



NEWS RELEASE

KB Home Provides Update on 2020 Third Quarter Order Growth

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LOS ANGELES--(BUSINESS WIRE)-- KB Home (NYSE: KBH) today announced that for the months of June and July 2020 its gross orders collectively increased 14% year over year to 3,275, and net orders grew 17% to 2,682. The cancellation rate for the period improved to 18%, from 20% in the year-earlier period. The Company's net order growth reflected year-over-year increases of 11% in June and 23% in July. The update was provided in advance of virtual meetings between management and investors at the Barclays Select Series: Building & Building Products event on August 6, 2020.

"We experienced an acceleration in net order growth through the first two months of our 2020 third quarter, with an exceptionally strong monthly absorption rate per community of 5.5, up 22% year over year," said Jeffrey Mezger, Chairman, President and Chief Executive Officer. "We believe our affordably priced products in desirable locations and our Built-to-Order model, which provides personalization and choice, are the key drivers of our healthy sales pace, together with historically low mortgage interest rates and an increase in housing demand. While all of our communities are open to walk-in traffic, following appropriate safety protocols and applicable public health guidelines, homebuyers have options in how they engage with us, as we have reimagined our online homebuying experience with a broad range of enhanced tools, including virtual home tours, interactive floor plans, live chats with our sales counselors and online consultations in our Design Studios, underscoring our robust virtual selling capability."

About KB Home

KB Home is one of the largest and most recognized homebuilders in the United States and has been building quality homes for over 60 years. Today, KB Home operates in 42 markets across eight states, serving a wide array of

buyer groups. What sets us apart is how we give our customers the ability to personalize their homes from homesites and floor plans to cabinets and countertops, at a price that fits their budget. We are the first builder to make every home we build ENERGY STAR® certified. In fact, we go beyond the EPA requirements by ensuring every ENERGY STAR certified KB home has been tested and verified by a third-party inspector to meet the EPA's strict certification standards, which help to lower the cost of ownership and to make our new homes healthier and more comfortable than new ones without certification. We also work with our customers every step of the way, building strong personal relationships so they have a real partner in the homebuying process, and the experience is as simple and easy as possible. Learn more about how we build homes built on relationships by visiting kbhome.com.

Forward-Looking and Cautionary Statements

Certain matters discussed in this press release, including any statements that are predictive in nature or concern future market and economic conditions, business and prospects, our future financial and operational performance, or our future actions and their expected results are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on current expectations and projections about future events and are not guarantees of future performance. We do not have a specific policy or intent of updating or revising forward-looking statements. Actual events and results may differ materially from those expressed or forecasted in forward-looking statements due to a number of factors. The most important risk factors that could cause our actual performance and future events and actions to differ materially from such forward-looking statements include, but are not limited to the following: general economic, employment and business conditions; changes in interest rates; weak or declining consumer confidence, either generally or specifically with respect to purchasing homes; competition from other sellers of new and resale homes; government actions, policies, programs and regulations directed at or affecting the housing market (including the Coronavirus Aid, Relief, and Economic Security Act relief provisions for outstanding mortgage loans, tax benefits associated with purchasing and owning a home, and the standards, fees and size limits applicable to the purchase or insuring of mortgage loans by government-sponsored enterprises and government agencies), the homebuilding industry, or construction activities; consumer interest in our new home communities and products, particularly from first-time homebuyers and higher-income consumers; our ability to generate orders and convert our backlog of orders to home deliveries and revenues, particularly in key markets in California; the ability of our homebuyers to obtain residential mortgage loans and mortgage banking services; the performance of mortgage lenders to our homebuyers; the performance of KBHS Home Loans, LLC, our mortgage banking joint venture with Stearns Ventures, LLC;; an epidemic or pandemic (such as the outbreak and worldwide spread of COVID-19), and the control response measures that international, federal, state and local governments, agencies, law enforcement and/or health authorities implement to address it, which may (as with COVID-19) precipitate or exacerbate one or more of the above-mentioned and/or other risks, and significantly disrupt or prevent us from operating our business in the ordinary course for an extended period; and other events outside of our control. Please see our periodic reports

and other filings with the Securities and Exchange Commission for a further discussion of these and other risks and uncertainties applicable to our business.

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