

**RESULTS  
FOR THE FIRST NINE MONTHS OF 2019**

**OCTOBER 1, 2019**

# GROWTH MOMENTUM STILL UNDER CONTROL

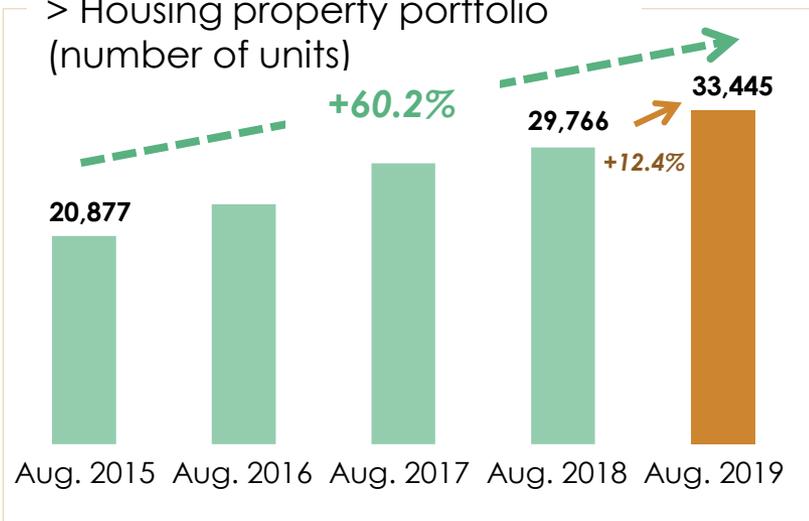
> Housing orders (number of units)



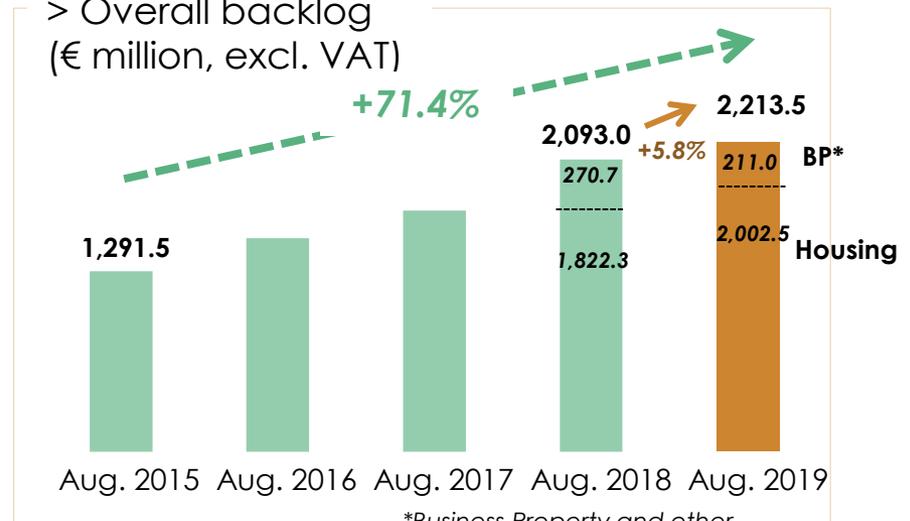
> Housing take-up period (months, over 9 consecutive months)

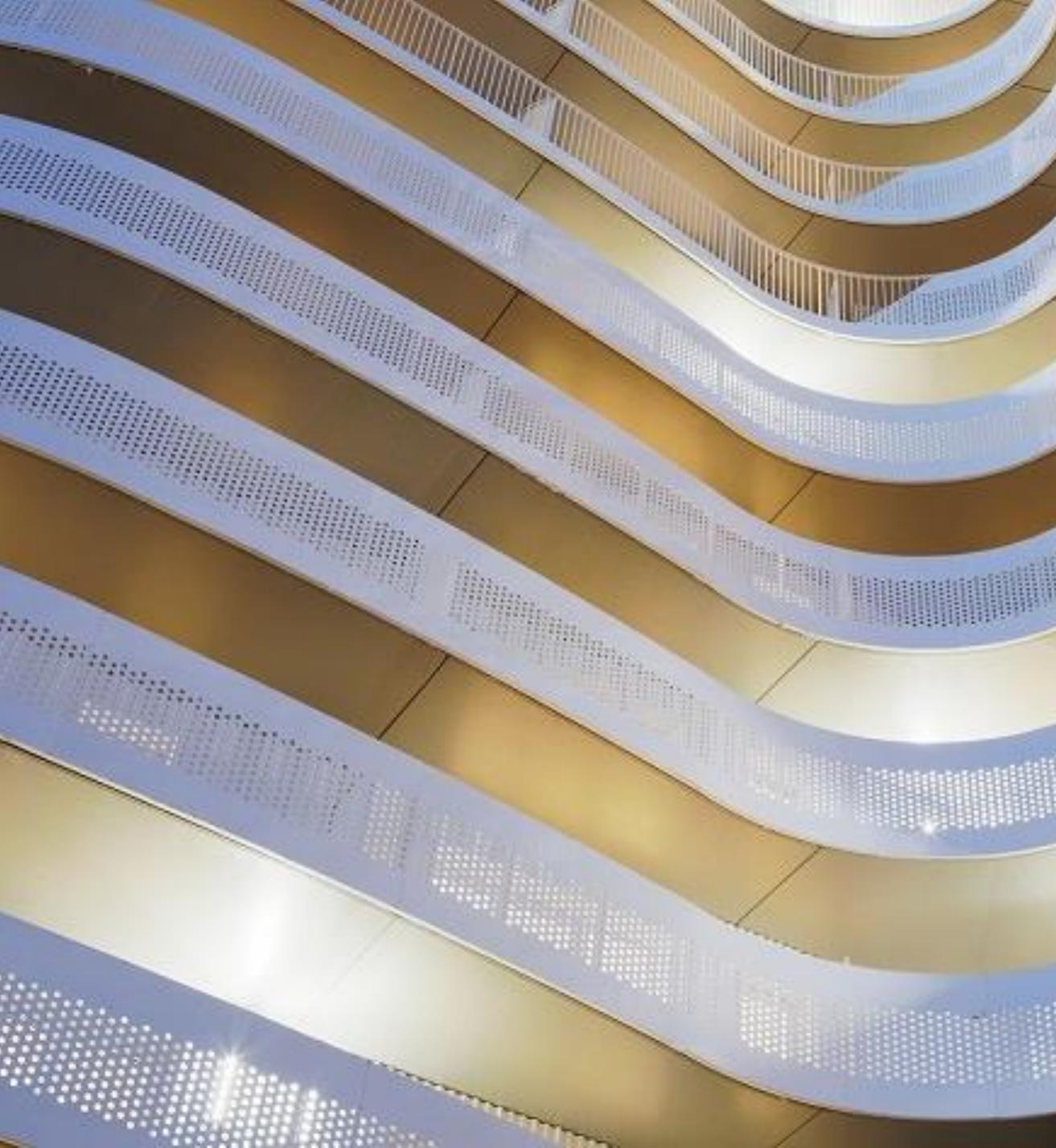


> Housing property portfolio (number of units)



> Overall backlog (€ million, excl. VAT)





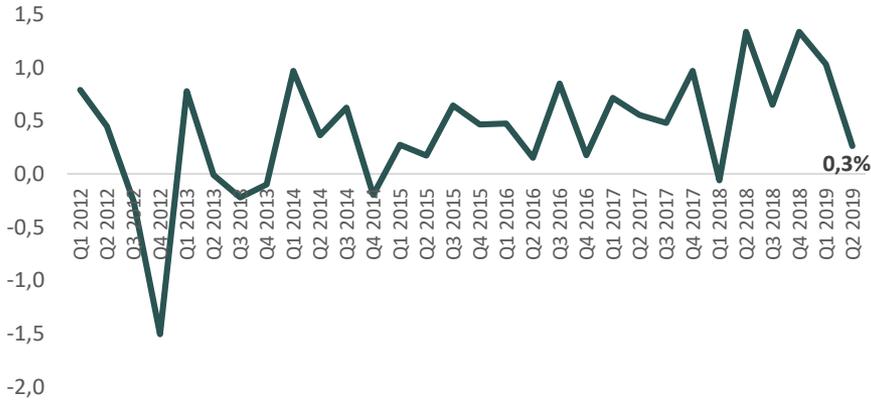
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**OVERVIEW OF THE  
NEW HOUSING  
MARKET**

# MACRO INDICATORS STILL PROMISING

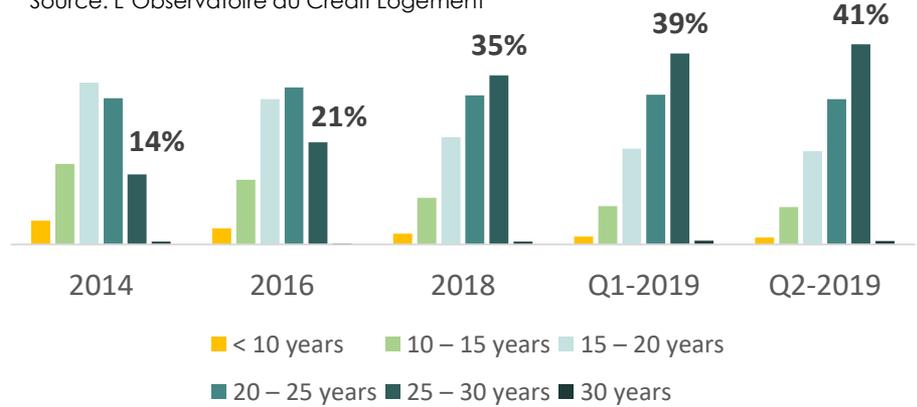
## Disposable income still trending positively

Source: INSEE



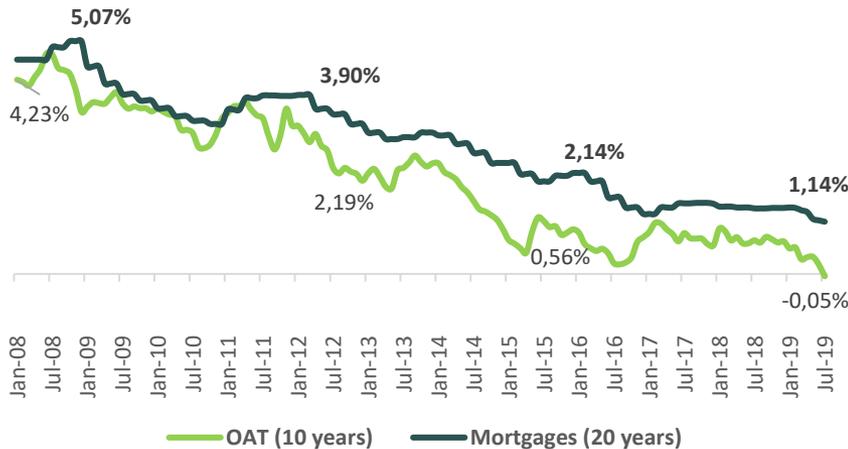
## Banks continue to grant homebuyers longer mortgages

Source: L'Observatoire du Cr dit Logement



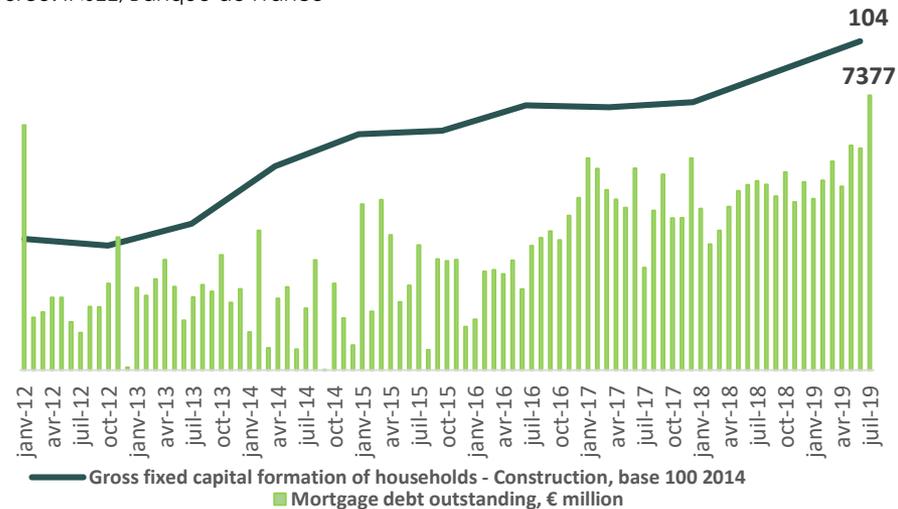
## Interest rates continue to fall

Source: L'Observatoire du Cr dit Logement and Banque de France



## Demand remains robust

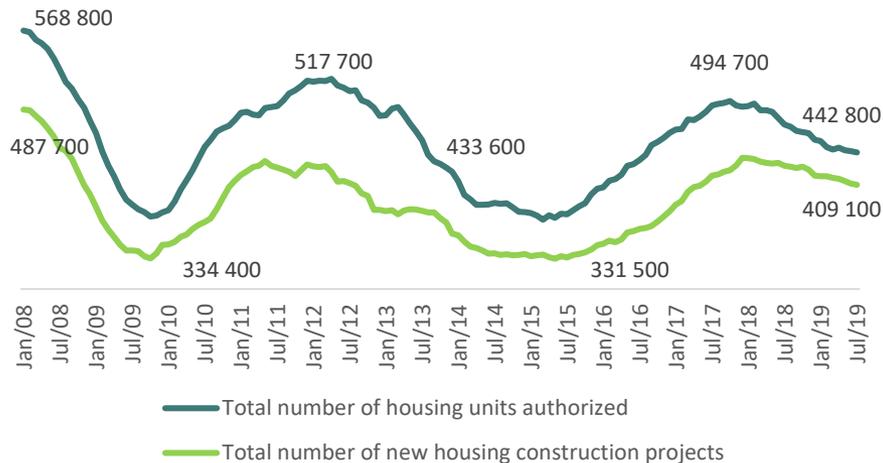
Source: INSEE, Banque de France



# MARKET ENVIRONMENT BECOMING HARSHER

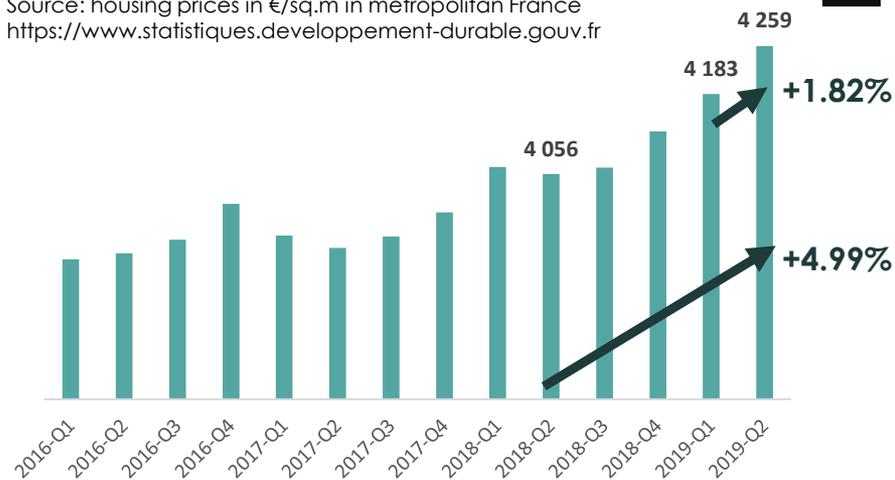
## Program launches are restricted

Source: <https://www.statistiques.developpement-durable.gouv.fr>



## Pricing pressure on new housing is increasing

Source: housing prices in €/sq.m in metropolitan France  
<https://www.statistiques.developpement-durable.gouv.fr>

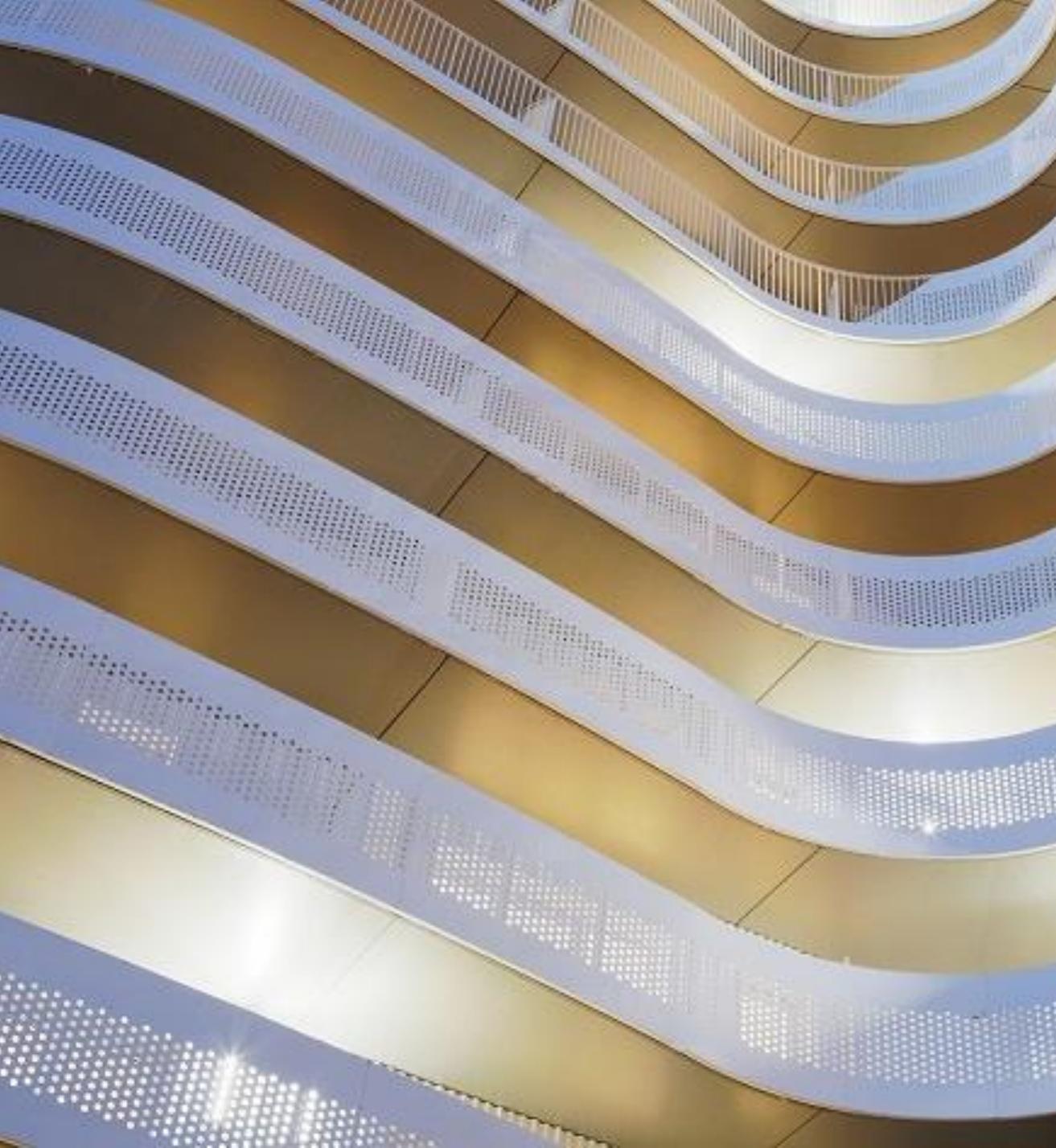


### Fewer building permits issued due to upcoming municipal elections

In the past, the number of multi-occupancy housing units authorized has tended to diminish in the months surrounding municipal elections.

### Federation of Property Developers observed a decrease in orders

The number of new housing orders declined by 5% in S1 2019 and 13% in Q2 2019; blocks sales dropped by 31% in Q2 2019 solely.

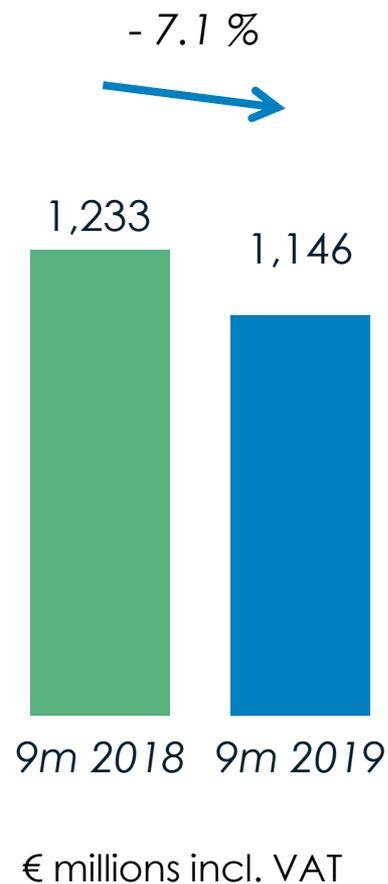
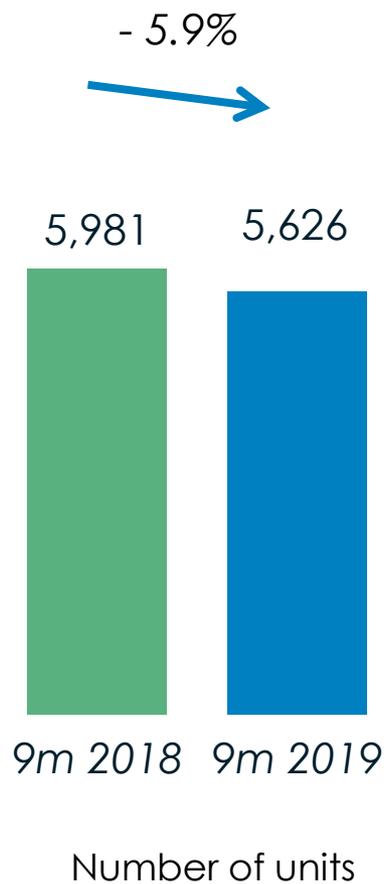


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**HOUSING BUSINESS**

# TREND FOR HOUSING ORDERS

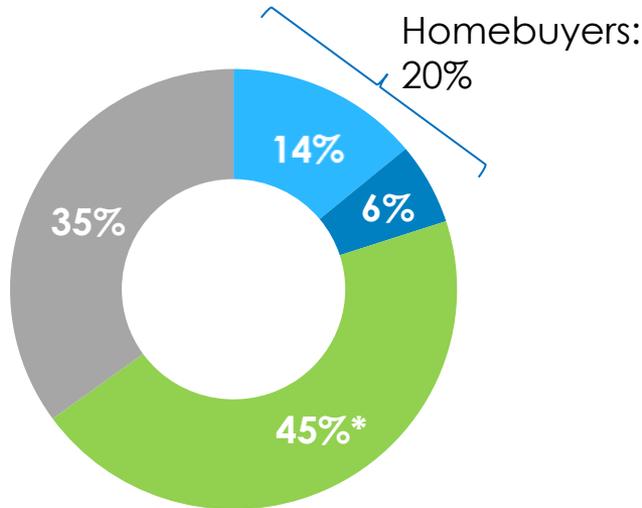
> Kaufman & Broad



# HOUSING ORDERS IN VOLUME: CHANGE IN BREAKDOWN OF CUSTOMER BASE

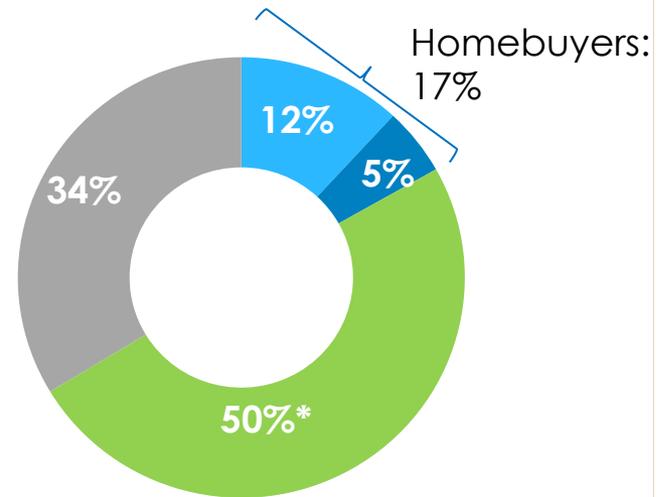
## Orders in volume terms

> 9M 2018



\* of which over 45%  
for managed housing

> 9M 2019



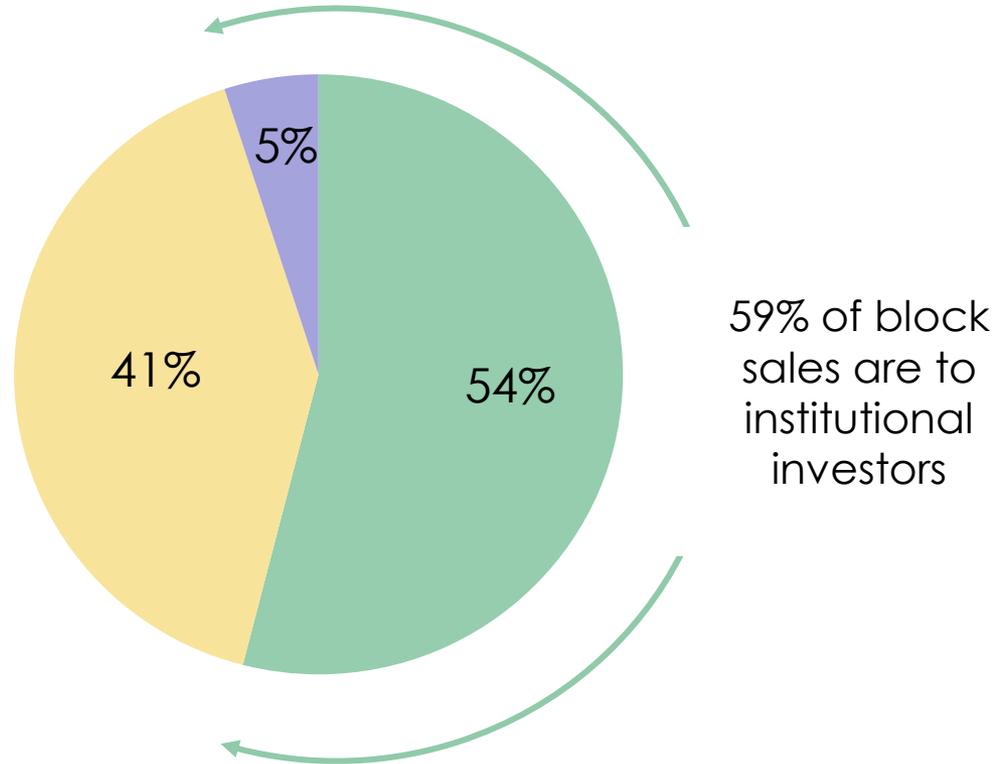
\* of which over 54%  
for managed housing

### Change 9m 2019 vs 9m 2018

<span style="color: #00AEEF;">■</span> First-time buyer	(-23%)
<span style="color: #0072BC;">■</span> Second-time buyer	(-29%)

<span style="color: #76C74A;">■</span> Block	(+5%)
<span style="color: #808080;">■</span> Investor	(-9%)

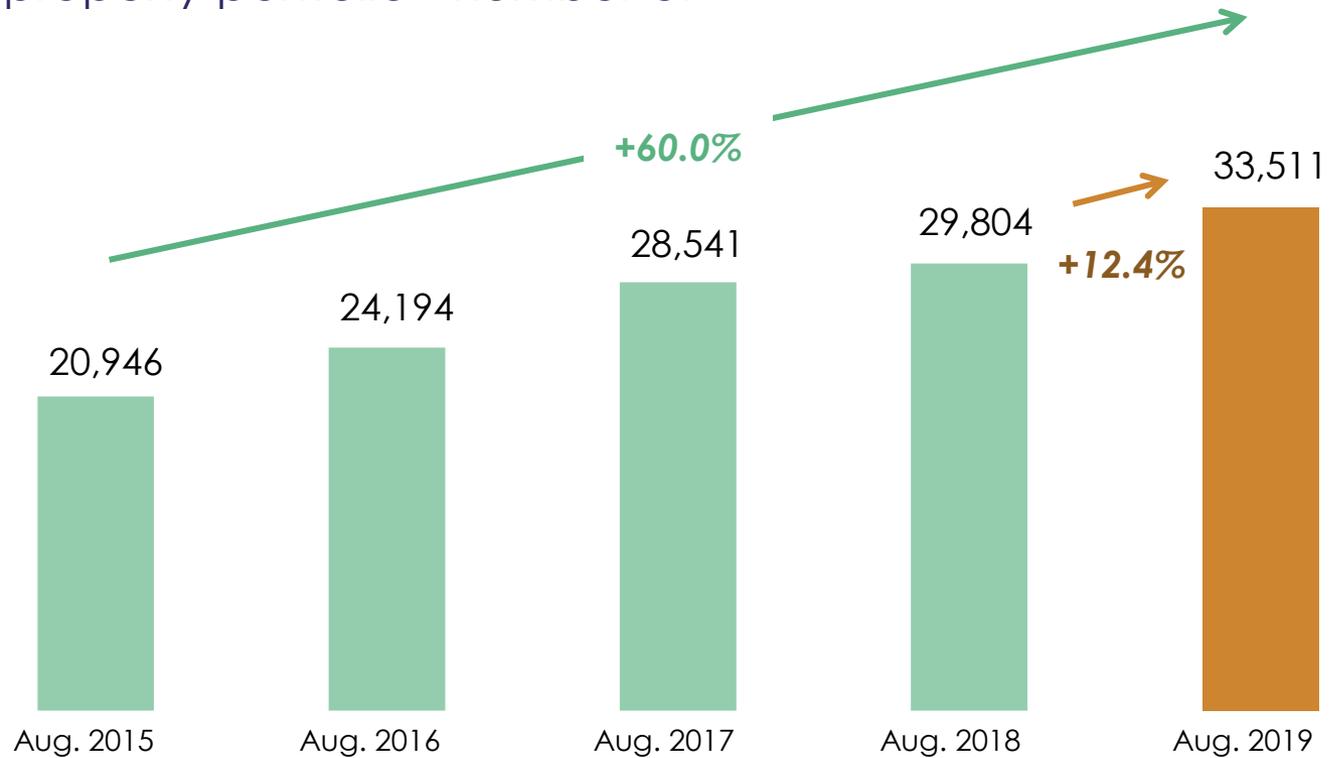
# BREAKDOWN OF BLOCK SALES



- Block sales to institutional investors, managed housing
- Block sales to corporate buyers, excl. managed housing
- Block sales to institutional investors, excl. managed housing

# EXPANSION OF THE PROPERTY PORTFOLIO

> Total property portfolio - number of units

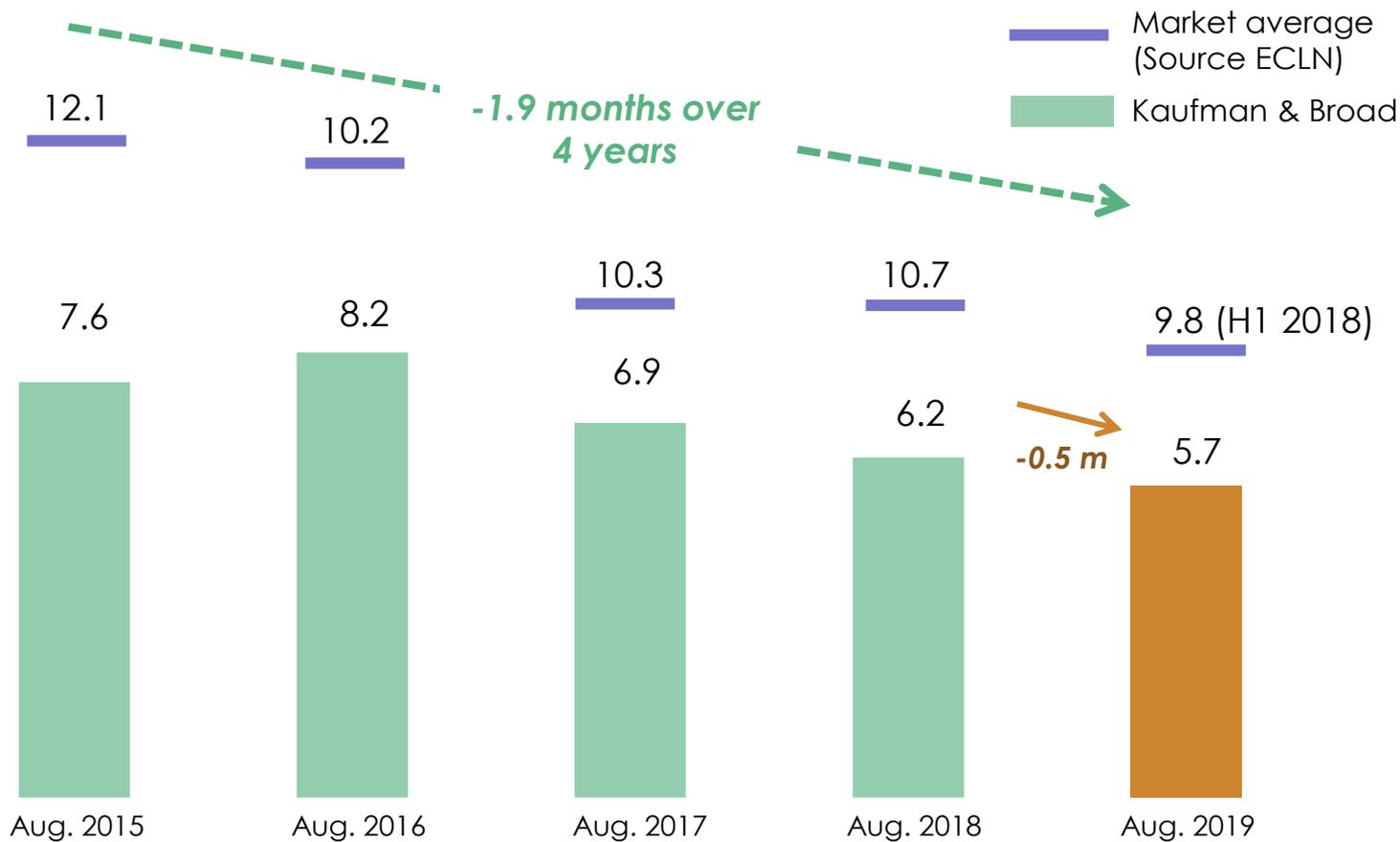


Kaufman & Broad's land reserve at end-August 2019: 98% in high-demand / low-supply areas

Growth in property portfolio in first nine months of 2019: 12.4%

# THE TAKE-UP PERIOD HAS SHORTENED FURTHER

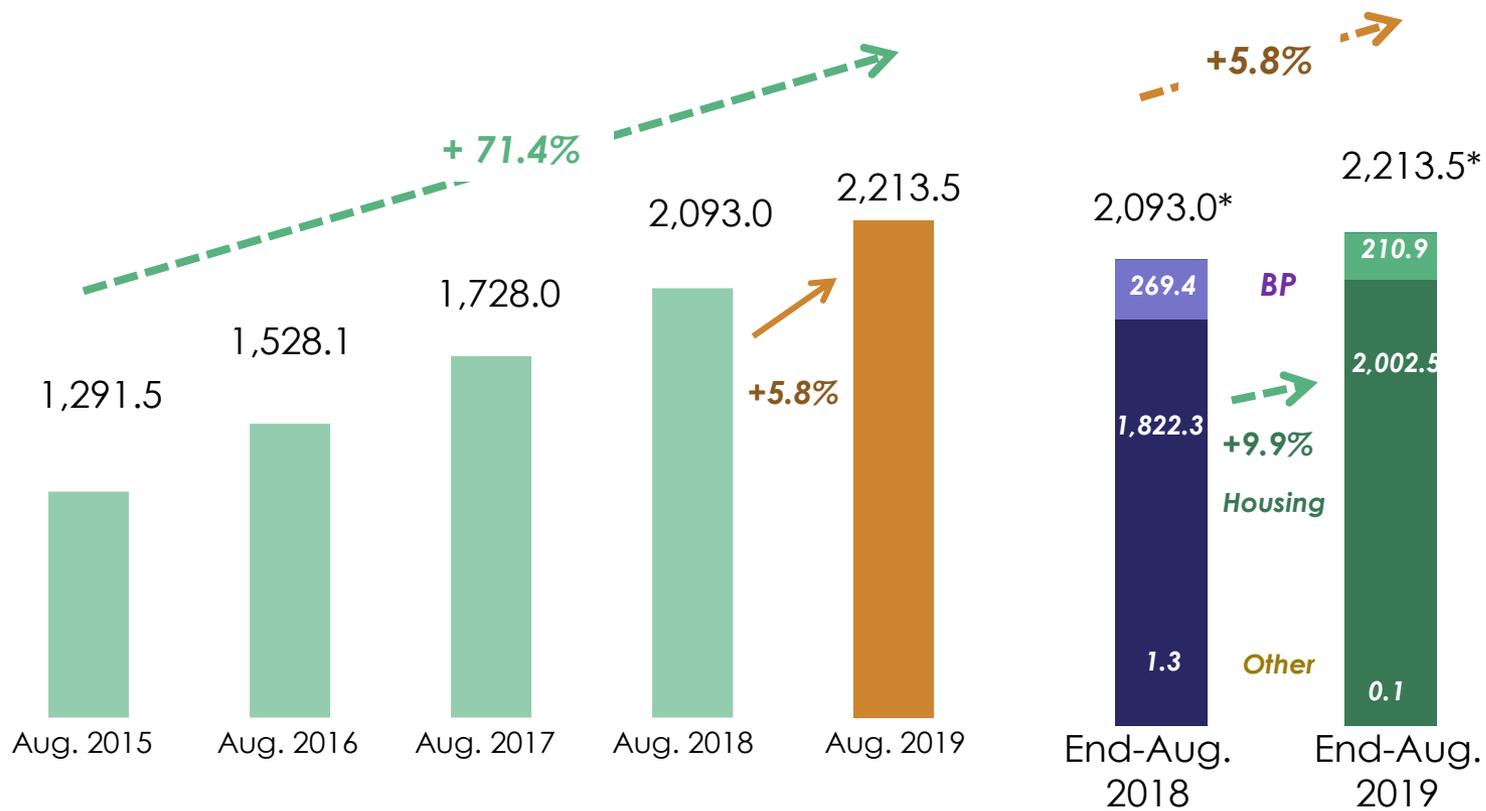
> Take-up period\* – in months (9 months)



\* On a 9-month basis, commercial supply at end of period / Average orders over the period

# SOLID BUSINESS OUTLOOK

> Overall backlog (Housing + Business Property) €m, excl. tax



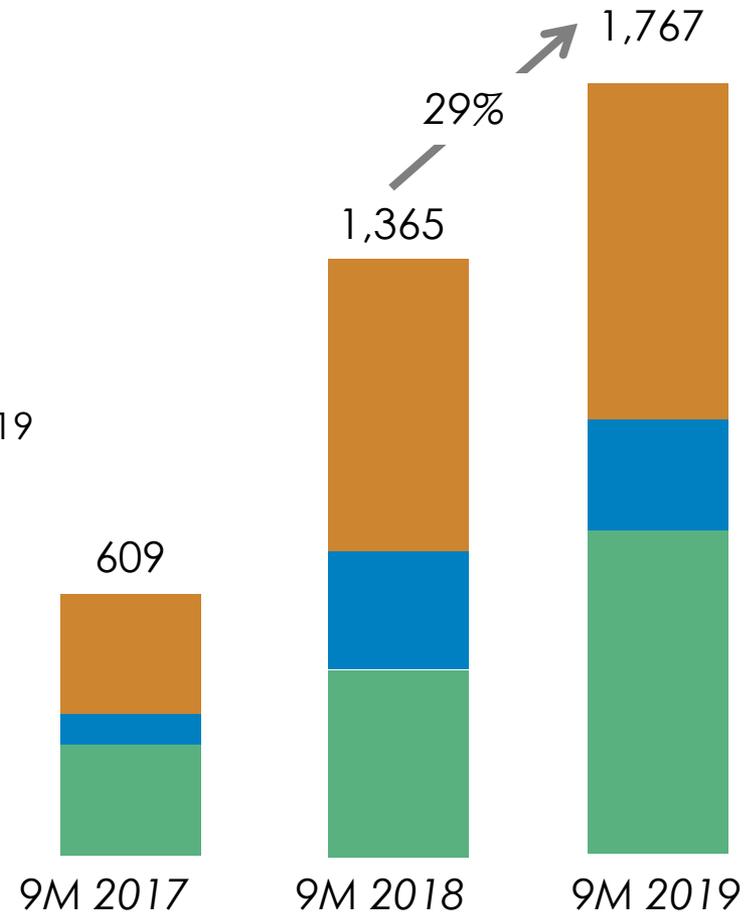
\*Housing + Commercial + Other

# MANAGED HOUSING: ORDERS IN 9M 2019

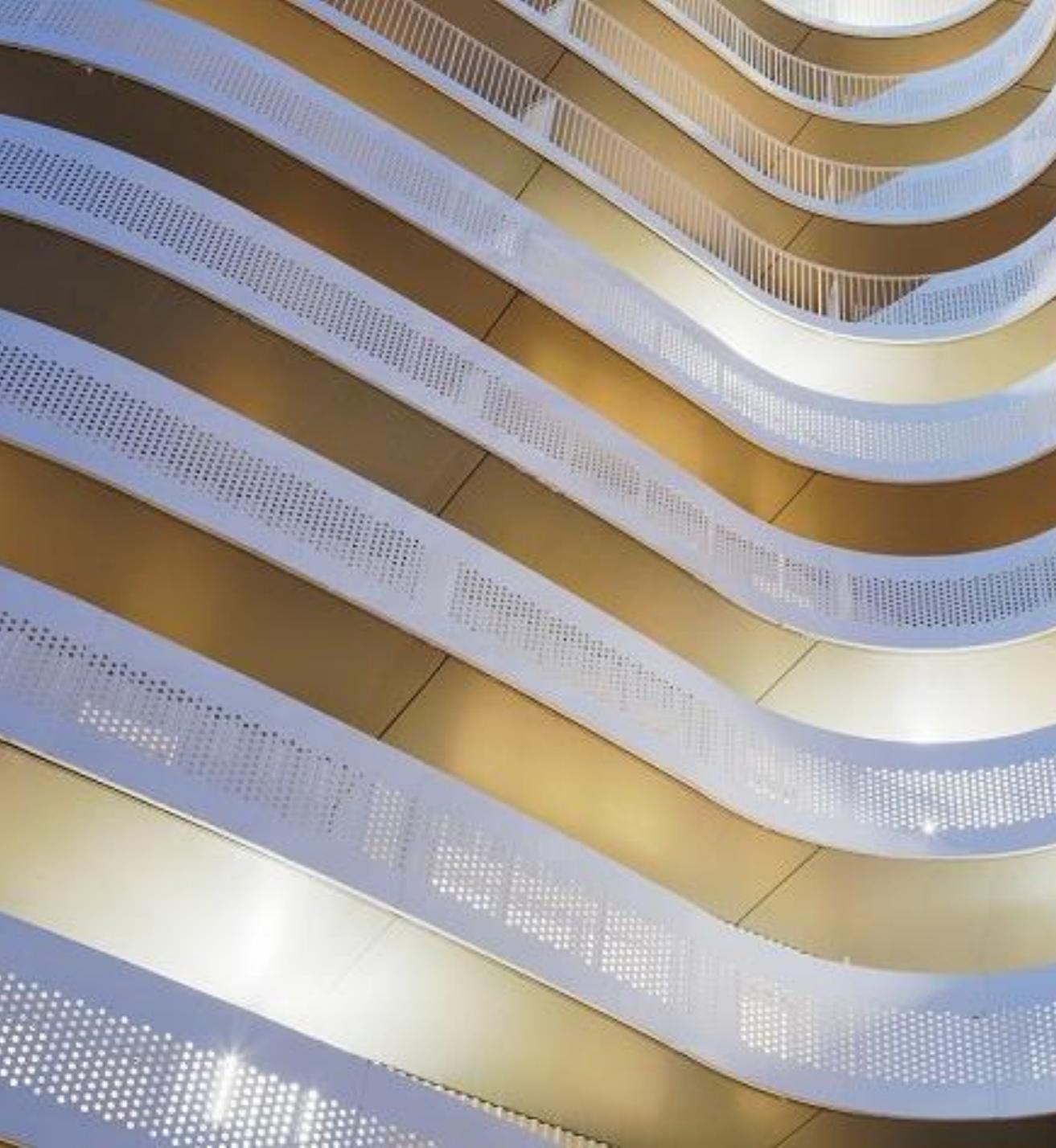
## > Orders in 9M 2019 (number of units)

- Tourist / Corporate housing
- Senior housing
- Student housing

- 2019: 22 projects on the market
  - of which 21 already launched in 9M 2019
  - (of which 2 Cosy Diem\* programs)



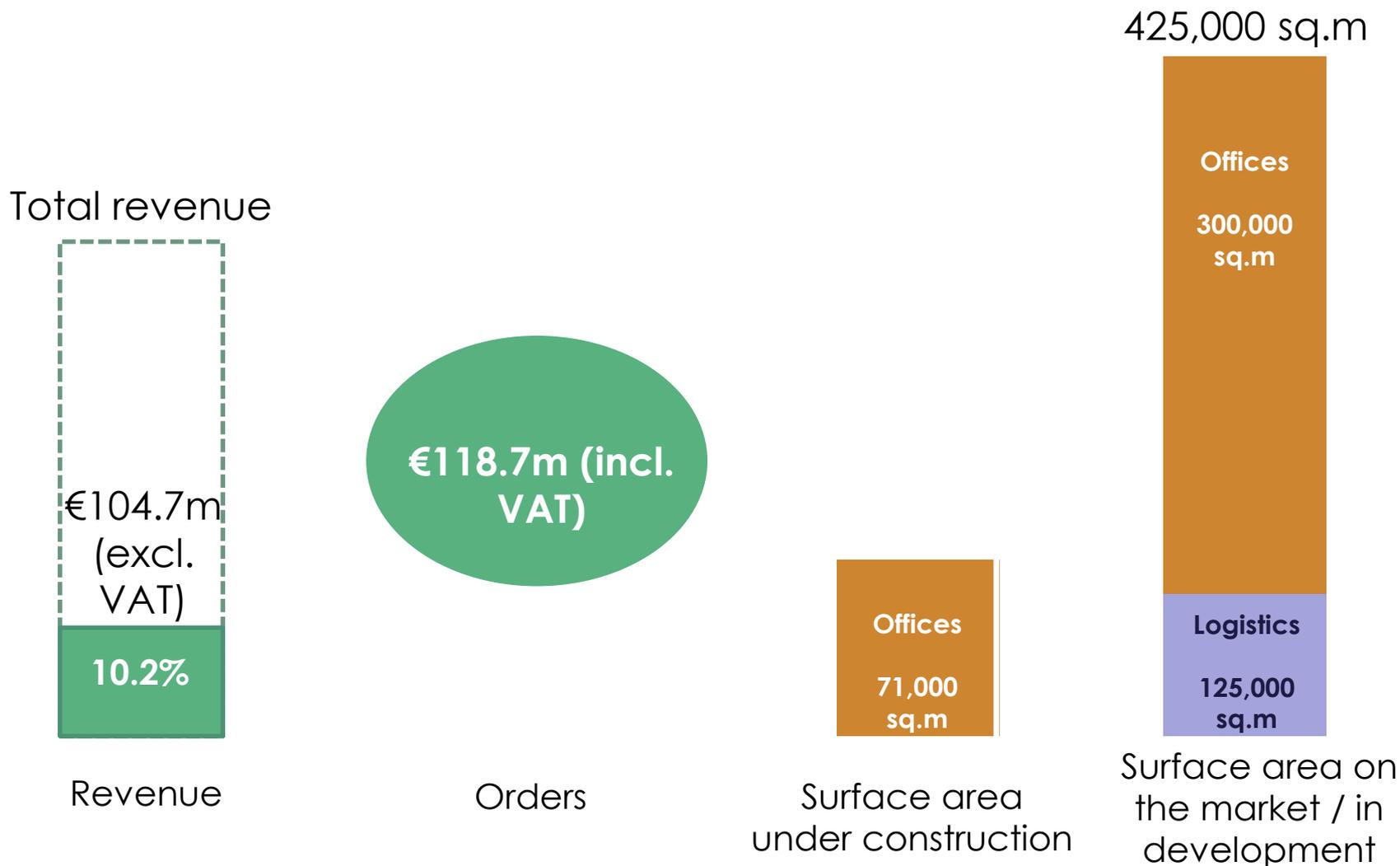
\* 49% subsidiary of Kaufman & Broad



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COMMERCIAL  
BUSINESS

# COMMERCIAL PROPERTY: BUSINESS ACTIVITY IN FIRST NINE MONTHS OF 2019



# OFFICE DEVELOPMENTS IN AND OUTSIDE THE PARIS REGION



- Courbevoie - Highlight
- 23,000 sq.m offices, 6,000 sq.m hotel residence



- Bordeaux - Euratlantique
- 26,000 sq.m

- Austerlitz - Evolution Paris Rive Gauche
- 92,000 sq.m



- Arcueil
- Green Oak Building
- 10,000 sq.m offices



- Bordeaux
- Tour Silva
- 20,000 sq.m offices, housing and retail



- Strasbourg - Starlette
- 20,000 sq.m offices, 15,000 sq.m housing



- Toulouse - Andromède
- 15,000 sq.m offices



- Lille Eurasanté
- 7,000 sq.m



- Nancy
- SEQUOIA'H
- 6,500 sq.m offices, housing and retail



- Montrouge
- 10,000 sq.m



- Vélizy
- 37,000 sq.m offices

2019

2020

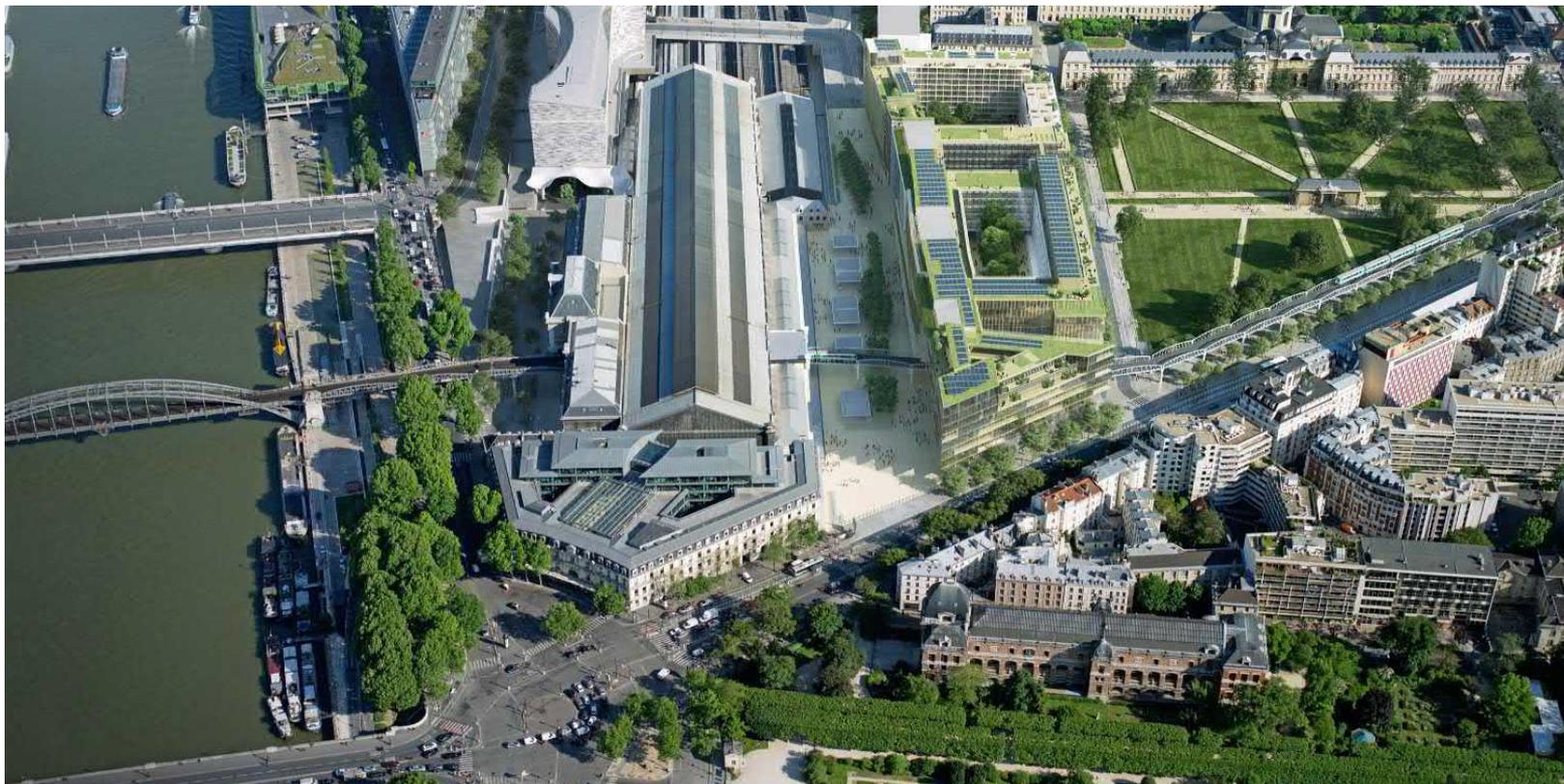
2021

2022

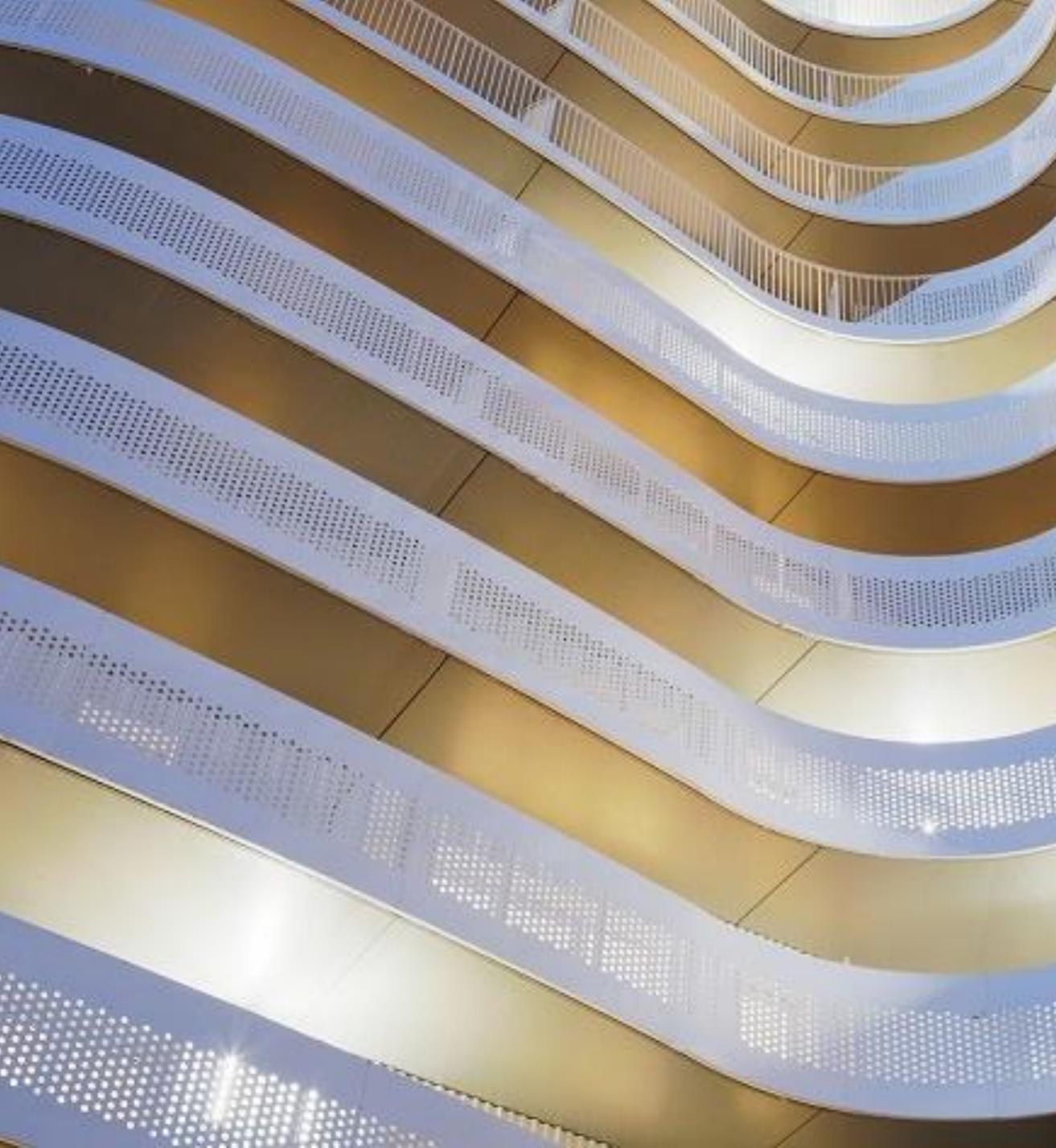
# « EVOLUTION » - AUSTERLITZ PROJECT

Over 90 000 m<sup>2</sup>

- Offices: 50 000 m<sup>2</sup>
- Businesses and services: 20 000 m<sup>2</sup>
- Housing and student accomodation: 11 500 m<sup>2</sup>  
(JV with a social landlord)
- SNCF (national train cie) premises : 4 000 m<sup>2</sup>
- Public car park: >500 places
- 4-star hotel 210 rooms 6 500m<sup>2</sup>
- Gardens and vegetated terraces 8 000 m<sup>2</sup>



Announcement of the A7 A8 winner:	early 2015
Consultation with the architects:	Q2 2015
<i>(Winning team: DFA – AZC – TVK – INSPACE – HENKE SCHREIECK)</i>	
Feasibility and project optimization:	2016 - 2017
Permit studies:	2018
Permit filing:	May 2019
CDAC authorization:	Aug 2019
Public inquiry:	End of 2019
Permit cleared of all claims:	End of 2020
Construction:	2020 – 2025
Delivery:	2025



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## FINANCIAL RESULTS

# REVENUE

€1,096.3m

-6.1%

€1,029.7m

Housing  
89.4%

Comm.  
10.2%  
0.5%

9m 2018

9m 2019



Housing  
€920.1m vs. €884.6m

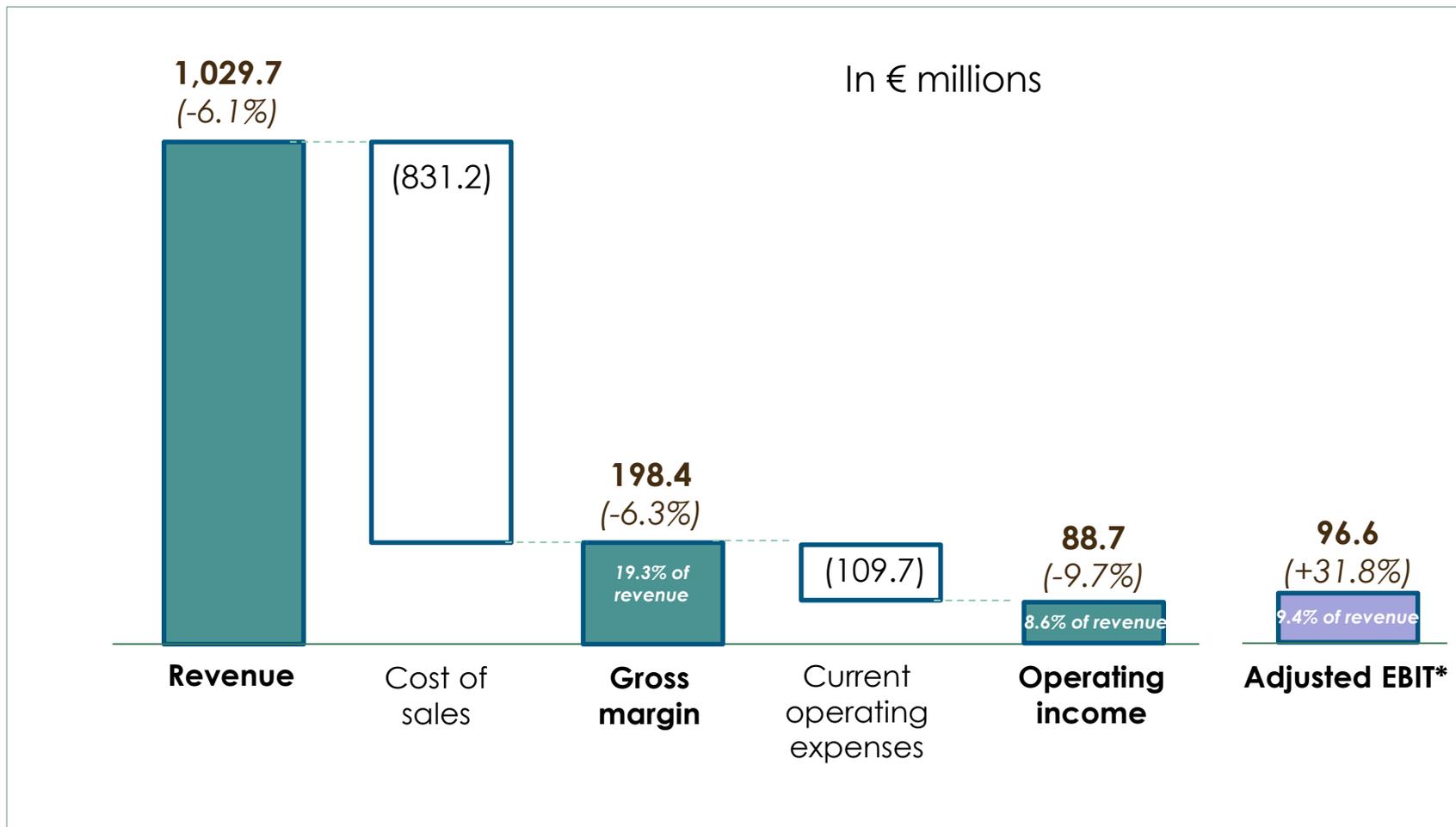


Commercial Property\*:  
€104.7m vs. €205.2m

Showroom and other: €4.9m vs. €6.6m

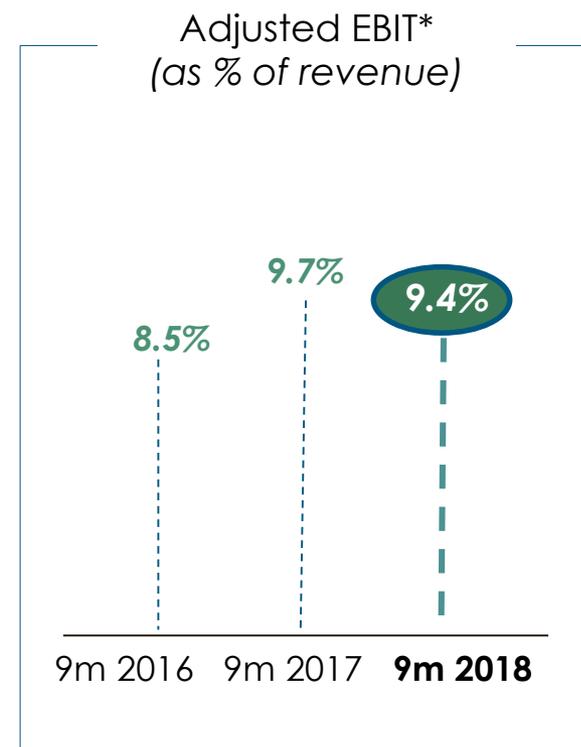
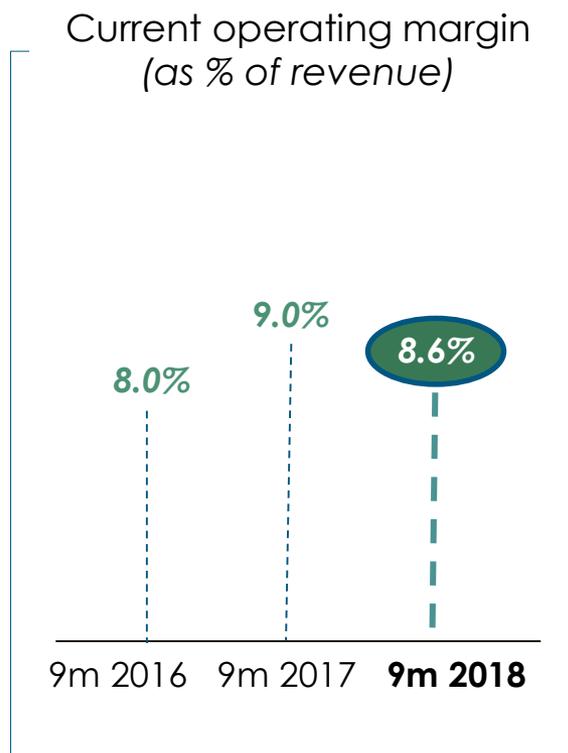
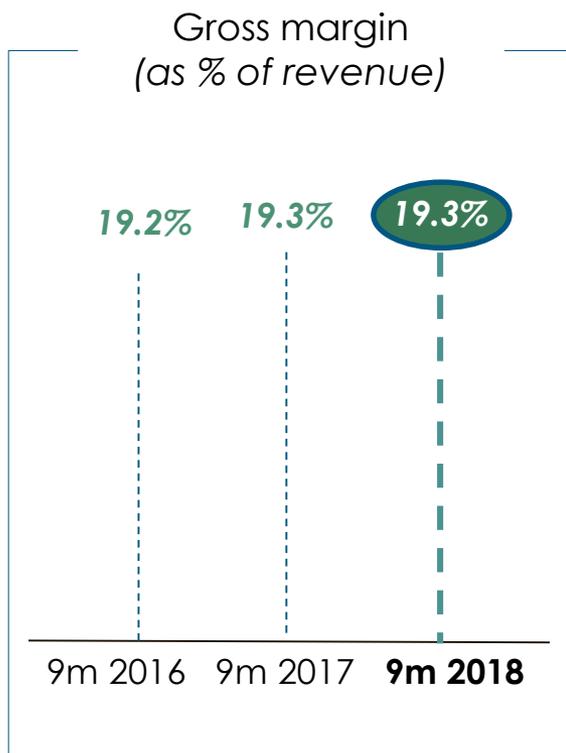
\* Office, retail, hotels and logistics

# FROM REVENUE TO OPERATING INCOME



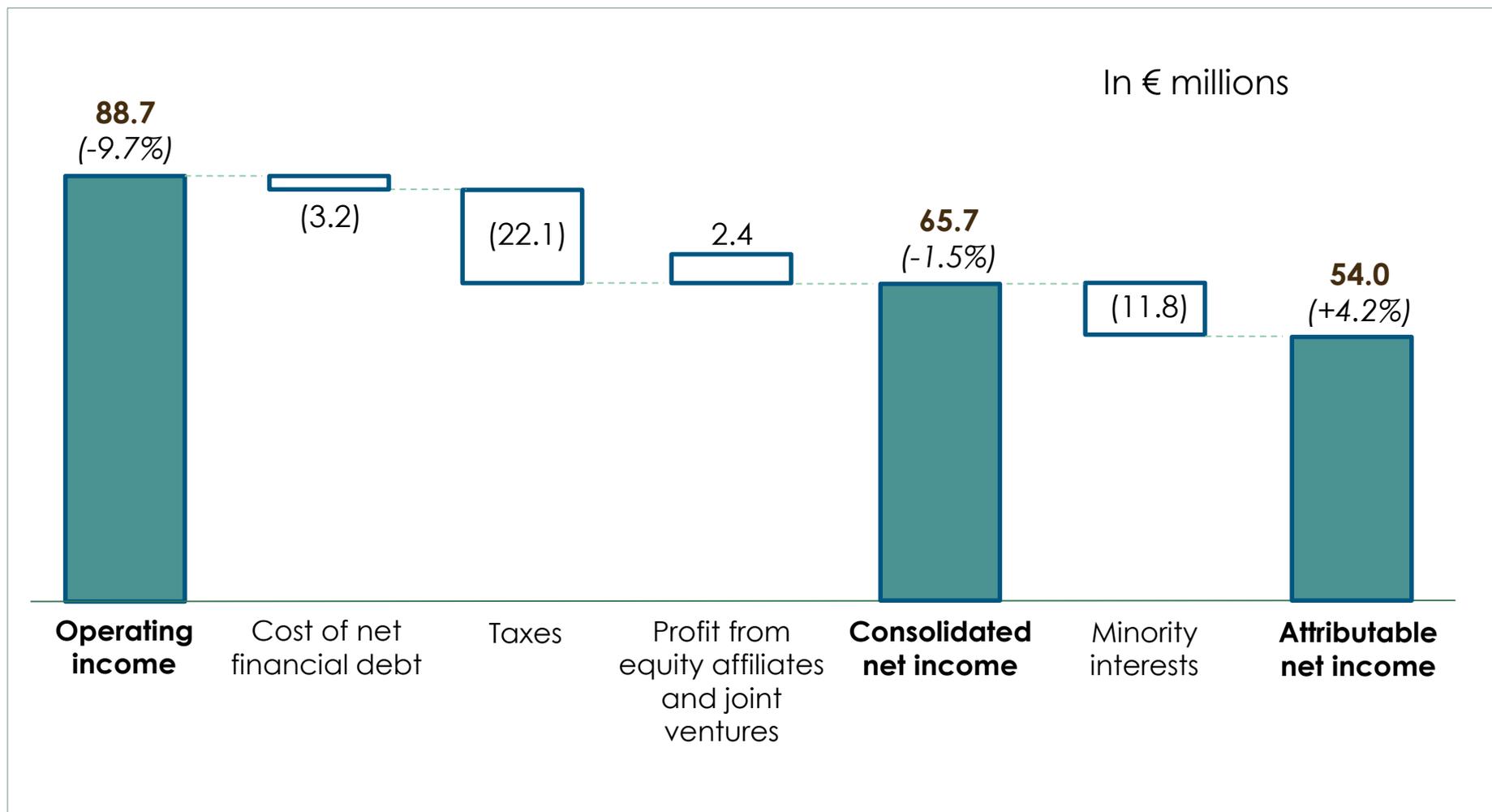
- Corresponds to current operating income adjusted for capitalized borrowing costs

# OPERATING MARGINS

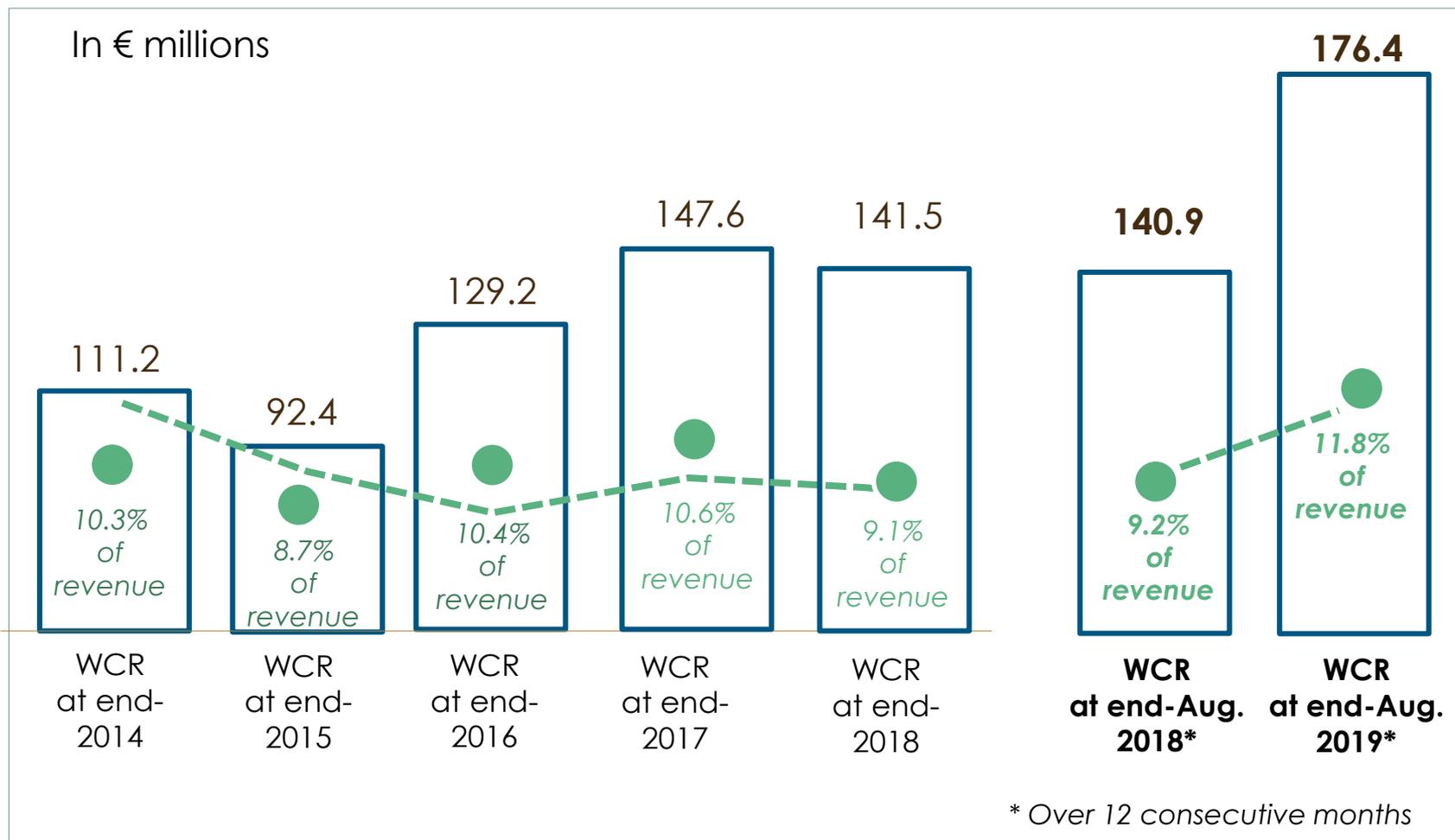


\* Current operating income adjusted for capitalized borrowing costs

# FROM OPERATING INCOME TO NET INCOME

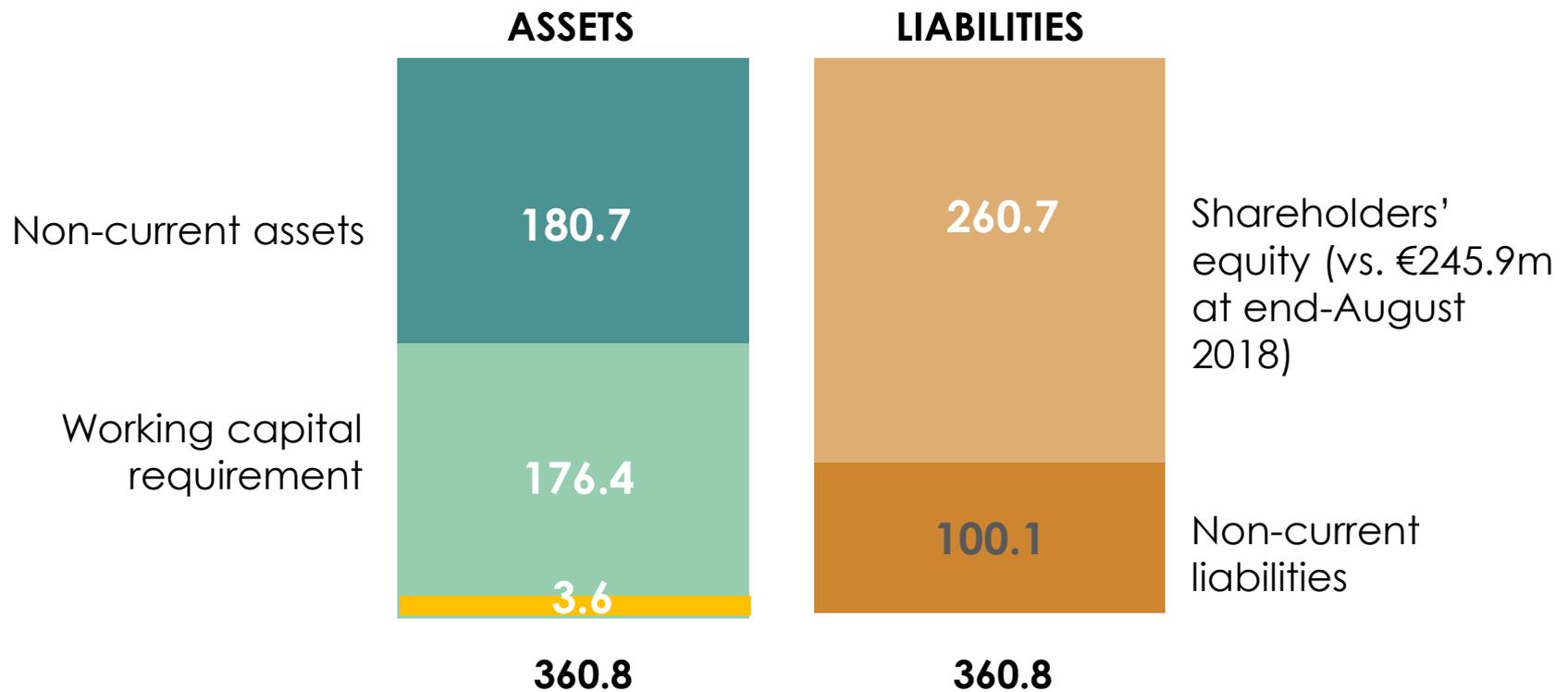


# CHANGE IN WORKING CAPITAL REQUIREMENT



# SIMPLIFIED BALANCE SHEET AT END-AUGUST 2019

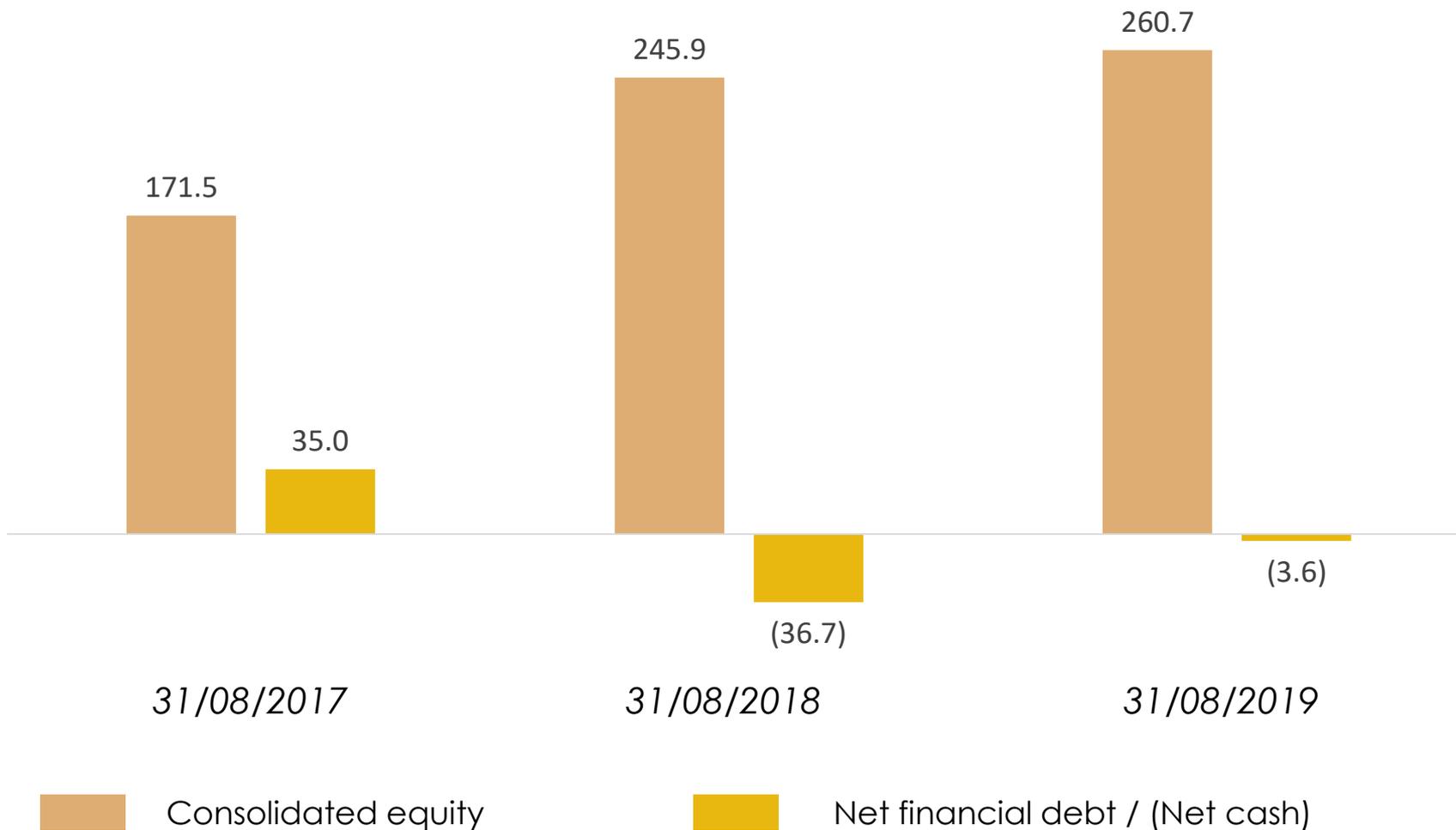
> In € millions



<i>In € millions</i>	<b>Aug. 31, 2019</b>	<b>Aug. 31, 2018</b>
<b>Shareholders' equity</b>	<b>260.7</b>	<b>245.9</b>
<b>Financial debt *</b>	<b>150.8</b>	<b>252.9</b>
of which financial debt maturing in < 1 year	2.0	3.2
of which financial debt maturing in > 1 year	148.8	249.7
Maturity	5.1 years	4.8 years
* of which:		
loan arrangement costs	(1.5)	(0.5)
bilateral credit lines / hedging instruments / other	2.3	3.4
bond	150.0	150.0
senior B + C		100.0
<b>Cash and cash equivalents</b>	<b>154.4</b>	<b>289.7</b>
<b>Financing capacity</b>	<b>404.4</b>	<b>389.7</b>

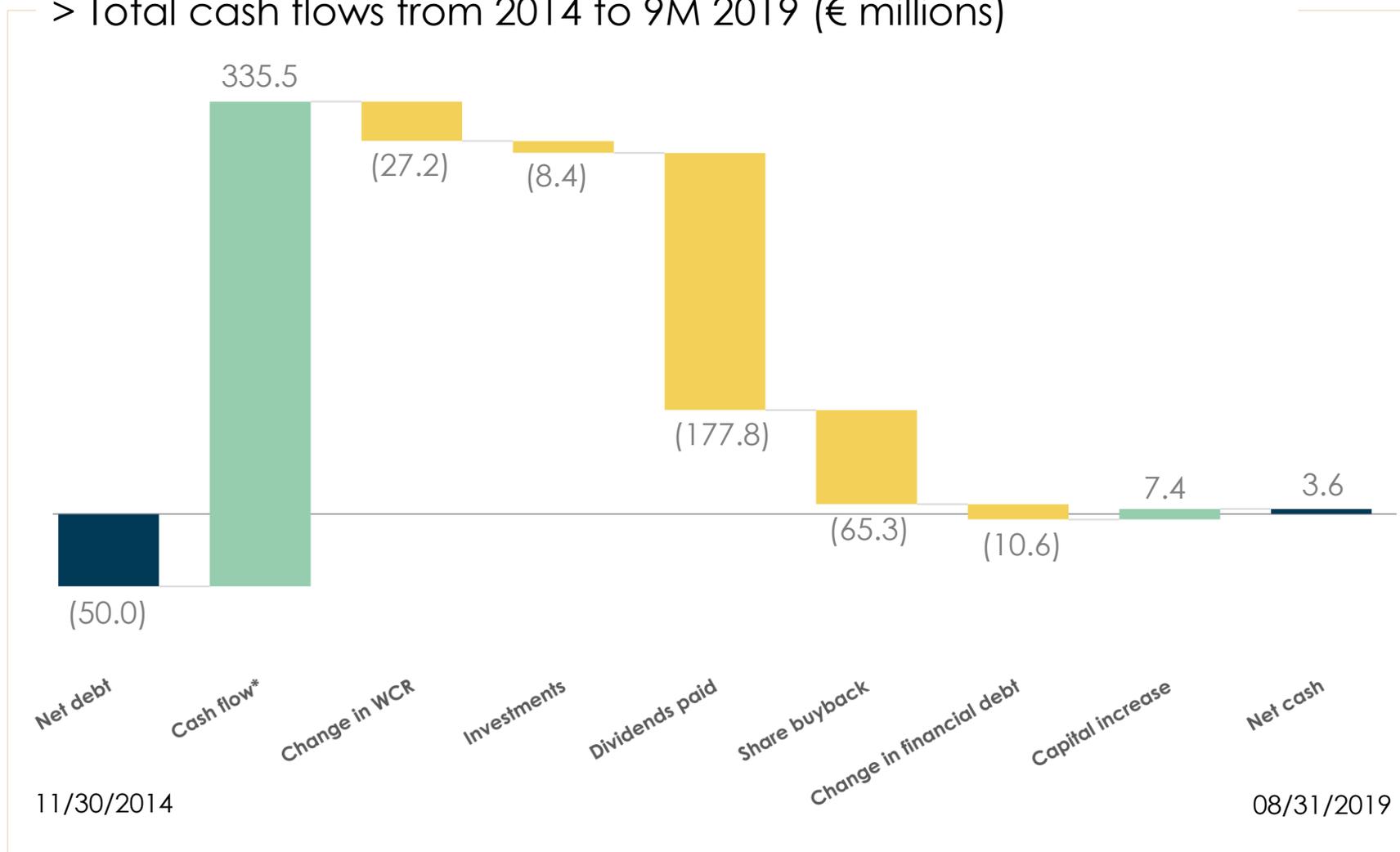
# CHANGE IN EQUITY AND FINANCIAL DEBT

> In € millions

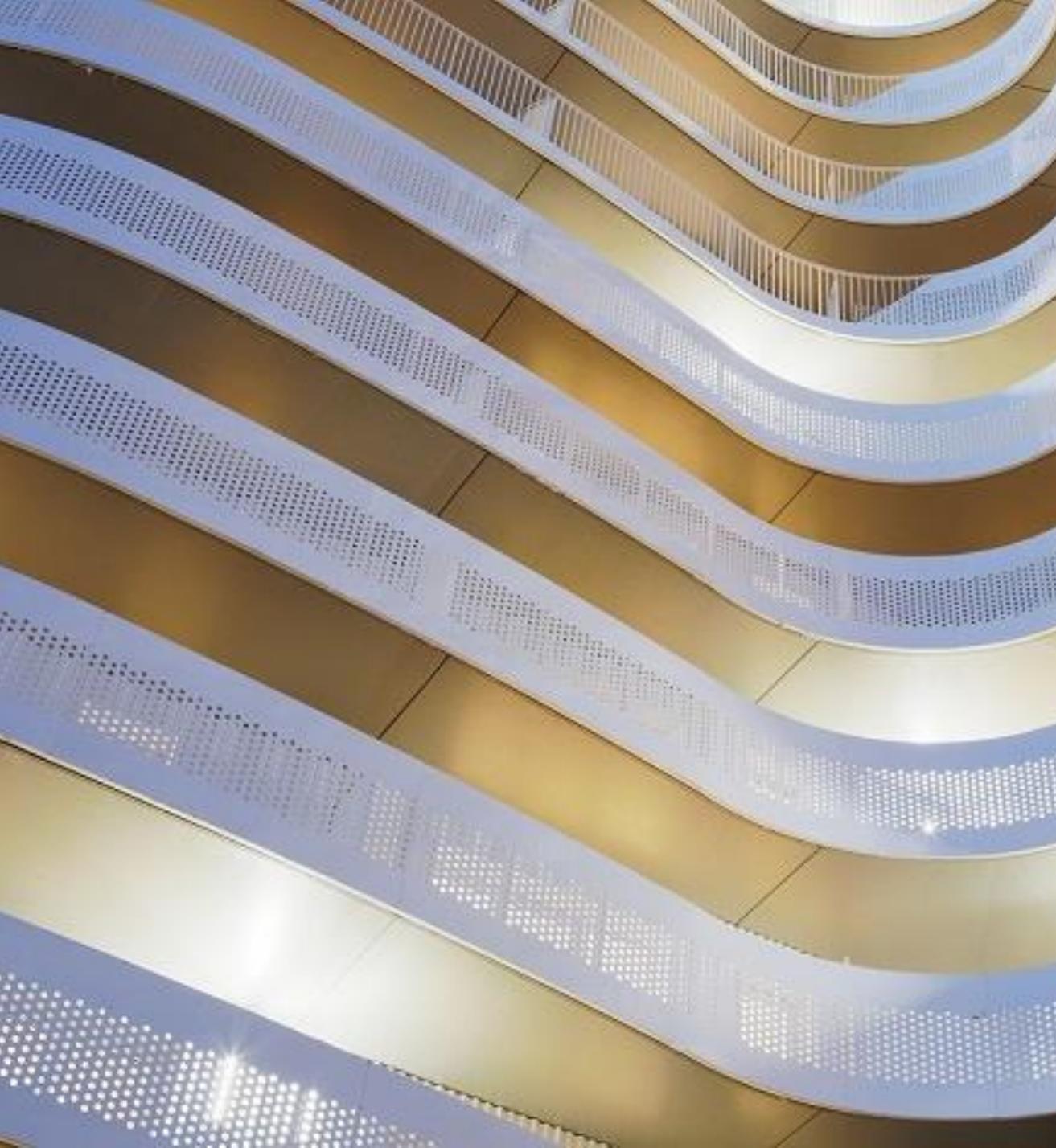


# STRONG CAPACITY TO GENERATE CASH

> Total cash flows from 2014 to 9M 2019 (€ millions)



\* Operating cash flow after minority interests, taxes and financial interests



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OUTLOOK

- Slowing issuance of building permits led to a decrease in sales opportunities in the second half.
- The new housing market is expected to see a decrease in orders of about 10% over the year; this is also likely to be the case at Kaufman & Broad.
- Revenue should stand at around €1.5 billion, with about 5% growth in the Housing segment and a decline in the Commercial Property segment in line with expectations.
- The gross margin ratio is expected to hold at around 19% and the adjusted EBIT<sup>1</sup> ratio should remain above 9%.
- Attributable net income should be at least equal to the 2018 level.
- Given the financial structure and expected results, a dividend of at least €2.50 per share should be proposed to the Board of Directors for the 2019 fiscal year.
- Total backlog representing more than 17 months worth of activity, the quality of our project portfolio and our strong balance sheet ensure us good visibility beyond 2019 and support our dividend distribution capacity

<sup>1</sup> Corresponds to current operating income adjusted for capitalized borrowing costs

- *The Kaufman & Broad Registration Document was filed with the French Financial Markets Authority (“AMF”) under No. D.180226 on March 29, 2019. It is available on the AMF ([www.amf-france.org](http://www.amf-france.org)) and Kaufman & Broad ([www.kaufmanbroad.fr](http://www.kaufmanbroad.fr)) websites. It contains a detailed description of Kaufman & Broad’s business activities, results and outlook, as well as the associated risk factors. Kaufman & Broad specifically draws attention to the risk factors set out in Chapter 1.2 of the Registration Document. The occurrence of one or more of these risks might have a material adverse impact on the Kaufman & Broad group’s business activities, net assets, financial position, results and outlook, as well as on the price of Kaufman & Broad’s shares.*
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