by three.

Dividend: the dividend is the share of a company's annual net profit distributed to shareholders. Its amount is proposed by the Board of Directors and is subject to approval at the Shareholders' Meeting. It is payable within a maximum period of nine months after the end of the fiscal year.

EBIT: corresponds to current operating income, i.e. gross margin minus current operating expenses.

Gross debt or gross financial debt: gross financial debt consists of long-term and short-term financial liabilities, financial hedging instruments relating to those liabilities, and accrued interest on those liabilities and hedging instruments.

Net debt or net financial debt: a company's net debt or net financial debt is the balance between its gross financial liabilities (or gross financial debt) on the one hand, and the available cash and financial investments constituting its "cash assets" on the other. It represents the company's creditor or debtor position with respect to third parties outside the operating cycle.

EHU: (Equivalent Housing Units) are a direct reflection of business volumes. The number of EHUs is a function of multiplying (i) the number of housing units of a given program for which notarized sales deeds have been signed by (ii) the ratio between the group's property expenses and construction expenses incurred on said program and the total expense budget for said program.

Gross margin: corresponds to revenue minus the cost of sales. The cost of sales is made up of the price of land and any related costs plus the cost of construction.

Property supply: refers to the total inventory of properties available for sale as of the date in question, i.e. all unordered housing units as of this date (minus the programs that have not yet entered the marketing phase).

Property portfolio: includes land for development (otherwise called the land portfolio), i.e. land for which a deed or promise of sale has been signed, as well as land under review, i.e. land for which a deed or promise of sale has not yet been signed.

Debt (or gearing) ratio: the ratio of net debt (or net financial debt) to the company's consolidated shareholders' equity. It measures the risk to the company's financial structure.

Orders: measured in volume terms (units) and value terms; orders reflect the group's sales activity. Orders are recognized in revenue based on the time necessary to "convert" an order into a signed and notarized deed, which is the point at which income is generated. In addition, in the case of multi-occupancy housing programs that include mixed-use buildings (apartments, business premises, retail space, and offices), all of the floor space is converted into housing unit equivalents.

Orders (in value): this figure represents the value of the real estate as expressed in order contracts signed, including VAT, for a given period. It is net of cancellations recorded during that period.

Managed housing: managed housing, or service housing, refers to building complexes made up of units (houses or apartments) for residential use, offering certain services such as reception, linens, housekeeping and maintenance, and breakfast. There are several different types of housing in this category: student housing including apartment complexes, mostly furnished studios with a kitchenette located in the vicinity of schools and universities and close to public transportation; tourist accommodation located in high-potential tourist areas offering, in addition to the usual services, amenities such as swimming pools, sports fields, sometimes saunas, steam rooms, jacuzzis and children's clubs; corporate housing as an alternative to traditional hotels, including studios (about 80%) and two-room apartments located in city centers or close to major business hubs with convenient access to everything; and lastly, senior residences (including both assisted and non-assisted living facilities for the elderly) designed to prepare for an aging population and housing people aged 55 and over; their customers include both leaseholders and property owners.

CSR (Corporate Social Responsibility): Corporate Social Responsibility (CSR) is the contribution made by businesses to sustainable development issues. For businesses, this consists in taking into account the social and environmental impacts of their activities and adopting the best possible practices, thus helping to improve society and protect the environment. CSR makes it possible to combine economic thinking, social responsibility and environmental responsibility (as defined by the French Ministry of Ecology, Sustainable Development and Energy).

Take-up rate: this represents the percentage of a real estate program's initial inventory that is sold on a monthly basis (sales per month divided by the initial inventory), i.e. net monthly orders divided by the ratio between the opening inventory and the closing inventory, divided by two.

EBIT margin: expressed as a percentage, this corresponds to current operating income, i.e. gross margin minus current operating expenses divided by revenue.

Cash assets: correspond to cash and cash equivalents on the assets side of the balance sheet, i.e. all available cash (bank balances and cash on hand), investment securities (short-term investments and term deposits), and order balances.

Net cash: corresponds to "negative" net debt or "negative" net financial debt, meaning that the company's balance of available cash and financial investments making up its "cash assets" is greater than the amount of its gross liabilities (or gross financial debt).

Units: the number of housing units or equivalent housing units (for mixed projects) in a given project. The number of equivalent housing units is calculated as a ratio between the surface area by type (business premises, retail space or offices) and the average surface area of the housing units previously obtained.

Sale-before-completion (VEFA): a sale-before-completion is an agreement whereby the seller immediately transfers its rights to the land and ownership of the existing buildings to the buyer. The future structures will become the buyer's property as and when they are completed: the buyer is required to pay the price of these structures as construction on them progresses. The seller retains the powers of the Project Owner until acceptance of the work.

APPENDICES

◆ Financial Data

Primary Consolidated Data

In millions of euros

	Q2 2022	H1 2022	Q2 2021	H1 2021
Revenue	295,372	574,385	319,931	605,846
· Of which Housing	246,364	481,558	271,780	519,122
· Of which Commercial properties	45,955	87,280	46,700	82,960
· Of which Other***	3,053	5,547	1,451	3,764
Gross Margin	51,270	99,560	55,263	104,676
Gross Margin (%)	17.4%	17.3%	17.3%	17.3%
Recurring Operating Income (or EBIT)*	21,818	42,801	24,034	45,942
Operating Margin – EBIT (%)	7.4%	7.5%	7.5%	7.6%
Attributable net income	10,907	22,724	10,930	22,732
Attributable net income per share (€/share)**	0.51	1.07	0.50	1.05

*EBIT corresponds to current operating income, i.e., gross margin minus current operating expenses.

**Based on the number of shares in the share capital of Kaufman & Broad S.A., i.e. 21,713,023 shares on May 31, 2021, and 21,313,023 shares as of May 31, 2022.

***including 3.2 million euros in revenue related to the operation of student managed housing.

Consolidated Income Statement

In thousands of euros

	Q2 2022	H1 2022	Q2 2021	H1 2021
Revenue	295,372	574,385	319,931	605,846
Cost of Sales	-244,102	- 474,825	-264,668	- 501,169
Gross Margin	51,270	99,560	55,263	104,676
Selling expenses	-4,665	- 9,366	-3,183	- 7,105
Administrative expenses	-9,947	- 26,169	-16,035	- 26,462
Technical and after-sales service expenses	-6,165	-11,996	-5,260	-10,518
Development and program expenses	- 8,674	-9,229	- 6,750	-14,648
Current Operating Income	21,818	42,801	24,034	45,942
Other non-recurring income and expenses	0	0	0	0
Operating Income	21,818	42,801	24,034	45,942
Net Cost of Financial Debt	- 4,092	-6,936	- 3,757	-5,986
Other Financial Expenses and Income	0	0	0	0
Income tax	- 2,850	-6,626	- 4,556	-10,133
Share of income (loss) of equity affiliates and joint ventures	867	2,205	53	762
Consolidated Net Income	15,743	31,444	15,774	30,586
Non-controlling interests	4,835	8,720	4,844	7,854
Attributable net income	10,907	22,724	10,930	22,732

Consolidated Balance Sheet

In thousands of euros

	May 31, 2022	November 30, 2021
ASSET		
Goodwill	68,661	68,661
Intangible Assets	91,761	91,157
Tangible Assets	19,115	17,364
Right-of-use assets	20,163	15,514
Investment Properties	6,294	-
Associates and joint ventures	11,984	10,537
Other Non-Recurring Financial Assets	7,432	7,170
Deferred Tax Asset	706	791
Non-current assets	226,117	211,194
Inventory	455,300	421,876
Client Receivables	459,042	456,548
Other Receivables	182,087	187,618
Cash Flow and Cash Flow Equivalents	97,460	189,460
Advance payments	1,394	588
Current assets	1,195,284	1,256,344
TOTAL ASSETS	1,421,400	1,467,537
	May 31, 2022	November 30, 2021
LIABILITY		
Share Capital	5,541	5,645
Bonuses, Reserves, and Other	195,557	205,629
Attributable net income	22,723	43,866
Attributable shareholders' equity	223,822	255,140
Non-controlling interests	16,137	12,566
Shareholders' equity	239,958	267,707
Non-current provisions	30,870	31,998
Non-current financial liabilities	166,095	149,392
Long-term financial lease liabilities	13,477	10,342
Deferred tax liabilities	39,918	41,362
Non-current liabilities	250,361	233,094
Current provisions	2,185	4,660
Other current financial liabilities	1,994	4,212
Short-term financial lease liabilities	6,070	4,647
Trade payables	760,933	800,550
Other liabilities	156,996	151,537
Prepaid income	2,903	1,131
Current liabilities	931,081	966,737
TOTAL LIABILITIES	1,421,400	1,467,537

◆ Operations Data

Housing	Q2 2022	H1 2022	Q2 2021	H1 2021
Revenue (€M excl. VAT)	246.4	481.6	271.8	519.1
· Of which apartments	232.3	461.7	259.3	487.2
· Of which single-family homes in communities	14.0	19.9	12.5	31.9
Deliveries (EHUs)	1,263	2,610	1,525	2,908
· Of which apartments	1,207	2,530	1,478	2,777
· Of which single-family homes in communities	56	80	47	131
Net orders (number)	1,288	2,525	1,636	2,780
· Of which apartments	1,223	2,370	1,499	2,637
· Of which single-family homes in communities	65	155	137	143
Net orders (€M incl. VAT)	346.7	624.7	335.4	569.7
· Of which apartments	327.6	579.8	300.4	532.3
· Of which single-family homes in communities	19.1	44.9	35.0	37.4
Property supply at end of period (number)	2,265		1,876	
Backlog at end of period				
· In value (€M excl. VAT)	2,326.3		2,289.9	
- Of which apartments	2,157.6		2,175.5	
- Of which single-family homes in communities	168.7		114.3	
· In months of business	25.5		24.3	
End-of-period land reserve (number)	35,037		35,000	

Commercial	Q2 2022	S1 2022	Q2 2021	S1 2021
Revenue (€M excl. VAT)	46.0	87.3	46.7	83.0
Net orders (€M incl. VAT)	28.5	28.5	1.1	39.5
Backlog at end of period (€M excl. VAT)	1,076.1		1,200.4	