

D·R·HORTON®
America's Builder

Investor Presentation

Q1 2025



Forward-Looking Statements

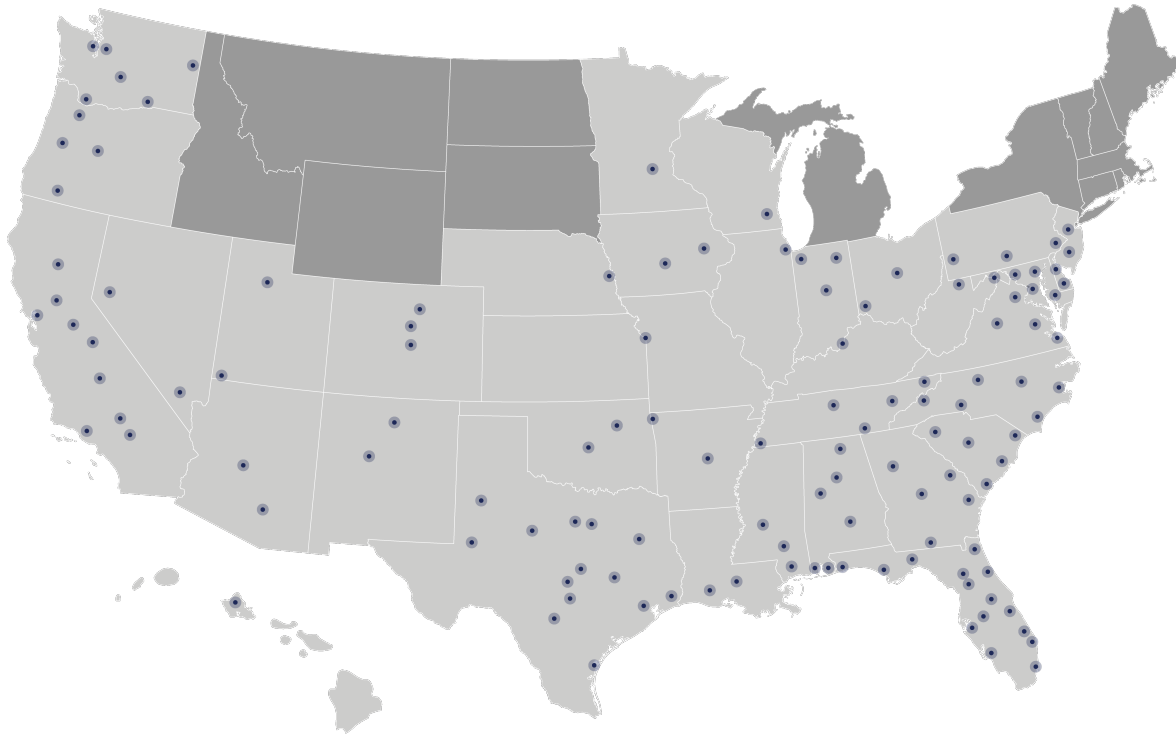
This presentation may include “forward-looking statements” as defined by the Private Securities Litigation Reform Act of 1995. Although D.R. Horton believes any such statements are based on reasonable assumptions, there is no assurance that actual outcomes will not be materially different. Factors that may cause the actual results to be materially different from the future results expressed by the forward-looking statements include, but are not limited to: the cyclical nature of the homebuilding, rental and lot development industries and changes in economic, real estate or other conditions; adverse developments affecting the capital markets and financial institutions, which could limit our ability to access capital, increase our cost of capital and impact our liquidity and capital resources; reductions in the availability of mortgage financing provided by government agencies, changes in government financing programs, a decrease in our ability to sell mortgage loans on attractive terms or an increase in mortgage interest rates; the risks associated with our land, lot and rental inventory; our ability to effect our growth strategies, acquisitions, investments or other strategic initiatives successfully; the impact of an inflationary, deflationary or higher interest rate environment; risks of acquiring land, building materials and skilled labor and challenges obtaining regulatory approvals; the effects of public health issues such as a major epidemic or pandemic on the economy and our businesses; the effects of weather conditions and natural disasters on our business and financial results; home warranty and construction defect claims; the effects of health and safety incidents; reductions in the availability of performance bonds; increases in the costs of owning a home; the effects of information technology failures, data security breaches, and the failure to satisfy privacy and data protection laws and regulations; the effects of governmental regulations and environmental matters on our land development and housing operations; the effects of governmental regulations on our financial services operations; the effects of competitive conditions within the industries in which we operate; our ability to manage and service our debt and comply with related debt covenants, restrictions and limitations; the effects of negative publicity; the effects of the loss of key personnel; and the effects of actions by activist stockholders. Additional information about issues that could lead to material changes in performance is contained in D.R. Horton’s annual report on Form 10-K and most recent report on Form 10-Q, both of which are or will be filed with the Securities and Exchange Commission.

At A Glance



36
states

126
markets



23

AMERICA'S BUILDER

years as America's largest homebuilder, by annual homes closed

1.1M

DELIVERED

homes since our inception in 1978

59%

% FIRST TIME HOME BUYERS

who used DHI Mortgage

86%

HOME SALES REVENUE

from single-family detached homes

\$374.9K

AVERAGE SALES PRICE

of homes closed during the quarter

\$2.9B

RETURNED TO SHAREHOLDERS

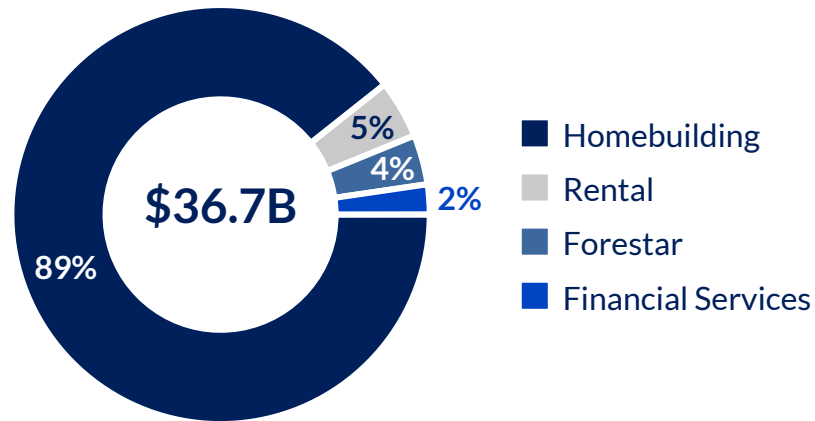
through repurchases and dividends

19.1%

RETURN ON EQUITY

D.R. Horton Operating Segments

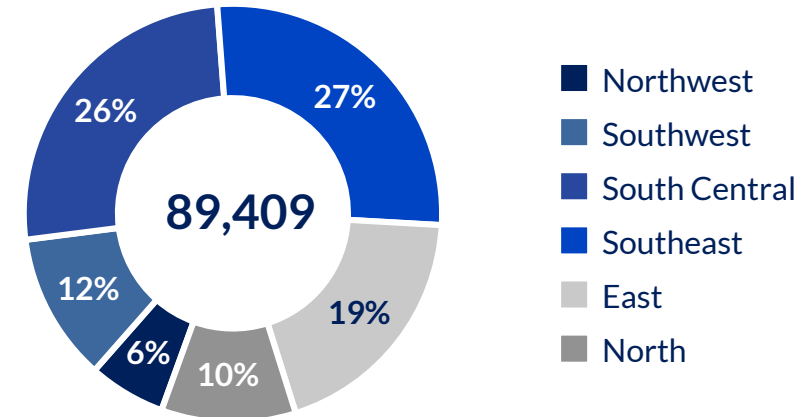
12/31/24 TTM Revenues*



Segment Information

- **Homebuilding** is the core business
- **Rental:** develop, construct, lease and sell single-family and multi-family residential properties
- **Forestar:** majority owned residential lot supplier with operations in 62 markets and 24 states; separately capitalized
- **Financial Services:** provides mortgage financing and title agency services; 12/31/24 TTM capture rate was 79% of homebuyers

12/31/24 TTM Homes Closed by Homebuilding Operations



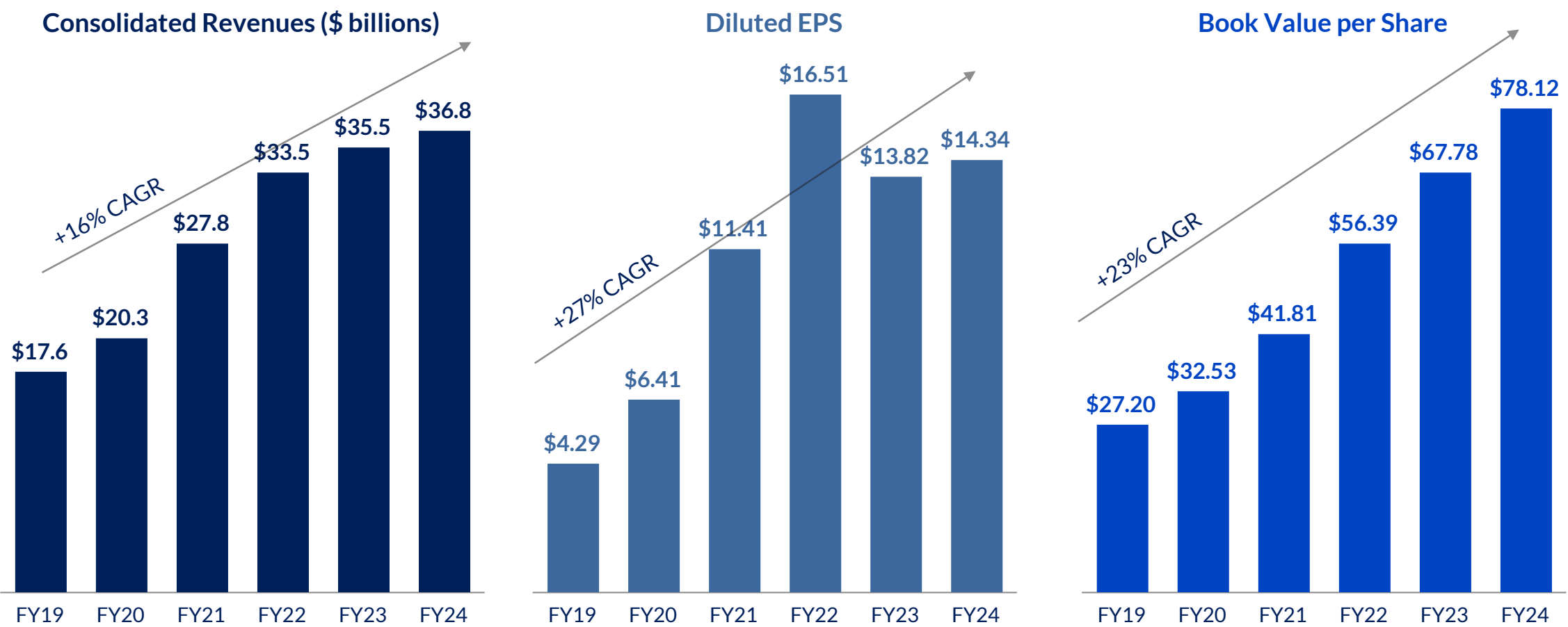
Homebuilding Operating Segments

- **Northwest:** Colorado, Oregon, Utah and Washington
- **Southwest:** Arizona, California, Hawaii, Nevada and New Mexico
- **South Central:** Arkansas, Oklahoma and Texas
- **Southeast:** Alabama, Florida, Louisiana and Mississippi
- **East:** Georgia, North Carolina, South Carolina and Tennessee
- **North:** Delaware, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Minnesota, Missouri, Nebraska, New Jersey, Ohio, Pennsylvania, Virginia, West Virginia and Wisconsin

*Percentages exclude eliminations and other totaling \$(1.2) billion

Strong Track Record of Exceptional Financial Performance

Consistent and profitable growth is the foundation for increasing long-term shareholder value

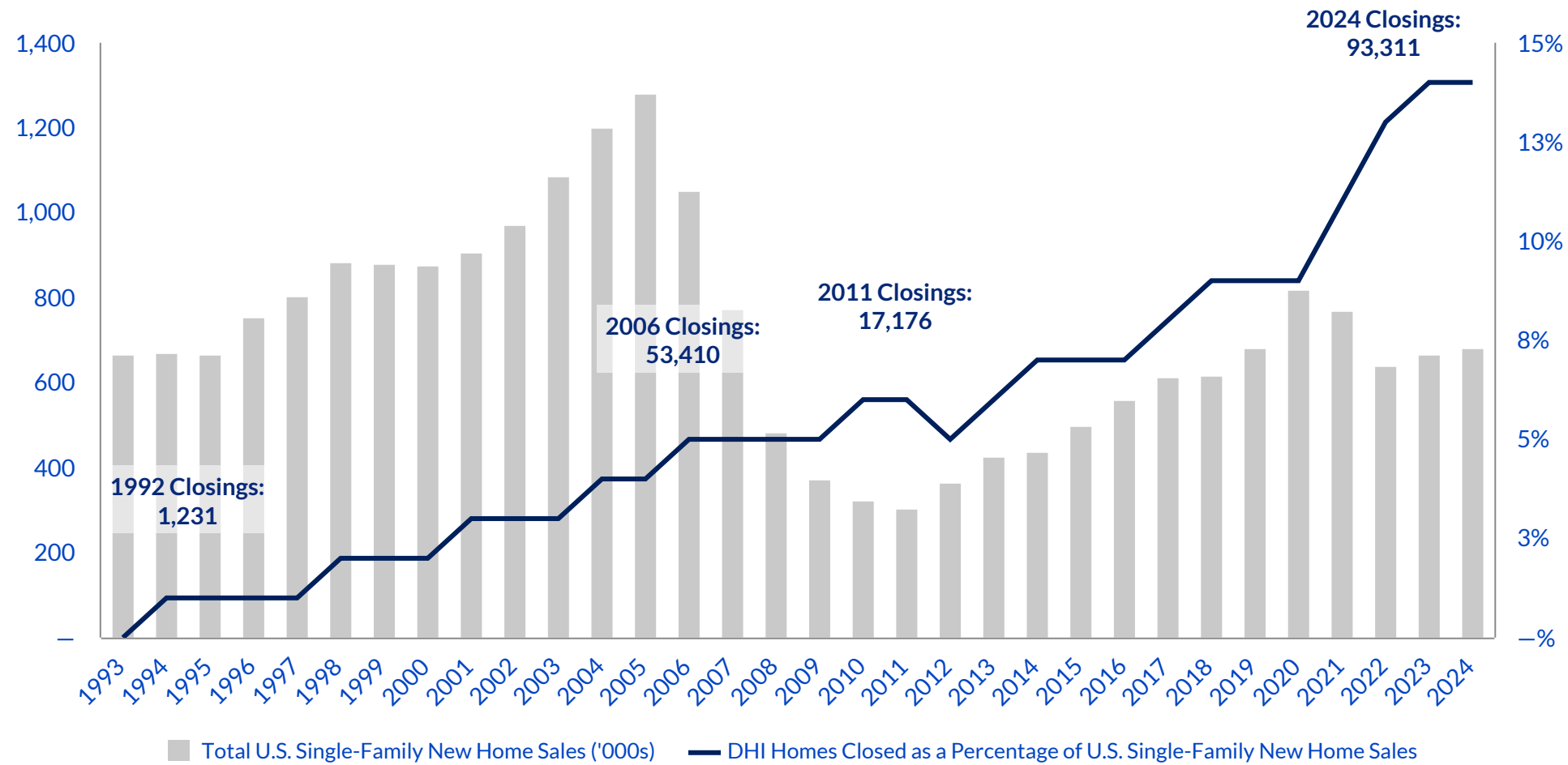


CAGR calculated over the 5-year period ended 9/30/2024

Growth in Market Share

93,311 homes closed during trailing twelve months ended December 31, 2024

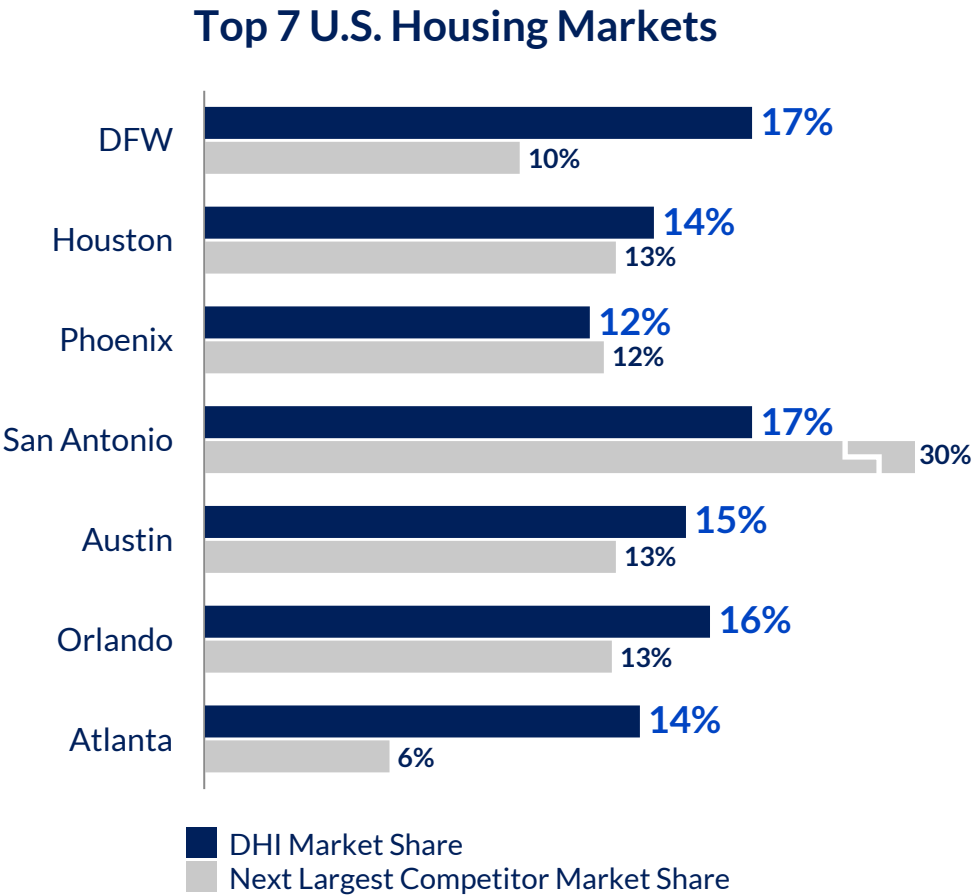
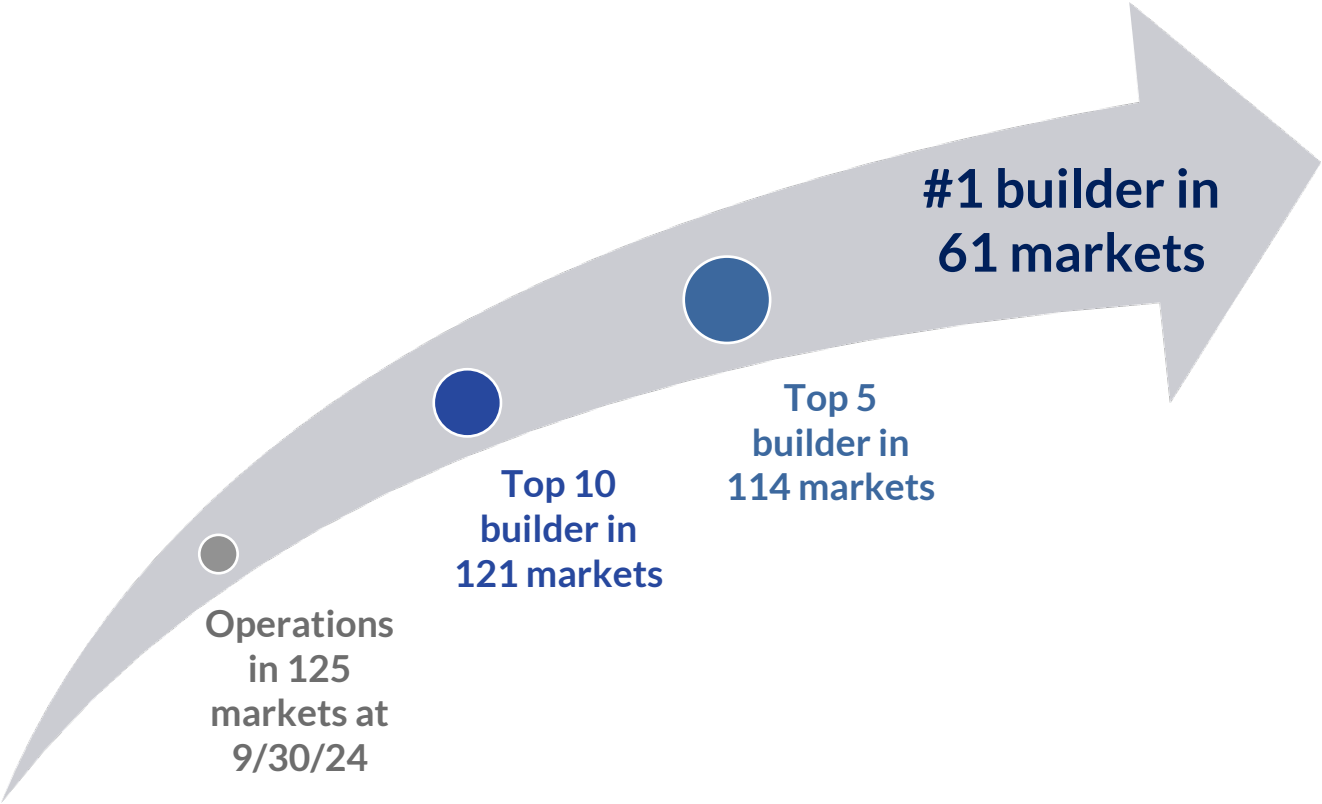
Approximately
one out of seven
new single-family
homes in the U.S.
is built by



Source: Company filings, Census
Note: Periods represent full calendar year; includes homes closed by both homebuilding and single-family rental operations

Market Share Dominance

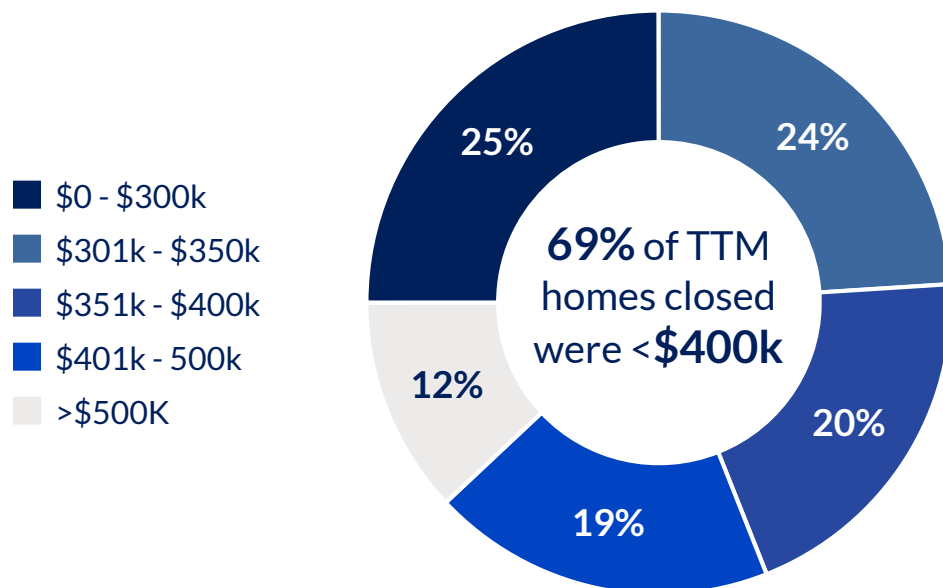
D.R. Horton is the largest builder in 5 of the top 7 U.S. housing markets & in 61 of the 125 markets in which we operated at September 30, 2024



Source: Zonda and D.R. Horton estimates for the trailing twelve months ended 9/30/24

Diverse Product Offerings And Price Points

Build entry-level, move-up, active adult and luxury homes that generally range in size from 1,000 to 4,000 square feet, providing value and affordability to homebuyers at every stage of life



\$374,900
average sales price

1,956
average square footage



Price points of homes closed for the trailing twelve months ended 12/31/24. Average sales price and average square footage as of the quarter ended 12/31/24.

Management Tenure And Experience



~28 years

Executive Team

~20 years

Region Presidents
& Vice Presidents

~15 years

Division Presidents
& City Managers

Average employee tenure as of 12/31/24

Expectations

Although volatility in mortgage rates and changes in economic conditions could have significant impacts, the Company's expectations for FY 2025 are as follows:

Q2 FY 2025

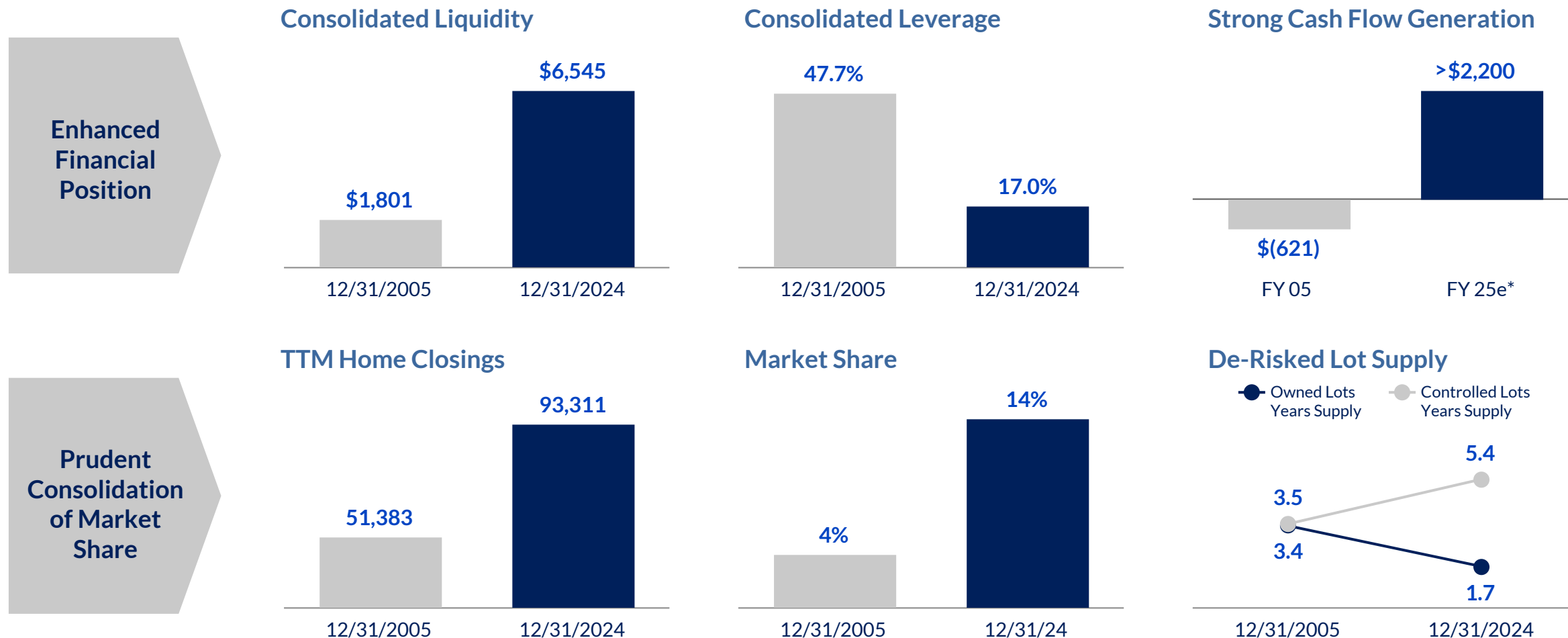
- Consolidated revenues in a range of \$7.7 billion to \$8.2 billion
- Homes closed in the range of 20,000 homes and 20,500 homes
- Home sales gross margin of approximately 21.5% to 22.0%
- Consolidated pre-tax profit margin in the range of 13.7% to 14.2%
- Income tax rate of ~24.0%

FY 2025

- Consolidated revenues in a range of \$36.0 billion to \$37.5 billion
- Homes closed between 90,000 homes and 92,000 homes
- Consolidated cash flow provided by operations greater than FY 2024
- Common stock repurchases in the range of \$2.6 billion to \$2.8 billion
- Dividend payments of ~\$500 million
- Income tax rate of ~24.0%

Then & Now: DHI Today vs. 2005

D.R. Horton has shifted its strategy from exponential growth to returns-focused, disciplined capital allocation



\$ in millions

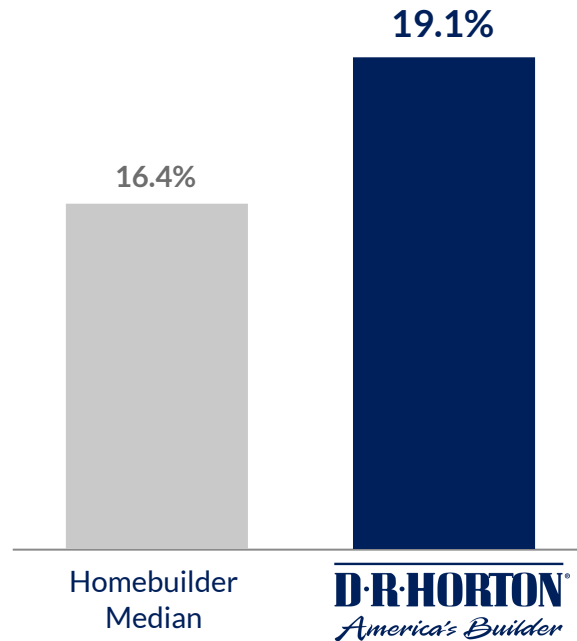
Lot position represents the Company's homebuilding segment only

*Based on current market conditions as noted on the Company's Q1 FY25 conference call on 1/21/25

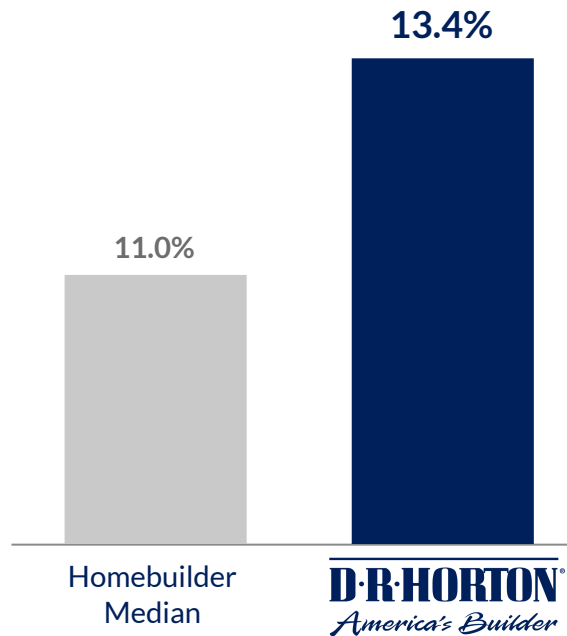
A Disciplined Homebuilder Delivering Strong Returns

D.R. Horton is creating value by executing its clear strategic plan and returns-focused approach to capital allocation

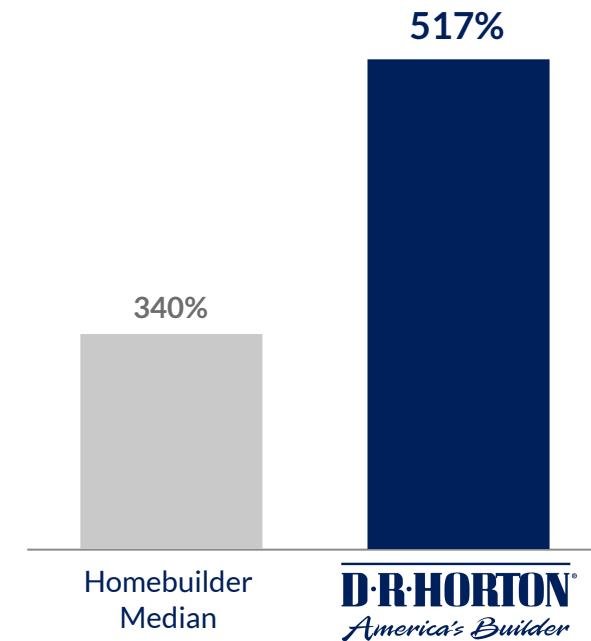
Return on Equity



Return on Assets



10-Year TSR



Source: Factset as of 1/3/25, except for D.R. Horton which is as of 1/21/25. Total shareholder return (TSR) calculated as the compounded return (assuming dividend reinvestment) and is as of 12/31/24. Homebuilders include PHM, LEN, TOL, NVR, MTH, MHO, TMHC, TPH, LGIH and KBH. Return on equity is calculated as net income for the trailing twelve months divided by average stockholders' equity, where average stockholders' equity is the sum of ending stockholders' equity balances of the trailing five quarters divided by five. Return on assets is calculated as net income for the trailing twelve months divided by average total assets, where average total assets is the sum of ending total assets balances of the trailing five quarters divided by five.

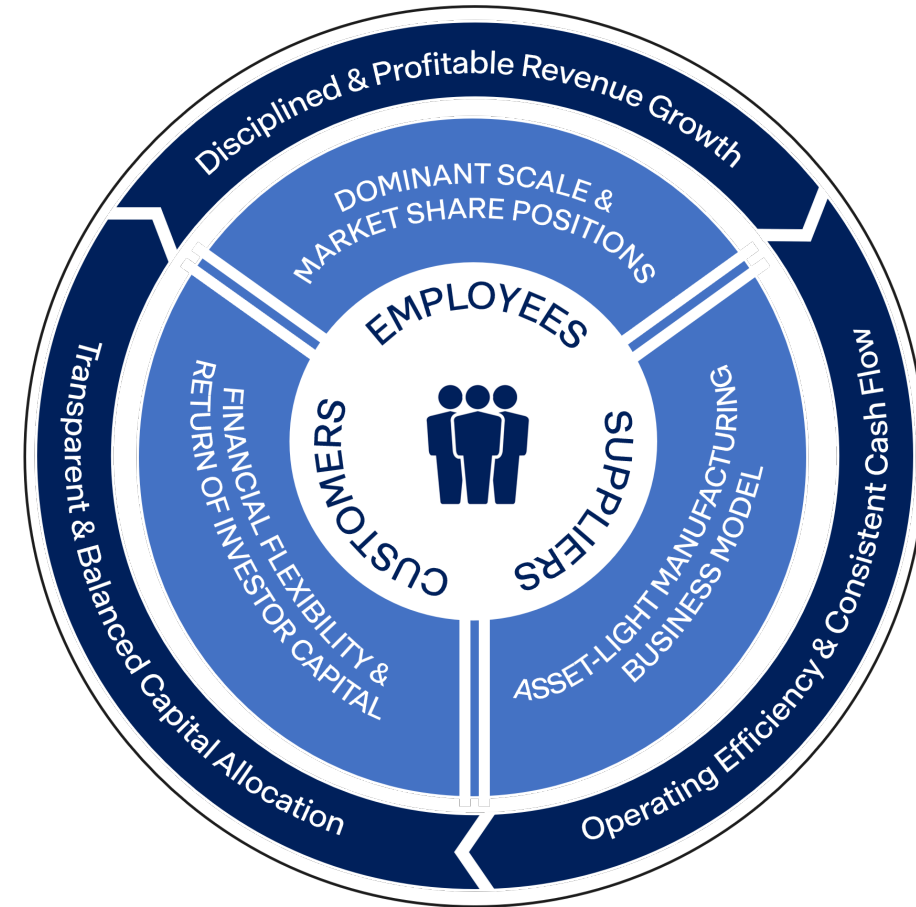
Value Creation Strategy Will Continue to Produce Best-in-Class Returns

HOW



DRIVES SHAREHOLDER VALUE

- ✓ Disciplined focus on returns
- ✓ Substantial cash flow generation
- ✓ Balanced capital allocation



Capital And Cash Flow Priorities – Putting Investors First

- Focused on generating substantial and increasing cash flows from operations
- Balanced, disciplined, flexible and opportunistic capital allocation to enhance long-term value

Maintain Financial Strength	Dividends to Shareholders	Returns-Driven Investment in Business	Repurchases of Common Stock
<p>Target consolidated leverage of ~20%</p> <p>Consolidated liquidity of \$6.5 billion</p> <p>No senior note maturities in fiscal 2025</p> <p>\$2.2 billion homebuilding revolving credit facility maturing 2029</p> <p>Investment grade credit ratings</p> <ul style="list-style-type: none"> • Baa1 (Moody's) • BBB+ (S&P) • A- (Fitch) 	<p>Expect to payout approximately \$500 million in fiscal 2025*</p> <p>Have paid a dividend for 28 consecutive years</p> <p>Dividend raised 20% in fiscal 2024 to \$1.20 per share — 10 consecutive years of increasing dividends</p> <ul style="list-style-type: none"> • Q1 FY25 cash dividend of \$0.40 per common share, an increase of 33% compared to the prior year quarter 	<p>Invest in homebuilding and other business platforms to grow and increase market share</p> <p>Minimum investment underwriting criteria for each new community:</p> <ul style="list-style-type: none"> • Greater than 20% annual pre-tax return on inventory (ROI) • Initial cash investment returned within 24 months or less 	<p>Repurchased 12.5 million shares in fiscal 2024 for \$1.8 billion</p> <p>Reduced outstanding share count by 4% from a year ago (13% reduction over past 5 years)</p> <p>Expect to repurchase \$2.6 billion to \$2.8 billion of common stock in fiscal 2025*</p>

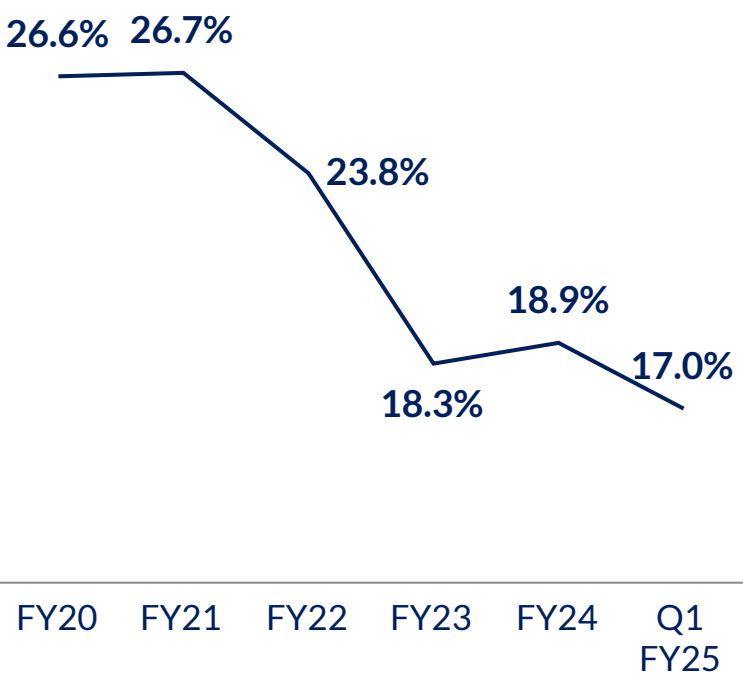
As of 12/31/24

*Expectations of the Company outlined on the Q1 FY25 conference call on 1/21/25

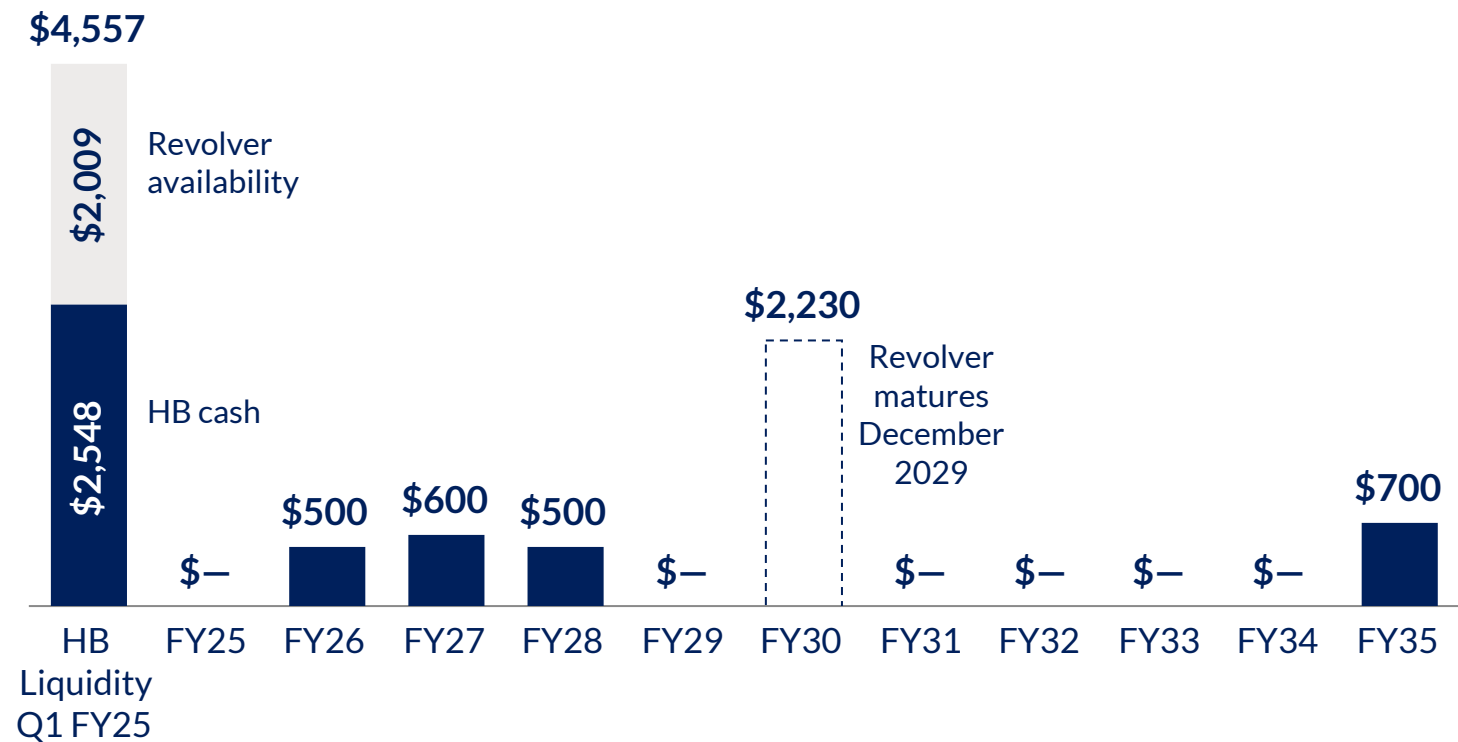
Prioritizing Financial Flexibility

Financial strength supports resiliency through cycles, prudent business planning, trade loyalty, capturing market share and sustainable returns of capital to shareholders

Maintaining Conservative Leverage⁽¹⁾



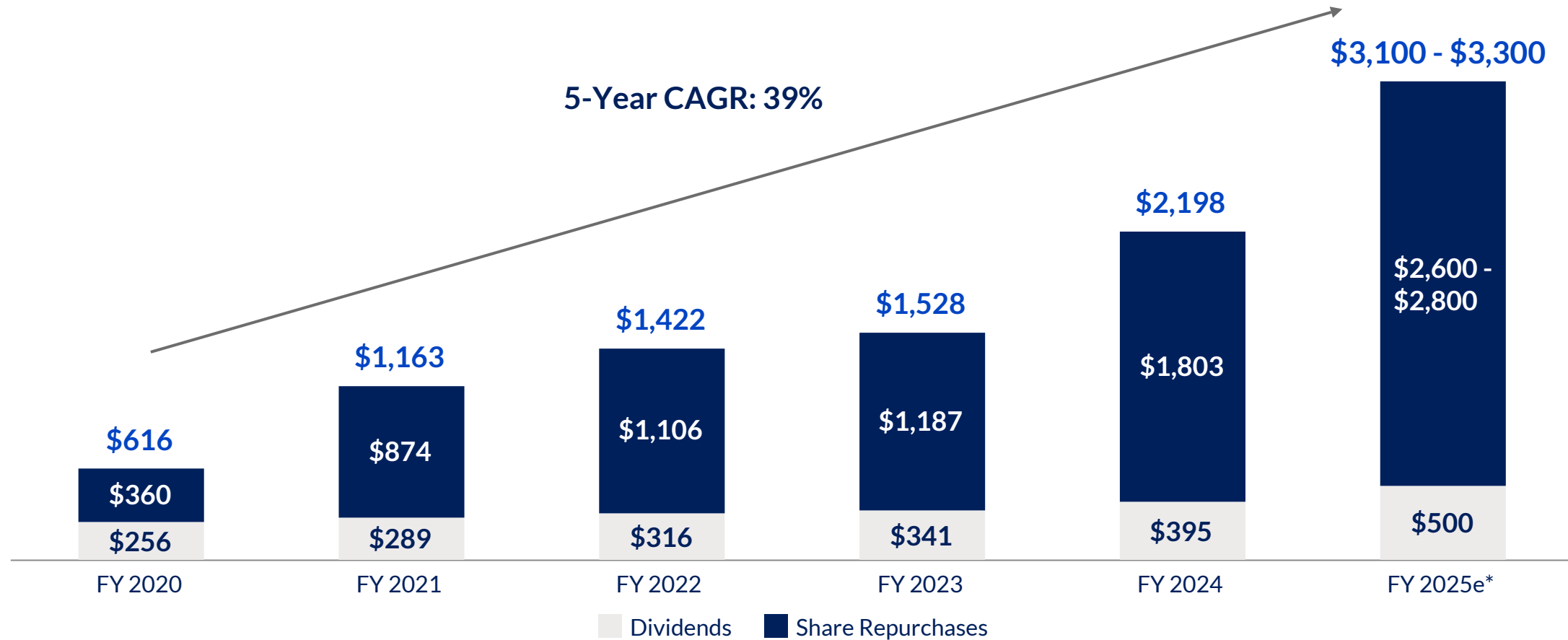
Homebuilding (HB) Public Debt Maturities by Year (\$M)



(1) Leverage consists of consolidated debt divided by stockholders' equity plus consolidated debt

Delivering on Shareholder Distribution Commitment

D.R. Horton continues to execute on its shareholder return commitment by repurchasing \$1.1 billion of common stock and paying cash dividends of \$128.5 million in Q1 FY25

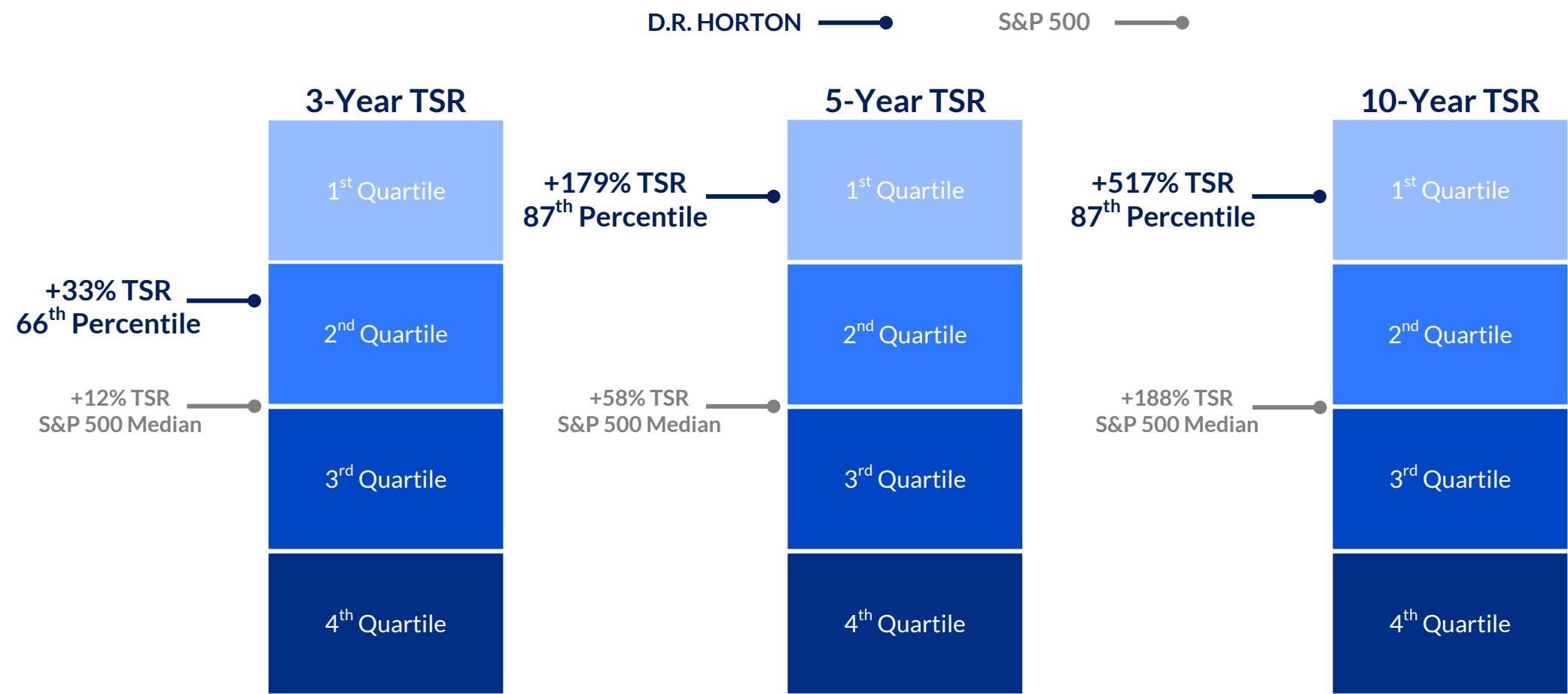


\$ in millions

*Based on expectations outlined on the Company's Q1 FY25 conference call on 1/21/25

Total Shareholder Returns

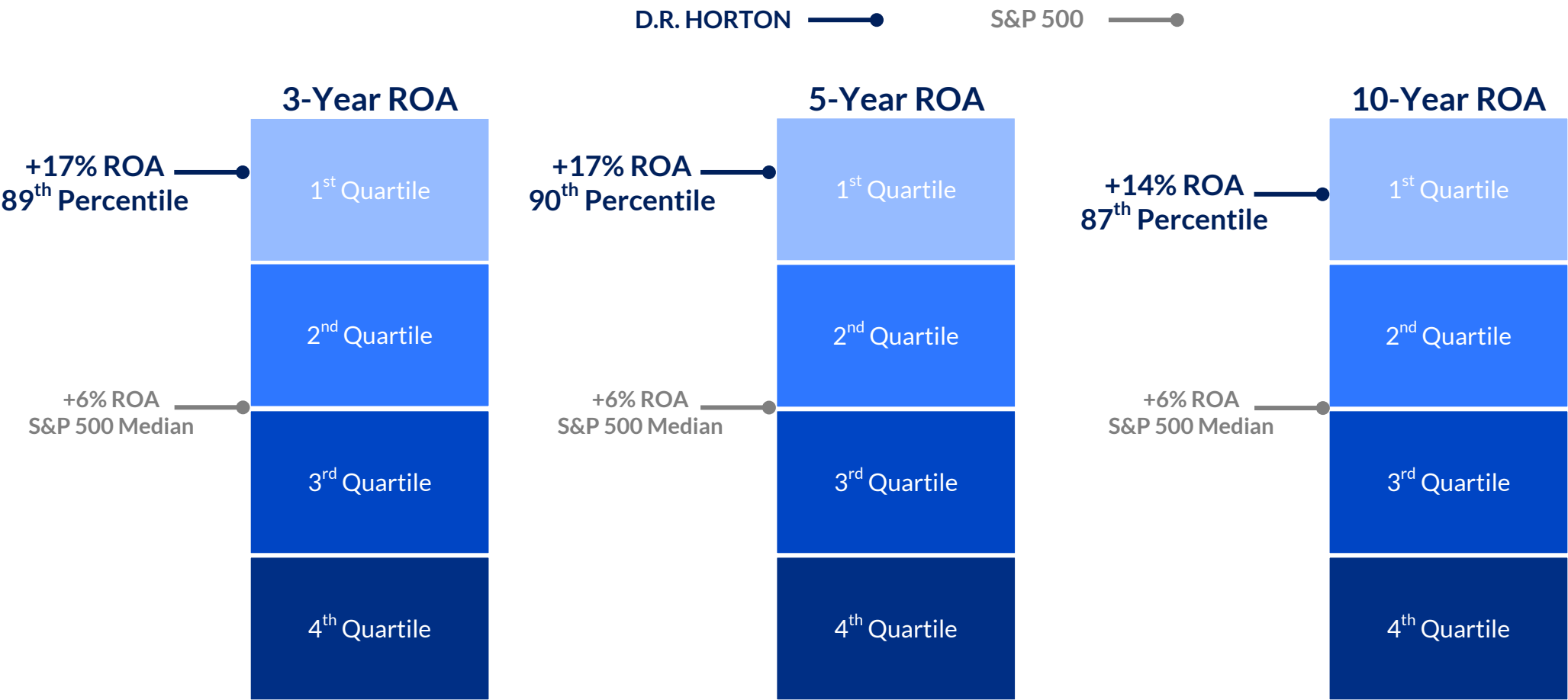
D.R. Horton's TSR ranks in the upper half of all S&P 500 companies for the last 3-year, 5-year and 10-year periods



Source: FactSet
 TSR is calculated as the compounded return (assuming dividend reinvestment) over the respective period ended 12/31/24

Return On Assets

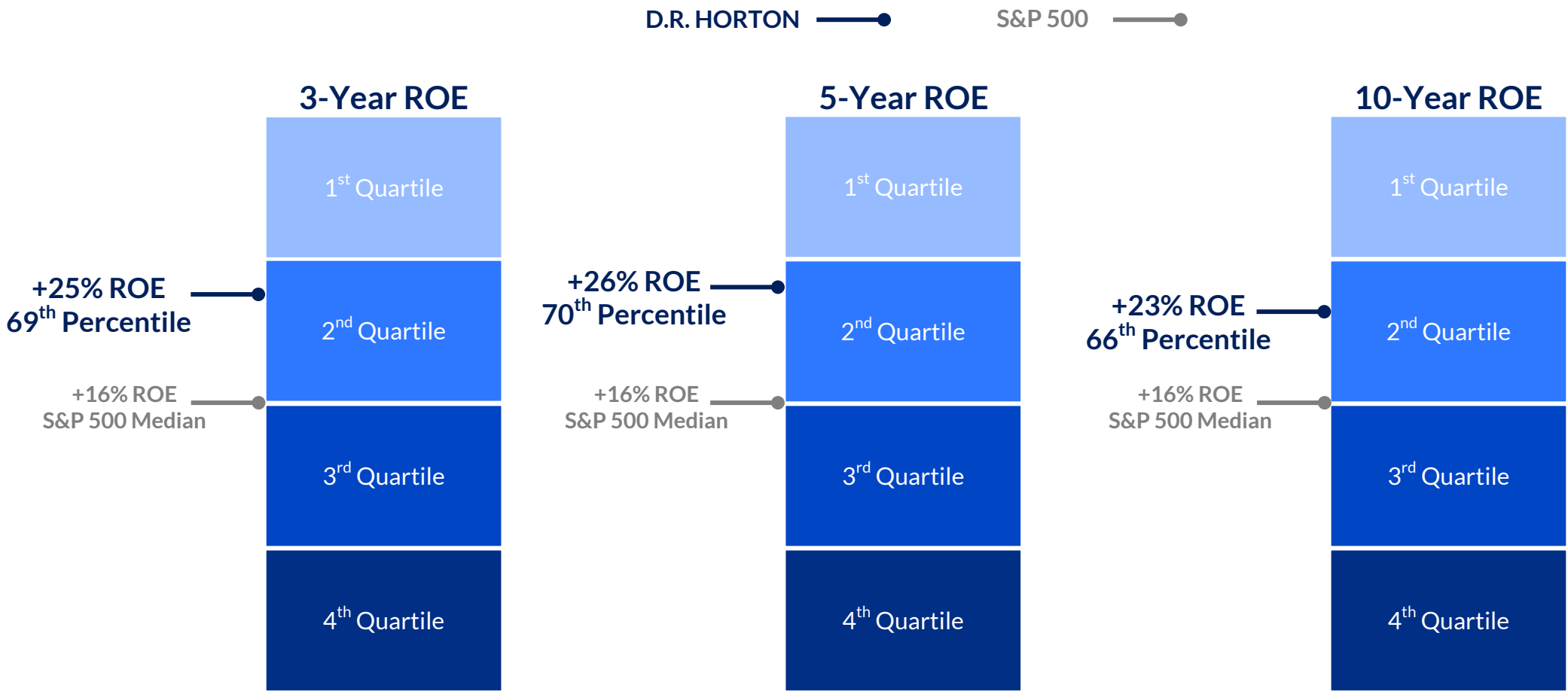
D.R. Horton's average annual ROA ranks in the top 15% of all S&P 500 companies



Source: Bloomberg
ROA for each of the S&P 500 companies as of their last filed reporting period ended on or before 9/30/24
ROA is calculated as the sum of net income divided by average total assets divided by the number of years in the respective period

Return on Equity

D.R. Horton's average annual ROE ranks in the upper half of all S&P 500 companies

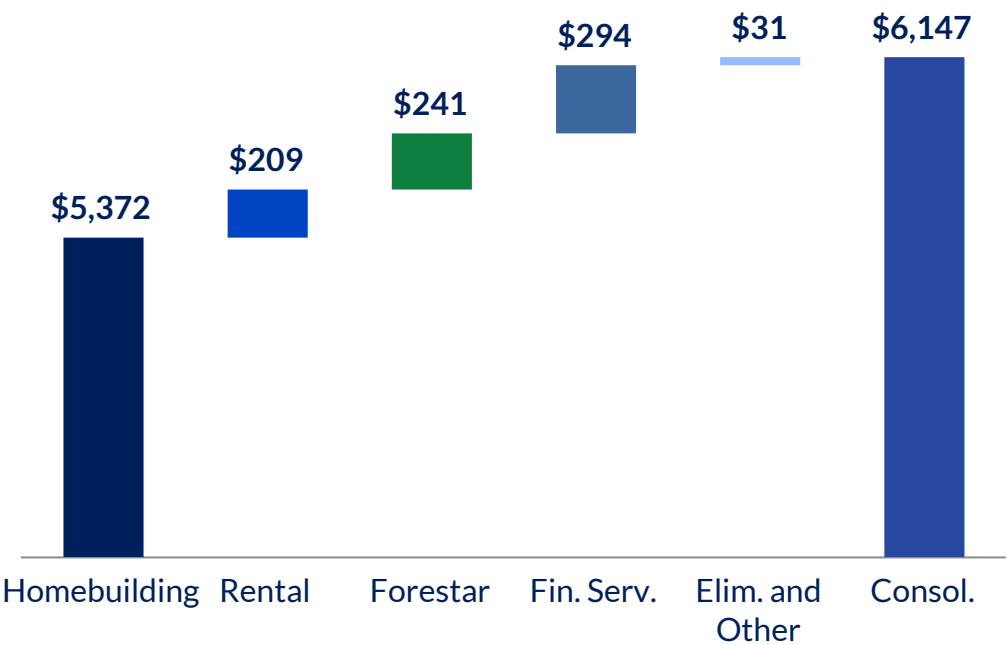


Source: Bloomberg
 ROE for each of the S&P 500 companies as of their last filed reporting period ended on or before 9/30/24
 ROE is calculated as the sum of net income divided by average stockholders' equity divided by the number of years in the respective period

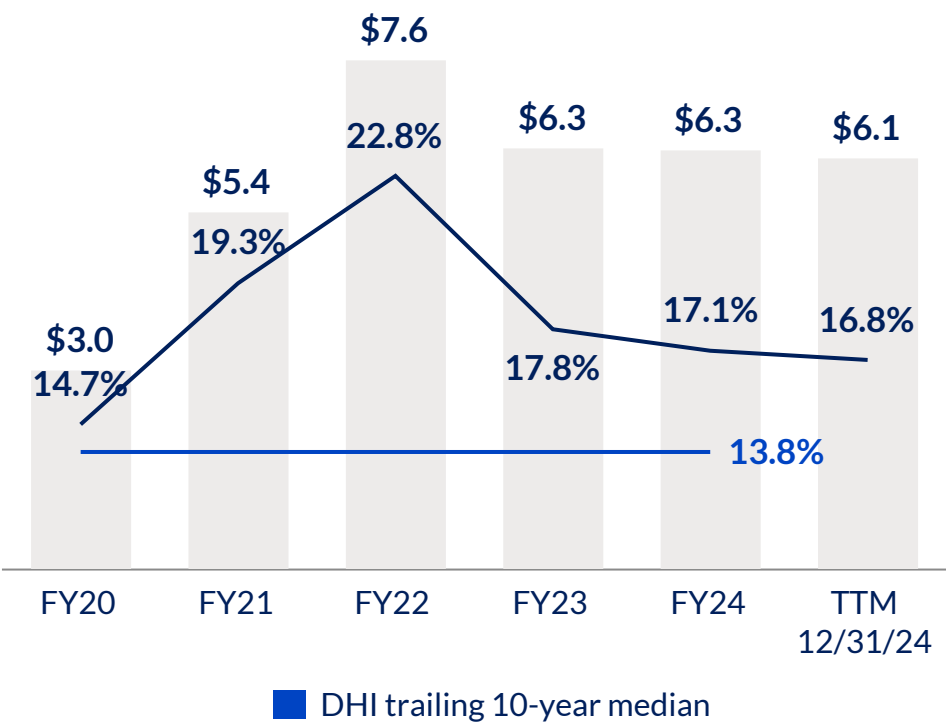
Consolidated Pre-Tax Income and Profit Margin

Pre-tax profit margin is below all time highs; however, fiscal 2024 and TTM pre-tax profit margin was above the trailing 10-year median

12/31/24 TTM Pre-Tax Income by Segment (\$M)



Annual Pre-Tax Income (\$B) and Pre-Tax Profit Margin



Homebuilding Operational Focus



Provide value, quality and **positive experience** and **service** to homebuyers



Maximize returns and **generate strong cash flows** by managing sales pace and pricing in each community



Manage **land, lot and home inventory prudently** to meet demand and **gain market share**



Control a significant portion of our land and finished lot position through purchase contracts with lot developers and **prioritize purchases of finished lots** vs. self-development



Improve the **efficiency** of our construction and sales activities to **increase inventory turns**



Reduce **construction costs** while ensuring our production capacity supports our operations



Control **SG&A** while ensuring infrastructure supports the business

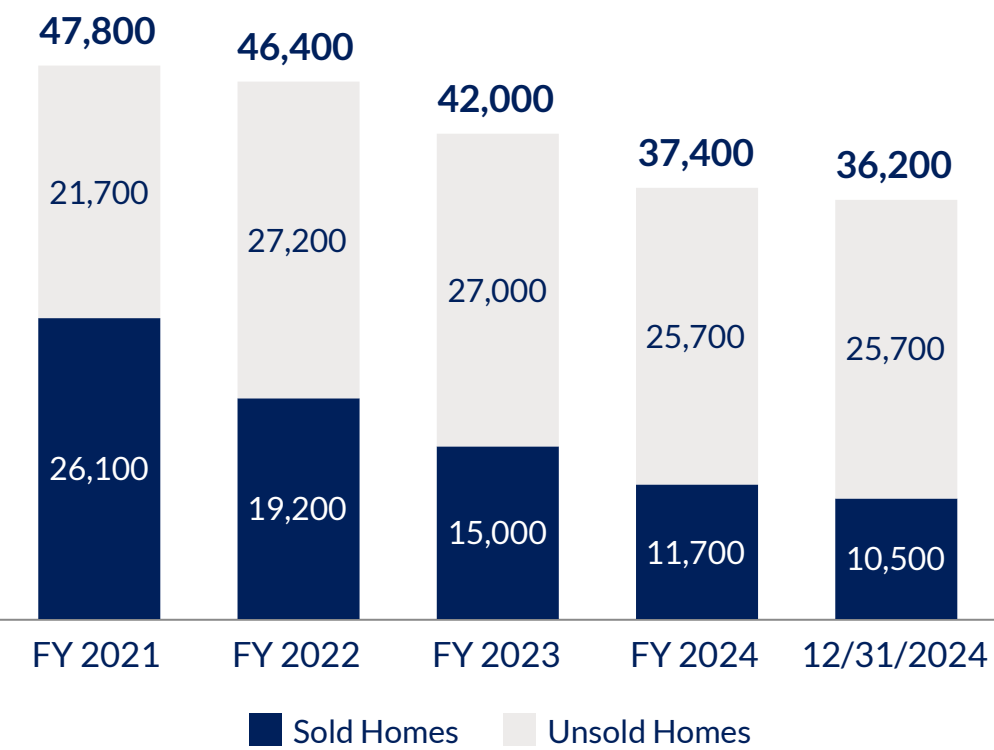
**“Treat the customer
like family.”**

Don Horton, Founder

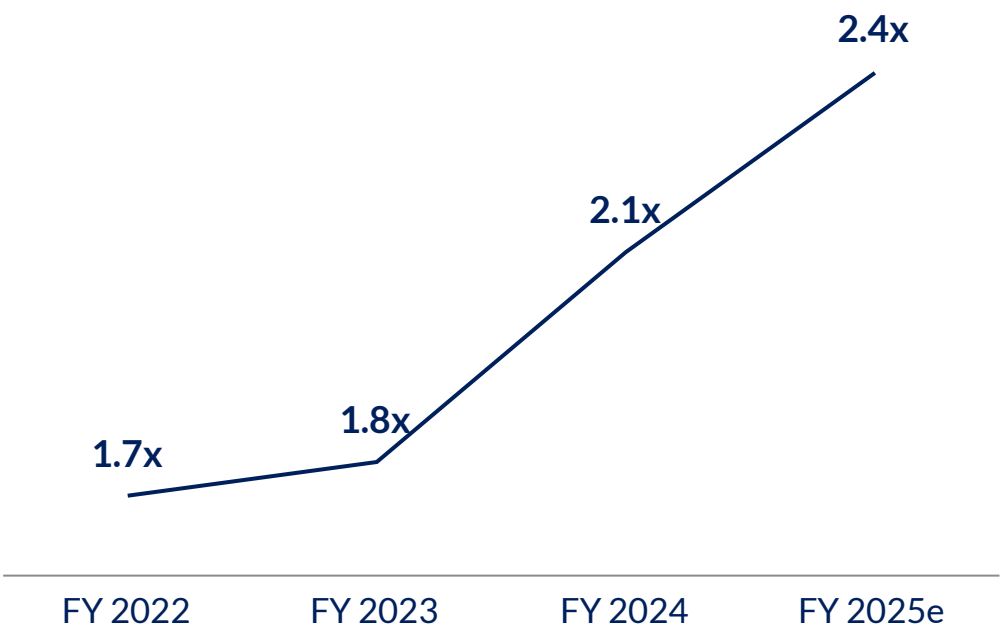
Homes In Inventory

Faster housing turns support lower, more efficient, housing inventory levels

Homes in Inventory



Housing Inventory Turns



Homes in inventory excluding model homes. Housing inventory turns calculated as homes closed during the fiscal year divided by homes in inventory at the beginning of the fiscal year. FY 2025 homes closed is the midpoint of the guidance provided on the Company's Q1 FY25 conference call on 1/21/25.

Other Business Lines



- DHI owns 62% of Forestar, a publicly traded residential lot developer (NYSE: FOR)
- Forestar is the largest pure-play residential lot developer in the country with operations in 62 markets and 24 states
- Supports DHI's strategy to control land and lots through purchase contracts and prioritize finished lot purchases
 - \$1.2 billion, or 21%, of D.R. Horton's TTM finished lot purchases were from FOR
- Forestar is uniquely positioned to aggregate significant market share in the highly-fragmented lot development industry

Rental

- Single-family rental operations construct and lease single-family homes within a community and then generally market each community for a bulk sale of rental homes
- Multi-family rental operations develop, construct, lease and sell rental properties, with a primary focus on garden style apartment communities in high growth suburban markets
- Primarily sold to institutional investors
- The Company's DRH Rental subsidiary is capitalized with a \$1.05 billion senior unsecured revolving credit facility

Financial Services

- Comprised of DHI Mortgage and subsidiary title companies
- 79% of homes closed in the trailing twelve months were financed through DHI Mortgage
- Virtually all of the mortgage loans held for sale on December 31, 2024 were eligible for sale to Fannie Mae, Freddie Mac or Ginnie Mae
- During fiscal 2024, approximately 73% of our mortgage loans were sold directly to Fannie Mae, Freddie Mac or into securities backed by Ginnie Mae, and 26% were sold to one other major financial entity

At of 12/31/24, unless noted otherwise

Note: In addition to our homebuilding, rental, Forestar and financial services operations, we engage in other business activities through our subsidiaries. We conduct insurance-related operations, own water rights and other water-related assets and own non-residential real estate including ranch land and improvements.



Q1 2025 Data

Q1 FY 2025 Results

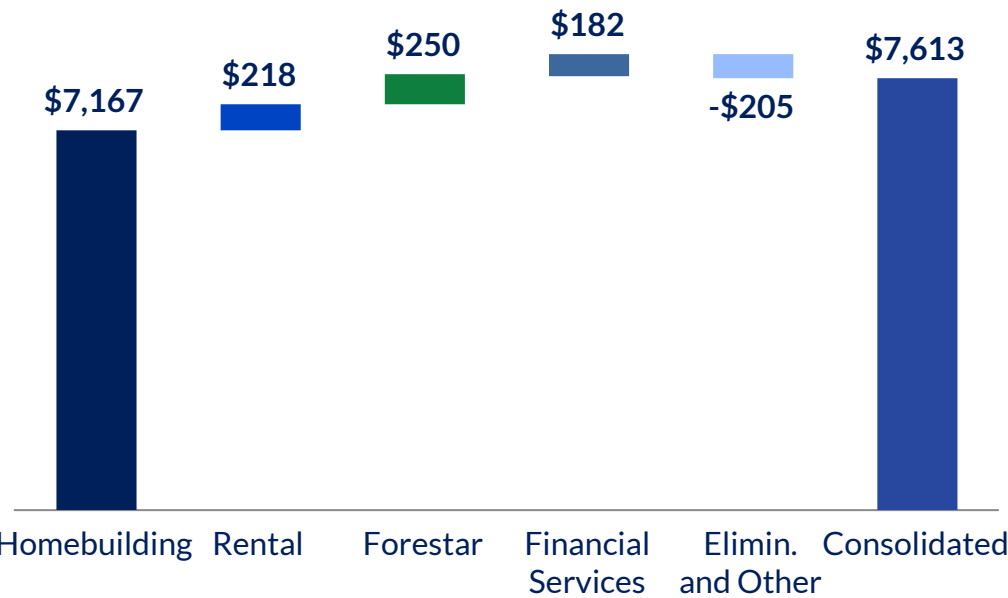
The D.R. Horton team delivered a strong quarter, achieving or exceeding guidance across all metrics

- Earnings per diluted share of \$2.61 on net income of \$844.9 million
- Consolidated pre-tax income of \$1.1 billion on \$7.6 billion of revenues, with a pre-tax profit margin of 14.6%
- Home sales revenues of \$7.1 billion on 19,059 homes closed
- Net sales orders of 17,837 homes for a total value of \$6.7 billion
- Rental operations pre-tax income of \$11.9 million on \$217.8 million of revenues from sales of 311 single-family rental homes and 504 multi-family rental units
- Generated \$646.7 million of operating cash flow and returned \$1.2 billion to shareholders
 - Repurchased 6.8 million shares of common stock for \$1.1 billion
 - Paid cash dividends of \$128.5 million, or \$0.40 per common share
- Increased fiscal 2025 share repurchase expectation from \$2.4 billion to a range between \$2.6 billion and \$2.8 billion
- Return on equity was 19.1%, return on assets was 13.4% and homebuilding pre-tax return on inventory was 26.7% for the trailing twelve months ended 12/31/24
- Book value per share increased 13% to \$78.53

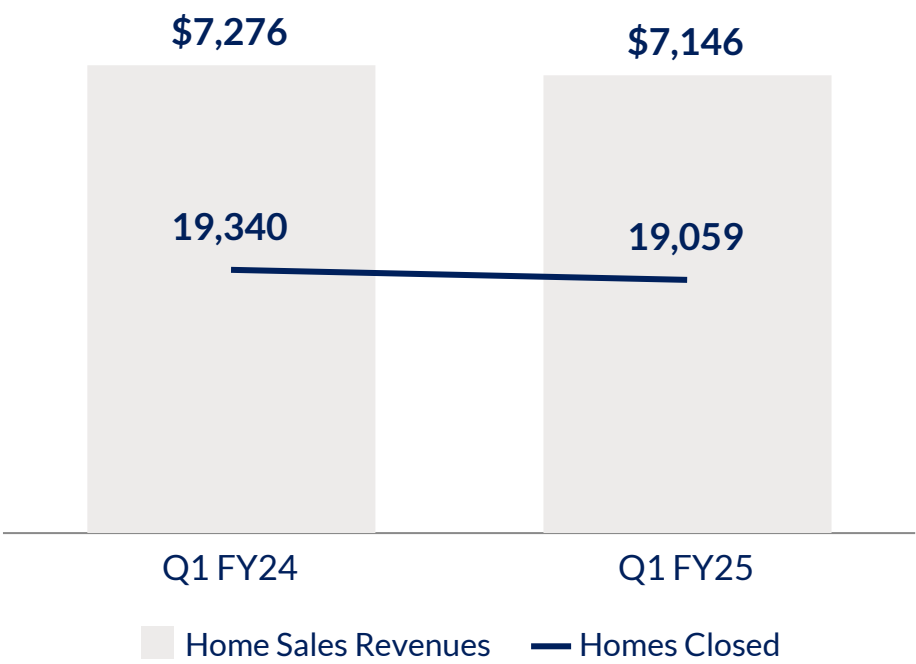
Homes Closed And Revenues

Home sales revenues of \$7.1 billion on 19,059 homes closed by homebuilding operations in Q1 FY25

Q1 FY 2025 Revenue by Segment (\$M)



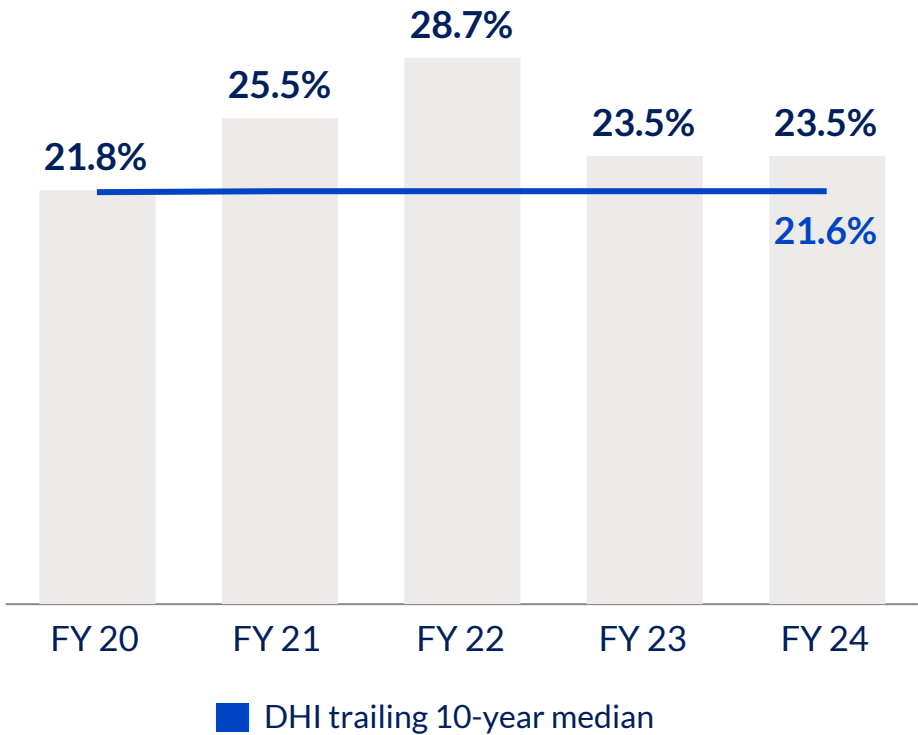
Fiscal Quarter Ended (\$M)



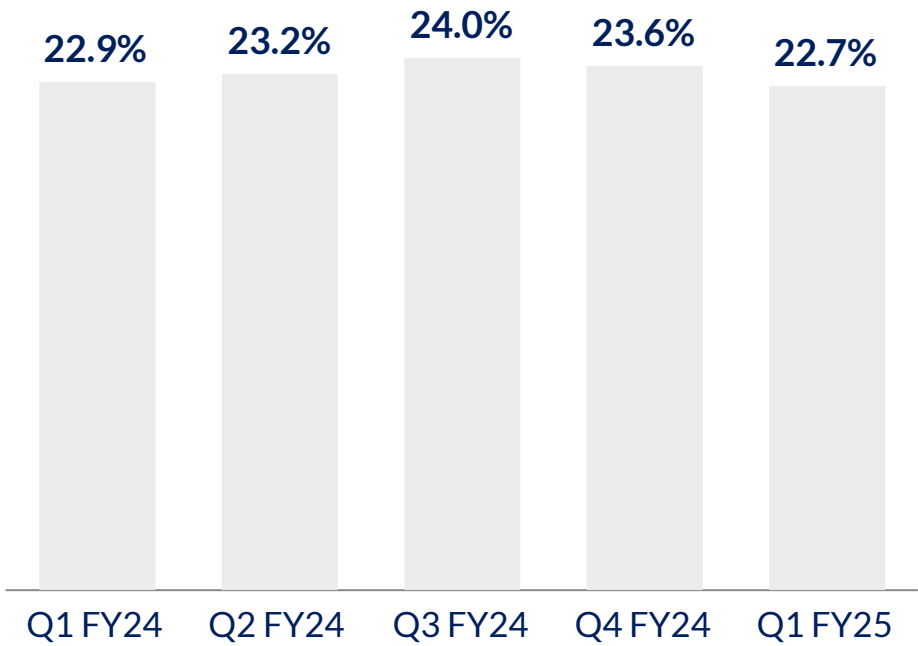
Home Sales Gross Margin

Annual home sales gross margin fluctuation primarily due to mortgage interest rate volatility and incentive levels

Fiscal Year Ended



Fiscal Quarter Ended

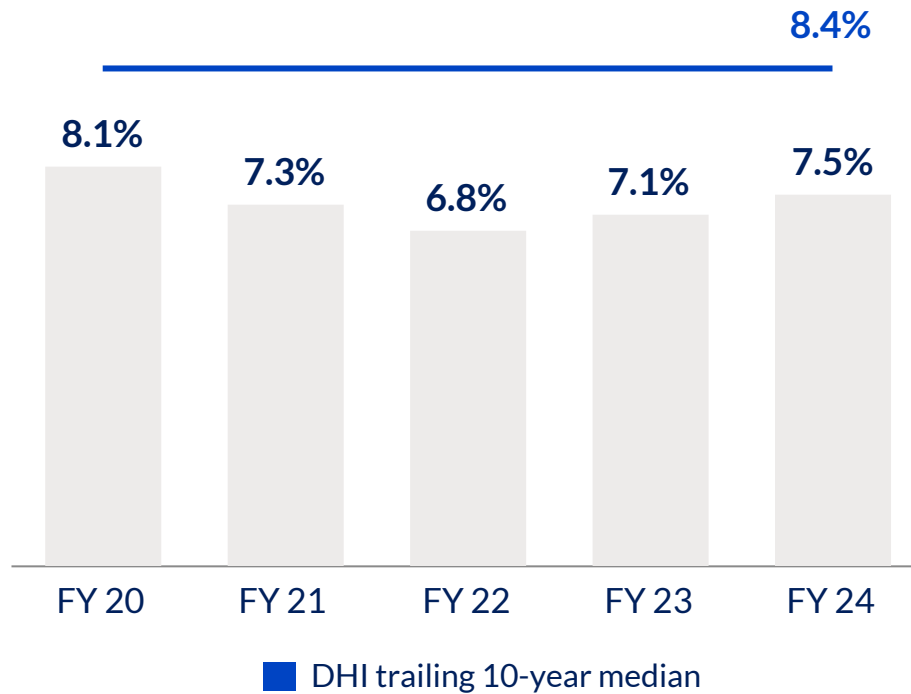


Shown as a % of the Company's homebuilding segment's home sales revenues
Includes interest amortized to cost of sales
Refer to the Company's Q1 FY25 Supplementary Data for detailed components of home sales gross margin

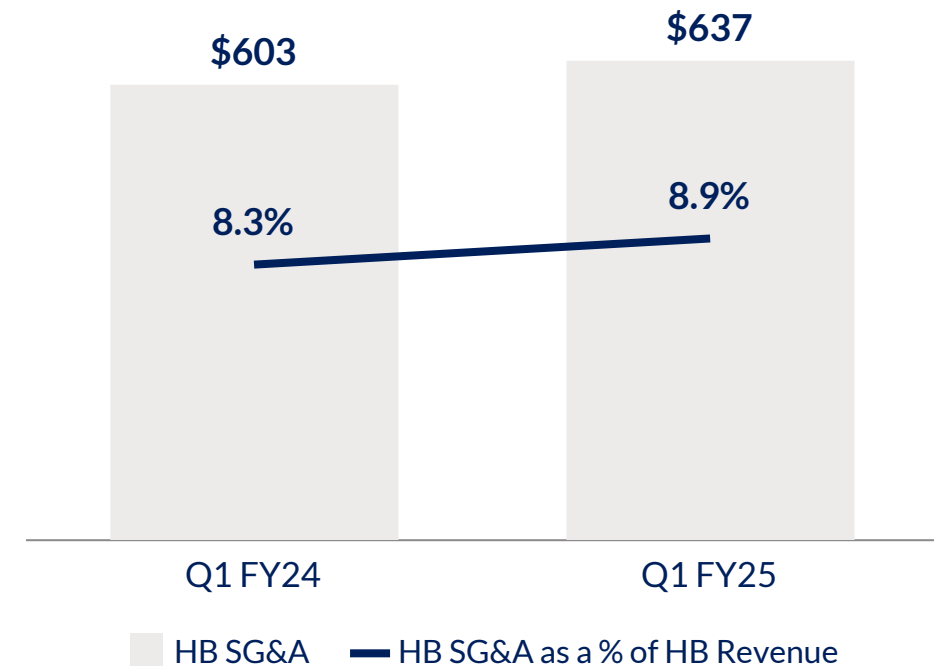
Homebuilding SG&A

- Controlling SG&A while ensuring that our platform supports the expansion of our operations, including new markets and an increased community count
- SG&A as a percentage of revenues is typically higher than the annual rate in Q1 due to revenue seasonality

Fiscal Year Ended - as a % of HB Revenue



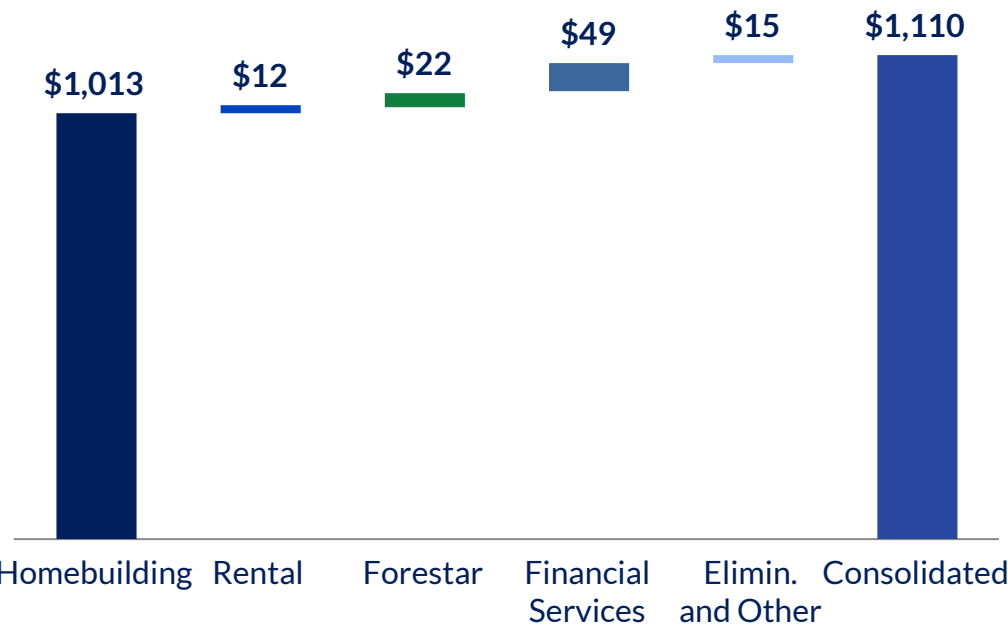
Fiscal Quarter Ended (\$M)



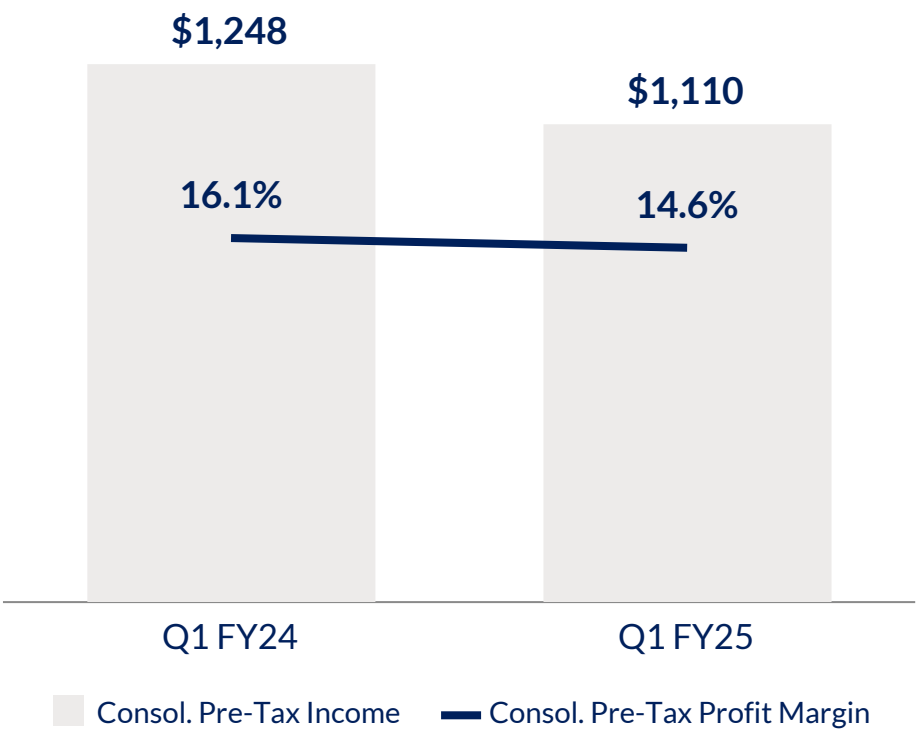
Consolidated Pre-Tax Income

Pre-tax profit margin remains higher than our 10-year annual median of 13.8%

Q1 FY 2025 Pre-Tax Income by Segment (\$M)



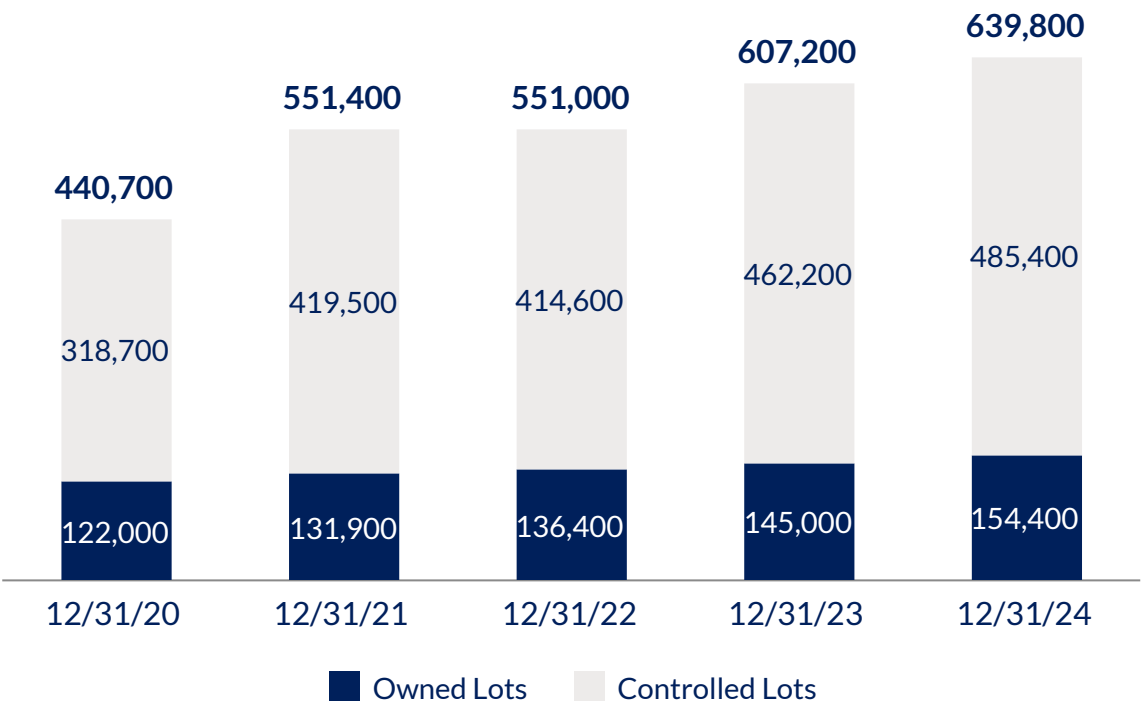
Fiscal Quarter Ended (\$M)



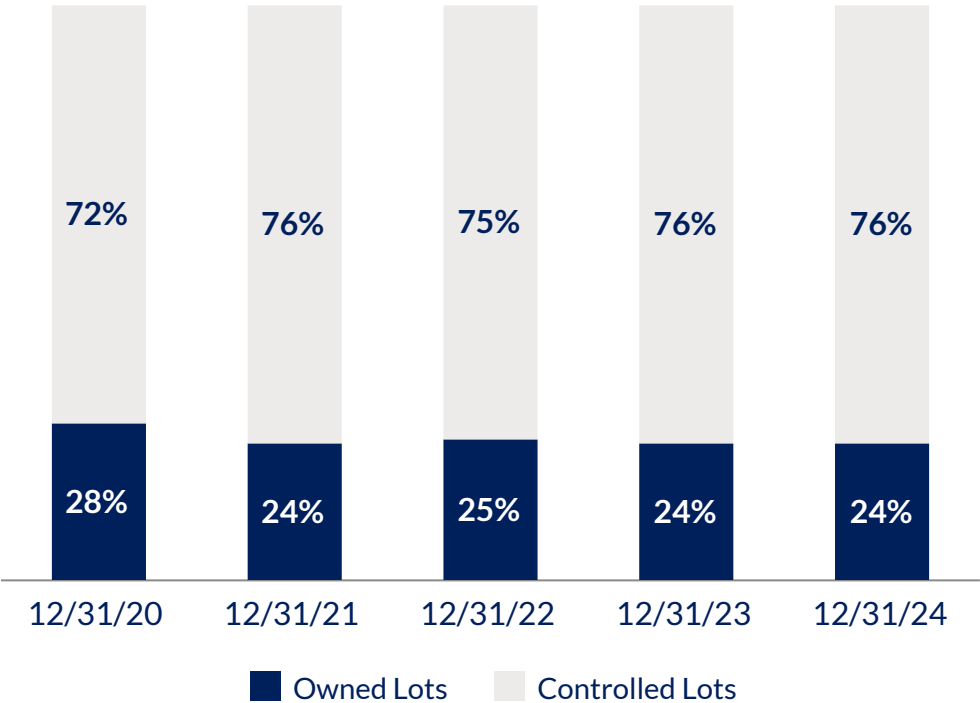
Strong, Flexible Land and Lot Pipeline

- Own between a one and two year supply of lots to ensure control and flexibility to support home starts
- 65% of homes closed in the current quarter were on lots developed by Forestar or a third-party

Homebuilding Land and Lot Position

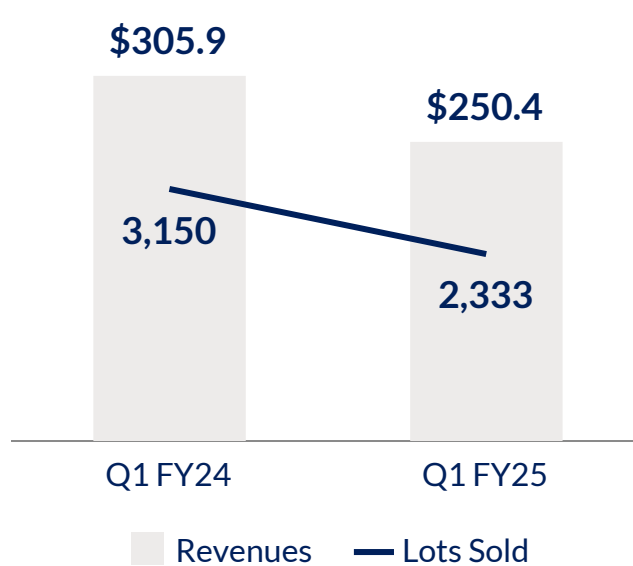
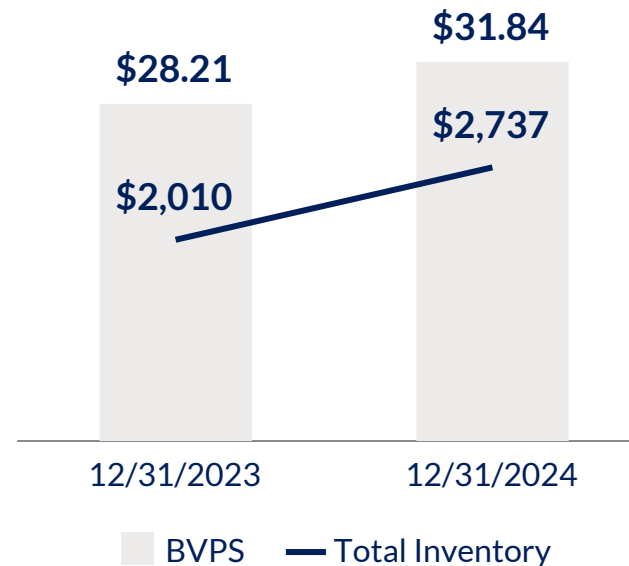
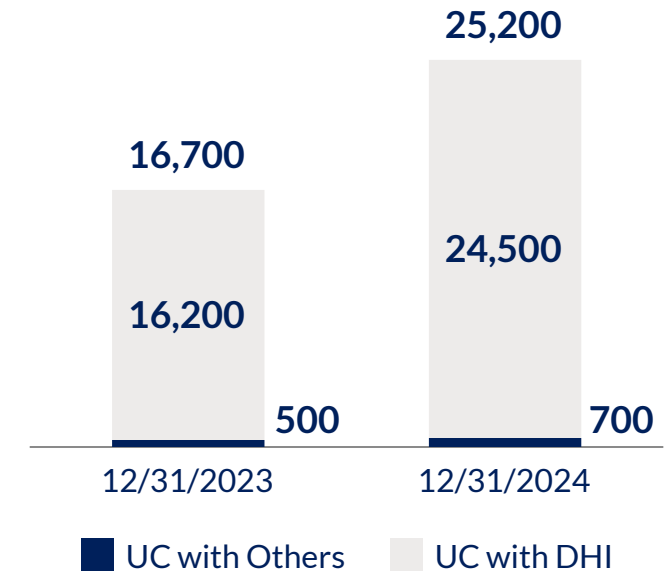


Owned Lots vs. Controlled Lots



Controlled lots include lots owned by FOR that DHI has under contract or the right of first offer to purchase of 43,800, 33,700, 35,000, 38,300 and 34,900 at 12/31/24, 12/31/23, 12/31/22, 12/31/21 and 12/31/20, respectively.

- Forestar is separately capitalized and had total liquidity of \$645 million at quarter-end
- Sold 15,068 lots and generated \$1.5 billion of revenue in FY24
 - \$1.3 billion of D.R. Horton's finished lot purchases in FY24 were from Forestar
- Expect 16,000 to 16,500 lots sold generating \$1.6 billion to \$1.65 billion of revenue in FY25*

Revenues and Lots Sold

Book Value Per Share and Inventory

Lots Contracted for Sale


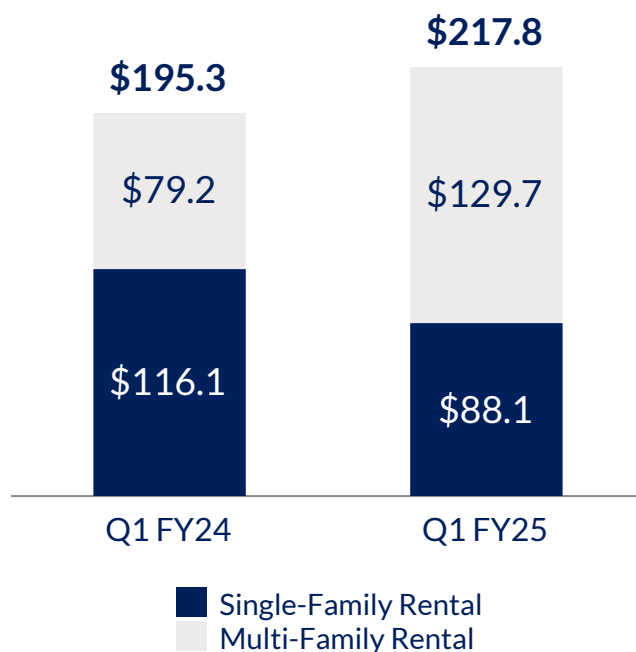
Dollars in millions, except per share. As of or for the period ended 12/31/24 unless otherwise noted. Total liquidity consists of \$132 million of unrestricted cash and \$513 million available on credit facility.

*Based on current market conditions as noted on Forestar's Q1 FY25 conference call on 1/21/25

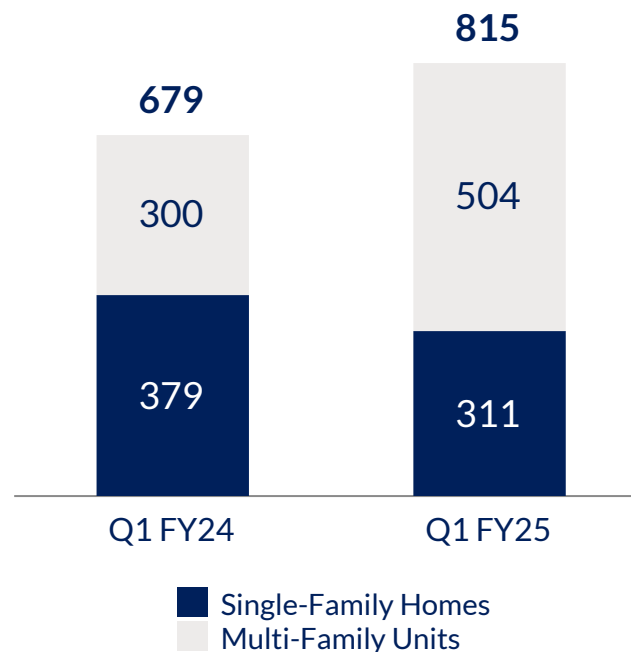
Rental Operations

- Develop, construct, lease and sell single-family and multi-family residential properties
- The Company's DRH Rental subsidiary is capitalized with a \$1.05 billion senior unsecured revolving credit facility

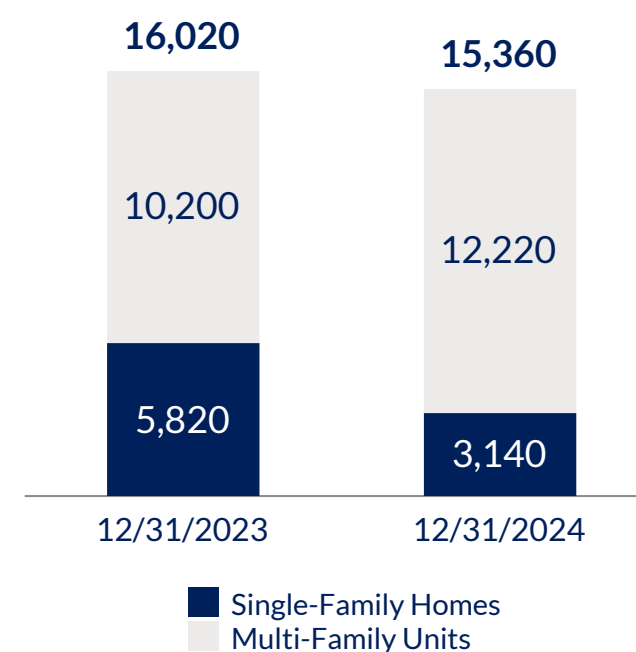
Revenues (\$M)



Homes / Units Sold



Homes / Units Owned⁽¹⁾



(1) Includes 2,750 single-family homes and 5,210 multi-family units that are completed and 390 single-family homes and 7,010 multi-family units that are under construction at 12/31/24

Income Statement

	Quarter Ended		Fiscal Year Ended	
	12/31/2024	12/31/2023	9/30/2024	9/30/2023
Homes closed	19,059	19,340	89,690	82,917
Homebuilding				
Revenues:				
Home sales	\$7,146.0	\$7,276.4	\$33,903.6	\$31,641.0
Land/lot sales	21.2	20.3	58.2	102.2
	7,167.2	7,296.7	33,961.8	31,743.2
Gross profit:				
Home sales	1,624.0	1,668.4	7,951.5	7,439.7
Land/lot sales and other	7.4	7.1	18.2	48.4
Inventory and land option charges	(11.8)	(5.5)	(68.9)	(60.7)
	1,619.6	1,670.0	7,900.8	7,427.4
SG&A	636.6	603.4	2,553.3	2,239.9
Interest and other (income)	(29.9)	(29.5)	(107.6)	(78.8)
Homebuilding pre-tax income	1,012.9	1,096.1	5,455.1	5,266.3
Rental, Forestar, Financial Services and other pre-tax income	97.0	151.4	829.6	1,048.4
Pre-tax income	1,109.9	1,247.5	6,284.7	6,314.7
Income tax expense	258.0	291.8	1,478.7	1,519.5
Net income	851.9	955.7	4,806.0	4,795.2
Net income attributable to noncontrolling interests	7.0	8.3	49.6	49.5
Net income attributable to D.R. Horton, Inc.	\$844.9	\$947.4	\$4,756.4	\$4,745.7
Net income per diluted share	\$ 2.61	\$ 2.82	\$ 14.34	\$ 13.82

\$ in millions except per share data

Balance Sheet

	12/31/2024	9/30/2024	12/31/2023
Homebuilding			
Cash and cash equivalents	\$2,551.2	\$3,627.8	\$2,510.1
Inventories:			
Construction in progress and finished homes	8,808.0	8,986.1	9,602.5
Land inventories	11,843.4	11,044.9	9,764.4
	<u>20,651.4</u>	<u>20,031.0</u>	<u>19,366.9</u>
Deferred income taxes and other assets	3,735.2	3,822.6	3,467.7
Rental, Forestar, Financial Services and other assets	8,091.9	8,622.9	8,036.9
Total assets	<u>\$35,029.7</u>	<u>\$36,104.3</u>	<u>\$33,381.6</u>
Homebuilding			
Notes payable	\$2,448.2	\$2,926.8	\$2,355.4
Other liabilities	3,825.0	3,598.1	3,778.4
Rental, Forestar, Financial Services and other liabilities	3,293.6	3,755.0	3,644.3
Stockholders' equity	24,943.9	25,312.8	23,153.4
Noncontrolling interests	519.0	511.6	450.1
Total equity	<u>25,462.9</u>	<u>25,824.4</u>	<u>23,603.5</u>
Total liabilities and equity	<u>\$35,029.7</u>	<u>\$36,104.3</u>	<u>\$33,381.6</u>
Debt to total capital – consolidated	17.0 %	18.9 %	18.6 %
Common shares outstanding	317.65	324.03	332.19
Book value per common share	\$78.53	\$78.12	\$69.70

\$ in millions except per share metrics

Homebuilding cash and cash equivalents presented above includes \$3.3 million, \$4.8 million and \$6.0 million of restricted cash for the periods ended 12/31/2024, 9/30/2024 and 12/31/2023, respectively