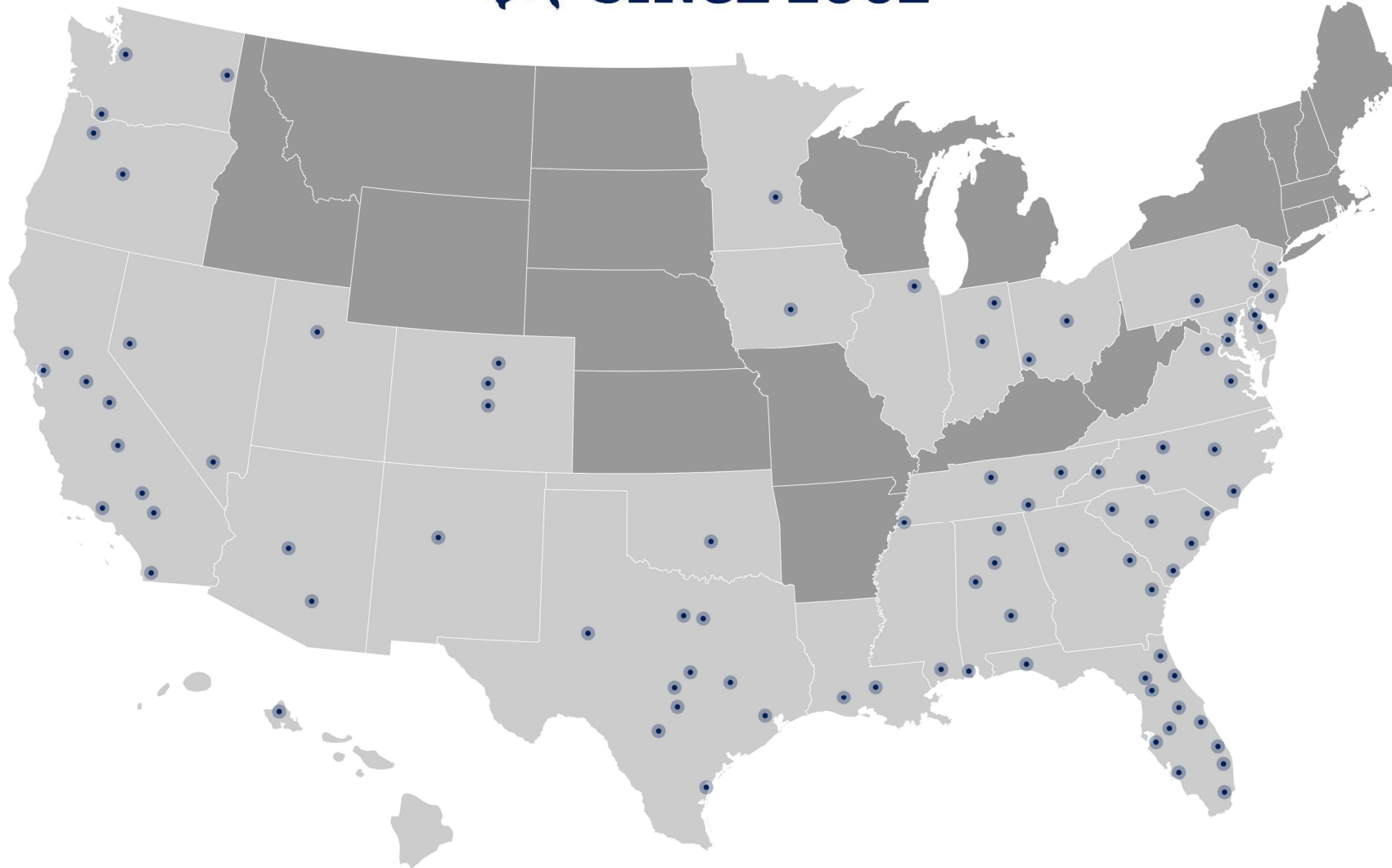




**D·R·HORTON®**  
*America's Builder*

# Investor Presentation

Q1 2021



## 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 effects of public health issues such as a major epidemic or pandemic, including the impact of COVID-19 (“C-19”) on the economy and our businesses; the cyclical nature of the homebuilding and lot development industries 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; 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; competitive conditions within the homebuilding, lot development and financial services industries; 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 information technology failures, data security breaches and our ability to satisfy privacy and data protection laws and regulations. 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 subsequent quarterly report on Form 10-Q, both of which are or will be filed with the Securities and Exchange Commission.



# D.R. HORTON, INC.

Traded on NYSE as DHI

**\$22.2 billion**

Consolidated revenues

---

**\$3.5 billion**

Consolidated pre-tax income

---

**28.0% & 24.4%**

ROI (HB) & ROE, respectively\*

---

**\$12.5 billion**

Stockholders' equity

---

**\$34.33**

Book value per common share

---

**17.3%**

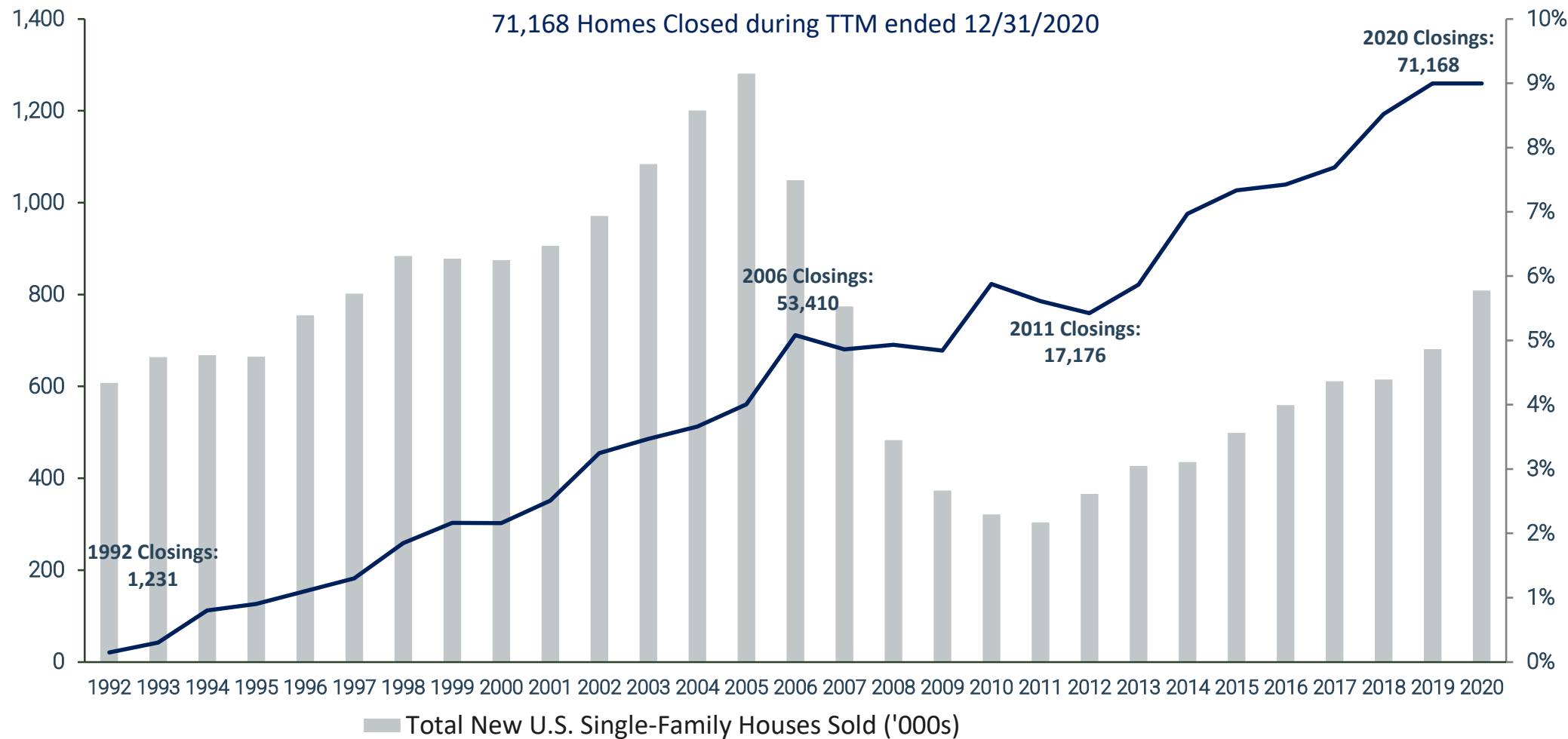
Homebuilding leverage\*

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As of or for the twelve-month period ended December 31, 2020

\*See slides 14 and 15 for definitions of ROI [Return on Inventory (Homebuilding)], ROE (Return on Equity) and homebuilding leverage

# DHI GROWTH, CONSOLIDATION AND MARKET SHARE



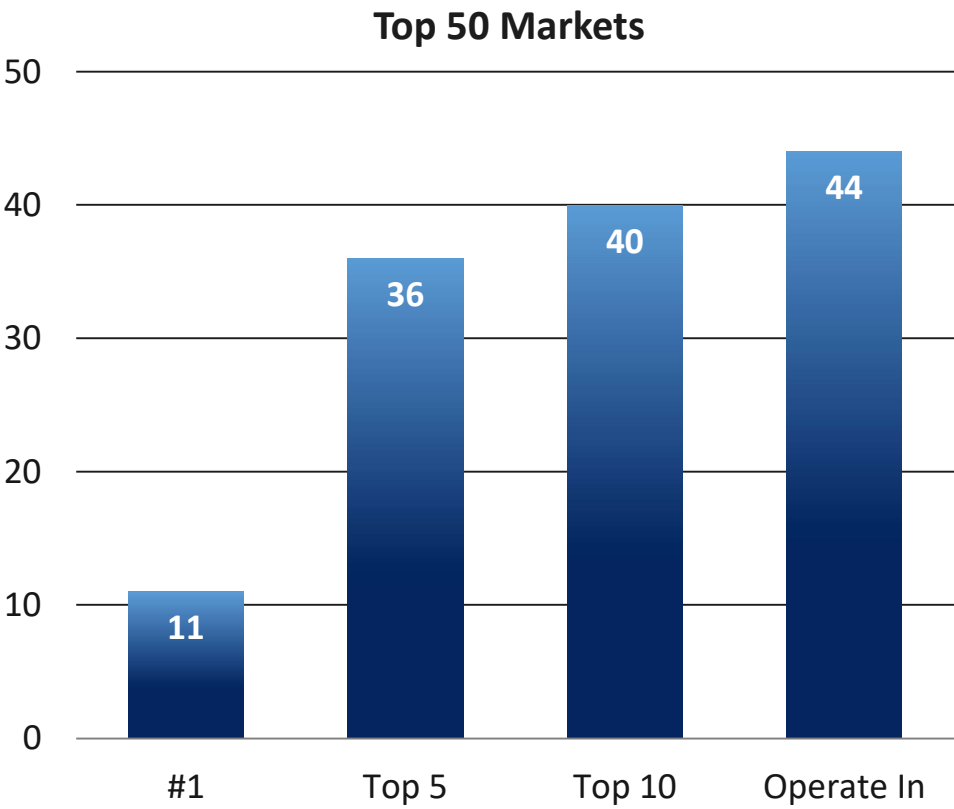
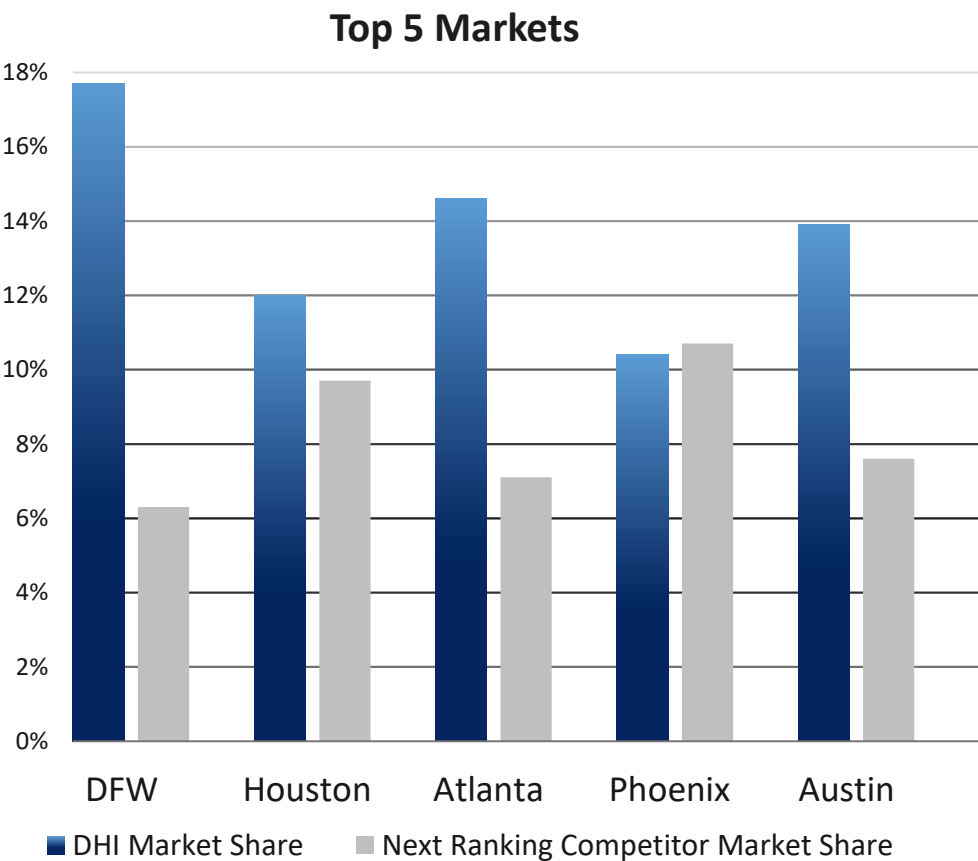
Source: Company filings, Census  
Note: Periods represent full calendar year



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# MARKET SHARE DOMINANCE

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



Source: Builder magazine - 2020 Local Leaders issue, rankings based on homes closed in calendar 2019



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# MANAGEMENT TENURE AND EXPERIENCE

Executive Team &  
Region Presidents  
~27 years

Division Presidents  
~15 years

City Managers  
>10 years

Average employee tenure



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## HOMEBUILDING OPERATIONAL FOCUS

- Maximize returns by managing inventories, sales pace and pricing in each community, while maintaining affordability for homebuyers
- Consolidate market share while generating strong profits and operating cash flow
- Maintain sufficient inventories of land, lots and homes to support growth plans
- Investment underwriting expectations for each new community:
  - Minimum 20% annual pre-tax return on inventory (ROI)
  - Initial cash investment returned within 24 months or less
- Expand relationships with land developers and grow Forestar's lot manufacturing platform to increase lots controlled
- Control SG&A while ensuring infrastructure supports the business



## CAPITAL AND CASH FLOW PRIORITIES

- Balanced, disciplined, flexible and opportunistic; focused on enhancing long-term value
- Strong balance sheet, ample liquidity and low leverage provide significant financial flexibility to effectively operate through changing economic conditions
- Invest in homebuilding business, including acquisitions
- Grow our multi-family and single-family rental platforms
- Maintain conservative homebuilding leverage & liquidity
  - No senior note maturities in next twelve months (repaid \$400 million of senior notes on 12/1/20)
  - Maintain higher cash balances than prior years to support increased scale
- Dividends to shareholders
  - Approximately \$290 million annually at current rate
- Repurchases of common stock
  - Repurchased 1.0 million shares during Q1 2021 for \$69.8 million
  - \$465.5 million remaining share repurchase authorization with no expiration date

# GEOGRAPHIC DIVERSIFICATION

90 Markets | 29 States

## East

Delaware, Maryland, New Jersey, North and South Carolina, Pennsylvania, Virginia

## Midwest

Colorado, Illinois, Indiana, Iowa, Minnesota, Ohio

## South Central

Louisiana, Oklahoma, Texas

## Southeast

Alabama, Florida, Georgia, Mississippi, Tennessee

## Southwest

Arizona, New Mexico

## West

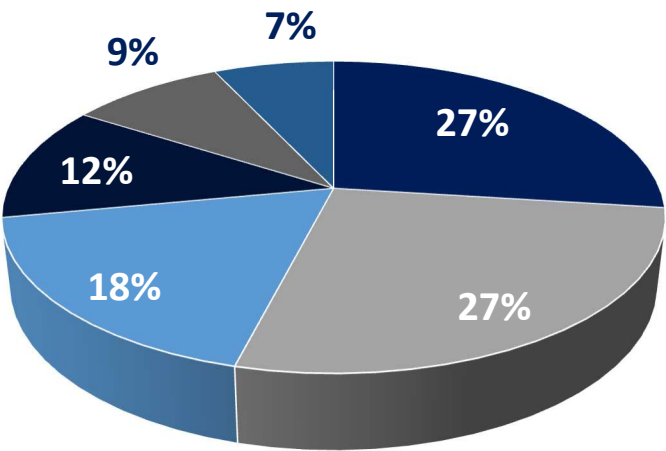
California, Hawaii, Nevada, Oregon, Utah, Washington

As of or for the twelve-month period ended December 31, 2020  
Savannah, Georgia is included in the East Region; Atlanta and Augusta, Georgia are included in the Southeast Region



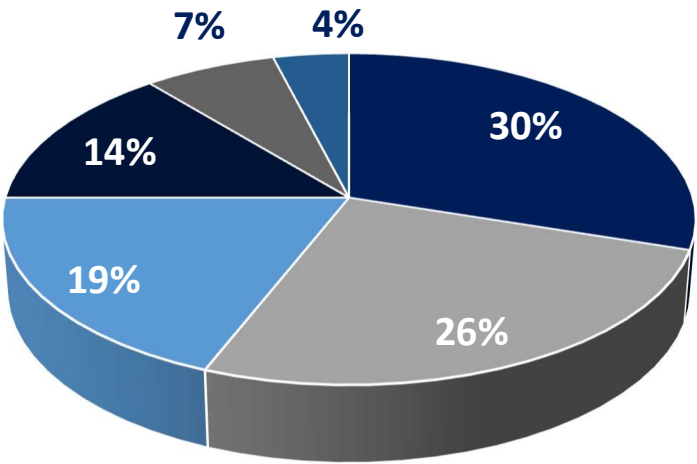
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Inventory



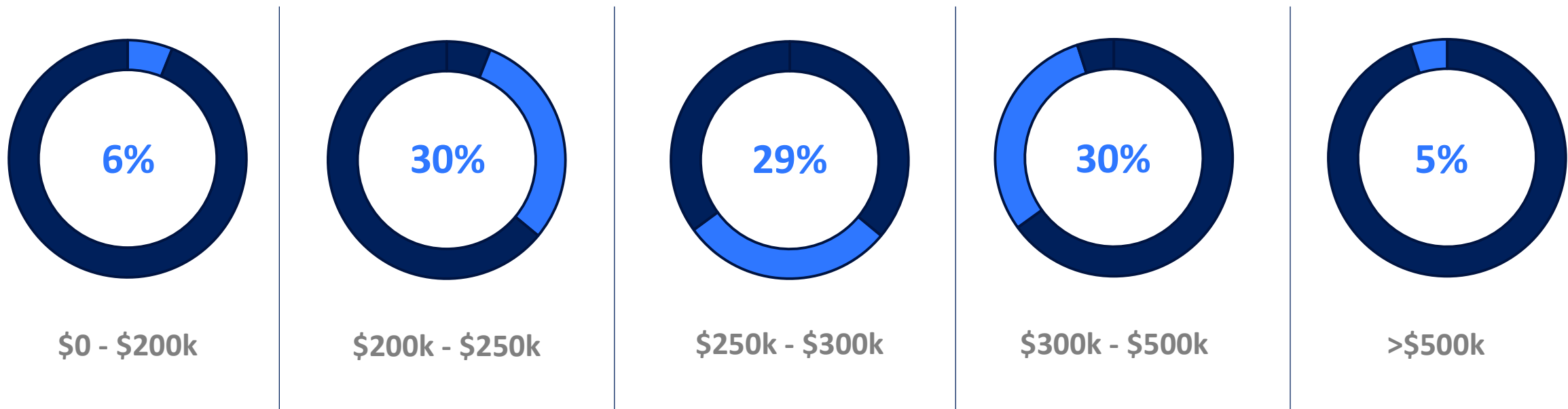
■ Southeast ■ South Central ■ West ■ East ■ Midwest ■ Southwest

Homebuilding Revenue







# DIVERSE PRODUCT OFFERINGS AND PRICE POINTS

Homes for entry-level, move-up, active adult and luxury buyers  
65% of homes closed <\$300k



Represents price points of homes closed for the twelve months ended 12/31/20

# FAMILY OF BRANDS

	Homes Sold	Homes Closed	Homes Sales Revenue	Average Selling Price	Number of Markets	Number of States
	65%	64%	67%	\$317k	90	29
	31%	32%	27%	\$256k	62	19
	3%	3%	3%	\$300k	25	12
	1%	1%	3%	\$534k	20	9

As of or for the twelve months ended December 31, 2020



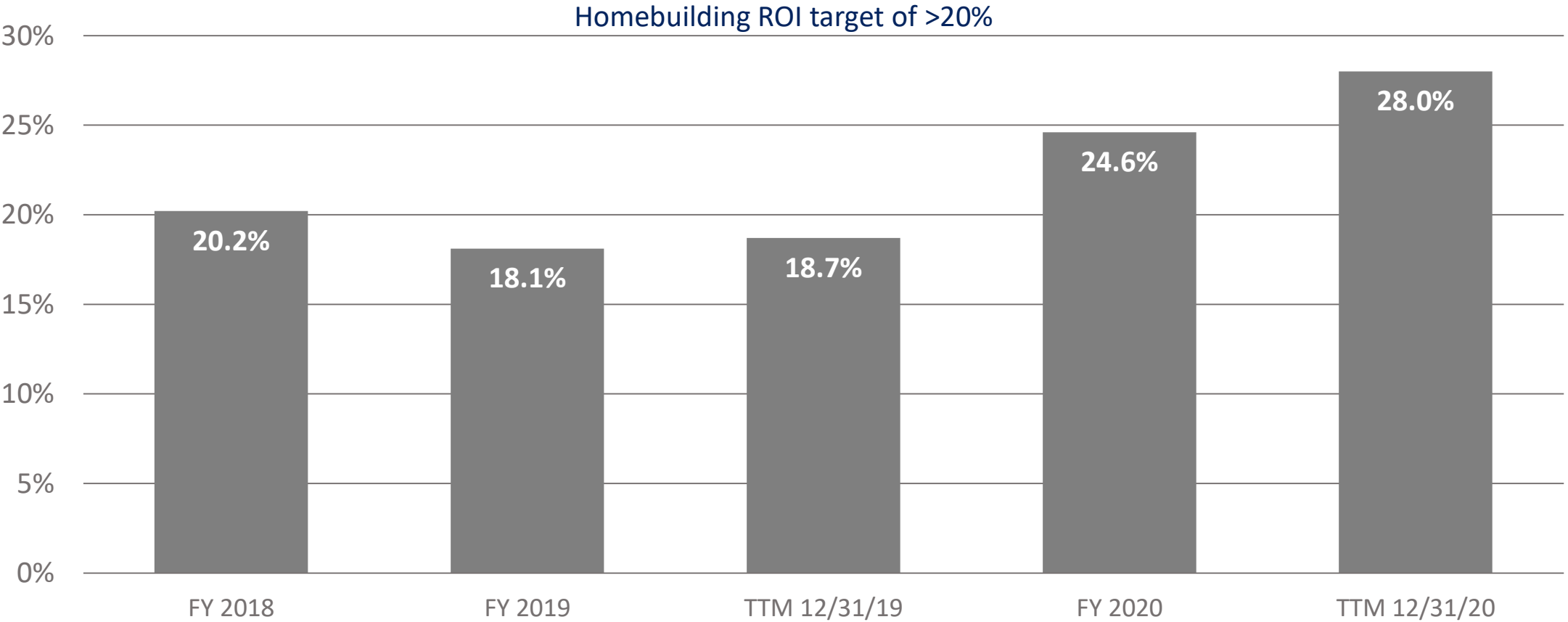
## FORESTAR (“FOR”)



- DHI owns 65% of FOR, a publicly traded residential lot manufacturer with operations in 51 markets and 21 states
- Supports DHI’s strategy of increasing land and lots controlled through purchase contracts
- FOR delivered 3,567 lots and generated \$307.1 million of revenue in Q1 2021
- FY21 Expectations\*: 13,500 to 14,000 lots sold, \$1.1 to \$1.2 billion of revenue and a pre-tax profit margin of ~10%
- Liquidity of \$580 million: \$240 million unrestricted cash; \$340 million available on revolving credit facility
- Net debt to capitalization of 31.8%; next senior note maturity in fiscal 2024
- FOR raised both debt and equity capital during FY19 and FY20 to fund its growth and expects to opportunistically raise additional growth capital in the public markets
- DHI’s long-term goal is to deconsolidate FOR from DHI’s financial statements

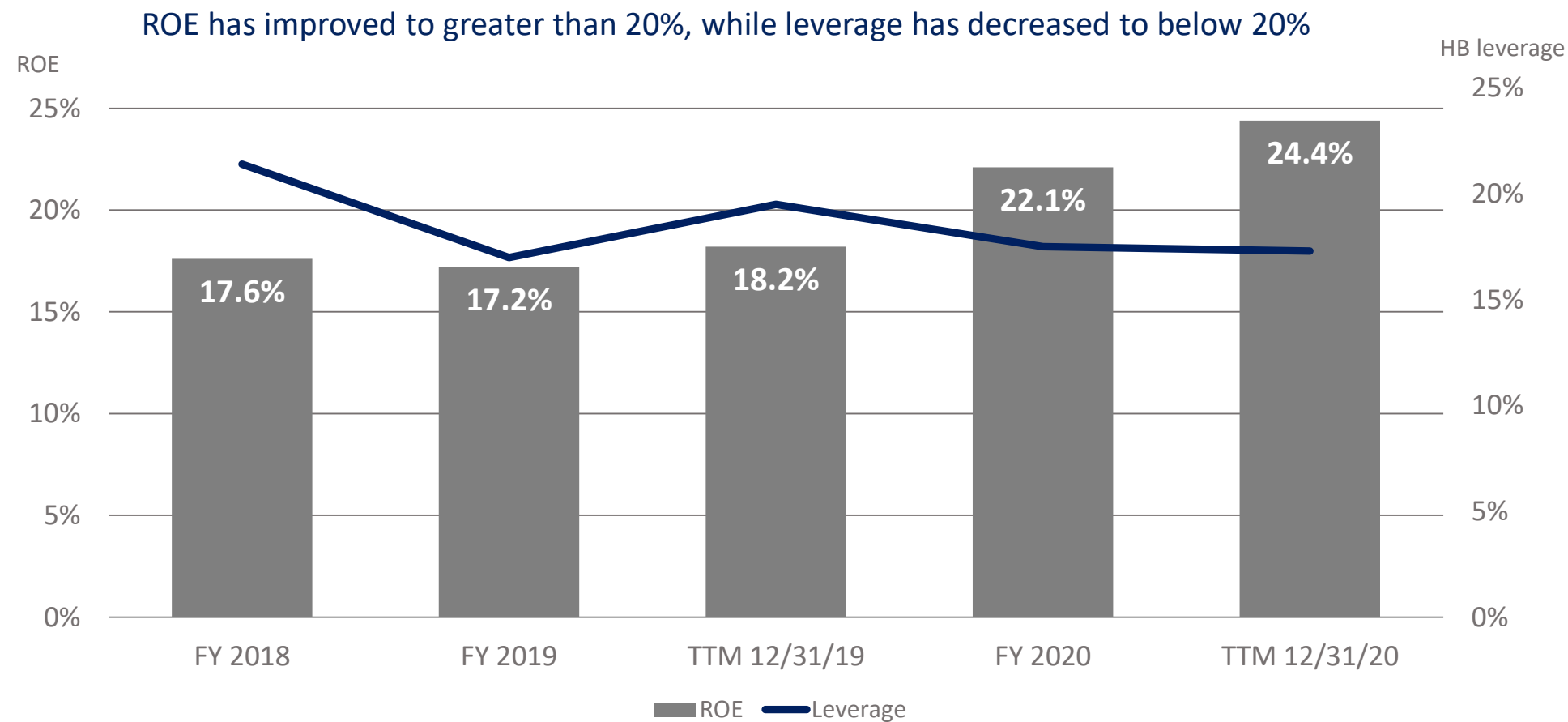
\*Expectations are for Forestar’s standalone operations as noted on their Q1 FY21 conference call on 1/21/21

# EMPHASIS ON RETURN ON INVENTORY (ROI)



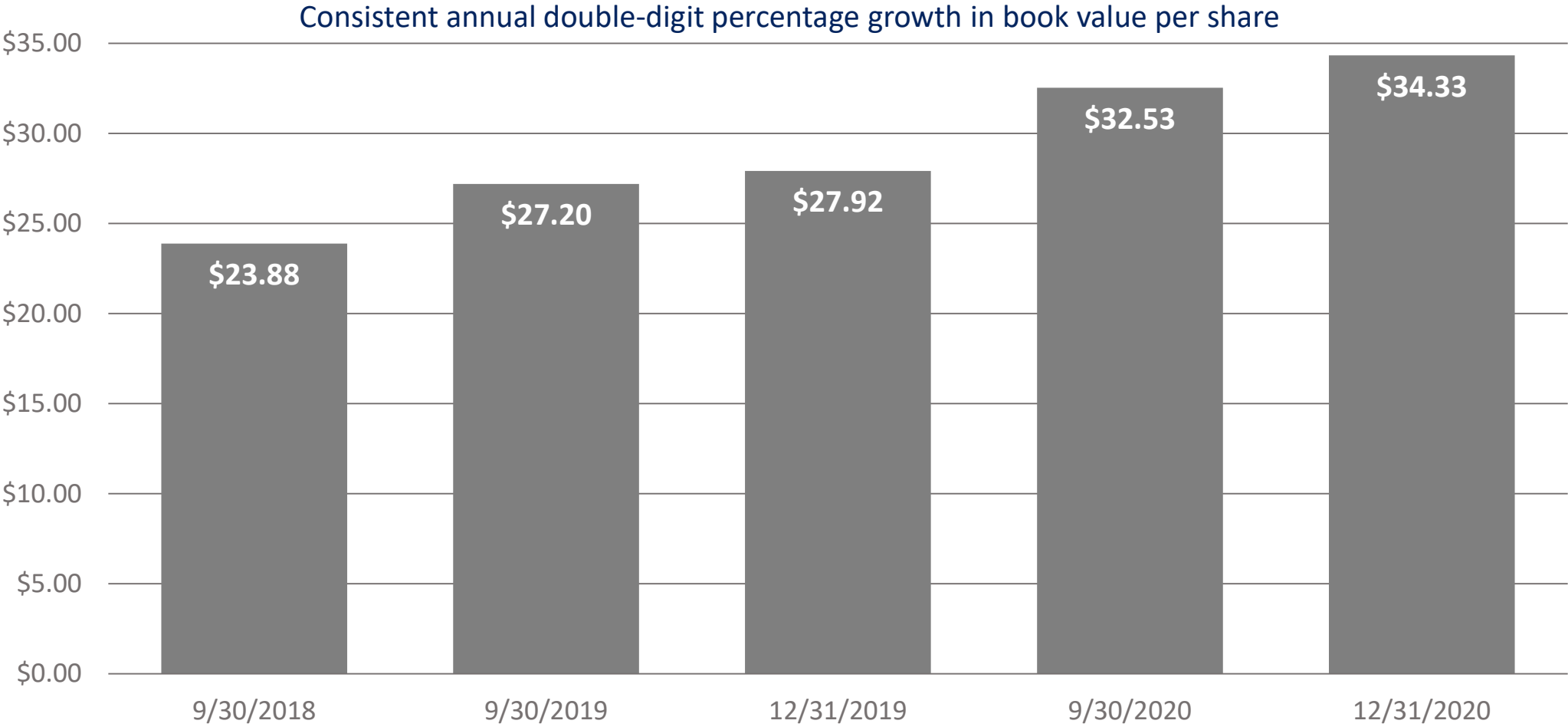
Homebuilding ROI is calculated as homebuilding pre-tax income for the year divided by average homebuilding inventory. Average homebuilding inventory in the ROI calculation is the sum of ending homebuilding inventory balances for the trailing five quarters divided by five.

# RETURN ON EQUITY (ROE)



ROE is calculated as net income divided by average stockholders’ equity. Average stockholders’ equity in the ROE calculation is the sum of ending stockholders’ equity balances for the trailing five quarters divided by five.  
Leverage is calculated as homebuilding (HB) notes payable divided by stockholders’ equity plus homebuilding notes payable.

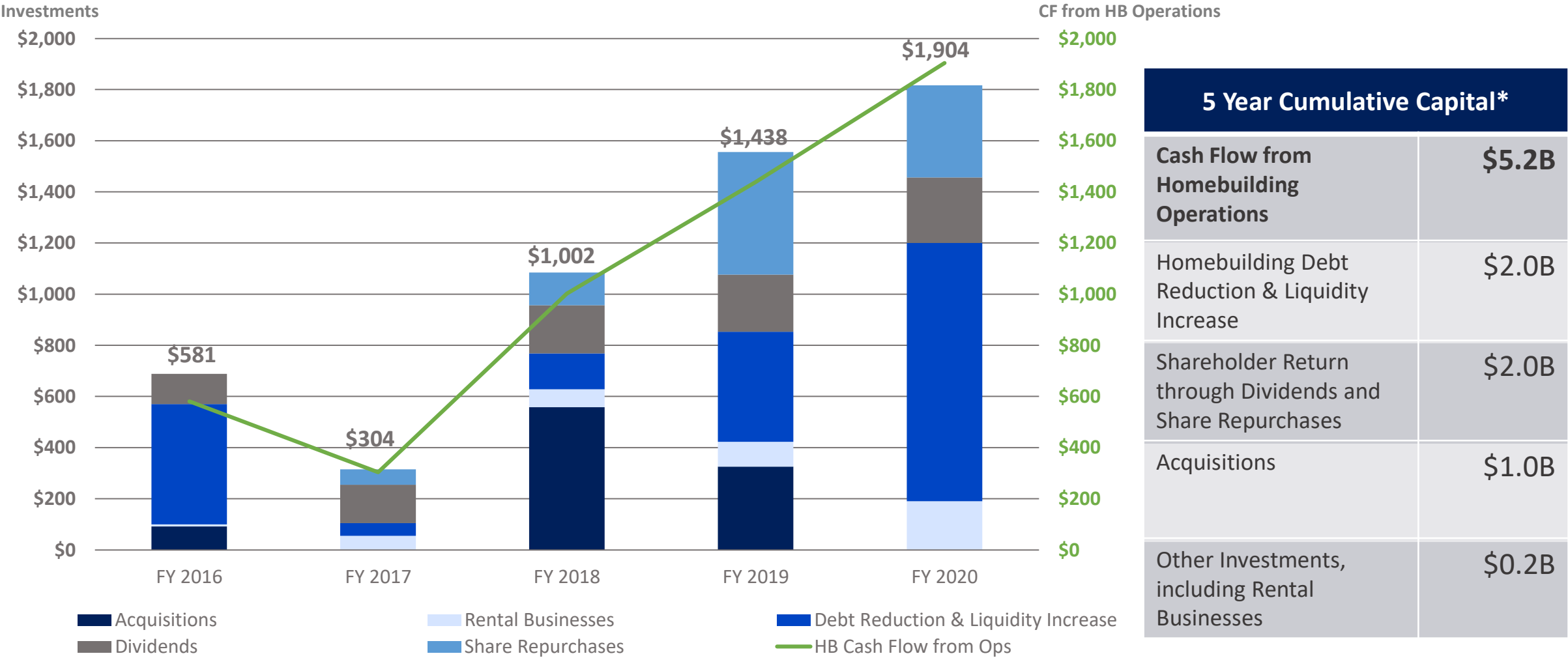
# BOOK VALUE PER SHARE





# CASH FLOW AT WORK

Utilization of greater than \$5 billion of cash generated by homebuilding operations



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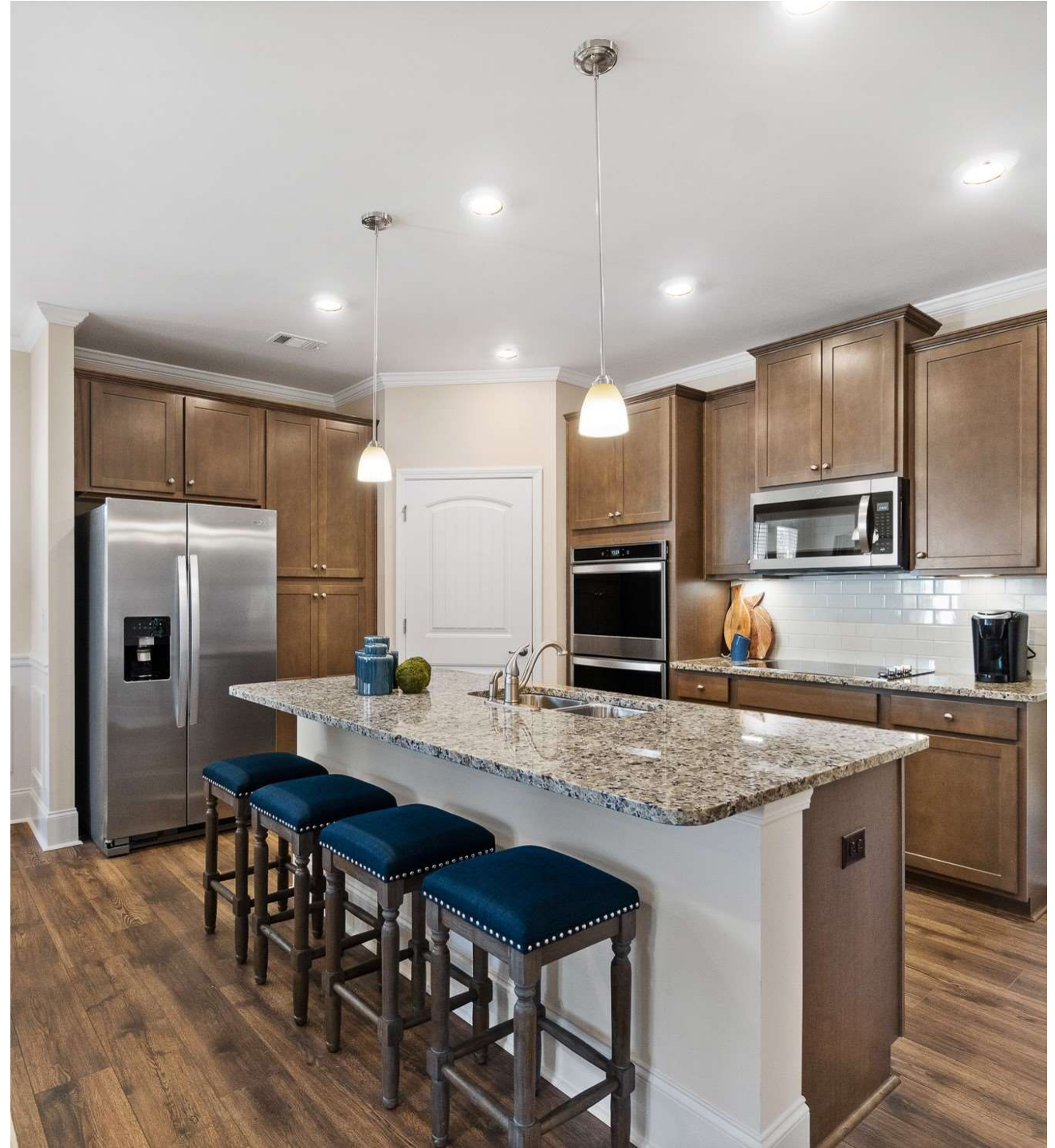
\$ in millions  
\*5 fiscal years ended 9/30/20

## EXPECTATIONS\*

- **Q2 FY 2021**
  - Consolidated revenues in a range of \$6.0 billion to \$6.2 billion
  - Homes closed between 19,000 homes and 19,500 homes
  - Home sales gross margin around 24.1%
  - Homebuilding SG&A of approximately 7.9% of homebuilding revenues
  - Financial services pre-tax profit margin of 40% to 45%
  - Income tax rate of 23.0% to 23.5%
- **FY 2021**
  - Consolidated revenues in a range of \$25.2 billion to \$25.8 billion
  - Homes closed between 80,000 homes and 82,000 homes
  - Income tax rate of 23.0% to 23.5%
  - Outstanding share count at the end of FY21 approximately flat with the end of FY20

\*Based on current market conditions as noted on the Company's Q1 FY21 conference call on 1/26/21

# First Quarter Data



## Q1 FY 2021 HIGHLIGHTS

- Net income per diluted share increased 84% to \$2.14
- Net income attributable to D.R. Horton increased 84% to \$792 million
- Consolidated revenues increased 48% to \$5.9 billion
- Consolidated pre-tax income increased 98% to \$1.0 billion
- Consolidated pre-tax profit margin improved 440 basis points to 17.4%
- Net homes sold and homes closed increased by 56% and 45%, respectively
- 20,418 net homes sold and 18,739 homes closed

Comparisons to the prior year quarter

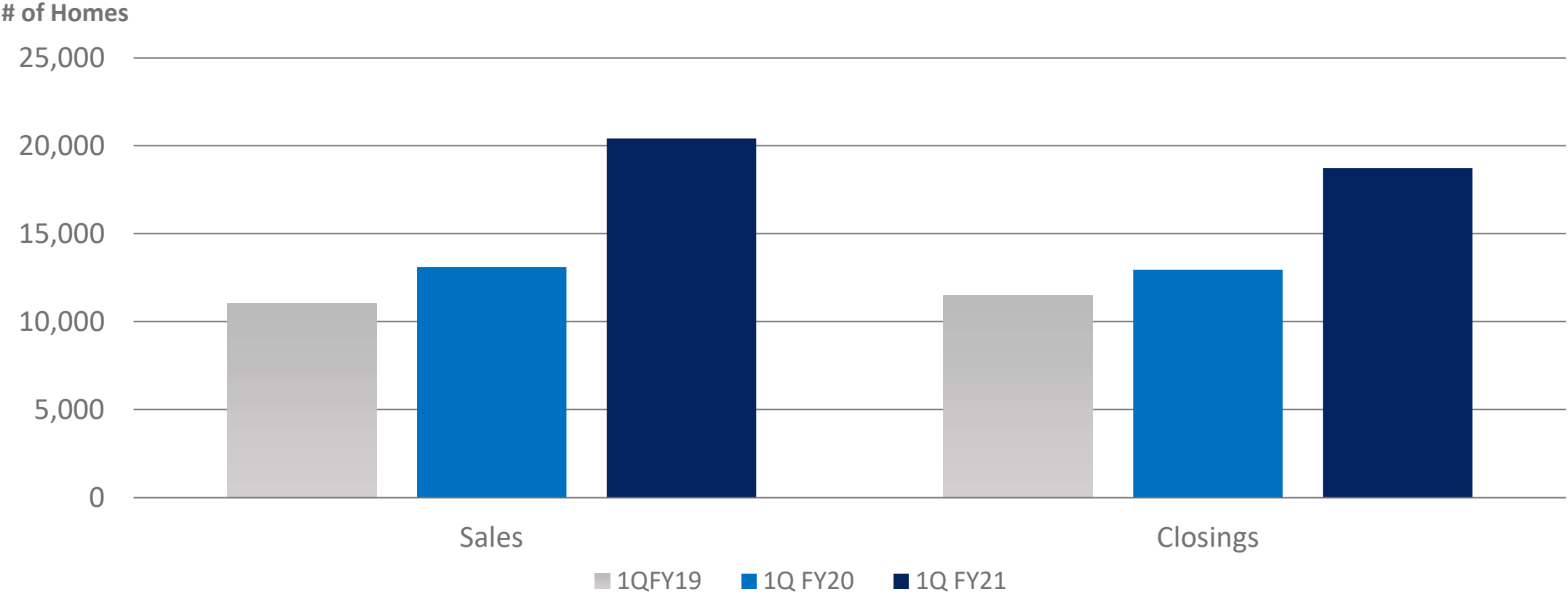


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# SALES AND CLOSINGS

Net Sales Orders and Homes Closed increased 56% and 45%, respectively, in Q1 FY 2021 compared to Q1 FY 2020

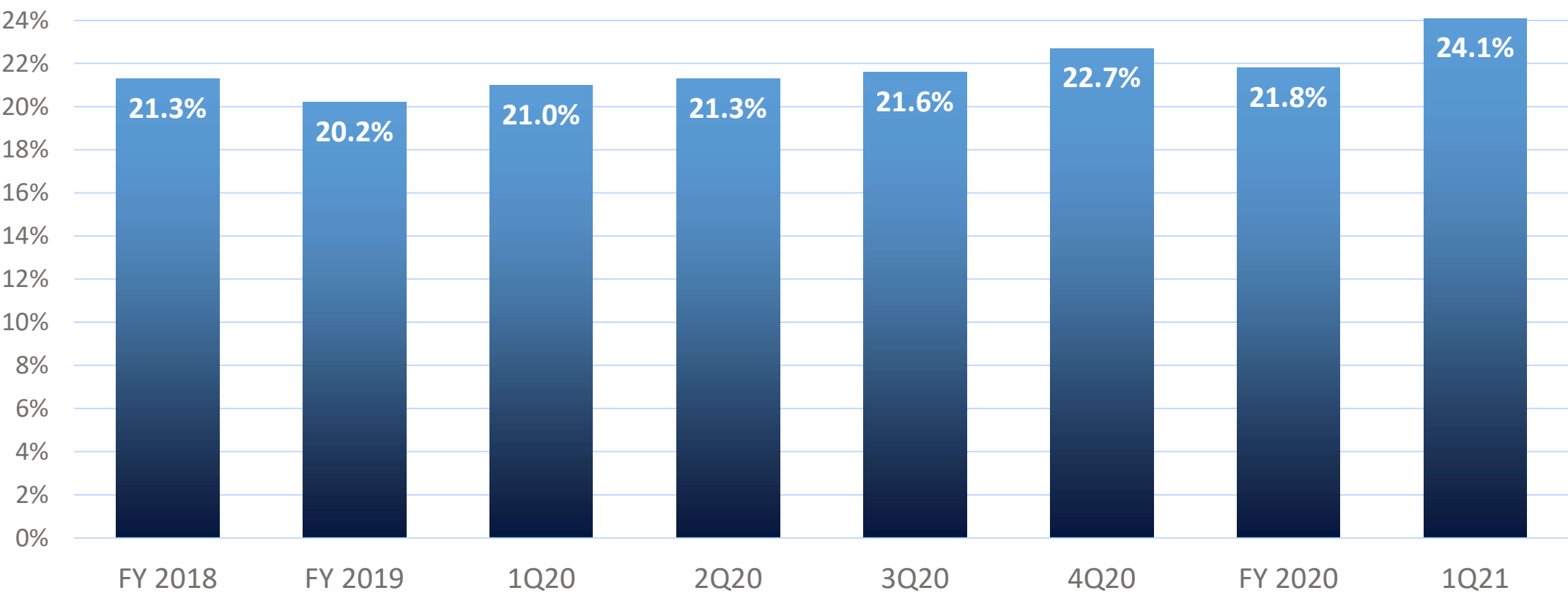


# INCOME STATEMENT

	3 MONTHS ENDED		FISCAL YEAR ENDED	
	12/31/2020	12/31/2019	9/30/2020	9/30/2019
Homes closed	18,739	12,959	65,388	56,975
Homebuilding				
Revenues:				
Home sales	\$ 5,698.7	\$ 3,863.3	\$ 19,560.8	\$ 16,925.0
Land/lot sales	19.9	19.7	83.1	91.9
	5,718.6	3,883.0	19,643.9	17,016.9
Gross profit:				
Home sales	1,373.6	811.7	4,255.0	3,417.9
Land/lot sales and other	6.1	6.4	24.8	16.8
Inventory and land option charges	(7.9)	(3.5)	(22.9)	(53.2)
	1,371.8	814.6	4,256.9	3,381.5
SG&A	451.2	358.4	1,603.6	1,482.3
Gain on sale of assets	(13.1)	-	-	(2.0)
Interest and other (income)	(1.5)	(5.4)	(11.7)	(9.5)
Homebuilding pre-tax income	935.2	461.6	2,665.0	1,910.7
Financial services, Forestar and other pre-tax income	99.1	61.7	318.0	214.6
Pre-tax income	1,034.3	523.3	2,983.0	2,125.3
Income tax expense	239.1	90.8	602.5	506.7
Net income	795.2	432.5	2,380.5	1,618.6
Net income attributable to noncontrolling interests	3.4	1.2	6.8	0.1
Net income attributable to D.R. Horton, Inc.	\$ 791.8	\$ 431.3	\$ 2,373.7	\$ 1,618.5
Net income per diluted share	\$ 2.14	\$ 1.16	\$ 6.41	\$ 4.29

\$ in millions except per share data

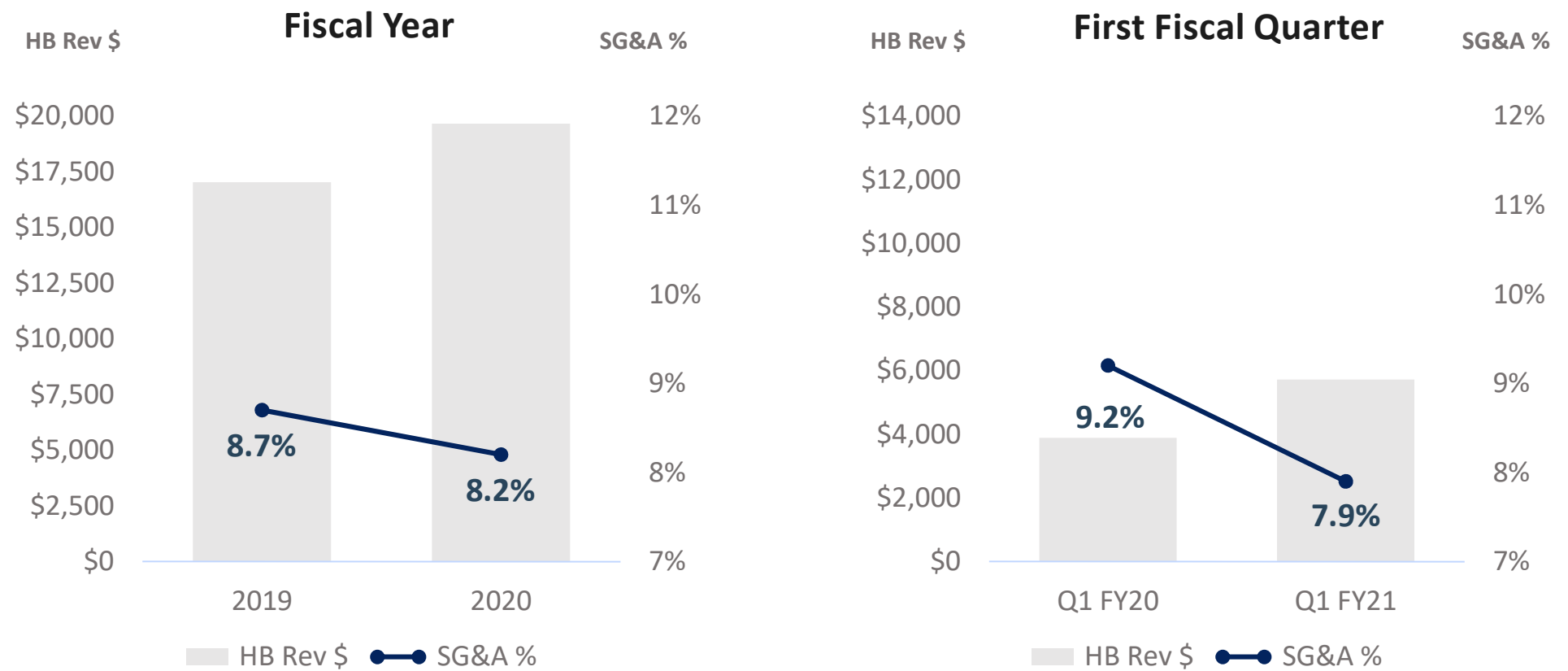
# HOME SALES GROSS MARGIN



Shown as a % of the Company’s homebuilding segment’s home sales revenues  
Includes interest amortized to cost of sales  
Refer to slide 4 of the Company’s Q1 FY21 Supplementary Data presentation for detailed components of home sales gross margin

# HOMEBUILDING SG&A

SG&A as a percentage of homebuilding revenues improved 130 basis points to 7.9% in Q1 FY 2021

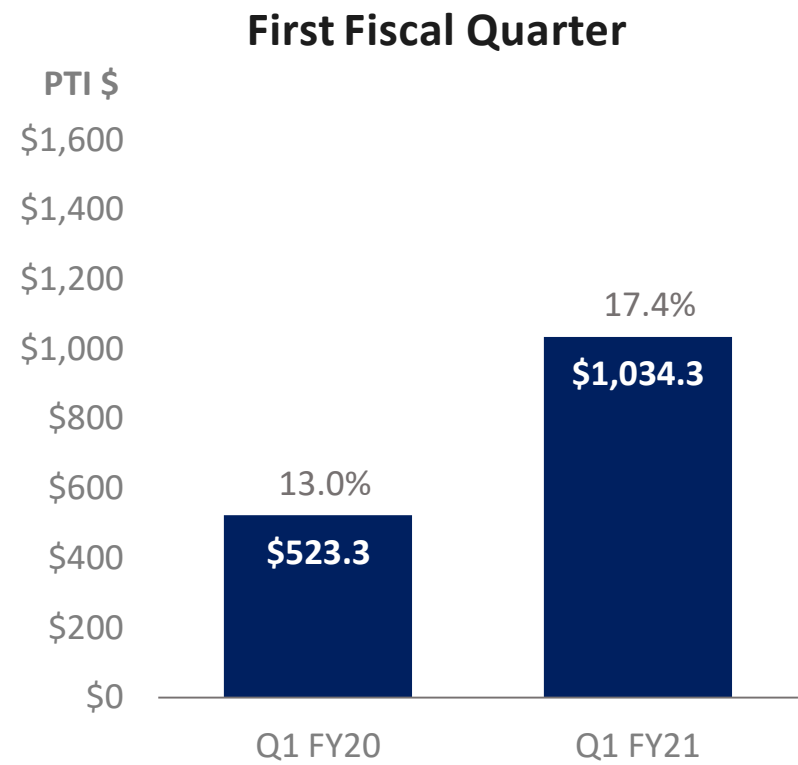
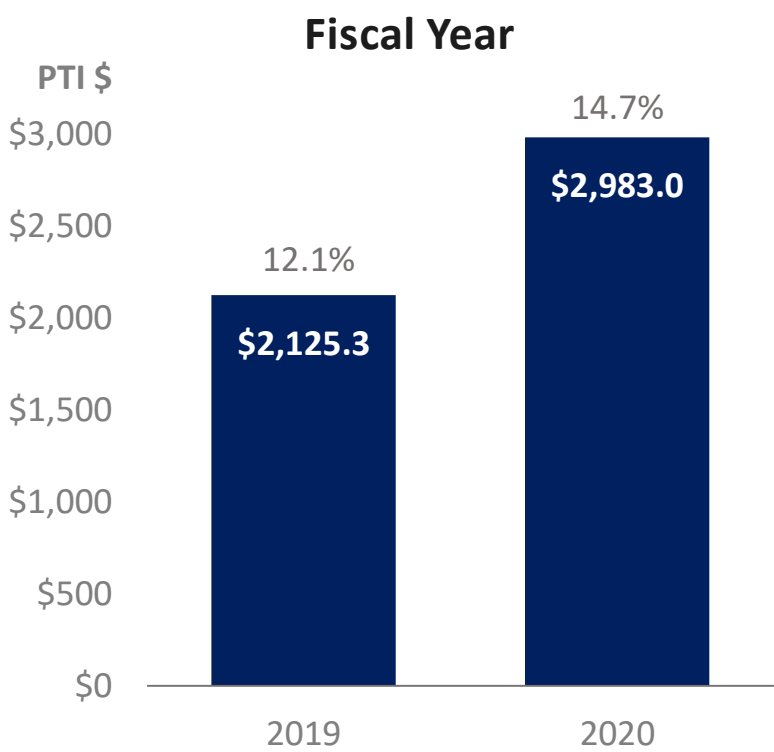


\$ in millions  
 Shown as a % of homebuilding revenues



# CONSOLIDATED PRE-TAX INCOME

Consolidated pre-tax profit margin improved 440 basis points to 17.4% in Q1 FY 2021



\$ in millions  
Shown as a % of consolidated revenues

# BALANCE SHEET

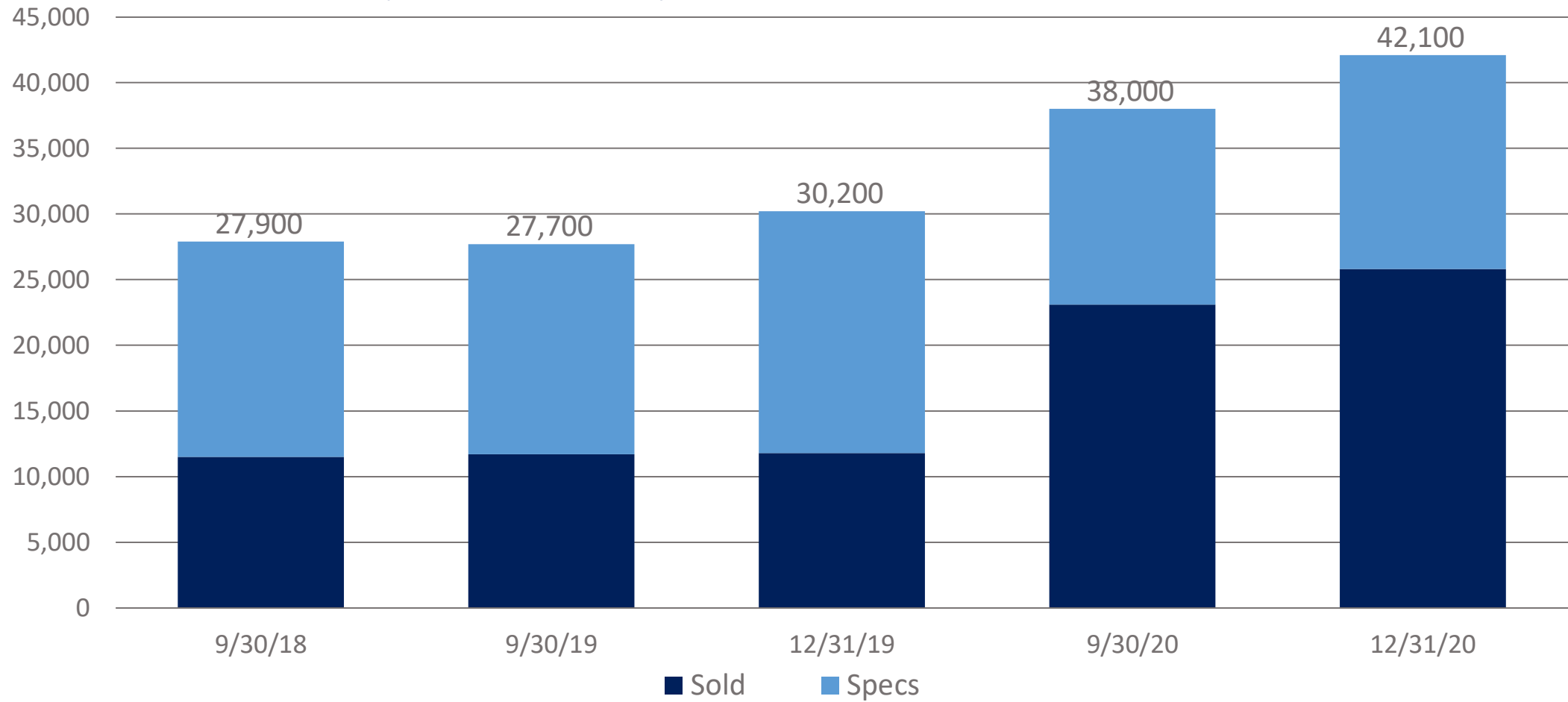
	12/31/2020	9/30/2020	12/31/2019
Homebuilding			
Cash and cash equivalents	\$ 2,140.1	\$ 2,560.6	\$ 1,159.5
Inventories:			
Construction in progress and finished homes	6,665.1	6,037.5	5,603.3
Land inventories	5,473.4	4,977.5	5,282.3
	12,138.5	11,015.0	10,885.6
Other assets	1,644.3	1,503.5	1,291.5
Deferred income taxes, net	142.0	144.9	154.1
Financial services, Forestar and other assets	3,715.5	3,688.3	2,832.2
Total assets	\$ 19,780.4	\$ 18,912.3	\$ 16,322.9
Homebuilding			
Notes payable	\$ 2,606.2	\$ 2,514.4	\$ 2,470.0
Other liabilities	2,528.0	2,297.6	1,865.3
Financial services, Forestar and other liabilities	1,875.9	1,978.8	1,484.7
Stockholders' equity	12,485.2	11,840.0	10,227.4
Noncontrolling interests	285.1	281.5	275.5
Total equity	12,770.3	12,121.5	10,502.9
Total liabilities and equity	\$ 19,780.4	\$ 18,912.3	\$ 16,322.9
Debt to total capital – homebuilding	17.3%	17.5%	19.5%
Common shares outstanding	363.65	364.00	366.27
Book value per common share	\$ 34.33	\$ 32.53	\$ 27.92

\$ in millions except per share metrics

Homebuilding cash and cash equivalents presented above includes \$10.8 million, \$9.5 million and \$6.6 million of restricted cash for the periods ended 12/31/20, 9/30/20 and 12/31/19, respectively.

# HOMES IN INVENTORY

Well-positioned to respond to increased new home demand

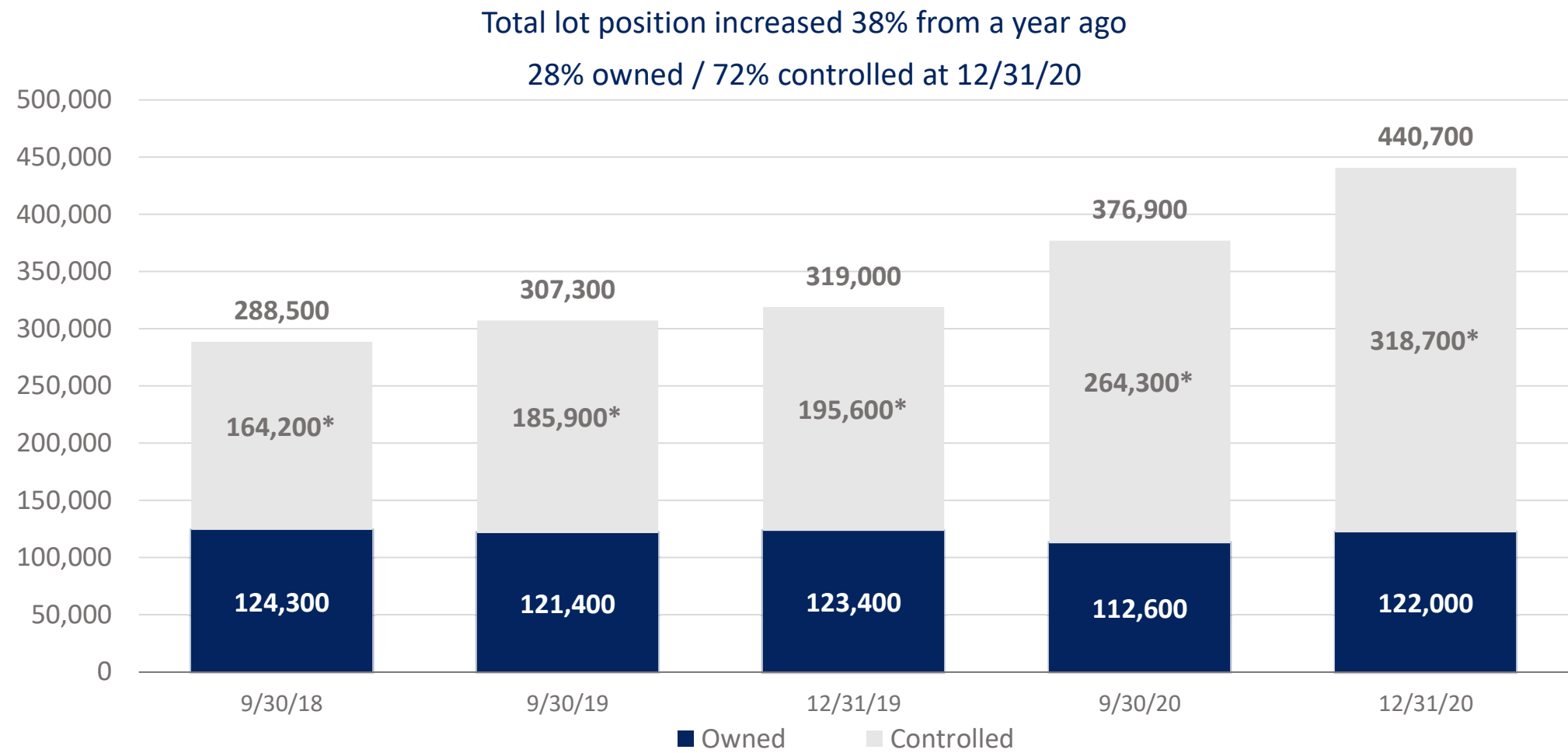


Homes in inventory excluding model homes



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# HOMEBUILDING LAND AND LOT POSITION



\*Includes lots owned or controlled by FOR that DHI has under contract or the right of first offer to purchase of 34,900, 30,400, 25,600, 23,400 and 13,600 at 12/31/20, 9/30/20, 12/31/19, 9/30/19 and 9/30/18, respectively

# HOMEBUILDING PUBLIC DEBT MATURITIES BY YEAR

