

A wide-angle photograph of a modern, bright living room. In the foreground, a light grey sofa with several patterned and solid-colored pillows is partially visible. Behind it, a large light-colored sectional sofa sits against a wall with white vertical paneling. On the wall are three framed pieces of art: a large abstract map and two smaller framed tools. A floor lamp with a white shade stands next to the sofa. In the center of the room, two round, metallic coffee tables hold a small potted plant and a bowl of fruit. Two armchairs with red cushions and wooden frames are positioned near the kitchen. The kitchen in the background features white cabinetry, a stainless steel refrigerator, and a white island with a countertop and bar stools. Large windows on the right side of the kitchen provide natural light. The floor is made of light-colored wood planks.

Investor Presentation

Fourth Quarter 2025

kb
HOME

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. If we update or revise any such statement(s), no assumption should be made that we will further update or revise that statement(s) or update or revise any other such statement(s). 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 the greater costs associated with achieving current and expected higher standards for ENERGY STAR certified homes, 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, 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 and 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; our obtaining adequate levels of affordable insurance for our business and our ability to cover any incurred costs, liabilities or losses that are not covered by the insurance we have procured or that are due to our deciding not to procure certain types or amounts of insurance coverage; 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; lingering economic and financial market impacts from the prolonged shutdown of the federal government’s operations in October and November 2025; any failure of lawmakers to agree on a budget or appropriation legislation to fund the federal government’s operations (also known as a government shutdown), and financial markets’ and businesses’ reactions to any such failure; regulatory instability associated with the current U.S. presidential administration, and the impact on the economy or financial markets therefrom; government actions, policies, programs and regulations directed at or affecting the housing market (including the tax benefits associated with purchasing and owning a home, the standards, fees and size limits applicable to the purchase or insuring of mortgage loans by government sponsored enterprises and government agencies, and the potential significant scaling back or ending of the federal conservatorship of the government-sponsored enterprises), 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, such as Internal Revenue Service guidance regarding heightened qualification requirements for federal tax credits for building energy-efficient homes, and the potential accelerated phaseout of such tax credits in 2026; 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, and financial markets’ and businesses’ reactions to any such policies; 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, including implementing state climate-related disclosure rules, 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, through, among other things, our making substantial investments in land and land development, which, in some cases, involves putting significant capital over several years into large projects in one location, and in entering into new markets; our operational and investment concentration in markets in California; consumer interest in and responsiveness to our new home communities, products and simplified selling process and transparent pricing initiatives, 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, and the costs and margin impact we incur from any incentives or concessions we may provide to buyers to do so; 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 or afford homeowners and flood insurance policies, and/or typical or lender-required policies for other hazards or events, for their homes, which may depend on the ability and willingness of insurers or government-funded or sponsored programs to offer coverage 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 Home Loans, LLC (“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, pandemic or significant seasonal or other disease outbreak, 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; widespread protests and/or civil unrest, whether due to political events, social movements or other reasons; 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.



KB Home: At a Glance

49
markets

9
states

West Coast

California
Idaho
Washington

Southwest

Arizona
Nevada

Central

Colorado
Texas

Southeast

Florida
North Carolina

1957 **BUILT ~700K HOMES SINCE OUR
FOUNDING IN 1957**

Leading brand awareness

BTO **DIFFERENTIATED BUILT TO ORDER®
MODEL**

Simple, affordable, personalized

~72% **1ST TIME & 1ST MOVE UP BUYERS**

Millennials & Gen Z's: 150 million people;
largest demographic opportunity

LEADER **CUSTOMER SATISFACTION**

#1 ranking on TrustBuilder®, a leading
independent homebuilding review site

>200,000 **ENERGY STAR CERTIFIED HOMES**

Leader in energy efficiency, conserving
resources and helping customers lower
their total cost of homeownership

>\$1.9B **RETURNED TO STOCKHOLDERS**

through repurchases and dividends since
Q2 2021

Long-Term Investment Thesis for KBH

A Brand that has Endured for Nearly 70 Years

- One of the largest and most trusted homebuilders in the U.S.
- Industry-leading brand awareness
- Customer satisfaction: #1 ranking on TrustBuilder¹; record 96% score on AvidCX^{®1}

Differentiated Business Model: Built to Order

- Buyers personalize their homes based on a simple process focused on what they value and can afford
- Ability to significantly influence final sales price – buyers select their floor plan, lot, square footage, elevation and finishes in our Design Studios
- KB has among the highest absorption rates in the industry, which we believe is driven by our affordable, personalized model

1st Time and 1st Move-Up Focus Provides Long-Term Market Opportunity

- Poised to benefit from favorable demographics: Millennials and Gen-Zs, the largest population cohorts (150 million people) are contributing to growth in household formations—a key driver of homeownership

Geographically Focused: 49 Major Markets in 9 States

- Markets selected for their long-term economic and demographic growth potential
- Substantial opportunity to expand our volume in the future with this footprint

Industry-Leading Capital Distribution

- Led our peer group in return of capital yield in the past four years; repurchased nearly 36% of our shares outstanding
- Healthy quarterly cash dividend, which we have paid for the longest period in our industry, without interruption
- Returned over \$1.9 billion in cash to our shareholders through repurchases and dividends since Q3 2021





Built to Order Model Provides Competitive Advantages

Data-Driven Process

Our standard floor plans and features are the result of local market surveys of what buyers want in their homes.

Buyers Value Choice

Buyers select their floor plan, lot, square footage, elevation and personalized finishes in our Design Studios based on what they value and can afford. Our process is simple, personalized and affordable.

Choice Includes Finished Homes

An important complement to our “choice” model is the availability of quick move-in homes in each of our communities to serve the buyer who prioritizes a near-term move-in date over personalization.

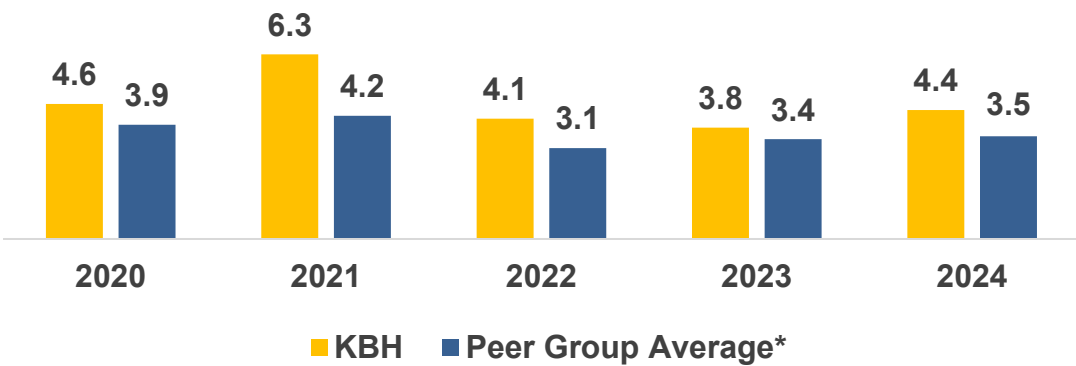
Choice Influences Affordability

Buyers are empowered to significantly influence their overall sales price based on their selections. More than 65% of our communities offer plans with square footage below 1,600 — smaller homes with similar room counts and livability, at lower starting base prices without compromising gross margin percentages.

Competitive Differentiator

Resale homes are our largest competitor. Our affordable personalization provides an important point of differentiation in attracting buyers.

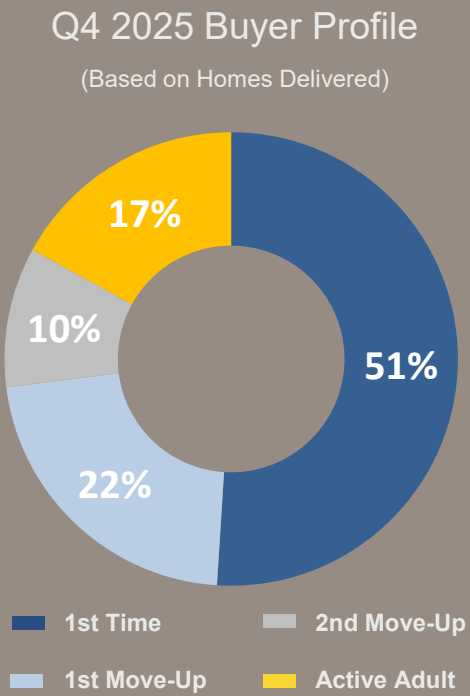
Buyers Value Choice
Affordable Personalization Drives
High Monthly Absorption per Community



Sources: Sell-Side Analyst Research and Form 10-K Filings
* Includes CCS, DHI, LEN, MTH, NVR, PHM, TMHC, TOL, TPH

Built to Order Attracts Largest Demand Segments of Market

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



Invest in
land positions
within
prime growth
submarkets

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

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

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

100% Committed to Our Customers' Satisfaction

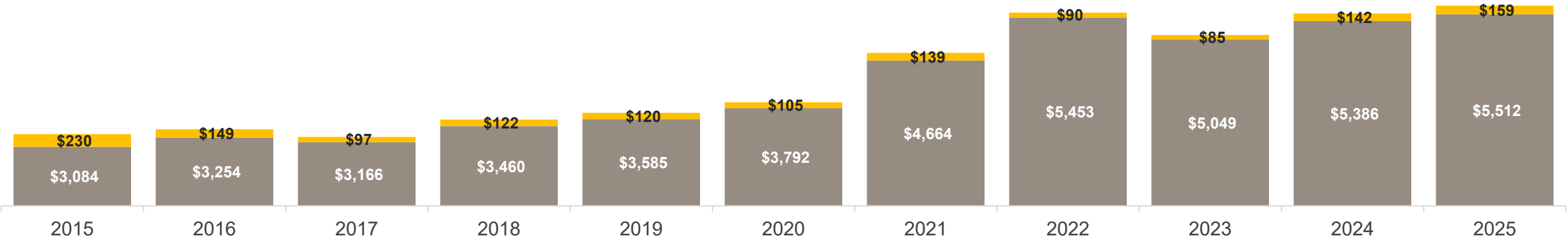
- KB Home’s unique Built to Order business model begins and ends with the needs of our homebuyers.
- We survey homebuyers to find out their priorities and design our homes to meet those needs. Our buyers have choice in personalizing their home to suit their lifestyle and budget. Each of our homebuyers is supported by a dedicated team that guides them every step of the way, helping to ensure an exceptional buying experience.
- In FY 2025, KB Home was the #1 customer-ranked national homebuilder on TrustBuilder, a leading independent homebuilding review site, marking the fifth consecutive year we earned the spot.
- Additionally, we achieved our highest-ever full-year overall customer satisfaction score of 96% in 2024⁽¹⁾, as measured through a comprehensive post move-in survey conducted via AvidCX, a trusted platform of homebuyer experience insights.



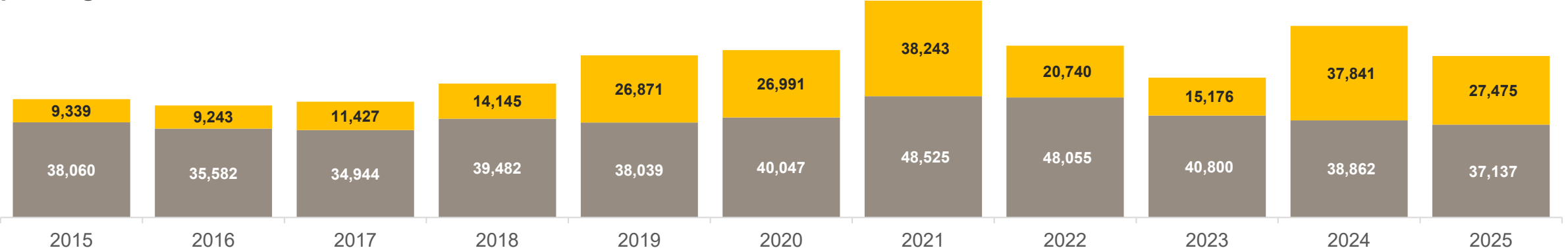
Primed for Growth through Investments in Land Acquisition

Land Portfolio Focused on Long-Term Economic & Demographic Growth Markets

(\$ in millions)



Expanding Our Lot Position

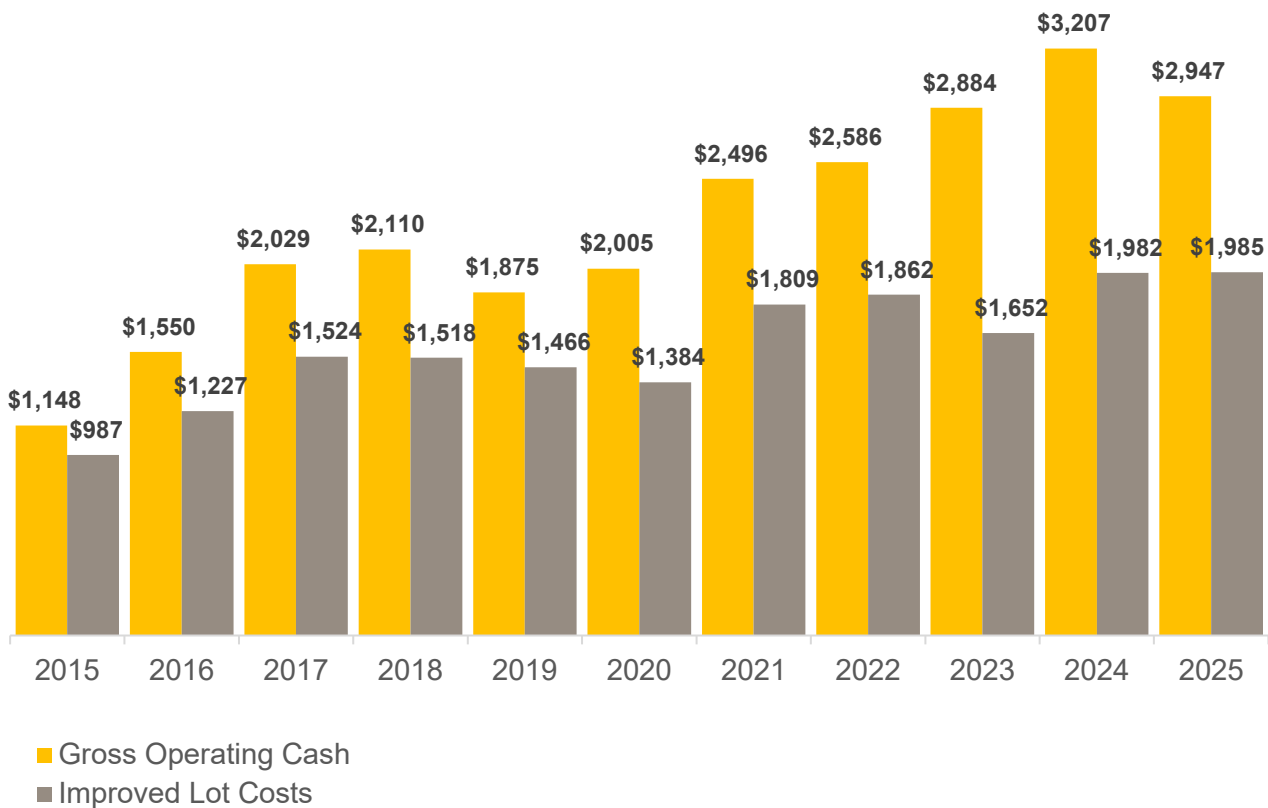


Optioned Lots
 Owned Lots

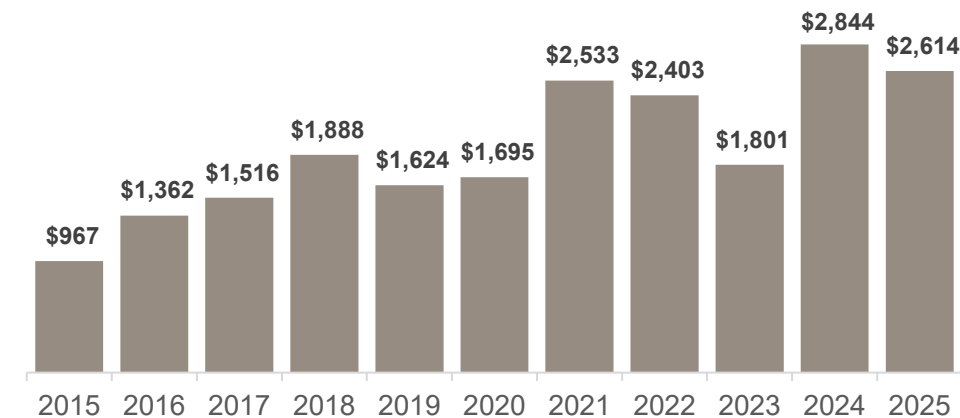
Investing in Growth while Returning Capital to Shareholders

(\$ in millions)

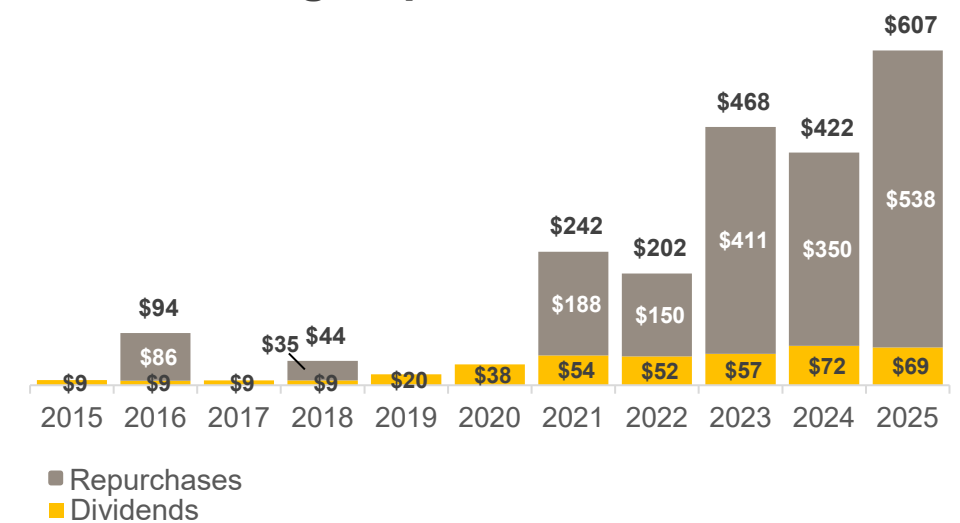
Generating Significant Cash from Homes Delivered



Land Spend

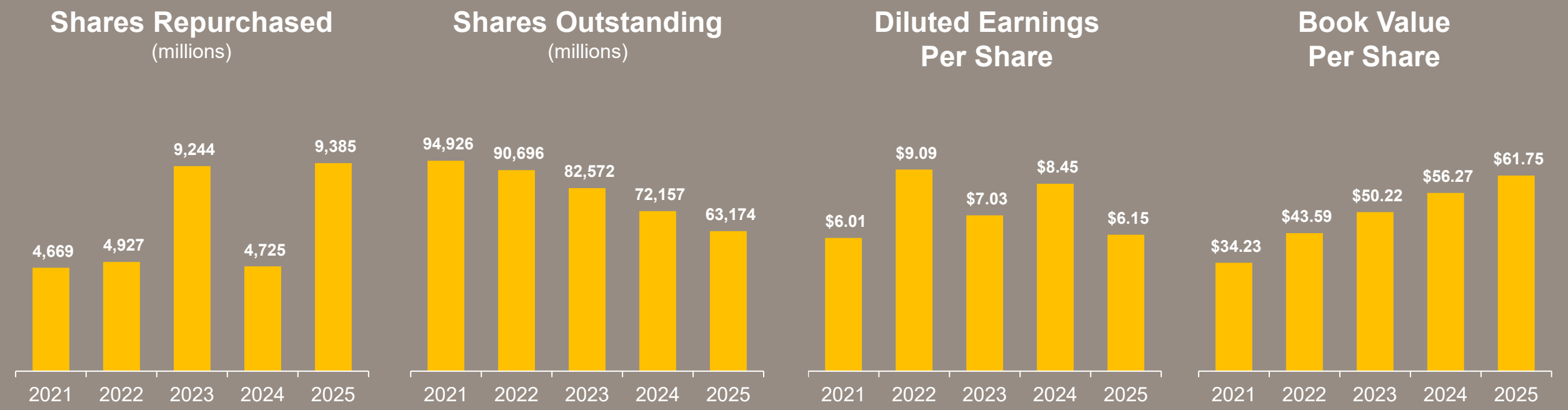


Returning Capital to Shareholders



9 Gross Operating Cash defined as Net Cash provided by (used in) Operating Activities, as reported, before Land Acquisition and Development Investment

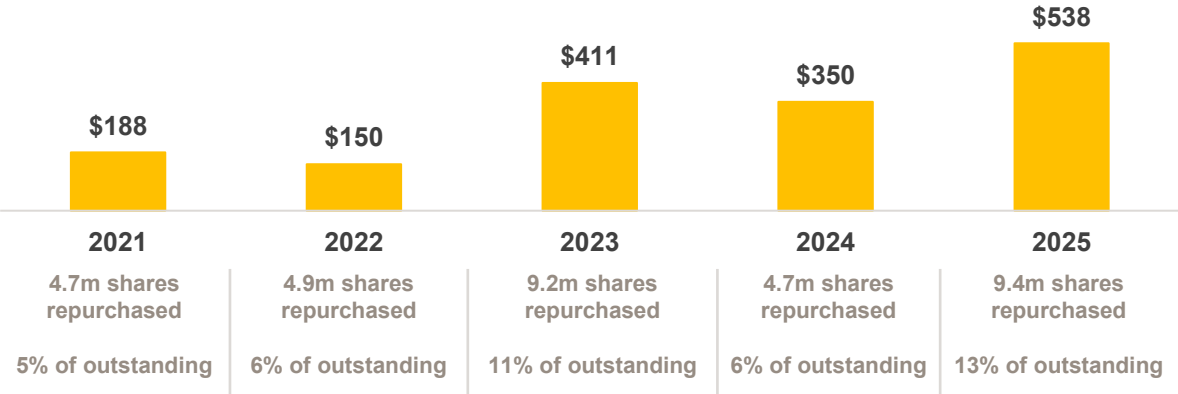
Creating Value for Shareholders



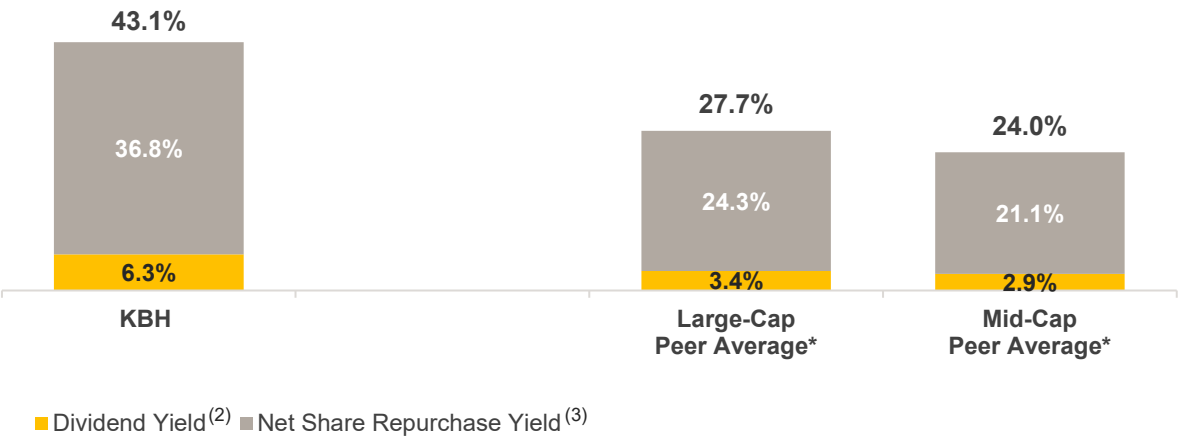


Balance Sheet Strength Fuels Industry-Leading Return of Capital

Share Repurchases (\$ in millions)



Return of Capital Yield⁽¹⁾ vs. Peers | Since Q3 2021



*Source: FactSet as of December 5, 2025 (Large-Cap: PHM, NVR, LEN, DHI | Mid-Cap: TPH, TOL, TMHC, CCS, MTH)
(1) Return on capital yield defined as share repurchase yield plus dividend yield.
(2) Dividend yield calculated as dividends paid divided by average equity market capitalization.
(3) Net share repurchase calculated as share repurchases less shares issuances divided by average equity market capitalization.



Fourth Quarter 2025





Diversification of our Growth-Oriented Geographic Footprint

(\$ in millions)

		West Coast			Southwest		Central		Southeast	
		CA	WA	ID	NV	AZ	TX	CO	NC	FL
FY 2025	Homebuilding Revenues	\$2,332.5 38%	\$282.3 4%	\$76.9 1%	\$751.3 12%	\$494.2 8%	\$970.5 16%	\$206.3 3%	\$348.0 6%	\$749.9 12%
FY 2020	Homebuilding Revenues	\$1,688.4 41%	\$60.2 1%	-	\$550.8 13%	\$246.0 6%	\$932.2 22%	\$260.6 6%	\$29.2 1%	\$400.3 10%
FY 2015*	Homebuilding Revenues	\$1,402.3 46%	-	-	\$266.5 9%	\$131.8 4%	\$609.4 20%	\$200.4 7%	\$57.1 2%	\$278.0 9%

Fourth Quarter 2025 Highlights

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

- Revenues totaled \$1.69 billion
- Homebuilding operating income was \$117.1 million
 - Homebuilding operating income margin was 6.9%, compared to 11.5%. Excluding inventory-related charges, homebuilding operating income margin was 7.8%⁽¹⁾, compared to 11.5%.
 - Housing gross profit margin was 17.0%, compared to 20.9%. Excluding inventory-related charges, housing gross profit margin was 17.8%, compared to 20.9%.
 - Selling, general and administrative expenses as a percentage of housing revenues were 10.0%⁽¹⁾, compared to 9.4%
- Pretax income totaled \$129.2 million, or 7.6% of total revenues, and included financial services pretax income of \$10.6 million
- Net income was \$101.5 million and diluted earnings per share was \$1.55. Adjusted net income was \$125.7 million⁽²⁾ and adjusted diluted earnings per share was \$1.92.⁽²⁾
- Total liquidity was \$1.4 billion including \$228.6 million of cash and cash equivalents and nearly \$1.2 billion of available capacity under the Company's unsecured revolving credit facility, with no cash borrowings outstanding
- During the quarter, the Company repurchased approximately 1.6 million shares of its outstanding common stock at a total cost of \$100.0 million
- Stockholders' equity totaled \$3.90 billion, and book value per share increased 10% to \$61.75

(1) Includes \$16 million of accelerated equity-based compensation expense recognized under applicable accounting guidance. Excluding this item, homebuilding operating income margin was 8.7% and selling, general and administrative ratio was 9.1%.

(2) See Appendix: Reconciliation of Non-GAAP Financial Measures

	Q4 2025	Q4 2024	% Change
Housing Revenues	\$1.68 billion	\$1.99 billion	-16%
Deliveries	3,619	3,978	-9%
Average Selling Price	\$465,600	\$501,000	-7%
Net Orders	2,414	2,688	-10%
Net Order Value	\$1.10 billion	\$1.32 billion	-17%
Backlog Homes	3,128	4,434	-29%
Backlog Value	\$1.40 billion	\$2.24 billion	-37%
Ending Community Count	271	258	5%
Average Community Count	268	256	5%
Absorption (net orders per community, per month)	3.0	3.5	-14%



Housing Revenues

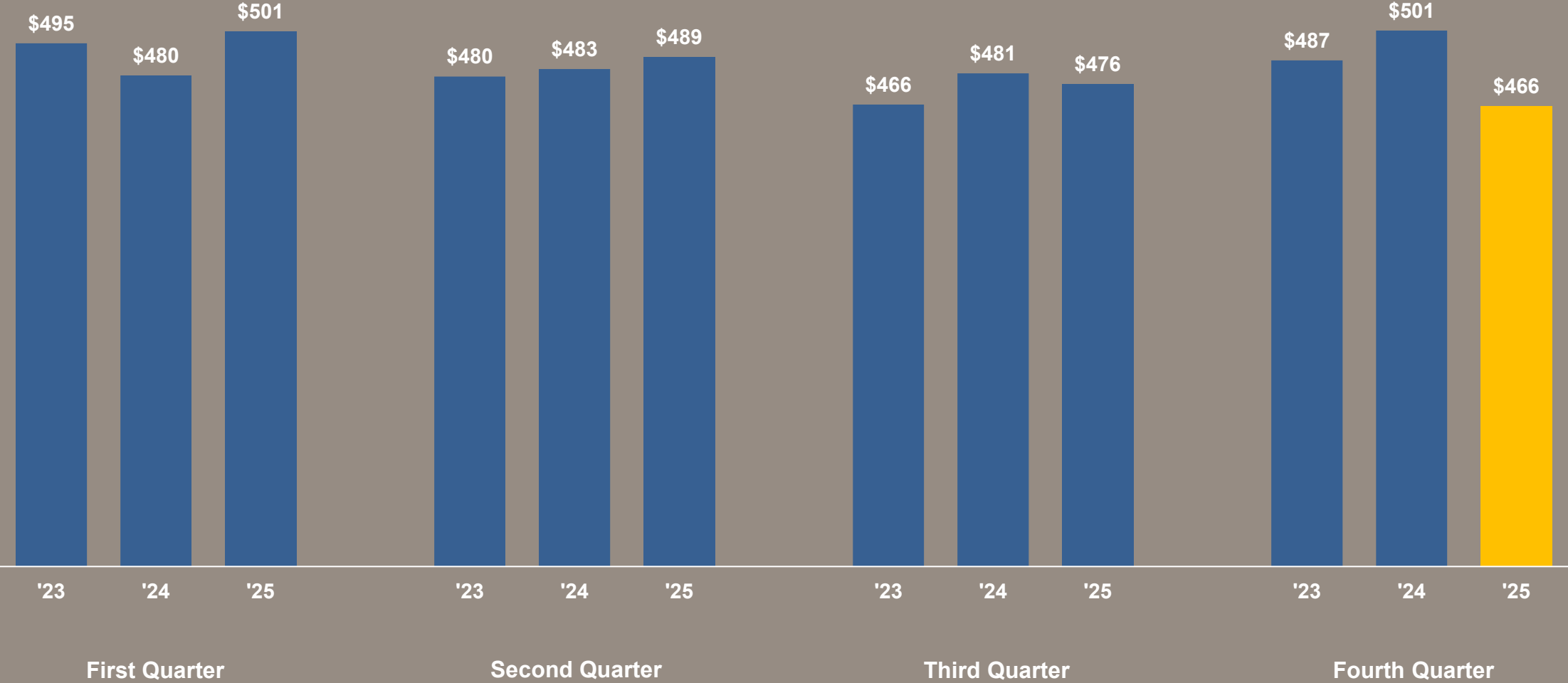
(\$ in millions)



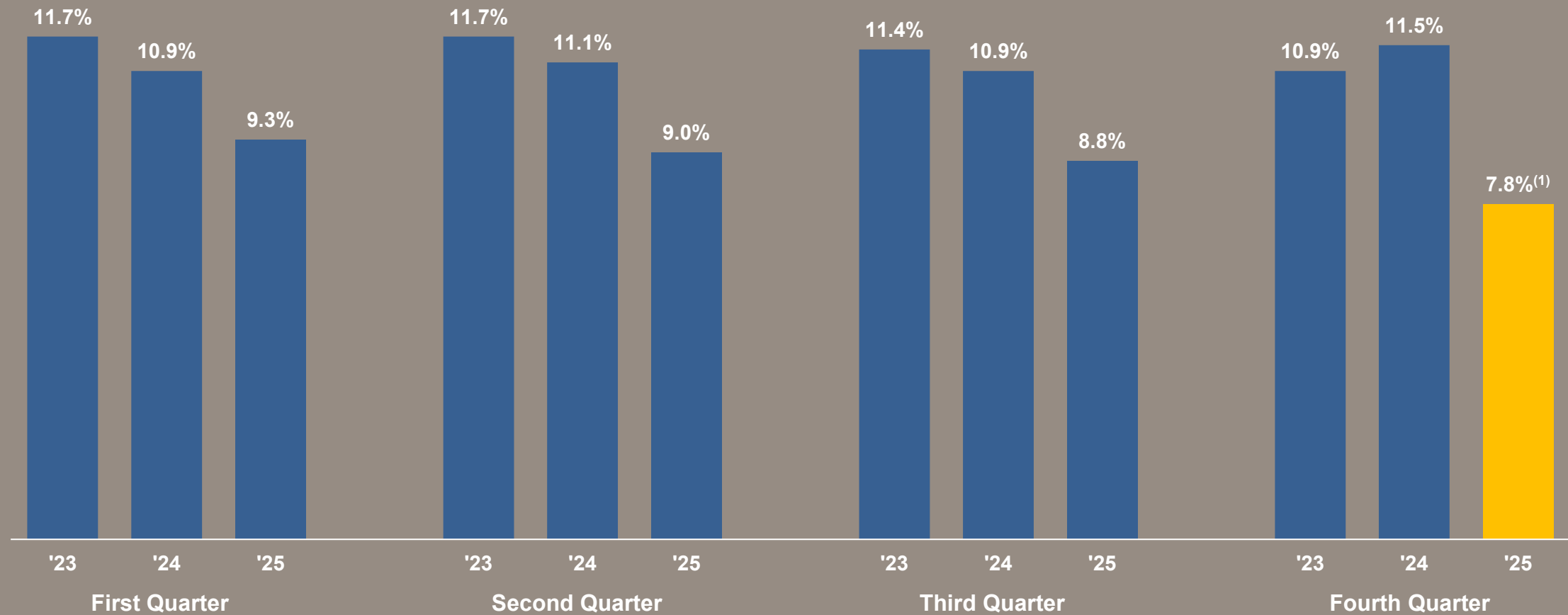


Average Selling Price

(\$ in thousands)



Homebuilding Operating Income Margin*

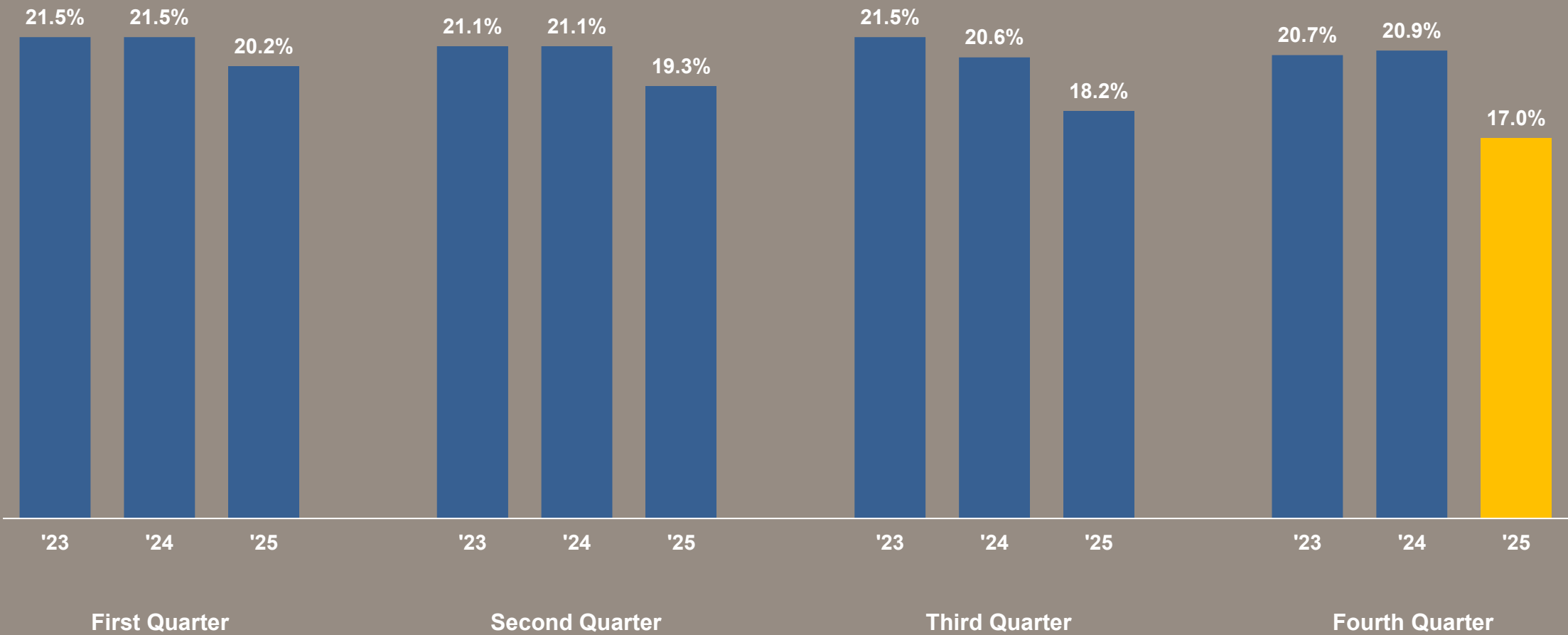


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* Excluding inventory-related charges. See Appendix: Reconciliation of Non-GAAP Financial Measures.

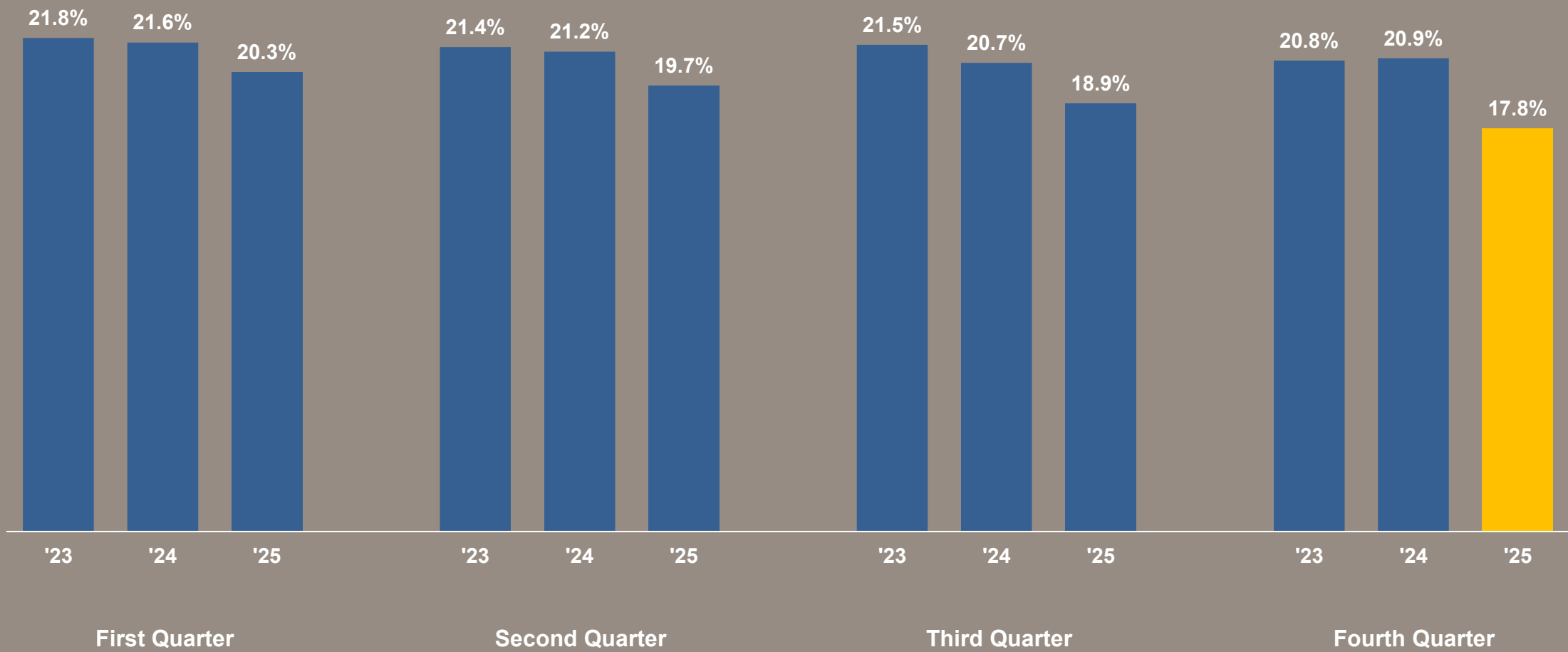
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Housing Gross Profit Margin – Reported

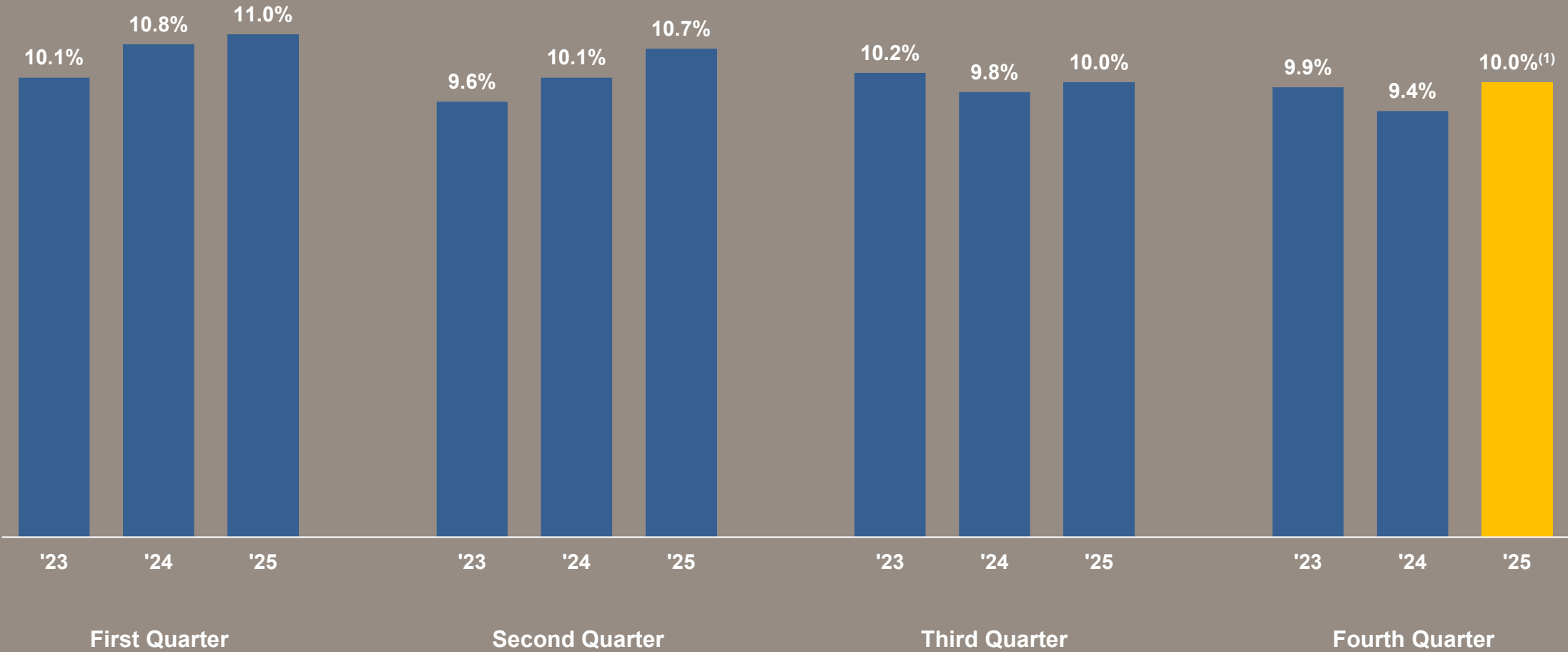




Housing Gross Profit Margin – As Adjusted*

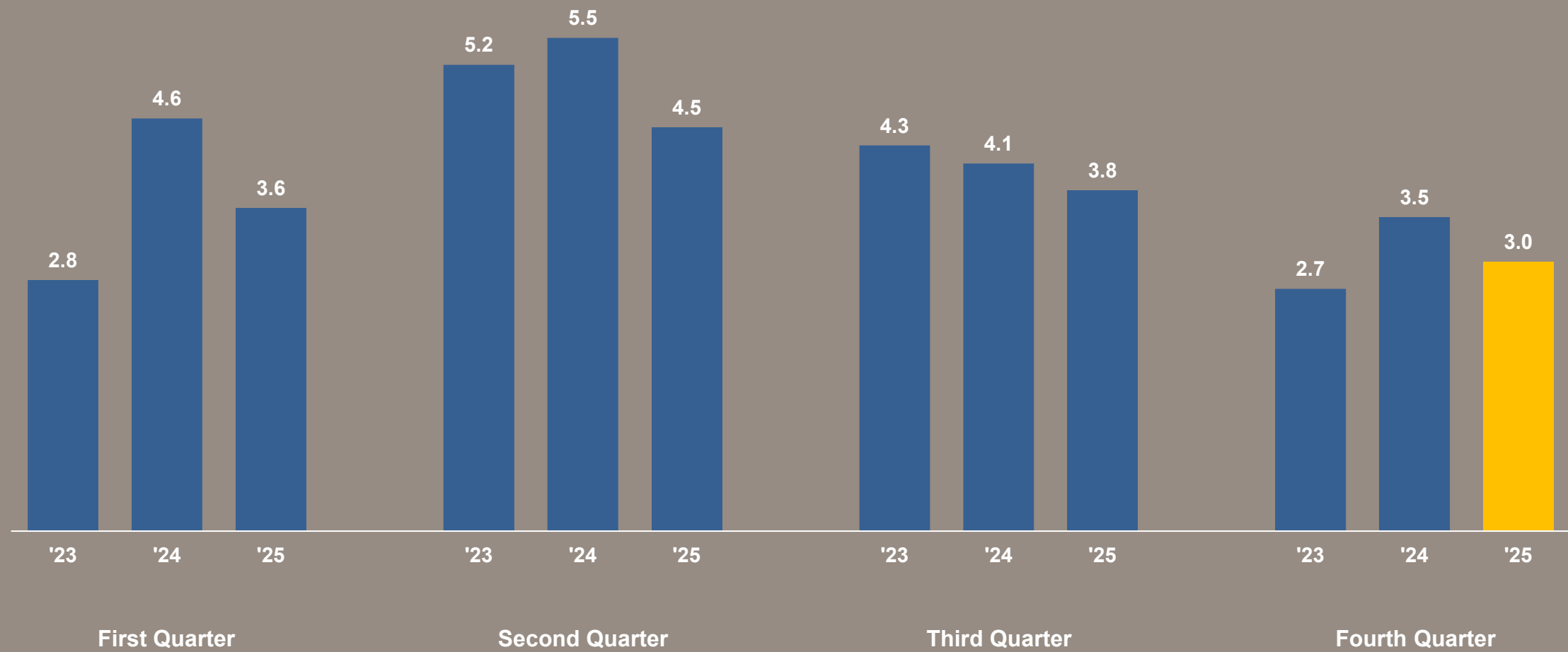


SG&A Expense Ratio

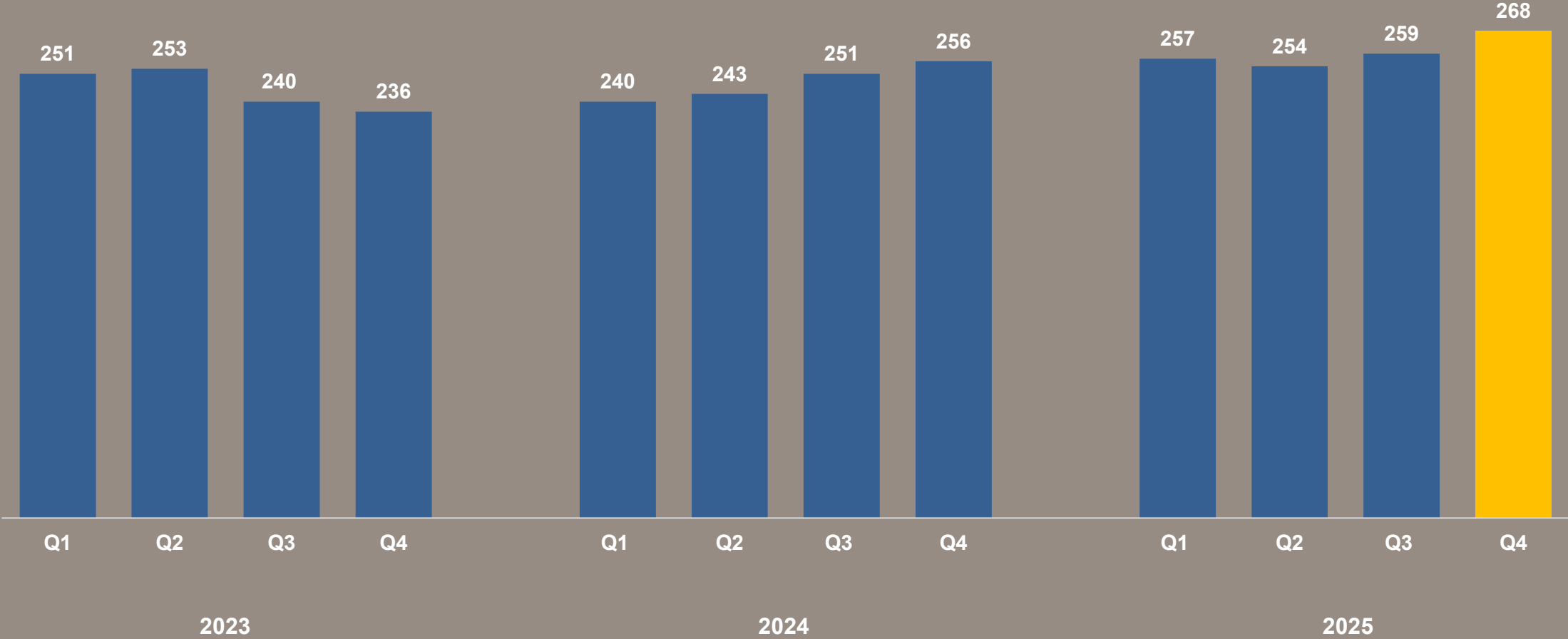




Net Orders per Community per Month



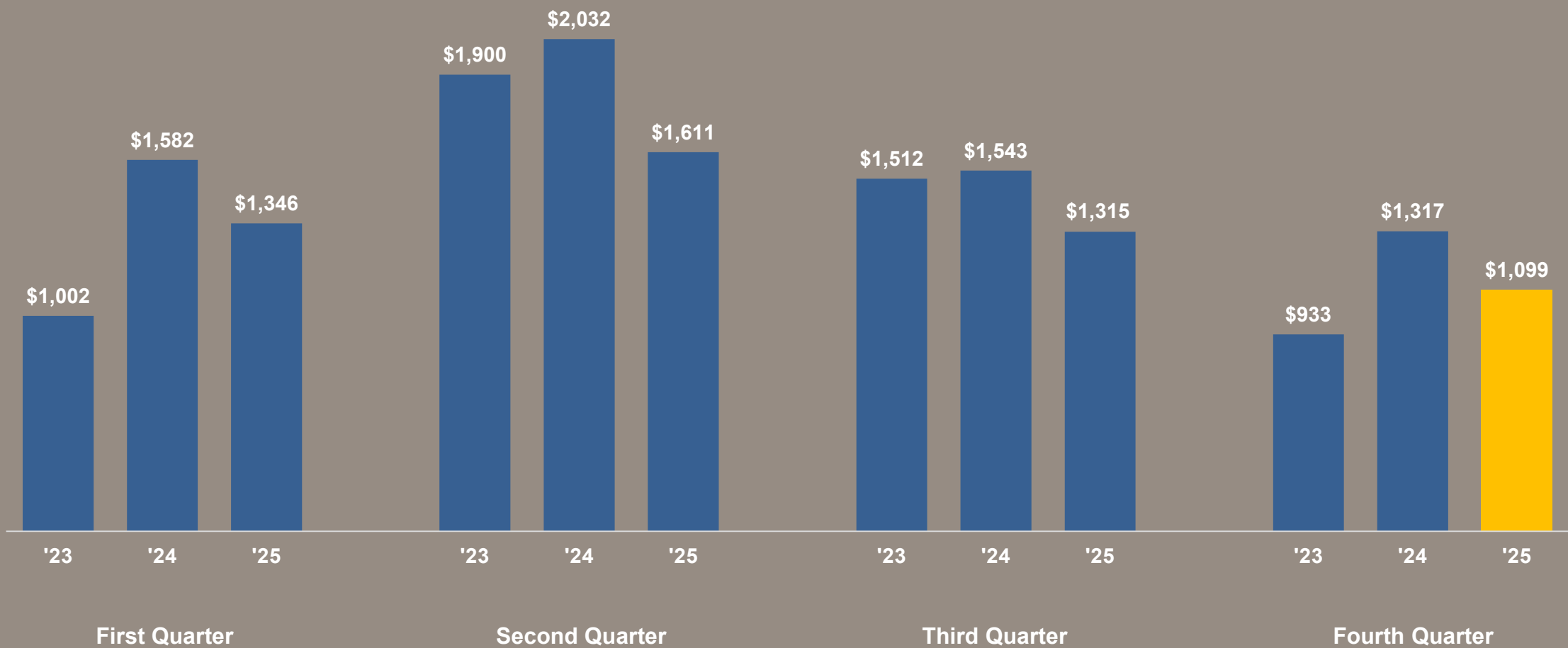
Average Community Count





Net Order Value

(\$ in millions)





Backlog Value

(\$ in millions)





Healthy Capital Structure

Highlights

BB+ Credit Profile Optimal for our Business

- Provides reliable access to capital at low cost, with investment grade-like covenants and significant flexibility
- Continue to target total debt-to-capital ratio in the range of 30% to support this rating

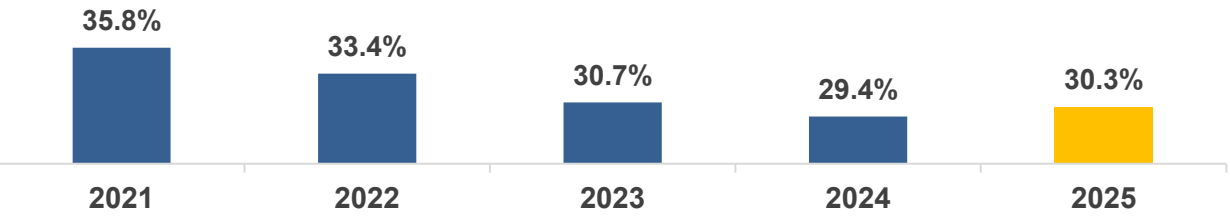
Strong Liquidity to Support our Business

- Total liquidity, including cash and revolver availability, was \$1.4 billion at November 30, 2025
- We had no cash borrowings outstanding on our revolving credit facility with nearly \$1.2 billion available to draw

Upcoming Maturities

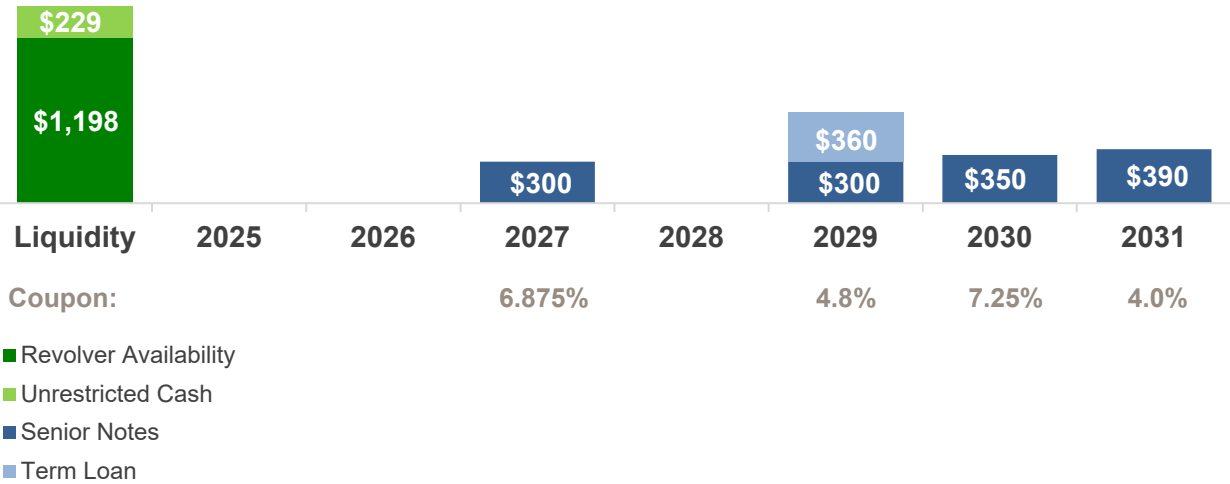
- In November 2025, we secured a new \$1.2 billion revolving credit facility with a November 2030 maturity.
- We extended the maturity date on our \$360 million Term Loan to November 2029.
- Our next maturity is in June 2027 when our \$300 million 6.875% Senior Notes mature

Debt-to-Capital Ratio



Liquidity and Debt Maturity Summary at November 30, 2025

(\$ in millions)



The Sustainability Difference





Leadership in Sustainable Homebuilding



200,000+
Total U.S. EPA ENERGY STAR[™]
Certified New Homes

25,000+
Cumulative Solar Homes

26,000+
Total U.S. EPA WaterSense[™]
& Water Smart Homes

Approx. \$1.3 Billion*
Cumulative Utility Bill Savings

Approx. 2.1 Billion Gallons*
Water Conserved Annually

Approx. 8 Billion Pounds*
Fewer CO₂ Emissions

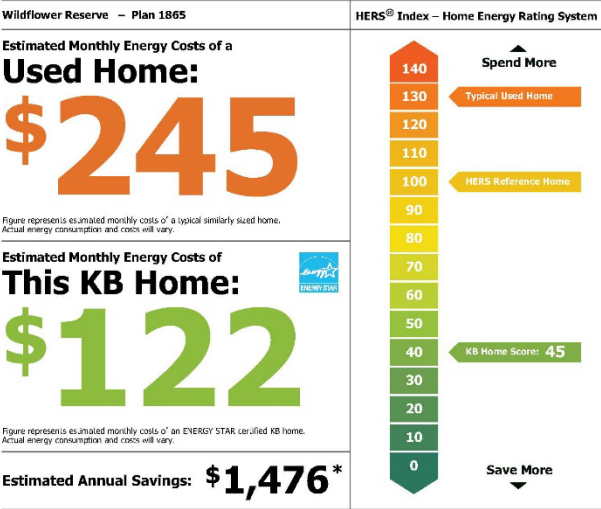
Received a record 30
ENERGY STAR[®] Market
Leader Awards in 2024



Energy Savings Comparison



At KB Home, our homes are designed to be ENERGY STAR[®] certified and built with quality construction techniques and materials. An ENERGY STAR certified home offers fewer air leaks and drafts, reduced noise and energy-efficient appliances and lighting to ultimately deliver significant savings on utility bills compared to homes without certification.



©2024 KB Home. The HERS Index is a registered trademark of the Residential Energy Services Network (RESNET). KB Home is not affiliated with RESNET or its service providers, or with any energy efficiency rating organization or related system or service provider, although it may be. The HERS Index score and the estimated energy costs and savings shown for this KB Home plan and the typical used home are determined using a whole-house energy simulation software and a set of 14 factors, including assumptions on typical mechanical energy use and the characteristics of this KB Home plan as compared to a typical used home of similar overall square footage, location, and climate. The HERS Index score is determined by the RESNET software, which is based on the building and cooling system inputs and any lighting that are indicated on standard plans with the KB Home plan and the typical used home (as assumed by the RESNET software), and average local energy utility rates available at the time of determination. The estimated energy costs and savings shown do not include any available local state or federal incentives or rebates or energy utility program incentives (free, loans or rebates). This comparison HERS reference home of sale on the HERS Index (132) is the RESNET U.S. national reference home, which is built to the specifications of the 2012 International Energy Conservation Code. The average local energy utility rates shown on the HERS Index (132) include the average HERS Index of the energy U.S. home as a comparison to the KB Home plan. As set by the U.S. Department of Energy, KB Home does not warrant or guarantee that a HERS Index score for an as-built home will be equal to or better than the HERS Index score shown for the KB Home plan or that any level of energy costs or savings (if any) will be achieved or maintained, even if a home is built as designed per this KB Home plan. In addition, KB Home does not warrant or guarantee that any as-built home will achieve ENERGY STAR certification.

*Actual energy costs and savings (if any) for any built home will vary over time, are very site-specific, based on a number of factors and variables. Important information about the HERS Index and the estimated energy costs and savings for this KB Home plan is available online at <http://www.kbhome.com/energy-efficient-homes> and at KB Home community sales offices. (enr-12329) 03/25/25 1.0 10/25

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



Los Angeles, CA – Volunteers organized food items at the Westside Food Bank

kbcares



Inland Empire, CA - Volunteers collected over 2,000 toys for Toys for Tots



Orlando, FL – Volunteers donated over 1,300 food items to Serenity Grace

Giving Back to Our Communities



Phoenix, AZ - Volunteers assembled 120 beds for Sleep in Heavenly Peace



Denver, CO - Volunteers helped package over 2,000 food bags at Food for Thought



Austin, TX – Volunteers wrapped and donated gifts for families through the Center for Child Protection.



Raleigh, NC – Volunteers delivered essential items to Samaritan's Purse for victims of Hurricane Helen

Governance Practices: A Snapshot

Independent

- Nine of our ten directors are independent
- Independent directors lead all Board committees

Accountable

- Directors are elected annually under a majority voting standard
 - In 2025, our directors received an average of 97% support
- Directors and senior executives are subject to robust stock ownership requirements

Aligned

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



A man with short brown hair and a light beard is sitting on a dark grey couch, smiling warmly at the camera. He is holding a sleeping baby in his arms. The baby is wearing a white long-sleeved shirt with thin blue stripes and blue pants. The background is a bright, out-of-focus indoor space with large windows showing a suburban neighborhood with houses and trees. A pink orchid is visible on a table in the background.

Summary

kb
HOME

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- Healthy quarterly cash dividend, which we have paid for the longest period in our industry, without interruption
- Returned over \$1.9 billion in cash to our shareholders through repurchases and dividends since Q3 2021





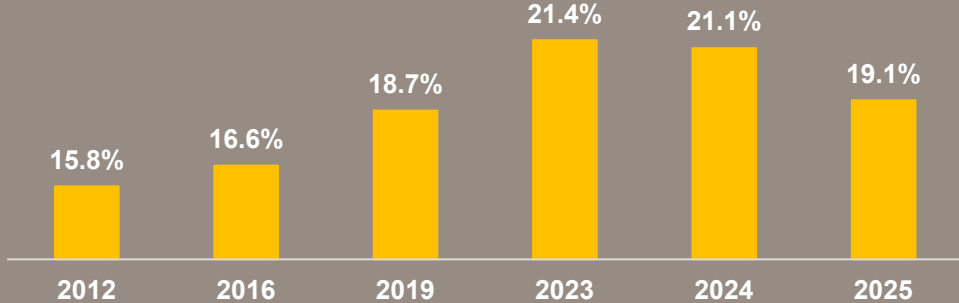
KB Home is a Stronger, More Profitable Company Today

The growth in our scale and profitability, together with the health of our balance sheet, have transformed KB Home into a larger and stronger company.

Housing Revenues (\$ in billions)



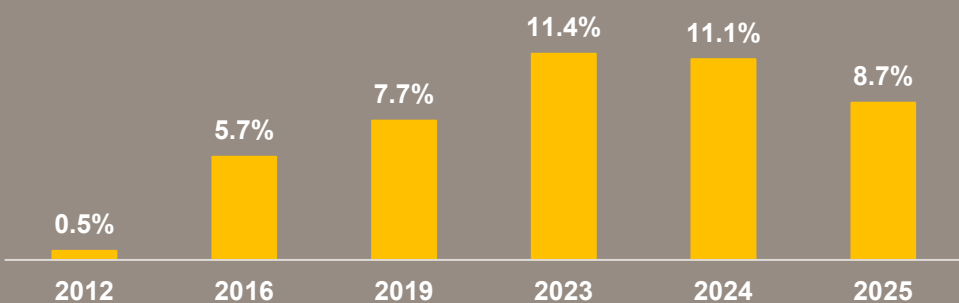
Housing Gross Margin⁽¹⁾



Diluted Earnings (Loss) per Share

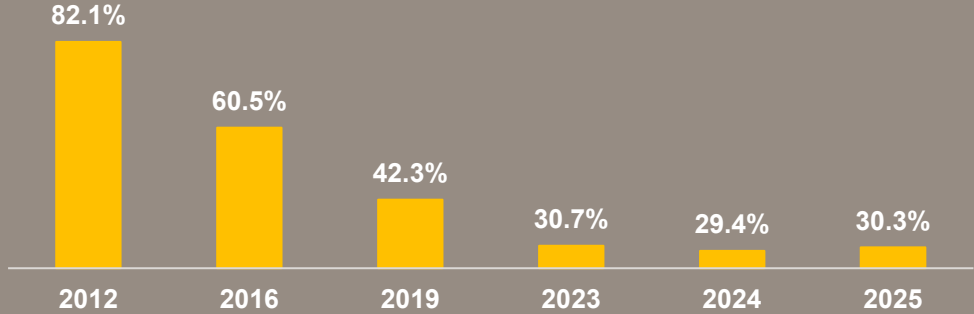


Homebuilding Operating Income Margin⁽¹⁾

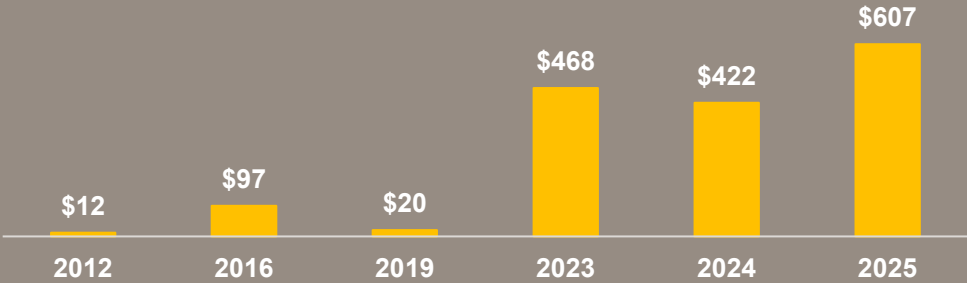


KB Home is a Stronger, More Profitable Company Today

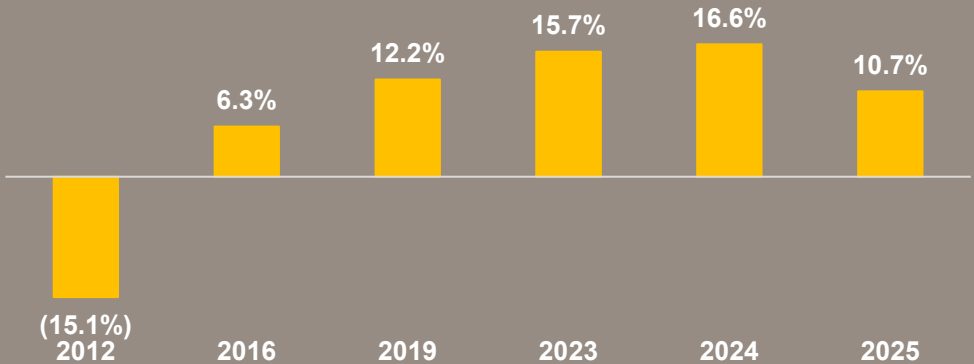
Debt-to-Capital Ratio



Capital Returned to Stockholders (\$ in millions)



Return on Equity



Book Value per Share





Appendix

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Reconciliation of Non-GAAP Financial Measures

	2023				2024				2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<u>Housing Gross Profit Margin</u>												
Housing Gross Profit Margin - As Reported	21.5%	21.1%	21.5%	20.7%	21.5%	21.1%	20.6%	20.9%	20.2%	19.3%	18.2%	17.0%
Housing inventory-related charges	0.3	0.3	-	0.1	0.1	0.1	0.1	-	0.1	0.4	0.7	0.8
Housing Gross Profit Margin - As Adjusted	<u>21.8%</u>	<u>21.4%</u>	<u>21.5%</u>	<u>20.8%</u>	<u>21.6%</u>	<u>21.2%</u>	<u>20.7%</u>	<u>20.9%</u>	<u>20.3%</u>	<u>19.7%</u>	<u>18.9%</u>	<u>17.8%</u>
<u>Homebuilding Operating Income Margin</u>												
Homebuilding Operating Income Margin - As Reported	11.4%	11.5%	11.3%	10.9%	10.8%	11.1%	10.8%	11.5%	9.2%	8.6%	8.1%	6.9%
Homebuilding inventory-related charges	0.3	0.2	0.1	-	0.1	-	0.1	-	0.1	0.4	0.7	0.9
Homebuilding operating income margin excluding inventory-related charges	<u>11.7%</u>	<u>11.7%</u>	<u>11.4%</u>	<u>10.9%</u>	<u>10.9%</u>	<u>11.1%</u>	<u>10.9%</u>	<u>11.5%</u>	<u>9.3%</u>	<u>9.0%</u>	<u>8.8%</u>	<u>7.8%</u>

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.

Reconciliation of Non-GAAP Financial Measures

Adjusted Net Income and Adjusted Diluted Earnings Per Share

	<u>Three Months Ended November 30,</u>	
	<u>2025</u>	<u>2024</u>
Total pretax income	\$ 129,221	\$ 247,705
Add: Inventory-related charges	13,700	912
Add: Accelerated equity-based compensation expense	16,035	—
Add: Loss on early extinguishment of debt	954	—
Adjusted total pretax income	159,910	248,617
Adjusted income tax expense ^(a)	(34,200)	(57,400)
Adjusted net income	<u>\$ 125,710</u>	<u>\$ 191,217</u>
Diluted earnings per share	<u>\$ 1.55</u>	<u>\$ 2.52</u>
Adjusted diluted earnings per share	<u>\$ 1.92</u>	<u>\$ 2.53</u>

(a) Represents adjusted total pretax income multiplied by the Company's effective income tax rate, which was 21.4% and 23.1% for the three months ended November 30, 2025 and 2024, respectively.

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.

Thank you for your interest in KB Home.

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