



## **9M 2020 BUSINESS ACTIVITY AND REVENUE VERY GOOD PERFORMANCE OF NEXITY DURING THE FIRST NINE MONTHS OF THE YEAR SHOWING THE STRONG RESILIENCE OF ITS BUSINESS MODEL GUIDANCE FOR 2020 AND 2021 SPECIFIED**

Paris, Wednesday 28 October 2020, 5:45 p.m. CET

### **9M 2020 business activity and revenue**

- **Strong growth in our market shares for new homes in France: +4.3 points** (16,4% in H1 2020 compared to 12,1% in H1 2019)
- **New home reservations in France: 13,635 units** representing **€2,948 million** (down 3% by volume and up 4% by value)
- **Commercial Real Estate order intake: €230 million excluding VAT**
- **Development backlog: €5.7 billion** (up 12% from end-December 2019)
- **Revenue: €2,737 million** (down 2% from 9M 2019)

### **Guidance for 2020 and 2021**

#### **2020 business activity**

- **New home reservations for Nexity: around 20,000 units, expected to substantially outperform the market**
- **High level of Commercial real estate new orders expected in Q4**

#### **Financial aspects**

- **Revenue of at least €4.2 billion in 2020, with a current operating margin of around 5%, reaching a low point**
- **For 2021, revenue growth of at least 10% relative to 2020 and a current operating margin of at least 7%**
- **Development pipeline (backlog + land under options) of around €20 billion**
- **Net financial debt (before lease liabilities) less than €1.2 billion at 31 December 2020**

**This guidance is based on business assumptions considering new lockdown measures but excluding an extended shutdown of construction sites.**



Alain Dinin, Chairman and CEO of Nexity, commented:

“After a start to the year marked by the shock of a widespread lockdown, Nexity saw its business activity recover starting in June, and this recovery has continued since then, with the second wave of the Covid-19 pandemic not significantly affecting our businesses today, although it has obviously weighed on French consumer confidence.

Our new home reservations in the first nine months of the year were almost equivalent by volume to those recorded in 9M 2019 and were even higher by value. French housing demand remained high, and Nexity demonstrated its capacity to meet this demand. The introduction of stricter bank conditions weighed on the solvency of lower-income clients, but strong demand from institutional investors helped us offset this impact. Thanks to Nexity’s geographic distribution, the diversity of our products and client types, and our land sourcing capacity, we confirmed and expanded our leadership position in our market. The ground-breaking agreement we signed with Gecina to develop 4,000 homes together illustrates this.

In the office space market, Nexity has confirmed the steady development of the programmes in its portfolio, secured by commitments made by high-calibre investors and users, and is preparing to respond to the new context with unique solutions that stand out with regard to their environmental performance, carbon footprint and integration of services and user features.

With a new organisation<sup>2</sup>, Nexity has entered a new phase in the development of our Property Management for Individuals activities, making the client our teams’ number-one priority by developing close relationships focused on quality of service, offering solutions tailored to each client profile, upgrading our digital tools and expanding our geographic coverage to bolster our local presence.

For Nexity – France’s number-one timber-frame developer and the first operator to achieve E3C2 certification for a commercial building, deeply committed to championing an environmentally responsible approach – the now central role of energy renovation confirms the relevance of our Property Management for Individuals businesses, with nearly 20,000 buildings managed on behalf of condominium owners.

Based on these elements, and barring the implementation of lockdown measures resulting in an extended shutdown of construction sites, we are now ready to specify our guidance:

- Around 20,000 new home reservations expected this year
- Revenue of at least €4.2 billion in 2020, and growth of at least 10% in 2021
- Current operating margin of around 5% (low point) in 2020 and at least 7% in 2021
- Development pipeline of around €20 billion
- Net financial debt at 31 December 2020 less than €1.2 billion.

Lastly, Nexity has launched an assessment of the performance and capacity to create value of the Group’s different business lines and their relevance in offering our clients the expanded range of services they are looking for, which will be used to update our strategic plan. This plan will be presented to our different stakeholders when we publish our 2020 accounts.”

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<sup>2</sup> See press release of 21 October 2020



## 9M 2020 BUSINESS ACTIVITY

### INDIVIDUAL CLIENTS

#### *Residential Real Estate*

In the first six months of 2020, the MALONE<sup>3</sup> market totalled 57,732 reservations, down 26% with respect to end-June 2019. Market trends were primarily held back by a supply deficit aggravated by the re-evaluation of local urban planning policies following the shift in power that took place after the second round of local elections in France. This supply shortage resulted in an increase in prices, despite the fact that they should logically decrease. In this context, Nexity demonstrated its resilience and its market share surged to 16.4%, 4 points higher than at 30 June 2019 (12.1%).

For full-year 2020, Nexity anticipates a sharp downturn in the French market for new homes<sup>4</sup> (around 125,000 units, down around 25% compared to 2019), with a sharp decline in the retail sales sector due to the lockdown period and the ongoing public health crisis, while bulk sales are expected to grow, spurred on by institutional investors' appetite for residential property. Nexity's market share should continue to grow thanks to its multi-product, multi-service and multi-brand strategy; its geographical positioning, which is concentrated in Greater Paris and major cities, where underlying demand is very buoyant; and its unrivalled offering of products and services, enabling the Group to meet the needs of all types of clients.

At end-September 2020, net new home reservations in France totalled 13,635 units for €2,948 million including VAT, down 3% by volume and up 4% by value with respect to end-September 2019.

This increase in reservations was mainly concentrated in bulk sales (up 55% relative to 9M 2019), and more specifically the growth in reservations made by institutional investors (which tripled relative to 9M 2019). This change reflected Nexity's ability to adapt its offering to respond to this demand. The firm commitment signed with CDC Habitat in April 2020 for 7,450 housing units contributed to reservations for the period (2,880 reservations at end-September 2020, more than 2,000 of which should have notarial deeds of sale signed by the end of the year), but a growing number of other institutional investors have also approached the Group. They include Gecina, with which the Group signed an innovative partnership in early October<sup>5</sup> to develop 4,000 new homes over a four-year period in supply-constrained areas.

Conversely, retail sales were lower (down 28% from 9M 2019) amidst the public health crisis. First-time buyers were also affected by the introduction of stricter conditions for mortgage approval, despite financing terms remaining highly attractive (1.22% on average in September 2020). Individual investors also showed a certain wait-and-see attitude in view of the current economic situation.

In the third quarter of 2020 alone, reservations were down 8% by volume and up 2% by value at 4,184 units and €925 million including VAT, due to the supply deficit. Retail sales were down 17% compared to Q3 2019, partially offset by a 7% increase in bulk sales over the same period.

After including subdivisions (901 units, down 28% compared to 9M 2019, in line with the change observed in the individual client market) and international sales (432 reservations, up 29% relative to 9M 2019), business activity for Residential Real Estate at end-September 2020 came to 14,968 units reserved and €3,088 million including VAT, down 4% by volume and up 3% by value relative to 9M 2019.

The average price including VAT of new homes reserved by Nexity's individual clients at end-September 2020 was €241 thousand, up 6% compared to end-September 2019, due both to the increase in the average floor area per home (up 2%) and the average price per square metre including VAT (up 4%), amid a context of lower volumes and supply shortage.

The average level of pre-selling booked at the start of construction work was very high (76% at end-September 2020). The supply of homes for sale dropped back 18% from its level at end-December 2019 to stand at 7,271 units at end-September 2020, due to a particularly swift take-up period of 4.1 months<sup>6</sup> (compared with 5.1 months in 9M 2019). Unsold completed stock (72 units) as a proportion of the total supply for sale remained very low.

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<sup>3</sup> French market for new homes, including bulk sales. Source: ECLN for retail sales and FPI for bulk sales

<sup>4</sup> See glossary on page 11

<sup>5</sup> See press release of 1 October 2020

<sup>6</sup> Take-up period: Available market supply / Reservations for the last 12 months, expressed in months



At end-September 2020, the business potential for new homes<sup>7</sup> was down 7% from year-end 2019 and came to 51,365 units. This represented potential revenue of €9.6 billion excluding VAT. This change reflected the one-off impact of the spring lockdown and changes in political leadership at the local government level with respect to project structuring. Including subdivisions and international operations, the business potential of Residential Real Estate represented €12.1 billion in potential revenue excluding VAT.

### **Real Estate Services to Individuals**

#### **Property Management for Individuals**

The portfolio of units under management amounted to over 878,000 units at 30 September 2020, a slight decrease (down 0.7% from end-December 2019). This portfolio stability was due in part to the postponement of annual meetings of condominium owners that should have been held during the second quarter, which delayed the renewal of managing agent mandates.

Brokerage activities (lettings and sales by Nexity agencies and Century 21 franchises) gradually returned to a satisfactory level of business activity, continuing the strong recovery observed in June 2020.

#### **Serviced residences**

Nexity **Studéa** had 124 student residences under management at 30 September 2020, totalling more than 15,000 units (remaining stable since end-December 2019). The marketing campaign for the 2020/2021 university year was not affected by the public health crisis. At end-September 2020, the occupancy rate returned to its normal level and came to 98%.

**Domitys** opened 10 new residences since the beginning of the year, bringing its portfolio to 110 serviced residences and over 12,500 residential units. At end-September 2020, the rolling 12-month occupancy rate was 85%, representing a slight increase relative to end-December 2019 (84%).

#### **Distribution activities**

In the period to end-September 2020, **iSelection and PERL** recorded 2,700 reservations (down 21% compared to 9M 2019). This decrease was in line with the contraction of the individual investor market.

## **COMMERCIAL CLIENTS – NEXITY ENTERPRISE SOLUTIONS<sup>8</sup>**

### **Commercial Real Estate**

As a result of the public health crisis, take-up of office space in the Paris region and the overall amount of investment in commercial real estate in France in the period to end-September 2020 decreased sharply (down 46% and 33%, respectively, relative to 9M 2019).

Order intake in the first nine months of 2020 was €230 million excluding VAT.

Business potential for Commercial Real Estate<sup>6</sup> totalled €2.8 billion at end-September 2020 (down 6% from year-end 2019). This includes the La Garenne-Colombes eco-business park project for approximately one billion euros (Nexity's share), which has been secured under a purchase agreement since Q4 2019 and is still scheduled to be sold in the fourth quarter.

### **Real Estate Services to Companies**

At end-September 2020, the volume of units under management totalled 19.5 million sq.m, stable with respect to year-end 2019.

At end-September 2020, Morning – a leading player in the Paris coworking space market – operated 24 coworking spaces totalling more than 55,000 sq.m and corresponding to around 6,500 workstations. Given the length of lease terms, and in line with our expectations, the occupancy rate was slightly lower than in June 2020 (69% versus 77%).

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<sup>7</sup> See glossary on page 11

<sup>8</sup> Source of market data: Immostat



## BACKLOG AND BUSINESS POTENTIAL AT 30 SEPTEMBER 2020

The Group's backlog at end-September 2020 stood at €5,719 million (€5,397 million for Residential Real Estate and €321 million for Commercial Real Estate).

Furthermore, development business potential at end-September 2020 totalled over €14.9 billion in revenue (€12.1 billion for Residential Real Estate and €2.8 billion for Commercial Real Estate), providing the Group with high visibility on its future business levels.

## SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

The public health crisis and the spring lockdown revealed or accelerated several pre-existing underlying trends in the real estate market: the desire to be closer to nature; the need for modular, flexible living spaces and workspaces; the rise of sustainable transport; and concerns about indoor air quality.

Nexity is committed to making cities inclusive and sustainable and aims to respond to its different Clients' needs with immediate, real-world solutions adapted to the current context, as well as more long-term solutions for which the Group plans to accelerate the development and/or widespread rollout.

The Group wishes to include access to nature in its residential real estate programmes. Today, 90% of programmes delivered include outside living space and access to private or shared green space. Eventually the Group aims to make this 100%.

For a number of years Nexity has offered its condominium owner clients tailored energy renovation solutions to help them actively manage expenses while improving everyday comfort and the value of their property. In this regard, the French government's energy stimulus plan should boost the Group's activities.

Nexity's commitment to pursuing an ambitious low-carbon policy was illustrated in particular by the completion of the Palazzo Nice Méridia, France's tallest timber-frame office building with E+C- (positive-energy, low-carbon) certification, which is the first commercial building in France to obtain the E3C2 level.

In September 2020, Nexity obtained Great Place to Work certification for the Group in France, recognising its approach taken for a number of years focused on making the Group an employer of choice.

## 9M 2020 CONSOLIDATED REVENUE – OPERATIONAL REPORTING<sup>9</sup>

**Revenue** for the first nine months of 2020 was €2,737 million, down €68 million or 2% compared to 9M 2019, versus the 7% drop in H1 2020 compared to H1 2019. This change resulted from an excellent performance achieved in the third quarter (€1,021 million, up 6% relative to Q3 2019).

<i>(in millions of euros)</i>	9M 2020	9M 2019	% change
<b>Individual Clients</b>	<b>2,292.5</b>	<b>2,452.2</b>	<b>-6.5%</b>
Residential Real Estate*	1,640.0	1,797.1	-8.7%
Real Estate Services to Individuals	652.5	655.1	-0.4%
<i>Property Management for Individuals (incl. franchises)</i>	246.2	268.6	-8.3%
<i>Serviced residences</i>	248.2	223.7	+10.9%
<i>Distribution activities</i>	158.0	162.8	-2.9%
<b>Commercial Clients</b>	<b>444.6</b>	<b>351.7</b>	<b>+26.4%</b>
Commercial Real Estate*	368.6	282.4	+30.5%
Real Estate Services to Companies	76.0	69.3	+9.6%
<b>Other Activities</b>	<b>0.0</b>	<b>0.9</b>	<b>n.s.</b>
<b>Revenue</b>	<b>2,737.1</b>	<b>2,804.9</b>	<b>-2.4%</b>

\* Revenue generated by Residential Real Estate and Commercial Real Estate 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.

<sup>9</sup> See glossary on page 11



Revenue for the **Residential Real Estate** division was down €157 million or 9% relative to 9M 2019. In the third quarter alone, revenue was up 12% with respect to Q3 2019 and reflected business activity starting up again after the lockdown period. Revenue generated by the German subsidiary Pantera, acquired in March 2020, was not significant over the period.

**Real Estate Services to Individuals** posted revenue of €652 million for the period ended 30 September 2020 (stable with respect to 9M 2019). In the third quarter alone, revenue was up 6% with respect to Q3 2019. Growth in the portfolio of serviced residences and the strong recovery in distribution activities (up 13% in Q3 2020) offset lower business activity in Property Management for Individuals and franchises (down 2% in Q3 2020).

Revenue growth in **Commercial Real Estate** (up €86 million or 31% compared to 9M 2019) mainly arose from the sale of the completed Influence 2.0 building in Saint-Ouen (Seine-Saint-Denis)<sup>10</sup> in the second quarter.

Revenue from **Real Estate Services to Companies** amounted to €76 million, up €7 million. While Morning posted revenue growth for the first nine months of the year (€5 million), revenue was affected by lower occupancy rates at its shared workspaces than at the beginning of the year, following the lockdown period.

## REVENUE UNDER IFRS

In IFRS terms, revenue to end-September 2020 totalled €2,554 million, down 4% relative to 9M 2019. This figure excludes revenue from joint ventures, in accordance with IFRS 11, which requires joint ventures – proportionately consolidated in the Group's operational reporting – to be accounted for using the equity method.

## GUIDANCE FOR 2020 AND 2021

Nexity has good visibility, with a backlog of nearly €6 billion, business potential totalling nearly €15 billion in development revenue, and a strong cash position, with €919 million in cash and €355 million in confirmed undrawn bank borrowing facilities. The Group, which suspended its guidance on 7 April 2020, has specified its guidance for 2020 and 2021, within the still-fraught context of the public health crisis considering the implementation of lockdown measures but excluding an extended shutdown of construction sites:

### 2020 business activity

- **New home reservations for Nexity: around 20,000 units, expected to substantially outperform the market**
- **High level of Commercial real estate new orders expected in Q4**

### Financial aspects

- **Revenue of at least €4.2 billion in 2020, with a current operating margin of around 10%, reaching a low point**
- **For 2021, revenue growth of at least 5% relative to 2020 and a current operating margin of at least 7%**
- **Development pipeline (backlog + land under options) of around €20 billion**
- **Net financial debt (before lease liabilities) less than €1.2 billion at 31 December 2020.**

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<sup>10</sup> See press release of 17 April 2020



## FINANCIAL CALENDAR & PRACTICAL INFORMATION

2020 annual results (after market close)	Wednesday, 24 February 2021
Q1 2021 revenue and business activity (after market close)	Wednesday, 28 April 2021
2021 Shareholders' Meeting	Wednesday, 19 May 2021
2021 interim results (after market close)	Wednesday, 28 July 2021

A **conference call** on 9M 2020 revenue and business activity will be held today in English at 6:30 p.m. CET, which may be accessed using code 1236373 by calling one of the following numbers:

- Calling from France +33 (0)1 76 77 22 57
- Calling from elsewhere in Europe +44 (0)330 336 9411
- Calling from the United States +1 720 452 9217

The presentation accompanying this conference will be available on the Group's website from 6:15 p.m. CET and may be viewed at the following address: [https://orange.webcasts.com/starthere.jsp?ei=1385552&tp\\_key=f1f7879e9b](https://orange.webcasts.com/starthere.jsp?ei=1385552&tp_key=f1f7879e9b)

The conference call will be available on replay at <https://www.nexity.fr/en/group/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.20-0280 on 9 April 2020, as revised by an amendment filed with the AMF on 28 April 2020, 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.*

### **AT NEXITY, WE AIM TO SERVE ALL OUR CLIENTS AS THEIR REAL ESTATE NEEDS EVOLVE**

With more than 11,000 employees and €4.5 billion in revenue, Nexity is France's leading integrated real estate group, with a nationwide presence and business operations in all areas of real estate development and services for individuals, companies and local authorities.

Our services platform is designed to serve all our clients as their real estate needs evolve.

Firmly committed to focusing on people and how they are connected with each other, their cities and the environment, Nexity was ranked the number-one low-carbon real estate developer in France by BBKA in 2019, is a member of the Bloomberg Gender-Equality Index (GEI) and obtained Great Place to Work certification in 2020.

Nexity is listed on the SRD, Euronext's Compartment A and the SBF 120.

### **CONTACTS**

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## ANNEX 1: OPERATIONAL REPORTING

### Reservations: Residential Real Estate

<i>Reservations (units and €m)</i>	9M 2020	9M 2019	% change
New homes (France)	13,635	14,043	-2.9%
Subdivisions	901	1,252	-28.0%
International	432	334	+29.3%
<b>Total reservations (number of units)</b>	<b>14,968</b>	<b>15,629</b>	<b>-4.2%</b>
New homes (France)	2,948	2,833	+4.1%
Subdivisions	74	101	-26.6%
International	65	53	+23.9%
<b>Total reservations (€m incl. VAT)</b>	<b>3,088</b>	<b>2,987</b>	<b>+3.4%</b>

<i>Breakdown of new home reservations by client – France</i>	9M 2020		9M 2019	
Homebuyers	2,305	17%	3,041	22%
o/w: - First-time buyers	1,970	14%	2,420	17%
- Other homebuyers	335	2%	621	4%
Individual investors	4,680	34%	6,721	48%
Professional landlords	6,650	49%	4,281	30%
o/w: - Institutional investors	4,201	31%	1,520	11%
- Social housing operators	2,449	18%	2,761	20%
<b>Total</b>	<b>13,635</b>	<b>100%</b>	<b>14,043</b>	<b>100%</b>

### Real Estate Services to Individuals

<i>Property Management for Individuals – Portfolio of units under management</i>	Sept. 2020	Dec. 2019	Change
- Condominium management	704,000	709,000	-0.8%
- Rental management	174,000	175,000	-0.2%
<i>Franchise networks – Century 21</i>			
- Number of agencies	899	898	+0.1%
<i>Serviced residences – Students – Studéa</i>			
- Number of residences in operation	124	124	0
- Rolling 12-month occupancy rate	94.2%	94.7%	-0.5 pts
<i>Serviced residences – Seniors – Domitys</i>			
- Total number of residences in operation	110	100	+10
o/w: Number of residences opened more than 2 years ago (France)	72	58	+14
- Rolling 12-month occupancy rate	85.0%	84.2%	+0.8 pts
<i>Distribution activities – iSelection and PERL</i>	<b>Sept. 2020</b>	<b>Sept. 2019</b>	
- Total reservations	2,700	3,406	-20.7%
- Reservations on behalf of third parties	1,521	1,929	-21.2%





## QUARTERLY FIGURES

### Reservations: Residential Real Estate

	2020			2019				2018			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<i>Number of units</i>											
New homes (France)	4,184	5,794	3,657	7,794	4,557	5,603	3,883	6,600	4,757	4,634	3,618
Subdivisions	244	297	360	836	435	559	258	812	336	576	339
International	193	74	165	307	161	137	36	170	80	75	40
<b>Total (number of units)</b>	<b>4,621</b>	<b>6,165</b>	<b>4,182</b>	<b>8,937</b>	<b>5,153</b>	<b>6,299</b>	<b>4,177</b>	<b>7,582</b>	<b>5,173</b>	<b>5,285</b>	<b>3,997</b>
<i>Value (€m incl. VAT)</i>											
New homes (France)	925	1,231	792	1,529	909	1,150	773	1,327	922	951	715
Subdivisions	19	25	30	76	35	46	20	63	28	51	28
International	29	11	26	47	37	13	3	15	7	6	4
<b>Total (€m incl. VAT)</b>	<b>973</b>	<b>1,267</b>	<b>847</b>	<b>1,652</b>	<b>981</b>	<b>1,209</b>	<b>797</b>	<b>1,405</b>	<b>956</b>	<b>1,008</b>	<b>747</b>

### Revenue

	2020			2019				2018			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<i>(in millions of euros)</i>											
<b>Individual Clients</b>	<b>930.7</b>	<b>659.4</b>	<b>702.4</b>	<b>1,562.0</b>	<b>840.8</b>	<b>849.4</b>	<b>761.6</b>	<b>1,470.3</b>	<b>764.3</b>	<b>712.3</b>	<b>603.1</b>
Residential Real Estate	690.1	459.0	490.9	1,251.9	615.2	629.4	552.5	1,133.8	545.3	524.2	445.1
Real Estate Services to Individuals	240.5	200.4	211.5	310.1	225.6	219.9	209.1	336.5	219.0	188.1	158.0
<i>Property Management for Individuals (including franchises)</i>	87.9	76.8	81.6	90.2	90.0	91.7	86.9	91.5	91.6	91.8	84.9
<i>Serviced residences</i>	87.6	76.4	84.2	92.5	78.5	73.3	71.9	68.9	70.1	21.3	22.5
<i>Distribution activities</i>	65.1	47.3	45.7	127.3	57.1	54.9	50.3	176.1	57.3	75.0	50.6
<b>Commercial Clients</b>	<b>90.3</b>	<b>269.9</b>	<b>84.4</b>	<b>132.0</b>	<b>123.2</b>	<b>109.6</b>	<b>118.9</b>	<b>167.3</b>	<b>174.2</b>	<b>154.4</b>	<b>84.7</b>
Commercial Real Estate	63.7	247.6	57.3	102.0	96.1	88.0	98.3	146.1	157.6	138.7	69.6
Real Estate Services to Companies	26.6	22.2	27.1	30.0	27.1	21.6	20.6	21.2	16.6	15.8	15.1
<b>Other Activities</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.0)</b>	<b>0.4</b>	<b>0.5</b>	<b>0.9</b>	<b>1.5</b>	<b>1.4</b>	<b>0.5</b>
<b>Revenue</b>	<b>1,021.0</b>	<b>929.3</b>	<b>786.8</b>	<b>1,694.0</b>	<b>964.0</b>	<b>959.4</b>	<b>881.1</b>	<b>1,638.5</b>	<b>940.1</b>	<b>868.1</b>	<b>688.3</b>

### Backlog

	2020			2019				2018			
	9M	H1	Q1	12M	9M	H1	Q1	12M	9M	H1	Q1
<i>(in millions of euros, excluding VAT)</i>											
Residential Real Estate – New homes	5,214	5,095	4,623	4,455	4,328	4,321	4,109	3,979	4,065	3,724	3,451
Residential Real Estate – Subdivisions	183	191	173	185	182	172	160	182	188	201	182
<b>Residential Real Estate backlog</b>	<b>5,397</b>	<b>5,285</b>	<b>4,796</b>	<b>4,640</b>	<b>4,510</b>	<b>4,493</b>	<b>4,269</b>	<b>4,161</b>	<b>4,253</b>	<b>3,924</b>	<b>3,634</b>
Commercial Real Estate backlog	321	373	398	456	401	269	222	308	379	332	409
<b>Total Group backlog</b>	<b>5,719</b>	<b>5,659</b>	<b>5,194</b>	<b>5,095</b>	<b>4,911</b>	<b>4,762</b>	<b>4,491</b>	<b>4,469</b>	<b>4,632</b>	<b>4,256</b>	<b>4,042</b>



## ANNEX 2: BREAKDOWN BETWEEN DEVELOPMENT AND SERVICES

To offer an additional tool for analysing its operational performance, the Group also provides a breakdown of its revenue by business line, separating its Real Estate Development activities (Residential Real Estate and Commercial Real Estate) from its Services businesses (Property Management for Individuals including franchises, serviced residences, distribution activities and Real Estate Services to Companies).

### Revenue

<i>(in millions of euros)</i>	<b>9M 2020</b>	<b>9M 2019</b>	<b>% change</b>
<b>Development*</b>	<b>2,008.6</b>	<b>2,079.5</b>	<b>-3.4%</b>
Residential Real Estate	1,640.0	1,797.1	-8.7%
Commercial Real Estate	368.6	282.4	+30.5%
<b>Services</b>	<b>728.4</b>	<b>724.5</b>	<b>+0.5%</b>
Property Management for Individuals, Franchises, Property Management for Companies	297.2	318.3	-6.6%
Serviced Residences, Shared Office Space	273.2	243.4	+12.2%
Distribution	158.0	162.8	-2.9%
<b>Other Activities</b>	<b>0.0</b>	<b>0.9</b>	<b>n.s.</b>
<b>Total Group revenue</b>	<b>2,737.1</b>	<b>2,804.9</b>	<b>-2.4%</b>

\* Revenue generated by Residential Real Estate and Commercial Real Estate 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.



## 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 (New homes, Subdivisions and International) as well as Commercial Real Estate, validated by the Group's Committee, in all structuring phases, including the programmes 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 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 Residential Real Estate and Commercial Real Estate businesses. 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, amortisation 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 amortisation includes 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, changes in WCR, dividends received from companies accounted for under the equity method and net investments in operating assets, and before repayment of lease liabilities

**Gearing:** Net debt divided by consolidated equity

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

**Land bank:** The amount of projects in France for which the Group has acquired development rights, before obtaining a building permit and in some cases other planning permissions, expressed as an amount recognised within the working capital requirement

**MALONE (*Marché du Logement Neuf*):** New home market in France, calculated by adding together the number of retail sales (source: French Commissioner-General for Sustainable Development – CGDD) and bulk sales (source: French Federation of Real Estate Developers – FPI)

**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 (any goodwill impairment losses, remeasurement of equity-accounted investments following the assumption of control)

**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

**Order intake – Commercial Real Estate:** The total of selling prices excluding VAT as stated in definitive agreements for Commercial Real Estate programmes, expressed in euros for a given period (notarial deeds of sale or development contracts)

**Property Management for Individuals (PMI):** Management of rented properties on behalf of individual clients (management for the owner of all relations with the tenant, management of the sale of the property if applicable) as well as the management of the common areas of apartment buildings (as a managing agent) on behalf of condominium owners. This also includes brokerage activities

**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 programmes, expressed in euros for a given period, after deducting all reservations cancelled during the period

**Residences open for more than 2 years (Domitys):** Residences open since 1 January 2018