

ANNUAL RESULTS 2023

- **Attributable net income up 22.7%**
- **Very solid financial structure:**
 - **Positive net cash^(b) of €180.5M**
 - **Financial capacity of €600.0M**
- **Proposed dividend for 2023 of €2.40 per share**

◆ Main elements of commercial activity (2023 vs. 2022)

- **Total orders:**
1,113.2 vs €1,481.7M incl. VAT
Of which housing: 1,079.4
vs €1,433.8M incl. VAT
Of which Commercial Property:
33.7 vs €47.9M incl. VAT
- **Housing take up period:**
4.8 vs. 4.3 months (12 months)

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

- **Revenue:**
1,409.1 vs. €1,314.9M
Of which housing: 957.8 vs. €1,152.5M
- **Gross margin:** 257.2 vs. €228.2M
- **EBIT margin^(c):** 7.8 % vs. 7.5%
- **COI EBIT:** 109.3 vs. €98.2M
- **Attributable net income**
60.2 vs. €49.0M
- **Net cash^(b):** €180.5M vs. € (67.8) M at 30 Nov 2022
- **Financial capacity:** €600.0M vs. €351.0M at Nov 30, 2022

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

- **Total backlog:** 2,676, 0 vs €3,393.3M
Of which housing: 2,053.4 vs. €2,362.8M
- **Housing property portfolio:**
34,069 vs. 34,009 units at the end of 2022

Kaufman & Broad SA today announces its 2023 results (from December 1st to November 30th, 2023). Nordine Hachemi, Chairman and Chief Executive Officer of Kaufman & Broad, said:

"Kaufman & Broad's 2023 results are in line with guidance. They demonstrate the strength of its business model and its ability to generate cash.

Over the year, housing orders fell by 14.2% in volume terms, compared with an estimated decline of around 35 %^(d) for all market orders. These stood at nearly 60,000^(d) in 2023, the same level as in 1995.

In this environment, Kaufman & Broad continued to apply a rigorous policy of rapid adjustment to market conditions. A high level of requirement was maintained in terms of presales rate.

This strategy resulted in a 4.8 month run off period for our programs, compared to nearly 20 months for the market.

In addition, the group still relies on a solid land reserve and an overall backlog of 2.7 billion euros representing approximately 2 years of activity.

The Corporate Real Estate business saw continued work on Austerlitz's A7/A8 operation in accordance with schedule. In addition, a building permit has been filed for an operation of over 30,000 m² of office space in Marseille, EDFD's future regional headquarters.

The crisis in the sector is not solely due to rising interest rates. The continuous decline in the allocation of building permits since 2018 has led to an increase in land costs that have not been absorbed to date. Added to this were regulatory inflation and excessive taxation. As a result, housing production is down significantly, even as demographic and sociological factors continue to fuel sustained and unmet demand. Rebalancing these various factors should lead to a market adjustment in the coming half years.

The financial structure remains extremely strong. For the full year, operating cash flow amounted to €374.8 million^(a). At the end of November 2023, positive net cash^(b) amounted to €180.5M and financial capacity to €600.0M. Last September, Fitch confirmed the Investment Grade rating of Kaufman & Broad SA, the only European developer to have this rating. The group is thus in a position to take full advantage of the recovery in a healthy market.

(a) or Cash flow from operating activities is equal to cash flow from operating activities after working capital and tax paid

(b) excluding IFRS 16 and Put Neoresid debt

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

(d) source: ADEQUATION

For the whole of 2024, the group's revenue is expected to be around 1.1 billion euros, the difference compared to 2023 being explained by the base effect of the Austerlitz operation. The recurring operating income ratio is expected to be between 7% and 7.5%. The group is expected to remain in a positive net cash position (b) after taking into account the payment of a dividend of €48M for the 2023 financial year, or €2.40 per share, subject to the approval of the General Meeting of May 6".

◆ Sales Activity

✓ Housing division

In 2023, housing orders in value amounted to €1,079.4 million euros (including VAT), compared to €1,433.8 million compared to the same period in 2022, down 24.7%. In volume terms, they stood at 5,332 homes in 2023, compared with 6,214 homes in 2022, a decrease of 14.2%.

The take up period for programmes was 4.8 months in 2023, an increase of 0.5 months compared with the same period in 2022 (4.3 months).

The commercial offering, with 97% of homes located in tight areas (A, ABIS and B1), amounted to 2,114 units at the end of 2023 (2,218 units at the end of 2022).

Customer Breakdown

In 2023, bookings in value (including VAT) of first time buyers accounted for 11% of sales, compared to 13% over the same period in 2022. First time buyers accounted for 4% of sales, compared with 9% in 2022. Orders made to investors accounted for 13% of sales (of which 4% for Pinel's scheme alone), compared with 33% in November 2022 (and of which 24% for Pinel's scheme in 2022). At the end of November 2023, block sales accounted for 72% of orders in value (including VAT), compared with 45% over the same period in 2022.

✓ Commercial Property

At 30 November 2023, the commercial division recorded net orders of €33.7 million (including VAT) compared to €47.9 million including VAT at the end of November 2022.

Kaufman & Broad currently has 92,000 sq.m. of office space and about 228,800 sq.m. of logistics space on the market or under study. In addition, 119,500 sq.m of office space is currently under construction or in start up in the coming months. Lastly, the company has nearly 13,500 sq.m. of office space to be built in MOD (delegated *project management*).

✓ Leading indicators of business activity and growth

In 2023, the Housing backlog stood at €2,053.4 million (excl. VAT) compared to €2,362.8 million (excl. VAT) for the same period in 2022, i.e. 25.7 months of activity compared to 24.6 months of activity at the end of November 2022. At the end of November 2023, Kaufman & Broad had 131 housing programs under marketing, representing 2,114 housing units (142 programmes and 2,218 housing units at the end of 2022).

The housing land portfolio represents 34,069 units, stable compared to the end of November 2022 (34,009 units). At the end of November 2023, it corresponded to more than 6 years of commercial activity. In addition, 88% of the housing land portfolio is located in tight areas, representing 29,995 housing units as of November 30, 2023.

In the first quarter of 2024, the Group plans to launch 12 new programs, of which 3 in the Paris region representing 278 units and 9 in the Regions representing 285 units.

As of November 30, 2023, the Backlog of the Commercial property division was 622.6 million excluding VAT, compared with 1030.5 million euros excluding VAT for the same period in 2022.

◆ Financial result

✓ Activity

Total revenue amounted to €1,409.1 million (excluding VAT), compared to €1,314.9 million in the same period in 2022.

Housing division revenue amounted to €957.8 million (excluding VAT), compared to €1,152.5 million (excluding VAT) in 2022. It represents 68.0% of the group's total revenue.

Revenue from the Apartments business amounted to €883.0 million (excluding VAT) (vs. €1,076.3 million (excluding VAT) at the end of November 2022). Revenue for the Commercial property division was €437.5 million (excluding VAT), compared to €150.2 million (excluding VAT) over the same period in 2022. Other activities generated revenues of €13.8 million (excluding VAT) (of which €7.4 million related to the operation of student residences) compared to 12.2 million euros in 2022 (of which €6.7 million related to the operation of student residences)

✓ Profitability data

At November 30, 2023, gross profit amounted to €257.2 million, compared with €228.2 million in the same period in 2022. The gross margin was 18.3% compared to 17.4% in 2022.

Recurring operating expenses amounted to €147.9 million (10.5% of sales), compared to €130.0 million in the same period in 2022 (9.9% of sales). Current operating income amounted to €109.3 million, compared to €98.2 million in 2022. Current operating margin stood at 7.8%, compared with 7.5% in 2022.

At the end of November 2023, consolidated net income amounted to €76.5 million, compared with the same period in 2022 when it amounted to €69.3 million. Non-controlling interests (*Minority interest*) amounted to €16.3 million at November 30, 2023, compared with €20.2 million in 2022. Attributable net income was €60.2 million, compared with €49.0 million in 2022.

✓ Financial structure and liquidity

The positive net cash position (excluding IFRS 16 debt and Neoresid put debt) at November 30, 2023 was €180.5 million, compared to a net financial debt of €(67.8) million at the end of November 2022. Cash and cash equivalents amounted to €350.0 million at November 30, 2023, compared with €101.0 million at November 30, 2022.

Financial capacity amounted to €600.0 million at November 30, 2023, compared with €351.0 million at the end of November 2022.

Working capital requirements amounted to €(80.8) million at November 30, 2023, or -5.7% of revenues, compared with €190.0 million at the end of November 2022 (or 14.5% of revenues).

◆ Share buybacks

As part of its share buyback program, Kaufman & Broad entered into an acquisition agreement on September 5th, 2023 for a block of 1,251,000 shares of the Company held by Artimus Participations, a company bringing together managers and former managers of the Company, representing a total investment of €32.4 million.

Following the transaction, the repurchased shares were cancelled. This transaction allowed all of the Company's shareholders to be relaunched in the same proportions without compromising its investment capacity, while stabilising its shareholding. At November 30, 2023, group employees remained the Company's main shareholders, directly or indirectly, with 12.07% of the share capital and 14.43% of the voting rights.

◆ Dividend

The Board of Directors of Kaufman & Broad SA will propose to the Shareholders' Meeting of May 6th, 2024 the payment of a dividend of 2.40 € per share.

◆ Outlook 2024

For 2024, the group's revenue is expected to be around €1.1 billion, the difference compared to 2023 being explained by the base effect of the Austerlitz operation. The Current operating margin (EBIT margin) ratio is expected to be between 7% and 7.5%. The Group is expected to remain in a positive net cash position^(b) after taking into account the payment of a dividend of €48M for 2023, i.e., €2.40 per share, subject to approval by the Shareholders' Meeting of May 6th.

This press release is available at www.coporate.kaufmanbroad.fr

(B) excluding IFRS 16 and Put Neoresid debt

◆ **Next periodic information date:**

✓ Tuesday, 9th April 2024: Publication of the 1st quarter 2024 results (after trading)

Presentation of results for the period

Mr. Nordine HACHEMI, Chairman and Chief Executive Officer and Mr. Bruno Coche, Chief Financial Officer, will comment on the results of the period and answer questions at a conference call in French with simultaneous translation into English.

The presentation of the results will take place in French with simultaneous translation into English on:
Thursday, **1 February 2024 8: 30 CET**

Registration for the presentation of the results for the period must be made by request at:
infos-invest@ketb.com

- To follow the live presentation at the web conference you will receive a link *(in French or English)* *
- To follow the live presentation at the conference by phone you will receive the number for the desired language *(French or English)*

* **Activation of accesses from 8: 00, the connection requiring registration via a form**

The **Webcast** media will be available **½ hour** before the presentation starts at www.kaufmanbroad.fr/finance/publications-financieres/

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About Kaufman & Broad

For more than 50 years, Kaufman & Broad has designed, developed, constructed and marketed apartments, single family homes, managed residences, shops, business premises and office buildings.

A developer and a real urban assembler alongside local authorities to design new neighbourhoods and major urban projects, 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 constitute and cannot be considered to constitute a public offer, an offer to sell or an offer to subscribe as intended to request a purchase or subscription order in any country.

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.

Leases in future state of completion (BEFA): Leases in future state of completion consists for a user to rent a building even before its construction or its restructuring.

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 + VAT 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 after changes in working capital and VAT paid less net capital expenditure for the year.

Operating cash flow or cash flow from operating activities is equal to cash flow from operating activities after working capital and VAT paid.

Cash flow: Cash flow from operations after cost of debt and VAT is equal to consolidated net income adjusted for the share of income from associates, joint ventures and operations in the process of disposal and calculated income and expenses.

Financial resources: corresponds to cash and cash equivalents plus undrawn credit lines at date

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 orders 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: The gross financial debt is composed of long-term and short-term financial liabilities, hedging financial instruments relating to liabilities composing the gross financial debt, and interest accrued on line items in the balance sheet which constitute the gross financial debt.

Net indebtedness or net financial debt: The net debt of a company is the balance of its gross financial debts on the one hand, and its cash 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.

HU: the HU (Housing Equivalent Units delivered) are a direct reflection of the activity. 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 revenues 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 housing available for sale on the date in question, i.e. all the housing units not reserved on that date (minus the unopened commercial units).

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.

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

Orders: measured in volume (Units) and in 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.

Orders (in value): They represent the value of the real estate from the signed reservation contracts including all VAT for a given period. They are mentioned net of the withdrawals noted during the period.

Managed housing: Managed residences, or service residences, are real estate complexes made up 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 center 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 orders divided by the ratio of beginning-of-period inventory plus end-of-period inventory divided by two.

EBIT rate (or OCR) rate: Expressed in percentages, corresponding to the operational income so far with operational costs to-date deducted from gross margin, divided by the revenue.

Cash and cash equivalents: This corresponds to cash and cash equivalents on the assets side of the balance sheet, i.e., all cash on hand (available banks and cashiers), marketable securities (short-term investments and term deposits) and reserve balances.

Net cash: It 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 define the number of dwellings or dwelling equivalent (for mixed programs) of a given program. 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.

Sale in the Future State of Completion (VEFA): The Sale in the Future State of Completion is the contract by which the seller transfers immediately to the purchaser his rights on the ground as well as the property of the existing constructions. 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

Main consolidated data

In thousands of euros

	Q4 2023	Year 2023	Q4 2022	Year 2022
Revenue:	325,133	1,409,055	429,125	1,314,878
· of which Housing	294,684	957,796	389,276	1,152,514
· of which Commercial Property	26,788	437,457	36,464	150,172
· Other***	3,661	13,802	3,386	12,192
Gross margin	63,650	257,232	73,167	228,173
Gross margin rate (%)	19.6%	18.3%	17.1%	17.4%
Recurring Operating Income (or EBIT)*	22,939	109,332	34,602	98,212
Operating Margin – EBIT (%)	7.1%	7.8%	8.1%	7.5%
Attributable net income (group share)	14,650	60,154	17,086	49,008
Attributable net income per share (€/share)**	0.74	3.03	0.79	2.27

* 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. 19,862,022 shares at November 30, 2023 and 21,613,022 shares at November 30, 2022.

*** including €7.4 million in revenue from the operation of student residences for 2023 and €6.7 million for 2022.

Consolidated income statement

In thousands of euros

	Q4 2023	Year 2023	Q4 2022	Year 2022
Revenue	325,133	1,409,055	429,125	1,314,878
cost of sales	-261,483	-1,151,823	-355,958	-1,086,705
Gross margin	63,650	257,232	73,167	228,173
Selling expenses	-6,131	-20,875	-10,991	-26,891
Administrative expenses	-17,214	-64,780	-20,083	-60,911
Technical and after-sales services expenses	-5,565	-22,021	-6,394	-23,175
Development and program expenses	-11,800	-40,224	-1,097	-18,983
Current Operational Income (COI)	22,939	109,332	34,602	98,212
Other non-recurring income and expenses	0	0	0	0
Operating income	22,939	109,332	34,602	98,212
Net Cost of Financial Debt	-2,440	-13,848	-6,324	-17,502
Other Financial Expenses and Income	0	0	0	0
Income VAT	-1,227	-19,857	-4,485	-13,483
Share of income (loss) of equity affiliates and joint ventures	73	849	171	2,023
Consolidated Net Income	19,346	76,476	23,964	69,251
Non-controlling interests	4,696	16,322	6,878	20,243
Attributable net income	14,650	60,154	17,086	49,008

* Unaudited and not approved by the Board of Directors

Consolidated balance Sheet

In thousands of euros

	November 30, 2023	November 30, 2022
ASSET		
Goodwill	68,661	68,661
Intangible assets	92,429	91,899
Property, plant and equipment	10,174	11,070
Right of use assets	34,009	40,196
Investment properties	19,528	19,876
Equity affiliates and joint ventures	23,257	14,310
Other Non-Recurring Financial Assets	2,533	7,549
Deferred tax Asset	14,856	15,101
Non-current asset	265,447	268,662
Inventories	413,627	447,134
Client Receivables	495,106	511,535
Other receivables	185,385	188,693
Cash and Cash Flow Equivalents	350,043	100,998
Statement - Current tax	0	4,863
Current asset	1,444,162	1,253,223
TOTAL ASSET	1,709,609	1,521,885

	November 30, 2023	November 30, 2022
LIABILITY		
Share capital	5,164	5,619
Bonuses, Reserves, and Other	155,485	187,040
Attributable net income	60,154	49,008
Attributable shareholder's equity	220,803	241,667
Non-controlling interests	13,660	14,683
Shareholders' equity	234,463	256,350
Non-current provisions	29,011	31,365
Non-current financial liabilities	116,848	166,567
Long-term financial lease liabilities	31,073	36,254
Deferred tax liability	56,922	56,184
Non-current liability	233,854	290,370
Current provisions	1,827	1,477
Other current financial liabilities	56,359	5,825
Short-term financial lease liabilities	8,171	5,647
Accounts payable	942,767	842,064
Other liabilities	213,312	119,643
Statement - Current tax	18,856	509
Current liability	1,241,292	975,165
TOTAL LIABILITIES	1,709,609	1,521,885

* Unaudited and not approved by the Board of Directors

◆ Operational data

Housing	Q4 2023	Year 2023	Q4 2022	Year 2022
Revenue (M€, excl. VAT)	294.7	957.8	389.3	1,152.5
· of which Apartments	269.6	883.0	362.7	1,076.3
· of which single-family homes in communities	25.1	74.8	26.6	76.2
Deliveries (EHUs)	1,529	4,612	1,898	6,002
· of which Apartments	1,435	4,358	1,807	5,739
· of which single-family homes in communities	94	254	91	263
Net orders (in number)	2,087	5,332	2,500	6,214
· of which Apartments	1,944	4,837	-2,238	5,420
· of which single-family homes in communities	143	495	262	794
Net orders (M€, incl. VAT)	359.3	1,079.4	550.2	1,433.8
· of which Apartments	324.5	963.4	493.5	1,268.2
· of which single-family homes in communities	34.8	116.0	56.7	165.6
Housing commercial offer – end of period (number)	2,114		2,218	
Backlog at end of period				
· In value (M€, HT)	2,053.4		2,362.8	
- of which Apartments	1,834.5		2,148.6	
- of which single-family homes in communities	218.9		214.1	
· In months of activity	25.7		24.6	
End-of-period land portfolio (number)	34,069		34,009	
Commercial	Q4 2023	Year 2023	Q4 2022	Year 2022
Revenue (M€, excl. VAT)	26.8	437.5	36.5	150.2
Net orders (M€, incl. VAT)	9.2	33.7	18.2	47.9
Backlog at the end of the period (M€, excl. VAT)		622.6		1,030.5