

1ST HALF 2023 RESULTS

- **1st half year 2023 results in line with expectations**
- **Outlook for 2023:**
 - **Net income Group share expected to increase by approximately 20%**
 - **Very solid financial structure, with a positive net cash outlook^(b) of around €50M at the end of 2023**
 - **Expected revenue growth of 6 to 10%**

◆ **Main elements of Business activity (H1 2023 vs. H1 2022)**

■ **Global orders:**

527.7 vs €653.2M (incl. VAT)

O/w housing: 503.2 vs €624.7M (incl. VAT)

O/w Commercial property: 24.5 vs

€28.5M (incl. VAT)

■ **Take-up rate period Housing:**

5.3 vs. 4.4 months (rolling 12 months)

◆ **Main financial items (H1 2023 vs. H1 2022 unless otherwise specified)**

■ **Revenue:**

848.8 Vs €574.4M

O/w housing: 461.0 vs. €481.6M

■ **Gross margin:** 141.7 vs. €99.6M

■ **EBIT margin^(a):** 8.0 % vs. 7.5%

■ **COI (EBIT) :** 67.7 vs. €42.8M

■ **Attributable income:**

38.5 vs. €22.7M

■ **Net cash ^(b) :** €101.7M

■ **Financial capacity:** €517.1M

◆ **Main development indicators (end of May 2023 vs. end of May 2022)**

■ **Global backlog:**

2,814.0 Vs €3402.4M

Of which housing: €2,148.9 vs. €2,326.3M

■ **Land portfolio Housing:**

34,694 vs. 35,037 units at the end of May

2022

Kaufman & Broad SA today announces its results for the 1st half of fiscal year 2023 (from December 1st to 31 May 2023). Nordine Hachemi, Chairman and Chief Executive Officer of Kaufman & Broad, said:

"The commercial and financial results for the 2nd quarter of 2023 are in line with those of the 1st quarter.

Housing reservations in volume were down 11.4% in the first half, compared to an estimated decline to date of around 40%^(c) for the market as a whole.

Kaufman & Broad continued to favor bulk sales to institutional investors, which represented 76% of its reservations in volume during the 1st half, compared to 44% in the 1st half of 2022.

In addition, the group has tightened its already high requirements in terms of pre-marketing rates in order to better secure the margins of its operations. This will result in probable delays in the purchase of land - and therefore in activity - from the 2023 financial year to the 2024 financial year, which leads to a revenue growth forecast for the fiscal year of between 6 and 10%.

Finally, the group still relies on a land reserve which remains at high levels and a Housing Backlog of around two years of activity.

On the other hand, the financial results reflect the launch of the works of the A7/A8 operation of Austerlitz, which continue to proceed according to the schedule and thus contribute to the significant increase in the turnover of Kaufman & Broad and its results.

The very solid financial structure is strengthening with a net cash position^(b) of €101.7 million as of May 31, 2023 after payment of €49,5 million dividends.

The year 2023 presents itself as a period of adjustment of the parameters of the housing market due to the very rapid increase in rates observed over the last twelve months, which is reflected in a drop in the volumes of short-term reservations. However, structurally unsatisfied demand continues to accumulate, fueled by demographic and sociological fundamentals. Added to this are the consequences of the energy transition on the planned reduction of the stock of lower thermal quality housing.

In this context, Kaufman & Broad relies on its ability to adapt its offer to new market conditions, its very strong balance sheet as well as the high level of its Backlog and its property portfolio to get through the coming period and, beyond that, take full advantage of the recovery in a healthier market.

(b) Expressed in percentages, corresponding to the operational income so far with operational costs to-date deducted from gross margin, divided by the turnover

(B) excluding IFRS 16 and Puf Neoresid debt.

(C) source: ADEQUATION

All of these factors led the Group to specify the outlook announced at the end of last January for the whole of 2023:

- Attributable net income is expected to increase by around 20%,
- The Current operating income (COI) rate is expected to be around 8%,
- Revenue is expected to grow by 6 to 10%,
- Positive net cash^(b) is expected to be around 50 million euros. ‘

◆ Sales Activity

✓ Housing Division

In the 1st half of 2023, home reservations amounted to 503.2 million euros (including VAT), down 19.4% from 624.7 million euros in 2022. In volume terms, they stood at 2,235 units in 2023, down 11.5% from 2,525 in 2022.

The programme run off period was 5.3 months as of 31 May 2023 (on a rolling twelve-month basis), up 0.9 months from the same period in 2022 (4.4 months).

The commercial offering, with 95% of housing units located in tight areas (A, ABIS and B1), amounted to 2,618 units at the end of May 2023 (2,265 units at the end of May 2022).

Customer Breakdown

First time buyers' reservations accounted for 12% of sales in the 1st half of 2023, compared with 17% in 2022. First time buyers accounted for 6% of sales, compared with 12% in 2022.

Reservations made to investors accounted for 13% of sales (of which 5% for Pinel alone), compared with 39% in May 2022. Block sales accounted for 70% of reservations in value (including VAT), compared with 31% over the same period in 2022.

✓ Commercial Property

In the 1st half of 2023, the commercial property division recorded net orders of €24.5 million including VAT, compared with €28.5 million including VAT in the 1st half of 2022.

Kaufman & Broad currently has about 106,800 m² of office space and about 178,100 sq.m of logistics space on the market or under study. In addition, 136,350 sq.m. of office space is currently under construction or start up in the coming months, as well as nearly 21,400 sq.m. of logistics space. Finally, there are still 20,300 sq.m of office space to be signed.

✓ Leading indicators of business activity and growth

As of May 31, 2023, Backlog housing stood at €2,148.9 million (exclusive of tax) compared to €2,326.3 million (exclusive VAT) for the same period in 2022, i.e., 22.8 months of activity compared to 26.1 months of activity at the end of May 2022. In the 1st half of 2023, Kaufman & Broad had 145 housing programs under marketing, representing 2,618 housing units (154 programs and 2,265 housing units in the 1st half of 2022).

The land portfolio represents 34,694 units, up 2.0% compared to the end of November 2022 (34,009 units). At the end of May 2023, it represented over 6 years of business activity.

In addition, 85% of the housing portfolio is located in tight areas, representing 29,591 housing units at the end of May 2023.

In third quarter of 2023, the group plans to launch 21 new programs, including 2 in the Paris area representing 157 units and 19 in the regions representing 1,140 units.

In the 1st half of 2023, the Backlog of the Commercial Division was €665.1 million excluding tax compared to €1,076.4 million excluding tax for the same period in 2022.

◆ Financial results

✓ Activity

Total sales amounted to €848.8 million (excluding Vat) at May 31, 2023, compared with €574.4 million in 2022.

Housing revenue amounted to €461.0 million (excluding VAT), compared to 481.6 million euros (excluding VAT) in 2022. It represents 54.3% of the group's total revenue.

Revenue from the Apartments business was €428.4 million (excluding VAT) (vs. €461.7 million (excluding VAT) at the 1st half of 2022).

Revenue for the Commercial property division was €381.0 million (excluding Vat), compared to €87.3 million (excluding VAT) over the same period in 2022.

Other activities generated revenues of €6.9 million (excluding VAT) (of which €3.7 million related to the operation of student managed residences compared to €3.2 million in 2022) and €5.5 million at May 31, 2022.

✓ Profitability data

Gross profit amounted to €141.7 million in the 1st half of 2023, compared to €99.6 million in 2022. The gross margin was 16.7% compared to 17.3% in 2022.

Current operating expenses amounted to 7€3.9 million (8.7% of revenue), compared to €56.8 million in the same period in 2022 (9.9% of revenue). Current operating income amounted to €67.7 million, compared to €42.8 million in 2022. Current operating income margin stood at 8.0%, compared with 7.5% in 2022.

In the 1st half of 2023, consolidated net income amounted to €46.0 million, compared with €31.4 million in 2022. Non-controlling interests amounted to €7.5 million in the 1st half of 2023 compared to €8.7 million in 2022.

Attributable net income was €38.5 million, compared with €22.7 million in 2022.

✓ Financial structure and liquidity

The positive net cash position (excluding IFRS 16 debt and Neoresid put debt) at the end of May 2023 was 1€01.7 million, compared with a net financial debt of €67.8 million at the end of November 2022. Cash and cash equivalents amounted to €267.1 million at the end of May 2023, compared with €101.0 million at November 30, 2022. Financial capacity amounted to €517.1 million at May 31, 2023, compared with €351.0 million at the end of November 2022.

Working capital requirements amounted to €24.7 million at the end of May 2023, or 1.6% of revenue, compared to 177.0 million euros at the end of May 2022 (or 14.2% of revenue) and €190.0 million at November, 30 2022 (or 14.5% of revenue).

◆ Outlook 2023

The group sets out the outlook announced at the end of January for 2023 as a whole:

- Attributable net income is expected to increase by around 20%,
- The Current operating income (COI) rate is expected to be around 8%,
- Revenue is expected to grow by 6 to 10%,
- Positive net cash^(b) is expected to be around 50 million euros.

This press release is available at www.kaufmanbroad.fr

◆ Next periodic information date:

- ✓ Monday, 2 October 2023: Publication of the first nine months of 2023 (after trading)

Contacts

Chief Financial Officer

Bruno Coche -01 41 43 44 73/infos-invest@ketb.com

Press relations

PRIMATICE: Thomas de Climens -06 78 12 97 95/thomasdeclimens@primatice.fr

Kaufman & Broad: Emmeline CACITTI -06 72 42 66 24/ecacitti@ketb.com

About KAUFMAN & BROAD

For more than 50 years, KAUFMAN & BROAD has designed, developed, built and marketed apartments, single family homes, managed residences, shops, business premises and office buildings. KAUFMAN & BROAD is one of the first French Builders and Builders by combining its size, profitability and the power of its brand. Together, let us create a more virtuous city.

For more information: www.kaufmanbroad.fr

The Kaufman & Broad Universal Registration Document was filed on 31 March 2023 with the AMF under number D.23-0210. 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 business, results and outlook as well as the associated risk factors. Kaufman & Broad draws attention in particular to the risks described in Chapter 4 of the Universal Registration Document. The occurrence of one or more of these risks may have a material adverse effect on the Kaufman & Broad Group's businesses, assets, financial position, results or outlook, as well as on the market price of Kaufman & Broad shares.

This press release does not and shall not be deemed to constitute an offer to the public, an offer to sell or an offer to subscribe or to solicit a order to buy or subscribe in any jurisdiction.

GLOSSARY

Backlog or (order book) : it covers, for Sales in the Future Completion Status (VEFA), undelivered reserved units for which the notarially signed deed of sale has not yet been signed and undelivered reserved units for which the notarially signed deed 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 for which the notarially signed deed of sale has been recorded as revenue, 70% are included in the backlog). The backlog is a summary at a given point in time that makes it possible to estimate the revenue still to be recognised in the coming months and thus support the Group's forecasts - it being specified that there is an uncertain portion of the transformation of the backlog into revenue, particularly for bookings not yet recorded.

BEFA: the Bail in the Future Completion consists of a user renting a building even 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 from operations less net operating investments Of the year.

Operating cash flow: operating cash flow after finance costs and tax 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.

Financial capacity: corresponds to cash and cash equivalents plus undrawn credit facilities

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

Absorption Time: Absorption time is the number of months it would take for available units to be sold if sales continued at the same rate as in previous months, i.e., the number of units outstanding (available supply) per quarter divided by the number of reservations per quarter in the past divided by three.

Dividend The dividend is the portion of the Company's net annual profit 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: The EBIT corresponds to the operating income for the period, calculated at the gross margin deducted by operating costs for the current period.

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

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 housing on the date in question, that is, all the housing units not reserved on that date (net of unopened commercial tranches).

Land portfolio : This includes land to be developed. I.e. land for which a deed or a promise to sell has been signed, as well as land under study, i.e. land for which an deed or promise to sell has not yet been signed..

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

Reservations : measured in terms of volume (units or units) and value, they reflect the Group's commercial 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 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: Student residences are apartment complexes, mostly studios equipped with a kitchenette and furnished, located close to schools and universities and close to public transport; tourist residences, located in high potential tourist areas, offer in addition to the usual services of infrastructures such as swimming pools, sports grounds, sometimes saunas, hammams, whirlpool baths, children's club; business residences are an alternative to traditional hotels, consisting of studios (approximately 80%) and 2-rooms, located in the city center or near important business centers and systematically well served; finally, senior residences (including also residences for dependent or non dependent elderly people - Ehpad), which make it possible to anticipate the aging of the population, accommodating people from 55 years and beyond; their clientele is mixed: Tenants 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).

Sell-Through rate: The Sell-Through rate (Rst) represents the percentage of initial inventory that sells monthly on a real estate program (sales/month divided by initial inventory); i.e., monthly net reservations divided by the ratio of beginning-of-period inventory plus end-of-period inventory divided by two.

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

Cash and cash equivalents : this corresponds to cash and cash equivalents on the asset side of the balance sheet, including all available cash and cash equivalents, marketable securities (short term investments and term deposits) and book balances.

Net cash: If corresponds to 'negative' net debt, or 'negative' net financial debt, as for the company the balance of cash and financial investments forming its 'active cash' is greater than the amount of its gross financial debts (or gross financial debt).

Units : units or Units are used to determine the number of dwellings or housing equivalents (for mixed programmes) of 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.

Vefa: sale in the Future of Completion is the contract whereby the seller immediately transfers to the purchaser its land rights as well as the 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 millions of euros

	Q2 2023	H1 2023	T2 2022	S1 2022
Revenue	262,315	848,849	295,372	574,385
· of which Housing	231,709	460,984	246,364	481,558
· of which Commercial Property	27,092	380,969	45,955	87,280
· Other***	3,513	6,896	3,053	5,547
Gross margin	56,667	141,661	51,270	99,560
Gross margin rate (%)	21.6%	16.7%	17.4%	17.3%
Current Operating Income (or EBIT)*	18,188	67,742	21,818	42,801
Operating Margin – EBIT (%)	6.9%	8.0%	7.4%	7.5%
Attributable net income (group share)	6,945	38,527	10,907	22,724
Attributable net income per share (€/share)**	0.33	1.82	0.51	1.07

* The EBIT corresponds to the operating income for the period, calculated at the gross margin deducted by operating costs (OCR) for the current period.

** Based on the number of shares comprising the share capital of Kaufman & Broad S.A, i.e. 21,313,023 shares at 31 May 2022 and 21,113,022 shares at 31 May 2023.

*** including 3.7 million euros in revenues from the operation of student residences in the 1st half of 2023 and 3.2 million euros in the 1st half of 2022.

Consolidated income statement

In thousands of euros

	Q2 2023	H1 2023	T2 2022	S1 2022
Revenue	262,315	848,849	295,372	574,385
cost of sales	-205,648	-707,188	-244,102	-474,825
Gross margin	56,667	141,661	51,270	99,560
Selling expenses	-8,173	-14,487	-4,665	-9,366
Administrative expenses	-15,534	-30,386	-9,947	-26,169
Technical charges and after sales services	-5,878	-11,293	-6,165	-11,996
Development and program expenses	-8,894	-17,753	-8,674	-9,229
Current Operational Income (COI)	18,188	67,742	21,818	42,801
Other non-recurring income and expenses	0	0	0	0
Operating income	18,188	67,742	21,818	42,801
Net Cost of Financial Debt	-4,395	-7,417	-4,092	-6,936
Other Financial Expenses and Income	0	0	0	0
Income tax	-2,803	-14,944	-2,850	-6,626
Share of income (loss) of equity affiliates and joint ventures	364	633	867	2,205
INCOME (LOSS) OF THE CONSOLIDATED GROUP	11,353	46,014	15,743	31,444
Non-controlling interests	4,408	7,487	4,835	8,720
Attributable net income	6,945	38,527	10,907	22,724

Consolidated balance Sheet

In thousands of euros

	May 31, 2023	November 30, 2022
ASSET		
Goodwill	68,661	68,661
Intangible assets	91,930	91,899
Property, plant and equipment	10,263	11,070
Right of use assets	37,926	40,196
Investment property	19,940	19,876
Equity affiliates and joint ventures	23,051	14,310
Other non-current financial assets	7,610	7,549
Deferred tax assets	4,281	4,281
Non current assets	263,662	257,841
Inventories	446,608	447,134
Accounts receivable	486,290	511,535
Other receivables	179,827	192,585
Cash flow and cash equivalents	267,083	100,998
Prepaid expenses	1,571	972
Current assets	1,381,378	1,253,223
total Asset	1,645,040	1,511,063

	May 31, 2023	November 30, 2022
LIABILITY		
Share capital	5,488	5,618
Bonuses, Reserves, and Other	187,181	187,041
Attributable net income	38,527	49,008
Attributable shareholder's equity	231,196	241,667
Non-controlling interests	16,939	14,682
Shareholders' equity	248,135	256,350
Non-current provisions	30,374	31,365
Non-current financial debt	116,717	166,567
Long-term financial lease liabilities	34,713	36,254
Deferred tax liability	65,116	45,364
Non-current liability	296,919	279,549
Current provisions	772	1,477
Other current financial liabilities	52,319	5,825
Short-term financial lease liabilities	7,287	5,647
Accounts payable	985,566	842,063
Other liabilities	102,946	118,972
Prepaid income	1,105	1,180
Current liability	1,149,986	975,164
TOTAL LIABILITIES	1,645,040	1,511,063

◆ Operational data

Housing	Q2 2023	H1 2023	Q2 2022	H1 2022
Revenue (M€, excl. VAT)	231.7	461.0	246.4	481.6
· of which Apartments	214.8	428.4	232.3	461.7
· of which single-family homes in communities	16.9	32.6	14.0	19.9
Deliveries (EHUs)	1,083	2,147	1,263	2,610
· of which Apartments	1,030	2,040	1,207	2,530
· of which single-family homes in communities	53	107	56	80
Net orders (in number)	1,217	2,238	1,288	2,525
· of which Apartments	1,090	2,017	1,223	2,370
· of which single-family homes in communities	127	221	65	155
Net orders (M€, incl. VAT)	269.1	503.2	346.7	624.7
· of which Apartments	249.0	454.0	327.6	579.8
· of which single-family homes in communities	20.1	49.2	19.1	44.9
Housing commercial offer – end of period (number)	2,618		2,265	
Backlog at end of period				
· In value (M€, HT)	2,148.9		2,326.3	
- of which Apartments	1,923.4		2,157.6	
- of which single-family homes in communities	225.5		168.7	
· In months of activity	22.8		26.1	
End-of-period land reserve (number)	34,694		35,037	
Commercial property	Q2 2023	H1 2023	Q2 2022	H1 2022
Revenue (M€, excl. VAT)	27.1	381.0	46.0	87.3
Net orders (M€, incl. VAT)	-	24.5	28.5	28.5
Backlog at the end of the period (M€, excl. VAT)	665.1		1,076.1	