Built on Relationships

Investor Presentation

Second Quarter 2023

Forward-Looking Statements

Items in this presentation, and statements by KB Home management in relation to this presentation or otherwise, may be “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on current (at the time made) expectations and projections about future events and are subject to risks, uncertainties, and assumptions about our operations, economic and market factors, and the homebuilding industry, among other things. These statements 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; population growth, household formations and demographic trends; conditions in the capital, credit and financial markets; our ability to access external financing sources and raise capital through the issuance of common stock, debt or other securities, and/or project financing, on favorable terms; the execution of any securities repurchases pursuant to our board of directors’ authorization; material and trade costs and availability, including building materials and appliances, and delays related to state and municipal construction, permitting, inspection and utility processes, which have been disrupted by key equipment shortages; consumer and producer price inflation; changes in interest rates, including those set by the Federal Reserve, which the Federal Reserve has increased sharply in the past few quarters and may further increase to moderate inflation, and those available in the capital markets or from financial institutions and other lenders, and applicable to mortgage loans; 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 and our senior unsecured term loan; the ability or willingness of the applicable lenders and financial institutions, or any substitute or additional lenders and financial institutions, to meet their commitments or fund borrowings, extend credit or provide payment guarantees to or for us under our revolving credit facility or unsecured letter of credit facility; volatility in the market price of our common stock; home selling prices, including our homes’ selling prices, being unaffordable relative to consumer incomes; 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, such as a lack of adequate water supply to permit new home communities in certain areas; any failure of lawmakers to agree on a budget or appropriation legislation to fund the federal government’s operations, and financial markets’ and businesses’ reactions to any such failure; government actions, policies, programs and regulations directed at or affecting the housing market (including the 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; changes in U.S. trade policies, including the imposition of tariffs and duties on homebuilding materials and products, and related trade disputes with and retaliatory measures taken by other countries; disruptions in world and regional trade flows, economic activity and supply chains due to the military conflict in Ukraine, including those stemming from wide-ranging sanctions the U.S. and other countries have imposed or may further impose on Russian business sectors, financial organizations, individuals and raw materials, the impact of which may, among other things, increase our operational costs, exacerbate building materials and appliance shortages and/or reduce our revenues and earnings; the adoption of new or amended financial accounting standards and the guidance and/or interpretations with respect thereto; the availability and cost of land in desirable areas and our ability to timely and efficiently develop acquired land parcels and open new home communities; impairment, land option contract abandonment or other inventory-related charges, including any stemming from decreases in the value of our land assets; our warranty claims experience with respect to homes previously delivered and actual warranty costs incurred; costs and/or charges arising from regulatory compliance requirements or from legal, arbitral or regulatory proceedings, investigations, claims or settlements, including unfavorable outcomes in any such matters resulting in actual or potential monetary damage awards, penalties, fines or other direct or indirect payments, or injunctions, consent decrees or other voluntary or involuntary restrictions or adjustments to our business operations or practices that are beyond our current expectations and/or accruals; our ability to use/realize the net deferred tax assets we have generated; our ability to successfully implement our current and planned strategies and initiatives related to our product, geographic and market positioning, gaining share and scale in our served markets and in entering into new markets; our operational and investment concentration in markets in California; 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; our ability to successfully implement our business strategies and achieve any associated financial and operational targets and objectives, including those discussed in this release or in any of our other public filings, presentations or disclosures; income tax expense volatility associated with stock-based compensation; the ability of our homebuyers to obtain homeowners insurance policies, which may depend on the ability and willingness of insurers to offer coverage in certain locations at an affordable price or at all; the ability of our homebuyers to obtain residential mortgage loans and mortgage banking services, which may depend on the ability and willingness of lenders and financial institutions to offer such loans and services to our homebuyers; the performance of mortgage lenders to our homebuyers; the performance of KBHS; the ability and willingness of lenders and financial institutions to extend credit facilities to KBHS to fund its originated mortgage loans; information technology failures and data security breaches; an epidemic or pandemic, 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 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

Built to Order Model Is a Key Differentiator

Advantages of Built to Order ("BTO")

Mitigates Risk
Aligns business to demand, as we build to our sales pace, not to a targeted delivery goal, which minimizes speculative inventory and margin variability associated with carrying a large number of finished, but unsold, homes in inventory

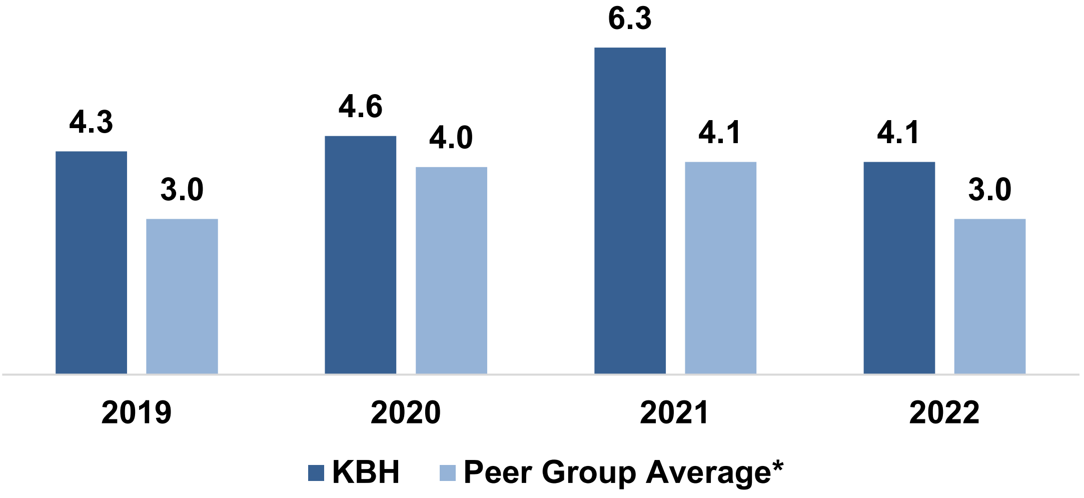
Operationally Efficient
Working from a large backlog of sold homes, we can manage starts to achieve even-flow production at the community level, generating efficiencies in overhead and cost to build

Higher Visibility
Even-flow production reinforces our preferred position with subcontractors and provides greater predictability on deliveries

Margin Enhancer
Opportunities for incremental revenue as well as margin enhancement through lot premiums, structural options and design studio upgrades

Drives Absorption
Selling and building the home the customer values helps drive absorption and customer satisfaction

Monthly Absorption Rate per Community

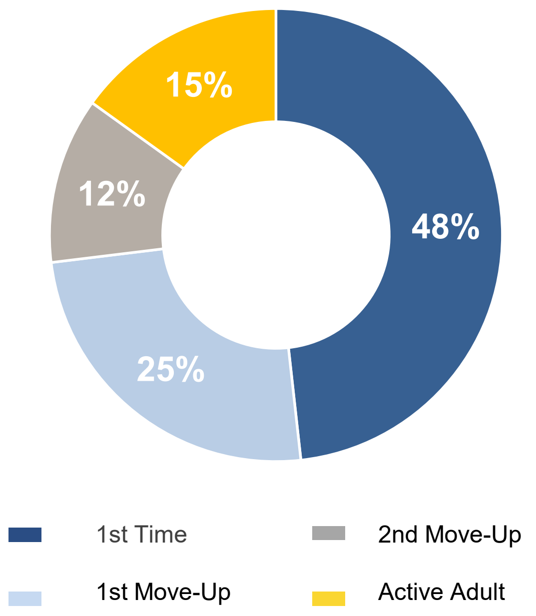


* Includes DHI, LEN, MDC, MTH, NVR, PHM, TMHC, TOL, TPH. Source: Wolfe Research.

Built to Order Model Attracts Largest Demand Segments of Market

A Leader in the 1st Time Buyer Segment While Drawing a Mix of Buyers to Our Communities

Q2 2023 Buyer Profile
(Based on Homes Delivered)



Invest in land positions within **prime growth** submarkets

Position our product to target the **median household income** in each submarket

BTO **enhances value** through **choice** of lot, square footage, floor plan and elevation, and then the ability to **personalize** in our Design Studios

While we primarily target the 1st time and affordable 1st move-up buyers, our model also appeals to 2nd move-up buyers and empty nesters who can make a different set of choices in the same community

Dedicated to Providing World Class Customer Service

- KB Home’s personalized, customer-centric Built-to-Order business model enables us to develop long-term relationships with our customers
- Our community teams partner with customers through each major step of their purchase of a KB home: sale – mortgage – studio – construction – closing – post closing
- Customers recognize the value of our partnership. Recent customer surveys conducted by an independent, third-party source such as TrustBuilder® has given KB Home exceptional customer satisfaction ratings.

REAL HOMEOWNERS
TRUSTBUILDER®
HONEST REVIEWS
powered by NEWHOMESOURCE

KB Home

has **4.5 out of 5** stars Overall

8028 Reviews in All Areas

Ratings by Category

Overall	4.5
Quality	4.3
Trustworthiness	4.5
Value	4.5
Responsiveness	4.4

Star Rating Breakdown

5 ★	5665
4 ★	1160
3 ★	607
2 ★	314
1 ★	282

 | TrustBuilder® data is based on an average of all ratings received from December 2018 through June 12, 2023.

Second Quarter 2023

Growth-Oriented Geographic Footprint

Principal Markets

- **West Coast**: California, Idaho, Washington
- **Southwest**: Arizona, Nevada
- **Central**: Colorado, Texas
- **Southeast**: Florida, North Carolina

Q2 2023 Mix

	West Coast	Southwest	Central	Southeast
Homebuilding Revenues	32.1%	19.1%	31.0%	17.8%
Deliveries	21.9%	21.2%	35.5%	21.4%
Average Selling Price	$704K	$432K	$419K	$399K
Net Order Value	45.8%	18.2%	19.2%	16.8%
Backlog Value	35.4%	20.1%	25.8%	18.7%

Second Quarter 2023 Highlights

(all comparisons on a year-over-year basis)

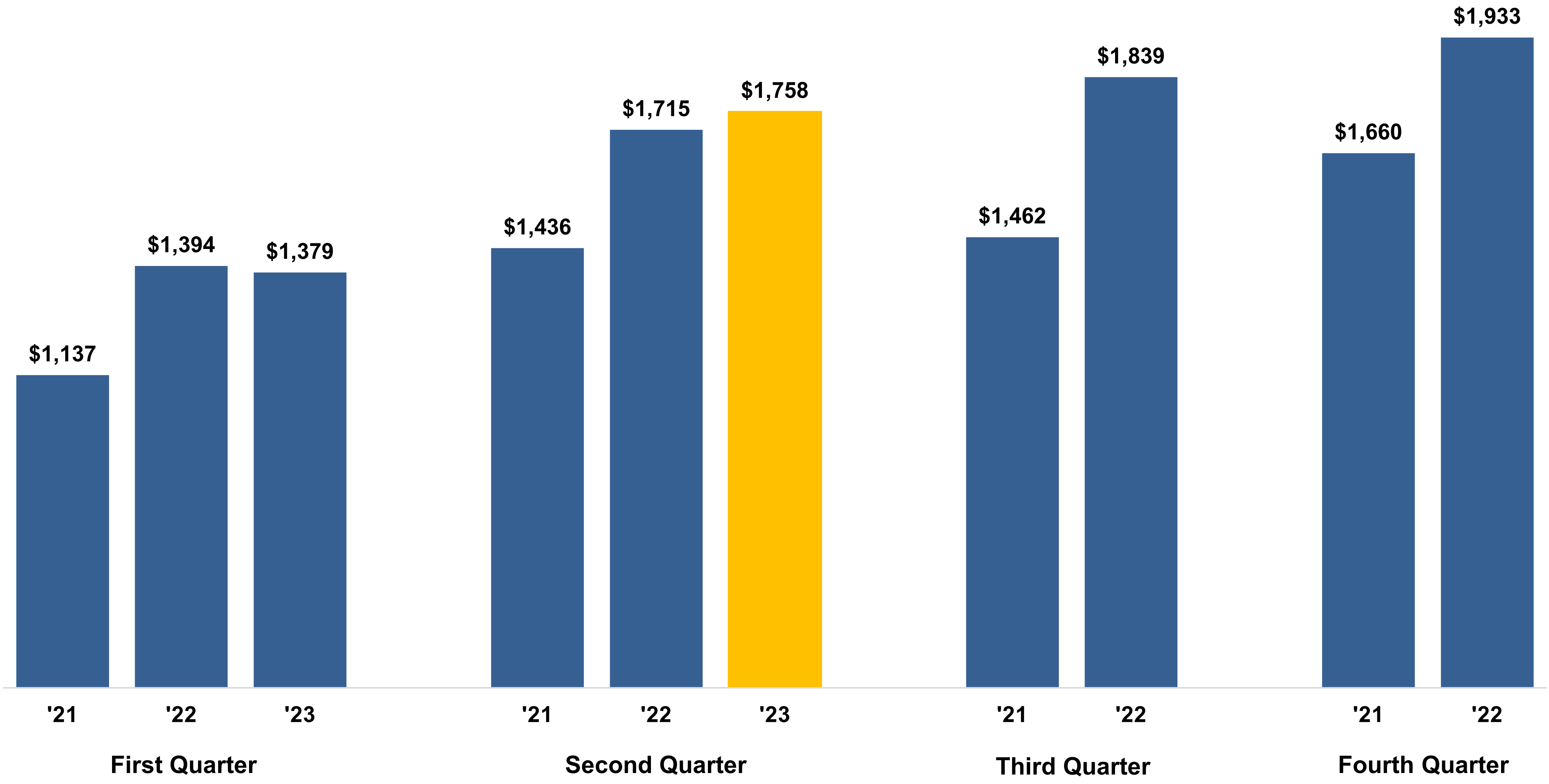
- Revenues were $1.77 billion
- Homebuilding operating income was $202.1 million, compared to $264.5 million
  - Homebuilding operating income margin was 11.5%, compared to 15.4%. Excluding inventory-related charges, homebuilding operating income margin was 11.7%.
  - Housing gross profit margin was 21.1%, compared to 25.3%. Excluding inventory-related charges, housing gross profit margin was 21.4%.
  - Selling, general and administrative expenses as a percentage of housing revenues improved 20 basis points to 9.6%
- Net income was $164.4 million and diluted earnings per share was $1.94
- Backlog value was $3.46 billion. The number of homes in backlog was 7,286.
- Total liquidity was $1.64 billion, which included $1.08 billion of available capacity under the Company's unsecured revolving credit facility, with no cash borrowings outstanding
- During the quarter, the Company repurchased approximately 2.2 million shares of its outstanding common stock at a total cost of $92.1 million
- Stockholders' equity increased to $3.77 billion, and book value per share increased by 24% to $46.72

($ in millions except Average Selling Price)

	Q2 2023	Q2 2022	% Change
Housing Revenues	$1,757.8	$1,714.8	3%
Deliveries	3,666	3,469	6%
Average Selling Price	$479,500	$494,300	-3%
Net Orders	3,936	3,914	1%
Net Order Value	$1,899.6	$2,124.8	-11%
Backlog Homes	7,286	12,331	-41%
Backlog Value	$3,456.7	$6,121.2	-44%
Ending Community Count	249	214	16%
Average Community Count	253	211	20%
Absorption (net orders per community, per month)	5.2	6.2	-16%

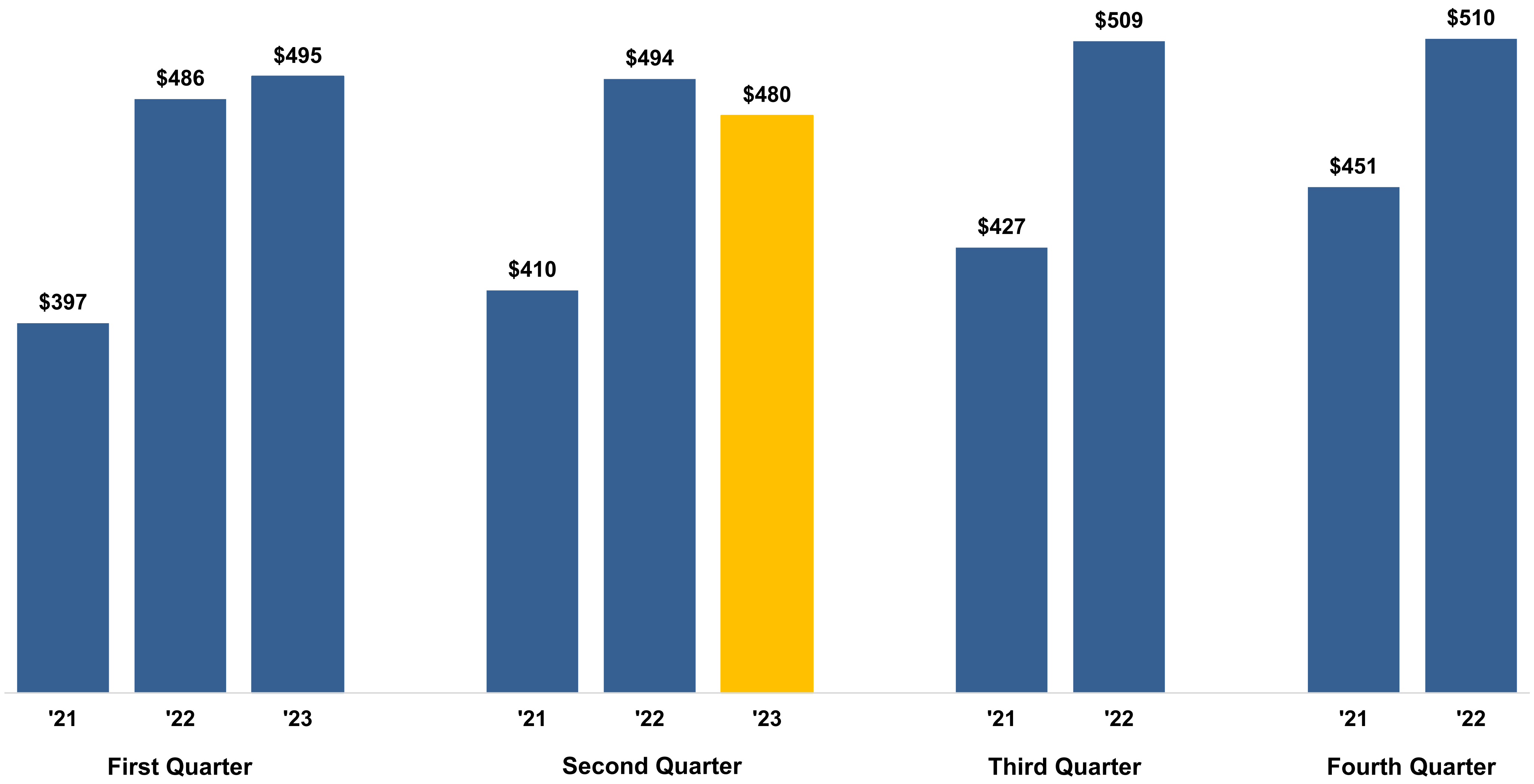
Housing Revenues

($ in millions)

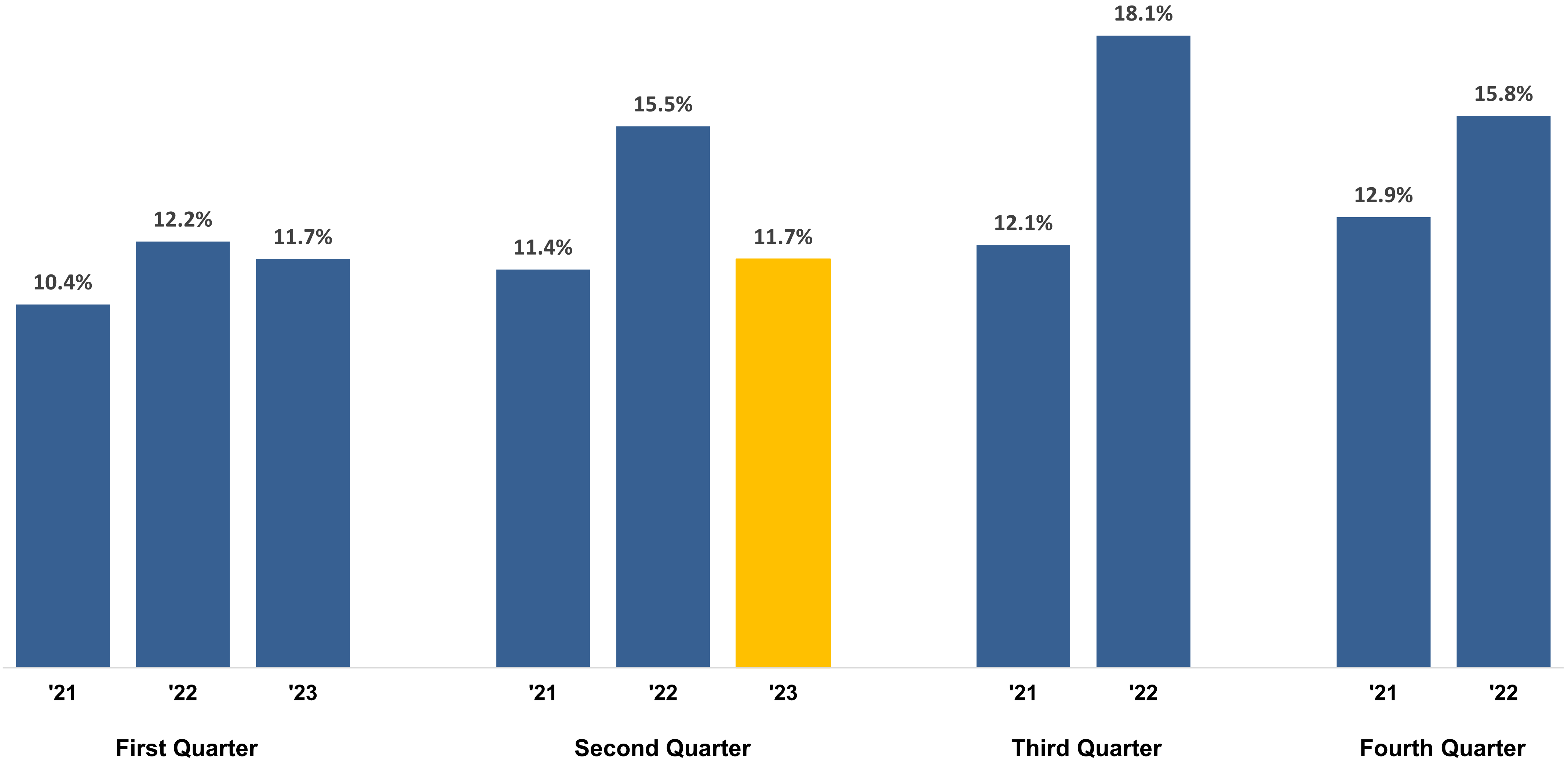


Average Selling Price

($ in thousands)

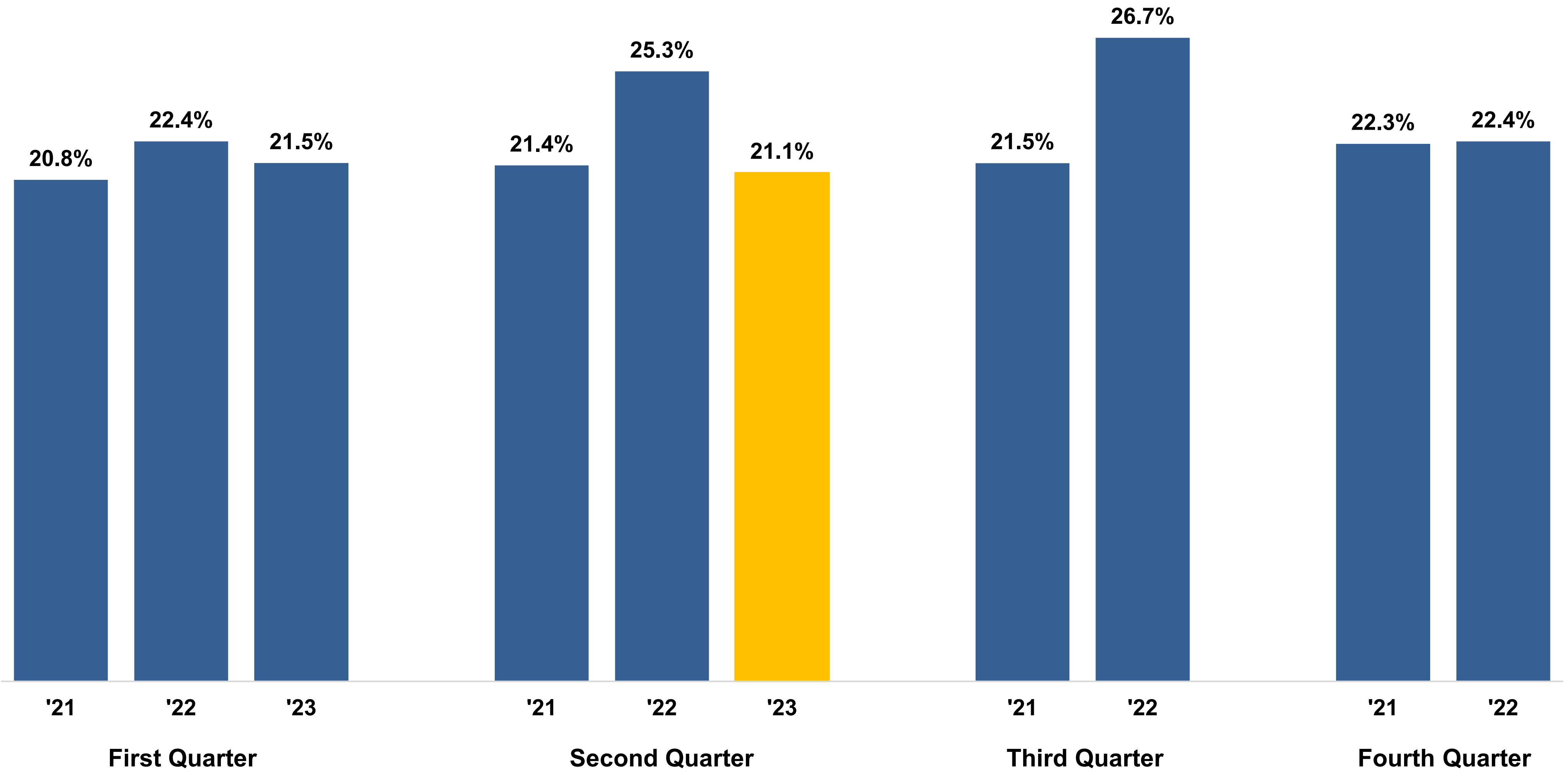


Homebuilding Operating Income Margin*

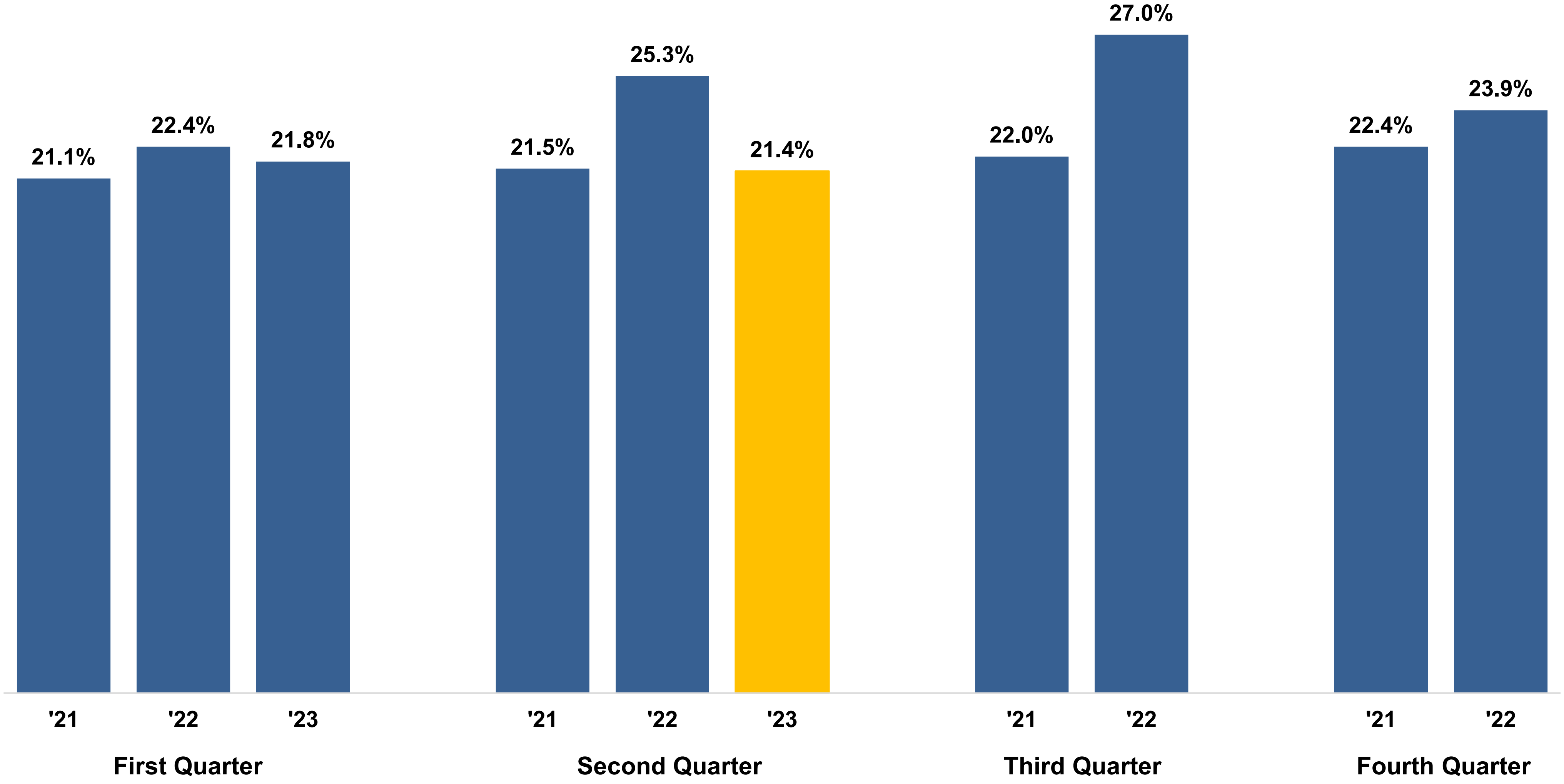


*Excludes inventory-related charges. See Appendix: Reconciliation of Non-GAAP Financial Measures.

Housing Gross Profit Margin – Reported

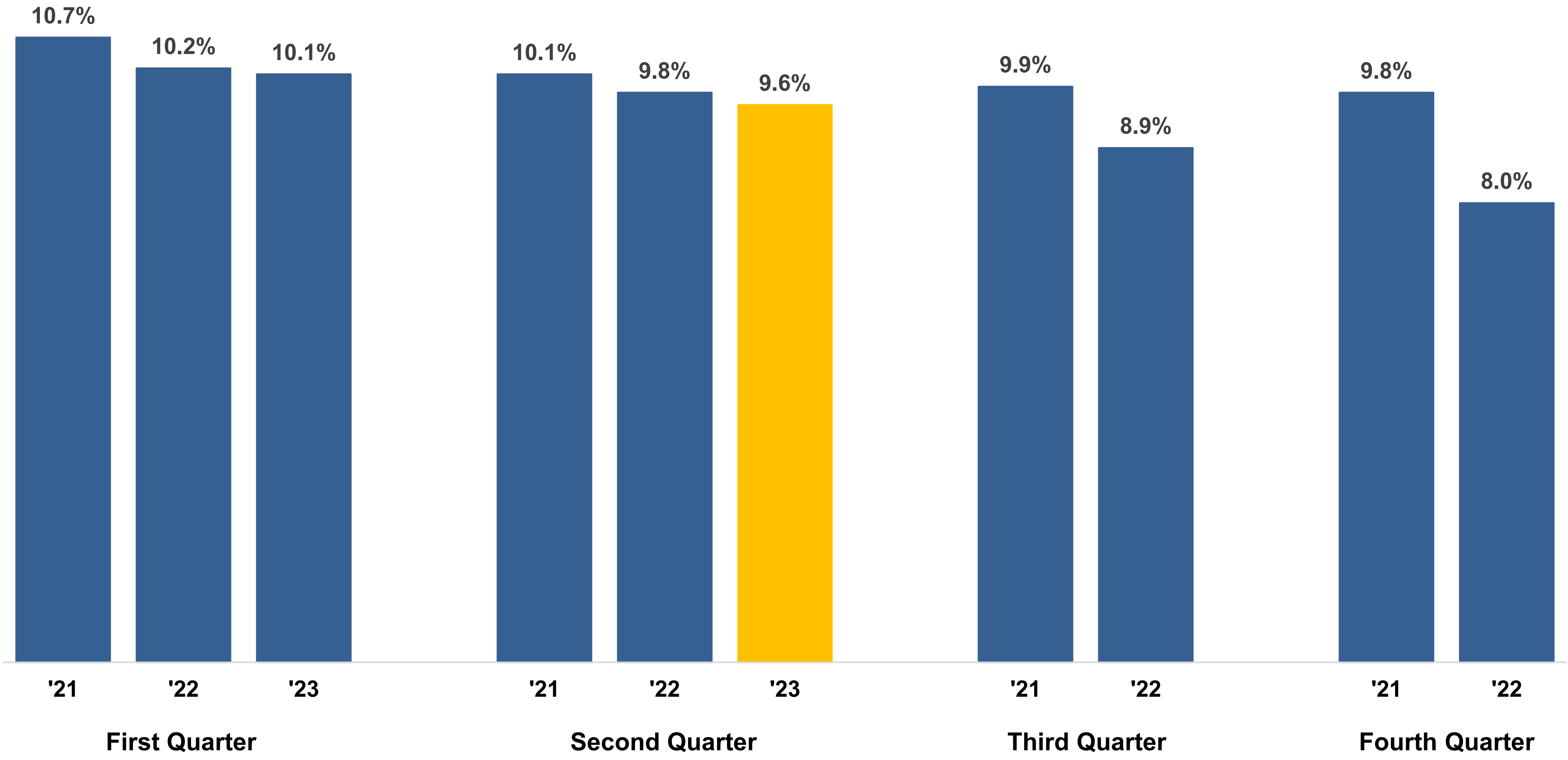


Housing Gross Profit Margin – As Adjusted*



*Excludes inventory-related charges. See Appendix: Reconciliation of Non-GAAP Financial Measures.

SG&A Expense Ratio

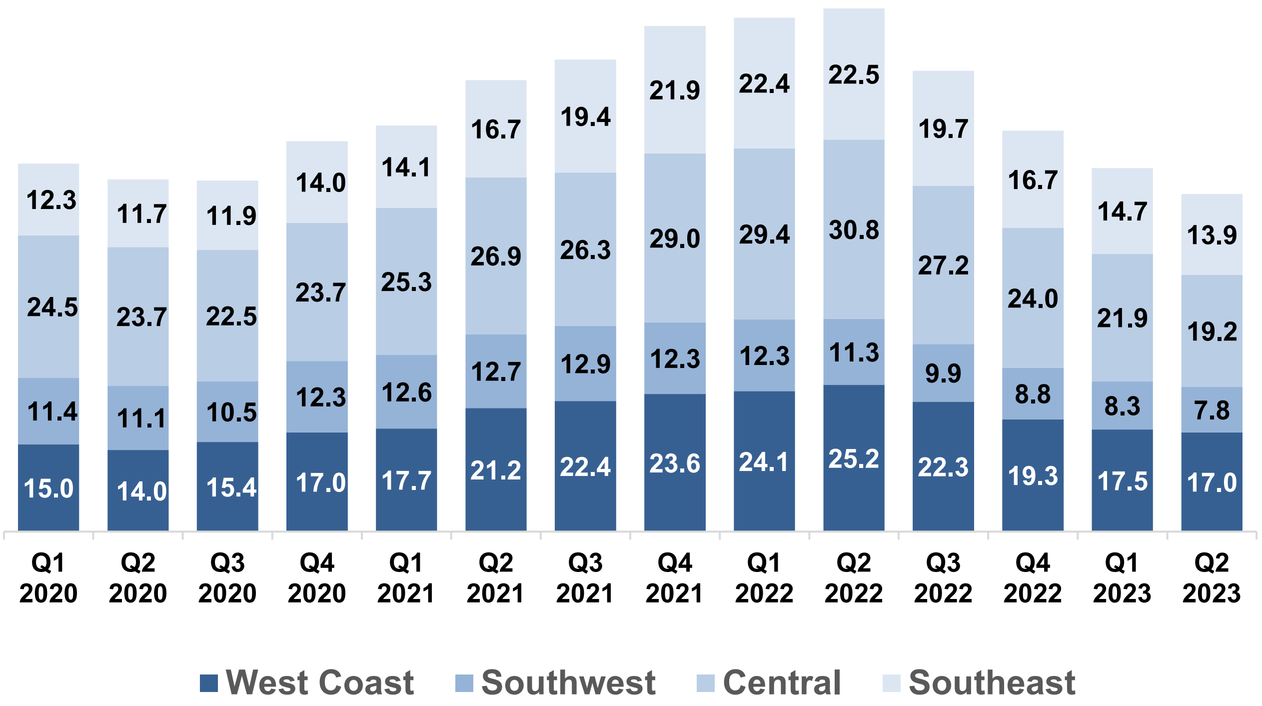


Balanced Land Portfolio

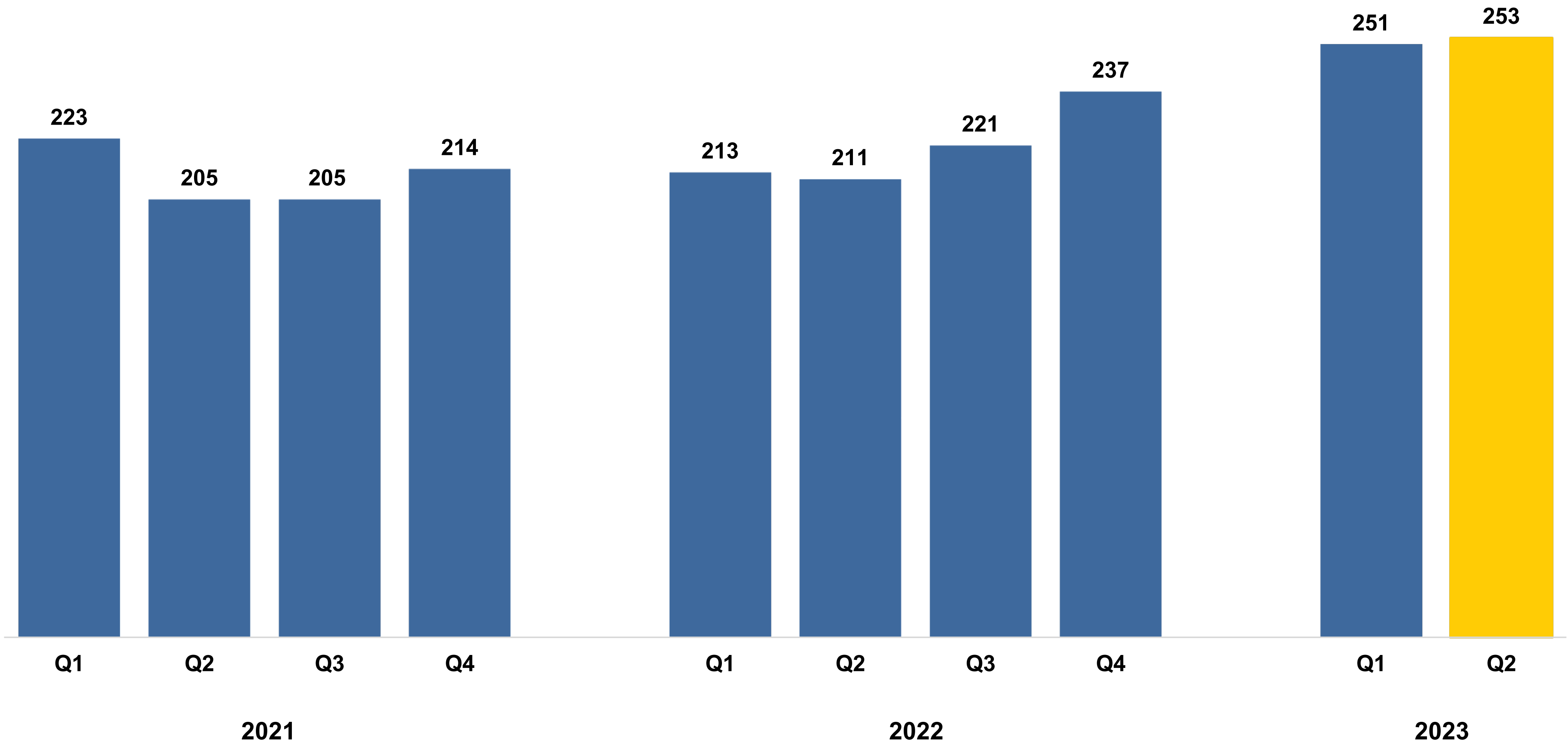
Q2 2023 Highlights

- Total inventory was $5.1 billion
- Total lots owned or controlled were 57,932
  - Owned lots represented a supply of approximately 3.1 years based on homes delivered in the trailing 12 months
  - Owned / optioned split was 75% / 25%
- We own or control all of the lots that we need for our anticipated delivery targets through 2025, and are currently investing for deliveries in 2026 and beyond

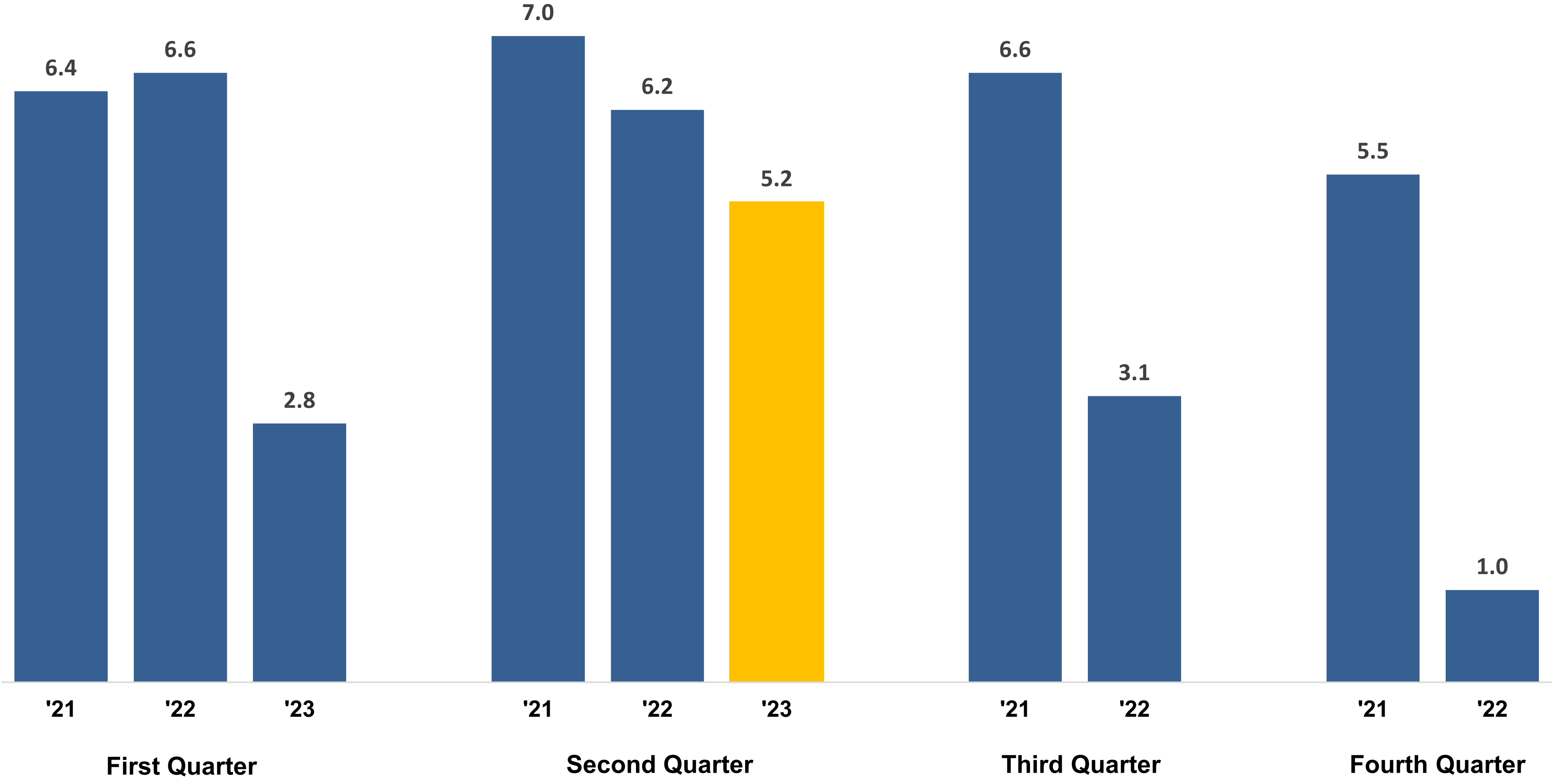
Lots by Region (in 000's)



Average Community Count

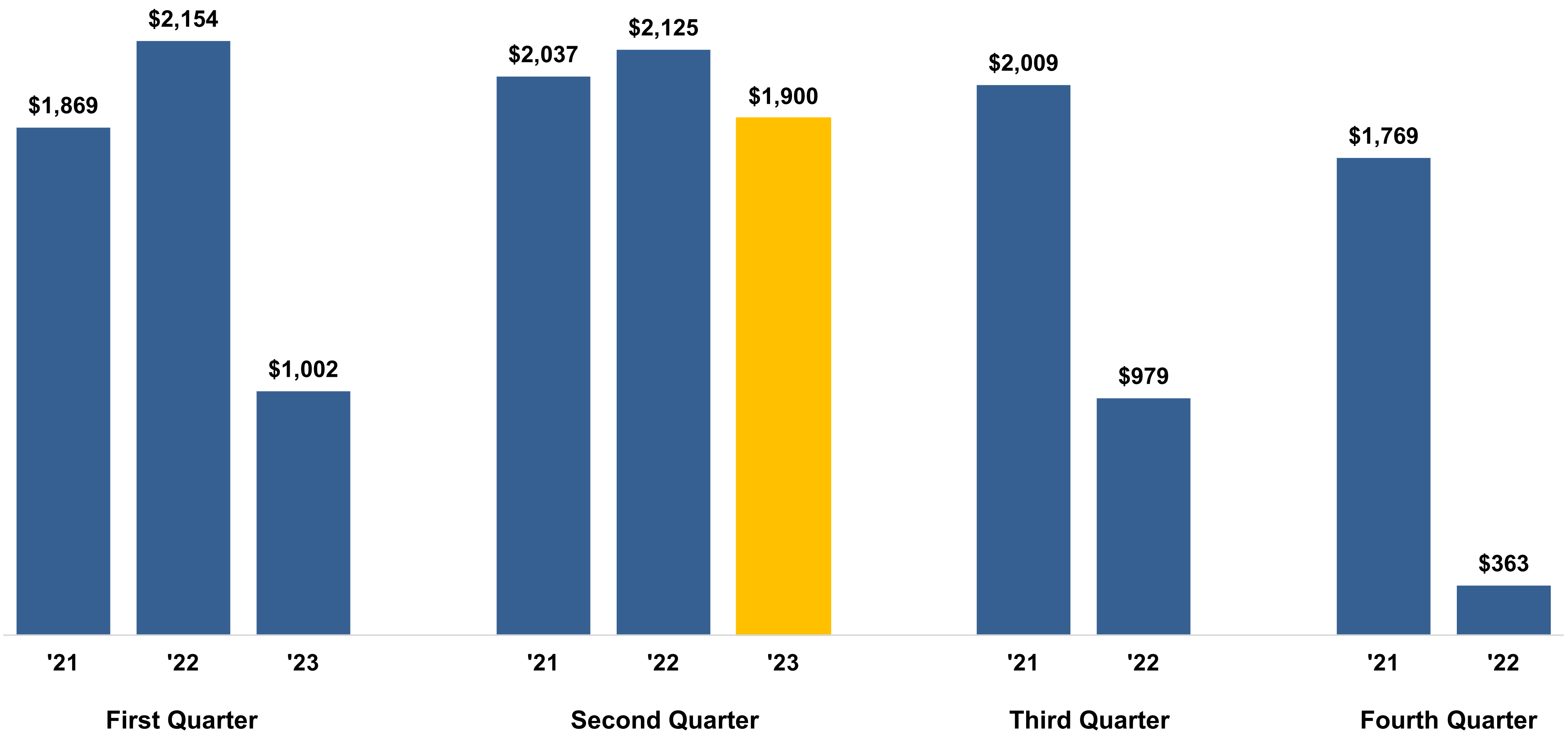


Net Orders per Community per Month



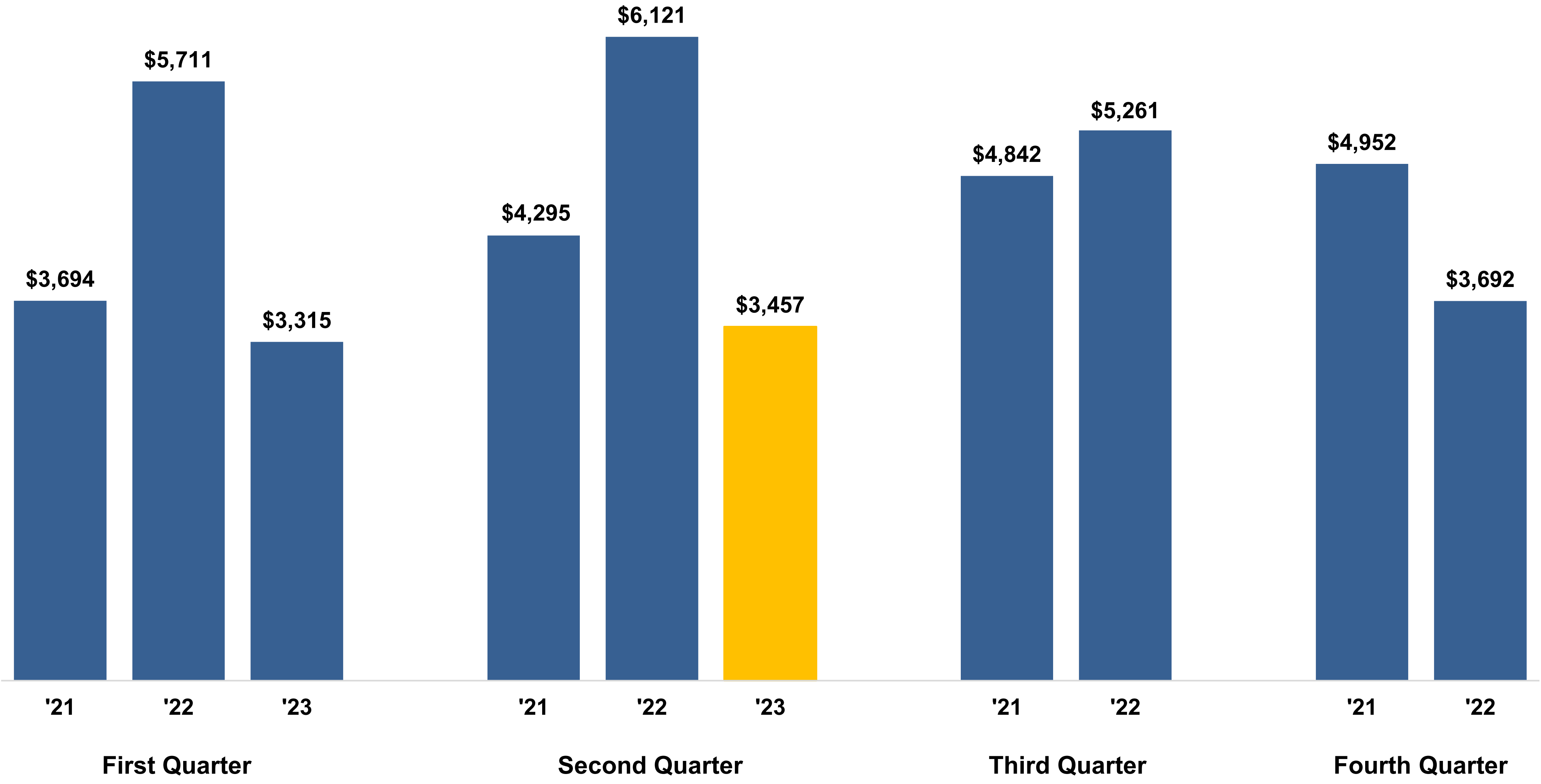
Net Order Value

($ in millions)



Backlog Value

($ in millions)



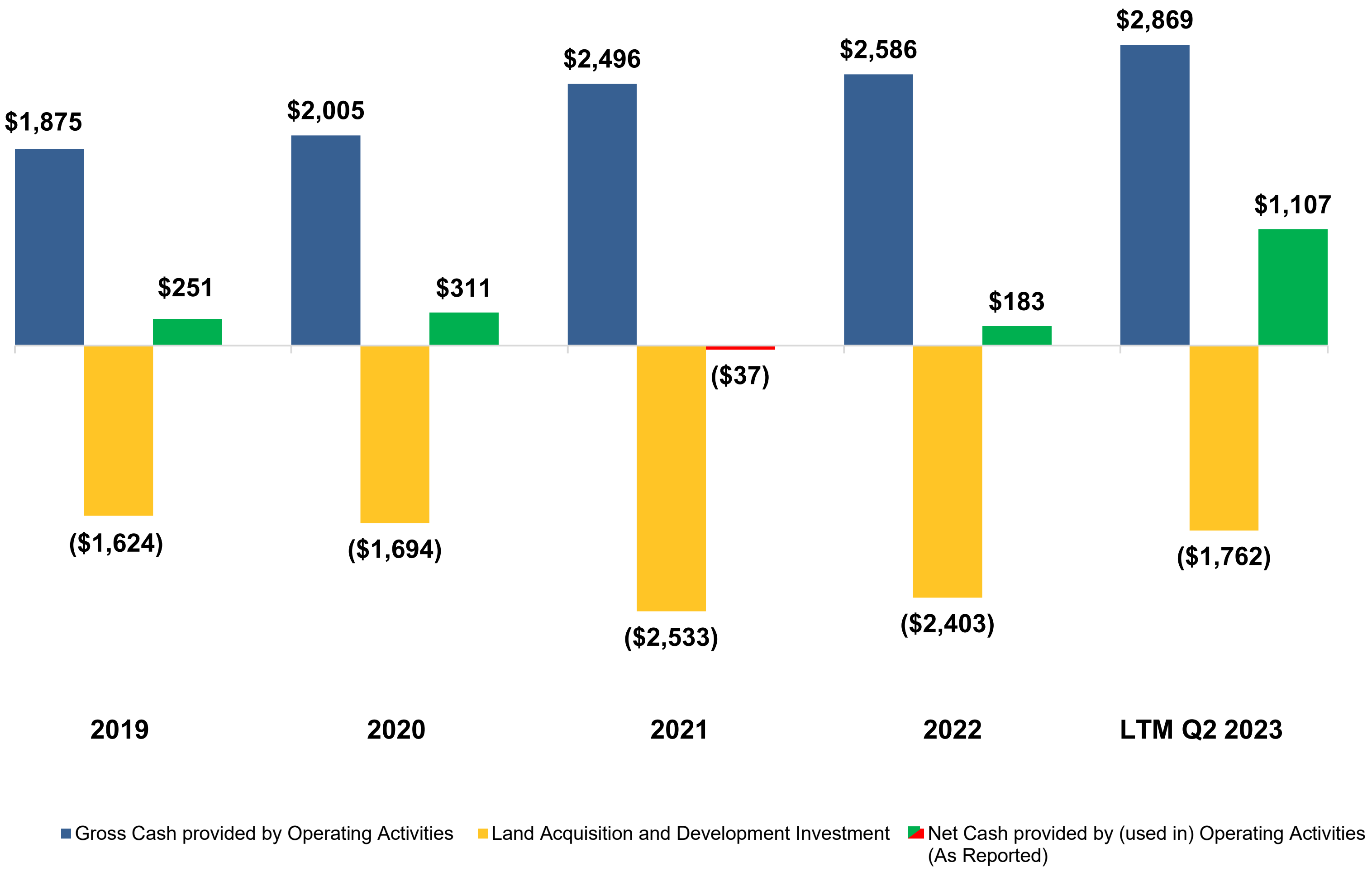
Generating Significant Gross Operating Cash Flow

($ in millions)

Highlights

From 2019 through 2022:

- We generated nearly $9 billion in gross operating cash flow
- Approximately 92% of this cash flow was reinvested in our future growth through land acquisition and development spend that met our underwriting criteria
- We returned approximately $503 million in cash to stockholders through dividends and share repurchases



Healthy Capital Structure

Highlights

Leverage

- From fiscal year-end 2019 through Q2 2023, we reduced our debt-to-capital ratio by nearly 11.4 percentage points

Liquidity

- Total liquidity, including cash and revolver availability, was $1.64 billion at May 31, 2023. No cash borrowings outstanding under the revolver at May 31, 2023.

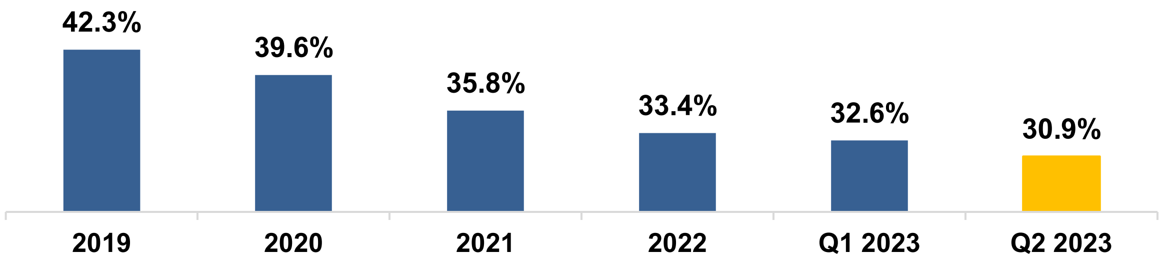
Credit Rating

- Moody's Investor Service: Ba2
- S&P Global: BB

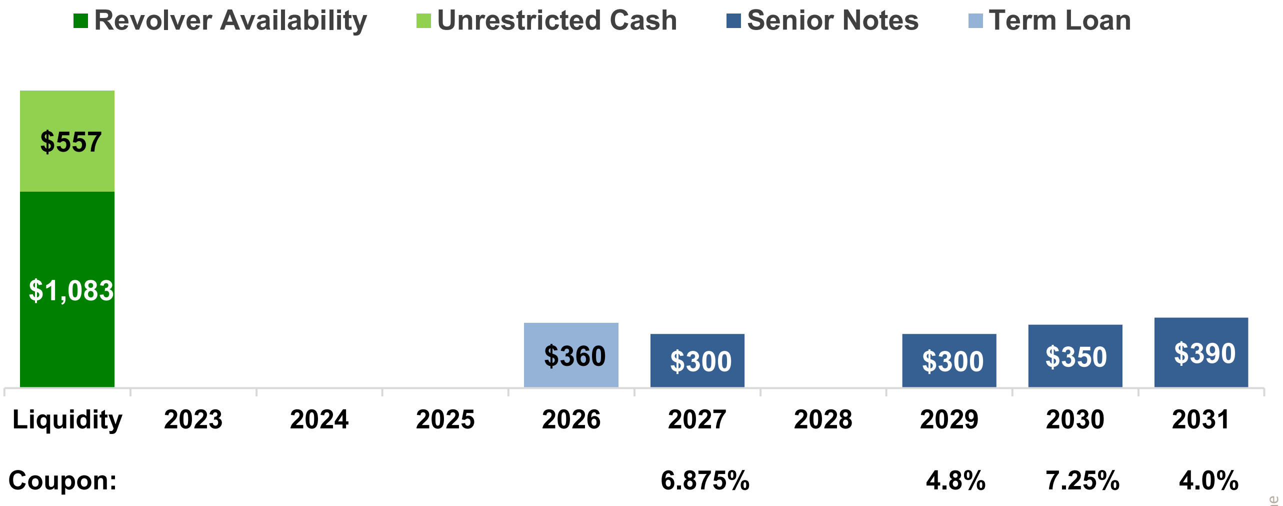
Recent Transactions

- On November 14, 2022, we borrowed $360 million under the Term Loan and utilized those proceeds to redeem our 7.625% Senior Notes due May 15, 2023 at their par call date on November 15, 2022.
- Our next maturity is not until August 25, 2026, when the Term Loan matures

Debt-to-Capital Ratio



Liquidity and Debt Maturity Summary at 05/31/23 ($ in millions)



The ESG Difference

Leadership in Sustainable Homebuilding

175,000+
Total U.S. EPA ENERGY STAR™ Certified New Homes

17,500+
Total Solar Homes

19,000+
Total U.S. EPA WaterSense™ & Water Smart Homes

Approx. $1 Billion*
Cumulative Utility Bill Savings

Approx. 1.7 Billion Gallons*
Water Conserved Annually

Approx. 6.9 Billion Pounds*
Fewer CO_2 Emissions

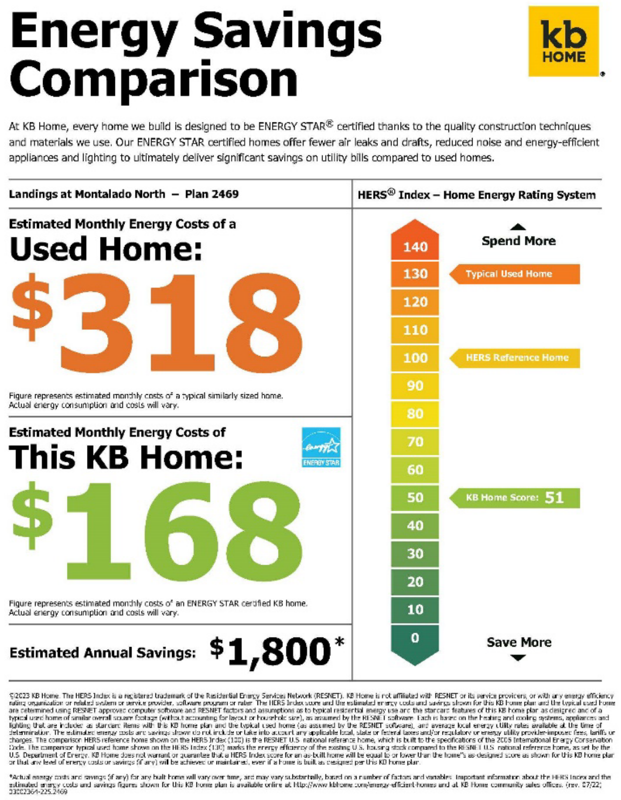
ENERGY STAR AWARD 2023
PARTNER OF THE YEAR
Sustained Excellence

Received a record 29 ENERGY STAR® Market Leader Awards in 2023

MARKET LEADER AWARD 2023
CERTIFIED HOMES

EPA WaterSense 2022 PARTNER OF THE YEAR

AMERICA'S MOST RESPONSIBLE COMPANIES 2023 Newsweek statista



Energy Savings Comparison
Our proprietary tool demonstrating the lower total cost of homeownership possible with a KB home**

KB Home provides this comparison for every floor plan at each of our communities

* Estimated
** Lower cost of homeownership is relative to a typical new or resale home.

Giving Back to Our Communities

kbcares

Robust Corporate Governance

Governance Practices: A Snapshot

Independent

- Ten of our eleven directors are independent
- Independent directors lead all Board committees

Accountable

- Directors are elected annually under a majority voting standard
- In 2023, our directors received an average of 96% support
- Directors and senior executives are subject to strong stock ownership requirements
- Executive officers are subject to a robust incentive compensation claw-back policy

Aligned

- We have one class of outstanding voting securities that allows each holder one vote for each share held
- No supermajority voting requirements

Summary

KB Home – A Compelling Story

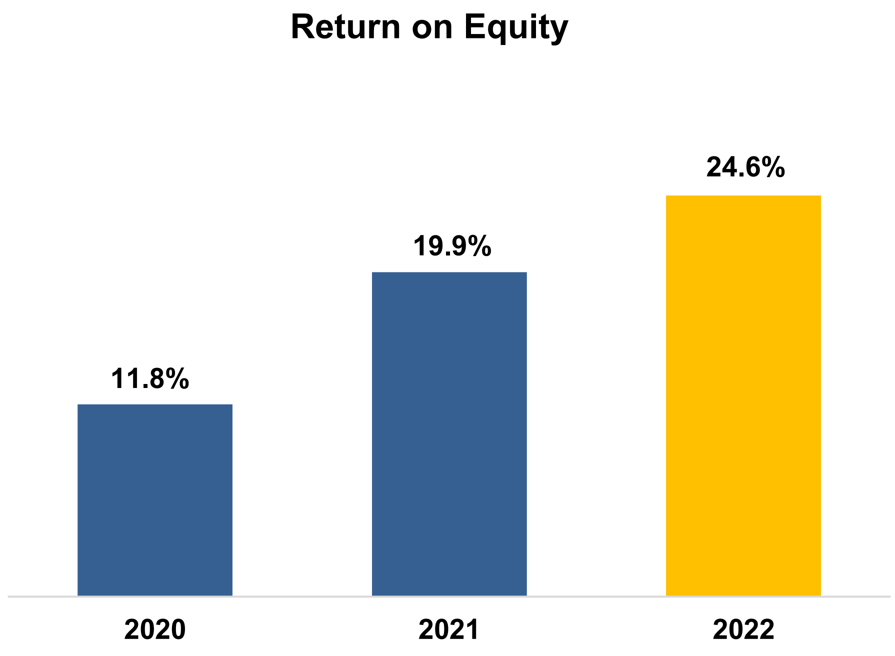
Key Takeaways

Well positioned
Existing geographic footprint offers potential for substantially larger scale in markets selected for their long-term economic and demographic growth potential

Compelling
Focused on 1st time and affordable 1st move-up buyers, while also appealing to 2nd move-up buyers and empty nesters, thereby targeting the largest homebuyer demand segments

Advantages of BTO
Sell and build the home the customer values, which helps drive absorption. With a large backlog of sold homes, we can manage starts to achieve even-flow production at the community level, generating efficiencies in overhead and cost to build, and we have greater predictability on deliveries.

Demonstrated leadership in sustainability
With an industry-leading over 175,000 ENERGY STAR homes delivered, we are committed to helping our buyers lower the cost of homeownership. Our ENERGY STAR homes are up to 20% more efficient than standard new homes built to code.



Appendix

ROE Calculation Detail

($ in thousands)

	2020	2021	2022
Pretax income	$ 364,043	$ 695,346	$ 1,072,066
Income tax expense	(67,800)	(130,600)	(255,400)
Net income	$ 296,243	$ 564,746	$ 816,666
Average stockholders' equity (a)	$ 2,509,531	$ 2,832,405	$ 3,319,238
Return on equity	**11.8%**	**19.9%**	**24.6%**

(a) Average stockholders' equity for the trailing five quarters.

Reconciliation of Non-GAAP Financial Measures

	2021				2022				2023	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Housing Gross Profit Margin										
Housing Gross Profit Margin - As Reported	20.8%	21.4%	21.5%	22.3%	22.4%	25.3%	26.7%	22.4%	21.5%	21.1%
Housing inventory-related charges	0.3	0.1	0.5	0.1	-	-	0.3	1.5	0.3	0.3
Housing Gross Profit Margin - As Adjusted	21.1%	21.5%	22.0%	22.4%	22.4%	25.3%	27.0%	23.9%	21.8%	21.4%
Homebuilding Operating Income Margin										
Homebuilding Operating Income Margin - As Reported	10.0%	11.3%	11.6%	12.8%	12.2%	15.4%	17.7%	14.4%	11.4%	11.5%
Homebuilding inventory-related charges	0.4	0.1	0.5	0.1	-	0.1	0.4	1.4	0.3	0.2
Homebuilding operating income margin excluding inventory-related charges	10.4%	11.4%	12.1%	12.9%	12.2%	15.5%	18.1%	15.8%	11.7%	11.7%

The Company believes these non-GAAP financial measures, which assist management in making certain decisions, are relevant and useful to investors in understanding its operations and in providing meaningful period-to-period comparisons, and may be helpful in comparing the Company with other homebuilding companies to the extent they provide similar information.

Deferred Tax Asset Value and Protection

- At May 31, 2023, KB Home had net deferred tax assets (DTA) of approximately $150 million

- To support the realization of the DTA, KB Home has undertaken a number of steps to avoid experiencing an “ownership change” under federal tax laws

- The primary protection is a Rights Agreement (with the latest expiration of the rights thereunder on April 30, 2024). The Rights Agreement provides authority for the distribution of dilutive stock purchase rights in connection with an acquisition of 4.9% or more of KB Home’s outstanding common stock.

- At May 31, 2023, there were 80.6 million shares of common stock outstanding

Thank you for your interest in KB Home.

For further information,
please contact us:

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(310) 231-4000
investorrelations@kbhome.com