



NEWS RELEASE

KB Home Increases Quarterly Dividend

10/8/2020

Company Raises Quarterly Cash Dividend 67% to \$.15 Per Share

LOS ANGELES--(BUSINESS WIRE)-- KB Home (NYSE: KBH) today announced that its Board of Directors approved an increase in the Company's quarterly cash dividend on its common stock to \$.15 per share from \$.09 per share. This 67% increase raises the Company's annual dividend rate to \$.60 per share from the previous rate of \$.36 per share, representing a yield of approximately 1.5%, based on the closing price of the Company's common stock on October 8, 2020.

In addition, the Board of Directors declared the next quarterly cash dividend, at the \$.15 per share rate, will be payable on November 26, 2020 to stockholders of record on November 12, 2020.

"As we have become a larger and more profitable company, generating significantly higher operating cash flow, our Board approved a meaningful increase in our cash dividend for the second consecutive year. We are managing our business to drive long-term stockholder value and remain committed to a balanced approach of expanding our scale while growing returns. In addition, we continue to prioritize returning cash to stockholders, primarily through our dividend, which we are proud to have consistently paid each quarter for more than 30 years," said Jeffrey Mezger, Chairman, President and Chief Executive Officer.

"With the momentum in housing market demand driving robust year-over-year net order expansion—in both our 2020 third quarter, as well as in the first five weeks of our fourth quarter, during which time our net orders have increased 39% relative to the comparable prior-year period—we believe we are well positioned to deliver higher revenues and drive significant improvement in our return on equity in 2021," continued Mezger.



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. 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, including during the current recession; population growth, household formations and demographic trends; conditions in the capital, credit and financial markets; material and trade costs and availability, particularly lumber; changes in interest rates; our debt level, including our ratio of debt to capital, and our ability to adjust our debt level and maturity schedule; our compliance with the terms of our revolving credit facility; volatility in the market price of our common stock; weak or declining consumer confidence, either generally or specifically with respect to purchasing homes; competition from other sellers of new and resale homes; weather events, significant natural disasters and other climate and environmental factors; 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; changes in existing tax laws or enacted corporate income tax rates, including those resulting from regulatory guidance and interpretations

issued with respect thereto; the availability and cost of land in desirable areas and our ability to timely develop acquired land parcels and open new home communities; our ability to successfully implement our business strategies and achieve any associated financial and operational targets and objectives; 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.

View source version on **businesswire.com**: <https://www.businesswire.com/news/home/20201008006039/en/>

Jill Peters, Investor Relations Contact

(310) 893-7456 or investorrelations@kbhome.com

Source: KB Home