



9M 2022 Business activity and revenue

Paris, France, 26 October 2022, 5.45 pm CEST

RESULTS IN LINE WITH OUR EXPECTATIONS ANNUAL TARGETS CONFIRMED

Very strong performance of new home activity in a market declining sharply

11,446 new home reservations at the end of September 2022: down 8% by volume (vs. market decreasing by 21%¹); and down 5% by value

9M revenue: €2,954m (down 4%)

Stable revenue excluding the H1 2021 base effect in Commercial real estate

Continued strong growth in Services (up 9%)

Completion of the acquisition of the Angelotti group, the regional leader in urban planning and residential development in the Occitanie region

Consolidation from 1 November 2022

Annual targets confirmed

- >14% market share in residential real estate in an expected market of 130,000 units²
- >4.6 billion in revenue and current operating margin of around 8%

Strong visibility, secured future business: high backlog of €6.3bn, i.e. 2 years of development activity

Key figures at end-September 2022

New home reservations in France	9M 2021	9M 2022	Change
Volume	12,443 units	11,446 units	-8%
Value	€2,693m	€2,561m	-5%

Revenue (€m)	9M 2021	9M 2022	Change
Development	2,492	2,312	-7%
Residential real estate	2,133	2,063	-3%
Commercial real estate	359	249	-31%
Services	583	637	+9%
Other activities	1	5	
Revenue – new scope*	3,077	2,954	-4%

* New scope excludes 2021 disposed activities, Century 21 consolidated until 31 March 2021 and Ægide-Domitys consolidated until 30 June 2021.

Véronique BEDAGUE, Chief Executive Officer commented

“In a difficult market environment, our position as a real estate leader, our size, the diversity of our products, particularly in managed real estate, and our territorial coverage allow us to outperform the market. Our Services activities continue to grow, driven by student residences and coworking. Revenue for the first nine months is in line with our expectations, our backlog secures future sales, and our potential gives us visibility. Nexity is confident in its ability to achieve its 2022 objectives. We are particularly vigilant in the current context about controlling our commitments and our debt.

In the medium term, Imagine 2026, our strategic plan, sets out a path of profitable and responsible growth by capitalising on the evolution of our business model towards that of a global real estate operator.”

¹ Source: Q2 2022 new home market published on 15 September 2022 by FPI

² Nexity estimate



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RESIDENTIAL REAL ESTATE

The new home market in France has been affected by the inflationary context observed since the beginning of the year, with new home reservations down 21% in the first half of the year according to the FPI (down 17% for retail sales and down 38% for bulk sales).

Against this backdrop, Nexity's **business activity** held up well over the first nine months of the year, with 11,446 reservations (down 8% by volume compared with 9M 2021, down 5% by value at €2.6bn). Sales prices per square metre remain on an upward trend (up 2% for retail sales and up 6% for bulk sales compared to 9M 2021).

Business activity in the third quarter was contrasted by type of client. While retail sales fell more sharply (down 15% in 9M 2022 compared with -11% in the first six months of the year) due to higher mortgage rates, Nexity's privileged relationship with its institutional clients led to a sharp increase in bulk sales (up 11% in Q3 compared with -3% in the first six months of the year). This momentum is expected to continue in Q4 with a commercial strategy of rebalancing towards bulk sales. The Group also benefits from its differentiating expertise in managed real estate, which responds to the evolution of its clients' uses.

The supply for sale is gradually being rebuilt (up 14% to 8,180 lots compared with 7,199 at 30 June 2022) thanks to the increase in building permits (up 26% vs. 9M 2021), even though it remains at historically low levels. There is no completed homes in the supply for sale.

Revenue totalled €2,063 million in the first nine months, down 3%, in line with the trend observed since the beginning of the year resulting from the delayed new project construction starts due to the prudent management of the inflationary context leading to longer construction contracts negotiation times.

In terms of **outlook**, Nexity is maintaining its market share target of over 14%. The Angelotti group, which is expected to generate revenue of around €200 million in 2022, will be consolidated from 1 November 2022 and will therefore make a small contribution to the Group's 2022 results. We will remain vigilant on the adequacy of new production to market conditions, taking into account expectations of rising property mortgage rates.

COMMERCIAL REAL ESTATE

At the end of September 2022, Nexity recorded **order intake** of €108 million, a low point in a wait-and-see market.

Revenue for the first nine months amounted to €249 million, down 31% compared with the end of September 2021, which included the €124 million order intake contribution for the Reiwa building in Saint-Ouen. Adjusted for this base effect, revenue was up 6%. Revenue in the third quarter was up 11% compared to Q3 2021 and stood at €89 million, considering the progress of operations under construction.

The backlog (€827 million) and the business potential (€2.1 billion) give good visibility on future earnings **prospects**.

SERVICES

Services revenue for the first nine months totalled €637 million, continuing the strong growth observed since the beginning of the year (+9% compared to the end of September 2021), thus consolidating a sustainable business base. The increase is mainly due to the serviced properties business: student residences and particularly coworking activities.

€m	9M 2021	9M 2022	2022/2021 change
Services Revenue	583	637	+ 9%
Property management	286	286	+ 0%
Serviced properties	110	155	+ 41%
Distribution	187	195	+ 4%

- **Property Management** revenue was stable over the first nine months, with contrasting activity depending on the business line. The condominium and rental management businesses posted a net increase in the number of units under management over the period, reflecting good commercial performance and improved customer satisfaction. Transactions and rental management are on the rise, which offsets the slowdown in rental activities reflecting the significant reduction in the rental offer. The current context of energy sobriety has led to an acceleration of Nexity's support for its clients in their condominiums' energy renovation projects (+40% increase in the number of preliminary studies).



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- In **Serviced properties**, Studéa recorded a 12% increase in revenue compared to the end of September 2021. The success of the marketing campaign for the 2022/2023 academic year is reflected in an occupancy rate close to 100% at the end of September. Revenue from coworking activities increased more than twofold compared to 30 September 2021. This increase is explained by the continued excellent occupancy rate of mature spaces and a faster filling rate of new spaces. This acceleration is the result of a broader client base (start-ups, scale-ups and large companies) in a Paris market that is under-supplied compared to other world capitals. A new flagship space opened in the heart of Paris in Q3, Morning Lafitte (representing Morning's largest space at c.9,500 sq.m and accommodating over 1,000 coworkers).
- **Distribution** revenue totalled €195 million, up +4% at the end of September 2022, reflecting the good level of transformation of reservations into notarial deeds. Business activity was down by only 8%, reflecting a good performance in the individual buy-to-let market.

This good growth dynamic should continue for the rest of the year.

IFRS CONSOLIDATED REVENUE

Under IFRS, reported revenue at end of September 2022 was €2,724 million. It excludes revenue from joint ventures in application of IFRS 11, which requires their recognition by equity accounting of proportionally integrated joint ventures in operational reporting. IFRS reported revenue at 9M 2021 (€3,022 million) is not comparable as it included the revenue of the disposed activities in 2021 (Century21 and Ægide-Domitys) for €196 million. On a like-for-like basis, decrease was limited at -4%.

As a reminder, revenue generated by the development businesses from VEFA off-plan sales and CPI development contracts is recognised using the percentage-of-completion method, i.e., based on notarised sales and pro-rated to reflect the progress of all inventoriable costs.

OUTLOOK

Nexity confirms its 2022 full-year guidance:

- >14% market share in 2022, in a new home market expected at 130,000 units³
- >€4.6bn revenue and a current operating margin around 8%

Nexity will continue to closely monitor the current economic, social and health situation.

³ Nexity estimate



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FINANCIAL CALENDAR & PRACTICAL INFORMATIONS

2022 Full-Year results	22 February 2023 (after market close)
Q1 2023 Business activity and revenue	26 April 2023 (after market close)
2023 Shareholders' Meeting	16 May 2023
2023 Half-Year results	26 July 2023 (after market close)
9M 2023 Business activity and revenue	25 October 2023 (after market close)

A **conference call** will be held today in French with a simultaneous translation into English **at 6.30 p.m. (Paris Time)**, available on the website <https://nexity.group/en/> in the Finance section and with the following numbers:

- Calling from France +33 (0) 1 70 37 71 66
- Calling from elsewhere in Europe +44 (0) 33 0551 0200
- Calling from the United States +1 212 999 6659

Code: Nexity en

The presentation accompanying this conference will be available on the Group's website from 6:15 p.m. (Paris Time) and may be viewed at the following address: [9M 2022 Nexity webcast](#)

The conference call will be available on replay at <https://nexity.group/en/finance> from the following day.

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 Universal Registration Document filed with the AMF under number D.22-0248 on 6 April 2022, 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.

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ANNEX: OPERATIONAL REPORTING

Quarterly reservations – Residential Real Estate

	2020				2021				2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<i>Number of units</i>											
New homes (France)	3,450	5,402	3,848	7,299	3,508	4,843	4,092	7,658	3,490	4,149	3,807
Subdivisions	360	297	244	660	338	439	367	772	337	423	219
International	165	74	193	503	249	404	247	216	133	100	242
Total new scope	3,975	5,773	4,285	8,462	4,095	5,686	4,706	8,646	3,960	4,672	4,268
Reservations carried out directly by Ægide	207	392	336	143	389	348					
Total (in number of units)	4,182	6,165	4,621	8,605	4,484	6,034	4,706	8,646	3,960	4,672	4,268
<i>Value, in €m incl. VAT</i>											
New homes (France)	750	1,141	855	1,534	792	1,056	845	1,447	764	992	805
Subdivisions	30	25	19	57	29	42	33	55	27	37	18
International	26	11	29	91	41	72	48	31	18	2	56
Total new scope	806	1,177	903	1,682	862	1,170	927	1,533	808	1,032	880
Reservations carried out directly by Ægide	41	90	70	32	90	85					
Total (in €m incl. VAT)	847	1,267	974	1,713	952	1,255	927	1,533	808	1,032	880

Cumulated reservations – Residential Real Estate

	2020				2021				2022		
	Q1	H1	9M	FY	Q1	H1	9M	FY	Q1	H1	9M
<i>Number of units</i>											
New homes (France)	3,450	8,852	12,700	19,999	3,508	8,351	12,443	20,101	3,490	7,639	11,446
Subdivisions	360	657	901	1,561	338	777	1,144	1,916	337	760	979
International	165	239	432	935	249	653	900	1,116	133	233	475
Total new scope	3,975	9,748	14,033	22,495	4,095	9,781	14,487	23,133	3,960	8,632	12,900
Reservations carried out directly by Ægide	207	599	935	1,078	389	737	737	737			
Total (in number of units)	4,182	10,347	14,968	23,573	4,484	10,518	15,224	23,870	3,960	8,632	12,900
<i>O/w new homes in France</i>	3,657	9,451	13,635	21,077	3,897	9,088	13,180	20,838	3,490	7,639	11,446
<i>Value, in €m incl. VAT</i>											
New homes (France)	750	1,892	2,747	4,281	792	1,848	2,693	4,140	764	1,756	2,561
Subdivisions	30	55	74	131	29	71	104	159	27	64	82
International	26	36	65	156	41	113	161	192	18	20	77
Total new scope	806	1,983	2,887	4,568	862	2,032	2,958	4,491	808	1,840	2,720
Reservations carried out directly by Ægide	41	131	201	233	90	175	175	175			
Total (in €m incl. VAT)	847	2,115	3,088	4,802	952	2,207	3,133	4,666	808	1,840	2,720
<i>O/w new homes in France</i>	792	2,023	2,948	4,515	882	2,023	2,868	4,315	764	1,756	2,561



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Breakdown of new home reservations in France by client

<i>In number of units, new scope</i>	9M 2021		9M 2022		9M 2022 / 9M 2021 change
Homebuyers	2,447	20%	1,967	17%	-20%
o/w: - First time buyers	2,082	17%	1,687	15%	-19%
- Other home buyers	365	3%	280	2%	-23%
Individual investors	5,172	42%	4,534	40%	-12%
Professional landlords	4,824	39%	4,945	43%	3%
O/w : - Institutional investors	1,519	12%	1,539	13%	1%
- Social housing operators	3,305	27%	3,406	30%	3%
Total	12,443	100%	11,446	100%	-8%

Services

	December 2021	September 2022	Change
Property Management			
<i>Portfolio of managed housing</i>			
- Condominium management	672,000	676,000	+1%
- Rental management	155,000	158,000	+2%
<i>Commercial real estate</i>			
- Assets under management (in millions of sq.m)	20.4	20.4	stable
Serviced properties			
<i>Student residences</i>			
- Number of residences in operation	129	130	+1
- Rolling 12-month occupancy rate	93%	97%	+4 bps
<i>Shared office space</i>			
- Managed areas (in sq.m)	57,000	87,000	+30,000
- Rolling 12-month occupancy rate	74%	88%	+14 bps
Distribution	9M 2021	9M 2022	Change
- Total reservations	3,716	3,419	-8%
- Reservations on behalf of third parties	2,428	2,125	-12%



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Quarterly figures - Revenue

	2020				2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
<i>in € million</i>												
Development	524	680	703	1,747	851	827	815	1,279	699	839	775	
Residential Real Estate	467	434	642	1,216	655	742	735	1,146	626	750	686	
Commercial Real Estate	57	247	61	530	195	85	79	133	72	89	89	
Services	171	161	198	237	176	209	198	270	195	226	215	
Property management	91	84	99	95	91	94	100	94	92	96	98	
Services properties	35	30	35	34	35	35	40	47	49	53	53	
Distribution	45	47	65	108	50	80	58	129	54	77	64	
Other activities					1				1	4	1	
Revenue - New scope	695	842	901	1,983	1,027	1,036	1,013	1,549	895	1,069	991	
Revenue from disposed activities*	92	88	120	134	104	107						
Revenue	787	929	1,021	2,118	1,132	1,143	1,013	1,549	895	1,069	991	

* Disposed activities are consolidated until 31 Mars 2021 for Century 21 and until 30 June 2021 for Ægide-Domitys

Backlog

	2020				2021				2022			
	Q1	H1	9M	FY	Q1	H1	9M	FY	Q1	H1	9M	
<i>in € million, excluding VAT</i>												
Residential Real Estate	4,522	4,986	5,100	5,509	5,399	5,504	5,610	5,565	5,551	5,541	5,511	
Commercial Real Estate	398	373	321	1,032	1,138	1,059	1,013	974	935	906	827	
Total Backlog new scope	4,920	5,359	5,421	6,541	6,536	6,563	6,622	6,538	6,485	6,447	6,338	
Restatement of operations carried out directly by Ægide	274	300	298	280	242							
Total Backlog	5,194	5,659	5,719	6,820	6,778	6,563	6,622	6,538	6,485	6,447	6,338	



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 Development (New homes, Subdivisions and International) as well as Commercial Real Estate Development, validated by the Group's Committee, in all structuring phases, including the projects of the Group's urban regeneration business (Villes & Projets); this business potential includes the Group's current supply for sale, its future supply (project phases not yet marketed on purchased land, and projects not yet launched associated with land secured through options)

Current operating margin: current operating profit compared to revenue

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

EBITDA: Defined by Nexity as equal to current operating profit before depreciation, amortization 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 amortization include right-of-use 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.

EBITDA after lease payments: EBITDA net of expenses recorded for lease payments that are restated to reflect the application of IFRS 16 Leases

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

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

Land bank: The amount corresponding to acquired land development rights for projects in France carried out before obtaining a building permit or, in some cases, planning permissions

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

New scope: Scope of consolidation excluding the contribution of disposed activities (Century 21 and Ægide-Domitys) and capital gains. Disposed activities have been consolidated until 31 March 2021 for Century 21 and until 30 June 2021 for Ægide-Domitys.

Order intake: Commercial Real Estate: The total of selling prices excluding VAT as stated in definitive agreements for Commercial Real Estate Development projects, expressed in euros for a given period (notarial deeds of sale 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

Pipeline: sum of backlog and business potential; could be expressed in months or years of activity (as the backlog and the business potential) based on the last 12 months revenue.

Property Management: Management of residential properties (rentals, brokerage), common areas of apartment buildings (as managing agent on behalf of condominium owners), commercial properties, and services provided to users.

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 projects, expressed in euros for a given period, after deducting all reservations cancelled during the period.

Revenue: revenue generated by the development businesses 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.

Serviced properties: the Group's business activities in the management and operation of student residences as well as flexible workspaces.

Time-to-market: supply for sale compared to reservations for the last 12 months, expressed in months, for new home reservations in France