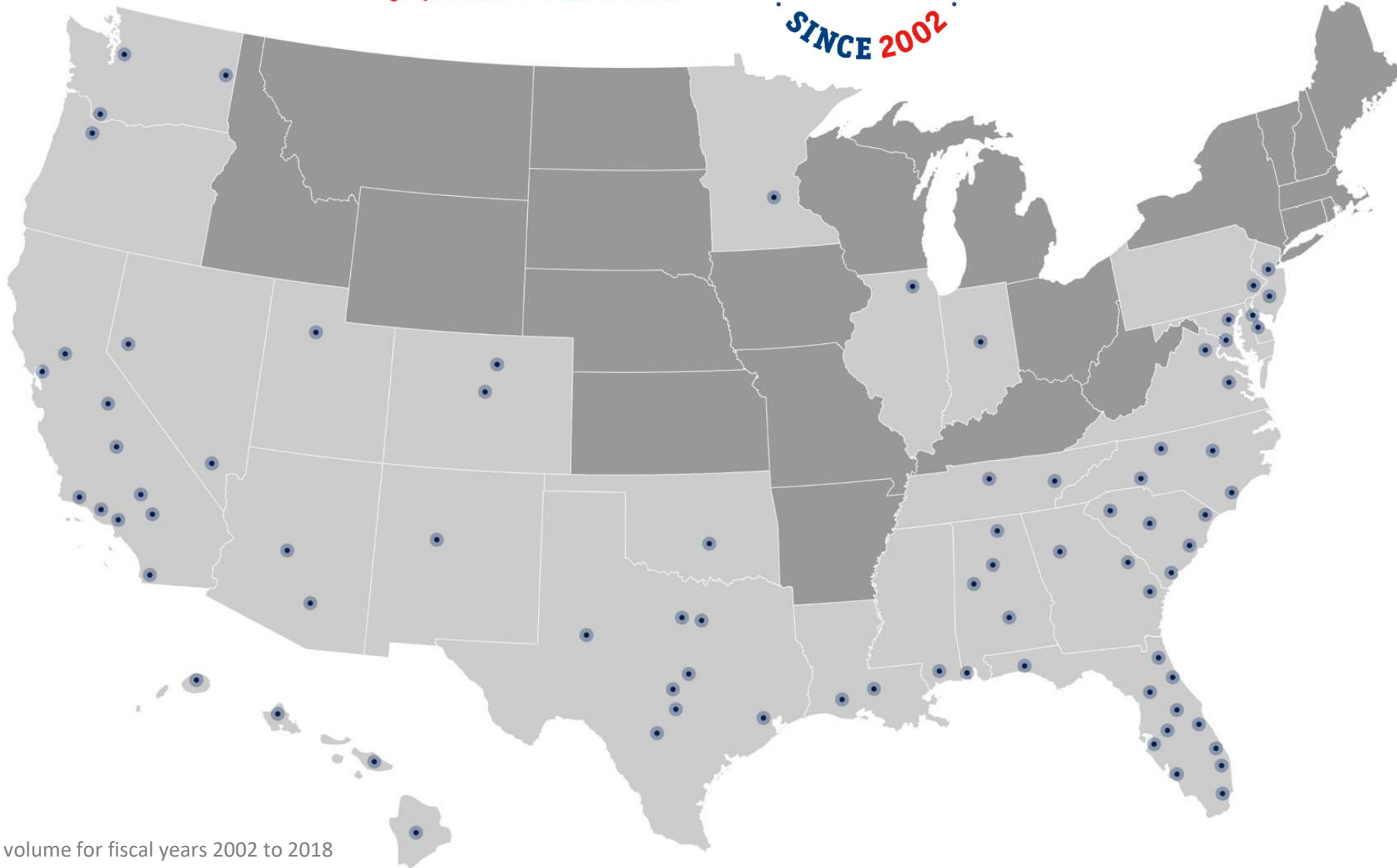


40
YEARS

D·R·HORTON®
America's Builder

Investor Presentation
Q4 FY 2018





#1 by closings volume for fiscal years 2002 to 2018



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 industry and changes in economic, real estate and other conditions; constriction of the credit and public capital markets, which could limit our ability to access capital and increase our costs of capital; 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 and lot inventory; our ability to effect our growth strategies, acquisitions or investments successfully; the impact of an inflationary, deflationary or higher interest rate environment; home warranty and construction defect claims; the effects of health and safety incidents; the effects of negative publicity; supply shortages and other risks of acquiring land, building materials and skilled labor; reductions in the availability of performance bonds; increases in the costs of owning a home; the effects of governmental regulations and environmental matters on our homebuilding and land development operations; the effects of governmental regulations on our financial services operations; our significant debt and our ability to comply with related debt covenants, restrictions and limitations; competitive conditions within the homebuilding and financial services industries; the effects of the loss of key personnel; and information technology failures and data security breaches. 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, which is filed with the Securities and Exchange Commission.

51,857

Annual homes closed

\$16.1 billion

Annual consolidated revenues

\$2.1 billion

Annual pre-tax income

20.2%

Homebuilding return on inventory*

\$9.0 billion

Stockholders' equity

\$23.88

Book value per common share

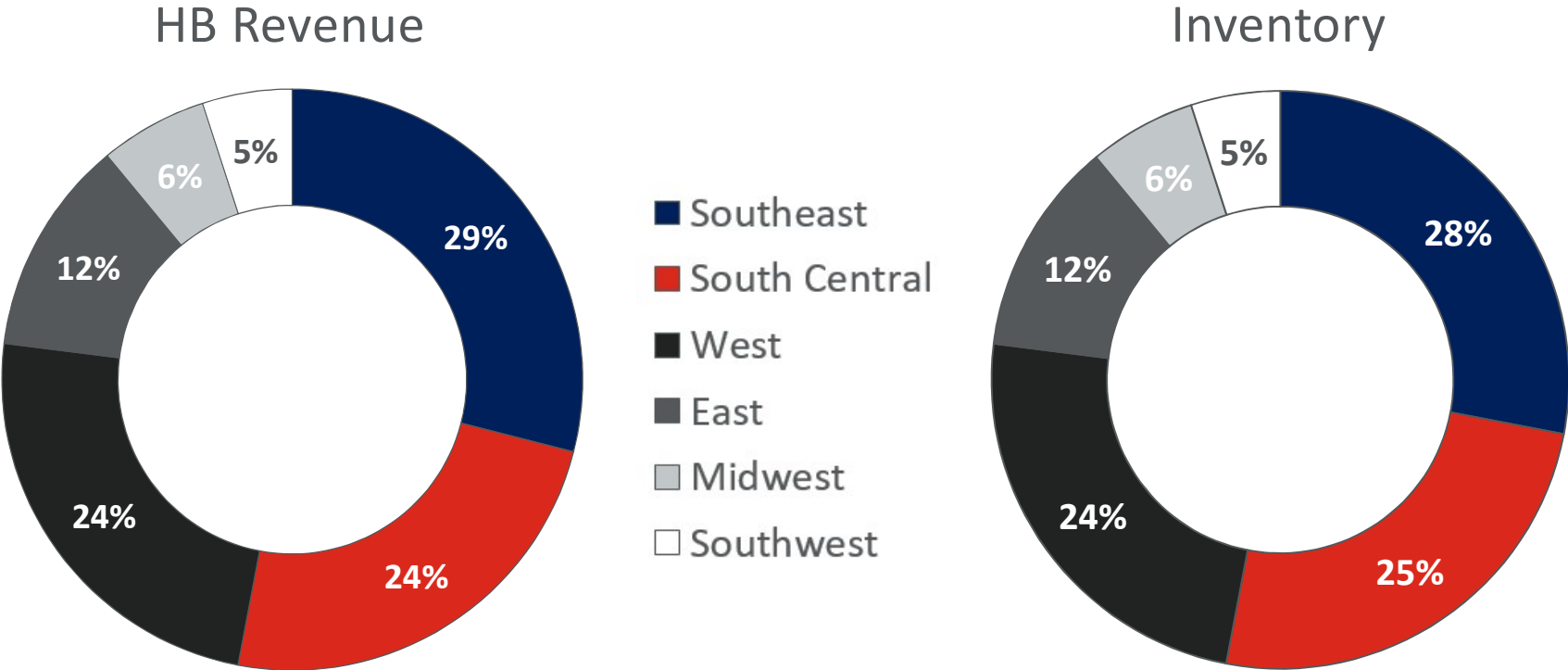
As of or for the fiscal year ended September 30, 2018
*See slide 13 for definition of homebuilding return on inventory

FY 2018 HIGHLIGHTS

- Net income attributable to D.R. Horton increased 41% to \$1.5 billion, \$3.81 per diluted share
- Consolidated pre-tax income increased 29% to \$2.1 billion
- Consolidated pre-tax profit margin improved 140 basis points to 12.8%
- 52,740 net homes sold and 51,857 homes closed – both increased 13%
- Homebuilding cash flow from operations of \$1.0 billion
- Homes in inventory increased 13% to 29,700 homes
- Lots owned and controlled up 16% YOY to 288,500; 57% optioned, up from 56% at 6/30/18 and 50% at 9/30/17
- Repurchased 2.8 million shares during FY 2018 for \$127.5 million

GEOGRAPHIC DIVERSIFICATION

81 MARKETS | 27 STATES



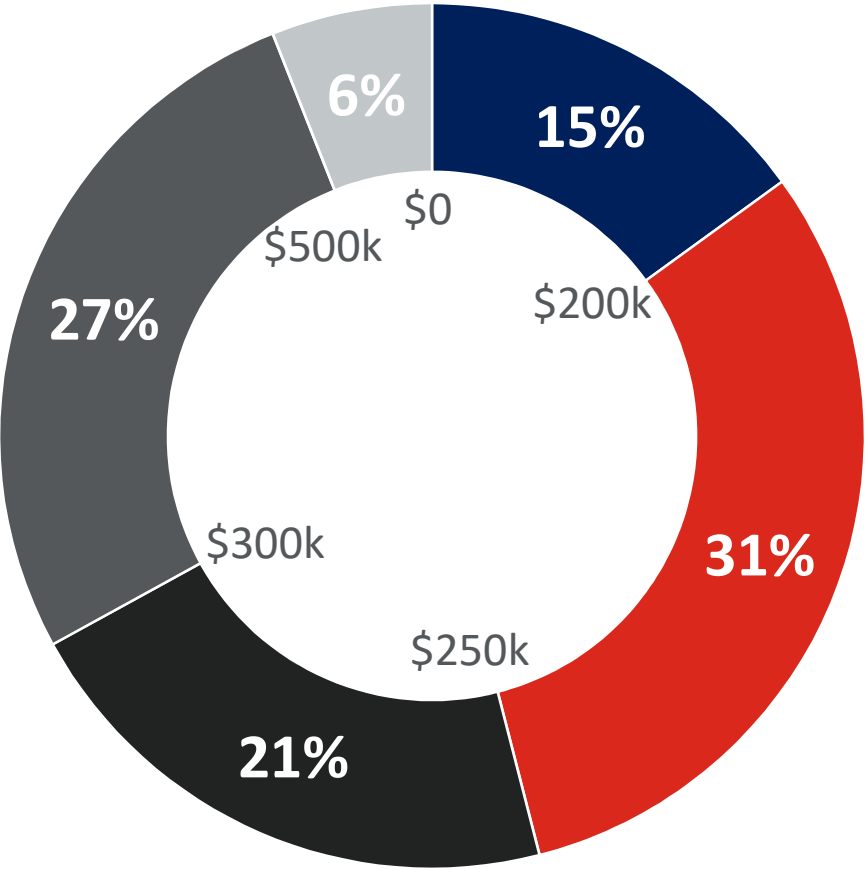
EAST	MIDWEST	SOUTHEAST	SOUTH CENTRAL	SOUTHWEST	WEST
Delaware, Maryland, New Jersey, North and South Carolina, Pennsylvania, Virginia	Colorado Illinois Indiana Minnesota	Alabama, Florida, Georgia, Mississippi, Tennessee	Louisiana Oklahoma Texas	Arizona New Mexico	California, Hawaii, Nevada, Oregon, Utah, Washington

As of or for fiscal year ended September 30, 2018
Savannah, Georgia is included in the East Region; Atlanta and Augusta, Georgia are included in the Southeast Region

DIVERSE PRODUCT OFFERINGS AND PRICE POINTS

Homes for entry-level, move-up, active adult and luxury buyers

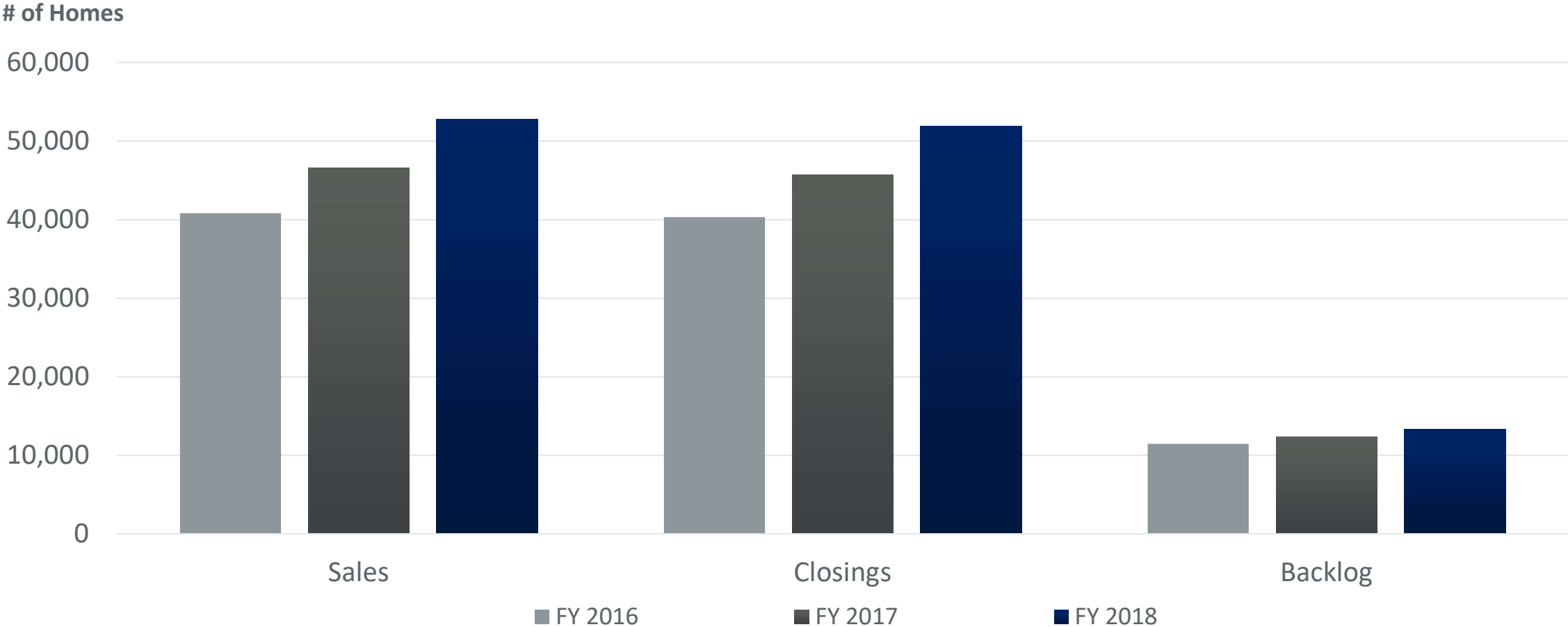
67% of homes closed <\$300k



Represents homes closed for the fiscal year ended 9/30/18

SALES, CLOSINGS AND BACKLOG

Net Sales Orders, Homes Closed and Homes in Backlog increased 13%, 13% and 8%, respectively, in FY 2018 compared to FY 2017



FAMILY OF BRANDS

FIRST TIME / MOVE UP



81 markets | 27 states
ASP \$317k

ENTRY LEVEL



61 markets | 21 states
ASP \$245k

LUXURY

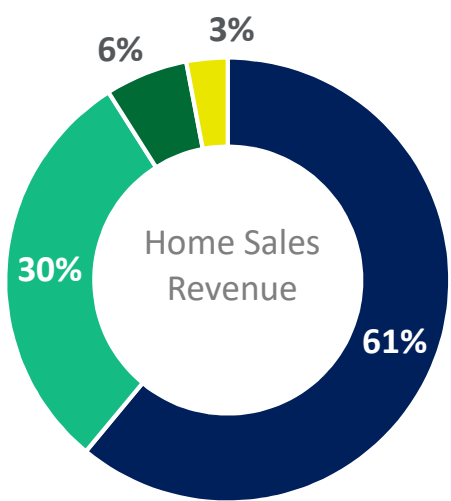
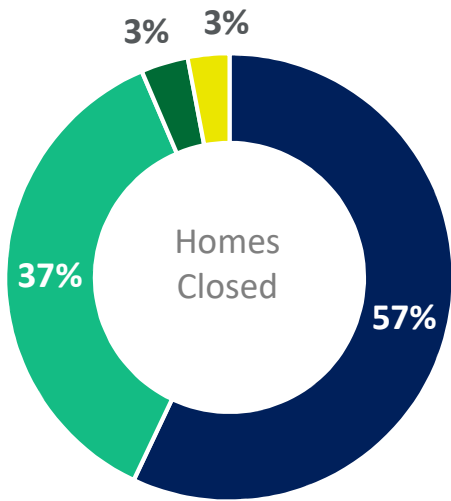
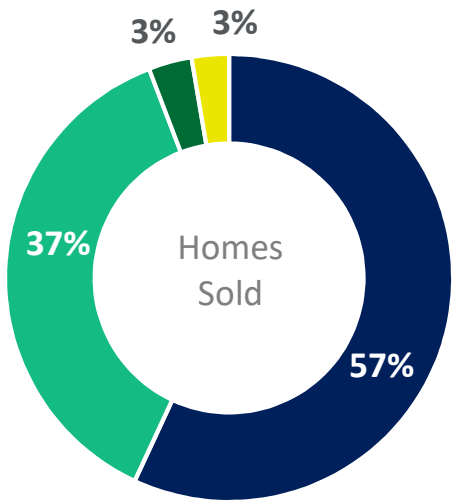


34 markets | 14 states
ASP \$609k

ACTIVE ADULT



29 markets | 16 states
ASP \$275k



Based on Q4 FY 2018 results

MANAGEMENT TENURE AND EXPERIENCE

Executive team and
region presidents
25 years

Division presidents
14 years

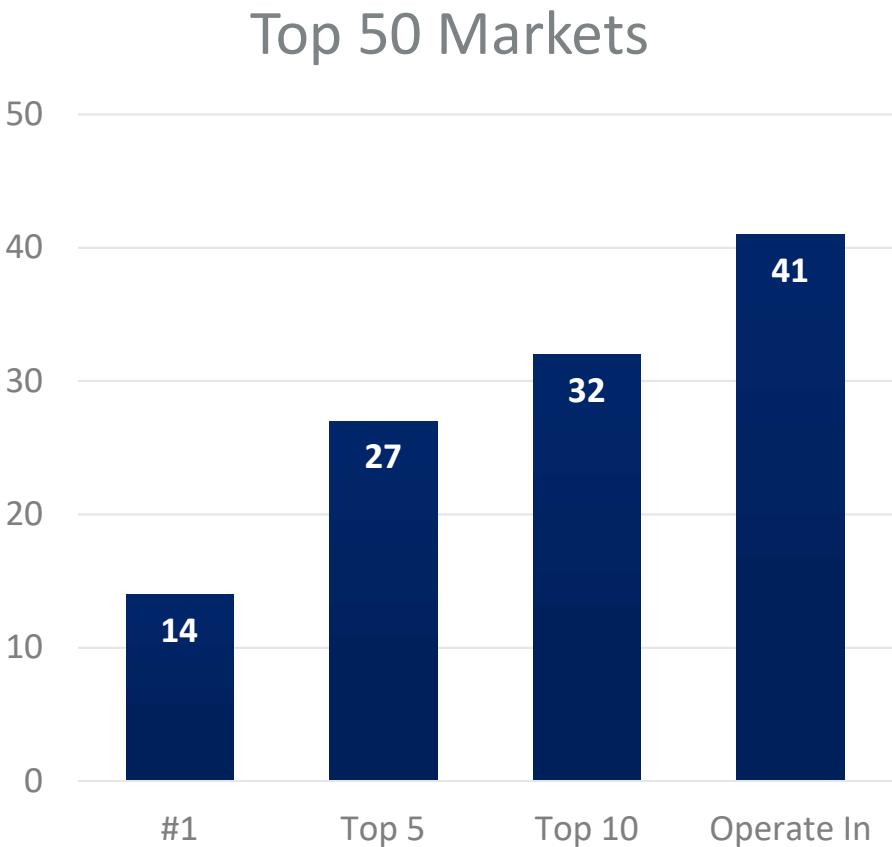
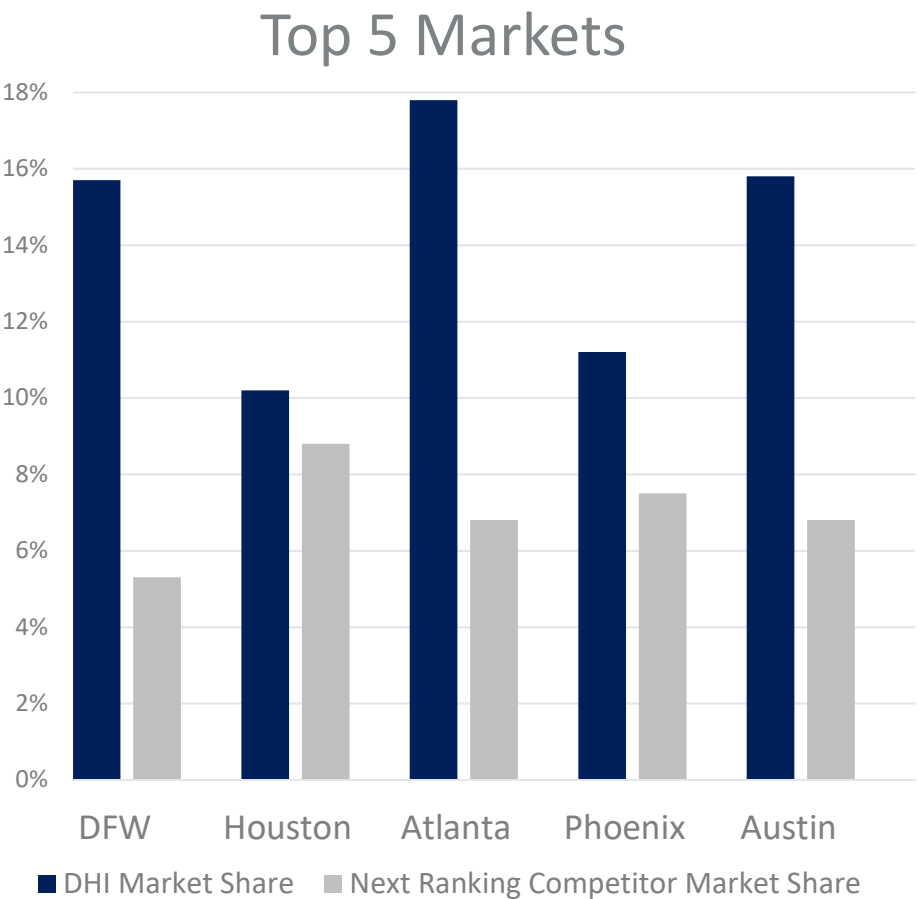
City managers
over 10 years



Average employee tenure

MARKET SHARE DOMINANCE

D.R. Horton Share and Rankings in Largest U.S. Housing Markets



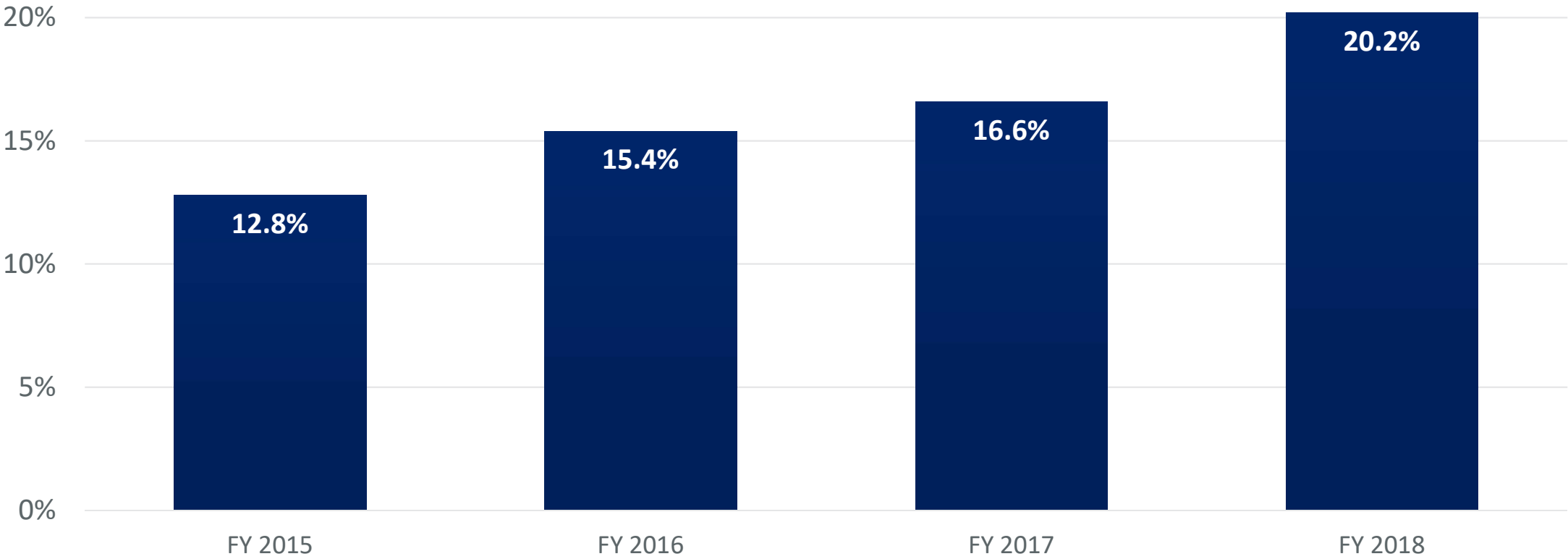
Source: Builder magazine - 2018 Local Leaders issue, rankings based on homes closed in calendar 2017

HOMEBUILDING OPERATIONAL FOCUS

- Maximize returns by managing inventories, sales pace and pricing in each community
- Generate strong profits and cash flow from operations
- Maintain sufficient inventories of land, lots and homes to support annual growth in both revenues and pre-tax profits
 - Underwriting expectations for each community:
 - Minimum 20% annual pre-tax return on inventory (ROI)
 - Initial cash investment returned within 24 months or less
- Increase optioned land and lots by expanding relationships with lot developers
 - Grow Forestar's lot development platform
- Control SG&A while ensuring infrastructure supports targeted growth

EMPHASIS ON RETURN ON INVENTORY (ROI)

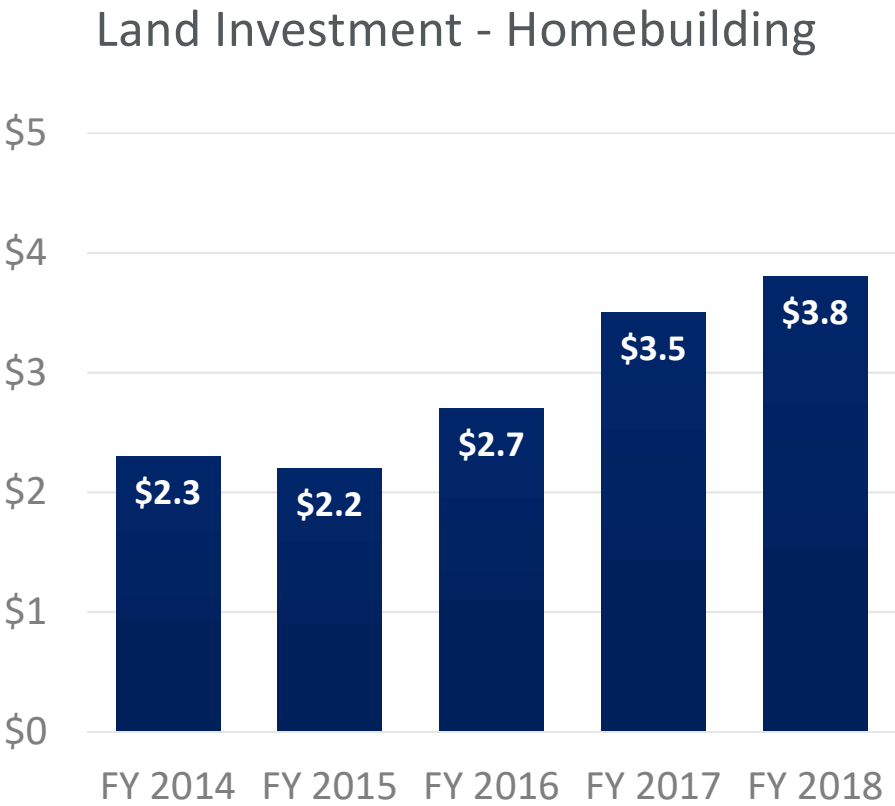
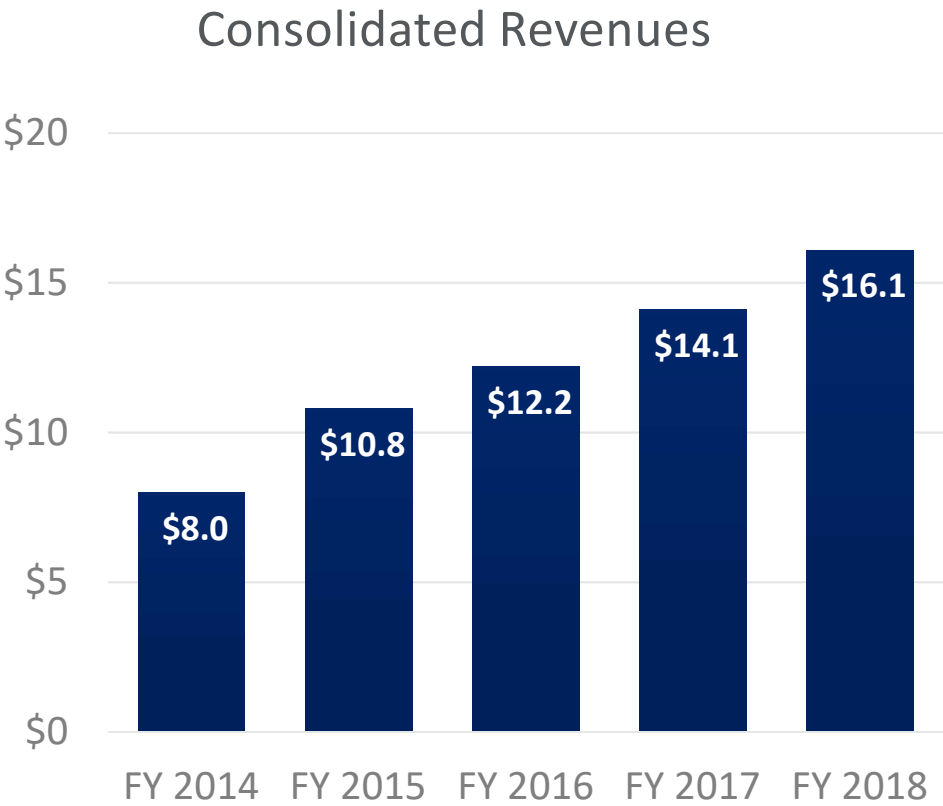
Achieved >20% Homebuilding ROI in FY 2018



Homebuilding ROI is calculated as homebuilding pre-tax income for the year divided by average homebuilding inventory. Average homebuilding inventory in the ROI calculation is the sum of ending homebuilding inventory balances for the trailing five quarters divided by five.

BALANCED APPROACH

FY 2018 was fourth consecutive year of positive operating cash flows during a period when annual revenues doubled

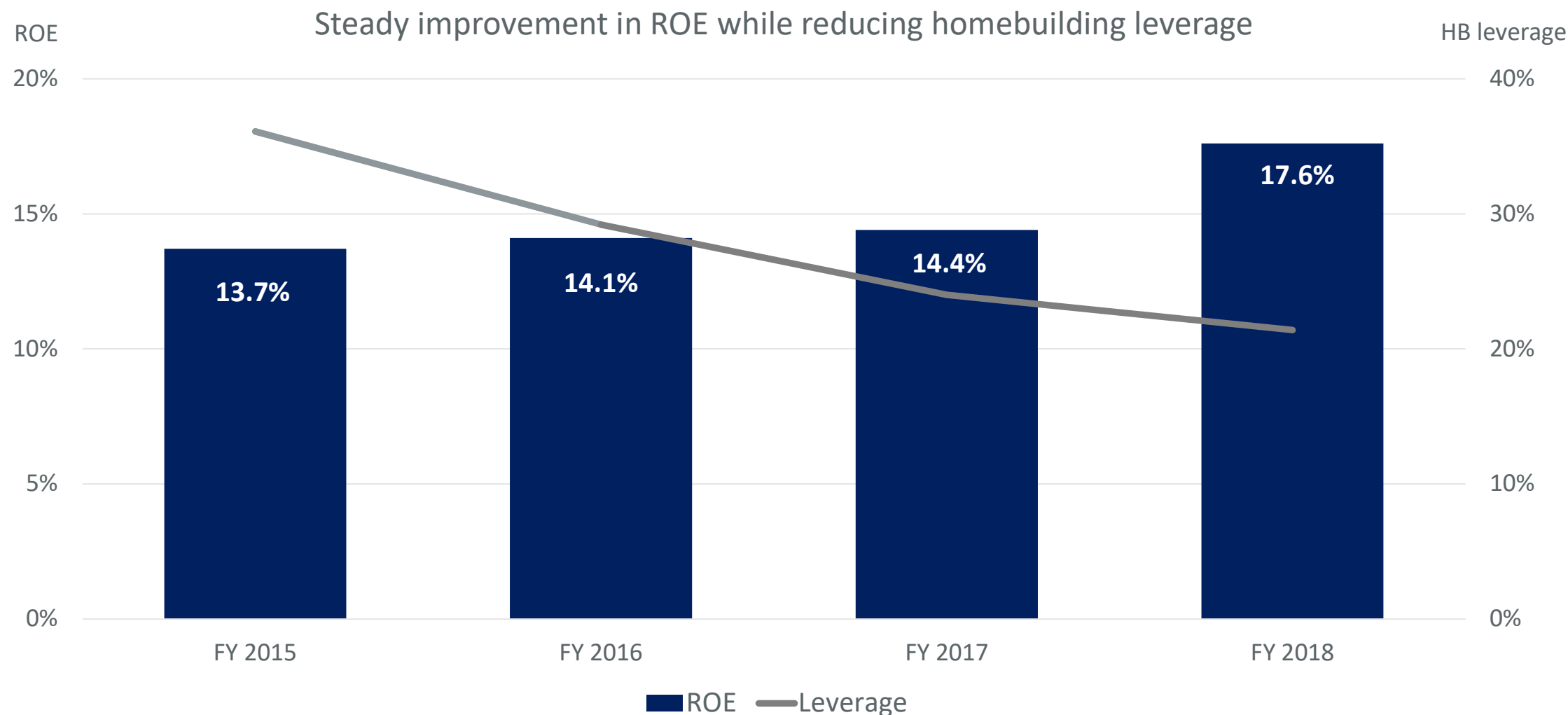


\$ in billions

CAPITAL AND CASH FLOW PRIORITIES

- Balanced, disciplined, flexible and opportunistic
- Invest in homebuilding opportunities, including acquisitions, to increase returns and market share
 - Expect \$400 million to \$600 million of homebuilding acquisitions in FY 2019
- Reduce homebuilding debt
 - Expect to pay off \$500 million March 2019 maturity from cash flow
 - Improves homebuilding cost structure
- Consistent dividends to shareholders
 - Increased quarterly dividend by 20% in Q1 FY 2019
 - Approximately \$225 million annually
- Share repurchases to keep outstanding share count flat
 - Repurchased 2.8 million shares during FY 2018 for \$127.5 million
 - Remaining Board authorization of \$375.5 million at 9/30/18
 - Potential for opportunistic repurchases

RETURN ON EQUITY (ROE)

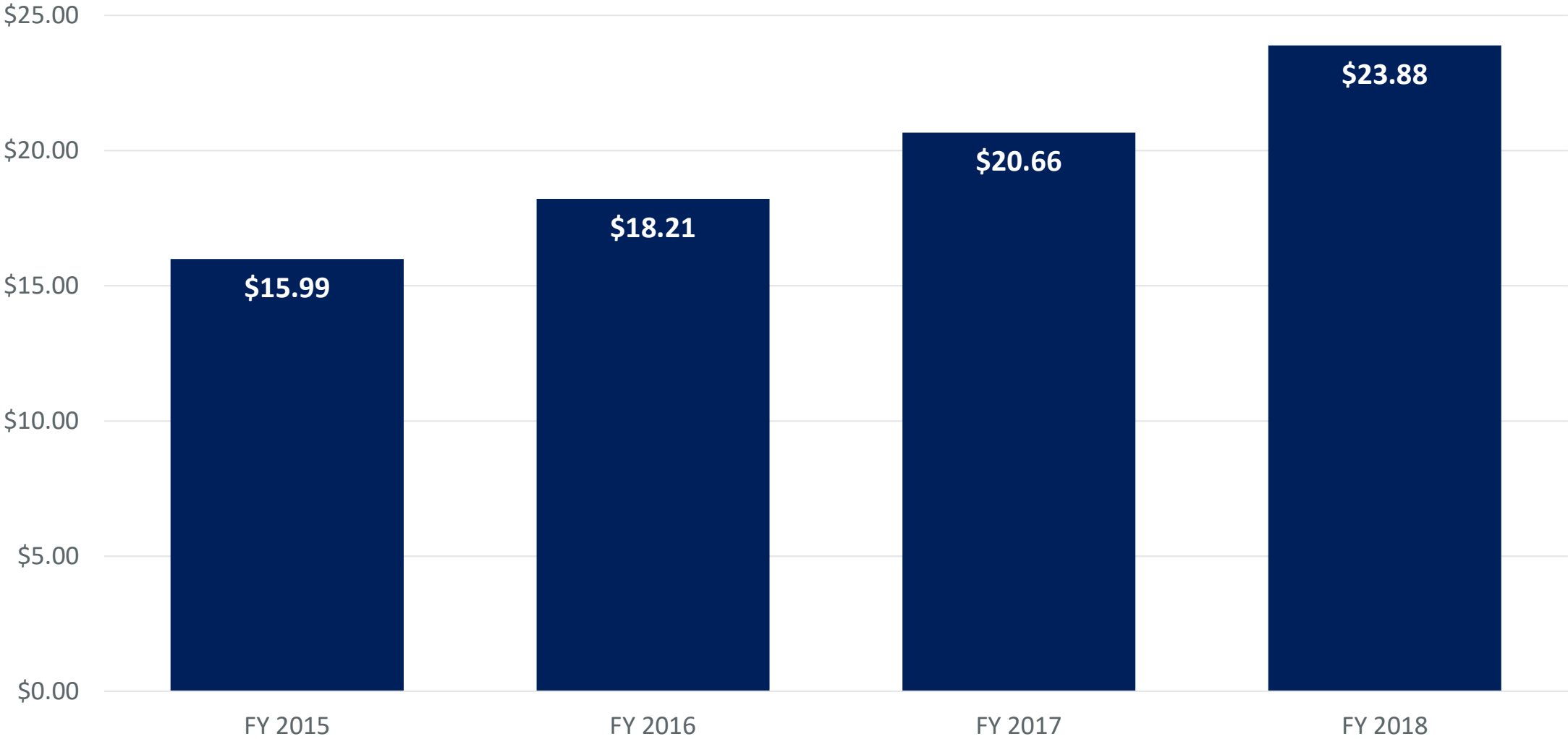


ROE is calculated as net income divided by average shareholders' equity. Average shareholders' equity in the ROE calculation is the sum of ending shareholders' equity balances for the trailing five quarters divided by five.

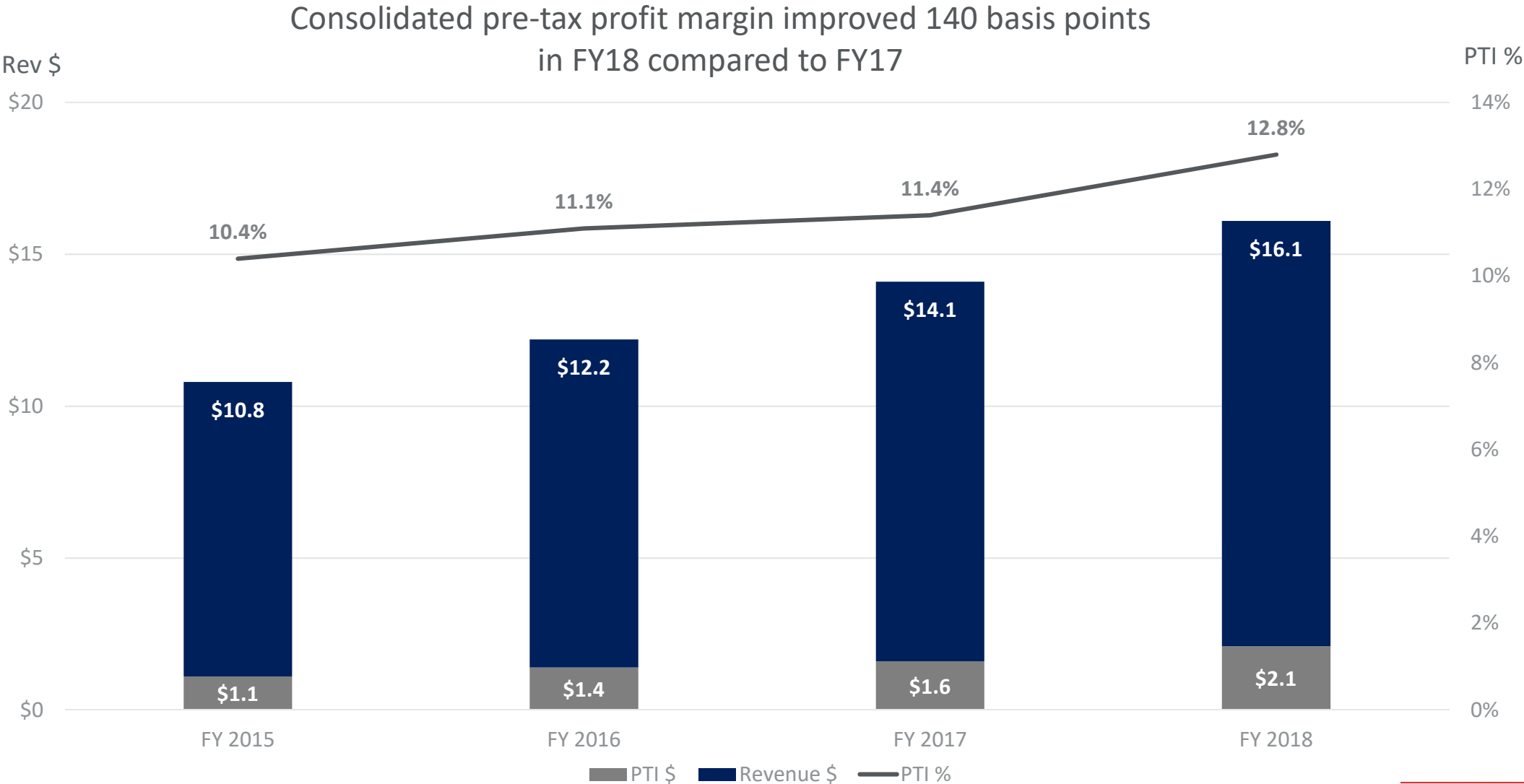
Leverage is calculated as homebuilding notes payable divided by total equity plus homebuilding notes payable.

BOOK VALUE PER SHARE

Consistent double-digit percentage growth in book value per share



CONSOLIDATED PRE-TAX PROFIT MARGIN



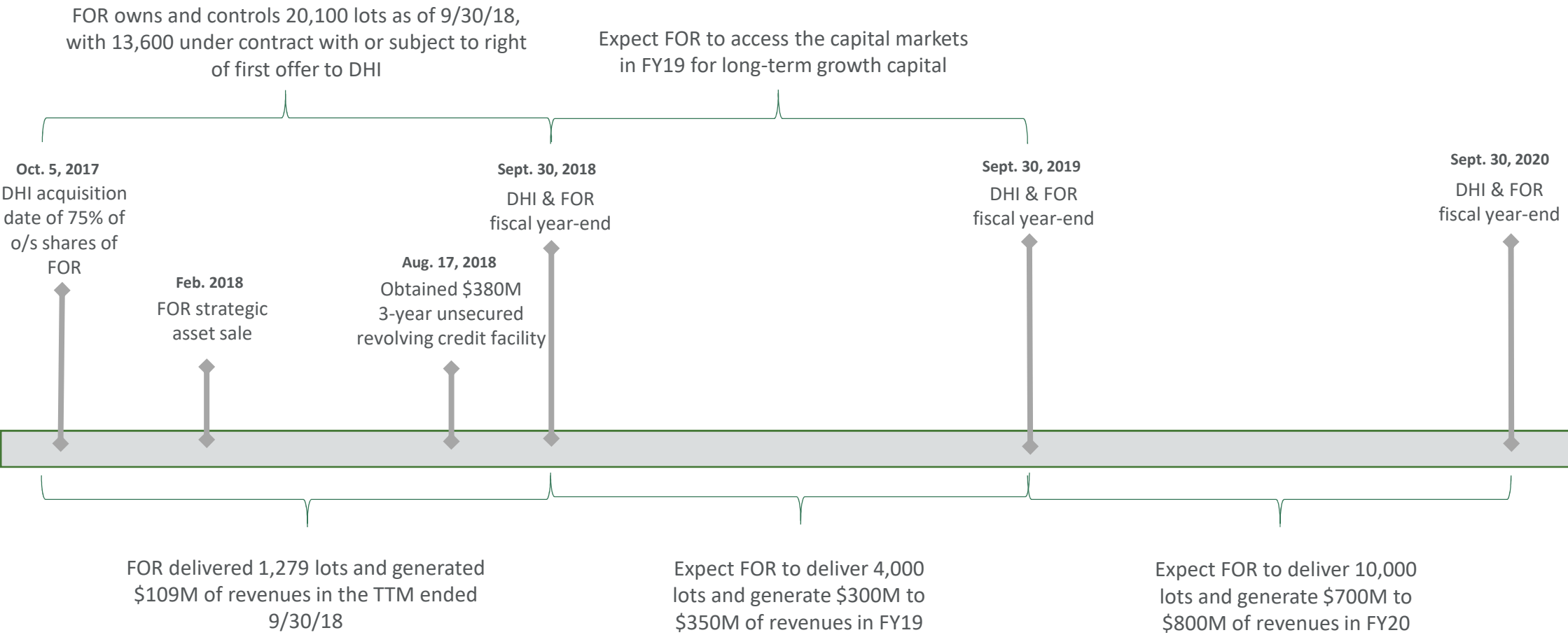
\$ in billions
Consolidated pre-tax profit margin shown as a % of consolidated revenues



- FOR, a majority-owned subsidiary of DHI (as of 10/5/17), is a publicly traded residential lot development company, with operations in 24 markets and 14 states as of September 30, 2018
- The strategic relationship between DHI and FOR will significantly grow FOR into a large, national residential lot development company, selling lots to DHI and other homebuilders
- Advancing DHI’s strategy of increasing access to optioned land and lots to enhance efficiency and returns
- FOR intends to raise debt and equity capital to fund long-term growth beginning in fiscal 2019
- DHI’s long-term goal is to deconsolidate FOR from DHI’s financial statements
- Delivered 1,279 lots for a total of \$109M of revenue in TTM ended 9/30/18
- Annual lot delivery and revenue expectations*
 - Fiscal 2019: 4,000 lot deliveries and \$300M to \$350M of revenue
 - Fiscal 2020: 10,000 lot deliveries and \$700M to \$800M of revenue
- Expect FOR to be consistently profitable with future pre-tax profit margins of at least 10%
- Forestar is targeting a long-term net debt to capital ratio of 40% or less

*Expectations are for Forestar’s standalone operations

FORESTAR GROWTH TIMELINE



Lot counts and dollar amounts are approximate
Expectations outlined are for Forestar’s standalone operations



COMPANY OUTLOOK*

- Sales prices for new and existing homes have increased across most markets over the past several years, which coupled with rising interest rates has impacted affordability and resulted in some moderation of demand for homes, particularly at higher price points
- Continue to see good demand and a limited supply of homes at affordable prices across our markets
- Economic fundamentals and financing availability remain solid
- Pleased with our current product offerings and positioning to meet demand in the current market and will adjust to future changes in market conditions as necessary

*Based on current market conditions as noted on the Company's Q4 FY18 conference call on 11/8/18

FY 2019 EXPECTATIONS*

- Full year fiscal 2019 results will be significantly impacted by the spring selling season
- Due to uncertainty based on recent market conditions, the Company is only providing first quarter guidance for revenues, homes closed and pre-tax profit margin
- The Company is well-positioned to deliver double-digit growth in fiscal 2019, subject to the strength of the spring selling season
- Q1 FY 2019
 - Consolidated revenues in a range of \$3.3 billion to \$3.5 billion
 - Homes closed in a range between 11,000 homes and 11,500 homes
 - Consolidated pre-tax margin in the range of 11.4% to 11.7%
- FY 2019
 - Income tax rate of approximately 25%
 - Outstanding share count at end of fiscal 2019 flat with end of fiscal 2018
 - Generate homebuilding cash flow from operations of at least \$1.0 billion

*Based on current market conditions as noted on the Company's Q4 FY18 conference call on 11/8/18

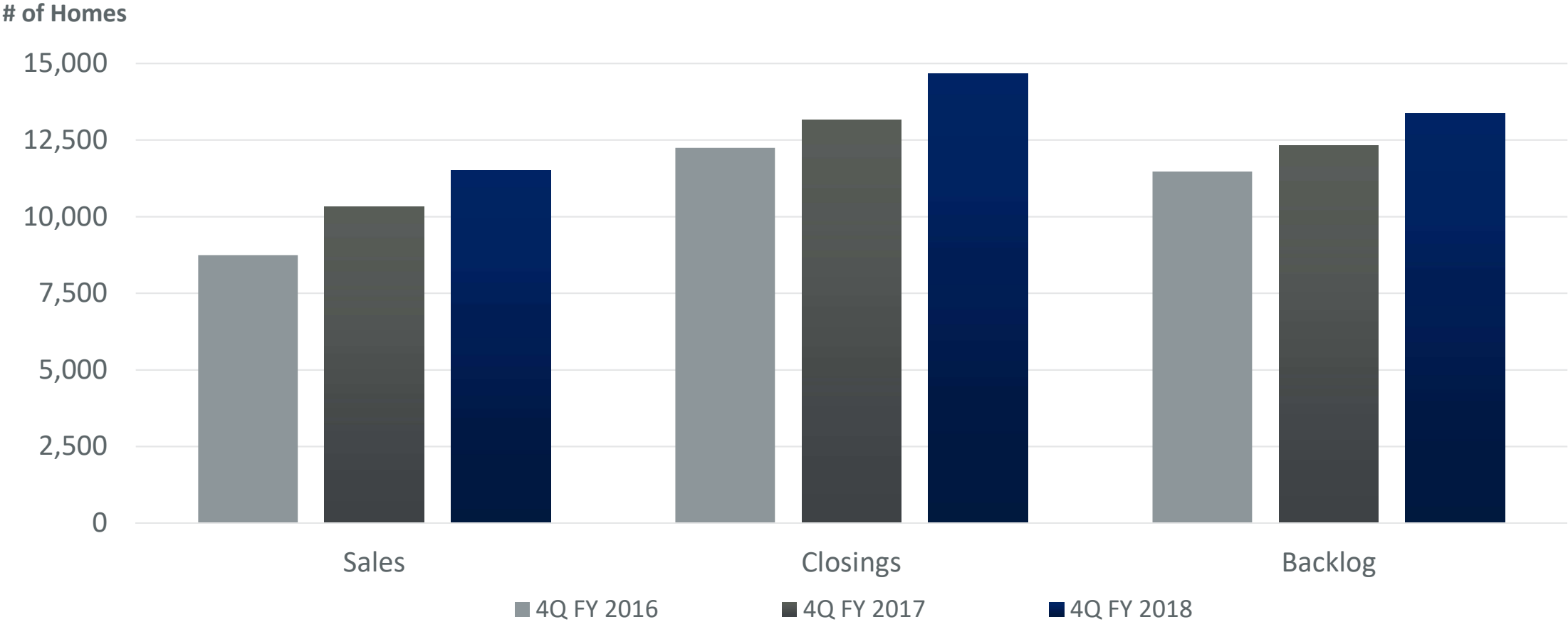
FOURTH QUARTER DATA

Q4 FY 2018 HIGHLIGHTS

- Net income attributable to D.R. Horton increased 49% to \$466.1 million or \$1.22 per diluted share
- Consolidated pre-tax income increased 25% to \$607.7 million
- Consolidated pre-tax profit margin improved 180 basis points to 13.5%
- Net homes sold, homes closed and homes in backlog increased by 11%, 11% and 8%, respectively
- 11,509 net homes sold and 14,674 homes closed
- Repurchased 1.2 million shares during the quarter for \$52.6 million

SALES, CLOSINGS AND BACKLOG

Net Sales Orders, Homes Closed and Homes in Backlog increased 11%, 11% and 8%, respectively, in Q4 FY 2018 compared to Q4 FY 2017



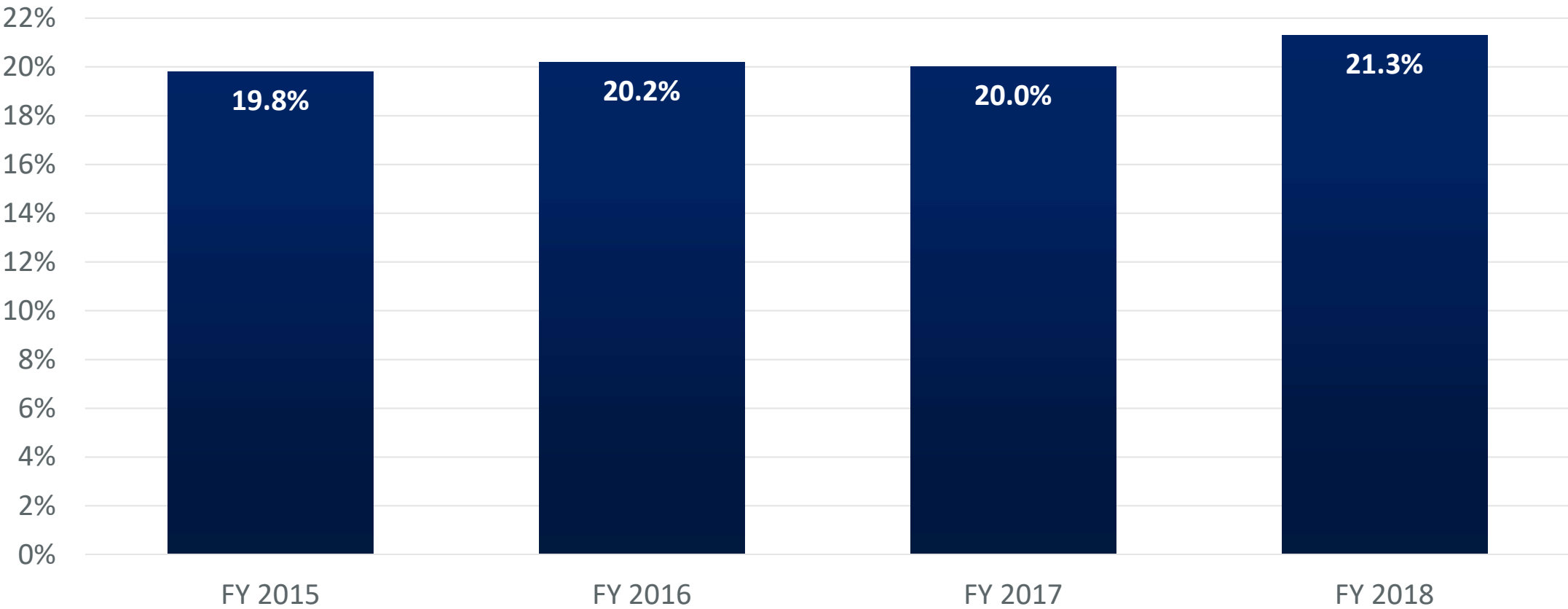
INCOME STATEMENT

	3 MONTHS ENDED		FISCAL YEAR ENDED	
	9/30/2018	9/30/2017	9/30/2018	9/30/2017
Homes closed	14,674	13,165	51,857	45,751
Homebuilding				
Revenues:				
Home sales	\$ 4,379.9	\$ 4,035.1	\$ 15,502.0	\$ 13,653.2
Land/lot sales	12.7	31.4	121.8	88.3
	4,392.6	4,066.5	15,623.8	13,741.5
Gross profit:				
Home sales	946.1	821.1	3,306.5	2,725.4
Land/lot sales and other	2.3	1.8	22.7	13.5
Inventory and land option charges	(6.0)	(20.4)	(48.8)	(40.2)
	942.4	802.5	3,280.4	2,698.7
SG&A	369.7	348.0	1,346.2	1,220.4
Interest and other (income)	(5.0)	(3.3)	(23.0)	(11.0)
Homebuilding pre-tax income	577.7	457.8	1,957.2	1,489.3
Financial services, Forestar and other pre-tax income	30.0	27.7	102.8	112.8
Pre-tax income	607.7	485.5	2,060.0	1,602.1
Income tax expense	138.8	172.3	597.7	563.7
Net income	468.9	313.2	1,462.3	1,038.4
Net income (loss) attributable to noncontrolling interests	2.8	0.0	2.0	0.0
Net income attributable to D.R. Horton, Inc.	\$ 466.1	\$ 313.2	\$ 1,460.3	\$ 1,038.4
Diluted earnings per share	\$ 1.22	\$ 0.82	\$ 3.81	\$ 2.74

\$ in millions except per share data

HOME SALES GROSS MARGIN

In a healthy market, home sales gross margin improved 130 basis points in FY18 compared to FY17



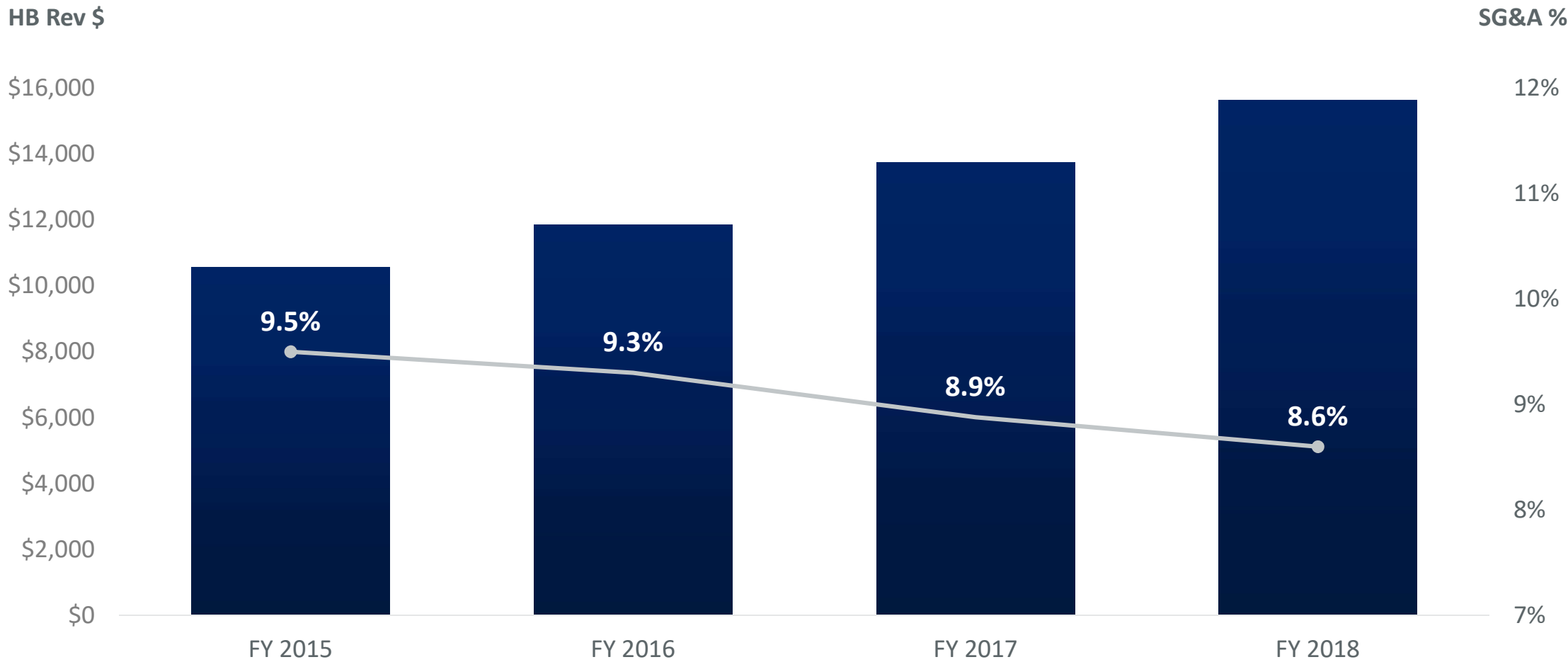
Shown as a % of the Company's homebuilding segment's home sales revenues

Includes interest amortized to cost of sales

Refer to slide 3 of the Company's Q4 FY18 Supplementary Data presentation for detailed components of home sales gross margin

HOMEBUILDING SG&A

SG&A as a percentage of homebuilding revenues improved 30 basis points to 8.6% in FY 2018

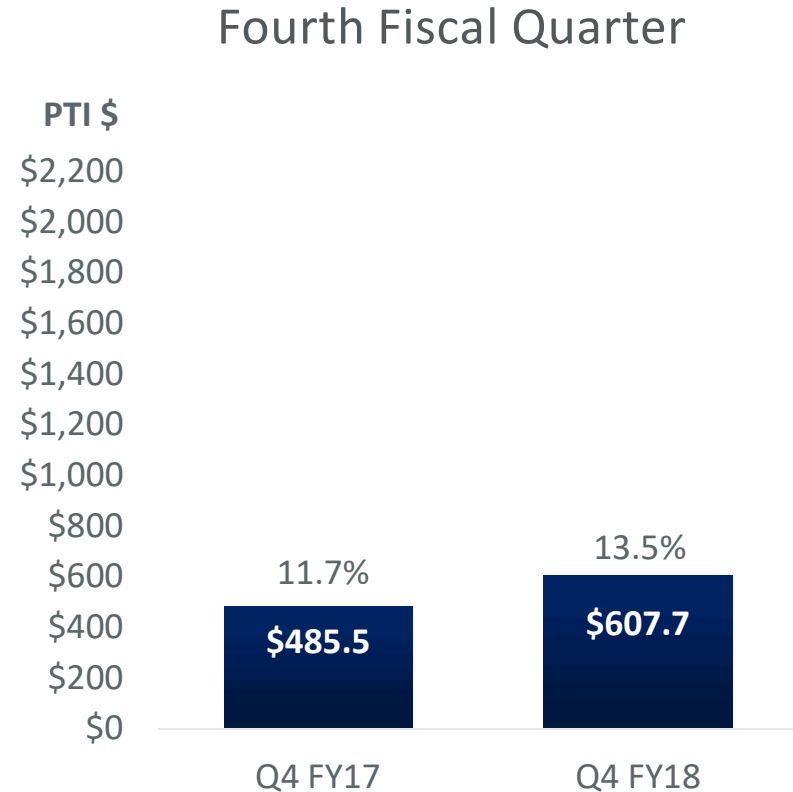
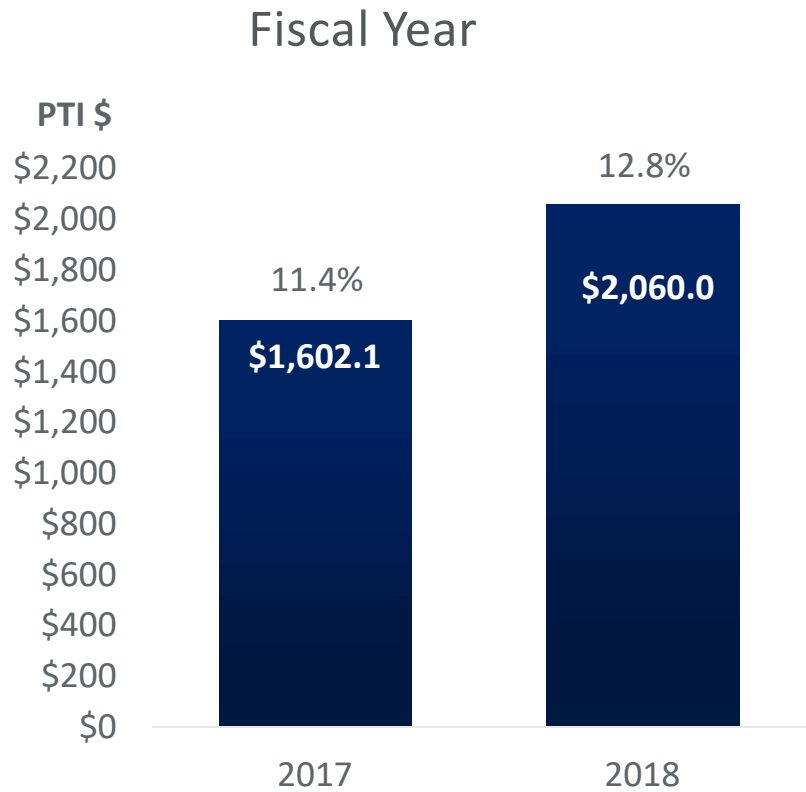


\$ in millions
Shown as a % of homebuilding revenues

■ HB Rev \$ ●—● SG&A %

CONSOLIDATED PRE-TAX INCOME

Consolidated pre-tax profit margin improved 180 basis points to 13.5% in Q4 FY 2018



\$ in millions
Shown as a % of consolidated revenues

BALANCE SHEET

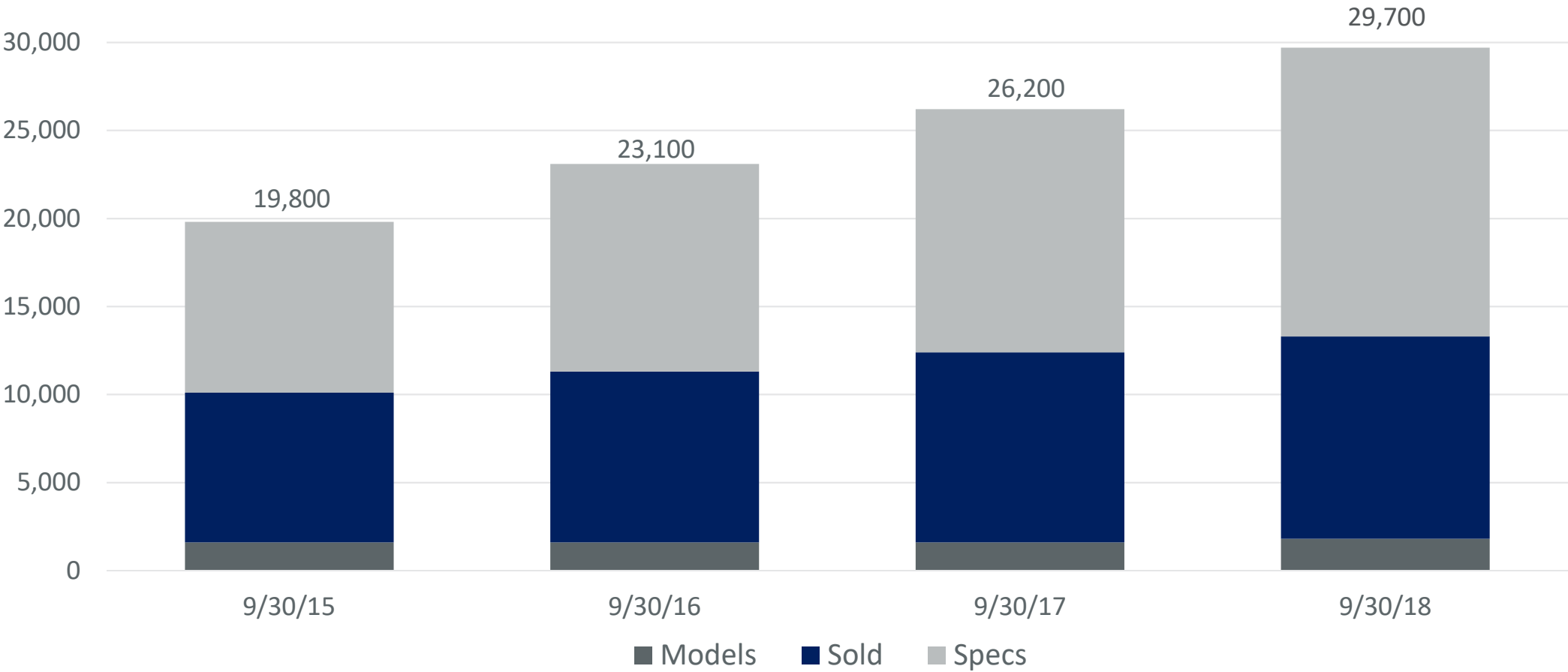
	9/30/2018	9/30/2017
Homebuilding		
Cash and cash equivalents	\$ 1,120.4	\$ 982.3
Inventories:		
Construction in progress and finished homes	5,084.4	4,606.0
Land inventories	4,790.7	4,631.1
	9,875.1	9,237.1
Other assets	960.8	793.1
Deferred income taxes, net	176.5	365.0
Financial services, Forestar and other assets	1,981.8	807.1
Total assets	\$ 14,114.6	\$ 12,184.6
Homebuilding		
Notes payable	\$ 2,445.9	\$ 2,451.6
Other liabilities	1,653.7	1,508.7
Financial services, Forestar and other liabilities	856.1	476.7
Stockholders' equity	8,984.4	7,747.1
Noncontrolling interests	174.5	0.5
Total equity	9,158.9	7,747.6
Total liabilities and equity	\$ 14,114.6	\$ 12,184.6
Debt to total capital – homebuilding	21.4%	24.0%
Common shares outstanding	376.26	374.99
Book value per common share	\$ 23.88	\$ 20.66

In millions except per share metrics

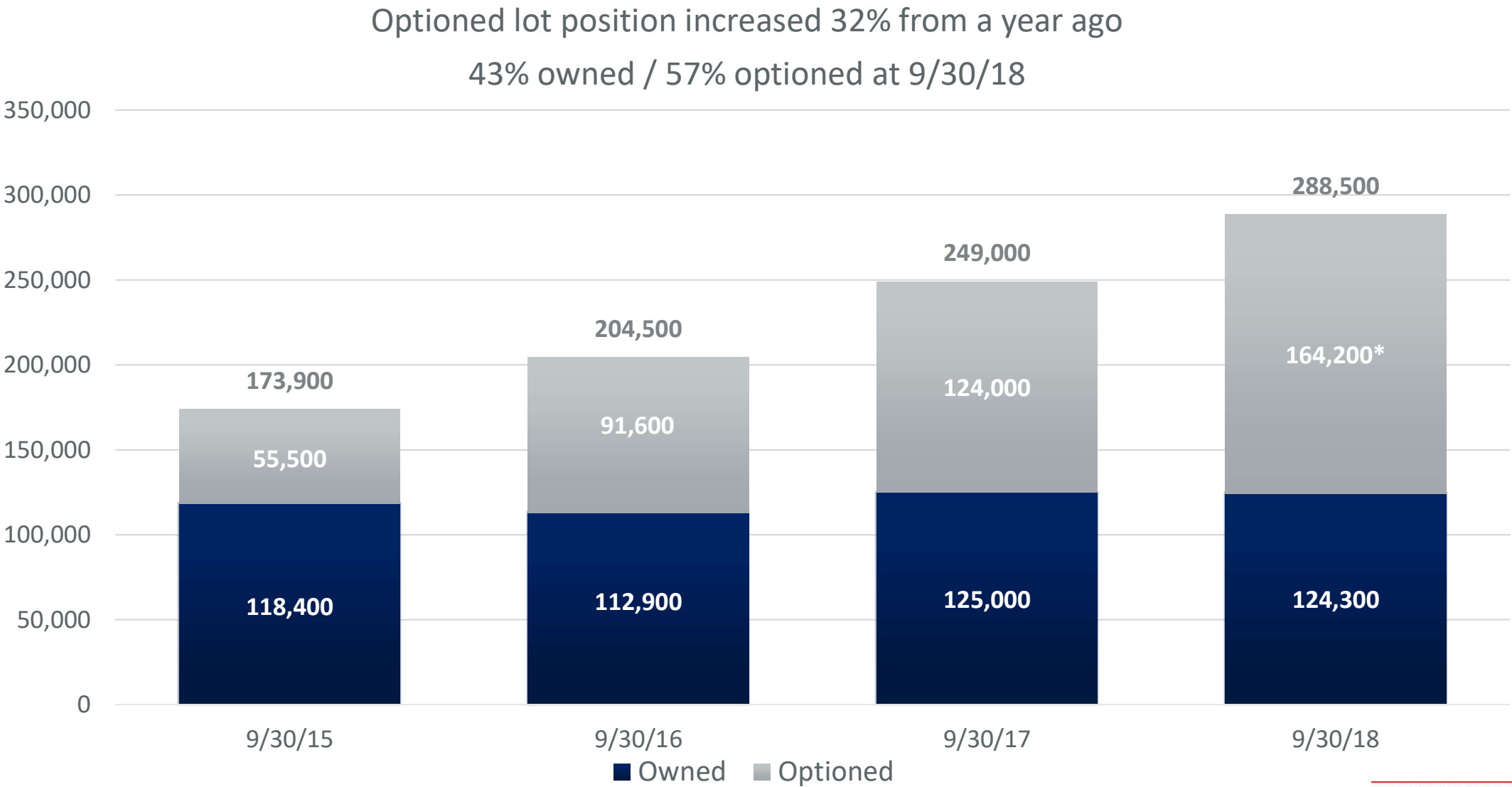
Homebuilding cash and cash equivalents presented above includes \$8.6 million and \$9.3 million of restricted cash for the periods ended 9/30/18 and 9/30/17, respectively

HOMES IN INVENTORY

Homes in inventory increased from a year ago to support expected growth in homes closed

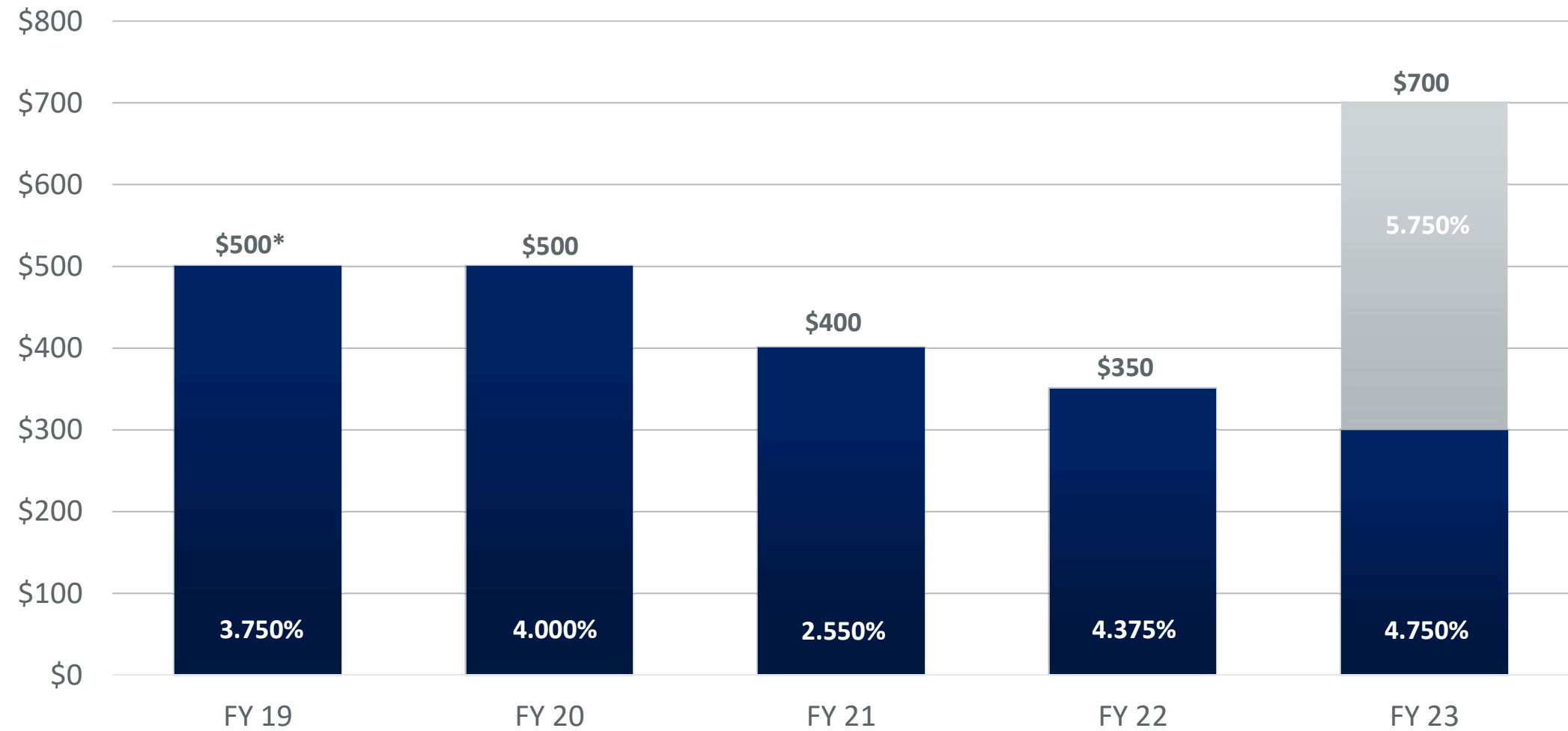


HOMEBUILDING LAND AND LOT POSITION



*Includes 13,600 lots owned or controlled by FOR that DHI has under contract or the right of first offer or refusal to purchase

HOMEBUILDING PUBLIC DEBT MATURITIES BY YEAR



\$ in millions

*Expect to repay from cash flow at maturity in March 2019