FOLLOWING ITS 2019 INTERIM RESULTS, NEXITY INCREASES ITS 2019 GROWTH PROSPECTS AND ITS DIVIDEND PROPOSAL

Paris, Tuesday, 23 July 2019

IMPROVED FINANCIAL PERFORMANCE[1]

- **Revenue: 1,840 million euros (up 18%)**
- **EBITDA: €226 million (up 22%), equating to an EBITDA margin of 12.3%** (vs 12.0% in H1 2018)
- **Higher net financial debt** (before lease liabilities)[2] **driven by the growth of development businesses: €1,120 million**

VERY BRISK BUSINESS ACTIVITY FOR INDIVIDUAL CLIENTS

- **New home reservations in France:[1] 9,486 units worth €1,923 million (up 15% by volume and by value relative to H1 2018)[3]**
- **13 senior independent living facilities opened in H1 2019, residences in operation up 16%**
- **Commercial Real Estate order intake: €138 million**
- **Development backlog: €4.8 billion (up 7%)**

2019 GUIDANCE REVISED UPWARDS

- **Revenue and EBITDA expected to grow by around 7%** (versus at least 5% as previously announced)
- **Market share growth for the Group** in a **healthier-than-anticipated new home market in France in 2019 (expected to contract by 2% to 4%** versus 7% as forecast at the beginning of the year)

MEDIUM-TERM FINANCIAL GUIDANCE UNCHANGED, INCREASE IN DIVIDEND PROPOSAL

- **Proposed dividend[4] per share of €2.70 in respect of 2019, and at least the same level until 2022**

The financial data and indicators used in this press release – including forward-looking information – are based on Nexity's operational reporting, with joint ventures proportionately consolidated, and take into account the impact of two new reporting standards, IFRS 15 and IFRS 16, which the Group is applying from 1 January 2018.

[1] Like-for-like figures (i.e. based on a constant scope of consolidation – see glossary on page 24) are indicated in this press release
[2] Net debt totalled €1,985 million, including €865 million in lease liabilities (IFRS 16)
[3] On a like-for-like basis, 8,844 units (up 7% by volume vs H1 2018) worth €1,793 million incl. VAT (up 8% by value relative to H1 2018)
4 Pending the decision of Nexity's Board of Directors and approval at the Shareholders' meeting; compared to a dividend of 2.50€ per share paid in 2019

Alain Dinin, Nexity's Chairman, commented:

"Nexity has again delivered excellent commercial and financial results, underscoring the quality of our performance during the first half of 2019 and our capacity to maintain our current growth trajectory. Our real estate services platform strategy has continued to prove its effectiveness, with robust expansion in services, now accounting for nearly half of the Group's EBITDA, fuelled in particular by the strong momentum of Ægide-Domitys, the French market leader in senior independent living facilities, combined with the impressive results achieved in Residential Real Estate, also spurred by Nexity's strong service dimension.

Our business model, resolutely focused on the Group's clients but also comprised of activities with different operating cycles, is designed to ensure growth, profitability and recurrence. The "seasonality" of our combined activities should be put in perspective, and in particular those of our Commercial Real Estate activity, to understand why we are guiding for 2019 revenue and EBITDA growth of around 7% (versus at least 5% previously announced), which may seem at odds with the strong growth during the first half.

We are well on track with our business plan and can thus confirm all of the Group's previously announced medium-term targets, at the same time raising our financial outlook for 2019 as a whole and our dividend prospects.

With respect to Nexity's ownership structure, New Port, a company controlled by Nexity's managers, has welcomed 60 new Nexity managers as partners, following a capital increase, and now holds over 8% of the share capital; the concert group formed by New Port and Nexity's employees alongside Crédit Mutuel Arkéa – which I represent – has crossed the 20% capital ownership threshold."

Jean-Philippe Ruggieri, Nexity's Chief Executive Officer, commented:

"Given the healthy levels of demand and despite short supply (9% drop in building permits over the last 12 months), the French market for new homes is set to beat previous forecasts and is now expected to contract by between 2% and 4%. Take-up periods, which were especially short in the first half of the year (5 months on average), attest to the vitality of this demand. Supply constraints are expected to resolve themselves after the French municipal elections of March 2020.

Nexity has been able to take advantage of this momentum, given its continuing efforts to strengthen its business potential (56,200 plots, up 9% over the last 12 months) and its affordably priced products, boosting its commercial performance in volume and value terms and further increasing its market share.

In Commercial Real Estate, where the volatility is higher, order intake increased compared to last year; the various projects currently in advanced structuring phase allow us to confirm an order intake target for 2019 of at least €349 million.

The very strong performance of our services activities confirms the relevance of our development strategy toward these businesses, which are highly resilient and useful to our clients.

All of the Group's business lines are on the move and poised for growth and, even though we must remain vigilant, the full-year outlook for 2019 looks promising."

***

At its meeting on Tuesday, 23 July 2019, chaired by Alain Dinin, Nexity's Board of Directors reviewed and approved the Group's condensed consolidated financial statements for the half-year period ended 30 June 2019, which can be found in the annexes of this press release. The 2019 half-year financial statements were subject to a limited review by the Statutory Auditors of the Company.

BUSINESS ACTIVITY IN H1 2019

Nexity's real estate service platform strategy helps meet all its clients' real estate needs at every stage of life.

INDIVIDUAL CLIENTS – RESIDENTIAL REAL ESTATE

Nexity estimates that the French market for new homes (including bulk sales[5]) should be more buoyant than expected for full-year 2019, contracting between 2% and 4% year-on-year (versus 7% as previously anticipated). This change is mainly due to very high demand combined with a one-off supply issue linked to the approaching spring 2020 local elections in France, which should subside thereafter.

Current financial conditions in the residential mortgage market[6] remained favourable, with very low interest rates (averaging 1.25% in June 2019), maturities continuing to lengthen (2 months longer than at end-2018) and record new lending volumes (up 5% relative to end-June 2018). The key underlying trends shaping the markets in which the Group operates (population growth, urbanisation, changing lifestyles and consumer habits that place a greater emphasis on preserving resources) remain very positive.

Residential Real Estate sales to end-June 2019 (new homes in France, subdivisions and international sales) were up 13% by volume and 14% by value (on a like-for-like basis[7] up 6% by volume and 7% by value).

Reservations (units and €m)	H1 2019	H1 2018	% Change
New homes (France)	9,486	8,252	+15.0%
*o/w Ægide (reservations made independently of Nexity)**	642	-	-
Subdivisions	817	915	-10.7%
International	173	115	+50.4%
Total reservations (number of units)	**10,476**	**9,282**	**+12.9%**
New homes (France)	1,923	1,666	+15.4%
*o/w Ægide (reservations made independently of Nexity)**	131	-	-
Subdivisions	66	78	-15.1%
International	16	10	+56.8%
Total reservations (€m incl. VAT)	**2,006**	**1,755**	**+14.3%**

* Development projects undertaken without Nexity's involvement. Co-development projects undertaken with Nexity are included in the Group's "Residential Real Estate" reporting.

New homes

In the first half of 2019, Nexity's net new home reservations in France totalled 9,486 units, up 15% by volume and by value compared with H1 2018. Nexity's ability to outperform the French market reflects the success of the Group's multi-product, multi-service and multi-brand strategy, illustrated in particular by the strong contribution of Edouard Denis, which doubled its reservations compared with H1 2018. Serviced residences accounted for 24% of Group reservations in the first half of 2019, highlighting Nexity's strong position in this segment, which has allowed the Group to pursue growth across France, even in non-supply-constrained areas.

After adjusting to exclude external growth transactions (acquisition of a controlling stake in the Ægide-Domitys group in June 2018), a total of 8,844 units were reserved in the year to end-June 2019, up 7% relative to H1 2018. Expected revenue from reservations came to €1,793 million including VAT, up 8% relative to end-June 2018.

With respect to their geographic distribution, 83% of reservations were located in supply-constrained areas (the A, A *bis* and B1 zones under the current Pinel scheme), versus 88% in H1 2018. Growth in reservations was more buoyant outside the Paris region (up 26%) and remained stable in the Paris region.

In the second quarter of 2019 alone, net new home reservations in France were up 21% by volume and by value at 5,603 units totalling €1,150 million including VAT (on a like-for-like basis: up 13% by volume and by value), mainly driven by the strong contribution of Edouard Denis and the bulk sales segment.

Ægide's senior independent living facilities development business is fully consolidated with effect from 1 July 2018. Ægide generated 1,216 reservations in H1 2019 (574 of them through co-development with Nexity).

[5] Source: ECLN – *Conjoncture de l'immobilier* (Results for the first quarter of 2019); FPI for bulk sales
[6] Source: *Observatoire Crédit Logement* – June 2019
[7] See glossary on page 24

Breakdown of new home reservations by client – France	**H1 2019**		**H1 2018**	
Homebuyers	2,259	24%	2,296	28%
o/w: - First-time buyers	*1,856*	20%	*1,875*	23%
- Other homebuyers	*403*	4%	*421*	5%
Individual investors	4,585	48%	3,630	44%
Professional landlords	2,642	28%	2,326	28%
Total	**9,486**	**100%**	**8,252**	**100%**

Reservations were vigorous across all client segments. Volumes increased mainly for individual investors. Reservations by professional landlords remained stable as a proportion of the total, whereas those by homebuyers fell in percentage terms but were nearly stable in volume, due to less abundant supply for sale.

Nexity's strong performance relative to the market is first and foremost attributable to its geographical positioning, which is concentrated in Greater Paris and major cities, where underlying demand remains very buoyant. However, it is also driven by the unparalleled breadth of the Group's product range, its leading positions in steadily growing market segments such as serviced residences and its close partnerships with institutional investors, who are gradually reinvesting in the residential market.

*Average selling price & floor area**	**H1 2019**	**H1 2018**	**% Change**
Average price incl. VAT per sq.m (€)	4,144	4,016	+3.2%
Average floor area per home (sq.m)	54.9	55.9	-1.8%
Average price incl. VAT per home (€k)	**227.3**	**224.4**	**+1.3%**

* Excluding bulk reservations, reservations by iSelection and PERL, and international operations

The average price including VAT of new homes reserved by Nexity's individual clients in the period to end-June 2019 was slightly higher (1.3%) than in H1 2018. Nexity, whose strategy is to offer affordable housing, does not rely on assumed inflation in selling prices.

The average level of pre-selling booked at the start of construction work remained high at end-June 2019, at 77%, compared with 73% at end-June 2018.

New sales launches were very buoyant in the second quarter (with 52% more units launched than in Q2 2018), boosted by a catch-up effect after a slower first quarter in 2019. In the first half of 2019, Nexity launched a total of 8,334 units, up 15% relative to H1 2018 (7,859 units on a like-for-like basis, up 8%).

The supply of homes for sale dropped back 4% from its end-December 2018 level to stand at 8,658 units at end-June 2019, due to a particularly short take-up period[8] (5 months). Unsold completed stock (119 units) as a proportion of the total supply for sale remained very low.

At end-June 2019, the business potential for new homes[9] rose 5% from end-December 2018 to 56,242 units, i.e. 2.7 years of development activities. This represented potential revenue of €10.4 billion excluding VAT. This increase, which ensures that future supply will be replenished, was accompanied by a high level of vigilance with regard to land prices.

Subdivisions

Subdivision reservations totalled 817 units, down 11% relative to H1 2018. Only 28% of reservations were located in supply-constrained areas. The average price of net reservations made by individuals fell 5% to €79k as a result of the decline in average floor areas and unfavourable changes in the geographic mix.

International

In the first half of 2019, Nexity recorded 173 new home reservations outside France, nearly all of which were located in Poland.

[8] Take-up period: Available market supply / Reservations for the last 12 months, expressed in months
[9] See glossary on page 24

INDIVIDUAL CLIENTS – REAL ESTATE SERVICES TO INDIVIDUALS

Property Management for Individuals

In **Property Management for Individuals, excluding franchises** (condominium management, rental management, lettings and brokerage), the portfolio of units under management totalled almost 890,000 units at 30 June 2019, down 1.0% at current scope in the first half of 2019 after increasing 0.8% in 2018[10]. This change reflects growth in the portfolio of rental management units (up 0.7% at current scope and up 0.6% on a like-for-like basis) and a slight erosion in the portfolio of condominium management units (down 1.4% at current scope and on a like-for-like basis).

In **Franchise** operations, Nexity sold its stake in the Guy Hoquet l'Immobilier network during the first half, in order to focus on Century 21's expansion. Century 21 signed 9% more provisional sale agreements in the first half of 2019 than in H1 2018, with France's market for existing properties remaining at historically high levels.[11] The number of franchisees rose to 876 agencies at end-June 2019, compared with 848 at end-June 2018.

Serviced residences

Nexity Studéa, France's leading **student residence** management firm (with a portfolio of 120 residences totalling nearly 15,000 units under management at 30 June 2019), saw its occupancy rate increase to 93.3% (compared with 92.2% at end-June 2018).

The **Domitys**-branded senior independent living facilities business, fully consolidated with effect from 1 July 2018, posted strong growth. Thirteen new facilities were opened during the period, bringing its portfolio to 96 serviced residences, corresponding to 11,267 housing units (up 15% relative to end-2018). The occupancy rate of the 58 "cruising speed"[12] residences is 97%.

Distribution activities

iSelection and PERL recorded 2,277 reservations in the first half of 2019 (compared with 2,221 reservations in H1 2018). 1,369 of these reservations were homes distributed on behalf of third-party developers or through the division of ownership of existing property, up 20% compared to H1 2018. This reflects the continuing strong appeal of buy-to-let investment products among clients as well as the very good commercial performance of Nexity's networks.

[10] On a like-for-like basis, the churn rate was 1.0% in H1 2019, compared with 1.4% in 2018
[11] *Conjoncture logement* – Crédit Foncier Immobilier – March 2019
[12] See glossary on page 24

COMMERCIAL CLIENTS – NEXITY ENTERPRISE SOLUTIONS[13]

The multiservice platform dedicated to Commercial Clients is intended to speed up the business transformation process, from the design phase through to operation, by making real estate more flexible through turnkey solutions and real-time property management systems.

The French commercial real estate investment market was buoyant in the first half of 2019, with total investment of nearly €13 billion at end-June 2019 (well above the average of the first half for the past 5 years). Office space in the Paris region accounted for the lion's share of these volumes, including prime assets, some of which traded at an all-time low yield of 3%.

The rental market recovered in the second quarter of 2019, with take-up in the Paris region exceeding 560,000 sq.m, bringing full-year take-up (volume of rental transactions and user sales) to 1.1 million sq.m in H1 2019, down 19% from H1 2018 and slightly above the average for the past 10 years. The co-working market is seeing very dynamic growth in Paris and the sector's operators have stepped up the pace of their development efforts, accounting for 50% of office transactions above 5,000 sq.m in H1 2019, compared with 33% in H1 2018.

Commercial Real Estate

Total order intake at end-June 2019 was €138 million excluding VAT, compared with €74 million in H1 2018, broken down as follows:

- €105 million in orders in the Paris region (76% of total new orders), including two turnkey development contracts (CPI) in Paris itself for €73 million; and
- €33 million in orders outside the Paris region (24% of total new orders), half of which were for timber-frame developments.

Given the outlook for the various projects currently in the structuring phase, the Group confirms an order intake target for 2019 at least equal to that of 2018 (€349 million excluding VAT).

At end-June 2019, the Group's business potential for Commercial Real Estate[14] was €2.8 billion (up 0.3% since end-December 2018), representing nearly 6 years of development activities. The building permit application process continued for the development in La Garenne-Colombes (Hauts-de-Seine), developed through a financial and technological partnership with Engie, which the Group aims to market from 2020.

Real Estate Services to Companies

Floor area under management totalled 20 million sq.m at end-June 2019 and includes 1 million sq.m in respect of Accessite, a company specialising in the management of retail space, which was acquired in January 2019.

At end-June 2019, Morning Coworking – a leading player in the Paris coworking space market – operated 19 coworking spaces totalling nearly 54,000 sq.m (up 21% from end-December 2018) and nearly 6,000 workstations.

In late March 2019, Nexity sold a majority stake in its subsidiary Nexity Conseil et Transaction to the subsidiary's senior management, while retaining a minority stake of 16.3%.

[13] Source of market data: CBRE – MarketView: Paris Region Office and France Investment – Q2 2019
[14] See glossary on page 24

LOCAL AUTHORITY CLIENTS

At end-June 2019, the land development potential of Nexity's urban regeneration business (Villes & Projets) remained virtually stable at 622,000 sq.m[15].

Nexity has implemented a strategy aimed at adapting to the issue of intense competition and higher prices for certain types of land in order to secure a competitive edge in high-potential land. Nexity's land bank[16] amounted to €151 million at end-June 2019.

In addition, Nexity has taken a minority stake in a value-add investment fund for land with strong development potential, called *Terrae Optimae 1*, developed by Harvestate AM, a project announced by Nexity at its Investor Day in June 2018. This fund, which will complete an initial closing of around €130 million in the days ahead, has been developed based on an innovative partnership with the Group. It aims to acquire non-permitted land, which Nexity, as a developer, will purchase once the permits have been obtained, through a structure ensuring an effective alignment of interests between the fund and Nexity.

GOVERNANCE

At is meeting held on 22 May 2019 following the Shareholders' Meeting, Nexity's Board of Directors reappointed Alain Dinin as Chairman and decided to separate the roles of Chairman and Chief Executive Officer. It appointed Jean-Philippe Ruggieri as Nexity's Chief Executive Officer.

Julien Carmona was reappointed as Deputy CEO and company officer.

Together with Deputy CEOs Véronique Bédague-Hamilius and Frédéric Verdavaine, they will steer the implementation of Nexity's strategy, transforming the Group and moving it toward robust growth.

To this same end, Alain Dinin serves in a strengthened position as Chairman of Nexity's Board of Directors, vested with extensive powers relating to investment and strategy, and actively supports the new management team.

---

[15] Floor areas provided for information purposes only and subject to adjustment once administrative authorisations have been obtained

[16] See glossary on page 24

H1 2019 CONSOLIDATED RESULTS – OPERATIONAL REPORTING[17]

The contribution from Ægide-Domitys, fully consolidated with effect from 1 July 2018, is included in the Individual Clients segment for development (Residential Real Estate) and operations (Real Estate Services to Individuals), and in Other Activities for head office costs.

(in millions of euros)	H1 2019	H1 2018	Change in €m
Consolidated revenue	**1,840.4**	**1,556.4**	**284.0**
EBITDA	**226.4**	**186.2**	**40.2**
% of revenue	*12.3%*	*12.0%*	
Current operating profit	**125.4**	**135.8**	**(10.4)**
Remeasurement of Ægide-Domitys following acquisition of control	-	79.2	
Operating profit	**125.4**	**215.1**	**(89.7)**
Net financial income/(expense)	(37.4)	(17.9)	(19.6)
Income tax	(31.9)	(44.3)	12.3
Share of profit/(loss) from equity-accounted investments	-	(0.9)	0.9
Net profit	**56.0**	**152.0**	**(96.0)**
Non-controlling interests	(3.8)	(1.6)	(2.3)
Net profit/(loss) attributable to equity holders of the parent company	**52.2**	**150.5**	**(98.3)**
Net profit attributable to equity holders of the parent company before non-recurring items	**52.2**	**71.9**	**(19.6)**
(in euros)			
Net earnings per share	0.94	2.68	(1.74)
Net earnings per share before non-recurring items	**0.94**	**1.28**	**(0.34)**

REVENUE

In the first half of 2019, Nexity recorded **revenue** of €1,840 million, up 18% relative to the first half of 2018 (€1,645 million on a like-for-like basis, up 6% from H1 2018). Given the expected phasing of our development activities and excluding changes in scope, revenue growth in H2 2019 should be significantly lower compared to H2 2018 (continuing growth momentum in Residential Real Estate will be offset by lower Commercial Real estate revenue).

(in millions of euros)	H1 2019 Actual	H1 2019 LFL	H1 2018 Reported	% Change Actual	% Change LFL**
Individual Clients	**1,611.0**	**1,433.8**	**1,315.4**	**+22.5%**	**+9.2%**
Residential Real Estate*	1,181.9	1,104.6	969.3	+21.9%	+14.0%
Real Estate Services to Individuals	429.0	329.2	346.1	+24.0%	-4.1%
Property Management for Individuals (including franchises)	*178.6*	*178.6*	*176.7*	*+1.1%*	*+2.8%*
Serviced residences	*145.2*	*45.4*	*43.8*	*x 3.3*	*+3.6%*
Distribution activities	*105.2*	*105.2*	*125.6*	*-16.2%*	*-16.2%*
Commercial Clients	**228.5**	**210.3**	**239.1**	**-4.4%**	**-8.9%**
Commercial Real Estate*	186.3	186.3	208.3	-10.6%	-10.6%
Real Estate Services to Companies	42.2	24.0	30.9	+36.8%	+6.2%
Other Activities	**0.9**	**0.9**	**1.9**	**-50.3%**	**-53.1%**
Revenue	**1,840.4**	**1,645.0**	**1,556.4**	**+18.2%**	**+6.5%**

* Revenue generated by Residential Real Estate and Commercial Real Estate from VEFA off-plan sales and CPI development contracts is recognised using the percentage-of-completion method, i.e. on the basis of notarised sales and pro-rated to reflect the progress of all inventoriable costs.

** See glossary on page 24. H1 2018 data used to calculate the like-for-like (LFL) change in revenue have been adjusted to reflect the disposal of Guy Hoquet l'Immobilier at 31 March 2019, in the amount of €3.0 million, and the disposal of Nexity Conseil et Transaction at 1 January 2019, in the amount of €8.2 million.

[17] See glossary on page 24

Individual Clients

Revenue from Individual Clients amounted to €1,611 million at end-June 2019, up 22% from H1 2018. On a like-for-like basis, revenue to end-June 2019 totalled €1,434 million (up 9% relative to H1 2018).

Residential Real Estate posted revenue of €1,182 million in the first half of 2019, up 22% relative to H1 2018 (€1,105 million on a like- for-like basis, up 14% relative to H1 2018). This growth reflects the increase in the backlog over previous quarters, buoyant business at Edouard Denis, and the consolidation of Ægide's development business with effect from 1 July 2018, which added €77 million.

Real Estate Services to Individuals posted revenue of €429 million in the first half of 2019, up 24% relative to H1 2018 (€329 million on a like-for-like basis, equating to negative revenue growth of 4%). This change is mainly explained by the consolidation, with effect from 1 July 2018, of the Domitys senior independent living facilities business (€100 million in revenue in H1 2019).

Commercial Clients

Revenue from Commercial Clients amounted to €229 million at end-June 2019, down 4% from H1 2018. This decrease is due to lower order volumes than in H1 2018. On a like-for-like basis, revenue to end-June 2019 totalled €210 million (down 9% relative to H1 2018).

Commercial Real Estate posted revenue of €186 million in the first half of 2019, down 11% from H1 2018, due to lower business volume.

Real Estate Services to Companies posted revenue of €42 million in the first half of 2019, up 37% year-on-year (on a like-for-like basis: €24 million, up 6%). Changes in scope during the period concerned the consolidation of BAP - Morning Coworking and Accessite, and the deconsolidation of the Group's subsidiary Nexity Conseil et Transaction.

Revenue under IFRS

In IFRS terms, revenue to end-June 2019 totalled €1,746 million, up 17% relative to the period ended 30 June 2018. On a like-for-like basis, revenue for the period totalled €1,550 million, up 5% from H1 2018. This figure excludes revenue from joint ventures, in accordance with IFRS 11, which requires joint ventures – proportionately consolidated in the Group's operational reporting – to be accounted for using the equity method.

EBITDA[18]

Nexity generated EBITDA of €226 million in the period to end-June 2019 (compared with €186 million in H1 2018), representing growth of 22% and an EBITDA margin of 12.3% (up 0.3 points from H1 2018). Like-for-like EBITDA came in at €187 million, giving an EBITDA margin of 11.3%.

(in millions of euros)		H1 2019	H1 2018	% Change
Individual Clients		**208.9**	**151.2**	**+38.2%**
	% of revenue	***13.0%***	***11.5%***	
Residential Real Estate		97.8	88.9	
	% of revenue	*8.3%*	*9.2%*	
Real Estate Services to Individuals		111.1	62.3	
	% of revenue	*25.9%*	*18.0%*	
Commercial Clients		**27.0**	**37.9**	**-28.8%**
	% of revenue	***11.8%***	***15.8%***	
Commercial Real Estate		21.3	37.4	
	% of revenue	*11.4%*	*18.0%*	
Real Estate Services to Companies		5.7	0.5	
	% of revenue	*13.5%*	*1.6%*	
Other Activities		**(9.5)**	**(2.9)**	**N/A**
EBITDA		**226.4**	**186.2**	**+21.6%**
% of revenue		*12.3%*	*12.0%*	

Individual Clients

EBITDA from Individual Clients totalled €209 million in the period to end-June 2019, up 38% from H1 2018 (€151 million), giving an EBITDA margin of 13.0% (up 1.5 percentage points relative to H1 2018).

Residential Real Estate posted EBITDA of €98 million in the period to end-June 2019, up 10% relative to H1 2018 (up €9 million). Despite a high base effect from the previous year (H1 2018 included an earnings-enhancing project in Italy), the EBITDA margin, which fell 0.9 percentage points to 8.3%, reflects good control of operating budgets amid increasing pressure on construction costs and the price of land. Given the seasonal nature of its business, Nexity expects a recovery in the EBITDA margin for Residential Real Estate with respect to the whole of 2019.

EBITDA from **Real Estate Services to Individuals** rose €49 million to €111 million in the period to end-June 2019, giving an EBITDA margin of 25.9% (compared with 18.0% in H1 2018). This change results in part from the first-time consolidation at 1 July 2018 of Domitys' business in the operation of senior independent living facilities (€34 million) and, for the remainder, from the strong performance of Studéa and the Property Management for Individuals business as well as the capital gains on the disposal of Guy Hoquet l'Immobilier, minus the impact of an exceptionally lower number of notarial deeds of sale in distribution activities.

Commercial Clients

EBITDA from Commercial Clients came to €27 million in the period to end-June 2019, down 29% from H1 2018 (€38 million), representing an EBITDA margin of 11.8% (down 4.0 points from H1 2018).

EBITDA for **Commercial Real Estate** totalled €21 million in H1 2019, compared with €37 million in H1 2018 (down 43%). The EBITDA margin to end-June 2019 was 11.4%, down 6.6 percentage points relative to H1 2018, returning to its normal level of around 10% as expected, due to higher construction costs in particular.

EBITDA for **Real Estate Services to Companies** was €6 million, compared with €0.5 million in H1 2018, reflecting the impact of acquired companies.

[18] See glossary on page 24

Other Activities

EBITDA for **Other Activities** (a loss of €10 million in H1 2019, compared with a loss of €3 million in H1 2018) includes profit/(loss) from the holding companies (Nexity SA and Ægide-Domitys) and the research and overhead costs incurred by Villes & Projets. On a like-for-like basis (excluding head office expenses for Ægide-Domitys), the loss for Other Activities amounted to only €5 million, reflecting good control of overheads.

OPERATING PROFIT

The difference between EBITDA and current operating profit (a negative impact of €101 million) mainly results from the depreciation of right-of-use leased assets (under IFRS 16) in the amount of €76 million (compared with €31 million in H1 2018), which increased to a greater extent than EBITDA (up €40 million).

In the period to 30 June 2019, Nexity generated **current operating profit**[19] of €125 million, compared with €136 million in H1 2018 (down 8%), yielding a margin of 6.8%, down from 8.7% in H1 2018. Like-for-like current operating profit came in at €132 million, giving a current operating margin of 8.0%. This change, which contrasts with the growth in EBITDA, is due first and foremost to the significant decrease in the contribution of the Commercial Clients segment (down €19 million), but also the negative contribution to current operating profit made by Ægide-Domitys in the amount of €8 million, mainly attributable to losses reported by residences not yet having reached cruising speed status, the amortisation of the client relationship (PPA), and the smoothing of a portion of development margins over the term of leases (under IFRS 16). Ægide-Domitys' business model, similar to the Studéa's one, will bring in the medium-term an operating margin of around 7%.

Operating profit came to €125 million.

OTHER INCOME STATEMENT ITEMS

The **net financial expense** was €37 million, versus €18 million in H1 2018. This increase is due in particular to the rise in interest expense for lease liabilities (under IFRS 16) and growth in Nexity's average net debt.

The **effective tax rate** stood at 32.7% in the first half of 2019, compared with 34.7% in H1 2018. The tax expense (including the CVAE[20]) was €32 million at 30 June 2019 (versus €44 million in H1 2018) as a result of the lower tax base.

The **Group share of net profit before non-recurring items** was €52 million, down 27% relative to net profit at end-June 2018 (before non-recurring items). In 2018, non-recurring items (€79 million) consisted of the remeasurement of the investment in Ægide previously accounted for using the equity method following the acquisition of a controlling interest in the company.

[19] See glossary on page 24
[20] *Contribution sur la Valeur Ajoutée des Entreprises* (French business value-added tax)

CASH FLOWS AND WORKING CAPITAL REQUIREMENT (WCR)

(in millions of euros)	H1 2019	H1 2018
Cash flow from operating activities before interest and tax expenses	**206.6**	**181.6**
Cash flow from operating activities after interest and tax expenses	**142.1**	**121.4**
Change in operating working capital (excluding tax)	(209.4)	(149.2)
Changes in tax-related working capital, dividends from equity-accounted investments and other	(23.5)	6.1
Net cash from/(used in) operating activities	**(90.8)**	**(21.8)**
Net cash from/(used in) operating investments	(26.2)	(14.5)
Free cash flow	**(117.0)**	**(36.3)**
Net cash from/(used in) financial investments	13.9	(51.4)
Repayment of lease liabilities	(81.7)	(32.5)
Dividends paid by Nexity SA	(138.2)	(140.3)
Net cash from/(used in) financing activities, excluding dividends	67.6	203.9
Change in cash and cash equivalents	**(255.3)**	**(56.6)**

Cash flow from operating activities before interest and tax expenses totalled €207 million in the period to end-June 2019, up €25 million relative to H1 2018, mainly as a result of the increase in EBITDA over the period.

Operating investments rose to €26 million (versus €15 million in H1 2018), with most of this increase due to the integration of Ægide-Domitys and BAP - Morning Coworking.

Nexity's free cash flow[21] in the period to end-June 2019 was a net outflow of €117 million, compared with a net outflow of €36 million in the period to end-June 2018, due in particular to the increase in WCR (€209 million compared with €149 million in H1 2018) and a higher amount of income tax down payments.

Net cash from financial investments (€14 million) arose from the disposals of Guy Hoquet l'Immobilier and Nexity Conseil et Transaction, net of the acquisition of Accessite.

Net cash from financing activities (€68 million) comprised new borrowings net of redemptions (€107 million) less the cost of the share buyback programme (€20 million) and payments relating to commitments to buy out minority interests (€19 million over the period). In H1 2018, this item included an ORNANE bond issue for €200 million.

(in millions of euros)	30 June 2019	31 December 2018	Change in €m
Individual Clients	**958**	**762**	**197**
Residential Real Estate	950	747	
Real Estate Services to Individuals	9	15	
Commercial Clients	**86**	**87**	**-1**
Commercial Real Estate	74	86	
Real Estate Services to Companies	11	1	
Other Activities	**58**	**51**	**6**
Total WCR excluding tax	**1,102**	**900**	**202**
Corporate income tax	35	-4	39
WCR	**1,137**	**896**	**241**

Operating WCR at 30 June 2019 was €1,102 million, up €202 million from its level in December 2018.

For **Individual Clients**, the rise in WCR reflects the expansion of the Group's business in *Residential Real Estate* (WCR up €203 million), in line with this segment's strong activity levels and the increase in the backlog, which points to higher revenue in the upcoming quarters. The WCR to backlog ratio is stable compared to its historical levels.

[21] See glossary on page 24

For **Commercial Clients**, the overall WCR remained stable, with changes in WCR for *Commercial Real Estate* (down €11 million) offset by WCR for *Real Estate Services to Companies* (up €10 million).

WCR for **Other Activities** remained virtually stable at €58 million (versus €51 million at 31 December 2018).

RIGHT-OF-USE LEASED ASSETS

Right-of-use leased assets amounted to €803 million at 30 June 2019 (up €46 million compared with end-2018), relating mainly to depreciation expenses in the amount of €77 million and new leases for €124 million, of which €92 million in the senior independent living facilities business.

FINANCIAL STRUCTURE

Nexity's consolidated equity (attributable to equity holders of the parent company) was €1,650 million at end-June 2019, compared to €1,755 million at end-December 2018, mainly after the inclusion of net profit for the half-year period (Group share: €52 million) and dividends paid (€138 million).

(in millions of euros)	**30 June 2019**	**31 December 2018**	**Change in €m**
Bond issues (incl. accrued interest and arrangement fees)	770	806	(37)
Loans and borrowings	864	712	152
Net cash and cash equivalents	(513)	(762)	249
Net financial debt before lease liabilities	**1,120**	**757**	**364**
Lease liabilities	865	810	55
Total net debt	1,985	1,567	419

Net financial debt before lease liabilities (IFRS 16) amounted to €1,120 million (versus €757 million at 31 December 2018). It equated to 68% of equity and about 2.7x EBITDA before lease liabilities (IFRS 16) for the past 12 months (€408 million). The increase in net financial debt during the first half of 2019 (up €364 million) was mainly attributable to the following:

- The increase in WCR (up €209 million), detailed above;
- The full-year impact of the dividend payment and share buyback programmes for €158 million; and
- Free cash flow before changes in operating working capital of only €92 million in the first half of the year, which was only sufficient to repay the period's lease liabilities (€82 million). Given the seasonal nature of the Group's business, EBITDA for the first half of the year does not represent half of annual EBITDA.

Lease liabilities (IFRS 16) amounted to €865 million (versus €810 million at 31 December 2018) and increased due to growth in the portfolio of serviced residences.

Net debt amounted to €1,985 million at 30 June 2019, compared with €1,567 million at 31 December 2018 (up €419 million). It corresponds to 3.5x EBITDA for the last 12 months.

At 30 June 2019, the average maturity of the Group's debt was 3.5 years and the average cost of borrowing was 2.3%, compared with 2.6% in 2018. At 30 June 2019, Nexity was in compliance with the financial covenants attached to its borrowings. At 30 June 2019, Nexity had €555 million in authorised and undrawn corporate credit lines.

BACKLOG AND BUSINESS POTENTIAL AT 30 JUNE 2019

(in millions of euros)	30 June 2019	31 December 2018	% Change
Residential Real Estate – New homes	4,321	3,979	+8.6%
Residential Real Estate – Subdivisions	172	182	-5.3%
Residential Real Estate backlog	**4,493**	**4,161**	**+8.0%**
Commercial Real Estate backlog	269	308	-12.8%
Total Group backlog	**4,762**	**4,469**	**+6.6%**

The Group's backlog at end-June 2019 stood at €4,762 million, up 7% relative to end-December 2018 and equivalent to 17 months' revenue from Nexity's development activities (revenue on a rolling 12-month basis).

Backlog in **Residential Real Estate** totalled €4,493 million, up 8% relative to 31 December 2018. This backlog amounts to 19 months of revenue (Residential Real Estate revenue on a rolling 12-month basis).

Backlog in **Commercial Real Estate** totalled €269 million at end-June 2019, down 13% relative to 31 December 2018 as a result of order intake being lower than consolidated revenue for the period. This backlog amounts to 7 months of revenue (Commercial Real Estate revenue on a rolling 12-month basis).

In addition, the development business potential at end-June 2019, totalled €14.8 billion in potential revenue (€12 billion for Residential Real Estate and €2.8 billion for Commercial Real Estate) providing the Group with a strong level of visibility. This business potential amounts to 4.4 years of revenue from Nexity's development activities (revenue on a rolling 12-month basis).

OUTLOOK

2019 GUIDANCE REVISED UPWARDS

- **Revenue and EBITDA expected to grow by around 7%** (versus at least 5% as previously announced)
- **Market share growth for the Group** in a **healthier-than-anticipated new housing market in France in 2019 (expected to contract by 2% to 4%** versus 7% as forecast at the beginning of the year)

MEDIUM-TERM FINANCIAL GUIDANCE UNCHANGED, INCREASE IN DIVIDEND PROPOSAL

- **Proposed dividend[22] per share of €2.70 in respect of 2019, and at least the same level until 2022**

[22] Pending the decision of Nexity's Board of Directors and approval at the Shareholders' meeting; compared to a dividend of 2.50€ per share paid in 2019

FINANCIAL CALENDAR & PRACTICAL INFORMATION

Q3 2019 revenue and business activity (after market close)	Thursday, 24 October 2019
2019 annual results (after market close)	Tuesday, 25 February 2020
Q1 2020 revenue and business activity (after market close)	Tuesday, 28 April 2020
2020 Shareholders' Meeting	Tuesday, 19 May 2020

A **conference call** on H1 2019 revenue and business activity will be held in English today at 6:30 p.m. CET, which may be joined using access code 2612066 by calling one of the following numbers:

- Calling from France +33 (0)1 76 77 22 57
- Calling from elsewhere in Europe +44 (0)330 336 94 11
- Calling from the United States +1 720 543 0302

The presentation accompanying this conference will be available on the Group's website from 6:15 p.m. CET and may be viewed at the following address: https://globalmeet.webcasts.com/starthere.jsp?ei=1251468&tp_key=b17d438f14

The conference call will be available on replay at https://www.nexity.fr/en/group/finance from the following day.
The French version of the 2019 interim financial report was filed with the Autorité des Marchés Financiers (AMF) today and is available on the Group's website.

Disclaimer

The information, assumptions and estimates that the Company could reasonably use to determine its targets are subject to change or modification, notably due to economic, financial and competitive uncertainties. Furthermore, it is possible that some of the risks described in Section 2 of the Registration Document filed with the AMF under number D.19-0272 on 4 April 2019 could have an impact on the Group's operations and the Company's ability to achieve its targets. Accordingly, the Company cannot give any assurance as to whether it will achieve its stated targets, and makes no commitment or undertaking to update or otherwise revise this information.

CONTACT
Domitille Vielle – Head of Investor Relations / +33 (0)1 85 55 19 34 – investorrelations@nexity.fr
Géraldine Bop – Deputy Head of Investor Relations / +33 (0)1 85 55 18 43 – investorrelations@nexity.fr

ANNEX 1: OPERATIONAL REPORTING

The financial data and indicators presented in this annex correspond to Nexity's operational reporting, with joint ventures proportionately consolidated. Nexity continues to apply proportionate consolidation to its joint ventures, which in its view provides a more accurate reflection of the Group's performance and risks as measured by revenue, operating profit, working capital requirement and debt.

For ease of comparison, the 2017 data shown below has been restated. A breakdown of the restatements is provided in the 2018 Registration Document.

QUARTERLY FIGURES

Reservations: Residential Real Estate

	2019		2018				2017			
Number of units	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
New homes (France)	5,603	3,883	6,600	4,757	4,634	3,618	5,736	4,821	4,288	3,506
o/w Ægide (excluding co-developments with Nexity)	*357*	*285*	172	377	-	-	-	-	-	-
Subdivisions	559	258	812	336	576	339	920	522	680	479
International	137	36	170	80	75	40	208	69	106	37
Total (number of units)	**6,299**	**4,177**	**7,582**	**5,173**	**5,285**	**3,997**	**6,864**	**5,412**	**5,074**	**4,022**
Value (€m incl. VAT)										
New homes (France)	1,150	773	1,327	922	951	715	1,135	915	858	655
o/w Ægide (excluding co-developments with Nexity)	72	59	46	70	-	-	-	-	-	-
Subdivisions	46	20	63	28	51	28	72	42	53	35
International	13	3	15	7	6	4	22	6	14	9
Total (€m incl. VAT)	**1,209**	**797**	**1,405**	**956**	**1,008**	**747**	**1,229**	**964**	**925**	**699**

Revenue

	2019		2018				2017 (restated)			
(in millions of euros)	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Individual Clients	**849.4**	**761.6**	**1,470.3**	**764.3**	**712.3**	**603.1**	**1,173.9**	**733.9**	**689.3**	**563.3**
o/w Residential Real Estate	629.4	552.5	1,133.8	545.3	524.2	445.1	915.7	548.0	498.4	387.9
o/w Real Estate Services to Individuals	219.9	209.1	336.5	219.0	188.1	158.0	258.2	185.9	190.9	175.4
Commercial Clients	**109.6**	**118.9**	**167.3**	**174.2**	**154.4**	**84.7**	**165.5**	**84.0**	**60.4**	**96.7**
o/w Commercial Real Estate	88.0	98.3	146.1	157.6	138.7	69.6	145.6	69.5	45.2	82.8
o/w Real Estate Services to Companies	21.6	20.6	21.2	16.6	15.8	15.1	19.8	14.5	15.2	13.9
Other Activities	**0.4**	**0.5**	**0.9**	**1.5**	**1.4**	**0.5**	**0.8**	**0.7**	**1.7**	**1.1**
Revenue	**959.4**	**881.1**	**1,638.5**	**940.1**	**868.1**	**688.3**	**1,340.2**	**818.6**	**751.4**	**661.1**

Backlog

	2019		2018				2017 (restated)			
(in millions of euros, excluding VAT)	H1	Q1	FY	9M	H1	Q1	FY	9M	H1	Q1
Residential Real Estate – New homes	4,321	4,109	3,979	4,065	3,724	3,451	3,335	3,236	3,042	2,918
Residential Real Estate – Subdivisions	172	160	182	188	201	182	191	188	200	185
Residential Real Estate backlog	**4,493**	**4,269**	**4,161**	**4,253**	**3,924**	**3,634**	**3,526**	**3,425**	**3,243**	**3,103**
Commercial Real Estate backlog	269	222	308	379	332	409	465	349	345	313
Total Group backlog	**4,762**	**4,491**	**4,469**	**4,632**	**4,256**	**4,042**	**3,991**	**3,774**	**3,588**	**3,416**

HALF-YEAR FIGURES

EBITDA

	2019	2018			2017 (restated)		
(in millions of euros)	H1	FY	H2	H1	FY	H2	H1
Individual Clients	**208.9**	**477.4**	**326.2**	**151.2**	**416.5**	**263.8**	**152.7**
o/w Residential Real Estate	97.8	283.6	194.7	88.9	239.2	161.0	78.2
o/w Real Estate Services to Individuals	111.1	193.8	131.5	62.3	177.2	102.8	74.5
Commercial Clients	**27.0**	**71.7**	**33.8**	**37.9**	**67.2**	**40.6**	**26.6**
o/w Commercial Real Estate	21.3	64.8	27.4	37.4	62.2	35.3	27.0
o/w Real Estate Services to Companies	5.7	6.9	6.4	0.5	4.9	5.3	(0.4)
Other Activities	**(9.5)**	**(26.0)**	**(23.1)**	**(2.9)**	**(23.1)**	**(18.4)**	**(4.7)**
GROUP	**226.4**	**523.0**	**336.8**	**186.2**	**460.5**	**286.0**	**174.6**

CURRENT OPERATING PROFIT

	2019	2018			2017 (restated)		
(in millions of euros)	H1	FY	H2	H1	FY	H2	H1
Individual Clients	**124.9**	**353.4**	**241.4**	**112.0**	**320.6**	**212.0**	**108.6**
o/w Residential Real Estate	80.1	246.4	171.5	74.8	214.8	145.4	69.4
o/w Real Estate Services to Individuals	44.8	107.0	69.9	37.1	105.8	66.5	39.2
Commercial Clients	**16.9**	**64.0**	**28.5**	**35.5**	**60.5**	**37.0**	**23.5**
o/w Commercial Real Estate	20.0	62.9	25.5	37.5	61.0	34.8	26.1
o/w Real Estate Services to Companies	(3.1)	1.1	3.0	(2.0)	(0.4)	2.2	(2.6)
Other Activities	**(16.5)**	**(44.7)**	**(33.0)**	**(11.6)**	**(43.2)**	**(31.9)**	**(11.3)**
GROUP	**125.4**	**372.7**	**236.9**	**135.8**	**337.9**	**217.1**	**120.8**

CONSOLIDATED INCOME STATEMENT – 30 JUNE 2019

(in millions of euros)	**30/06/2019 IFRS**	**Restatement of joint ventures**	**30/06/2019 Operational reporting**	**Restatement of non-recurring items**	**30/06/2019 Operational reporting before non-recurring items**	**30/06/2018 Operational reporting before non-recurring items**
Revenue	1,745.8	94.6	1840.4	-	1,840.4	1,556.4
Operating expenses	(1,535.6)	(78.4)	(1,614.0)	-	(1,614.0)	(1,370.2)
Dividends received from equity-accounted investments	5.0	(5.0)	-	-	-	-
EBITDA	215.2	11.2	226.4	-	226.4	186.2
Depreciation of right-of-use leased assets	(75.9)	-	(75.9)	-	(75.9)	(31.1)
Depreciation, amortisation and impairment of non-current assets	(20.4)	-	(20.4)	-	(20.4)	(12.6)
Net change in provisions	1.9	0.1	2.0	-	2.0	1.9
Share-based payments	(6.5)	-	(6.5)	-	(6.5)	(5.6)
Borrowing costs directly attributable to property developments, transferred from inventory	(0.1)	-	(0.1)	-	(0.1)	(3.0)
Dividends received from equity-accounted investments	(5.0)	5.0		-	-	-
Current operating profit	109.2	16.2	125.4	-	125.4	135.8
Remeasurement of equity-accounted investments following acquisition of control	-	-	-	-	-	-
Operating profit	109.2	16.2	125.4	-	125.4	135.8
Share of net profit from equity-accounted investments	8.6	(8.6)			-	-
Operating profit after share of net profit from equity-accounted investments	117.8	7.6	125.4	-	125.4	135.8
Cost of net financial debt	(32.0)	(0.8)	(32.7)	-	(32.7)	(20.1)
Other financial income/(expense)	(2.8)	(1.9)	(4.7)	-	(4.7)	2.8
Net financial income/(expense)	(34.8)	(2.7)	(37.4)	-	(37.4)	(17.2)
Pre-tax recurring profit	83.0	4.9	88.0	-	88.0	118.6
Income tax	(27.0)	(4.9)	(31.9)	-	(31.9)	(44.3)
Share of profit/(loss) from other equity-accounted investments	-	-	-	-	-	(0.9)
Consolidated net profit	56.0	0.0	56.0	-	56.0	73.5
Attributable to non-controlling interests	3.8	-	3.8	-	3.8	1.6
Attributable to equity holders of the parent company	**52.2**	**0.0**	**52.2**	**-**	**52.2**	**71.9**
(in euros)						
Net earnings per share	**0.94**		**0.94**		**0.94**	**1.28**

In 2018, non-recurring items included the remeasurement of the investment in Ægide previously accounted for under the equity method following the acquisition of a controlling interest in the company for €79.2 million.

SIMPLIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – 30 JUNE 2019

ASSETS *(in millions of euros)*	**30/06/2019 IFRS**	**Restatement of joint ventures**	**30/06/2019 Operational reporting**	**31/12/2018 Operational reporting**
Goodwill	1,590.7	-	1,590.7	1,579.1
Other non-current assets	1,072.2	0.3	1,072.5	1,016.1
Equity-accounted investments	31.7	(29.4)	2.2	2.0
Total non-current assets	2,694.5	(29.1)	2,665.4	2,597.2
Net WCR	985,8	151,3	1.137,1	896,4
Total assets	**3,680.3**	**122.2**	**3,802.5**	**3,493.6**

LIABILITIES AND EQUITY *(in millions of euros)*	**30/06/2019 IFRS**	**Restatement of joint ventures**	**30/06/2019 Operational reporting**	**31/12/2018 Operational reporting**
Share capital and reserves	1,597.8	(0.0)	1,597.8	1,478.0
Net profit for the period	52.2	0.0	52.2	276.9
Equity attributable to equity holders of the parent company	1,650.0	(0.0)	1,650.0	1,754.9
Non-controlling interests	10.8	(0.0)	10.8	8.9
Total equity	1,660.8	(0.0)	1,660.8	1,763.8
Net debt	1,870.9	114.5	1,985.4	1,566.7
Provisions	103.3	2.0	105.3	112.1
Net deferred tax	45.3	5.7	51.0	51.0
Total liabilities and equity	**3,680.3**	**122.2**	**3,802.5**	**3,493.6**

NET DEBT AT 30 JUNE 2019

(in millions of euros)	**30/06/2019 IFRS**	**Restatement of joint ventures**	**30/06/2019 Operational reporting**	**31/12/2018 Operational reporting**
Bond issues (incl. accrued interest and arrangement fees)	769.6	-	769.6	770.2
Loans and borrowings	804.7	56.9	861.6	758.8
Loans and borrowings	**1,574.3**	**56.9**	**1,631.2**	**1,529.0**
Other financial receivables and payables	**(97.6)**	**98.9**	**1.3**	**(5.1)**
Cash and cash equivalents	(517.0)	(53.1)	(570.2)	(797.0)
Bank overdraft facilities	46.3	11.8	58.1	29.6
Net cash and cash equivalents	**(470.8)**	**(41.3)**	**(512.1)**	**(767.4)**
Total net financial debt before lease liabilities	**1,006.0**	**114.5**	**1,120.5**	**756.5**
Lease liabilities	**864.9**	**-**	**864.9**	**810.2**
Total net debt	**1,870.9**	**114.5**	**1,985.4**	**1,566.7**

SIMPLIFIED STATEMENT OF CASH FLOWS – 30 JUNE 2019

(in millions of euros)	30/06/2019 IFRS 6-month period	Restatement of joint ventures	30/06/2019 Operational reporting	30/06/2018 Operational reporting
Consolidated net profit	56.0	-	56.0	152.0
Elimination of non-cash income and expenses	78.1	8.0	86.1	(30.7)
Cash flow from operating activities after interest and tax expenses	134.1	8.0	142.1	121.4
Elimination of net interest expense/(income)	32.0	0.8	32.7	20.1
Elimination of tax expense, including deferred tax	26.8	4.9	31.7	40.2
Cash flow from operating activities before interest and tax expenses	193.0	13.7	206.6	181.6
Change in operating working capital	(162.6)	(46.8)	(209.4)	(149.2)
Dividends received from equity-accounted investments	5.0	(7.7)	(2.7)	0.3
Interest paid	(15.5)	(0.8)	(16.2)	(12.8)
Tax paid	(62.7)	(6.3)	(69.0)	(41.7)
Net cash from/(used in) operating activities	**(42.9)**	**(47.9)**	**(90.7)**	**(21.8)**
Net cash from/(used in) operating investments (net)	(26.2)	-	(26.2)	(14.5)
Free cash flow	(69.1)	(47.9)	(116.9)	**(36.3)**
Acquisitions of subsidiaries and other changes in scope	16.2	(0.0)	16.2	(47.6)
Other net financial investments	(2.2)	(0.0)	(2.2)	(3.8)
Net cash from/(used in) investing activities	**14.0**	**(0.0)**	**13.9**	**(51.4)**
Dividends paid to equity holders of the parent company	(138.2)	-	(138.2)	(140.3)
Other payments to/(from) shareholders	(19.3)	-	(19.3)	(35.4)
Net disposal/(acquisition) of treasury shares	(20.0)	-	(20.0)	
Repayment of lease liabilities	(81.7)	-	(81.7)	(32.5)
Change in financial receivables and payables (net)	82.3	24.5	106.8	239.5
Net cash from/(used in) financing activities	**(176.9)**	**24.5**	**(152.4)**	**31.3**
Impact of changes in foreign currency exchange rates on cash and cash equivalents	0.1	-	0.1	(0.2)
Change in cash and cash equivalents	**(231.9)**	**(23.4)**	**(255.3)**	**(56.6)**

ANNEX 2: IFRS

CONSOLIDATED INCOME STATEMENT – 30 JUNE 2019

(in millions of euros)	30/06/2019 IFRS	30/06/2018 IFRS
Revenue	1,745.8	1,488.2
Operating expenses	(1,535.6)	(1,310.7)
Dividends received from equity-accounted investments	5.0	2.3
EBITDA	215.2	179.8
Depreciation of right-of-use leased assets	(75.9)	(31.1)
Depreciation, amortisation and impairment of non-current assets	(20.4)	(12.6)
Net change in provisions	1.9	3.2
Share-based payments	(6.5)	(5.6)
Borrowing costs directly attributable to property developments, transferred from inventory	(0.1)	(3.0)
Dividends received from equity-accounted investments	(5.0)	(2.3)
Current operating profit	109.2	128.4
Remeasurement of equity-accounted investments following acquisition of control	-	79.2
Operating profit	109.2	207.6
Share of net profit from equity-accounted investments	8.6	4.5
Operating profit after share of net profit from equity-accounted investments	117.8	212.1
Cost of net financial debt	(32.0)	(19.9)
Other financial income/(expense)	(2.8)	2.2
Net financial income/(expense)	(34.8)	(17.6)
Pre-tax recurring profit	83.0	194.5
Income tax	(27.0)	(41.5)
Share of profit/(loss) from other equity-accounted investments	-	(0.9)
Consolidated net profit	56.0	152.0
Attributable to non-controlling interests	3.8	1.6
Attributable to equity holders of the parent company	**52.2**	**150.5**
(in euros)		
Net earnings per share	**0.94**	**2.68**

SIMPLIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – 30 JUNE 2019

ASSETS *(in millions of euros)*	30/06/2019 IFRS	31/12/2018 IFRS
Goodwill	1,590.7	1,579.1
Other non-current assets	1,072.2	1,015.8
Equity-accounted investments	31.7	35.3
Total non-current assets	2,694.5	2,630.2
Net WCR	985.8	799.9
Total assets	**3,680.3**	**3,430.1**

LIABILITIES AND EQUITY *(in millions of euros)*	30/06/2019 IFRS	31/12/2018 IFRS
Share capital and reserves	1,597.8	1,478.0
Net profit for the period	52.2	276.9
Equity attributable to equity holders of the parent company	1,650.0	1,754.9
Non-controlling interests	10.8	8.9
Total equity	1,660.8	1,763.8
Net debt	1,870.9	1,511.0
Provisions	103.3	110.1
Net deferred tax	45.3	45.2
Total liabilities and equity	**3,680.3**	**3,430.1**

CONSOLIDATED NET DEBT AT 30 JUNE 2019

(in millions of euros)	30/06/2019 IFRS	31/12/2018 IFRS
Bond issues (incl. accrued interest and arrangement fees)	769.6	770.2
Loans and borrowings	804.7	713.7
Loans and borrowings	**1,574.3**	**1,483.9**
Other financial receivables and payables	**(97.6)**	**(80.3)**
Cash and cash equivalents	(517.0)	(720.8)
Bank overdraft facilities	46.3	18.1
Net cash and cash equivalents	**(470.8)**	**(702.7)**
Total net financial debt before lease liabilities	**1,006.0**	**700.9**
Lease liabilities	**864.9**	**810.2**
Total net debt	**1,870.9**	**1,511.0**

SIMPLIFIED STATEMENT OF CASH FLOWS – 30 JUNE 2019

(in millions of euros)	**30/06/2019 IFRS 6-month period**	**30/06/2018 IFRS 6-month period**
Consolidated net profit	56.0	152.0
Elimination of non-cash income and expenses	78.1	(36.4)
Cash flow from operating activities after interest and tax expenses	134.1	115.6
Elimination of net interest expense/(income)	32.0	19.9
Elimination of tax expense, including deferred tax	26.8	37.4
Cash flow from operating activities before interest and tax expenses	193.0	172.9
Change in operating working capital	(162.6)	(150.6)
Dividends received from equity-accounted investments	5.0	2.6
Interest paid	(15.5)	(12.5)
Tax paid	(62.7)	(41.8)
Net cash from/(used in) operating activities	**(42.9)**	**(29.5)**
Net cash from/(used in) net operating investments	(26.2)	(14.5)
Free cash flow	(69.1)	**(44.0)**
Acquisitions of subsidiaries and other changes in scope	16.2	(47.6)
Other net financial investments	(2.2)	(2.8)
Net cash from/(used in) investing activities	**14.0**	**(50.5)**
Dividends paid to equity holders of the parent company	(138.2)	(140.3)
Other payments to/(from) shareholders	(19.3)	(35.4)
Net disposal/(acquisition) of treasury shares	(20.0)	-
Repayment of lease liabilities	(81.7)	(32.5)
Change in financial receivables and payables (net)	82.3	237.2
Net cash from/(used in) financing activities	**(176.9)**	**29.0**
Impact of changes in foreign currency exchange rates on cash and cash equivalents	0.1	(0.2)
Change in cash and cash equivalents	**(231.9)**	**(65.7)**

GLOSSARY

Business potential: The total volume of potential business at any given moment, expressed as a number of units and/or revenue excluding VAT, within future projects in Residential Real Estate (New homes, Subdivisions and International) as well as Commercial Real Estate, validated by the Group's Committee, in all structuring phases, including the programmes of the Group's urban regeneration business (Villes & Projets); this business potential includes the Group's current supply for sale, its future supply corresponding to project phases not yet marketed on purchased land, and projects not yet launched associated with land secured under options

Current operating profit: Includes all operating profit items with the exception of items resulting from unusual, abnormal and infrequently occurring transactions. In particular, impairment of goodwill is not included in current operating profit

Development backlog: The Group's already secured future revenue, expressed in euros, for its Residential Real Estate and Commercial Real Estate businesses. The backlog includes reservations for which notarised agreements have not yet been signed and the portion of revenue remaining to be generated on units for which notarised agreements have already been signed (portion remaining to be built)

EBITDA: Defined by Nexity as equal to current operating profit before depreciation, amortisation and impairment of non-current assets, net changes in provisions, share-based payment expenses and the transfer from inventory of borrowing costs directly attributable to property developments, plus dividends received from equity-accounted investees whose operations are an extension of the Group's business. Depreciation and amortisation includes right-of-use leased assets calculated in accordance with IFRS 16, together with the impact of neutralising internal margins on disposal of an asset by development companies, followed by take-up of a lease by a Group company

Free cash flow: Cash generated by operating activities after taking into account tax paid, financial expenses, changes in WCR, dividends received from companies accounted for under the equity method and net investments in operating assets

Gearing: Net debt divided by consolidated equity

Joint ventures: Entities over whose activities the Group has joint control, established by contractual agreement. Most joint ventures are Residential or Commercial Real Estate developments undertaken with another developer (co-developments)

Land bank: The amount of projects in France for which the Group has acquired development rights, before obtaining a building permit and in some cases planning permissions, expressed as an amount recognised within the working capital requirement

Like-for-like basis: Restatement of information without equivalent during the comparative period (for acquisitions, deduction from the current period; for disposals, deduction from the comparative period).

Net profit before non-recurring items: Group share of net profit restated for non-recurring items such as the refund of the 3% dividend tax, change in fair value adjustments in respect of the ORNANE bond issue and items included in non-current operating profit (any goodwill impairment losses, remeasurement of equity-accounted investments following the assumption of control)

Order intake – Commercial Real Estate: The total of selling prices excluding VAT as stated in definitive agreements for Commercial Real Estate programmes, expressed in euros for a given period (notarised agreements or development contracts)

Operational reporting: According to IFRS but with joint ventures proportionately consolidated. This presentation is used by management as it better reflects the economic reality of the Group's business activities

Property Management for Individuals (PMI): Management of rented properties on behalf of individual clients (management for the owner of all relations with the tenant, management of the sale of the property if applicable) as well as the management of the common areas of apartment buildings (as a managing agent) on behalf of condominium owners

Reservations by value (or expected revenue from reservations) – Residential Real Estate: The net total of selling prices including VAT as stated in reservation agreements for development programmes, expressed in euros for a given period, after deducting all reservations cancelled during the period

Serviced residences "at cruising speed": Residences with an occupancy rate of 90% or higher at 1 January. The occupancy rate is the number of housing units billed divided by the total number of units