

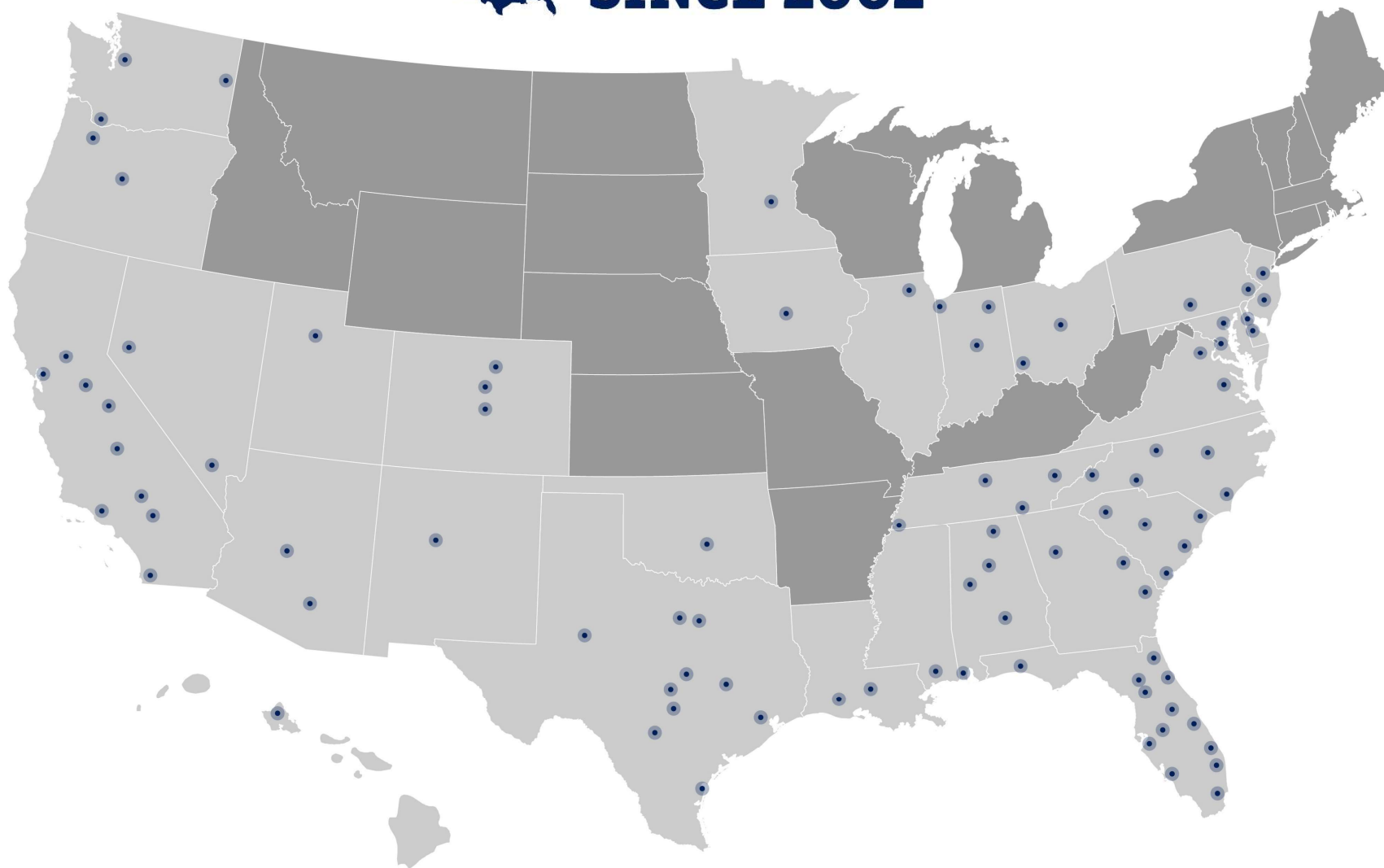


D·R·HORTON®
America's Builder

Investor Presentation

Q2 2021

#1 AMERICA'S #1 HOMEBUILDER
SINCE 2002



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 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 most recent report on Form 10-Q, both of which are filed with the Securities and Exchange Commission.

D.R. HORTON, INC.

Traded on NYSE as DHI

\$24.2 billion

Consolidated revenues

\$4.1 billion

Consolidated pre-tax income

31.2% & 27.1%

ROI (HB) & ROE, respectively*

\$13.0 billion

Stockholders' equity

\$35.96

Book value per common share

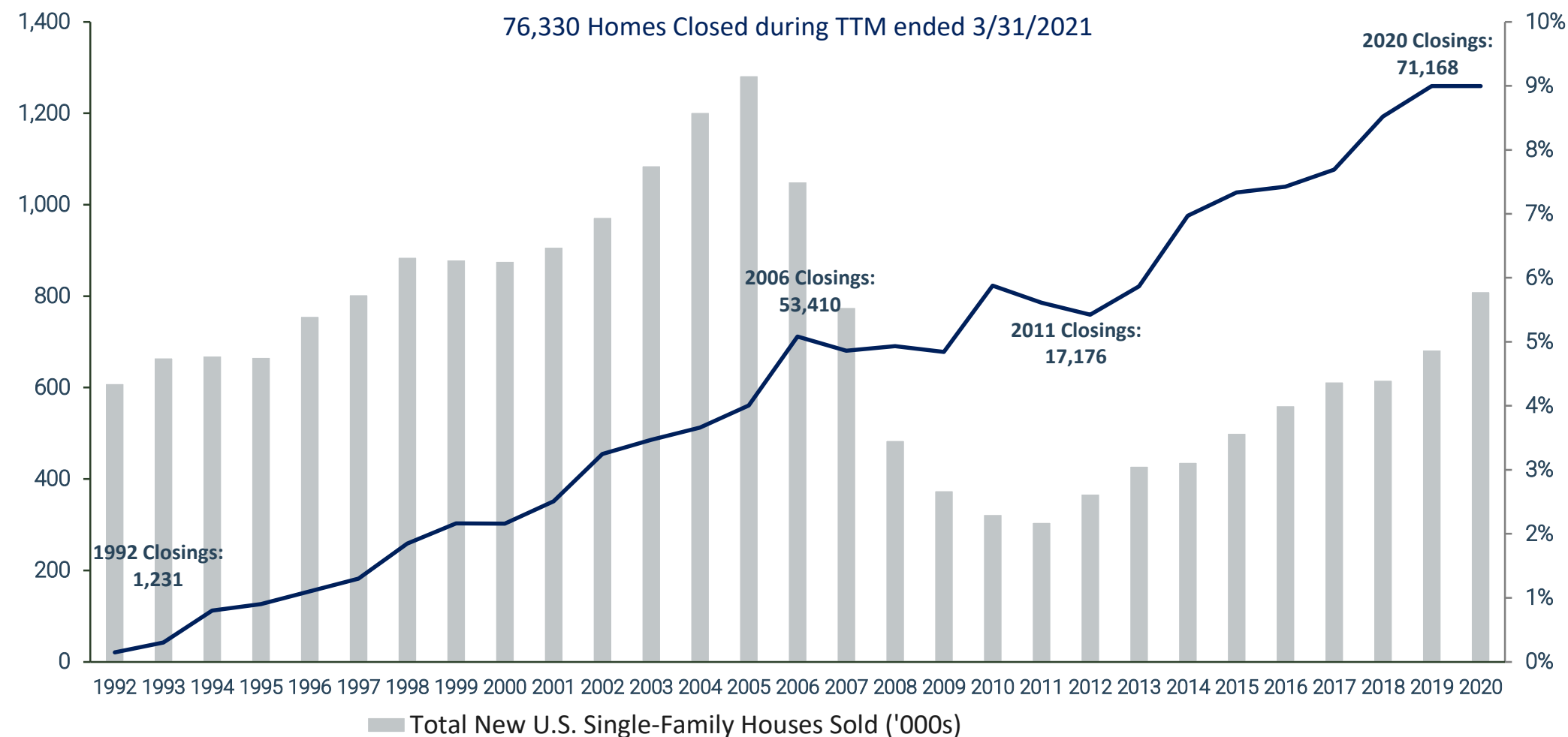
16.8%

Homebuilding leverage*

As of or for the twelve-month period ended March 31, 2021

*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



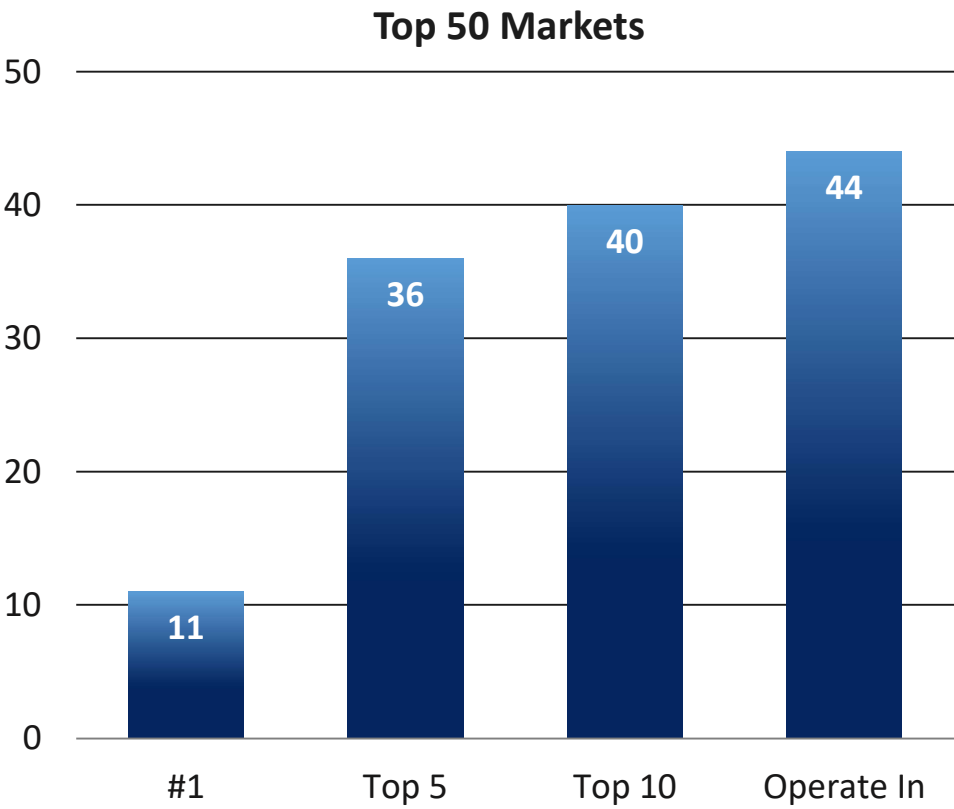
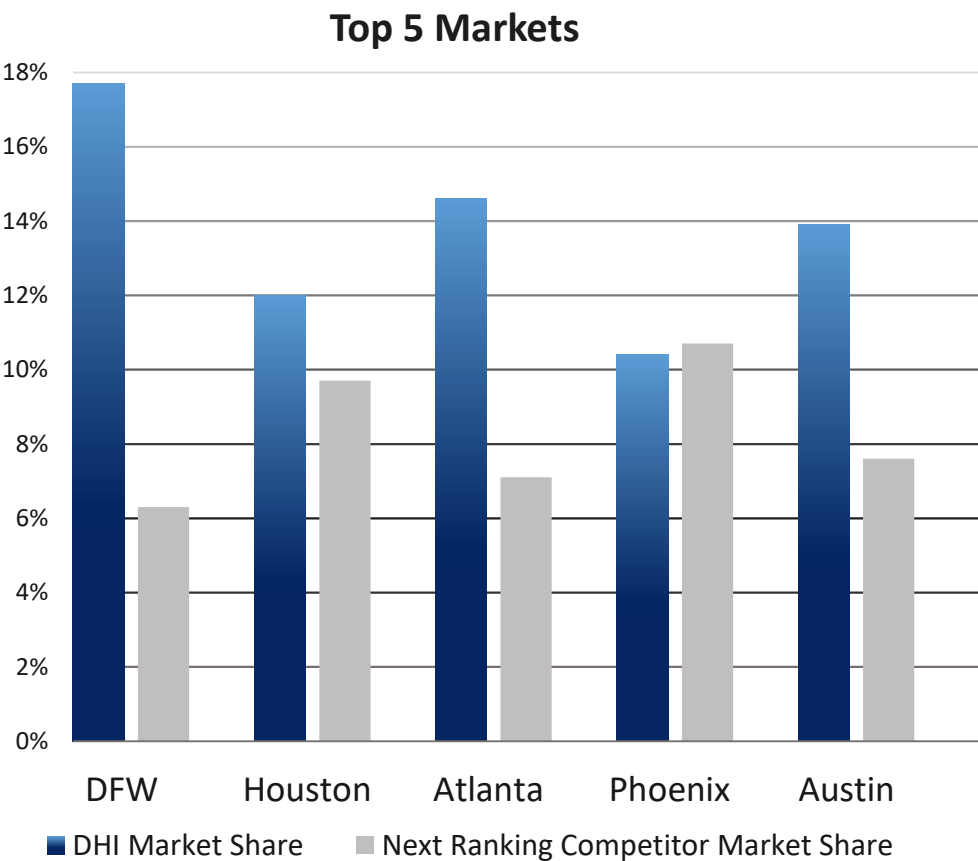
Source: Company filings, Census
Note: Periods represent full calendar year



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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, liquidity and low leverage provide significant financial flexibility
- 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
 - 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 5.5 million shares during the six months ended 3/31/21 for \$420.2 million
 - In April 2021, new \$1.0 billion share repurchase authorization with no expiration date

GEOGRAPHIC DIVERSIFICATION

91 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

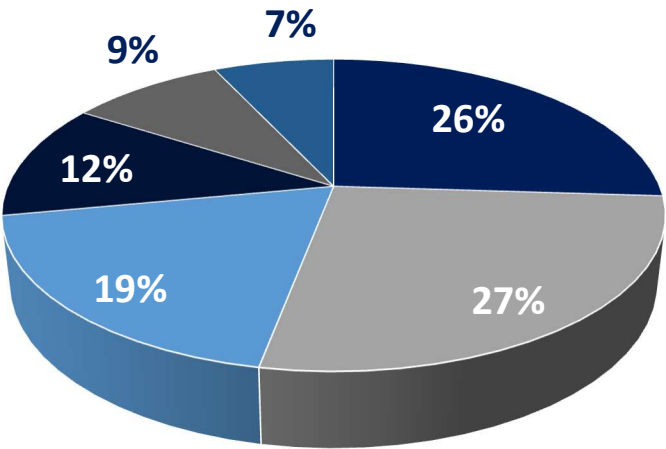
California, Hawaii, Nevada, Oregon, Utah, Washington

As of or for the twelve-month period ended March 31, 2021
Savannah, Georgia is included in the East Region; Atlanta and Augusta, Georgia are included in the Southeast Region



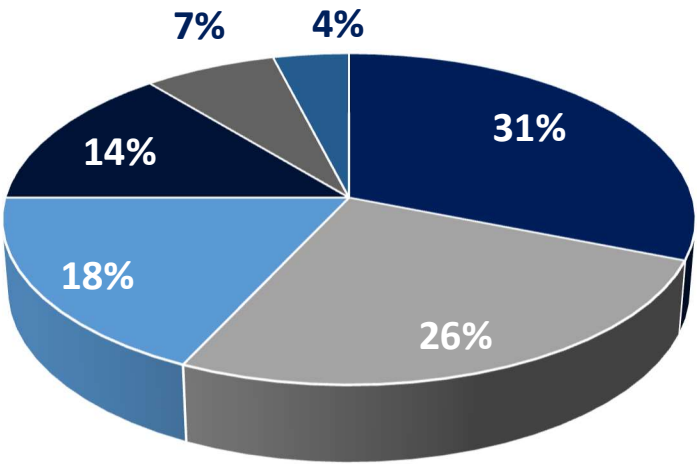
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Inventory



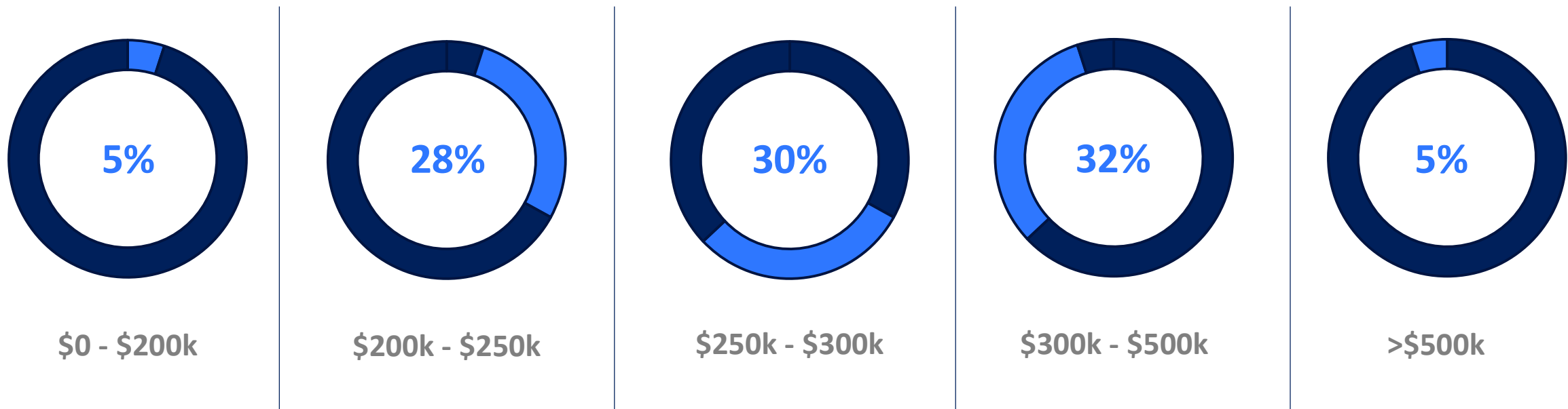
■ Southeast ■ South Central ■ West ■ East ■ Midwest ■ Southwest

Homebuilding Revenue



DIVERSE PRODUCT OFFERINGS AND PRICE POINTS

Homes for entry-level, move-up, active adult and luxury buyers
63% of homes closed <\$300k



Represents price points of homes closed for the twelve months ended 3/31/21

FAMILY OF BRANDS

	Homes Sold	Homes Closed	Homes Sales Revenue	Average Selling Price	Number of Markets	Number of States
	66%	65%	68%	\$320k	91	29
	30%	31%	27%	\$260k	63	20
	3%	3%	3%	\$305k	24	11
	1%	1%	2%	\$532k	19	7

As of or for the twelve months ended March 31, 2021

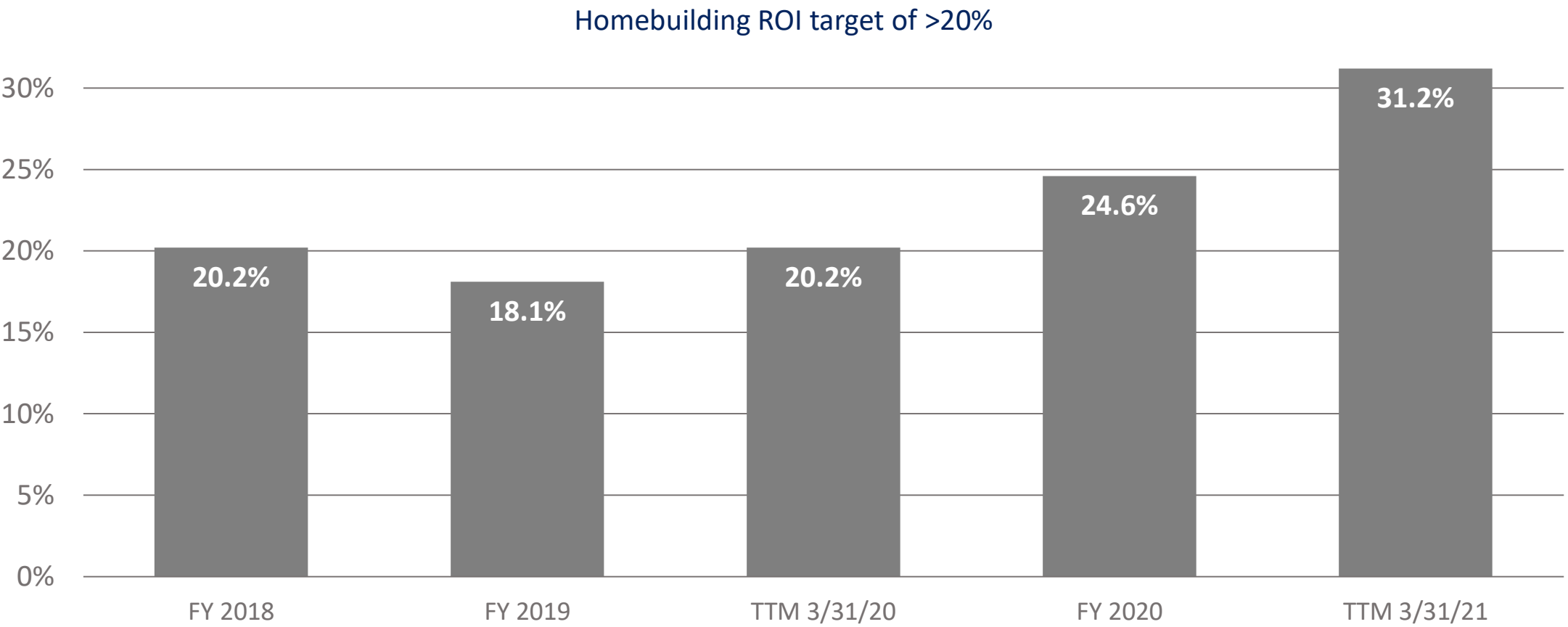
FORESTAR (“FOR”)



- DHI owns 64% of FOR, a publicly traded residential lot manufacturer with operations in 54 markets and 22 states
- Supports DHI’s strategy of increasing land and lots controlled through purchase contracts
- FOR delivered 7,155 lots and generated \$594.2 million of revenue during the six months ended 3/31/21
- FY21 Expectations*: 14,500 to 15,000 lots sold, \$1.2 to \$1.25 billion of revenue and a pre-tax profit margin of 10.0% to 10.5%
- Liquidity of \$500 million: \$170 million unrestricted cash; \$330 million available on revolving credit facility
- Net debt to capitalization of 34.1%
- FOR has raised both debt and equity capital during FY19 - FY21 to fund its growth and expects to opportunistically raise additional growth capital in the public markets
 - During Q2 2021, issued 1.0 million shares of common stock through its at-the-market equity offering program for net proceeds of \$23.3 million
 - In April 2021, issued \$400 million of 3.85% senior notes due 2026 and plans to use part of the proceeds to redeem \$350 million of 8.00% senior notes due 2024
- DHI’s long-term goal is to deconsolidate FOR from DHI’s financial statements

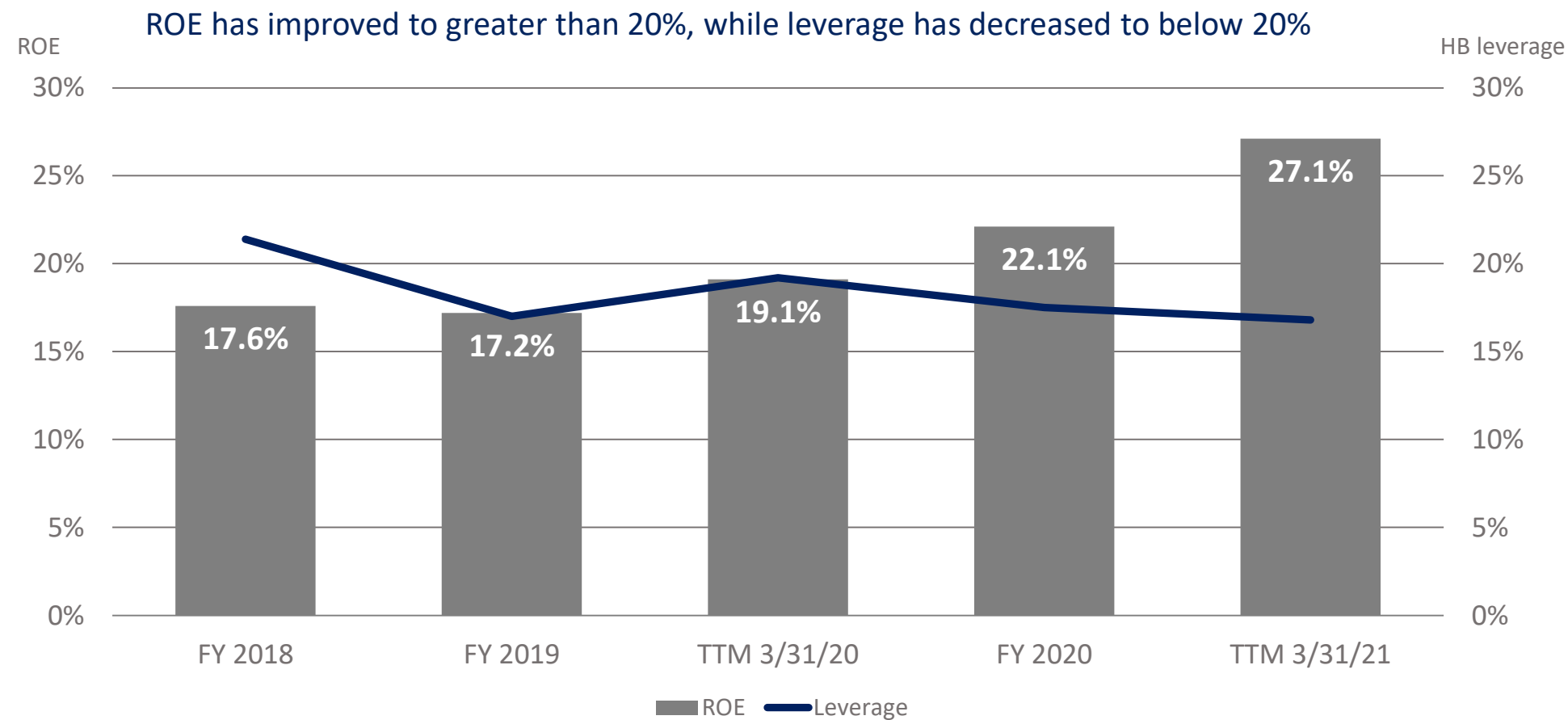
*Expectations are for Forestar’s standalone operations as noted on their Q2 FY21 conference call on 4/20/21

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.

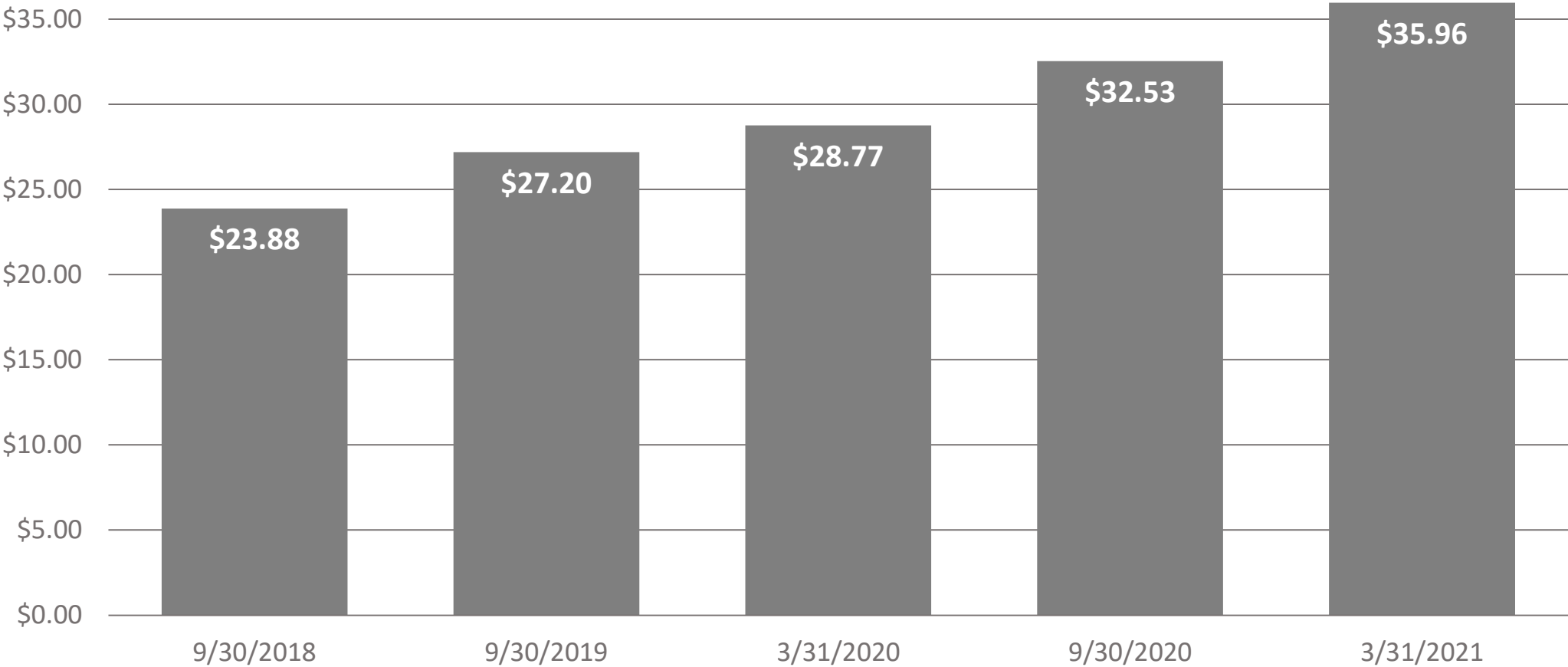
RETURN ON EQUITY (ROE)



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.

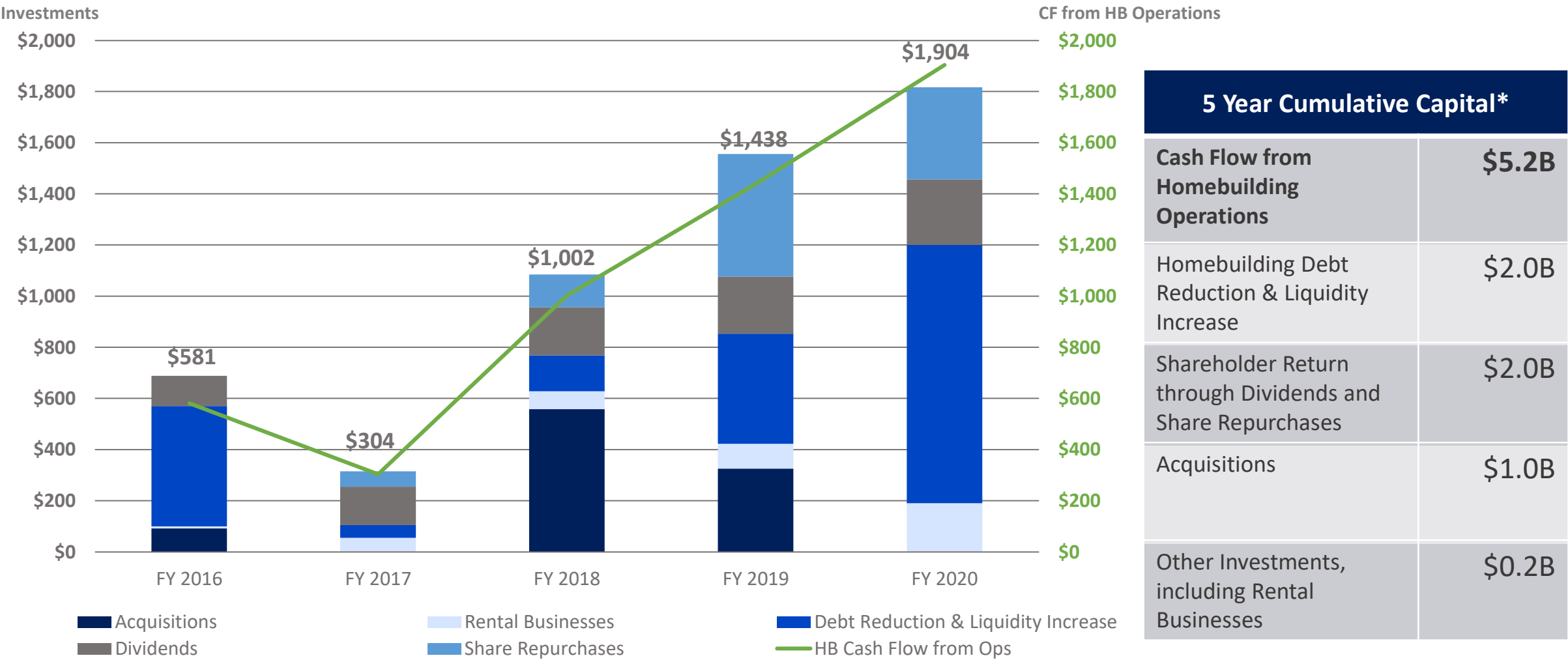
BOOK VALUE PER SHARE

Consistent annual double-digit percentage growth in 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

- **Q3 FY 2021**
 - Consolidated revenues in a range of \$7.0 billion to \$7.2 billion
 - Homes closed between 21,500 homes and 22,000 homes
 - Home sales gross margin of 24.6% to 25.0%
 - Homebuilding SG&A of approximately 7.5% of homebuilding revenues
 - Financial services pre-tax profit margin of approximately 45%
 - Income tax rate of approximately 22% to 23%
- **FY 2021**
 - Consolidated revenues in a range of \$26.8 billion to \$27.5 billion
 - Homes closed between 82,500 homes and 84,500 homes
 - Income tax rate in a range of 22% to 23% in Q3 and Q4 of FY21
 - Outstanding share count at the end of FY21 approximately 1.5% lower than at the end of FY20

Based on current market conditions as noted on the Company's Q2 FY21 conference call on 4/22/21

Second Quarter Data



Q2 FY 2021 HIGHLIGHTS

- Net income per diluted share increased 95% to \$2.53
- Net income attributable to D.R. Horton increased 93% to \$929.5 million
- Consolidated revenues increased 43% to \$6.4 billion
- Consolidated pre-tax income increased 90% to \$1.2 billion
- Consolidated pre-tax profit margin improved 450 basis points to 18.3%
- Net homes sold and homes closed increased by 35% and 36%, respectively
- 27,059 net homes sold and 19,701 homes closed
- Repurchased 4.5 million shares for \$350.4 million

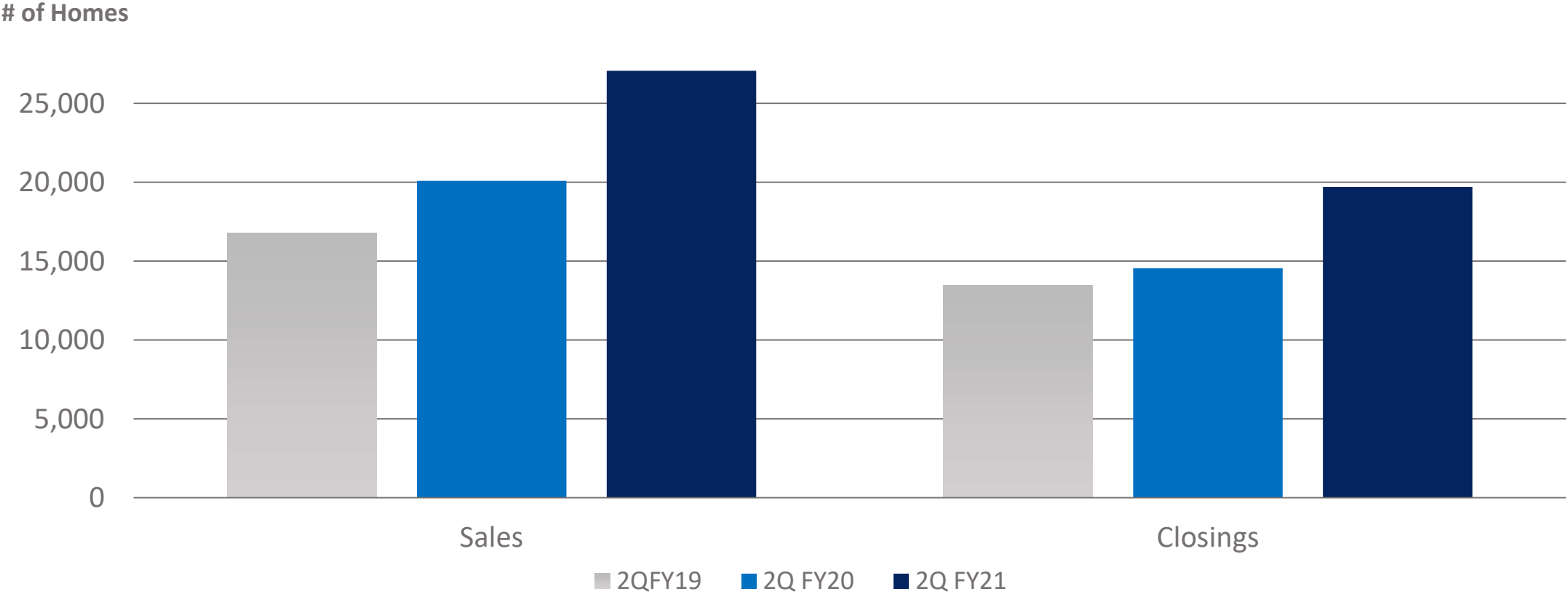
Comparisons to the prior year quarter



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SALES AND CLOSINGS

Net Sales Orders and Homes Closed increased 35% and 36%, respectively, in Q2 FY 2021 compared to Q2 FY 2020

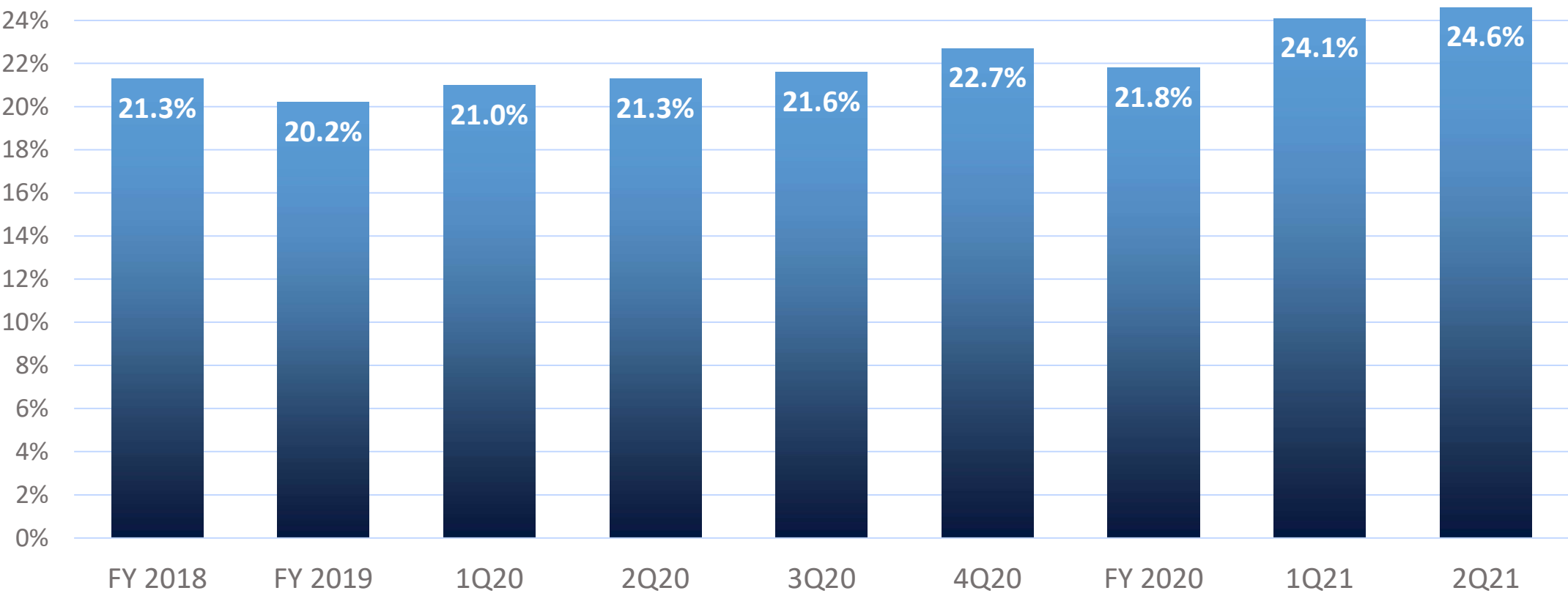


INCOME STATEMENT

	3 MONTHS ENDED		6 MONTHS ENDED	
	3/31/2021	3/31/2020	3/31/2021	3/31/2020
Homes closed	19,701	14,539	38,440	27,498
Homebuilding				
Revenues:				
Home sales	\$ 6,170.4	\$ 4,363.3	\$ 11,869.1	\$ 8,226.6
Land/lot sales	17.3	15.5	37.2	35.2
	6,187.7	4,378.8	11,906.3	8,261.8
Gross profit:				
Home sales	1,518.4	927.8	2,892.0	1,739.6
Land/lot sales and other	4.6	4.2	10.7	10.5
Inventory and land option charges	(3.2)	(8.8)	(11.2)	(12.4)
	1,519.8	923.2	2,891.5	1,737.7
SG&A	469.5	361.8	920.6	720.2
Gain on sale of assets	0.0	-	(13.1)	0.0
Interest and other (income)	(1.8)	(4.1)	(3.3)	(9.6)
Homebuilding pre-tax income	1,052.1	565.5	1,987.3	1,027.1
Financial services, Forestar and other pre-tax income	127.8	55.8	226.9	117.4
Pre-tax income	1,179.9	621.3	2,214.2	1,144.5
Income tax expense	246.0	137.3	485.1	228.1
Net income	933.9	484.0	1,729.1	916.4
Net income attributable to noncontrolling interests	4.4	1.3	7.8	2.4
Net income attributable to D.R. Horton, Inc.	\$ 929.5	\$ 482.7	\$ 1,721.3	\$ 914.0
Net income per diluted share	\$ 2.53	\$ 1.30	\$ 4.67	\$ 2.46

\$ in millions except per share data

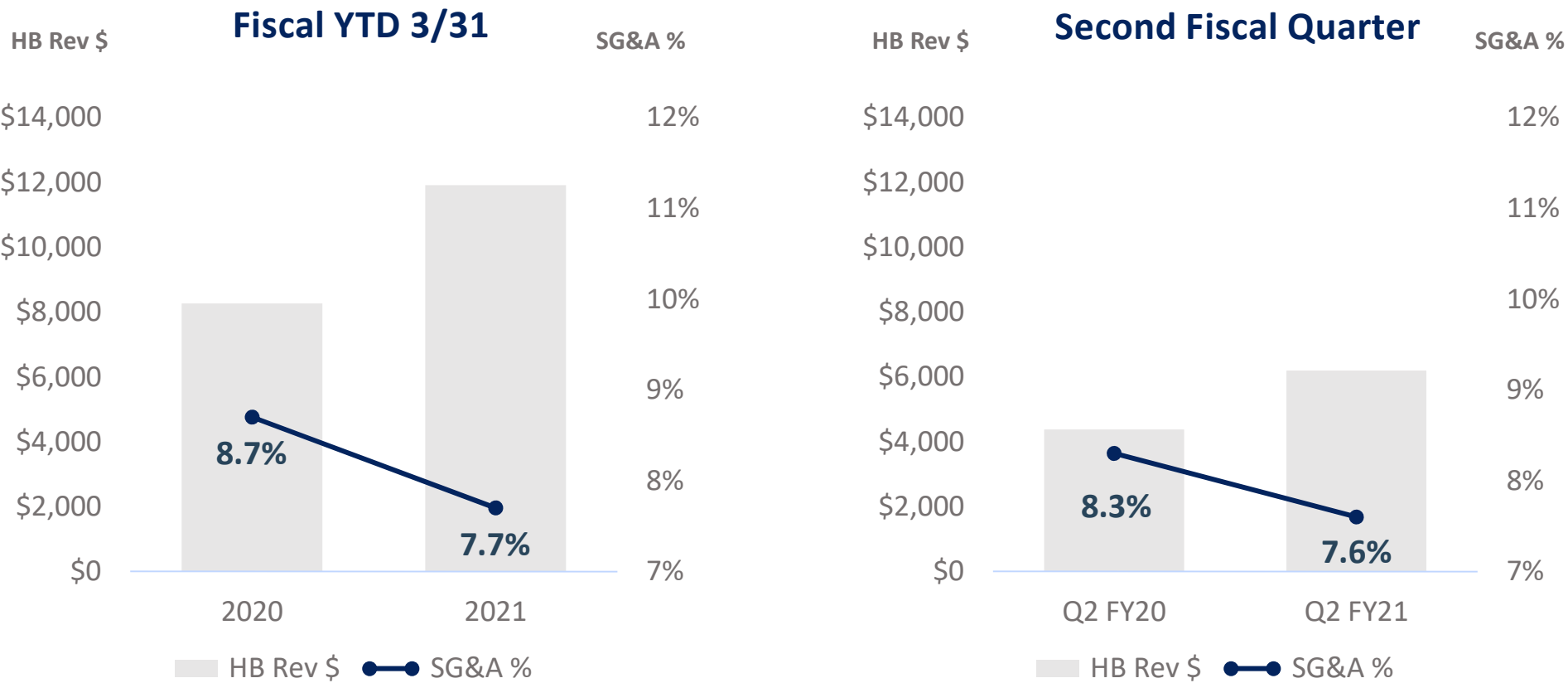
HOME SALES GROSS MARGIN



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 Q2 FY21 Supplementary Data presentation for detailed components of home sales gross margin

HOMEBUILDING SG&A

SG&A as a percentage of homebuilding revenues improved 70 basis points to 7.6% in Q2 FY 2021



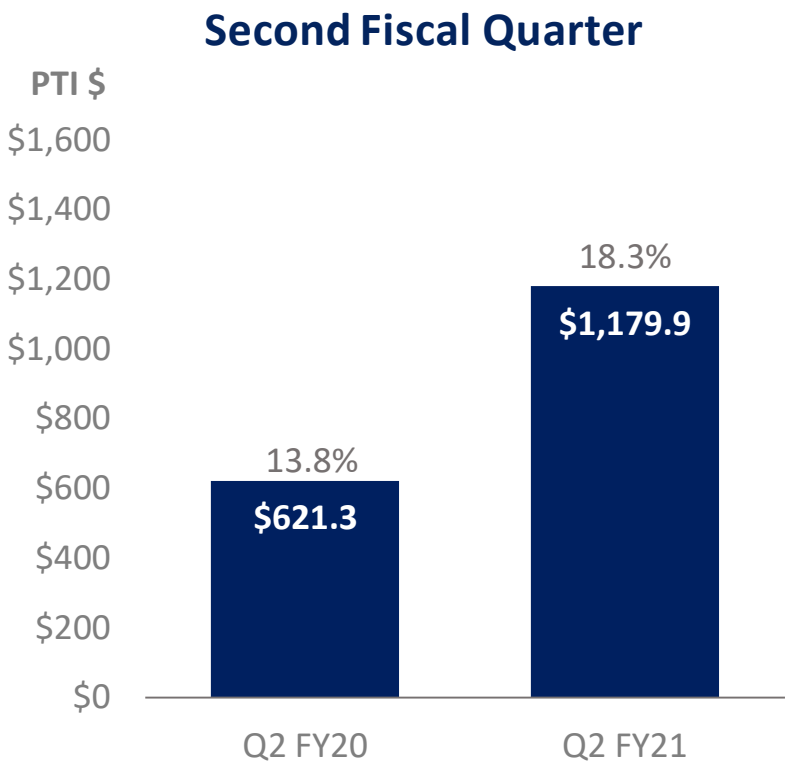
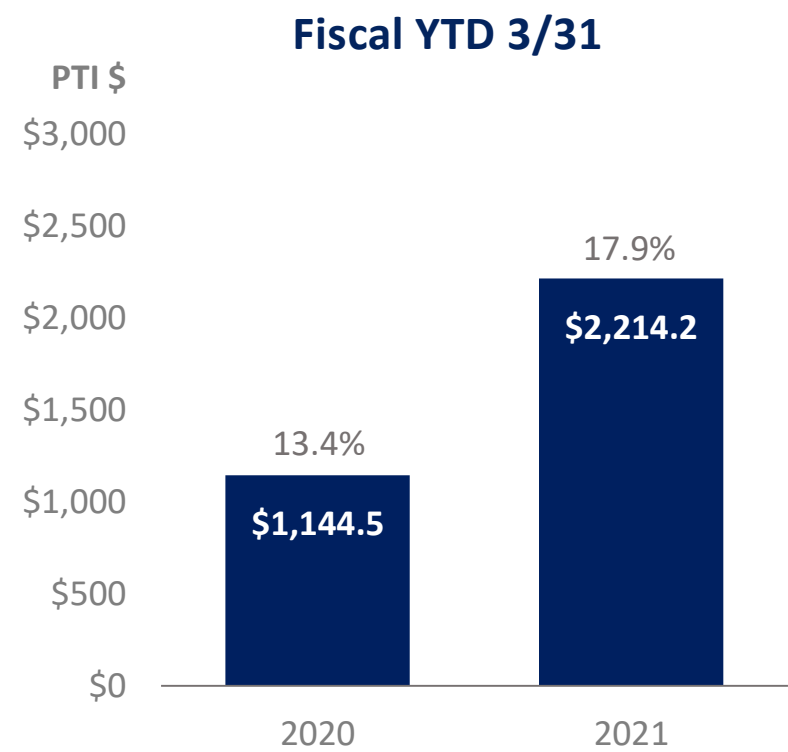
\$ in millions
 Shown as a % of homebuilding revenues



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CONSOLIDATED PRE-TAX INCOME

Consolidated pre-tax profit margin improved 450 basis points to 18.3% in Q2 FY 2021



\$ in millions
Shown as a % of consolidated revenues



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BALANCE SHEET

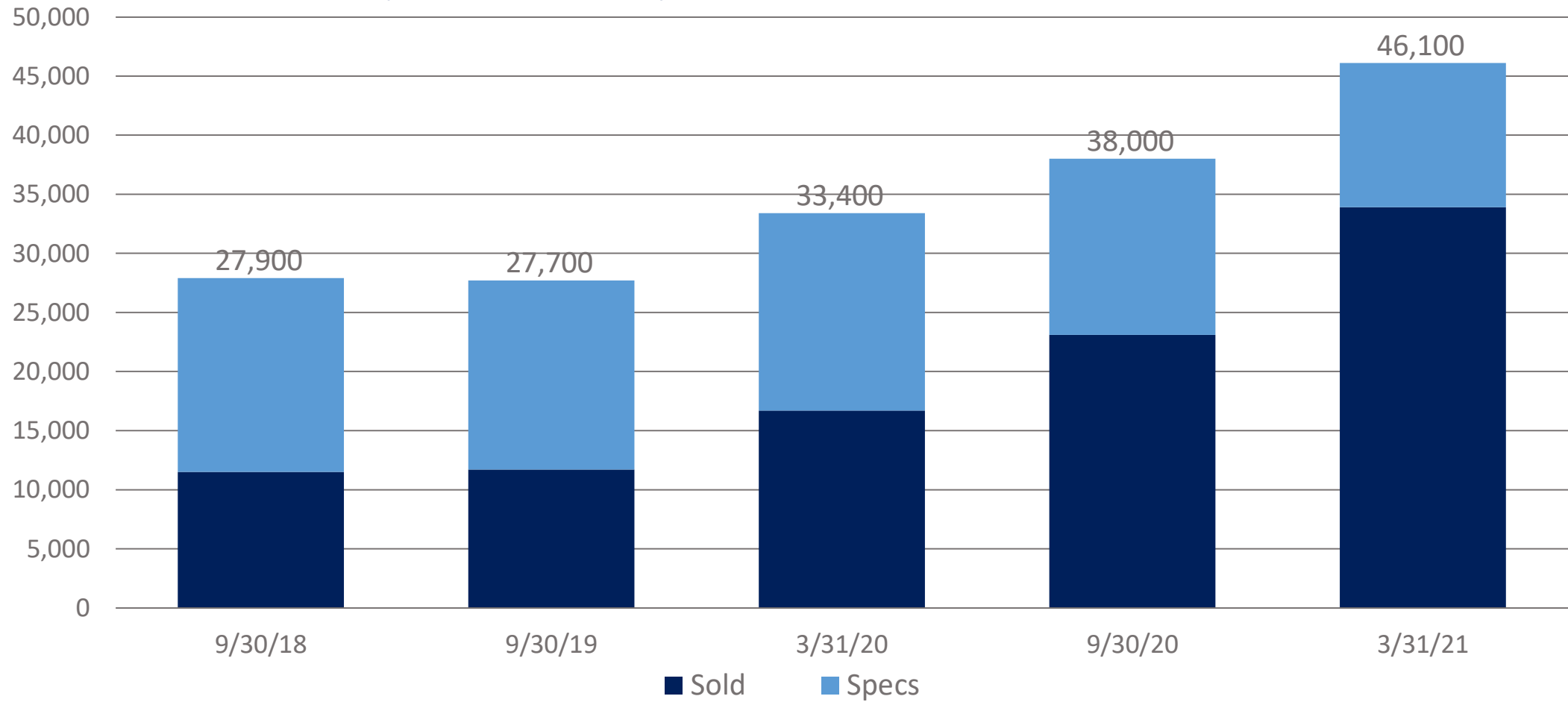
	3/31/2021	9/30/2020	3/31/2020
Homebuilding			
Cash and cash equivalents	\$ 1,901.2	\$ 2,560.6	\$ 1,020.4
Inventories:			
Construction in progress and finished homes	7,377.4	6,037.5	6,003.8
Land inventories	5,519.0	4,977.5	5,084.6
	12,896.4	11,015.0	11,088.4
Other assets	1,842.8	1,503.5	1,353.0
Deferred income taxes, net	142.8	144.9	149.5
Financial services, Forestar and other assets	4,300.6	3,688.3	3,518.7
Total assets	\$ 21,083.8	\$ 18,912.3	\$ 17,130.0
Homebuilding			
Notes payable	\$ 2,616.9	\$ 2,514.4	\$ 2,480.0
Other liabilities	2,959.2	2,297.6	1,836.3
Financial services, Forestar and other liabilities	2,231.7	1,978.8	2,078.9
Stockholders' equity	12,963.1	11,840.0	10,458.0
Noncontrolling interests	312.9	281.5	276.8
Total equity	13,276.0	12,121.5	10,734.8
Total liabilities and equity	\$ 21,083.8	\$ 18,912.3	\$ 17,130.0
Debt to total capital – homebuilding	16.8%	17.5%	19.2%
Common shares outstanding	360.48	364.00	363.54
Book value per common share	\$ 35.96	\$ 32.53	\$ 28.77

\$ in millions except per share metrics

Homebuilding cash and cash equivalents presented above includes \$14.0 million, \$9.5 million and \$7.8 million of restricted cash for the periods ended 3/31/21, 9/30/20 and 3/31/20, respectively.

HOMES IN INVENTORY

Well-positioned to respond to increased new home demand

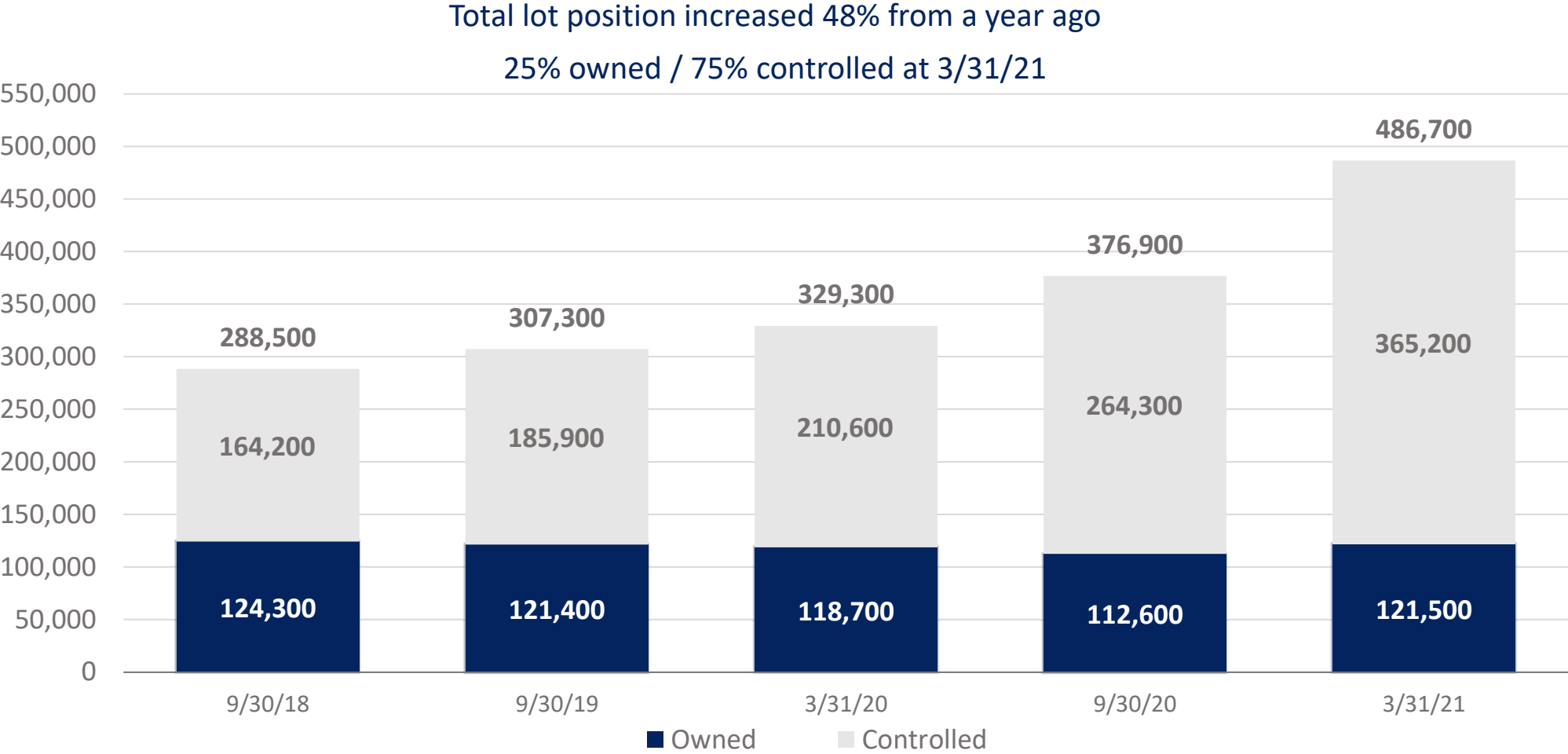


Homes in inventory excluding model homes



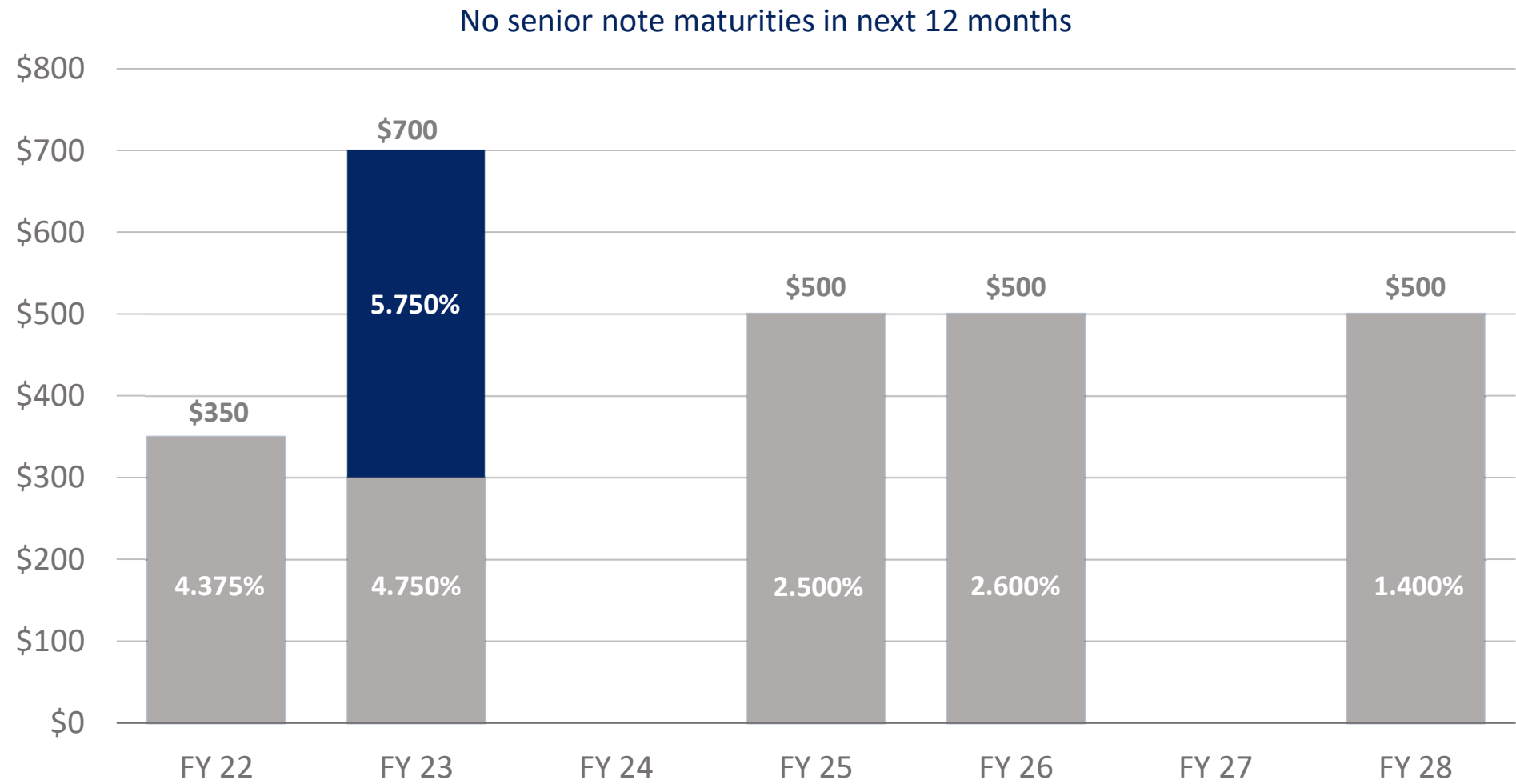
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HOMEBUILDING LAND AND LOT POSITION



Controlled lots include lots owned by FOR that DHI has under contract or the right of first offer to purchase of 37,100, 30,400, 28,600, 23,400 and 13,600 at 3/31/21, 9/30/20, 3/31/20, 9/30/19 and 9/30/18, respectively

HOMEBUILDING PUBLIC DEBT MATURITIES BY YEAR



\$ in millions



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