

ANNUAL RESULTS 2022

- **Net income up 11.7%**
- **Very solid financial structure, Kaufman & Broad the only European developer with an *Investment Grade* rating ***
- **Proposed dividend for 2022 of €2.40 per share**

◆ Main elements of commercial activity

- ◆ **Total reservations:** €1481.7M including tax
 - Of which housing : €1433.8M including tax
 - O/w Commercial : €47.9M
- ◆ **Housing take-up period:** 4.3 months

◆ Key financial data

- **Revenue** : €1314.9M
O/w housing : €1152.5M
- **Gross profit** : €228.2M
- **EBIT margin^(a)** : 7.5%
- **EBIT** : €98.2M
- **Net income (Group share)** : €49.0M
- **Net financial debt^(b)** : €67.8M
Of which investments in managed residences : €25.8M
- **Financial capacity** : €351.0M

◆ Key growth indicators

- **Global backlog** : €3393.3M
O/w housing : €2362.8M
- **Real estate portfolio Housing** : 34,009 units

Kaufman & Broad SA today announced its results for 2022 (from December¹ to 30 November 2022). Nordine Hachemi, Chairman and Chief Executive Officer of Kaufman & Broad, said:

'The 2022 results are in line with the guidelines. They confirm Kaufman & Broad's ability to maintain a solid economic performance in a constrained environment.

Over the full year, net housing reservations rose by 2.1% in value terms. The commercial offering increased by 10.3%. The pace of marketing remains strong, as evidenced by the 4.3 month take-up off period reflecting the adaptation of Kaufman & Broad's offer to demand.

The continued strengthening of the CSR policy has enabled Kaufman & Broad to progress in the CDP(c) index with an A- rating versus a sector B rating. The capital increase reserved for employees was a success, hailed by the 2022 Employee Share Ownership Grand Prix (SME ETI category).

2023 presents itself as a period of adjustment of the parameters of the housing market due to the rise in rates observed over the last twelve months. This generates a form of wait and see attitude on the part of all market players which results in a decline in volumes in the short term.

Structurally unmet demand continues to accumulate, fuelled by demographic and sociological fundamentals. In addition, the consequences of the energy transition contribute to the reduction of the housing stock of inferior thermal quality.

Kaufman & Broad is currently the only European developer with an Investment Grade^(c) rating, attesting to the quality of its financial structure. Based on its strong balance sheet and the high level of its Backlog, the Group has the ability to adapt to this period and, beyond that, take advantage of market adjustments.

For the year 2023, turnover is expected to be around 1.5 billion euros, current operating income is expected to be around 8% and the group's net cash position to be positive.

The 2022 results, the strong financial structure of Kaufman & Broad and the high level of its Backlog led the Board of Directors to propose a dividend of euros 2.40 per share for the fiscal year 2022 at the Annual General Meeting to be held on May 4. '

* According to the databases of the three main rating agencies, namely Standard & Poor's, Moody's and Fitch ratings, Kaufman & Broad is the only real estate developer to be rated Investment Grade in continental Europe.

(A) expressed as a percentage, it corresponds to current operating income cad to the gross margin less current operating expenses divided by sales

(B) excluding IFRS 16 and Puf Neoresid debt,

(C) See definition in the glossary of this document

◆ Sales Activity

✓ Housing

In 2022, housing reservations in value amounted to 1433.8 million euros (including tax), compared to 1404.5 million euros compared to the same period in 2021, up 2.1%. In volume terms, they stood at 6,214 housing units in 2022 compared to 6,609 in 2021, a decrease of 6.0%.

The take-up period for programmes was 4.3 months in 2022, an increase of 0.6 months compared to the same period in 2021 (3.7 months).

The commercial offering, with 97% of homes located in tight areas (A, ABIS and B1), amounted to 2,218 homes at the end of 2022 (2,011 units at the end of 2021).

Customer Breakdown

In 2022, bookings in value (including tax) of first time buyers accounted for 13% of sales, compared to 12% over the same period in 2021. First time buyers accounted for 9% of sales, compared with 8% in 2021. Reservations made to investors accounted for 33% of sales (of which 24% for Pinel alone), compared with 34% in November 2021. At the end of November 2022, block sales accounted for 45% of reservations in value (including Vat), compared with 46% over the same period in 2021.

✓ Commercial Property

At 30 November 2022, the commercial division recorded net reservations of 47.9 million euros (including Vat) compared to 53.7 million euros (including Vat) at the end of November 2021.

Kaufman & Broad currently has about 105,800 m² of office space and approximately 154,200 m² of logistics space on the market or under consideration. In addition, 40,900 sq.m. of office space is currently being built or started in the coming months, as well as nearly 28,600 sq.m. of logistics space. lastly, nearly 115,900 sq.m of office space remains to be signed (of which 95,500 sq.m related to the renovation of the Austerlitz station was signed in December 2022).

✓ Leading indicators of business activity and growth

In 2022, Backlog Logement stood at 2362.8 million euros (excl. VAT) compared to 2385.3 million euros (excl. VAT) for the same period in 2021, i.e. 24.6 months of activity compared to 25.8 months of activity at the end of November 2021. At the end of November 2022, Kaufman & Broad had 142 housing programmes under marketing, representing 2,218 housing units (146 programmes and 2,011 housing units at the end of 2021).

The real estate portfolio represents 34,009 units and is down 3.2% compared to the end of November 2021 (35,149 units). At the end of November 2022, it corresponded to over 5 years of commercial activity.

In addition, 90% of the housing units in the land portfolio are located in tight areas, representing 30,678 housing units as of 30 November 2022.

In the 1st quarter of 2023, the Group plans to launch 20 new programs, including 3 in the Paris region representing 127 units and 17 in the Regions representing 766 units.

At 30 November 2022, the Backlog for the Commercial division was 1030.5 million euros excluding tax compared with 1133.4 million euros excluding tax for the same period in 2021.

◆ Financial performance

✓ Activity

Total sales amounted to 1314.9 million euros (excluding Vat), compared to 1281.8 million euros for the same period in 2021.

Residential property sales amounted to 1152.5 million euros (exclusive of tax), compared to 1109.1 million euros (exclusive of tax) in 2021. It represents 87.7% of the Group's revenue.

Revenue for the Apartments business was 1076.3 million euros (excluding Vat) (vs. 1054.7 million euros (excl. VAT) at end November 2021). Revenue for the Commercial Division was 150.2 million euros (excluding Vat), compared with 165.5 million euros (excluding Vat) for the same period in 2021. Other activities generated revenues of 12.2 million euros (excluding Vat) (including 6.7 million euros in revenues related to the operation of student residences) compared to 7.2 million euros in 2021.

✓ Profitability data

At 30 November 2022, gross profit amounted to 228.2 million euros, compared to 222.6 million euros over the same period in 2021. The gross margin was 17.4%, as in 2021.

Current operating expenses amounted to 130.0 million euros (9.9% of sales), compared to 124.2 million euros in the same period in 2021 (9.7% of sales). Recurring operating income amounted to 98.2 million euros, compared to 98.4 million euros in 2021. Recurring operating income stood at 7.5% compared to 7.7% in 2021.

At the end of November 2022, consolidated net income amounted to 69.3 million euros, compared with 66.3 million euros in 2021. Non controlling interests amounted to 20.2 million euros at 30 November 2022, compared with 22.5 million euros in 2021.

Net income attributable to equity holders of the parent was 49.0 million euros, compared with 43.9 million euros in 2021.

✓ Financial structure and liquidity

Net financial debt (excluding IFRS 16 debt and Neoresid put debt) at 30 November 2022 was 67.8 million euros, compared with a positive net cash position of 35.9 million euros at the end of November 2021. Cash and cash equivalents amounted to 101.0 million euros at 30 November 2022, compared with 189.5 million euros at 30 November 2021. Financial capacity amounted to 351.0 million euros at 30 November 2022, compared with 439.5 million euros at the end of November 2021.

In 2022, working capital requirements amounted to 190.0 million euros at 31 November 2022, or 14.5% of sales, compared to 113.7 million euros at the end of November 2021 (or 8.9% of sales).

◆ Capital reduction by cancelling treasury shares

Pursuant to the authorisation granted at the Shareholders' Meeting of 5 May 2022, the Board of Directors' meeting of 27 January 2023 reduced the capital of Kaufman & Broad SA by cancelling 500,000 treasury shares, compared with 299,999 shares created as part of the October 2022 Employee Share Ownership Operation (ORS).

◆ Dividend

At the Shareholders' Meeting of 4 May 2023, the Board of Directors of Kaufman & Broad SA will propose the payment of a dividend of €2.40 per share.

◆ Outlook for 2023

For the year 2023, turnover is expected to be around 1.5 billion euros, current operating income is expected to be around 8% and the group's net cash position to be positive.

This press release is available at www.kaufmanbroad.fr

◆ Next periodic information date:

- ✓ Thursday, 13 April 2023: Publication of the 1st quarter 2022 results (after trading)

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About KAUFMAN & BROAD

For more than 50 years, KAUFMAN & BROAD has been designing, developing, building and selling apartments, single-family homes in communities, managed housing, retail areas, business spaces and offices buildings.

As a designer and a true urban builder alongside regional authorities to develop new neighbourhoods and major urban projects, KAUFMAN & BROAD is one of the first French Developers-Builders by the combination of its size, profitability and the strength of its brand.

Let us create a more virtuous city together.

For more information : www.kaufmanbroad.fr

GLOSSARY

Backlog or (backlog): it covers, for sales in the future state of completion (VEFA), the undelivered reserved housing units for which the notarial bill of sale has not yet been signed and the undelivered reserved housing units for which the notarial bill of sale has been signed up to the portion not yet taken into revenue (on a 30% advanced program, 30% of the revenue of a housing unit for which the notarized bill of sale has been signed is recorded in revenue, 70% are included in the backlog). The backlog is a summary at a given time that makes it possible to estimate the revenue remaining to be recognised in the coming months and thus reinforce the Group's forecasts - it being specified that there is an uncertain proportion of transformation of the backlog into revenue, particularly for reservations not yet recorded.

BEFA: the building under completion consists of renting a building before it is built or restructured.

Working capital requirement (WCR): This arises from cash flow mismatches: Disbursements and receipts corresponding to operating expenses and revenues required for the design, production and marketing of real estate programs. The resulting simplified expression for WCR is as follows: these are current assets (inventory + trade receivables + other operating receivables + advances received + prepaid income) less current liabilities (trade payables + tax and social security payables + other operating liabilities + prepaid expenses). The size of the WCR will depend in particular on the length of the operating cycle, the size and duration of storage of work-in-progress, the number of projects launched and the payment terms granted by suppliers or the profile of payment schedules granted to customers.

Free cash flow: free cash flow is equal to cash flow less net operating investments
For the year.

Cash flow from operations: cash flow from operations after finance costs and taxes is equal to consolidated net income adjusted for the share in net income of associates, joint ventures and income from discontinued operations and calculated income and expenses.

Available for sale financial assets: corresponds to cash and cash equivalents plus undrawn credit facilities

CDP: (formerly Carbon Disclosure Project): Measuring the environmental impact of companies.

banks use senior debt to finance leveraged buy Out (LBO) transactions. The financing of LBOs by banks is a risky operation in the bank credit market. It is characterized by loans of the "amortizable" type and/or, in the most frequent case, of the "bullet" type, but also by lines of credit intended for the financing of working capital needs and the development policy of the company concerned by this mode of acquisition. Senior debt is debt that benefits from specific guarantees and whose repayment has priority over other, so-called subordinated debt. It is therefore a preferred debt.

Take-up period: The take-up period for inventories is the number of months required for available housing units to be sold if sales continued at the same pace as in previous months, i.e. the outstanding number of units (available offer) per quarter divided by reservations per quarter elapsed themselves divided by three.

Dividend: The dividend is the portion of the Company's net income distributed to shareholders. Its amount, proposed by the Board of Directors, is submitted to the shareholders for approval at the General Meeting. It is payable within a maximum of 9 months after the end of the financial year.

EBIT: corresponds to current operating income cad to gross margin less current operating expenses.

Gross financial debt or financial debt: gross financial debt consists of long term and short term financial liabilities, hedging financial instruments relating to liabilities constituting gross financial debt and accrued interest on the balance sheet items constituting gross financial debt.

Net debt or net financial debt: the net debt or net financial debt of a company is the balance of its gross financial debt (or gross financial debt), on the one hand, and available financial investments forming its 'Active cash' on the other hand. It represents the credit or debit position of the company vis-à-vis third parties and outside the operating cycle.

Investment grade: investment grade means that a financial instrument or a company has a relatively low risk of default.

LEU: (Equivalent Units delivered) is a direct reflection of business activity. The number of 'LEU' is equal to the product (I) the number of housing units in a given programme for which the notarial deed of sale has been signed and (II) the ratio between the amount of land and construction expenditure incurred by the group on the said program and the total budget of the expenditures of the said program.

Gross margin: corresponds to sales less cost of sales. The cost of sales includes the price of land, related land costs and construction costs.

Commercial offer: it is represented by the sum of the stock of available for sale dwellings on the date in question, i.e. all dwellings not reserved at that date (net of unopened commercial tranches).

Land portfolio: Land to be developed (otherwise referred to as land portfolio), i.e. land for which an act or promise of sale has been signed, as well as land under consideration, i.e. land for which an act or promise of sale has not yet been signed..

Gearing ratio: this is the ratio of net debt to consolidated shareholders' equity. It measures the risk of the company's financial structure.

Reservations: measured in units or units and in value, they reflect the Group's business activity. Their inclusion in revenues is conditional on the time required to transform a reservation into a notarized deed of sale, which generates the income statement. In addition, in multi-family housing programs including mixed-use buildings (apartments, business premises, shops, offices), all surfaces are converted into housing equivalents.

Reservations (in value): they represent the value of real estate assets resulting from reservation contracts signed, including all taxes for a given period. They are mentioned net of the withdrawals noted during the said period.

Managed residences: managed residences, or service residences, are real estate complexes consisting of housing (Houses or apartments) for residential use offering a minimum of services such as reception, supply of linen, cleaning and maintenance of housing as well as the provision of breakfast. There are several types of residences to distinguish: student residences are apartment complexes, mostly studios equipped with a kitchenette and furnished, located near schools and universities and close to public transportation; Tourist residences, located in tourist areas with high potential, offer in addition to the usual services such as swimming pools, sports grounds, sometimes saunas, hammams, whirlpools, children's club; business residences are an alternative to traditional hotels, composed of studios (about 80%) and 2-room apartments, located in the city center or near major business centers and systematically well served; finally, senior residences (also including residences for dependent or non-dependent elderly people - EHPAD), which make it possible to anticipate the aging of the population, accommodate people aged 55 and over; their clientele is mixed: renters and owners.

CSR (Corporate Social Responsibility): corporate Social Responsibility (CSR) is the contribution of companies to the challenges of Sustainable Development. The approach consists of companies taking into account the social and environmental impacts of their activity in order to adopt the best possible practices and thus contribute to the improvement of society and the protection of the environment. CSR makes it possible to combine economic logic, social responsibility and eco-responsibility (definition of the Ministry of Ecology, Sustainable Development and Energy).

take-up rate: The take-up rate (Te) is the percentage of the initial stock that sells monthly on a property programme (sales/month divided by the initial stock); i.e. the monthly net reservations divided by the ratio to the beginning of period stock plus the end of period stock divided by two.

EBIT rate: expressed as a percentage, it corresponds to current operating income cad at the gross margin less current operating expenses divided by sales

Cash and cash equivalents: Cash and cash equivalents on the assets side of the balance sheet include all available cash and cash equivalents, marketable securities (short term investments and term deposits) and deposit balances.

Net cash and cash equivalents: this corresponds to 'negative' net debt or 'negative' net financial debt. For the Company, the balance of available cash and cash equivalents and financial investments forming its 'active cash' is greater than the amount of its gross financial debt (or gross financial debt).

Units: units or Units are used to determine the number of housing units or equivalent units (for mixed programmes) in a given programme. The number of housing equivalent units is determined by relating the surface area by type (business premises, shops, offices) to the average surface area of the housing units previously obtained.

Off balance sheet sales are contracts under which the seller immediately transfers to the buyer its land rights and ownership of the existing buildings. The future works become the property of the purchaser as they are executed; the purchaser is obliged to pay the price as the works progress. The seller retains the powers of the project owner until the work is accepted.

APPENDICES

◆ Financial Data

Primary consolidated data

In thousands of euros

	Q4 2022	Year 2022	T4 2021	Year 2021
Revenue	429,125	1,314,878	392,408	1,281,800
· of which Housing	389,276	1,152,514	343,730	1,109,088
· of which Commercial Property	36,464	150,172	46,705	165,527
· Other* * *	3,386	12,192	1,973	7,185
Gross profit	73,167	228,173	69,215	222,622
Gross margin rate (%)	17.1%	17.4%	17.6%	17.4%
Recurring Operating Income (or EBIT)*	34,602	98,212	32,189	98,386
Operating Margin – EBIT (%)	8.1%	7.5%	8.2%	7.7%
Attributable net income (PDG)	17,086	49,008	12,151	43,865
Attributable net income per share (€/share)**	0.80	2.27	0.56	2.02

* Ebit corresponds to current operating income cad to gross margin less current operating expenses.

** Based on the number of shares comprising the share capital of Kaufman & Broad S.A, i.e. 21,713,023 shares as of 30 November 2021 and 21,613,022 shares as of 30 November 2022.

*** including 6.7 million euros in revenues from the operation of student residences)

Consolidated income statement

In thousands of euros

	Q4 2022	Year 2022	T4 2021	Year 2021
Revenue	429,125	1,314,878	392,408	1,281,800
Cost of sales	-355,958	-1,086,705	-323,193	-1,059,178
Gross profit	73,167	228,173	69,215	222,622
Selling expenses	-10,991	-26,892	-8,855	-20,656
Administrative expenses	-20,083	-60,912	-15,771	-55,615
Technical charges and after sales services	-6,394	-23,175	-4,764	-20,261
Development and program expenses	-1,097	-18,983	-7,636	-27,705
Current Operational Income (COI)	34,602	98,212	32,189	98,386
Other non-recurring income and expenses	0	0	0	0
Operating profit	34,602	98,212	32,189	98,386
Net Cost of Financial Debt	-6,324	-17,502	-3,219	-12,166
Other Financial Expenses and Income	0	0	0	0
Income tax	-4,485	-13,483	-8,370	-21,747
Share in net income of associates and joint ventures	171	2,023	413	1,862
Consolidated Net Income	23,964	69,251	21,013	66,334
Non controlling interests	6,878	20,243	8,862	22,469
Attributable net income	17,086	49,008	12,151	43,865

Consolidated balance Sheet

In thousands of euros

	30 Nov . 2022	30 Nov . 2021
ASSET		
Goodwill	68,661	68,661
Intangible assets	91,899	91,157
Property, plant and equipment	11,070	17,364
Right of use assets	40,196	15,514
Investment property	19,876	-
Equity affiliates and joint ventures	14,310	10,537
Other non-current financial assets	7,549	7,170
Deferred tax assets	4,281	791
Non current assets	257,841	211,194
Inventories	447,134	421,876
Accounts receivable	511,535	456,548
Other receivables	192,585	187,873
Cash flow and cash equivalents	100,998	189,460
Prepaid expenses	972	588
Current assets	1,253,223	1,256,344
TOTAL ASSET	1,511,063	1,467,538

	30 Nov . 2022	30 Nov . 2021
LIABILITY		
Share capital	5,618	5,645
Bonuses, Reserves, and Other	187,041	205,629
Attributable net income	49,008	43,866
Attributable shareholder's equity	241,667	255,141
Non controlling interests	14,682	12,566
Shareholders' equity	256,350	267,707
Non-current provisions	31,365	31,998
Non current financial debt	166,567	149,392
Long-term financial lease liabilities	36,254	10,342
Deferred tax liability	45,364	41,362
Non-current liability	279,549	233,094
Current provisions	1,477	4,660
Other current financial liabilities	5,825	4,212
Short-term financial lease liabilities	5,647	4,647
Accounts payable	842,063	800,550
Other liabilities	118,972	151,537
Prepaid income	1,180	1,131
Current liability	975,164	966,737
TOTAL LIABILITIES	1,511,063	1,467,538

◆ Operating data

Housing	Q4 2022	Year 2022	Q4 2021	Year 2021
Revenue (M€, excl. VAT)	389.3	1,152.5	343.7	1,109.1
· of which Apartments	362.7	1,076.3	331.3	1,054.7
· of which single-family homes in communities	26.6	76.2	12.4	54.4
Deliveries (EHUs)	1,898	6,002	1,882	6,194
· of which Apartments	1,807	5,739	1,833	5,973
· of which single-family homes in communities	91	263	49	221
Net orders (in number)	2,500	6,214	2,680	6,609
· of which Apartments	2,238	5,420	2,527	6,302
· of which single-family homes in communities	262	794	153	307
Net orders (M€, incl. VAT)	550.2	1,433.8	567.4	1,404.5
· of which Apartments	493.5	1,268.2	516.3	1,307.6
· of which single-family homes in communities	56.7	165.6	51.1	96.9
Housing commercial offer – end of period (number)	2,218		2,011	
Backlog at end of period				
· In value (M€, HT)	2,362.8		2,385.3	
- of which Apartments	2,148.6		2,242.8	
- of which single-family homes in communities	214.1		142.5	
· In months of activity	24.6		25.8	
End-of-period land reserve (number)	34,009		35,149	
Commercial	Q4 2022	Year 2022	Q4 2021	Year 2021
Revenue (M€, excl. VAT)	36.5	150.2	46.7	165.5
Net orders (M€, incl. VAT)	18.2	47.9	12.8	53.7
Backlog at the end of the period (M€, excl. VAT)	1,030.5		1,133.4	