

Investor Presentation

November 2026

Forward-Looking Statements

All statements in this presentation that are not historical facts should be considered as "Forward-Looking Statements" within the meaning of the "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such forward-looking statements include but are not limited to statements related to the Company's goals and expectations with respect to its financial results for future financial periods and statements regarding demand for homes, mortgage rates, inflation, supply chain issues, customer incentives and underlying factors. Although we believe that our plans, intentions and expectations reflected in, or suggested by, such forward-looking statements are reasonable, we can give no assurance that such plans, intentions or expectations will be achieved. By their nature, forward-looking statements: (i) speak only as of the date they are made, (ii) are not guarantees of future performance or results and (iii) are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. Therefore, actual results could differ materially and adversely from those forward-looking statements as a result of a variety of factors. Such risks, uncertainties and other factors include, but are not limited to, (1) changes in general and local economic, industry and business conditions and impacts of a significant homebuilding downturn; (2) shortages in, and price fluctuations of, raw materials and labor, including due to geopolitical events, changes in trade policies, including the imposition of tariffs and duties on homebuilding materials and products and related trade disputes with and retaliatory measures taken by other countries and changes in immigration laws or the enforcement thereof and trends in labor migration; (3) fluctuations in interest rates and the availability of mortgage financing, including as a result of instability in the banking sector; (4) increases in inflation; (5) adverse weather and other environmental conditions and natural or man-made disasters; (6) the seasonality of the Company's business; (7) the availability and cost of suitable land and improved lots and sufficient liquidity to invest in such land and lots; (8) reliance on, and the performance of, subcontractors; (9) regional and local economic factors, including dependency on certain sectors of the economy, and employment levels affecting home prices and sales activity in the markets where the Company builds homes; (10) increases in cancellations of agreements of sale; (11) changes in tax laws affecting the after-tax costs of owning a home; (12) legal claims brought against us and not resolved in our favor, such as product liability litigation, warranty claims and claims made by mortgage investors; (13) levels of competition; (14) utility shortages and outages or rate fluctuations; (15) information technology failures and data security breaches; (16) negative publicity; (17) global economic and political instability; (18) high leverage and restrictions on the Company's operations and activities imposed by the agreements governing the Company's outstanding indebtedness; (19) availability and terms of financing to the Company; (20) the Company's sources of liquidity; (21) changes in credit ratings; (22) government regulation, including regulations concerning the development of land, the home building, sales and customer financing processes, tax laws and environmental, health and safety matters; (23) potential liability as a result of the past or present use of hazardous materials; (24) operations through unconsolidated joint ventures with third parties; (25) significant influence of the Company's controlling stockholders; (26) availability of net operating loss carryforwards; (27) loss of key management personnel or failure to attract qualified personnel; and (28) certain risks, uncertainties and other factors described in detail in the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2025 and the Company's Quarterly Reports on Form 10-Q for the quarterly periods during fiscal 2026 and subsequent filings with the Securities and Exchange Commission. Except as otherwise required by applicable securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason.

NON-GAAP FINANCIAL MEASURES:

Consolidated earnings before interest expense and income taxes ("EBIT") and before depreciation and amortization ("EBITDA") and before inventory impairments and land option write-offs and gain on extinguishment of debt, net ("Adjusted EBITDA"), the ratio of Adjusted EBITDA to interest incurred and EBIT before inventory impairments and land option write-offs and gain on extinguishment of debt, net ("Adjusted EBIT") are not U.S. generally accepted accounting principles ("GAAP") financial measures. The most directly comparable GAAP financial measure is net (loss) income. The reconciliation for historical periods of EBIT, EBITDA, Adjusted EBIT and Adjusted EBITDA to net (loss) income are presented in tables attached to this earnings release.

Homebuilding gross margin, before cost of sales interest expense and land charges, and homebuilding gross margin percentage, before cost of sales interest expense and land charges, are non-GAAP financial measures. The most directly comparable GAAP financial measures are homebuilding gross margin and homebuilding gross margin percentage, respectively. The reconciliation for historical periods of homebuilding gross margin, before cost of sales interest expense and land charges, and homebuilding gross margin percentage, before cost of sales interest expense and land charges, to homebuilding gross margin and homebuilding gross margin percentage, respectively, is presented in a table attached to this earnings release.

Adjusted (loss) income before income taxes, which is defined as income before income taxes excluding land-related charges and gain on extinguishment of debt, net is a non-GAAP financial measure. The most directly comparable GAAP financial measure is (loss) income before income taxes. The reconciliation for historical periods of adjusted (loss) income before income taxes to (loss) income before income taxes is presented in a table attached to this earnings release.

Adjusted investment, which is defined as total inventories excluding liabilities from inventory not owned, net of debt issuance costs and interest capitalized and including investments in and advances to unconsolidated joint ventures ("Adjusted Investment"), is a non-GAAP financial measure. The most directly comparable GAAP financial measure is total inventories. The reconciliation for historical periods of Adjusted Investment to total inventories is presented in a table attached to this earnings release.

The ratio of Adjusted EBIT return on adjusted investment ("Adjusted EBIT ROI"), which is the ratio of Adjusted EBIT for the trailing twelve-months, to the average Adjusted Investment for the prior five fiscal quarters, is a non-GAAP financial measure. The most directly comparable GAAP financial measure is the ratio of net (loss) income return to total inventories. The presentation of the ratios of Adjusted EBIT ROI and net (loss) income return on inventory are presented in a table attached to this earnings release.

Total liquidity is comprised of $249.1 million of cash and cash equivalents, $5.7 million of restricted cash required to collateralize letters of credit and $125.0 million available under a senior secured revolving credit facility as of July 31, 2026.

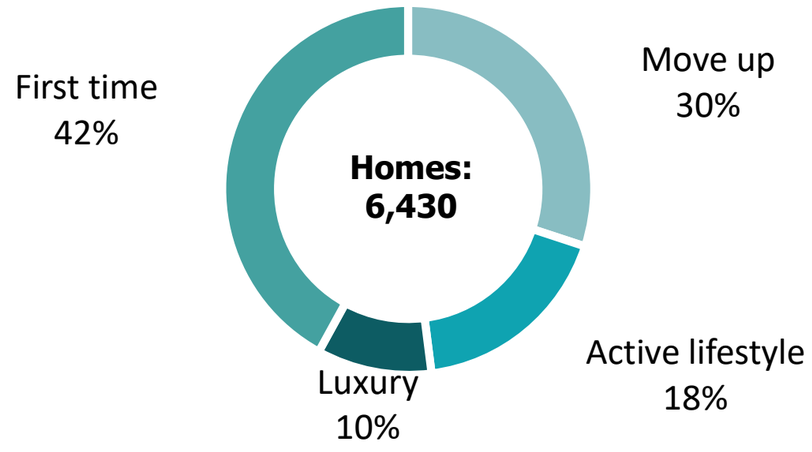


Recent company performance

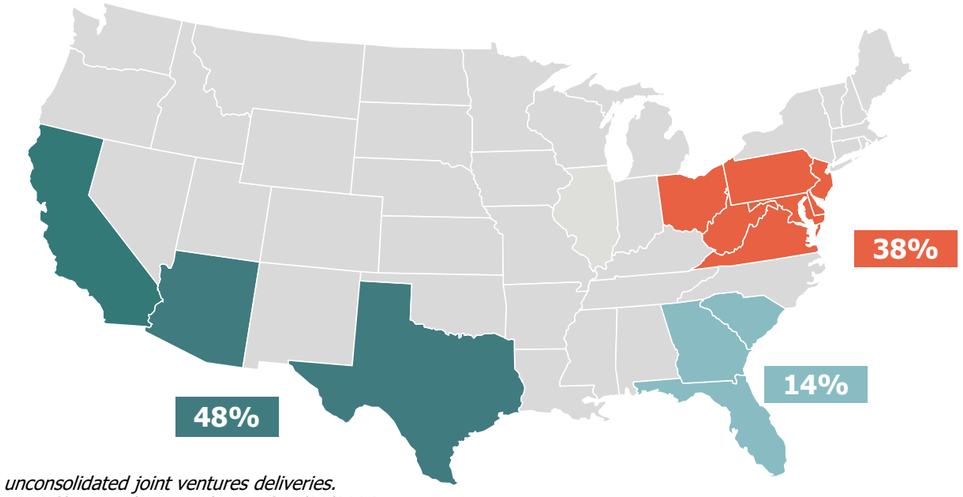
Hovnanian Enterprises at a Glance

- Among the top 20 homebuilders in the United States in both homebuilding revenues and home deliveries(2)
- Markets and builds homes across the product and buyer spectrum

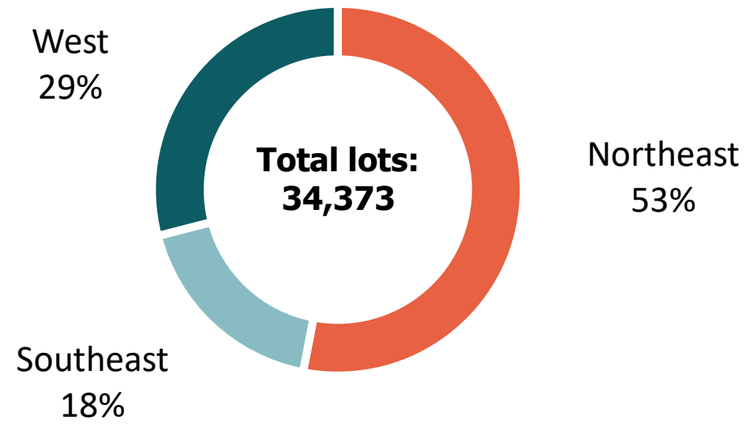
Home deliveries by product(1)
(Year ended October 31, 2025)



Homebuilding revenues by segment(3)
(TTM ended July 31, 2026)



Lots controlled by segment(3)
(As of July 31, 2026)



(1) Includes unconsolidated joint ventures deliveries.
(2) Company SEC filings and press release of 08/20/2026.
(3) Excludes unconsolidated joint ventures.

Third Quarter Results Compared to Guidance

($ in millions)

	Guidance Q3 2026[1]	Actuals Q3 2026
Total Revenues	**$650 - $750**	**$706**
Adjusted Homebuilding Gross Margin[2]	**14.0% - 15.0%**	**14.6%**
Total SG&A as Percentage of Total Revenues[3]	**12.5% - 13.5%**	**12.3%**
Income (Loss) from Unconsolidated Joint Ventures	**$0- $10**	**$3**
Adjusted EBITDA[4]	**$30 - $40**	**$32**
Adjusted (Loss) Income Before Income Taxes[5]	**$0 - $10**	**$(2)**

(1) The Company cannot provide a reconciliation between its non-GAAP projections and the most directly comparable GAAP measures without unreasonable efforts because it is unable to predict with reasonable certainty the ultimate outcome of certain significant items required for the reconciliation. These items include, but are not limited to, land-related charges, inventory impairments and land option write-offs and loss (gain) on extinguishment of debt, net. These items are uncertain, depend on various factors and could have a material impact on GAAP reported results.
(2) Adjusted homebuilding gross margin percentage is before cost of sales interest expense and land charges and is a non-GAAP financial measure. See appendix for a reconciliation of the historic measure to the most directly comparable GAAP measure.
(3) Total SG&A includes homebuilding selling, general and administrative costs and corporate general and administrative costs. Ratio calculated as a percentage of total revenues. The SG&A guidance assumes that the stock remains at $112.65, which was the price at the end of the second quarter of fiscal year 2026.
(4) Adjusted EBITDA is a non-GAAP financial measure. The most directly comparable GAAP financial measure is net income (loss). Adjusted EBITDA represents earnings before interest expense, income taxes, depreciation, amortization, land-related charges and loss (gain) on extinguishment of debt, net. See appendix for a reconciliation of the historic measure to the most directly comparable GAAP measure.
(5) Adjusted (Loss) Income Before Income Taxes excludes land-related charges, joint venture write-downs and loss (gain) on extinguishment of debt, net and is a non-GAAP financial measure. See appendix for a reconciliation of the historic measure to the most directly comparable GAAP measure.

Third Quarter Results Compared to Last Year

($ in millions)

Total Revenues



Adjusted Gross Margin[1]



Total SG&A Expense as a Percentage of Total Revenues[2]



Adjusted (Loss) Income Before Income Taxes[3]

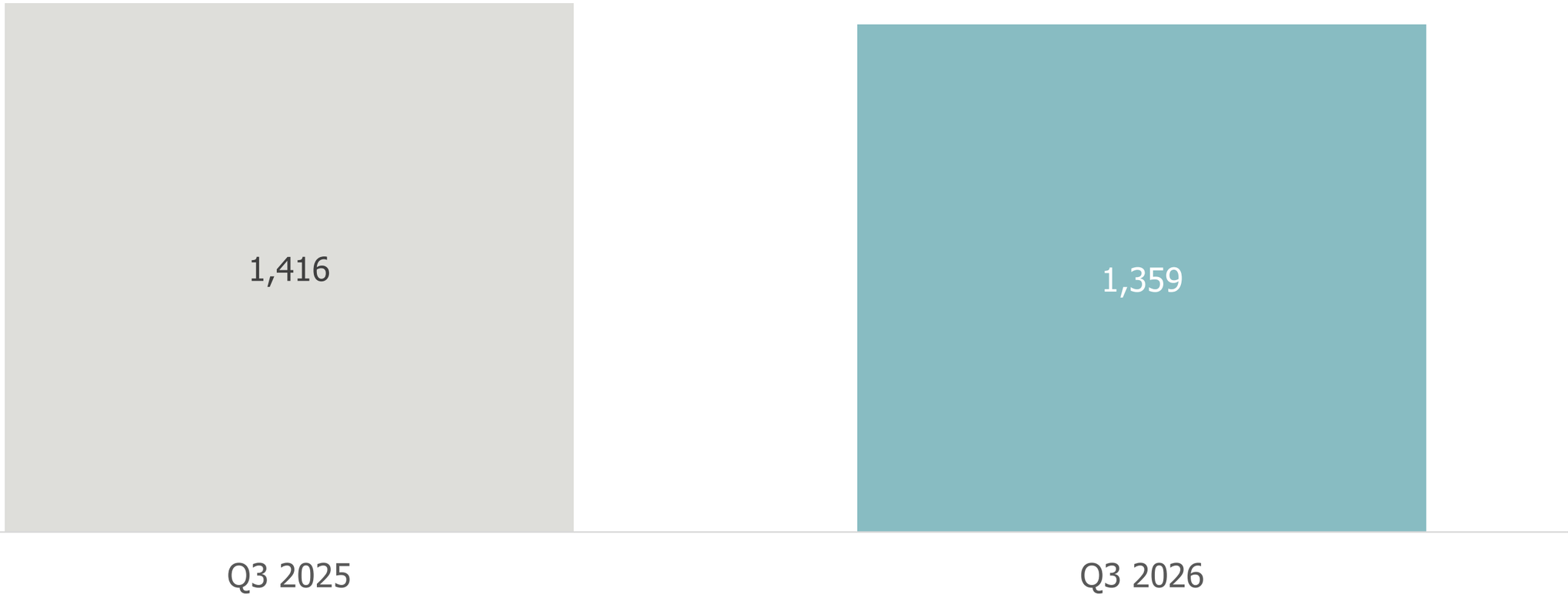


(1) Adjusted homebuilding gross margin percentage is before cost of sales interest expense and land charges and is a non-GAAP financial measure. See appendix for a reconciliation of the historic measure to the most directly comparable GAAP measure.

(2) Total SG&A includes homebuilding selling, general and administrative costs and corporate general and administrative costs. Ratio calculated as a percentage of total revenues.

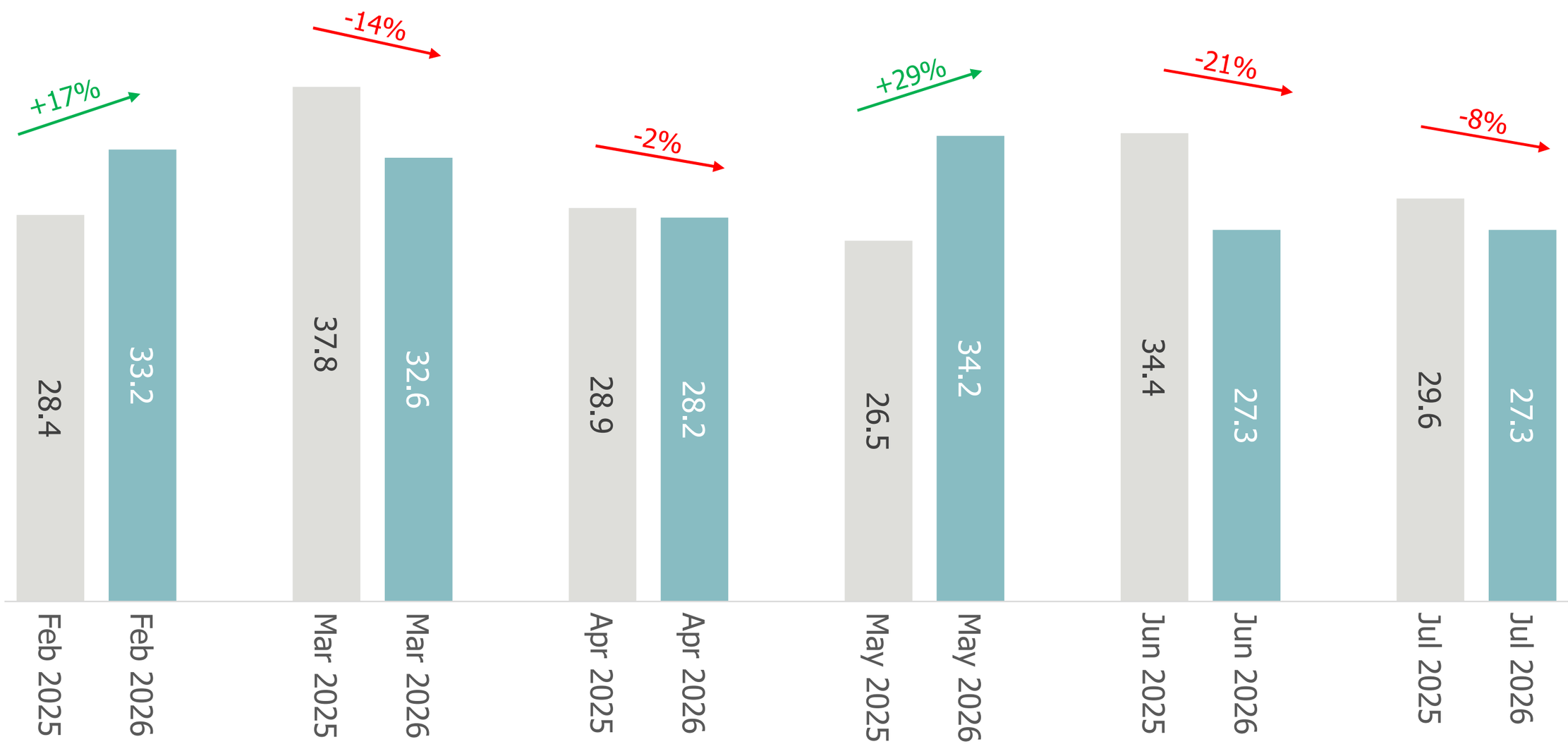
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Contracts, including domestic unconsolidated joint ventures



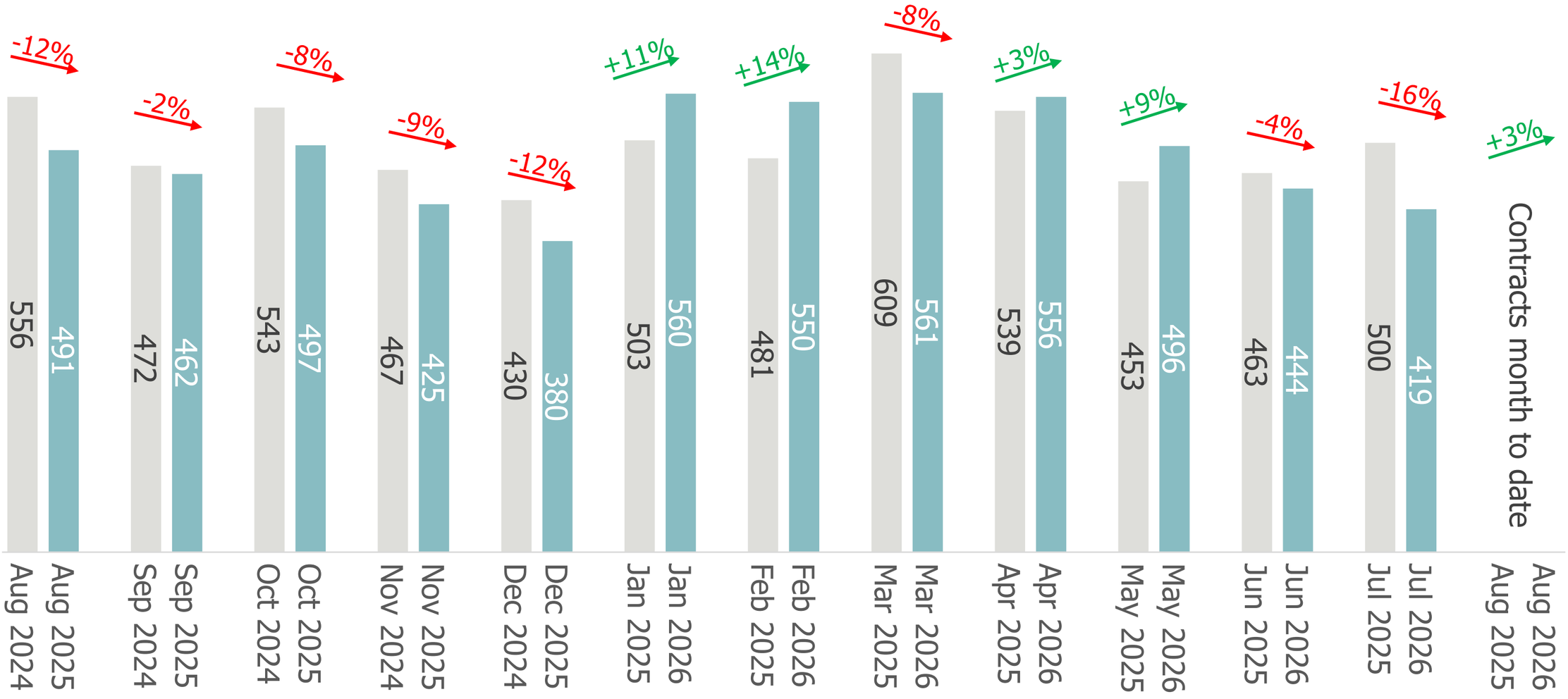
Note: Excludes contracts from HOV Global (Kingdom of Saudi Arabia) operations.

Monthly Traffic per Community



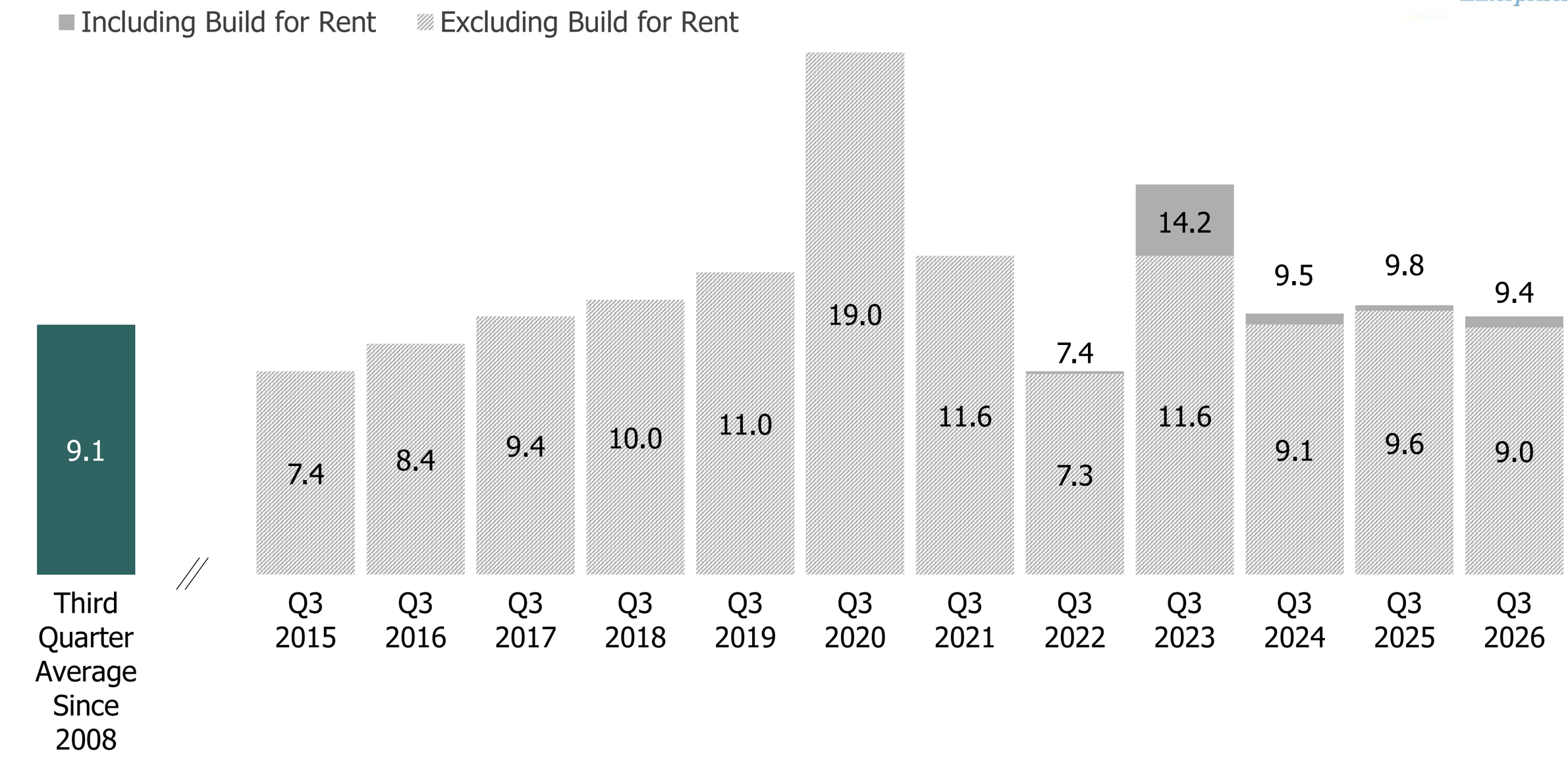
Note: Excludes contracts from HOV Global (Kingdom of Saudi Arabia) operations.
Note: Includes domestic unconsolidated joint venture communities.

Monthly contracts



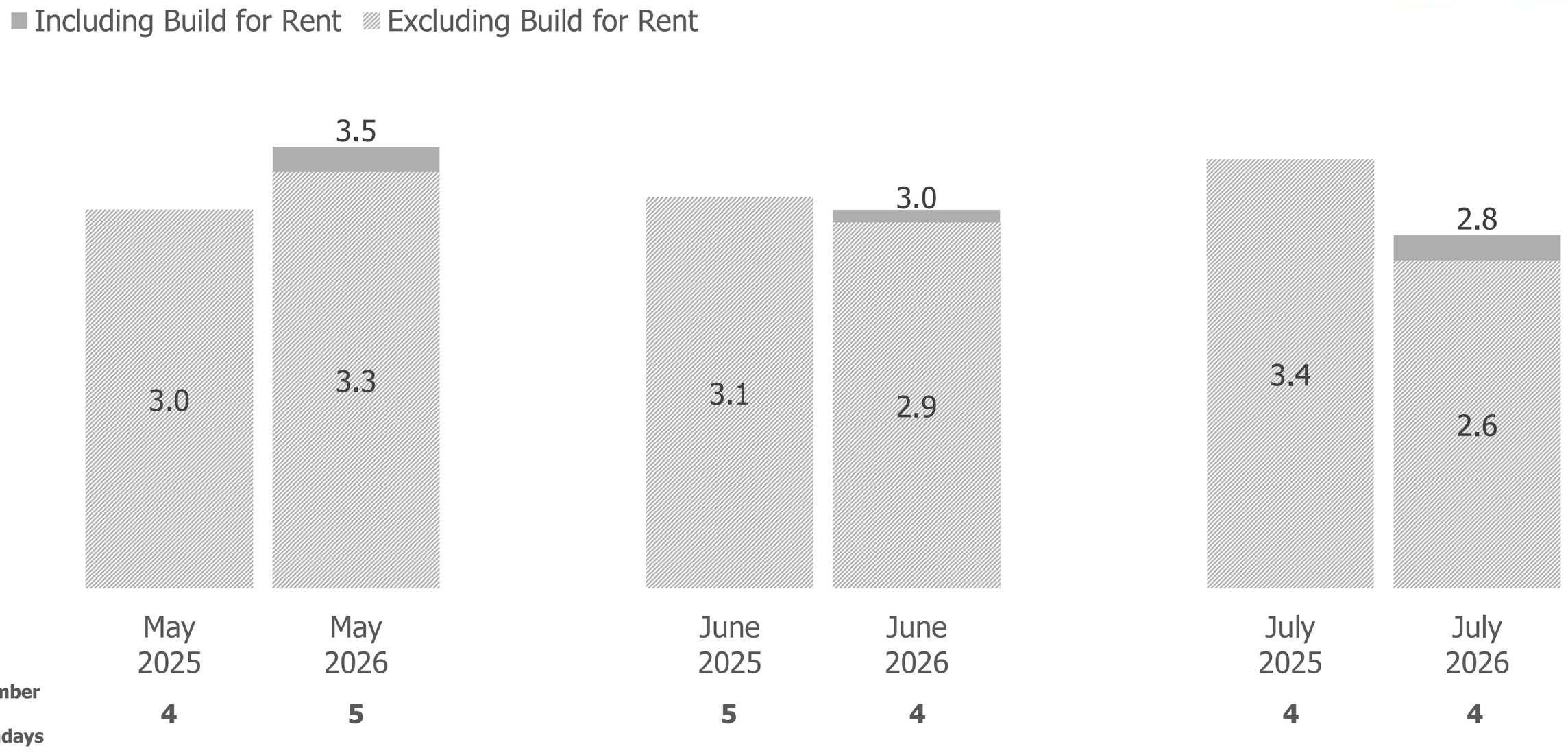
Note: Excludes contracts from HOV Global (Kingdom of Saudi Arabia) operations.
Note: Includes domestic unconsolidated joint venture contracts.
Note: August contracts months to date through Aug 19th for both 2025 and 2026.

Quarterly Contracts Per Community



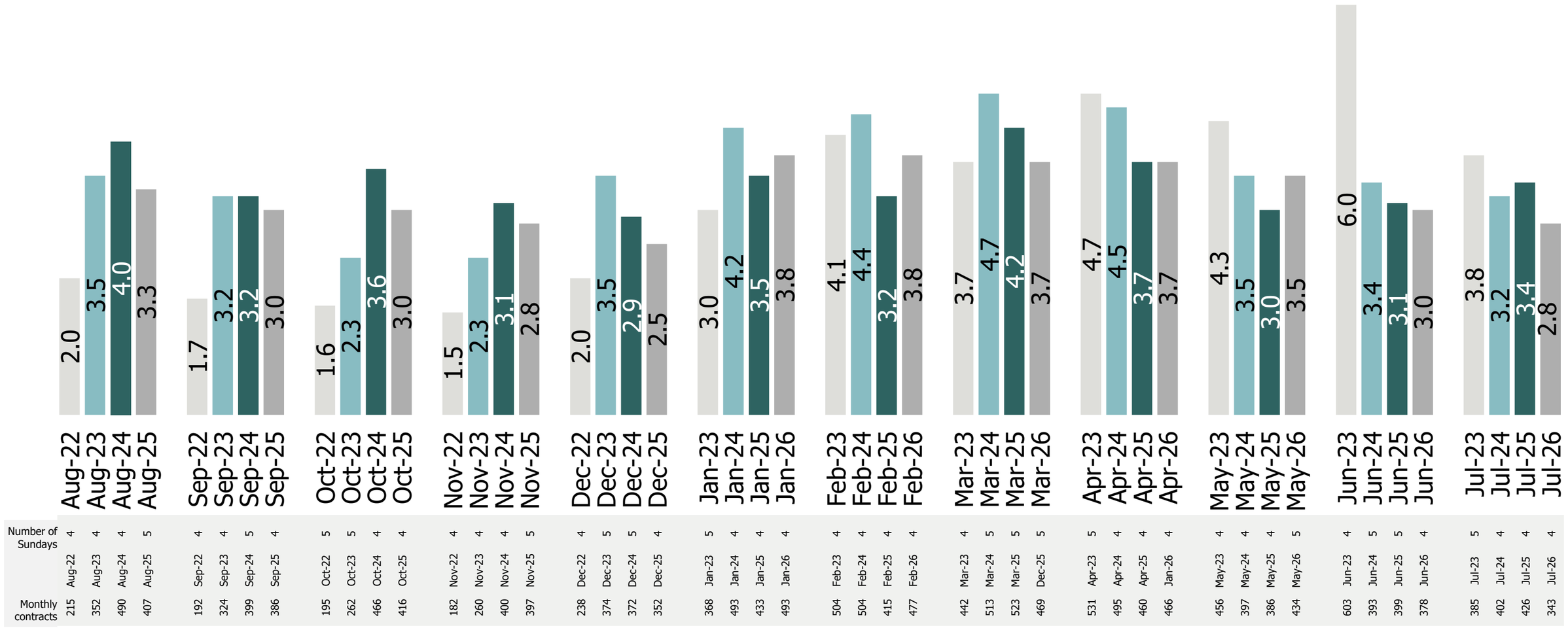
Note: Excludes contracts from HOV Global (Kingdom of Saudi Arabia) operations.
Note: Excludes unconsolidated joint ventures.

Contracts Per Community



Note: Excludes contracts from HOV Global (Kingdom of Saudi Arabia) operations.
Note: Excludes unconsolidated joint ventures.

Number of Monthly Contracts Per Community, Excludes Unconsolidated Joint Ventures



Note: Excludes contracts from HOV Global (Kingdom of Saudi Arabia) operations.

Streamlined geographic footprint with room for organic growth

- **27 markets in 13 states**
  - **Northeast:** Delaware, Maryland, New Jersey, Ohio, Pennsylvania, Virginia and West Virginia
  - **Southeast:** Florida, Georgia and South Carolina
  - **West:** Arizona, California and Texas

Q3 2026 LTM[(1)]	Northeast	Southeast	West
Homebuilding revenues	38%	14%	48%
Homes delivered	36%	14%	50%
Average selling price of deliveries	$555K	$501K	$515K
Net new contracts ($)	39%	13%	48%
Backlog homes	54%	14%	32%

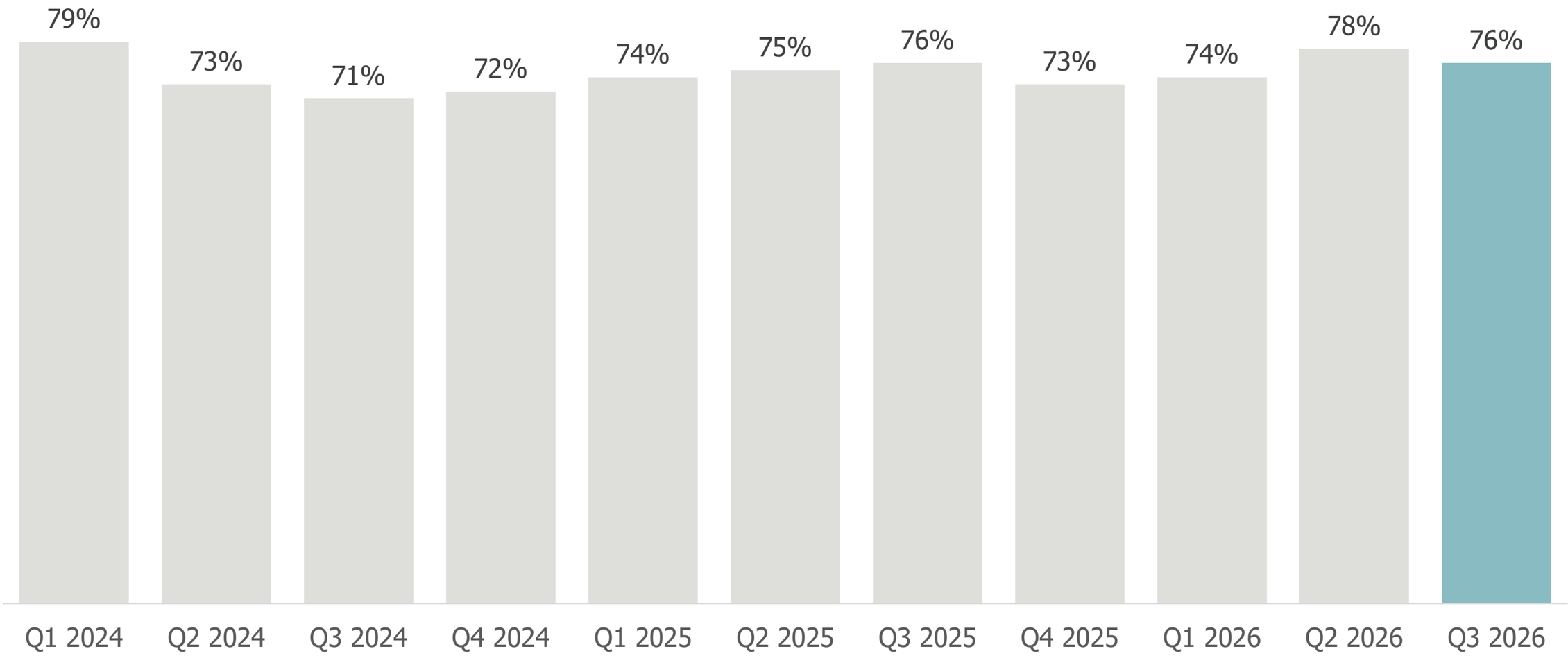
Exited 5 non-core markets since fiscal 2016

Geographic diversification mitigates market-specific economic impacts

Honed our market footprint to our 27 most profitable locations

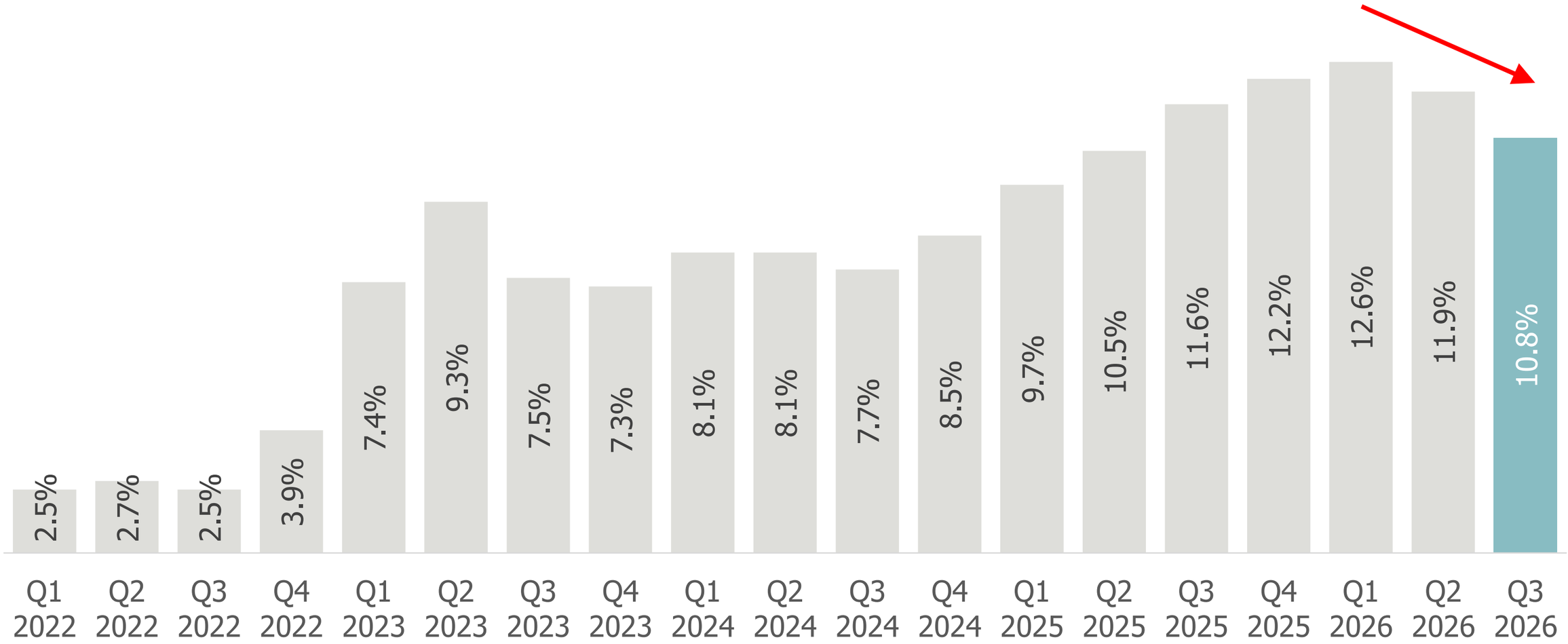
(1) Regional breakdown as percentage of total company, excludes unconsolidated joint ventures.

Percentage of Our Homebuyers That Used Buydowns



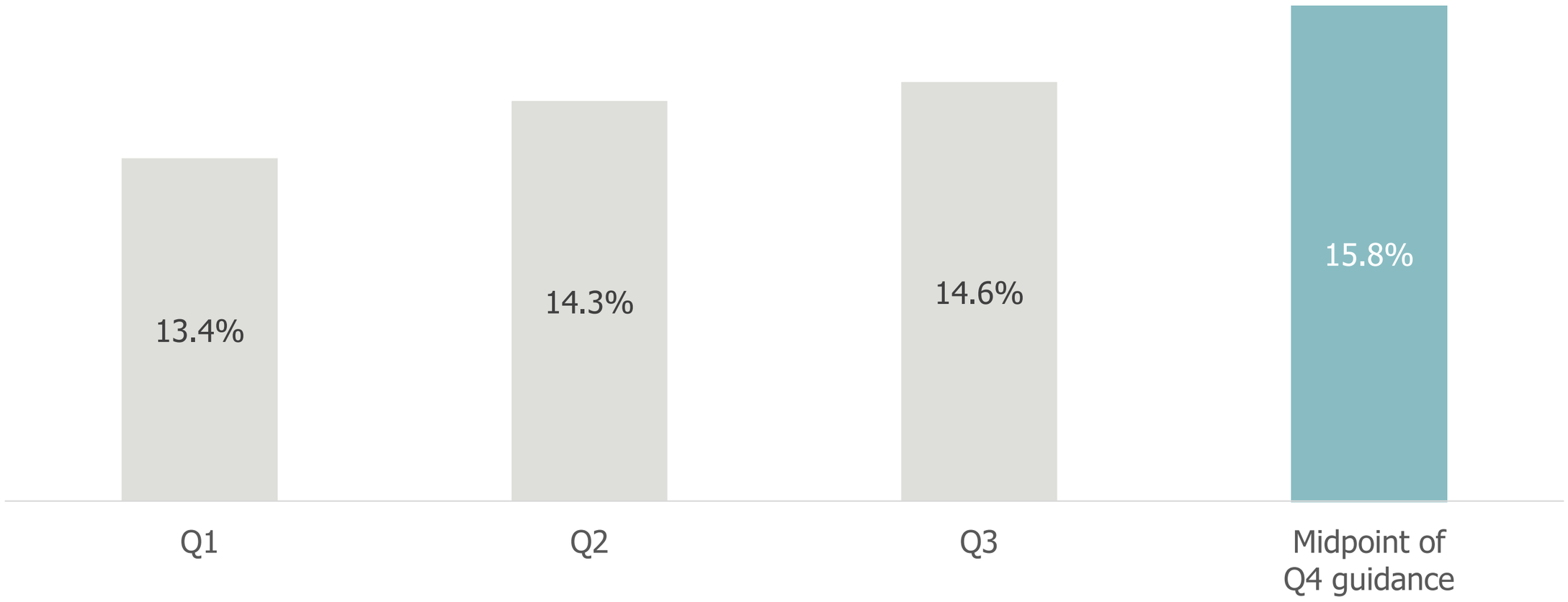
Note: Represents the percentage of K. Hovnanian American Mortgage customers that used a buydown.

Percentage of Incentives for Deliveries



Note: "% of incentives for deliveries" is percentage of incentives to total revenue before incentives for deliveries. The percentages are indicative of the percentage of incentives we used when underwriting new land acquisitions in those quarters.

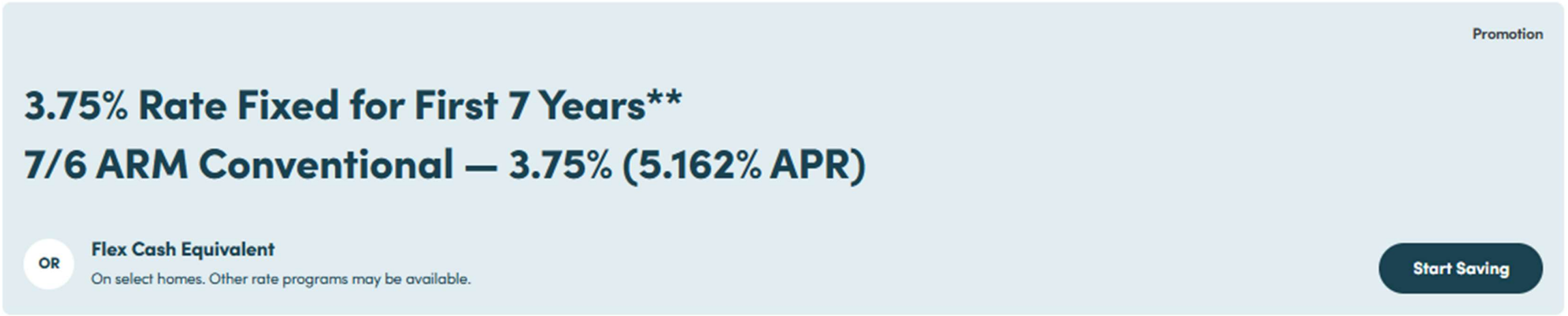
Sequential Improvements in Adjusted Gross Margin[(1)] in FY 2026



(1) Adjusted homebuilding gross margin percentage is before cost of sales interest expense and land charges and is a non-GAAP financial measure. See appendix for a reconciliation of the historic measure to the most directly comparable GAAP measure.

Sales Promotion

Hovnanian Enterprises, Inc.



Land Positions by Geographic Segment

Segment	July 31, 2026 Owned: Excluding Mothballed Lots	Mothballed Lots	Optioned Lots	Total Lots
Northeast	1,607	-	16,478	18,085
Southeast	919	-	5,250	6,169
West	1,692	390	8,037	10,119
Consolidated Total	**4,218**	**390**	**29,765**	**34,373**
Unconsolidated Joint Ventures	2,566	-	198	2,764
Grand Total	6,784	390	29,963	37,137

- **Option deposits as of July 31, 2026, were $348.8 million**
- **$126.5 million invested in pre-development expenses as of July 31, 2026**

Note: Option deposits and pre-development expenses refers to consolidated optioned lots.
Note: Excludes our HOV Global (Kingdom of Saudi Arabia) operations which owned 340 lots, optioned 2,728 lots and had $142.7 million invested in pre-development expenses as of July 31, 2026.

Lot Option Position

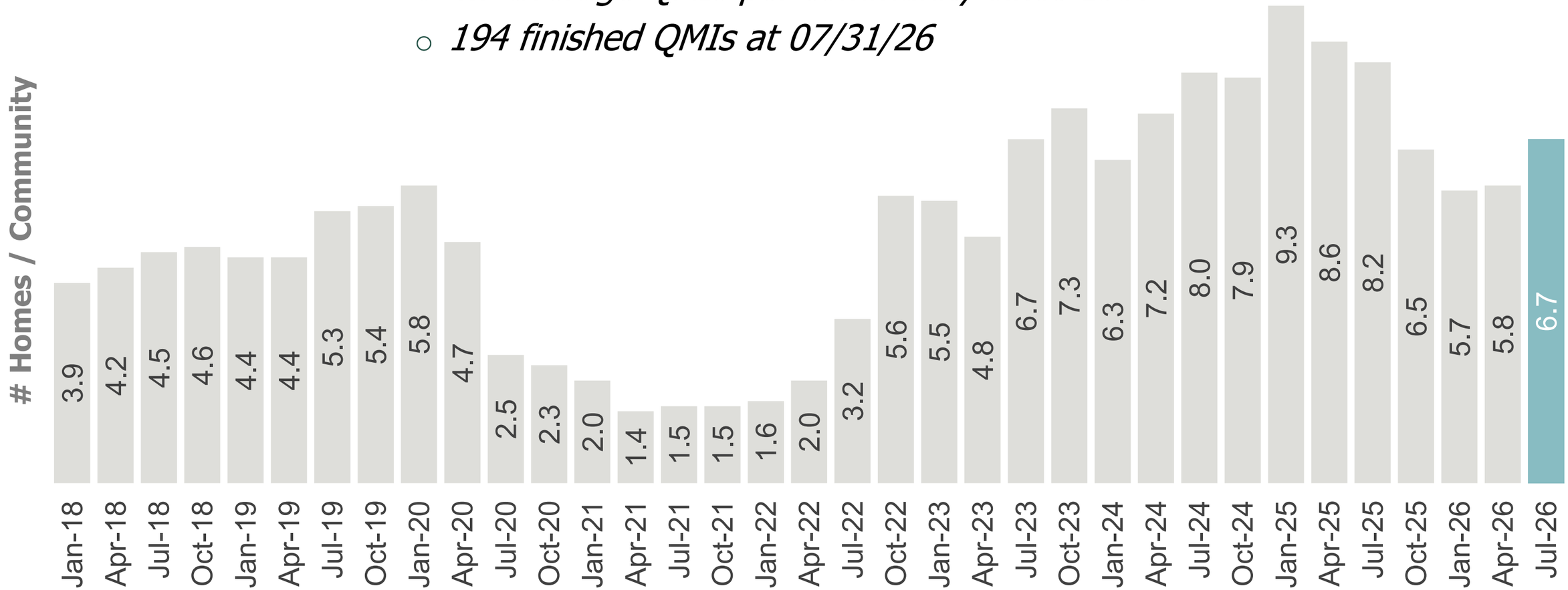
July 31, 2026	Lots Optioned	Total Deposit ($ millions)	Purchase Value ($ billions)	% Deposit
Total	29,765	$348.8	$3.4	10.3%

- $126.5 million invested in pre-development expenses as of July 31, 2026

Note: Peak Total Deposits was $466 million in second quarter of fiscal 2006.
Note: Excludes our HOV Global (Kingdom of Saudi Arabia) operations which owned 340 lots, optioned 2,728 lots and had $142.7 million invested in pre-development expenses as of July 31, 2026.

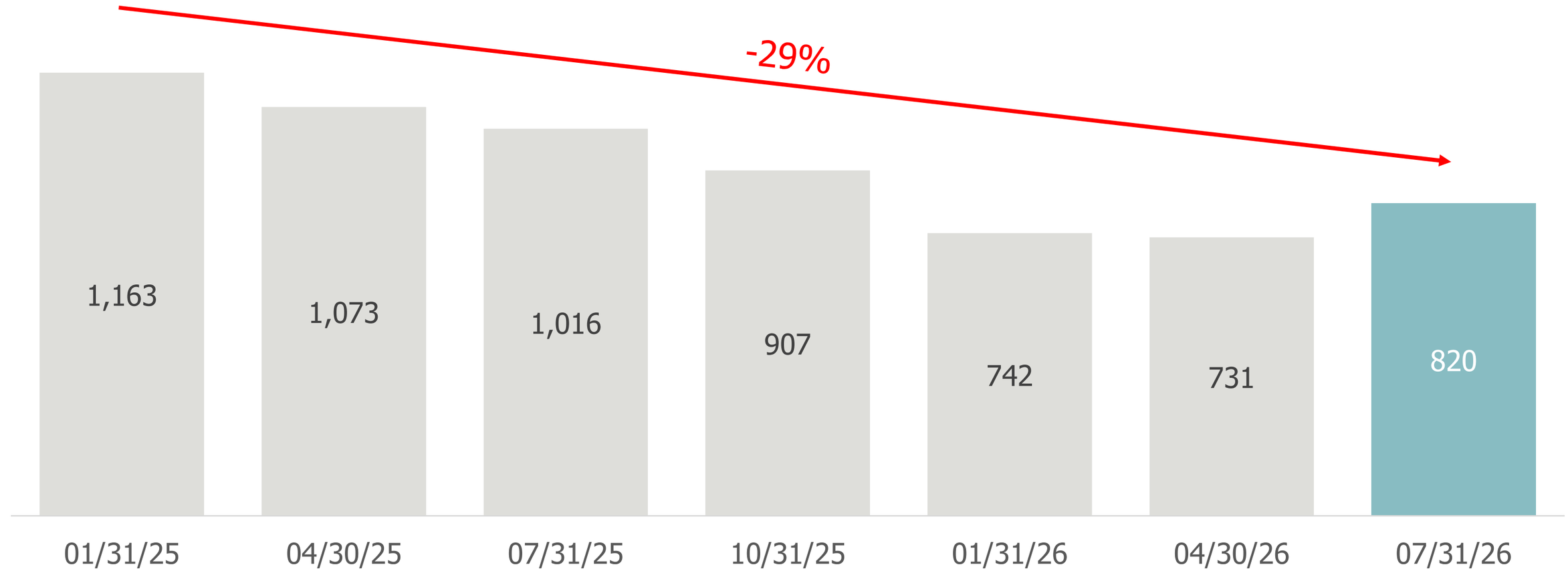
Quick Move In Homes (QMIs) Per Community

- *820 QMIs at 07/31/26, excluding models*
- *4.7 average QMIs per community since 1997*
- *194 finished QMIs at 07/31/26*



Note: Excludes HOV Global (Kingdom of Saudi Arabia) operations.
Note: Excluding unconsolidated joint ventures and models.

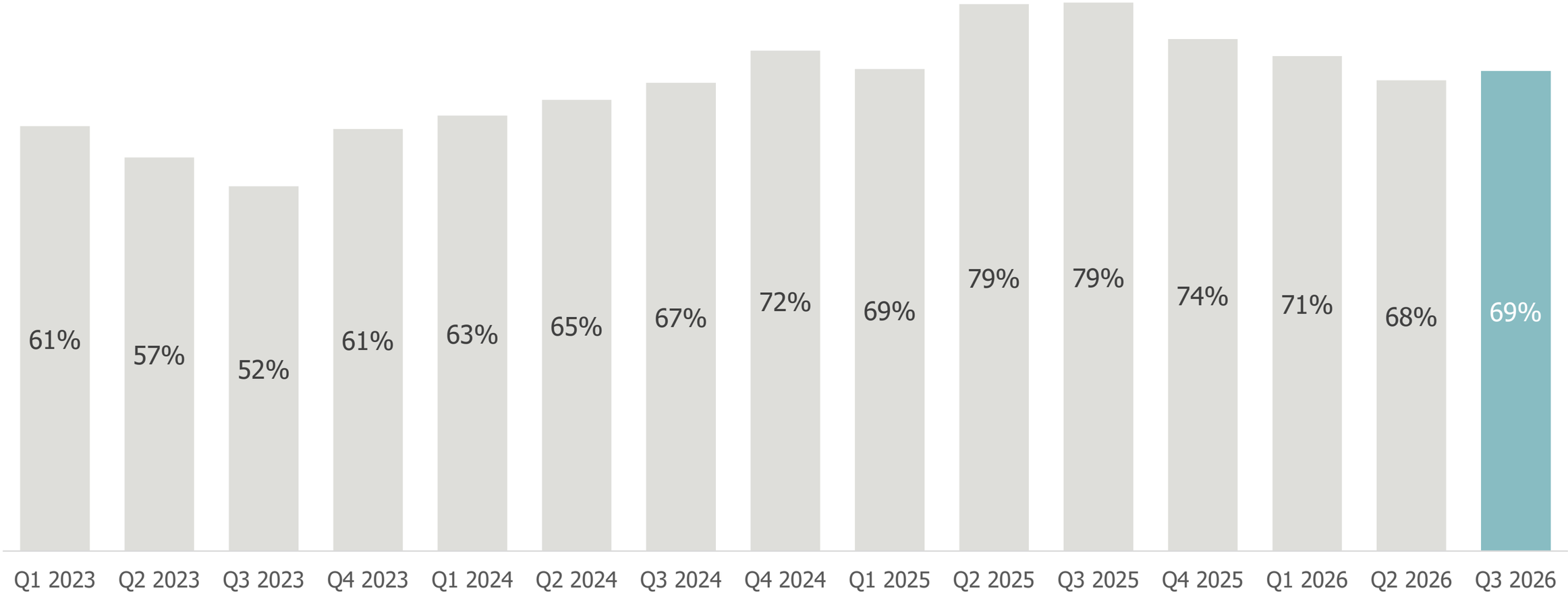
Quick Move In Homes (QMIs)



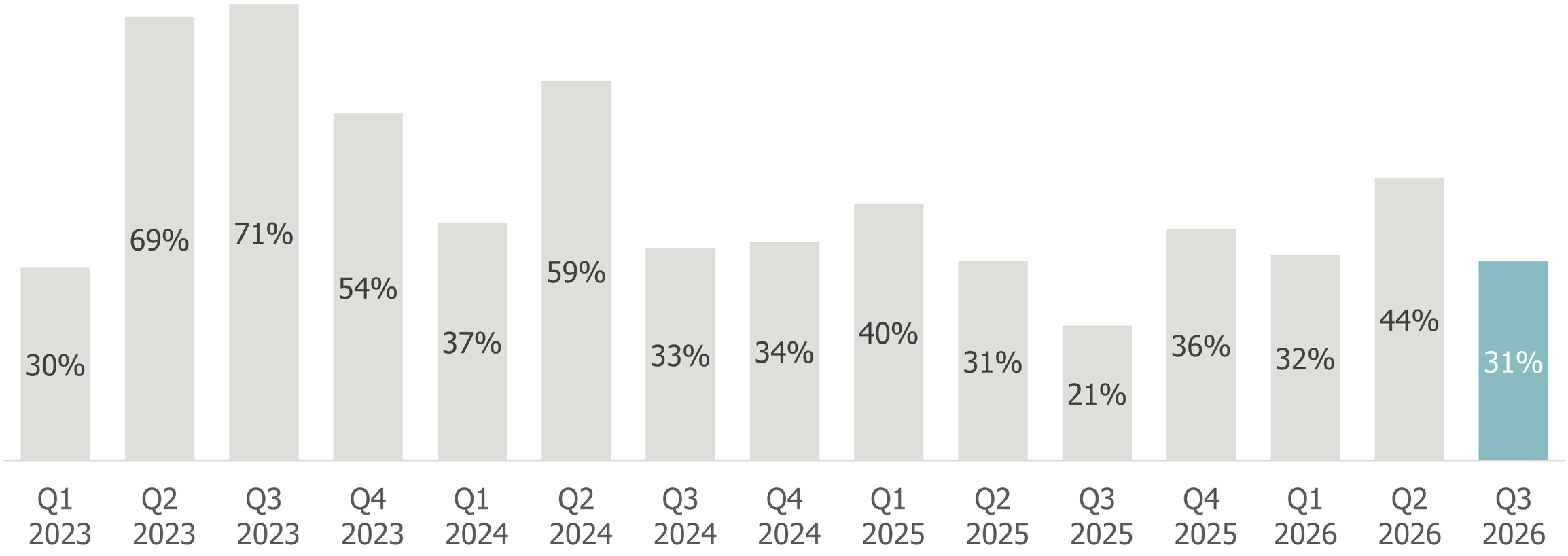
Note: Excludes HOV Global (Kingdom of Saudi Arabia) operations.
Note: Excluding unconsolidated joint ventures and models.

Subtle shift to more to-be-built homes

QMIs as a percentage of gross contracts



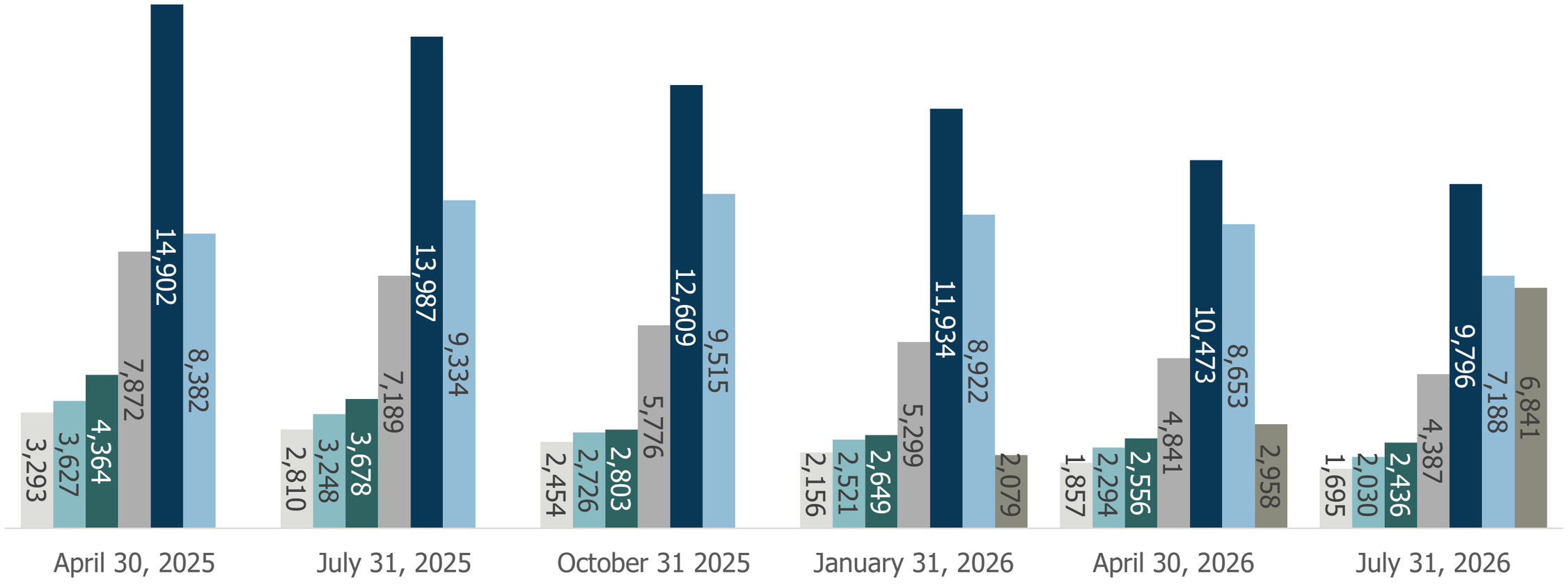
Percentage of communities where we raised net prices



Note: Excludes contracts from HOV Global (Kingdom of Saudi Arabia) operations.

Lot Vintage

	pre 21	2021	2022	2023	2024	2025	2026
% of Incentives	3.4%	3.0%	7.9%	8.1%	11.1%	11.7%	



Note: "% of incentives for deliveries" is percentage of incentives to total revenue before incentives for deliveries. The percentages are for the full fiscal years and are indicative of the percentage of incentives we used when underwriting new land acquisitions in those years.
Note: Excludes HOV Global (Kingdom of Saudi Arabia) operations.

Base Construction & Option Costs Per Square Foot





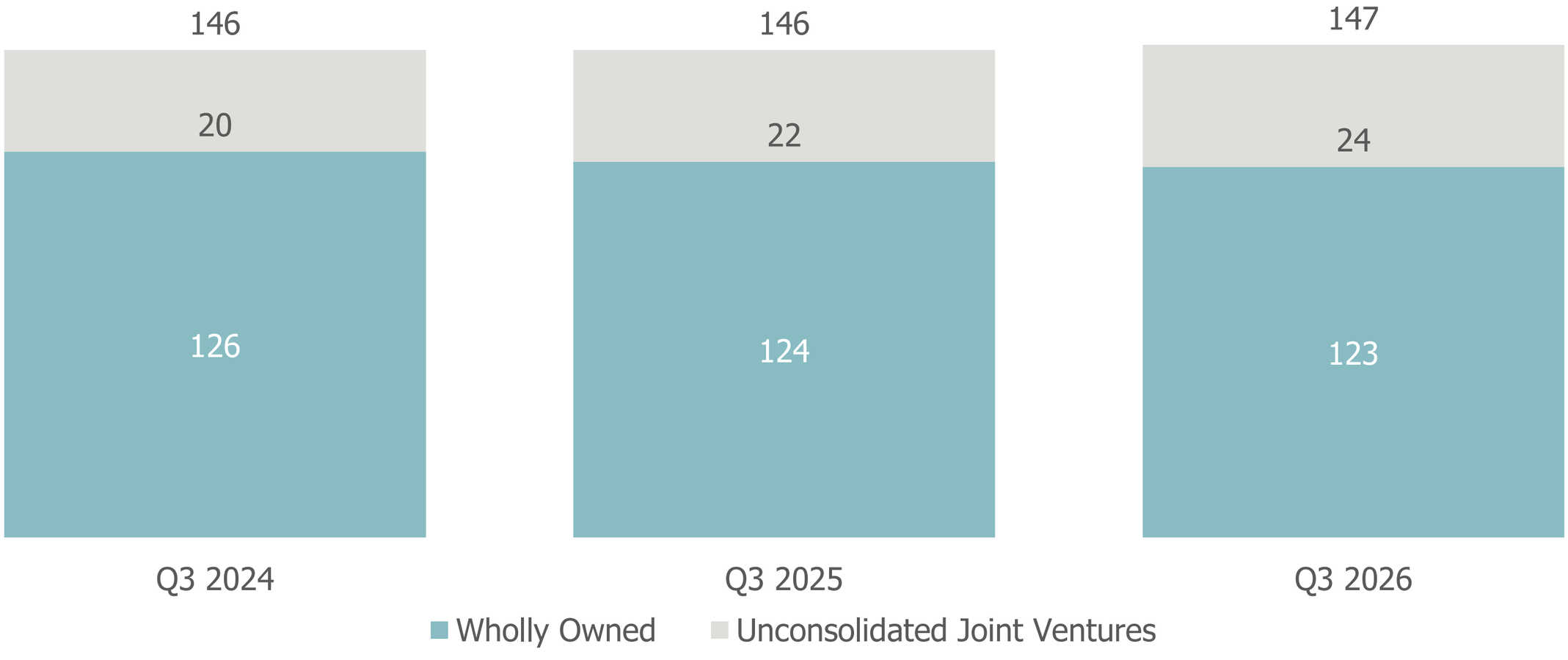
looks®





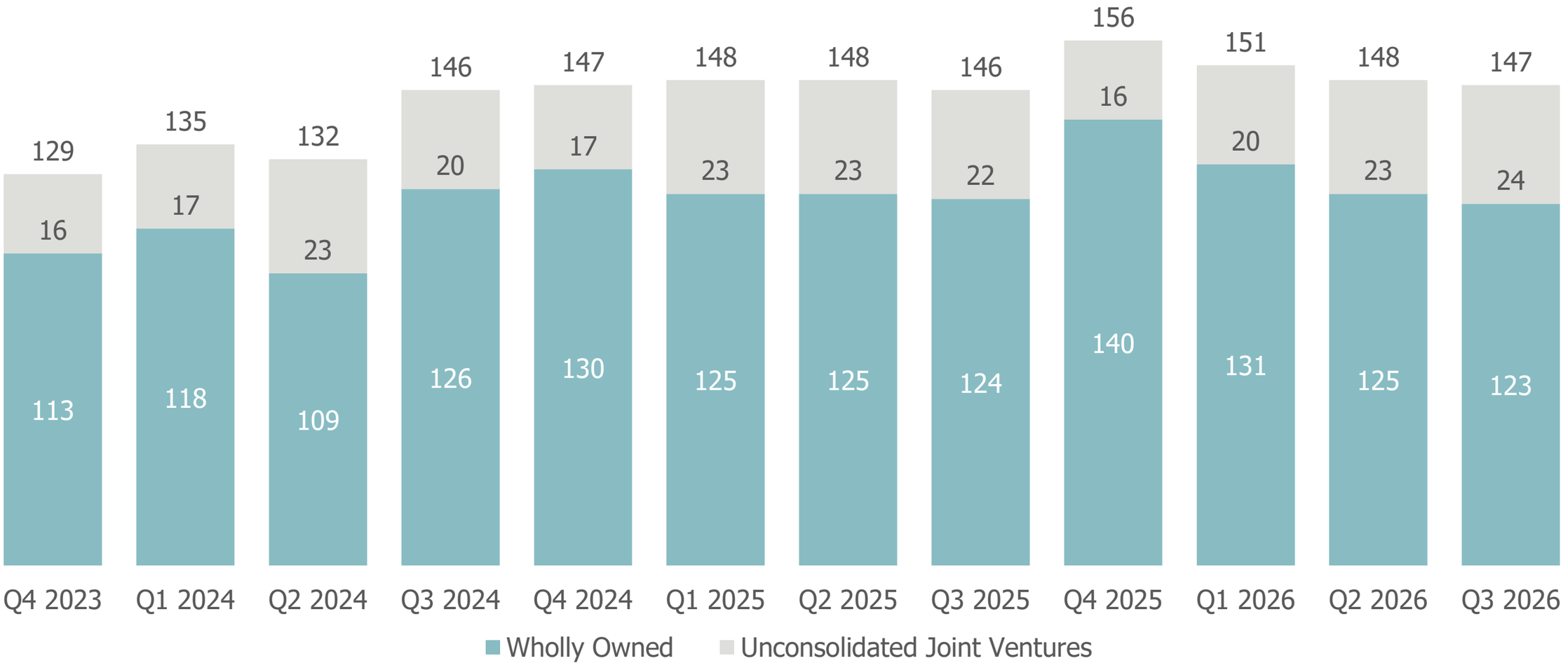
Community Count

Community count expected to grow further in fiscal 2026.



Note: Excludes our three consolidated communities in HOV Global (Kingdom of Saudi Arabia) as of 2026 and four unconsolidated joint venture communities as of 2025 and two unconsolidated joint venture communities as of 2024.

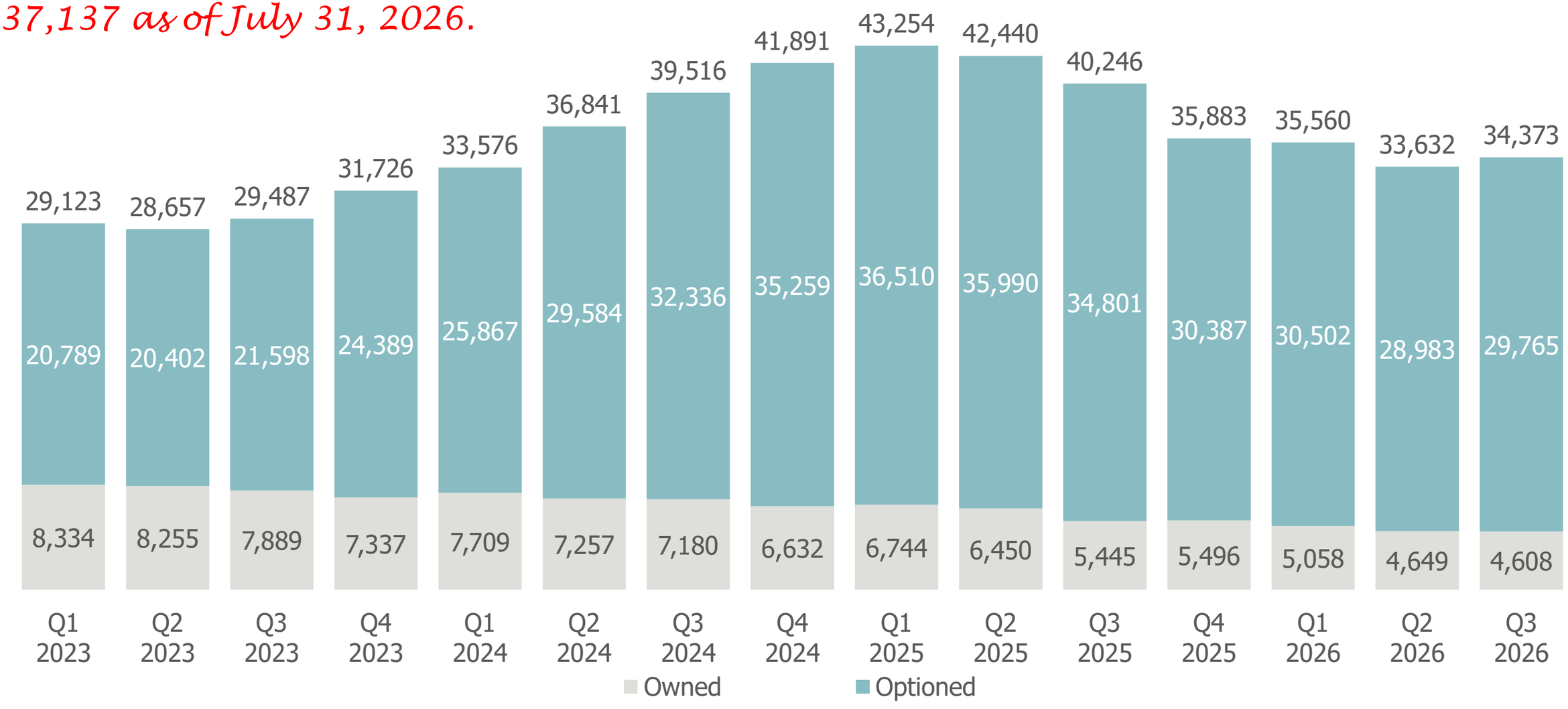
Community Count



Note: Excludes our multi-community unconsolidated joint venture in the Kingdom of Saudi Arabia.

Lots Controlled

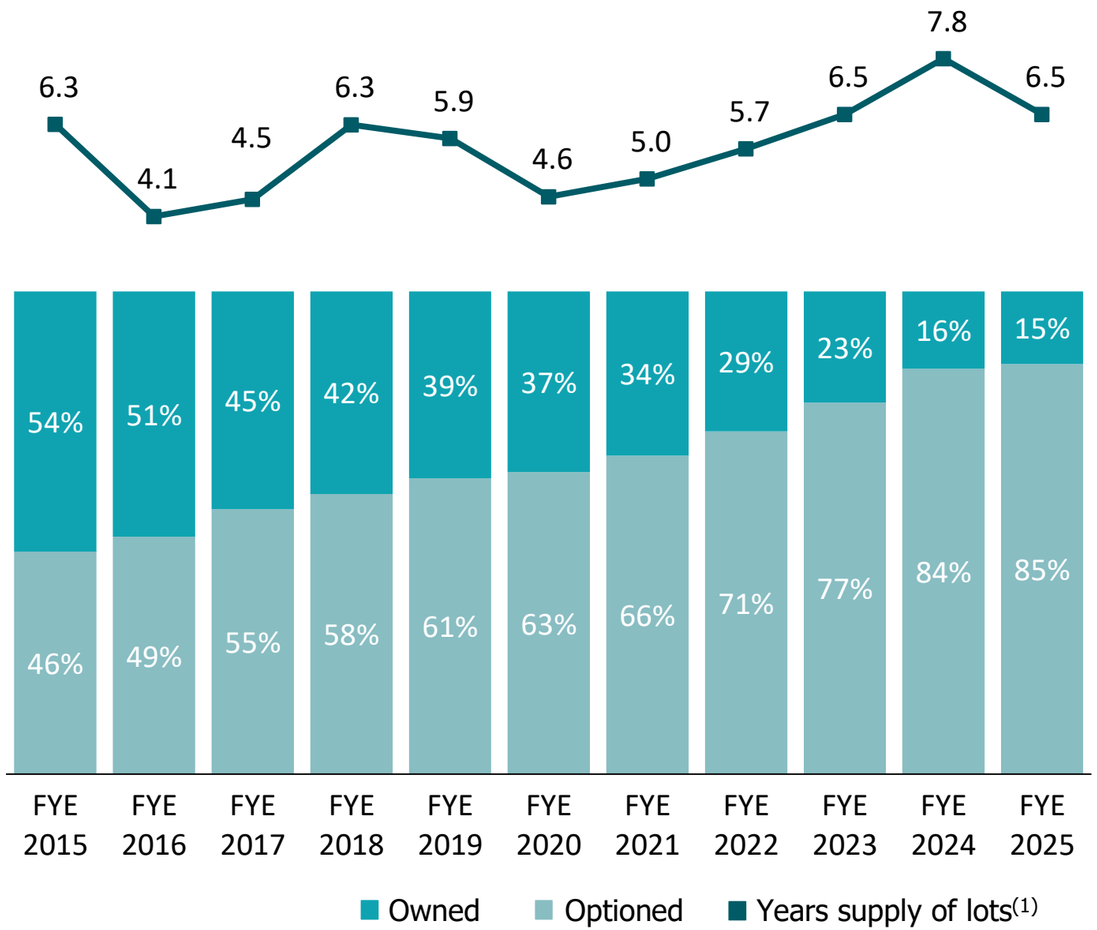
Including domestic unconsolidated joint ventures, our total lots controlled were 37,137 as of July 31, 2026.



Note: Excludes HOV Global (Kingdom of Saudi Arabia) operations.
Note: Excludes unconsolidated joint ventures.

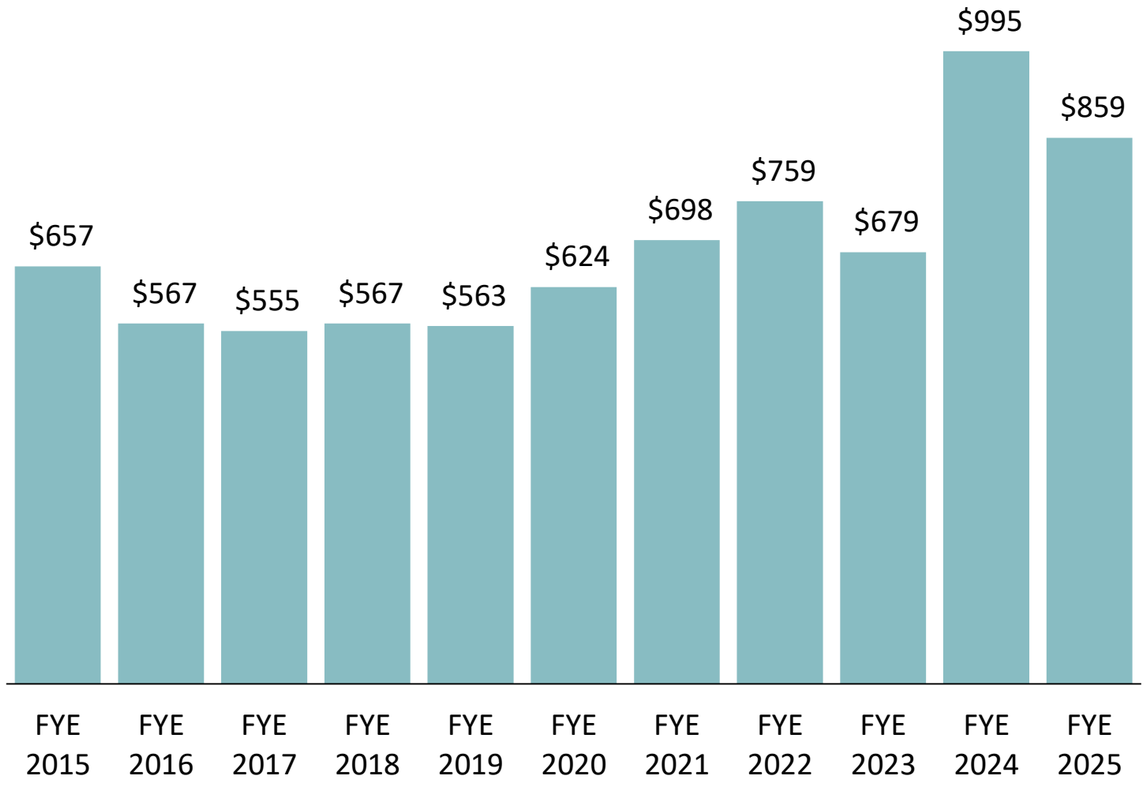
Efficient lot strategy

Multi-year lot supply



Ample inventory reinvestment

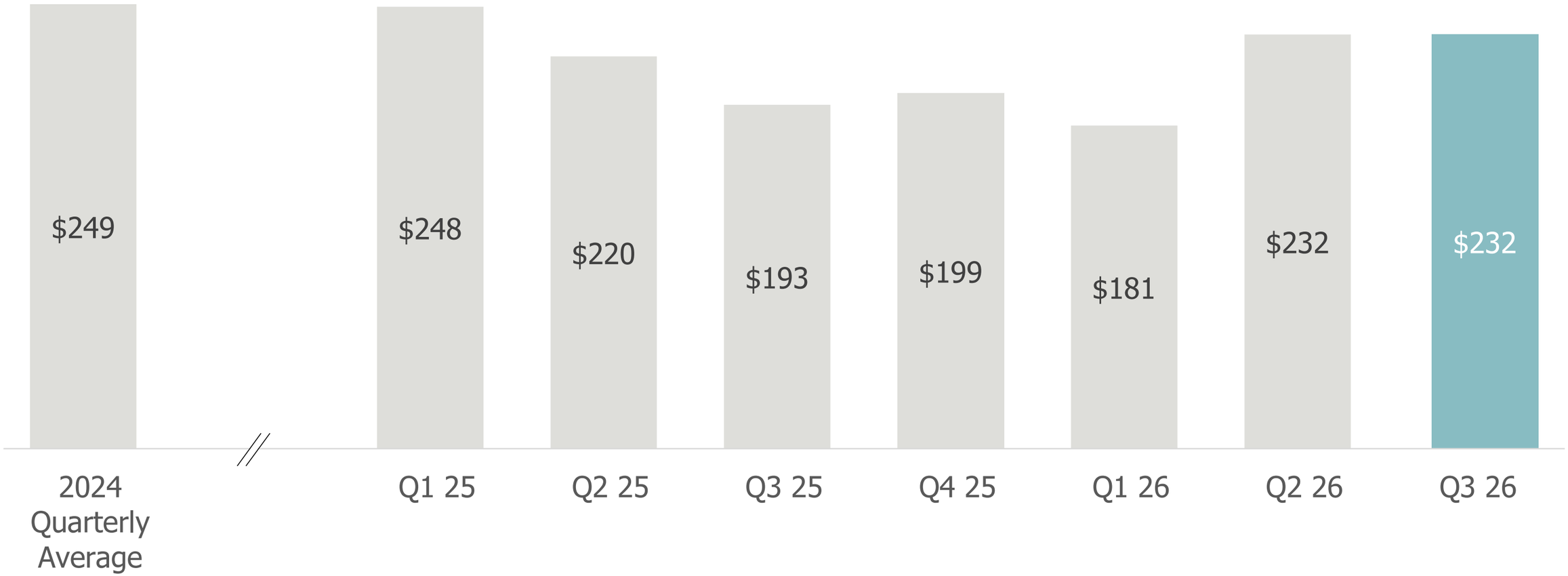
Land and land development spend
($ in millions)



Notes: Excludes unconsolidated joint ventures.
(1) Represents total lots controlled (owned + optioned) / LTM unit closings.

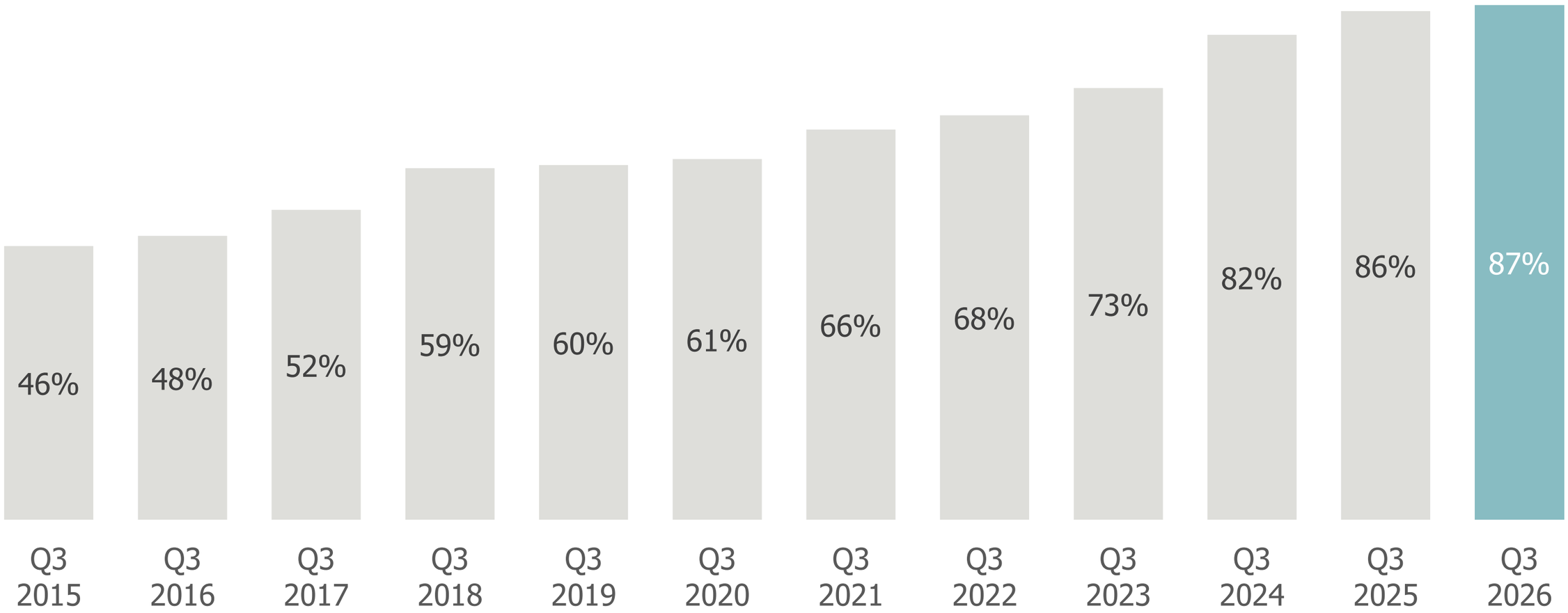
Quarterly Land and Land Development Spend

($ in millions)



Note: Excludes HOV Global (Kingdom of Saudi Arabia) operations.

Percentage of Optioned Lots



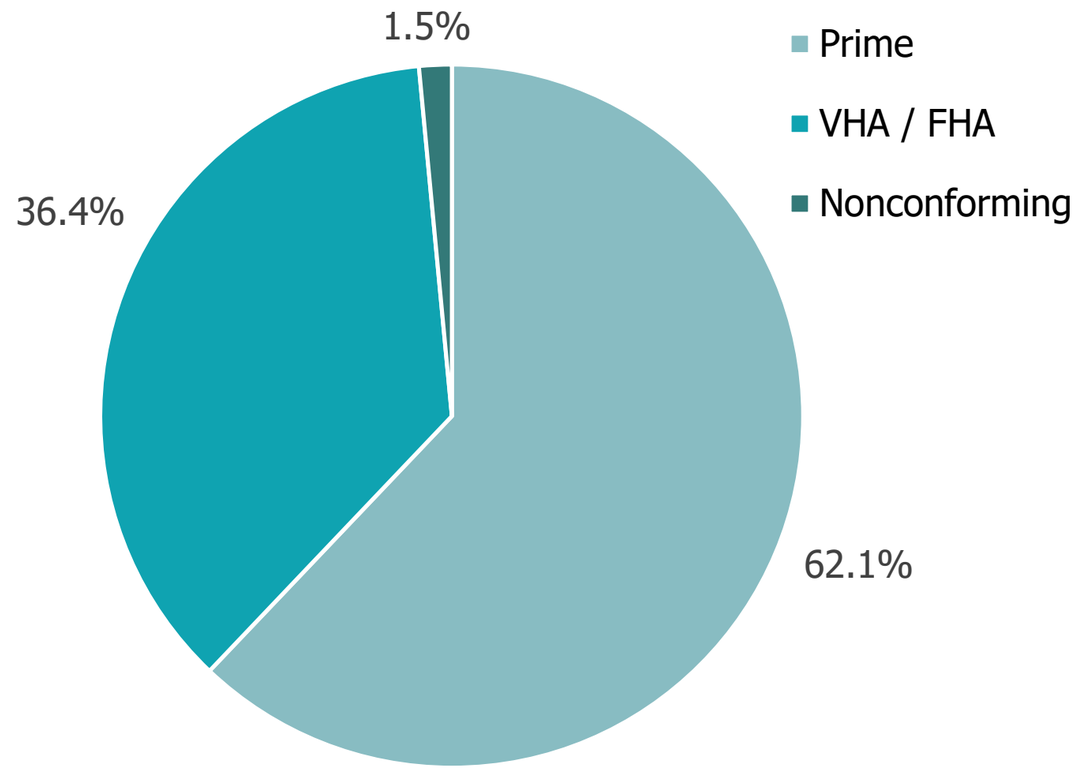
Note: Excludes HOV Global (Kingdom of Saudi Arabia) operations.
Note: Excludes unconsolidated joint ventures.

Profitable financial services business

Financial services overview

- Complements HOV's homebuilding operations
- Allows ability for interest rate buy-down programs for homebuilder customers
- Provides mortgage originations in every state in which Hovnanian operates and title services in most states
- $94mm LTM revenues
- $39mm LTM operating income
- 41% LTM operating margin

Origination portfolio for the nine months ended July 31, 2026



Note: Last twelve months (LTM) through July 31, 2026.

Credit Quality of Homebuyers

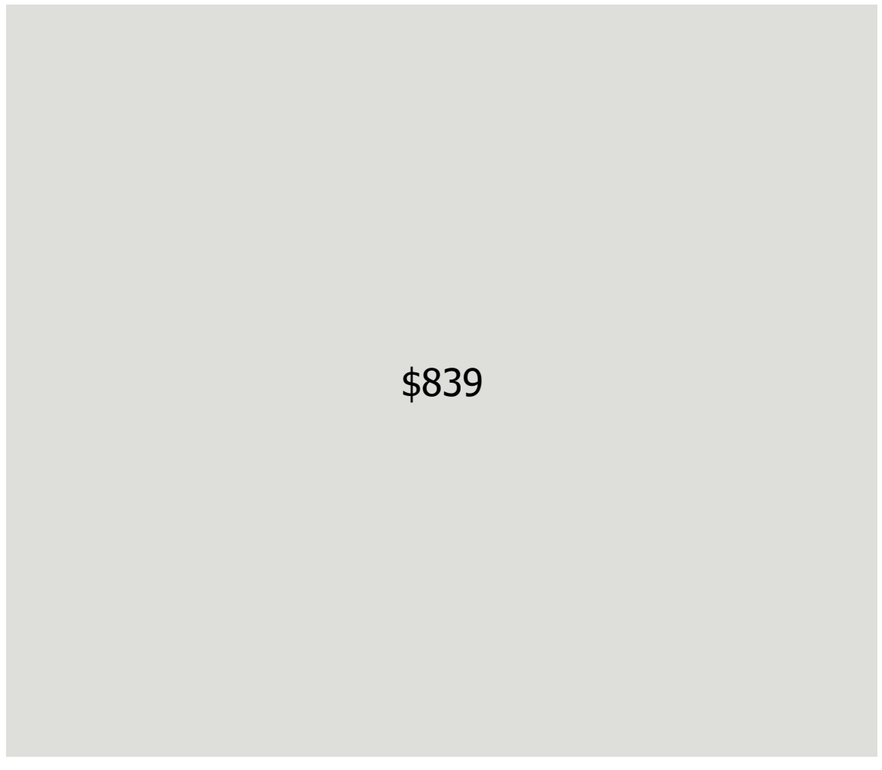
Fiscal Year 2025	Third Quarter 2026
Average LTV: 84%	Average LTV: 84%
Average CLTV: 84%	Average CLTV: 84%
ARMs: 0.3%	ARMs: 10.3%
FICO Score: 745	FICO Score: 743
Capture Rate: 80%	Capture Rate: 84%

Note: Loans originated by our wholly-owned mortgage banking subsidiary.

Backlog

($ in millions)

Dollars



July 31, 2025
1,491 Homes

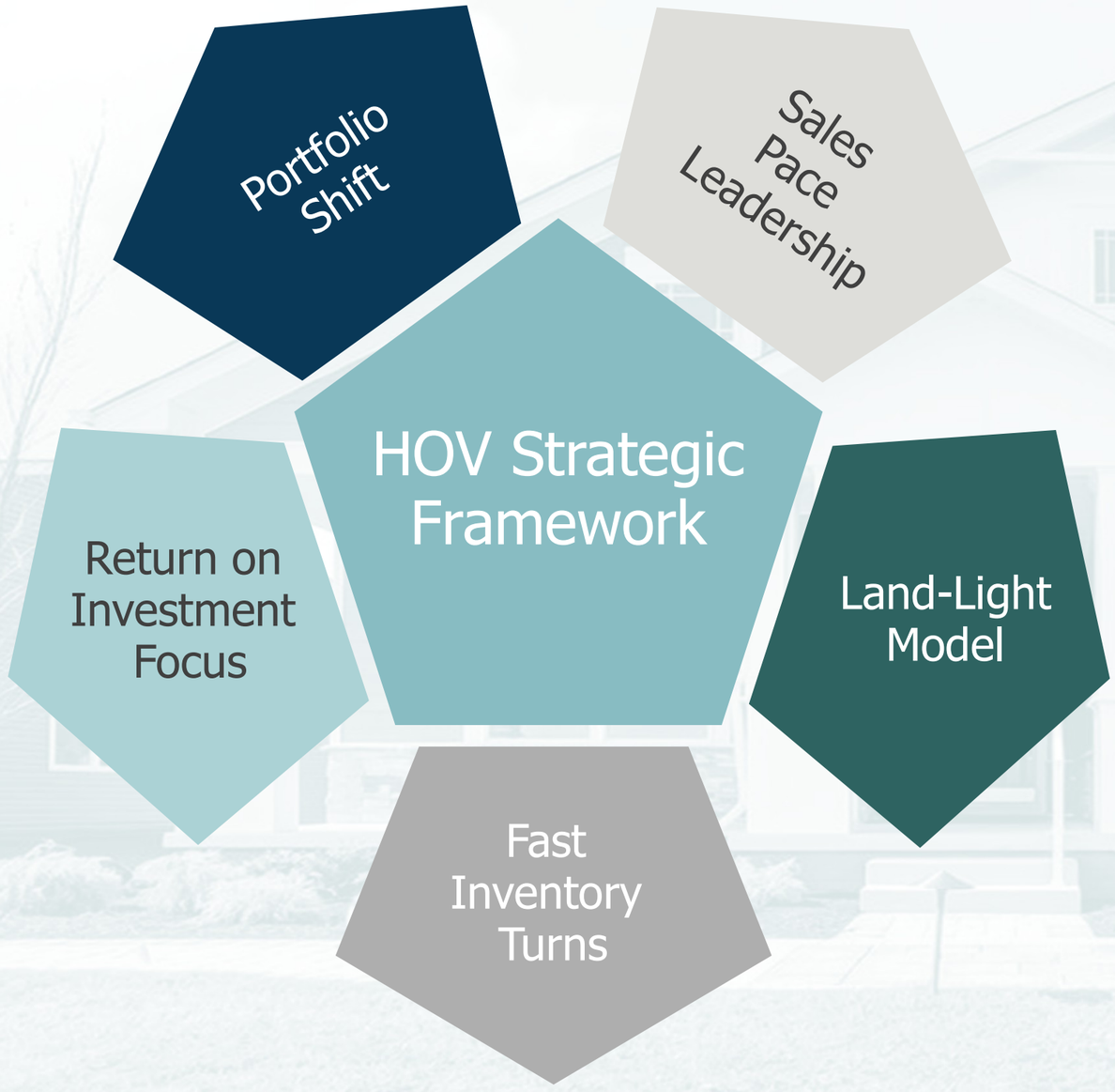


July 31, 2026
1,509 Homes

Note: Excludes domestic unconsolidated joint ventures and Kingdom of Saudi Arabia.



HOV Strategic Framework



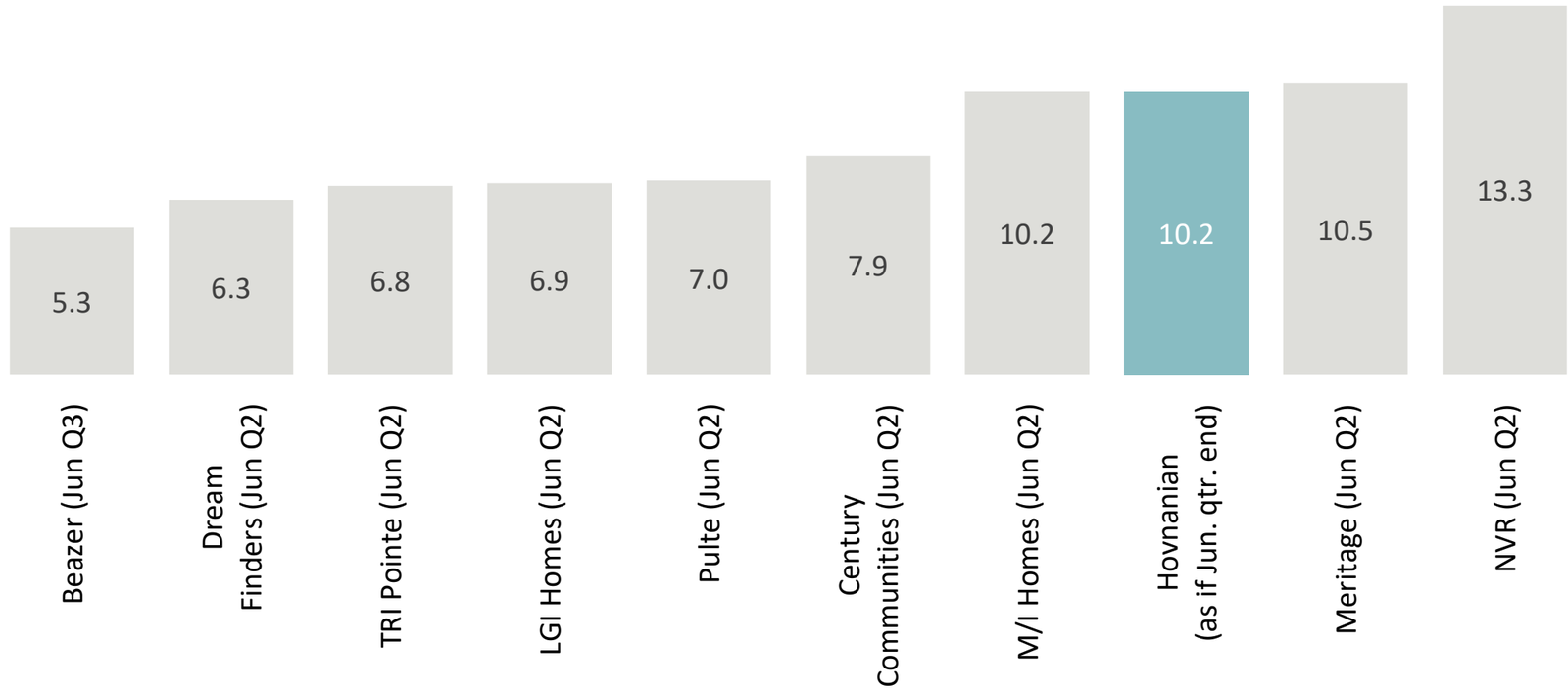
Sales Pace Leadership	Share Gain
Land-Light Model	Capital Efficiency
Fast Inventory Turns	Execution Advantage
Return on Investment Focus	Value Creation
Portfolio Shift	Move Up/Away from Entry Level

Sales Pace Leadership

Share Gains

PILLAR 01 OF 05

Contracts Per Community – for quarter ended June 30, 2026

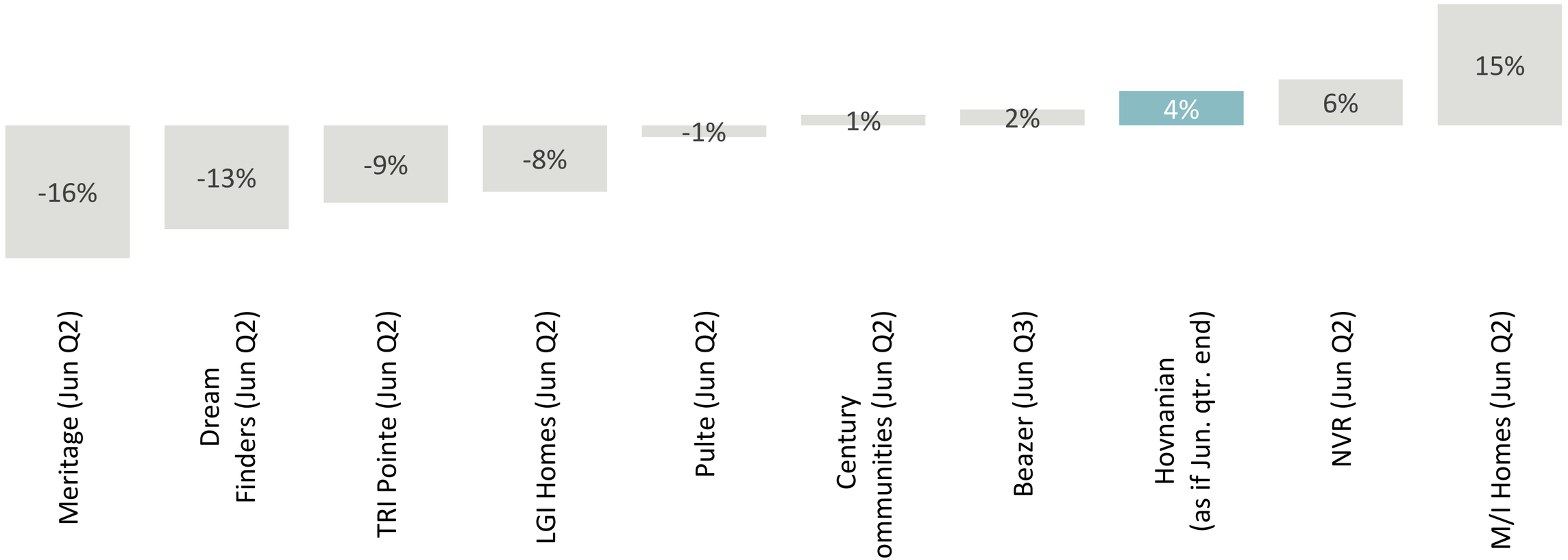


Note: Only peers with June quarter ends are shown on this slide.
Note: Hovnanian calculation excludes domestic unconsolidated joint venture contracts.

- Maintain industry-leading absorption by keeping communities actively selling and turning
- Align pricing, incentives and production with local demand to sustain consistent sales velocity
- Convert faster sales and higher turns into long-term market share gains

Contracts Per Community – Most Recent Quarter
Year-Over-Year Change

For the quarter ended June 30, 2026, compared with the quarter ended June 30, 2025



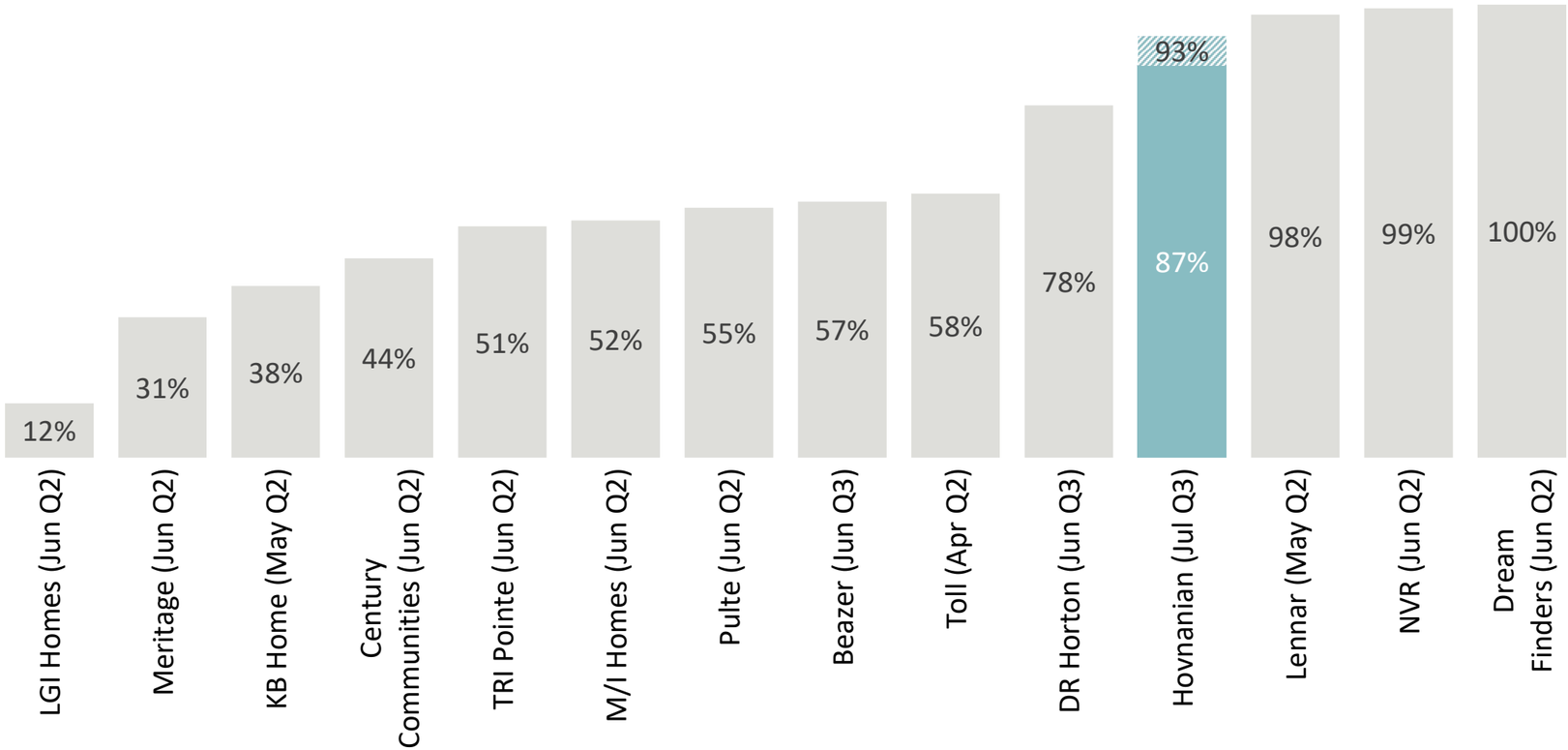
Note: Only peers with June quarter ends are shown on this slide.
Note: Hovnanian calculation excludes domestic unconsolidated joint venture contracts.

Land-Light Model

Capital Efficiency

PILLAR 02 OF 05

Leader in pivoting towards “asset-lite”



- Control future lot supply through options with land sellers and strategic land partners
- Minimize capital invested in long-duration communities
- Maintain the flexibility to align community growth with market demand

Execution Strategy

Fast Inventory Turns

PILLAR 03 OF 05

Second highest inventory turn rate of public builders, last twelve months



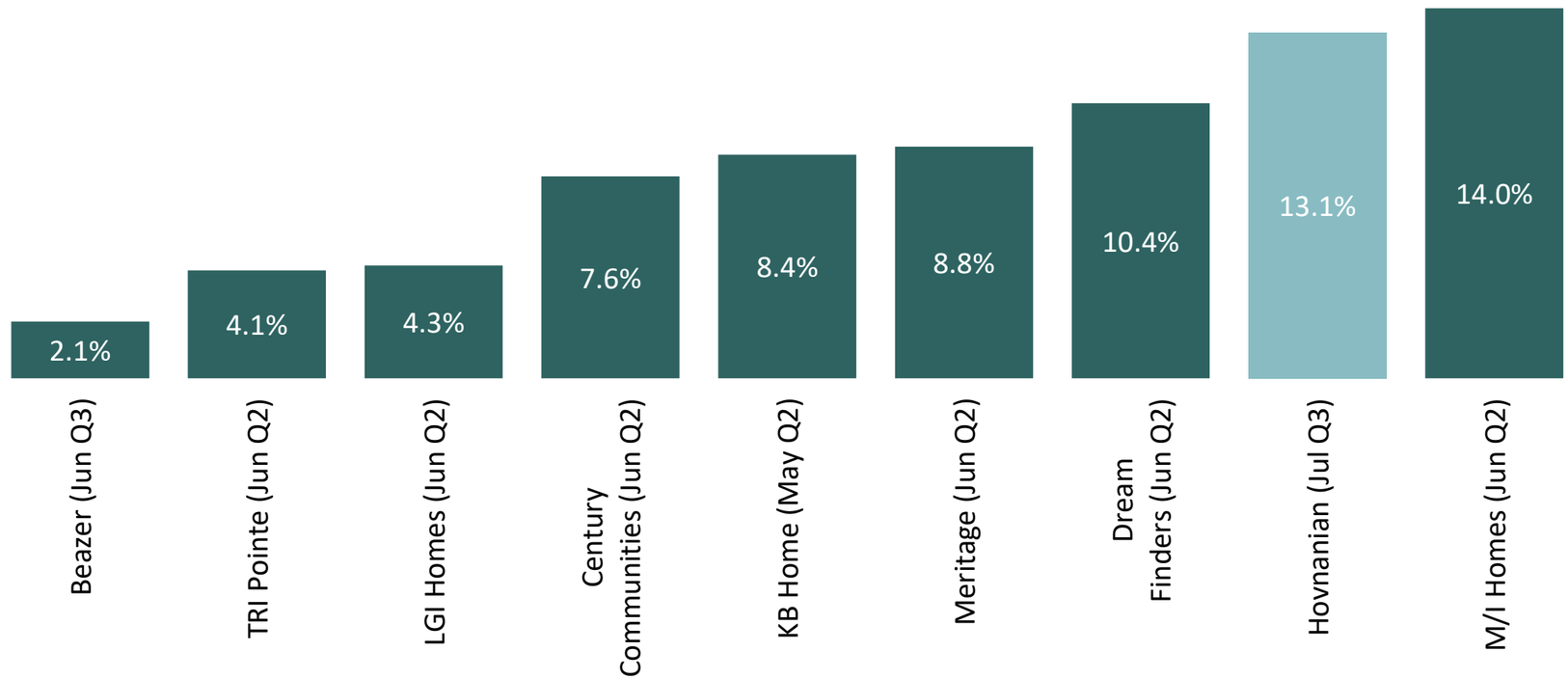
- Maintain a disciplined build cycle that converts starts into deliveries efficiently
- Limit standing inventory to preserve pricing power and reduce carrying costs
- Rapidly recycle capital into new communities and growth opportunities

Value Creation

Return on Investment Focus

PILLAR 04 OF 05

Highest adjusted EBIT ROI compared to midsized peers, last twelve months



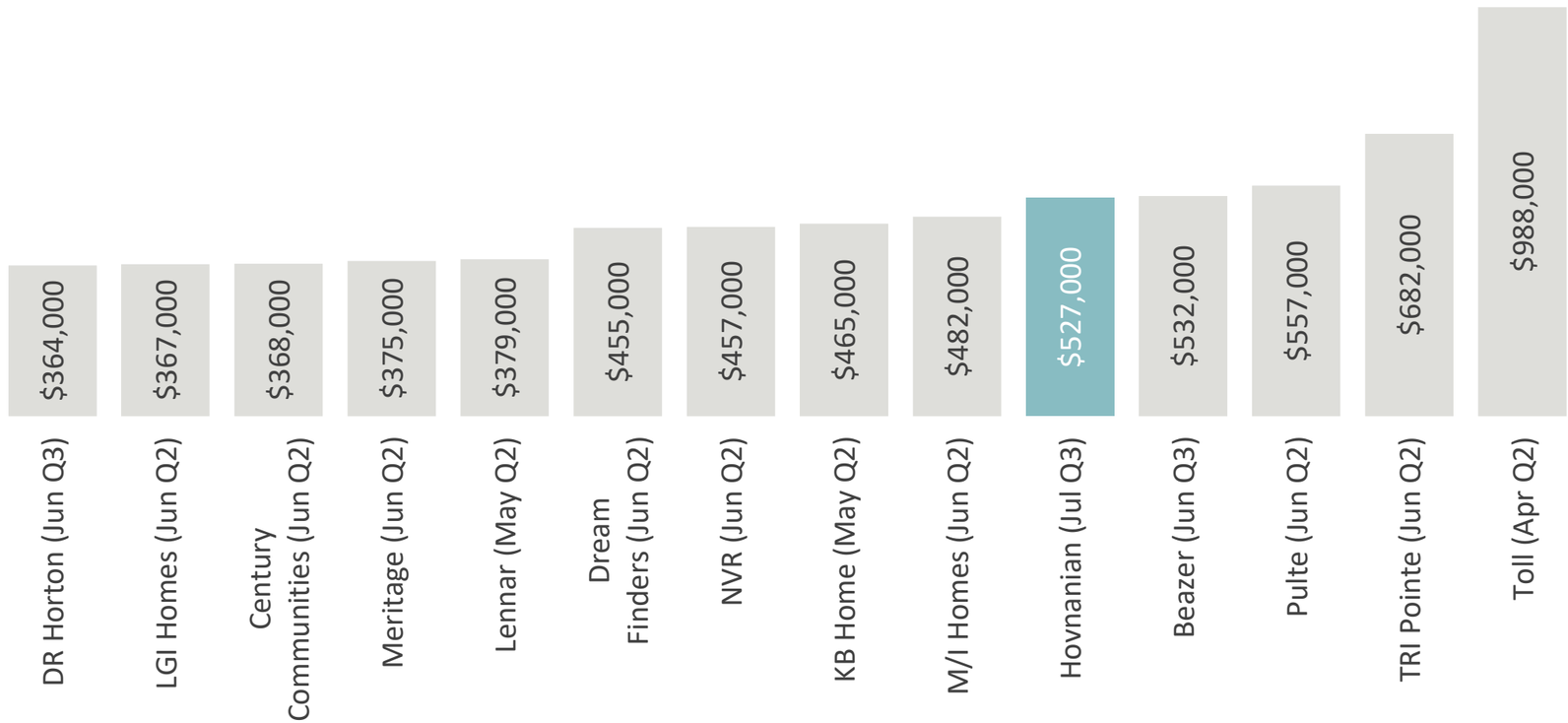
- Evaluate every decision through the lens of inventory and capital returns
- Allocate capital to the highest-returning communities and opportunities
- Balance growth, margins and cash flow to maximize long-term value creation

Move Up Market

Portfolio Shift

PILLAR 05 OF 05

Average sales price of deliveries, last twelve months



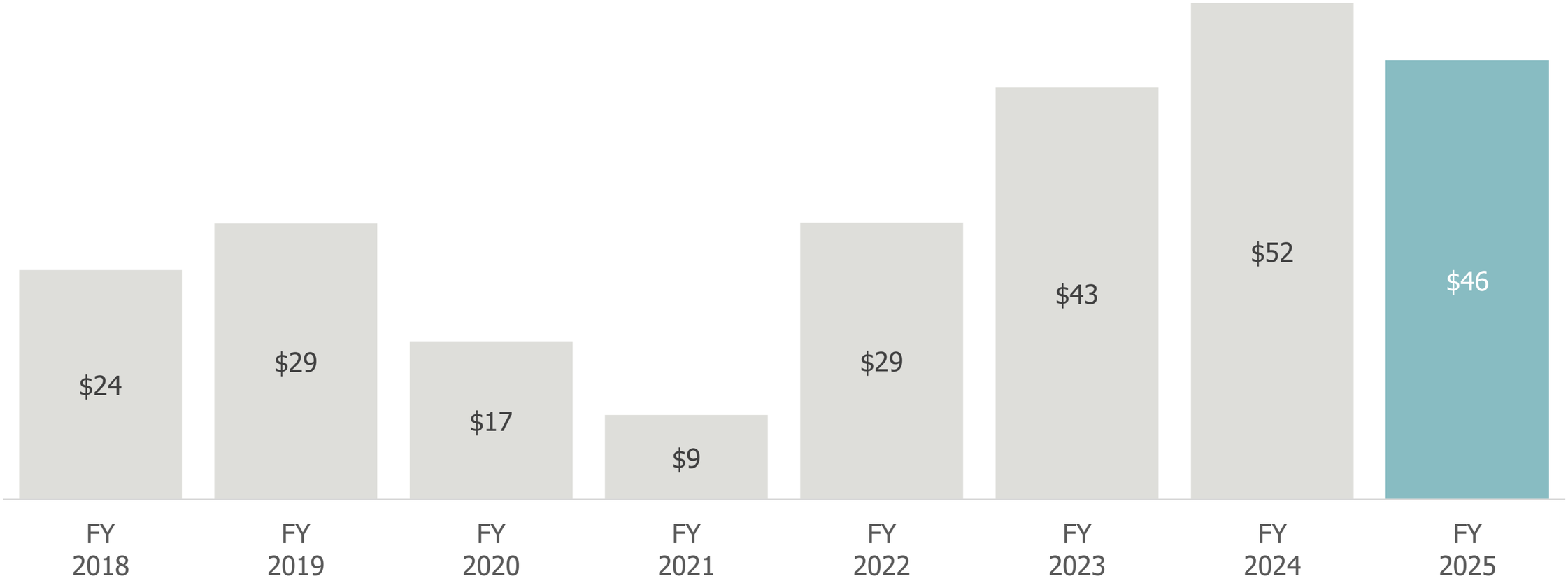
- Reduce exposure to highly competitive entry-level price points
- Focus on move-up and higher-value buyer segments, including active lifestyle communities
- Differentiate communities through elevated design, quality and included features



Unconsolidated Joint Ventures

Income from Unconsolidated Joint Ventures

($ in millions)



Why we use joint ventures?

- Another method to get superior return on investments, similar to land light
- We receive a disproportionate share of upside performance, improving IRR and Net Profit dollars
- Additional capital allows us to invest in more communities, diversifying risk and leveraging fixed costs
- Joint venture partners share in the downside risk
- Management fees offset overhead costs

Land Light Deals: Joint Venture

	Single Community		
	Wholly Owned	**After Joint Venture**	**Theoretical 5-Community Joint Venture**
Peak Capital	$74M	$14M	**$70M**
Return (IRR)	31%	47%	**47%**
Community Life Profit	$82M	$33M	**$165M**

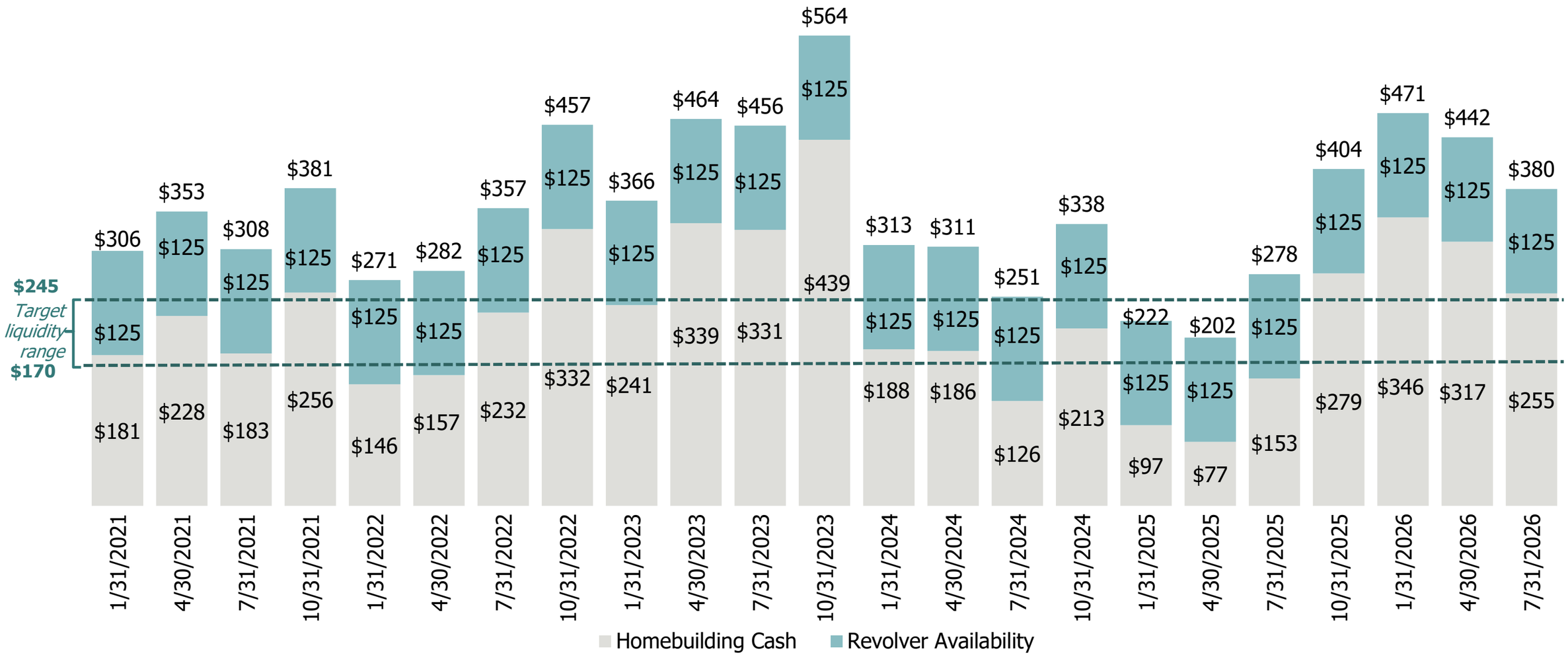
We could joint venture 4 additional deals with less peak capital and we can earn significantly more profit,
as well as diversify our investments!



Liquidity and balance sheet management

Liquidity Position and Target

($ in millions)

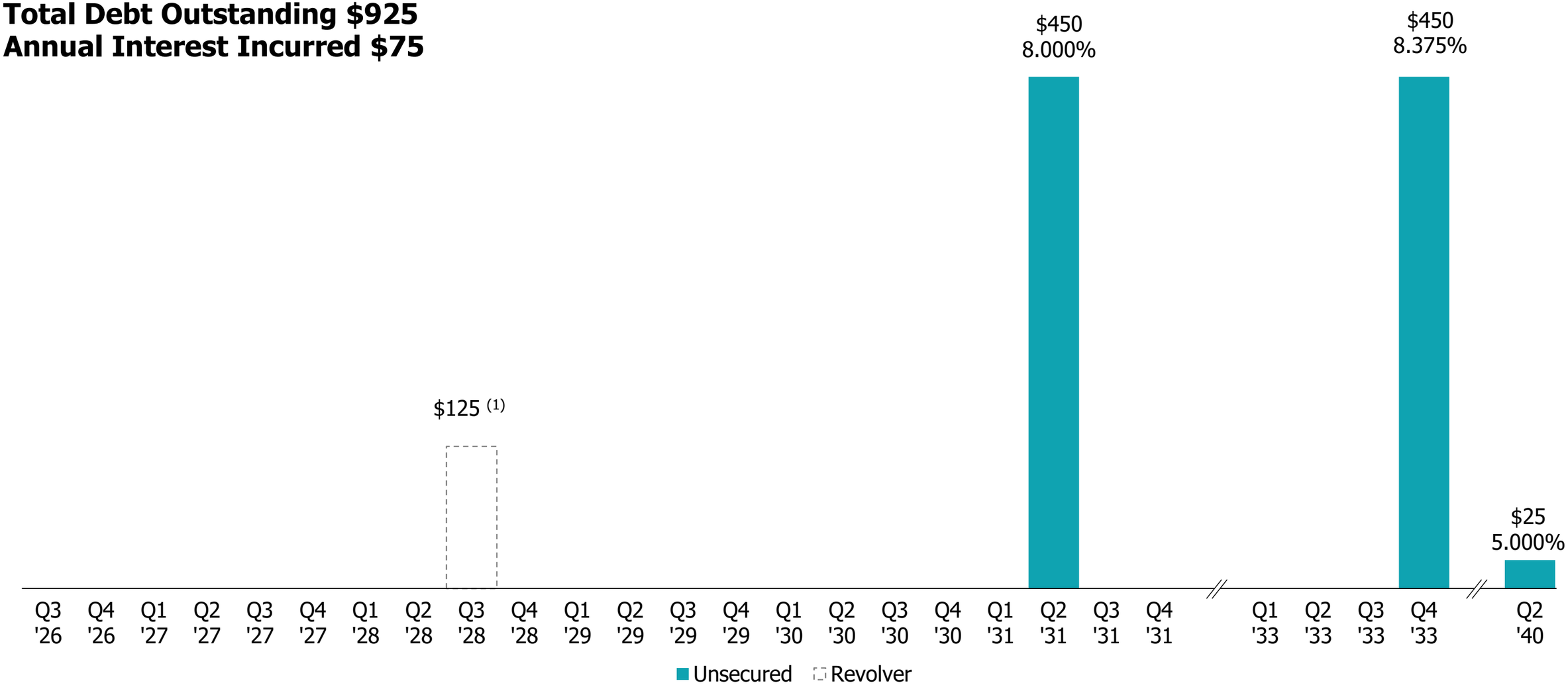


Note: Liquidity position includes homebuilding cash and cash equivalents (which includes unrestricted cash and restricted cash required to collateralize letters of credit) and revolving credit facility availability.

Debt Maturity Profile

As of July 31, 2026
($ in millions)

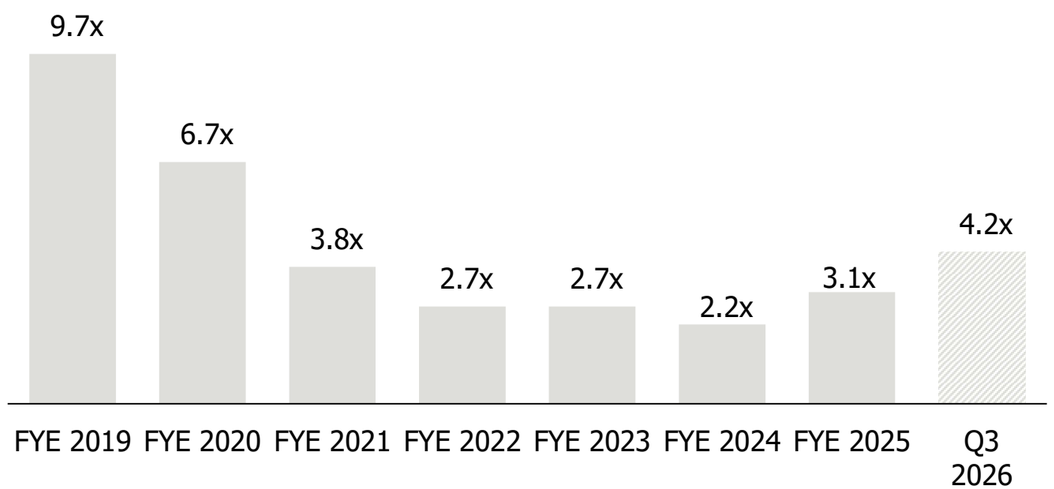
Total Debt Outstanding $925
Annual Interest Incurred $75



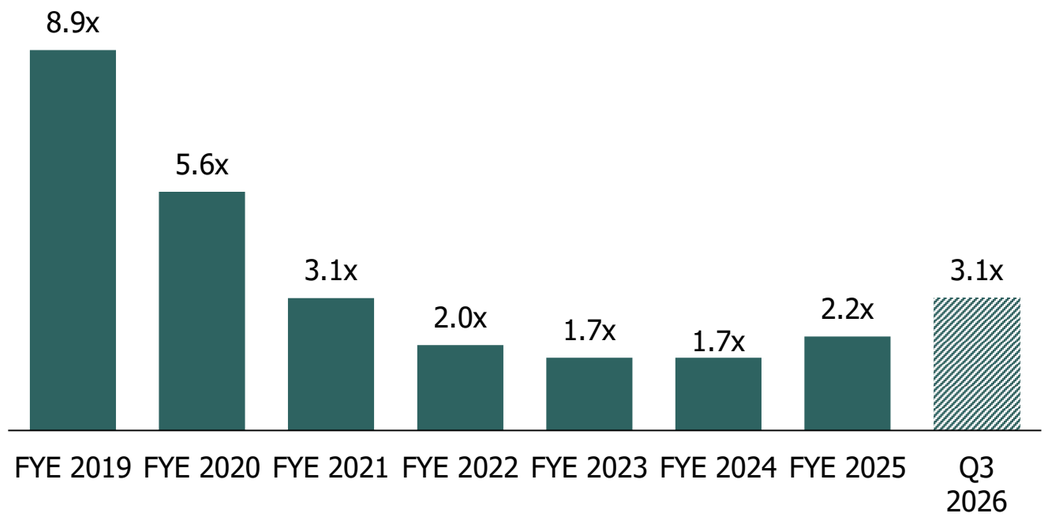
Note: Shown on a fiscal year basis, at face value.
Excludes non-recourse mortgages.
(1) $0 balance as of July 31, 2026.

Credit Metrics

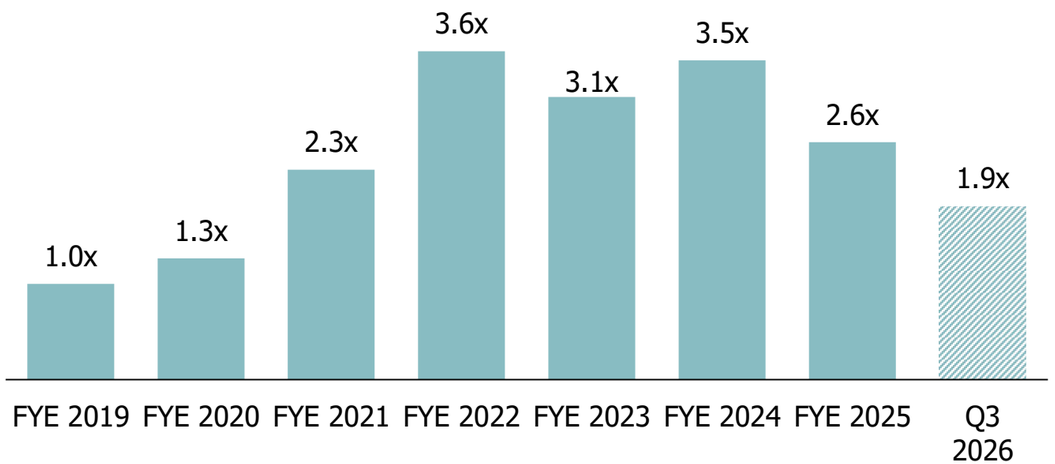
Total debt (incl. mortgages) / Adjusted EBITDA



Net Debt (incl. mortgages)/ Adjusted EBITDA



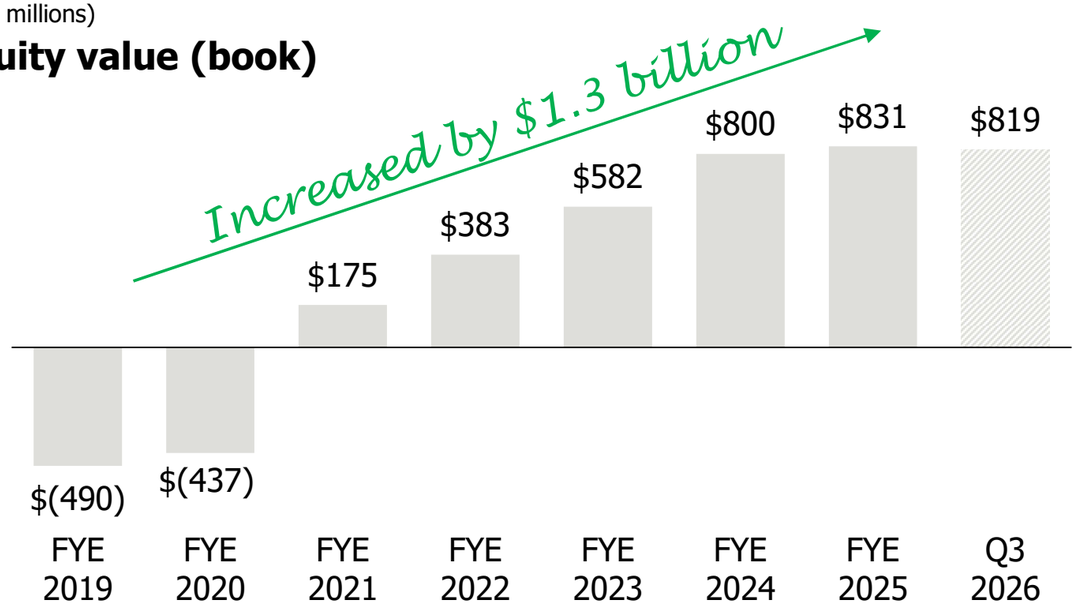
Adjusted EBITDA / Interest Incurred



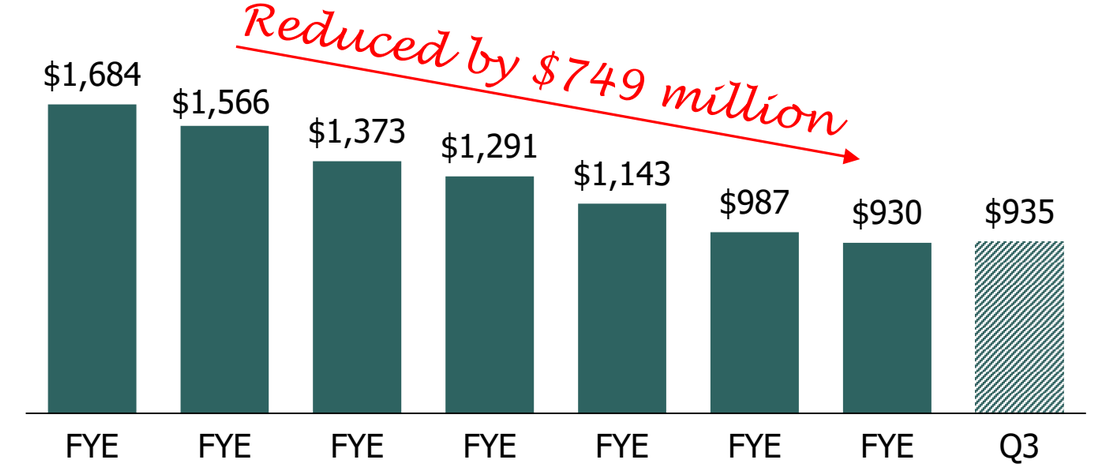
Balance Sheet Metrics

($ in millions)

Equity value (book)

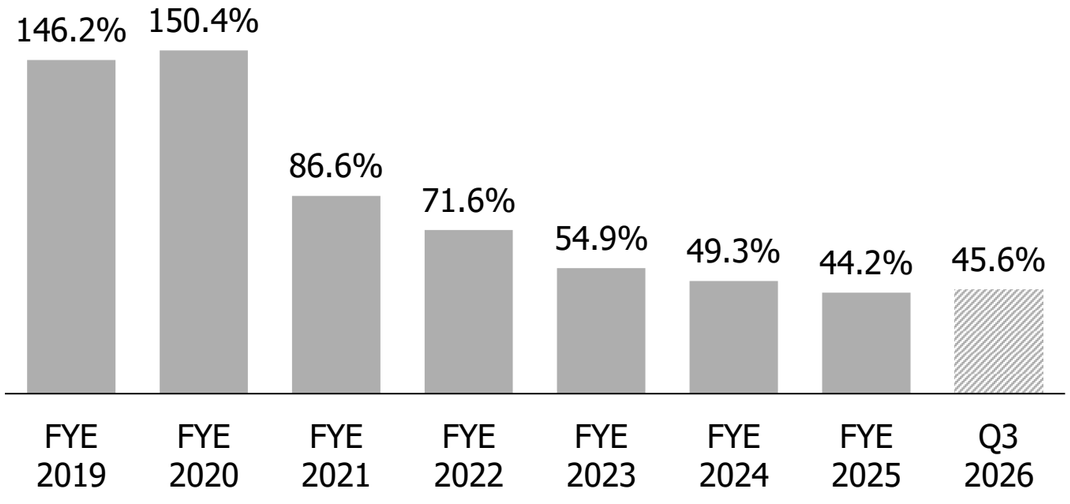


Total debt

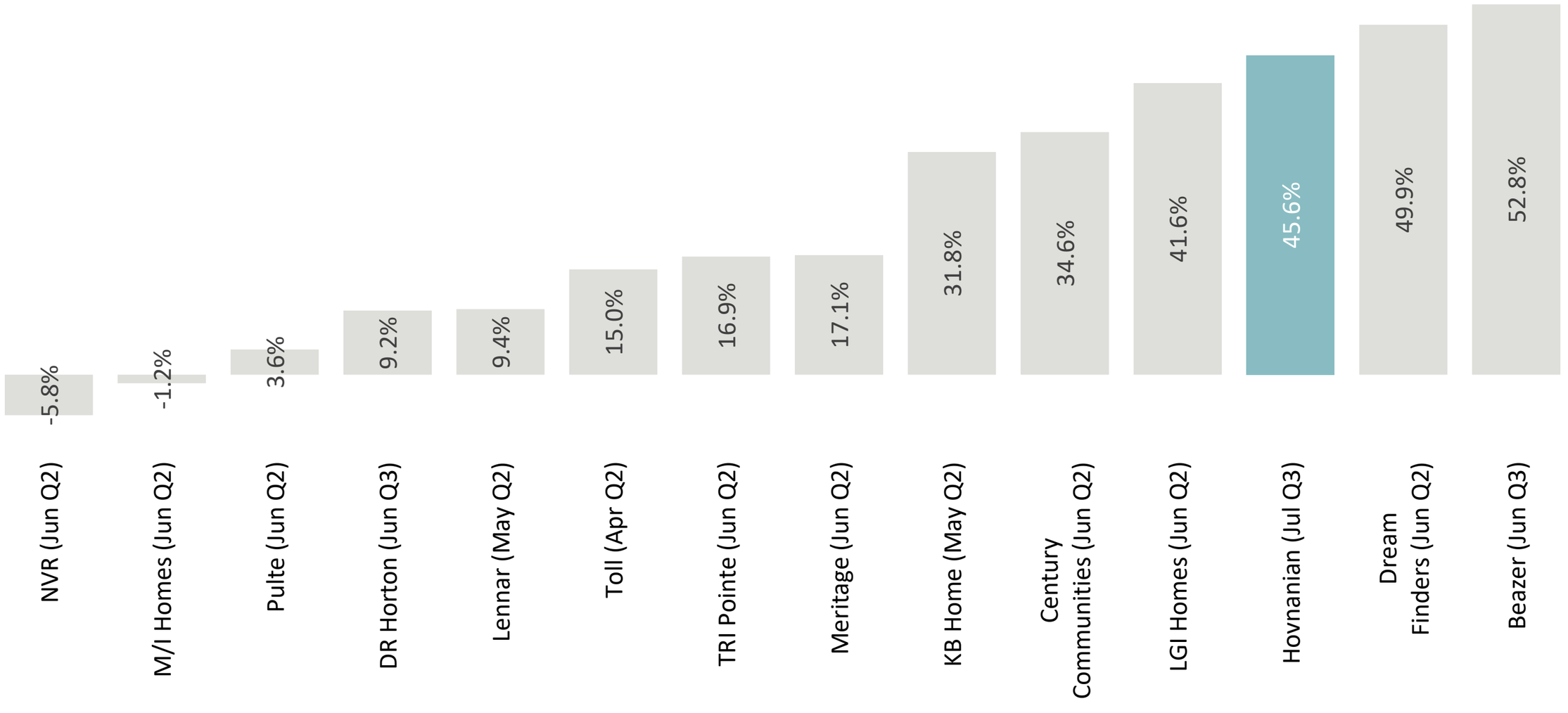


Net debt to net capitalization

Goal: 30%

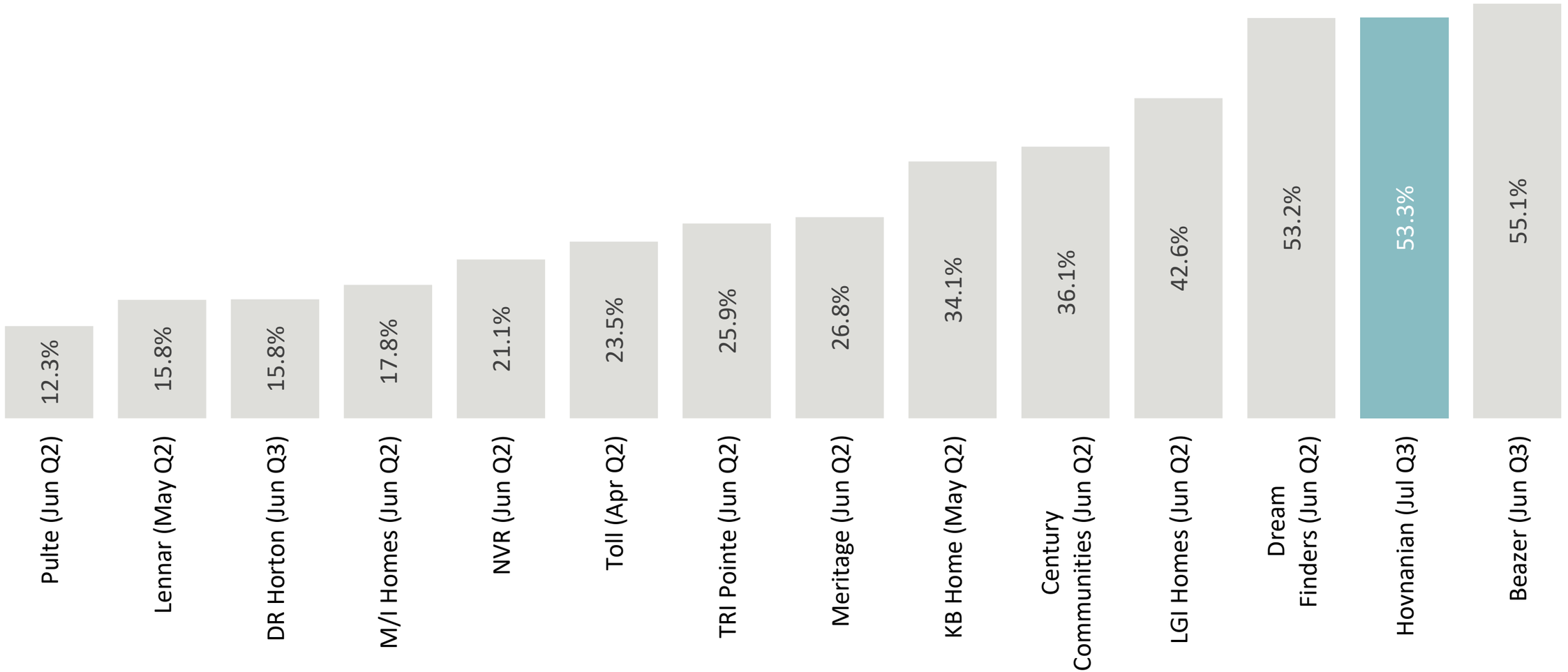


Net Debt to Cap



Source: Peer SEC filings and press releases as of 08/20/2026.

Debt to Cap



Source: Peer SEC filings and press releases as of 08/20/2026.



Guidance

Guidance for Fiscal 2026 Fourth Quarter

($ in millions)

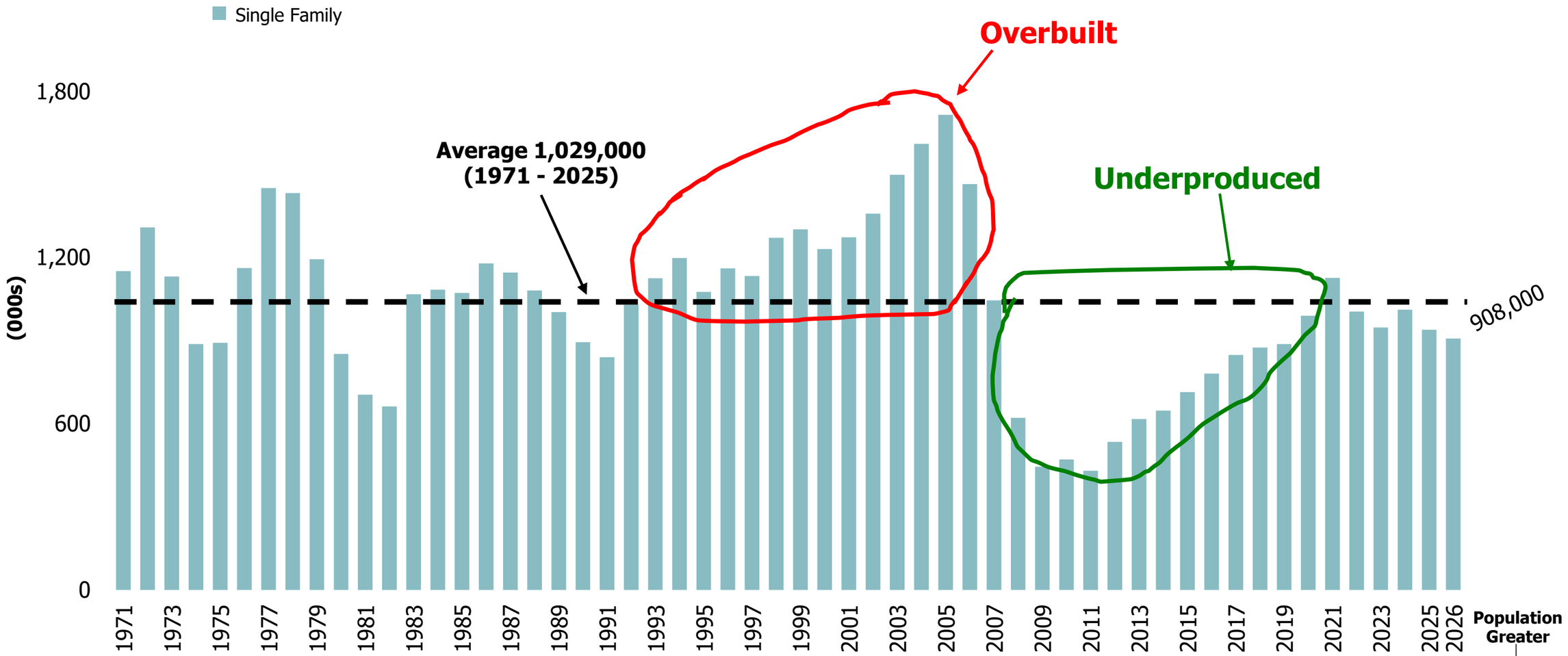
	Guidance Q4 2026[1]
Total Revenues	**$800 - $900**
Adjusted Homebuilding Gross Margin[2]	**15.0% - 16.5%**
Total SG&A as Percentage of Total Revenues[3]	**10.5% - 11.5%**
Income from Unconsolidated Joint Ventures	**$10- $20**
Adjusted EBITDA[4]	**$50 - $65**
Adjusted Income Before Income Taxes[5]	**$15 - $30**

(1) The Company cannot provide a reconciliation between its non-GAAP projections and the most directly comparable GAAP measures without unreasonable efforts because it is unable to predict with reasonable certainty the ultimate outcome of certain significant items required for the reconciliation. These items include, but are not limited to, land-related charges, inventory impairments and land option write-offs and loss (gain) on extinguishment of debt, net. These items are uncertain, depend on various factors and could have a material impact on GAAP reported results.
(2) Adjusted homebuilding gross margin percentage is before cost of sales interest expense and land charges and is a non-GAAP financial measure. See appendix for a reconciliation of the historic measure to the most directly comparable GAAP measure.
(3) Total SG&A includes homebuilding selling, general and administrative costs and corporate general and administrative costs. Ratio calculated as a percentage of total revenues. The SG&A guidance assumes that the stock remains at $123.90, which was the price at the end of the third quarter of fiscal year 2026.
(4) Adjusted EBITDA is a non-GAAP financial measure. The most directly comparable GAAP financial measure is net income (loss). Adjusted EBITDA represents earnings before interest expense, income taxes, depreciation, amortization, land-related charges and loss (gain) on extinguishment of debt, net. See appendix for a reconciliation of the historic measure to the most directly comparable GAAP measure.
(5) Adjusted Income Before Income Taxes excludes land-related charges, joint venture write-downs and loss (gain) on extinguishment of debt, net and is a non-GAAP financial measure. See appendix for a reconciliation of the historic measure to the most directly comparable GAAP measure.



US Housing Market

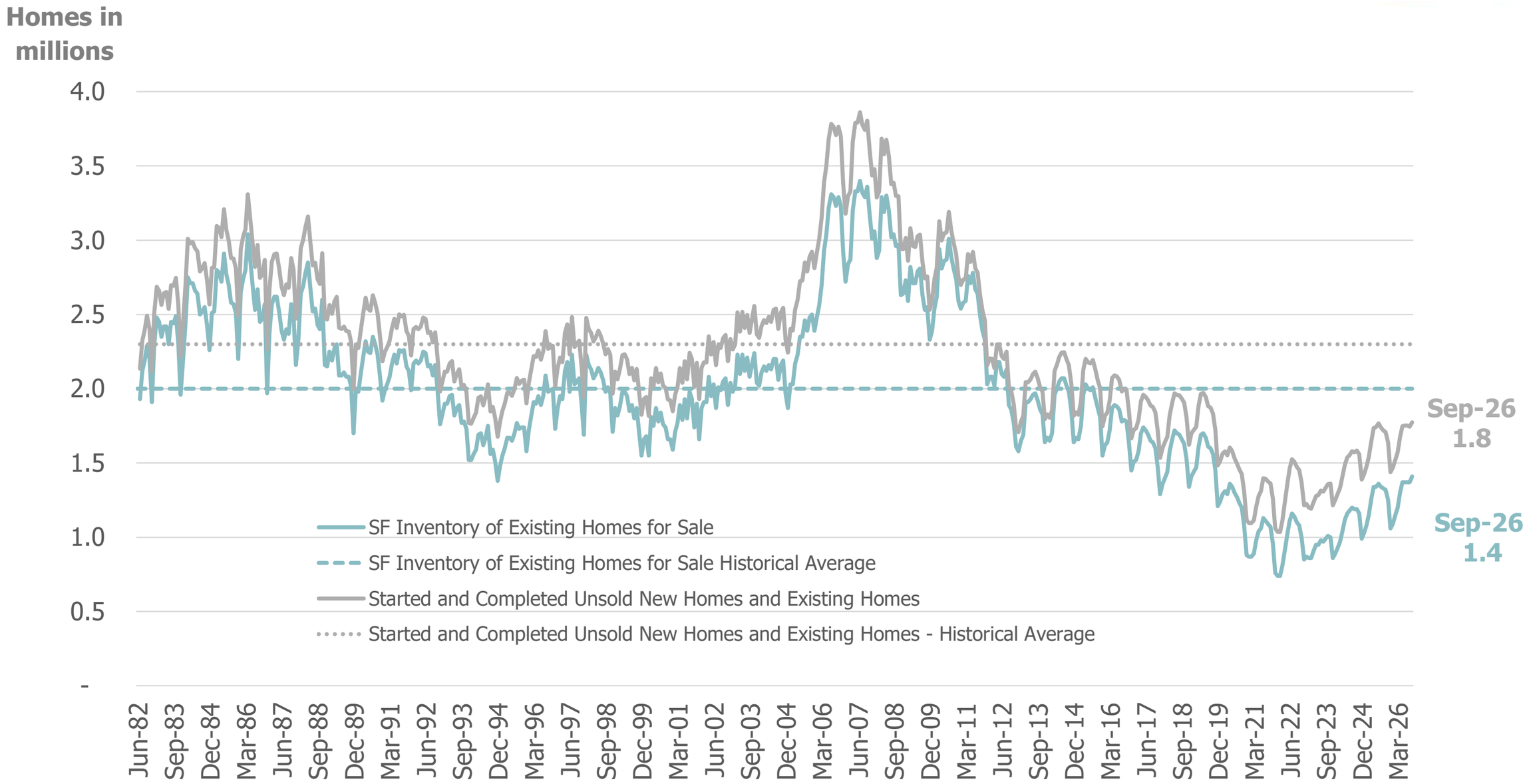
Single Family Housing Starts



US Population	1970	1980	1990	2000	2010	2020
In millions	203.2	226.5	248.7	281.4	308.7	331.4

Source: U.S. Census Bureau.
Note: 2026 data is September 2026 year-to-date seasonally adjusted annual rate.

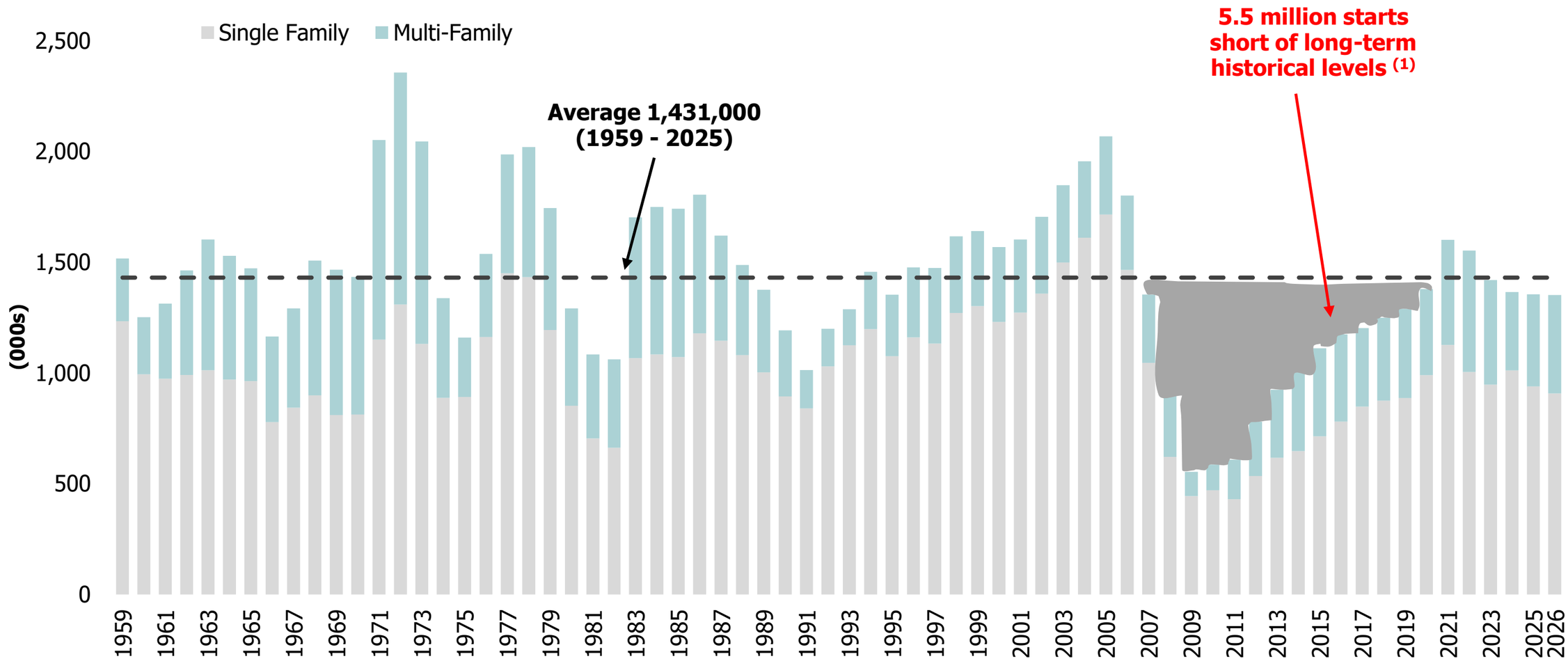
Historically Low Supply of Homes for Sale



Source: National Association of Realtors.

Recent shortfall in U.S. housing production

(For Sale and Rental)

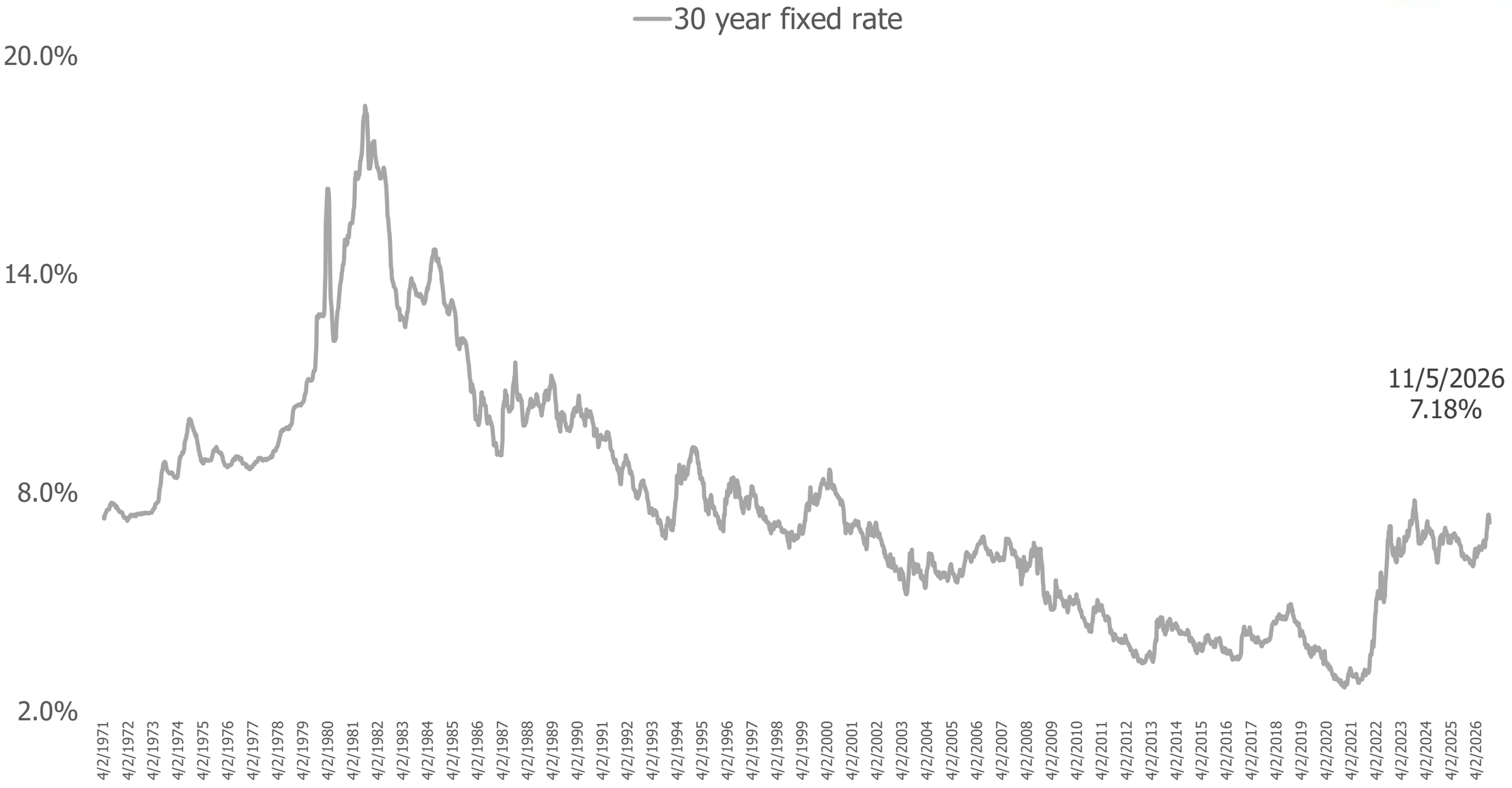


US Population	1960	1970	1980	1990	2000	2010	2020
In millions	**179.3**	**203.2**	**226.5**	**248.7**	**281.4**	**308.7**	**331.4**

Population Greater

Source: U.S. Census Bureau.
Note: 2026 data is September 2026 year-to-date seasonally adjusted annual rate.
(1) Wall Street Journal article from July 16, 2021 referencing a new National Association of Realtors report.

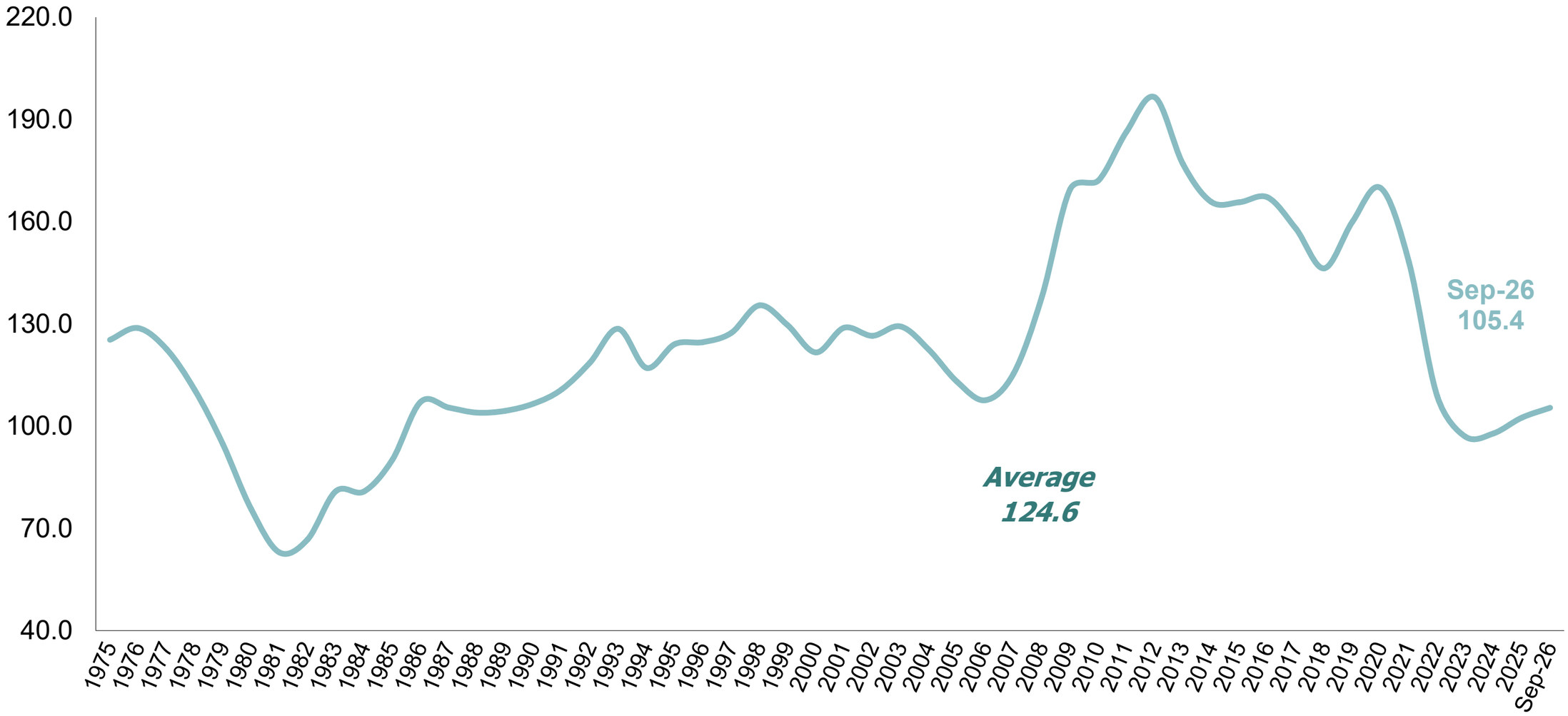
Mortgage Rates – Long Term Perspective



Source: Freddie Mac.

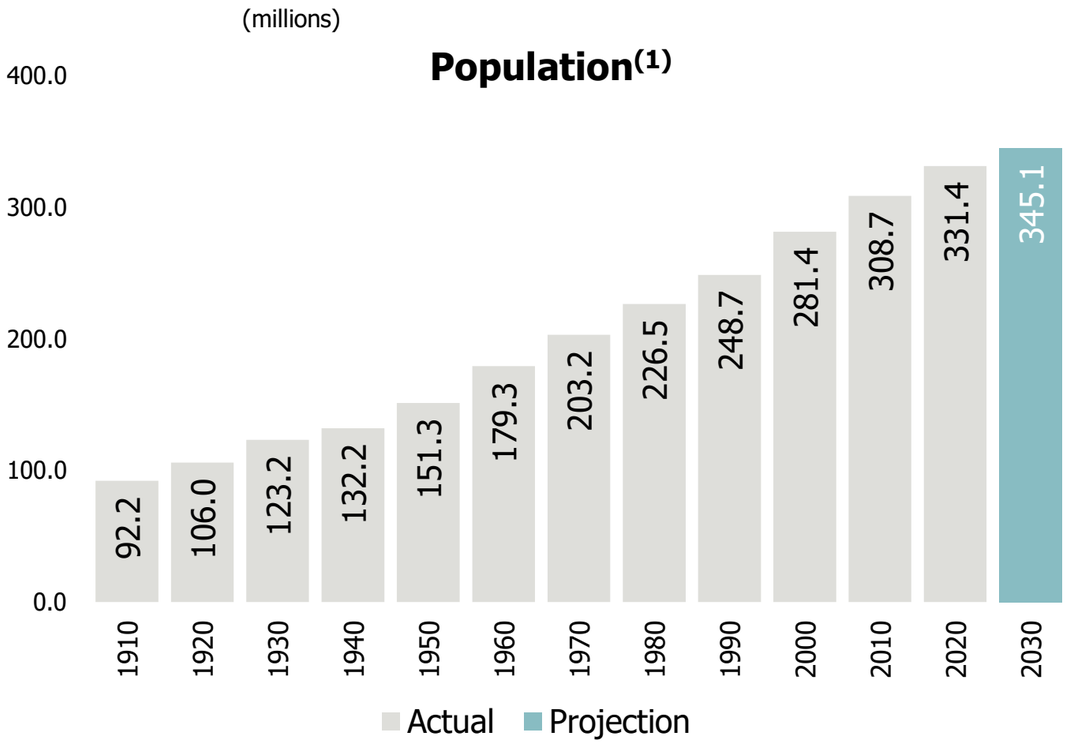
Affordability Index

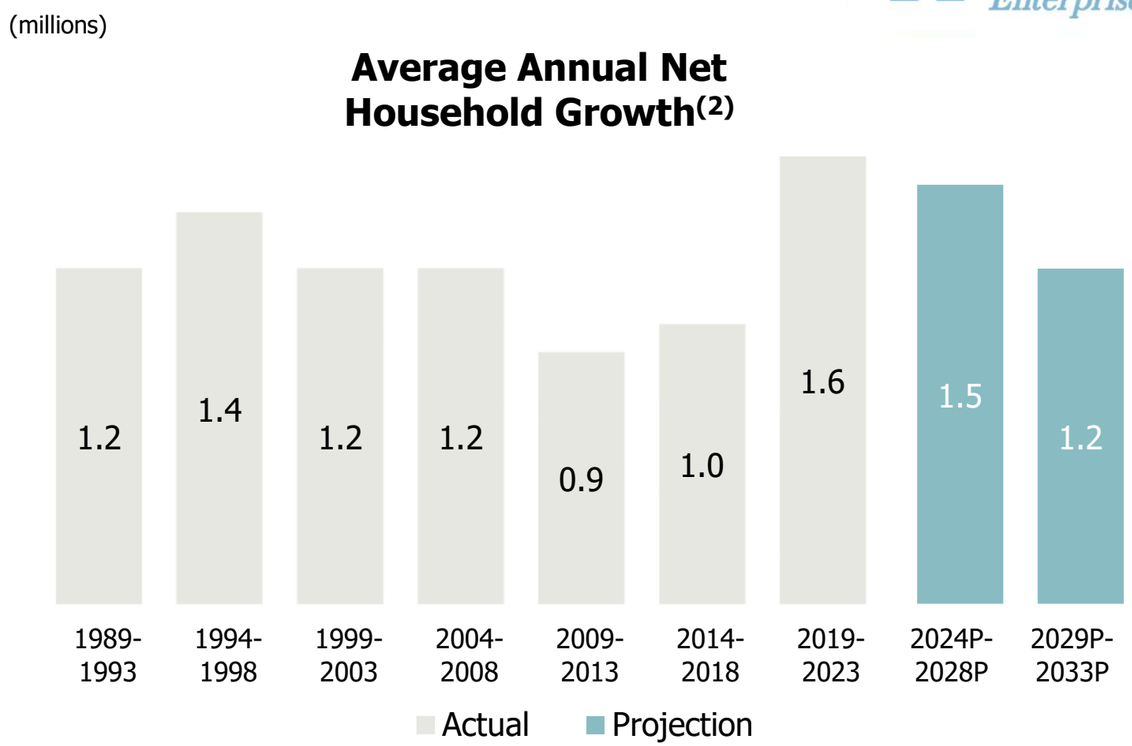
"The higher the affordability Index the better."



Note: Based on a 25% qualifying ratio for monthly housing expense to gross monthly income with a 20% down payment.
Source: NAR, Freddie Mac and US Census Bureau.

Historical and Projected Annual Demand



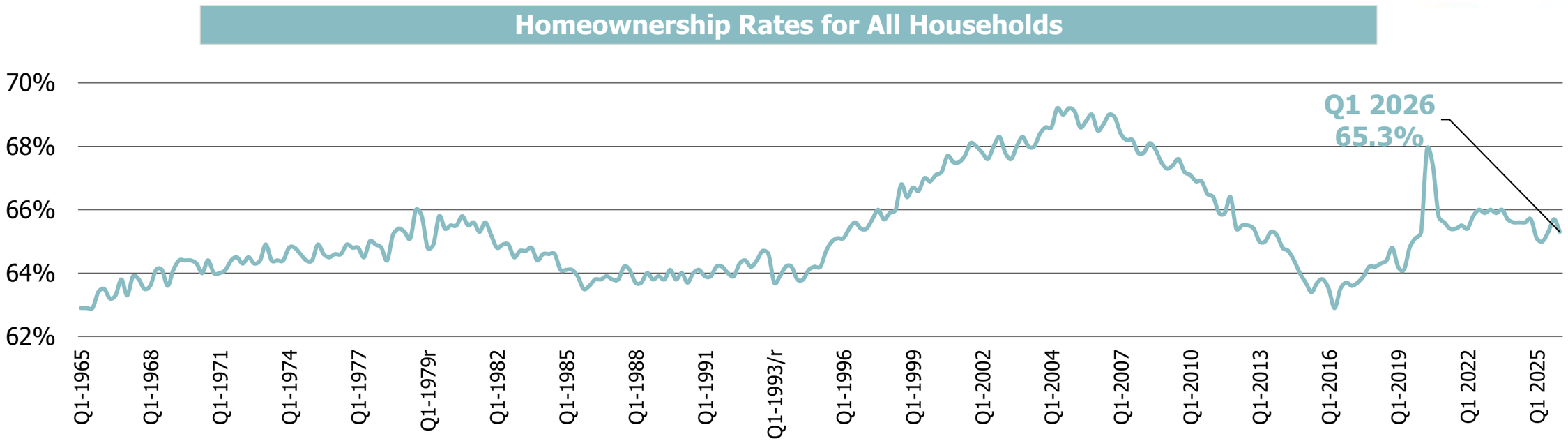


Projected Annual Demand 2025 - 2034(2)

0.8 - 1.01	*million household formations*
0.23	*million demolitions*
0.05	*million second homes*
0.11	*million undersupplied homes*
1.19 - 1.40	*million new homes per year*

(1) U.S. Census Bureau
(2) U.S. Census Bureau; John Burns Research and Consulting, LLC, (Pub: Dec-25)

Homeownership Rates



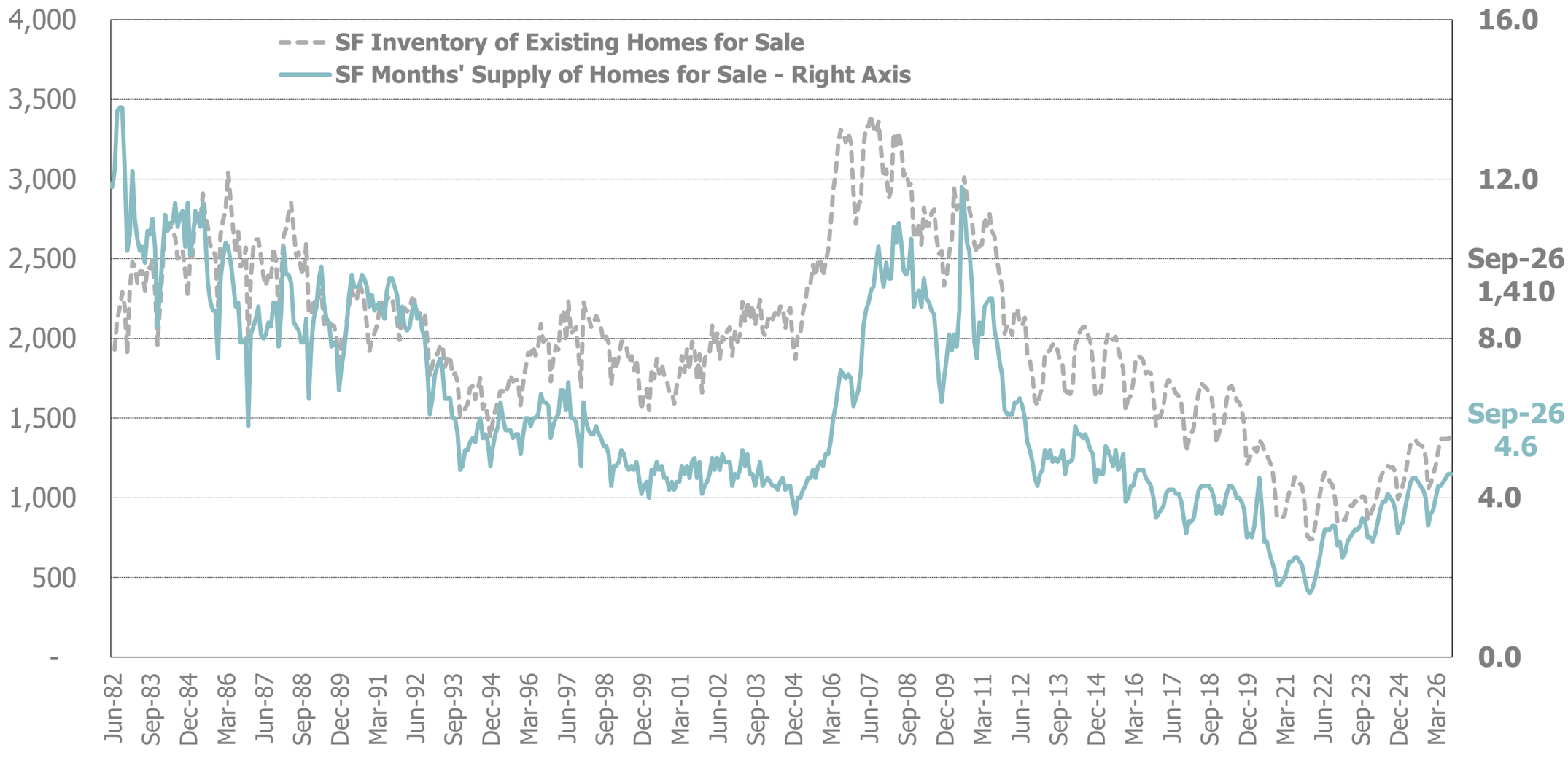
Homeownership Rates By Age of Householder 2025	
Under 35	37.9%
35 – 44	60.9%
45 – 54	69.5%
55 – 64	76.7%
65 and over	79.0%

- **Homeownership rates increase with age**

Source: U.S. Census Bureau

Existing Single-Family Inventory Versus Months' Supply
June 1982 through September 2026

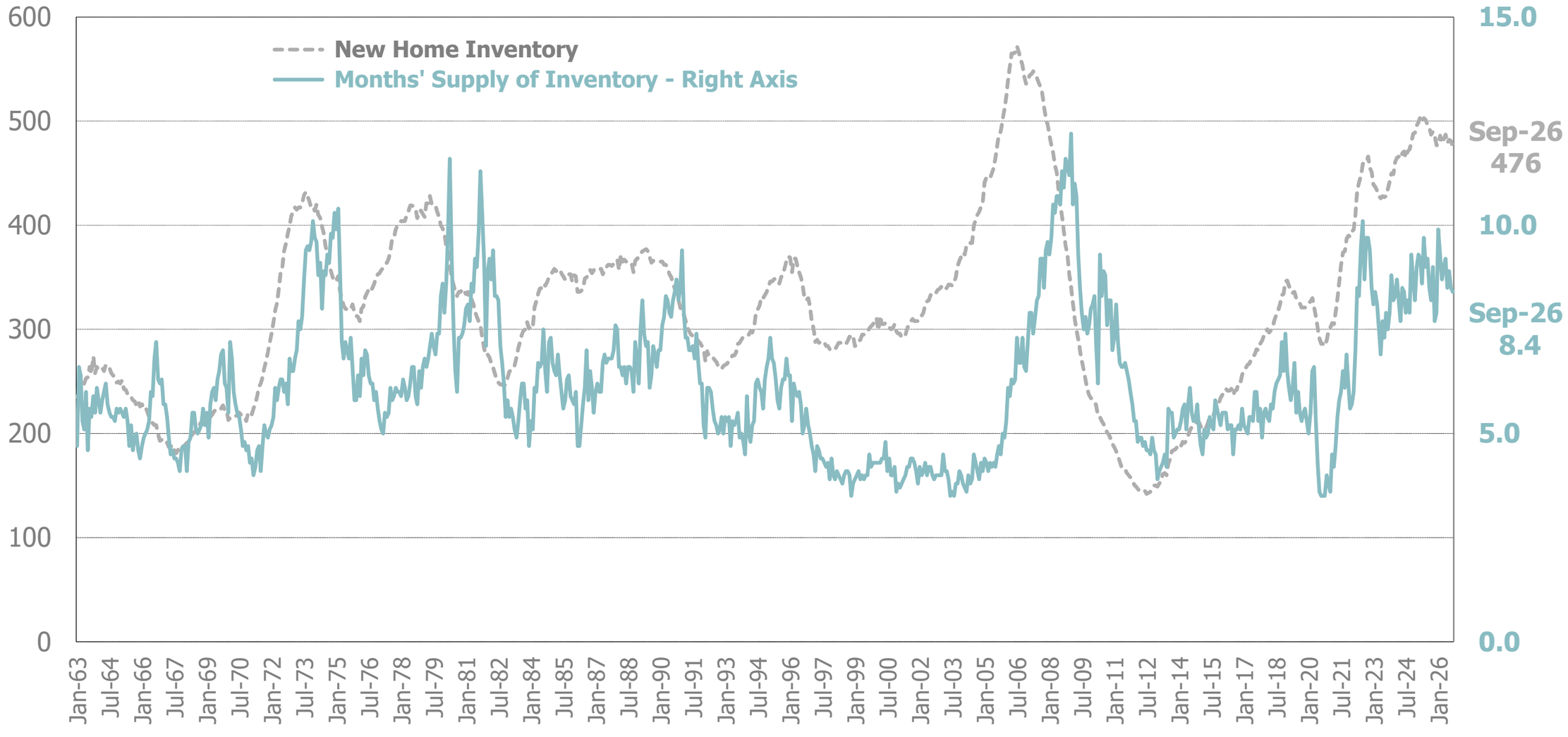
(Units in thousands)



Source: National Association of Realtors.

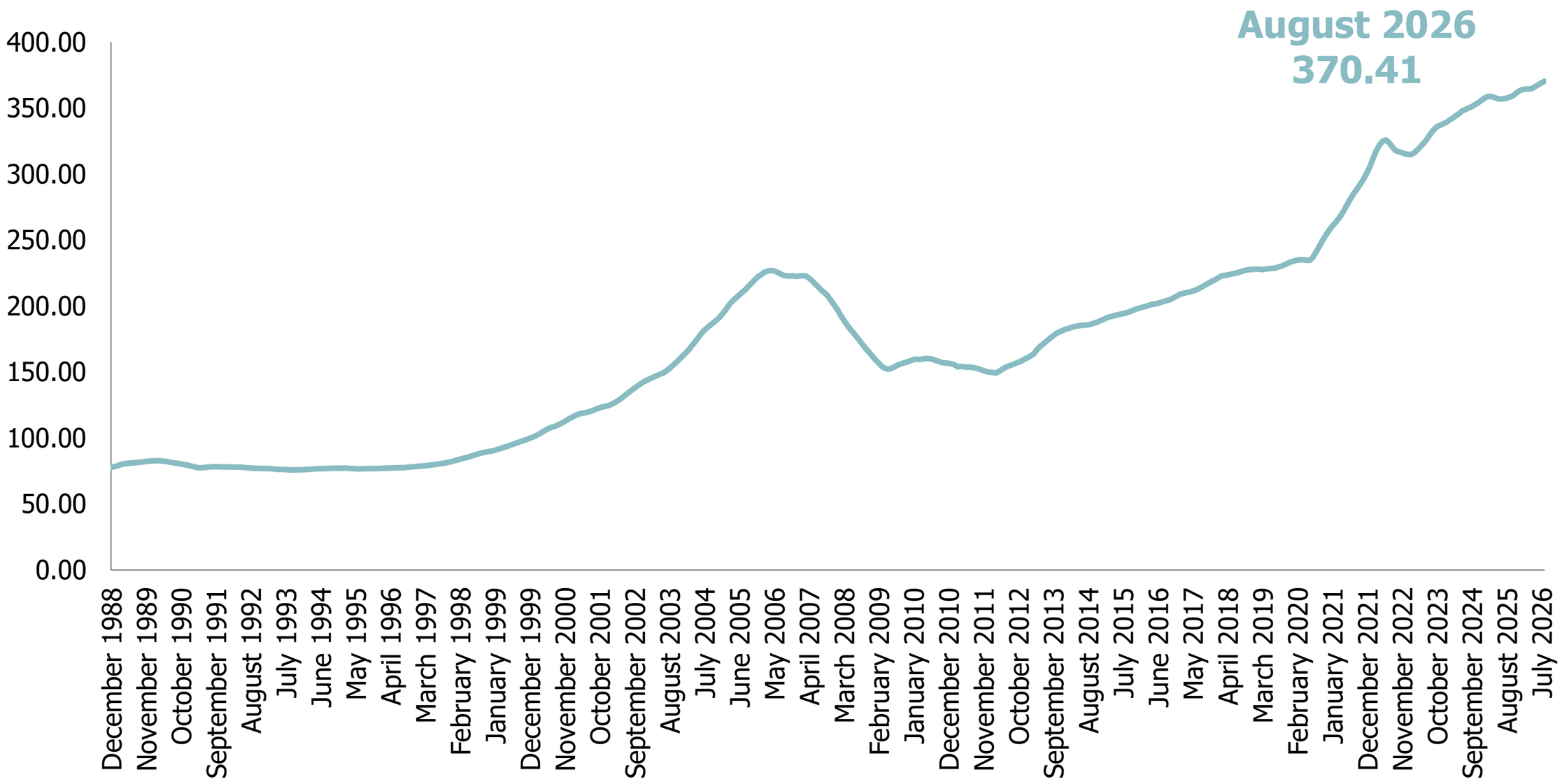
New Home Inventory Versus Months' Supply
January 1963 through September 2026

(Units in thousands)



Source: Census Bureau

Case-Shiller 10 City Composite Index



Source: S&P/Case-Shiller Home Price Indices – Seasonally Adjusted



Historical Performance

How We Got Here

2006

- Peak of 20,201 deliveries, including UJVs
- 49% net debt to cap
- Fortune 500
  - 2nd on 5-year annual rate of total return to investors
  - 14th on 5-year annual growth rate in profits

GHR

- Great Housing Recession (GHR), which was central part of Great Financial Crisis (GFC)
- Begins in late 2006
- Bottoms out in 2011 - 2012
- Q4 2006 through Q4 2011 took $2.7 billion in charges (land impairments, walk away costs and goodwill impairments)
- Trough of 4,216 deliveries, including UJVs in 2011

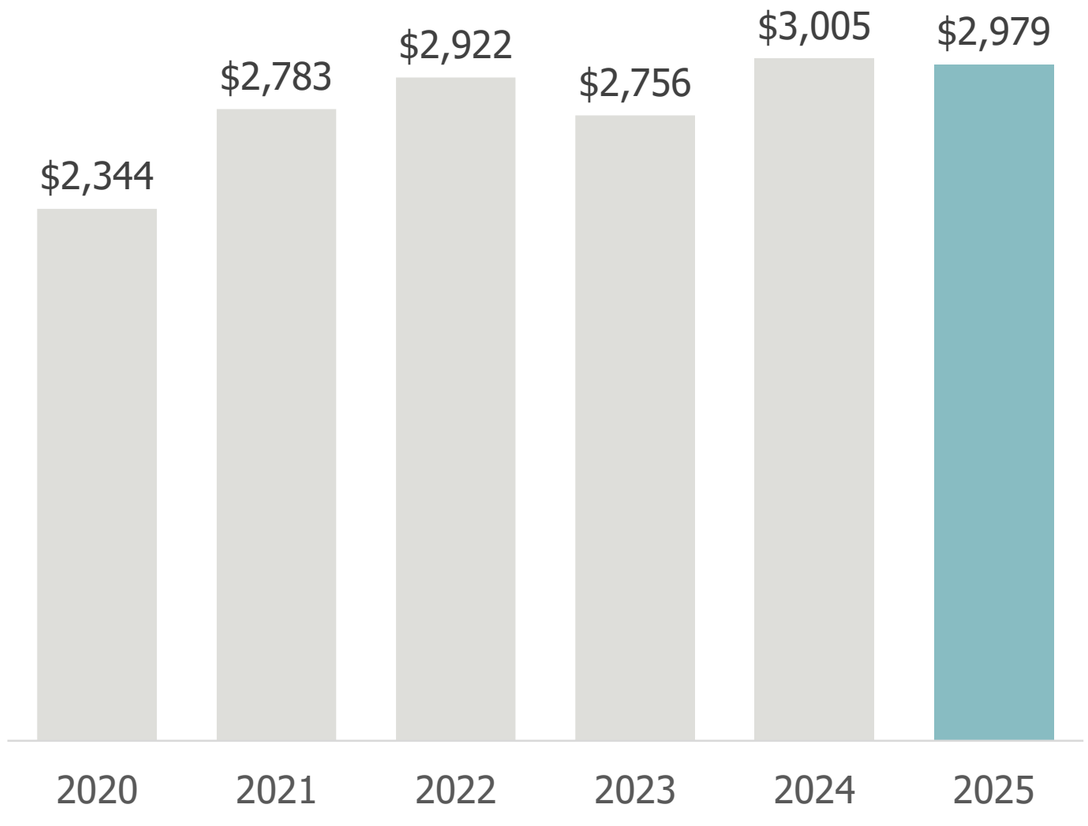
Capital Structure

- 2008 first issued secured debt
- 2011 issued "new secured group" debt further complicating capital structure
- 2019 1 for 25 reverse stock split
- 40+ refinancing and liability & capital management transactions
- Lowered debt outstanding by $1.5 billion from peak of $2.5 billion in 2008

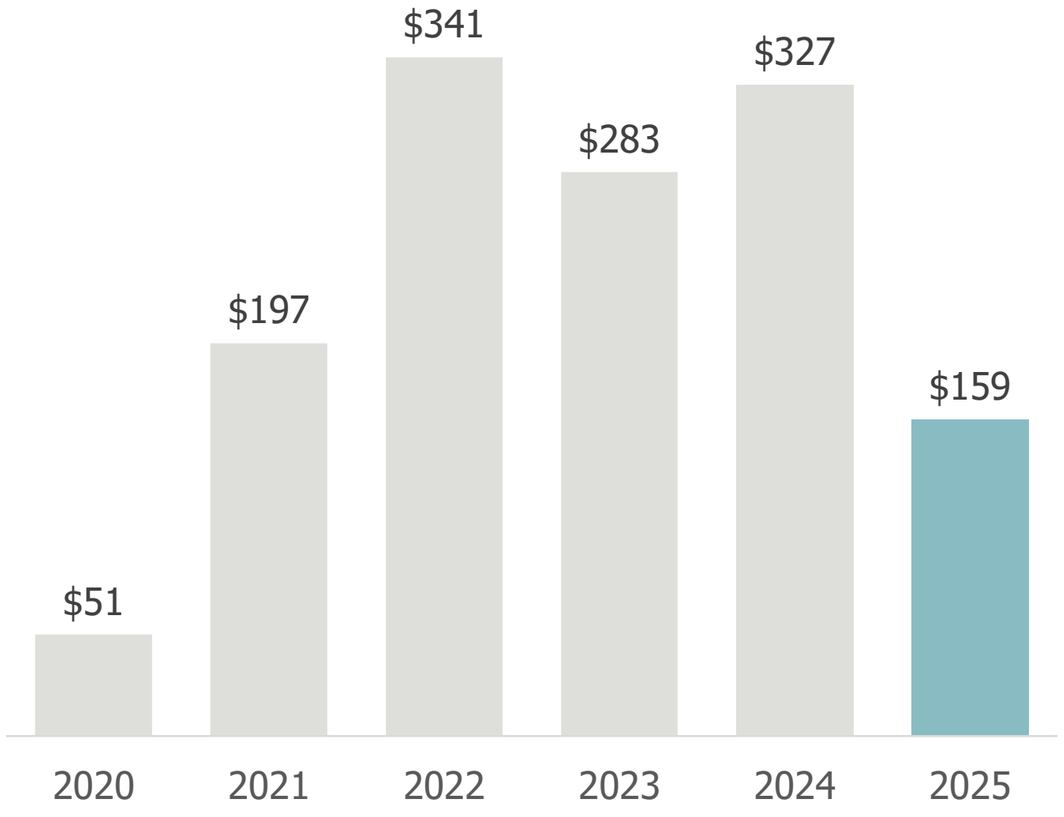
Five-Year Trends in Total Revenues & Adjusted Pretax Income

($ in millions)

Total Revenues



Adjusted Pretax Income (1)

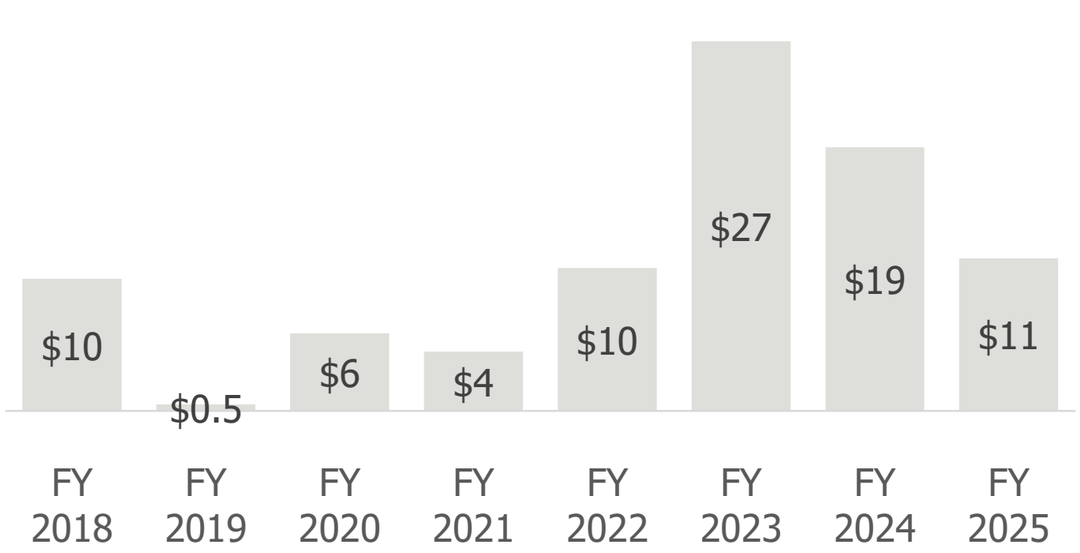


(1) Adjusted Pretax Income or Adjusted Income Before Income Taxes excludes land-related charges, joint venture write-downs and loss (gain) on extinguishment of debt, net and is a non-GAAP financial measure. See appendix for a reconciliation of the historic measure to the most directly comparable GAAP measure.

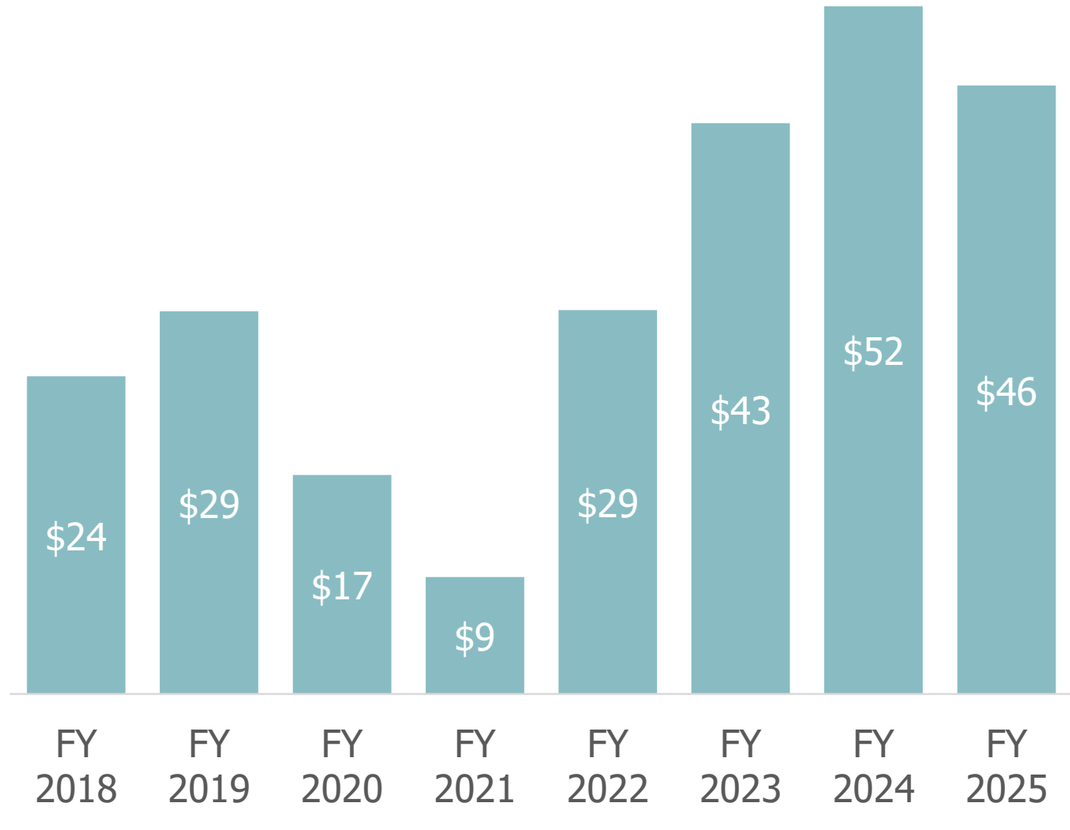
Land Sale Profit and Income from Unconsolidated Joint Ventures

($ in millions)

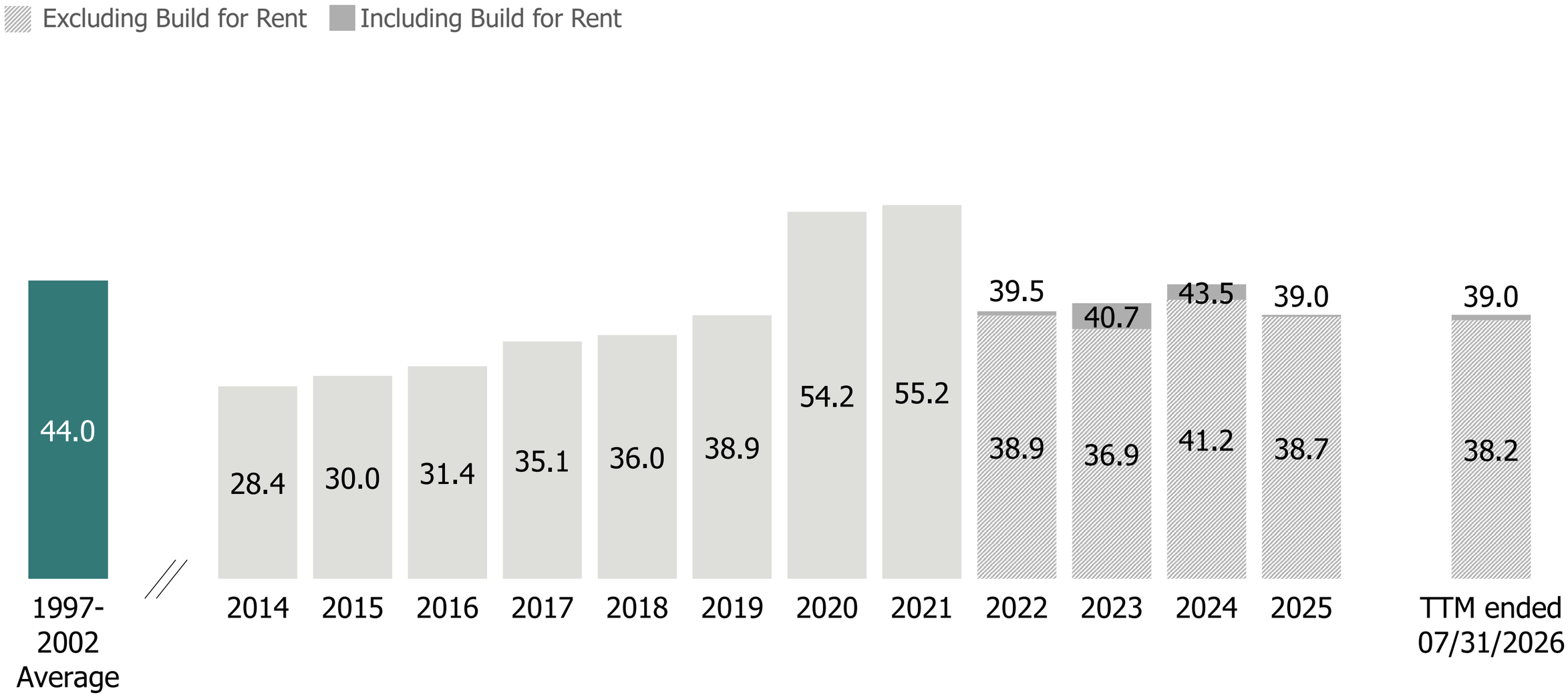
Land Sale Profit



Income from Unconsolidated Joint Ventures

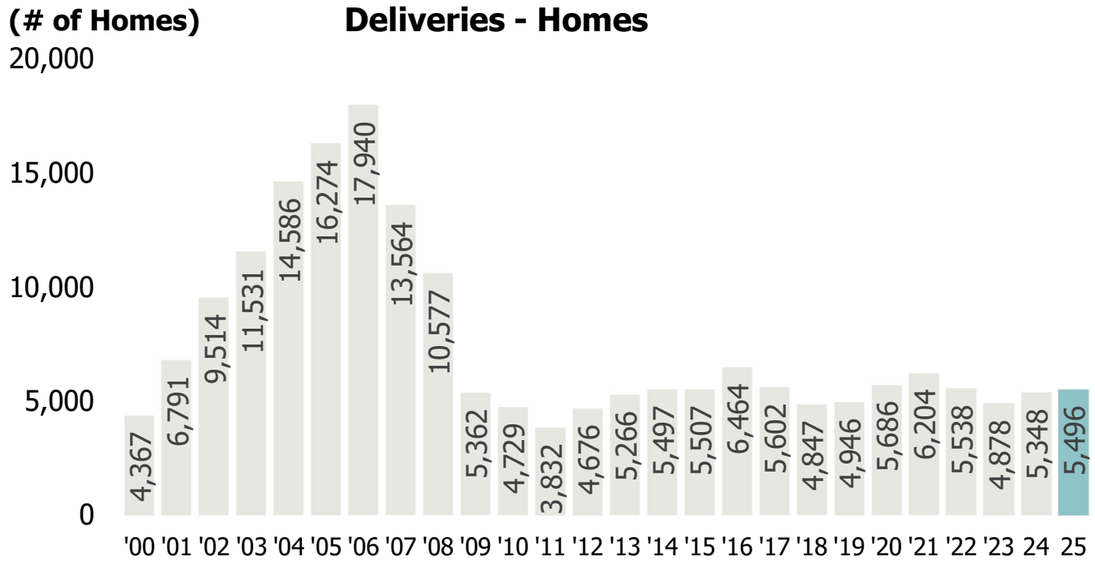


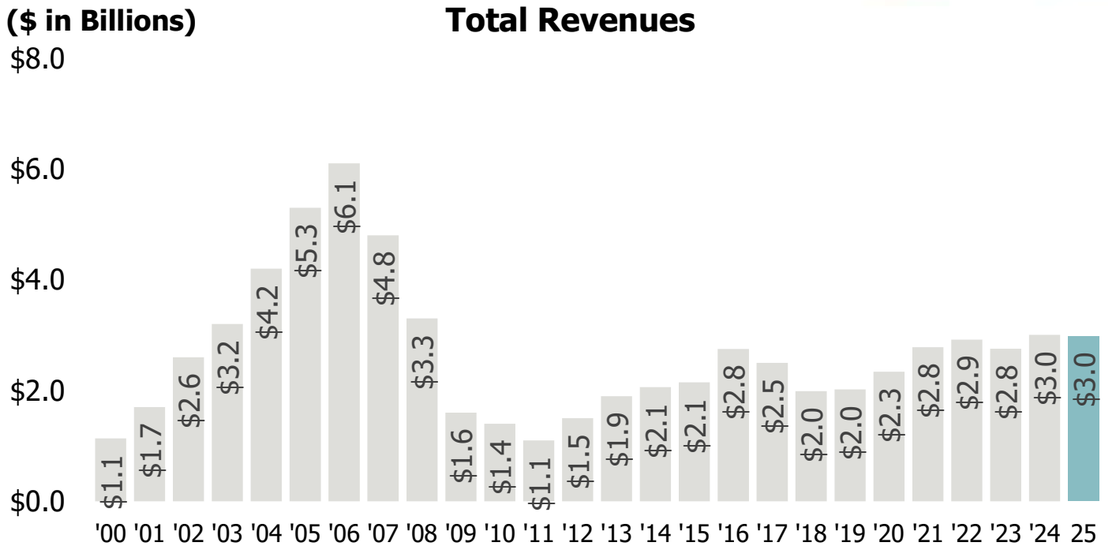
Annual Contracts Per Community

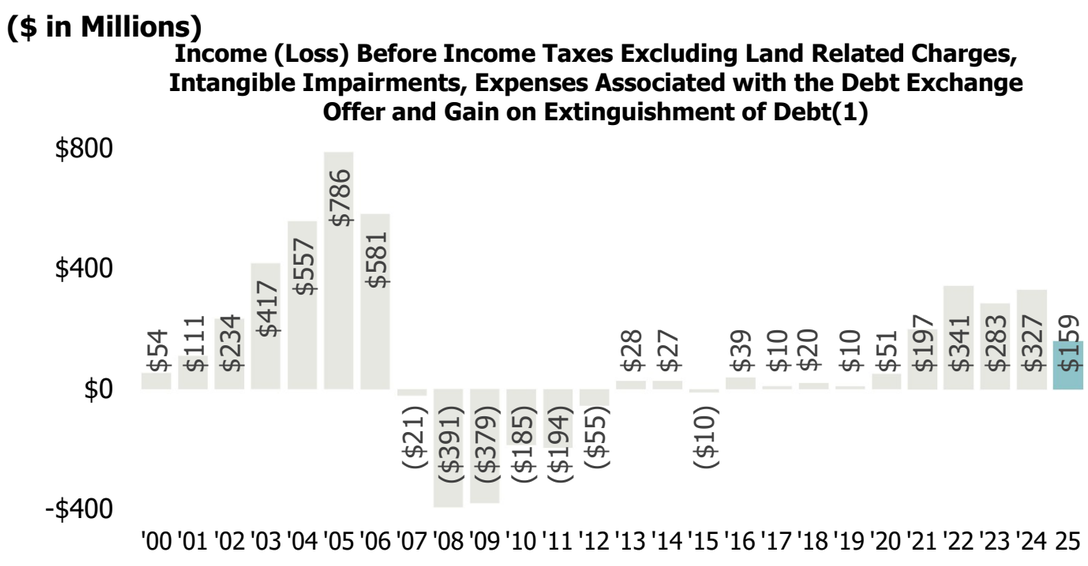


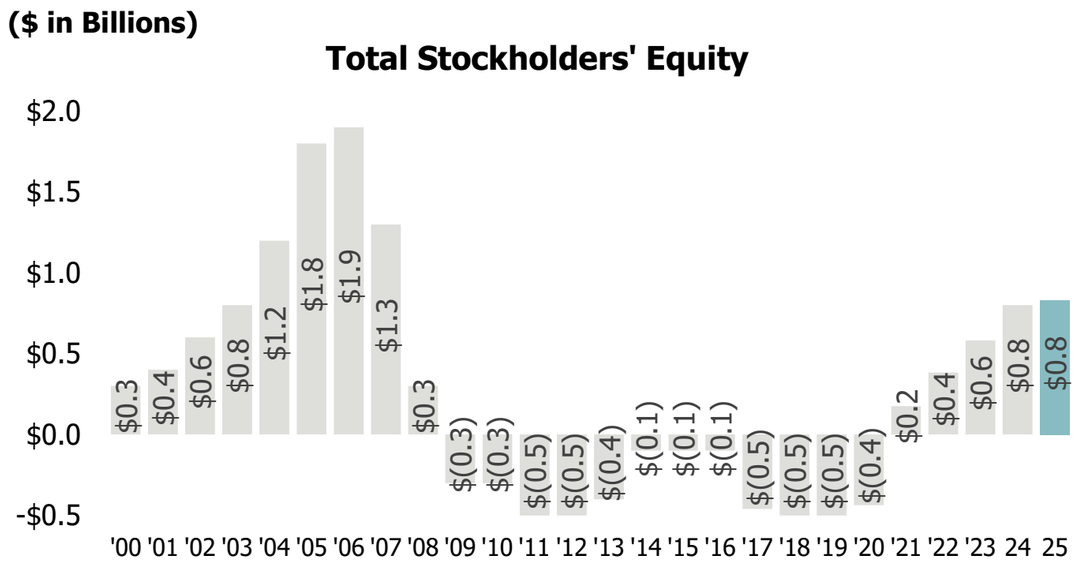
Note: Annual Contracts per Community calculated based on a five-quarter average of communities, excluding unconsolidated joint ventures and HOV Global (Kingdom of Saudi Arabia).

Historical Performance



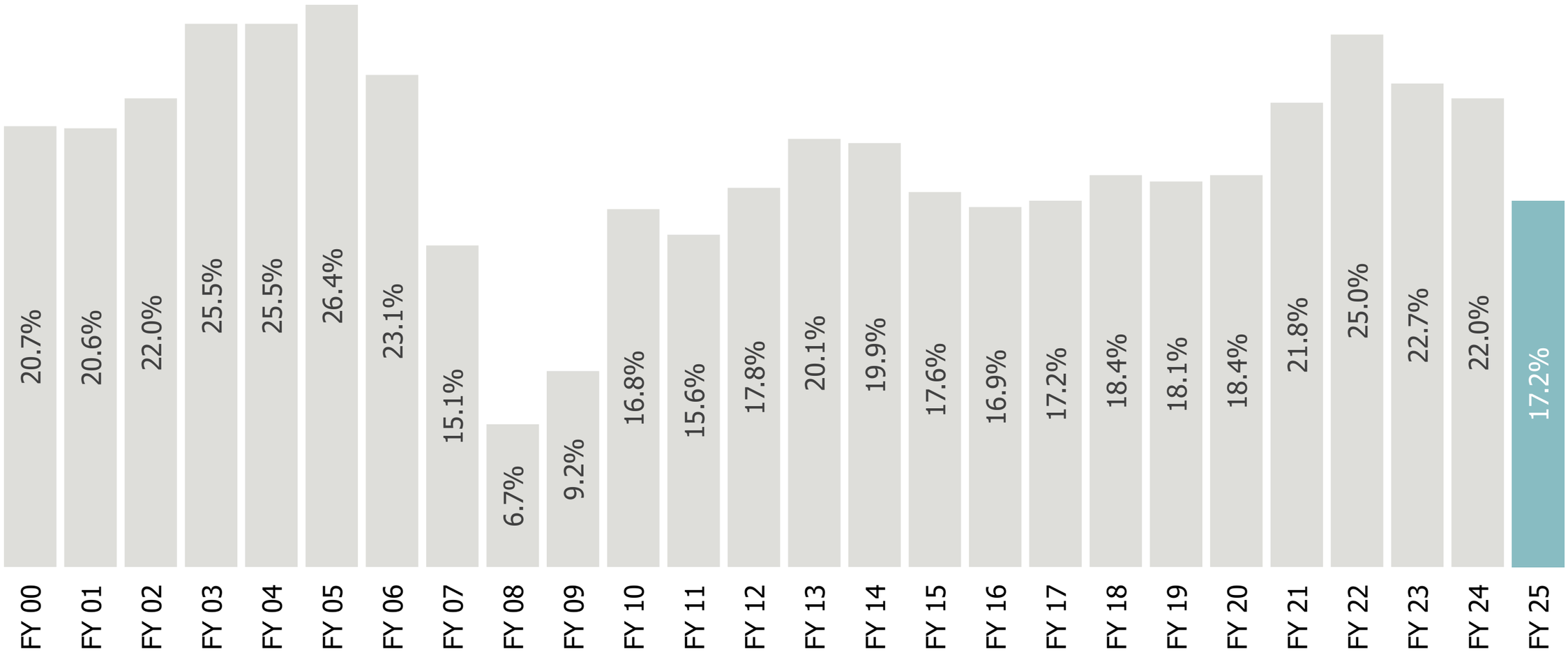






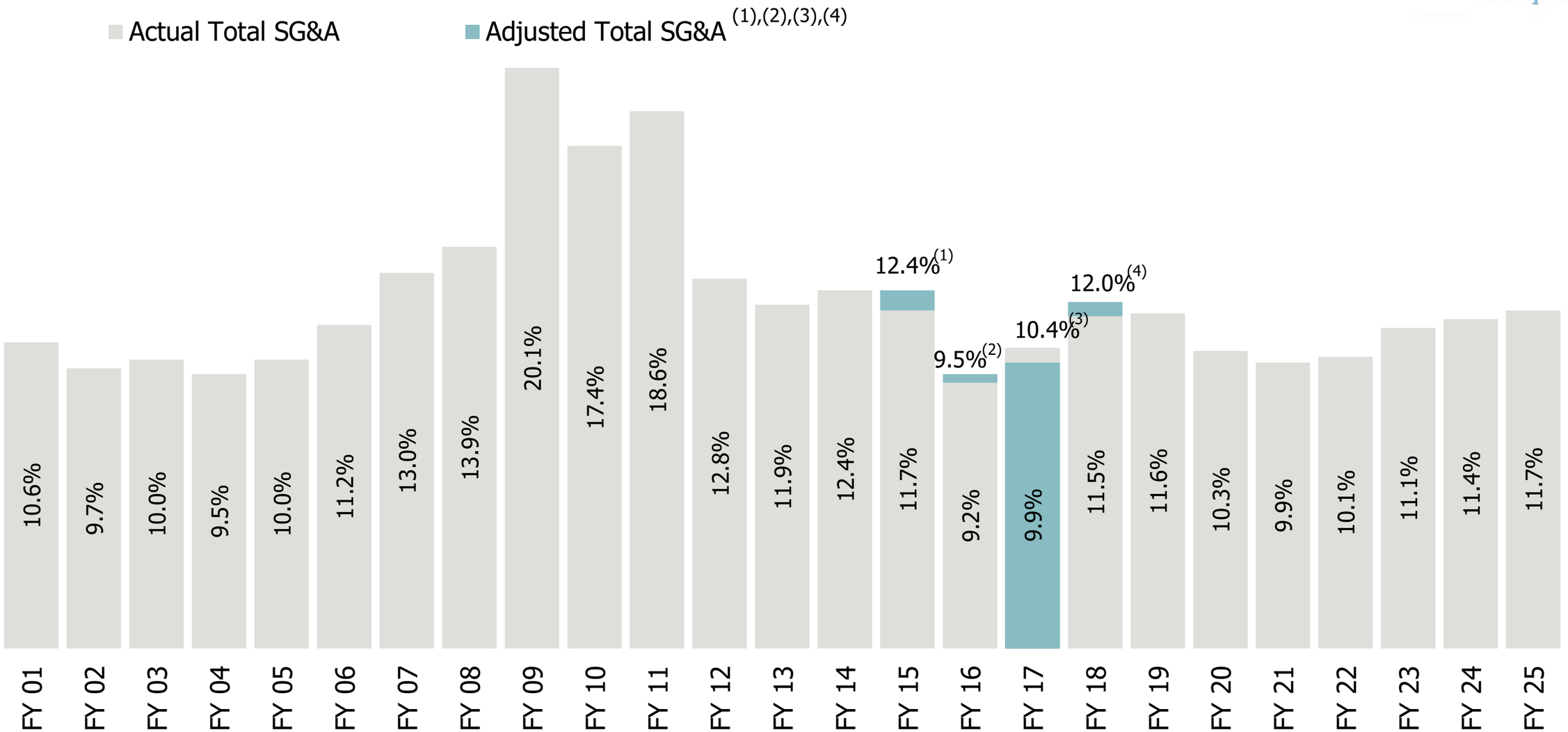
(1) Represents a non-GAAP metric. Please see appendix for reconciliation.

Adjusted Homebuilding Gross Margin(1)



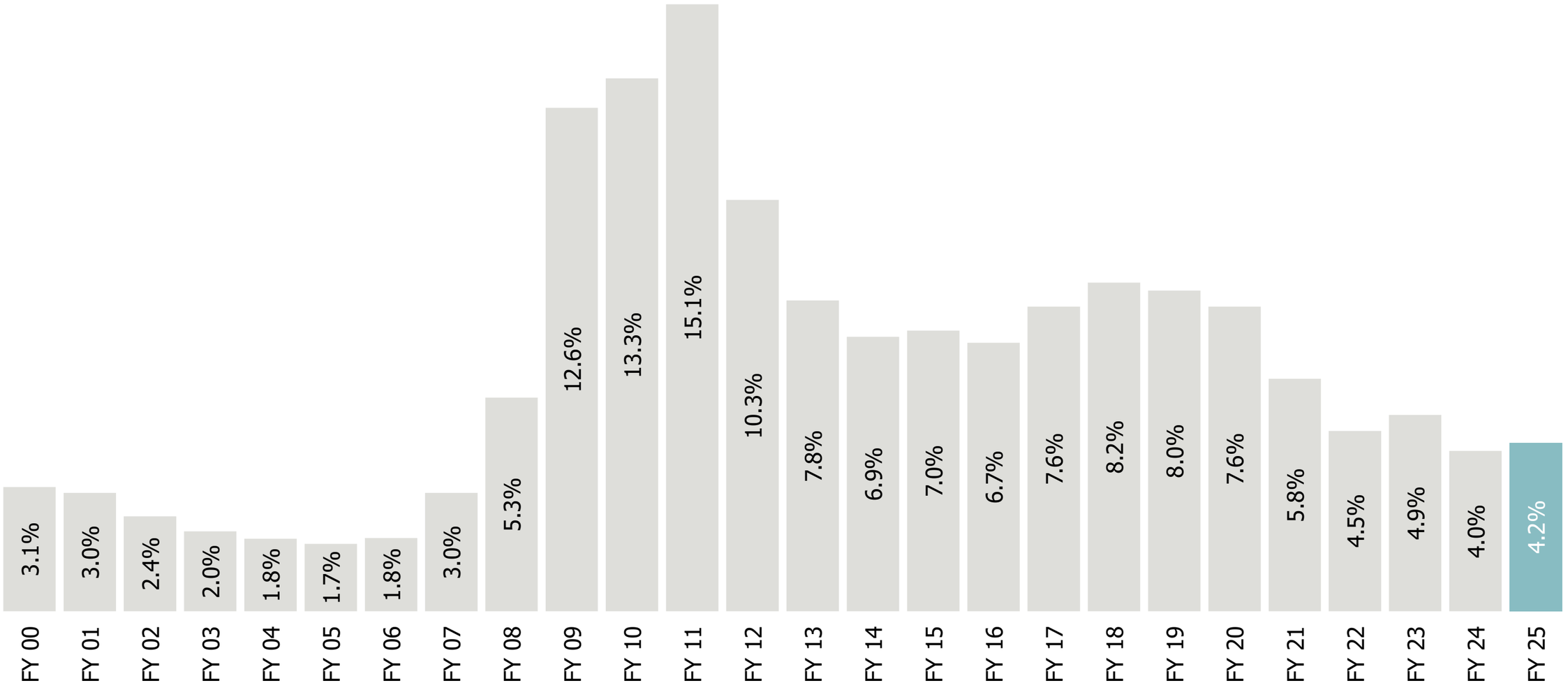
(1) Adjusted homebuilding gross margin percentage is before interest expense and land charges included in cost of sales. Please see appendix for reconciliation.

Total SG&A as a Percentage of Total Revenues



Note: Total SG&A includes homebuilding selling, general and administrative costs and corporate general and administrative costs.
(1) 2015 excludes $15.2 million of benefit due to a substantial reduction in our construction defect reserve based on our annual actuarial study.
(2) 2016 excludes $9.2 million of benefit due to a substantial reduction in our construction defect reserve based on our annual actuarial study.
(3) 2017 includes a $12.5 million adjustment to construction defect reserves related to litigation for two closed communities.
(4) 2018 excludes $10.0 million of benefit due to a substantial reduction in our construction defect reserve based on our annual actuarial study.

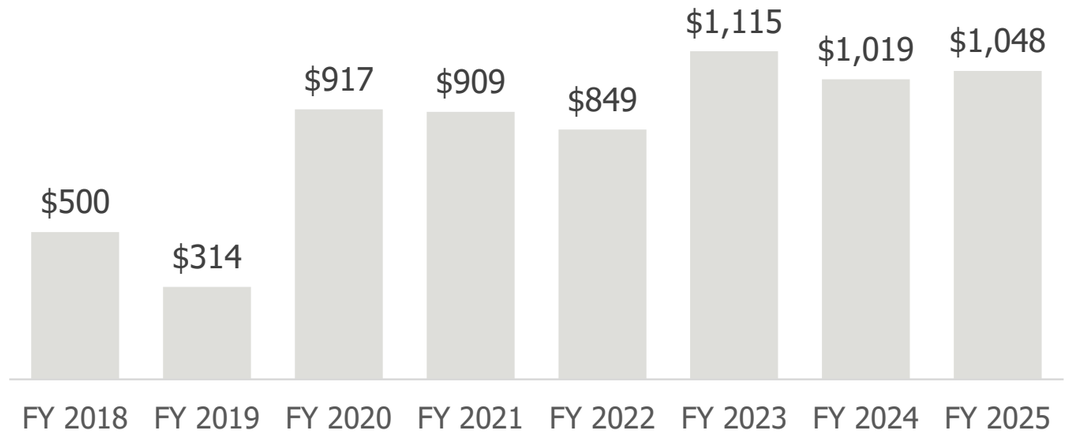
Total Interest as a Percentage of Total Revenues



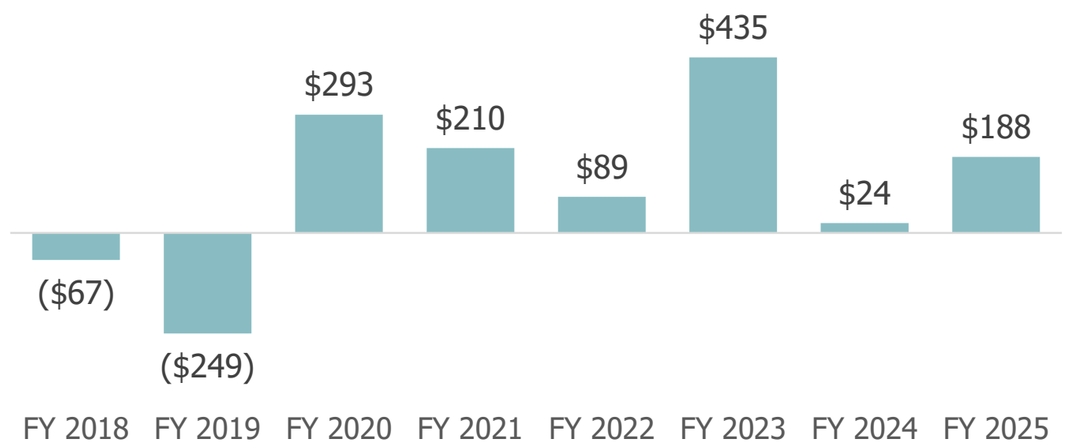
Significant cash flow generation

- Generated $6.7 billion of net operating cash flows before land and land development over the past eight years
- ~$1 billion of net operating cash flow each year since 2020 after two years of outflows
- Strong underlying operating cash flow before land and land development
- Cash flow ramp provides optionality to retire debt and invest in land

Net operating cash flow before land and land development spend
($ in millions)



Net operating cash flow - reported
($ in millions)

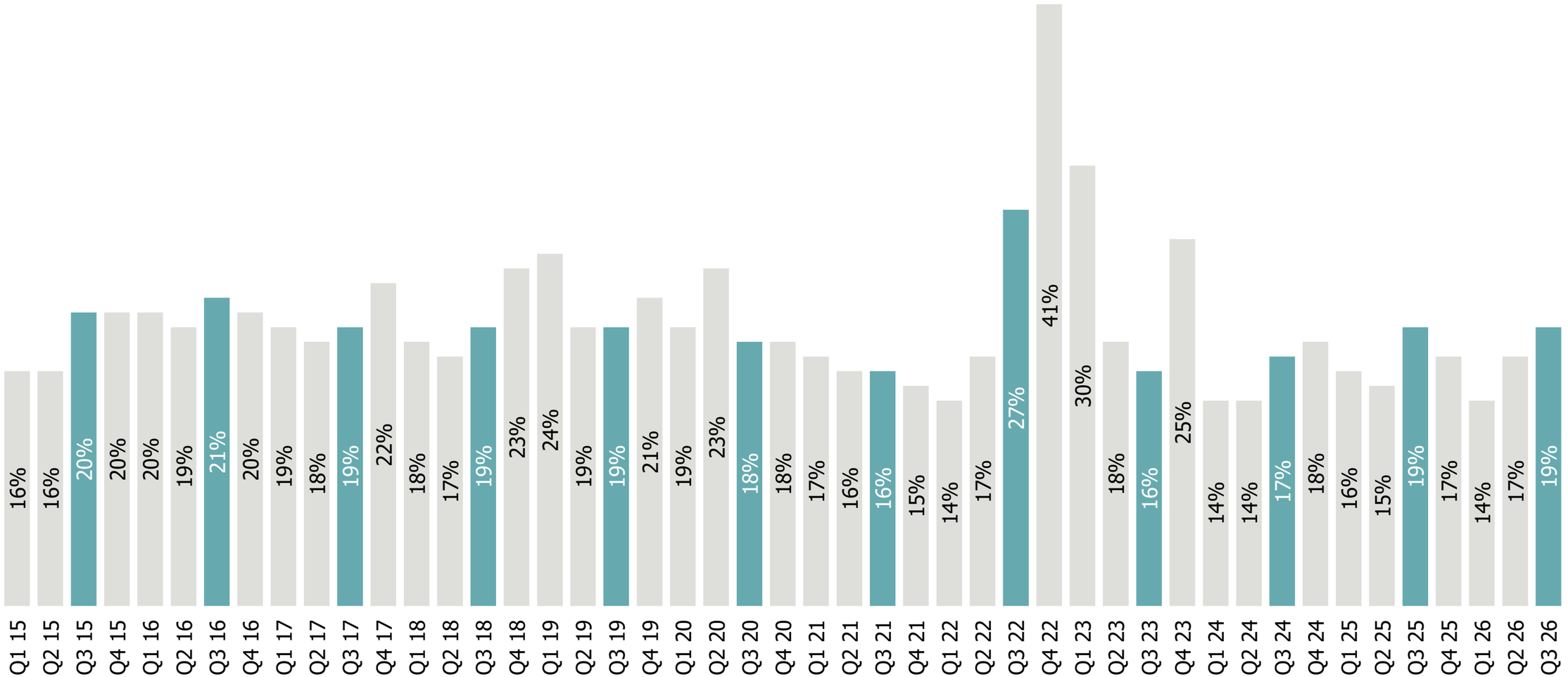


Homebuilding Costs as a % of Revenue

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Avg.
Land (Developed Lot)[1]:	25.2%	25.8%	25.5%	25.2%	24.0%	21.9%	23.1%	26.8%	23.2%	21.4%	22.3%	25.9%	25.8%	26.2%	26.5%	29.2%	30.4%	28.7%	28.9%	30.3%	28.5%	24.8%	25.4%	28.2%	30.9%	26.2%
Direct Construction Costs:	46.3%	44.8%	41.6%	41.3%	41.6%	46.7%	51.2%	55.3%	52.7%	48.5%	49.6%	45.2%	44.2%	44.1%	45.5%	44.0%	42.7%	43.2%	43.2%	41.8%	41.2%	42.2%	42.5%	40.4%	41.0%	44.8%
Other:																										
Commissions	2.3%	2.2%	2.1%	2.2%	2.3%	2.5%	2.8%	2.7%	3.3%	3.3%	3.5%	3.4%	3.3%	3.4%	3.6%	3.5%	3.4%	3.6%	3.7%	3.7%	3.7%	3.4%	3.4%	3.2%	3.2%	3.1%
Financing concessions	1.0%	1.0%	0.9%	1.0%	1.0%	1.0%	1.4%	1.7%	2.4%	2.2%	2.0%	1.7%	1.4%	1.3%	1.4%	1.3%	1.2%	1.2%	1.4%	1.4%	1.1%	1.1%	2.1%	2.5%	3.9%	1.5%
Overheads	4.6%	4.2%	4.4%	4.8%	4.7%	4.8%	6.4%	6.8%	9.2%	7.8%	7.0%	6.0%	5.2%	5.1%	5.4%	5.1%	5.1%	4.9%	4.7%	4.4%	3.7%	3.5%	3.9%	3.7%	3.8%	5.2%
Adjusted Homebuilding Gross Margin[2]:	20.6%	22.0%	25.5%	25.5%	26.4%	23.1%	15.1%	6.7%	9.2%	16.8%	15.6%	17.8%	20.1%	19.9%	17.6%	16.9%	17.2%	18.4%	18.1%	18.4%	21.8%	25.0%	22.7%	22.0%	17.2%	
Per Lot Cost (In 000s):	$62.8	$66.8	$69.2	$70.5	$76.4	$72.1	$78.0	$80.5	$65.9	$60.1	$62.4	$77.9	$87.4	$95.9	$100.5	$117.5	$127.0	$112.9	$113.9	$120.0	$122.8	$127.2	$137.0	$151.6	$160.4	
Average Sales Price (In 000s):	$249.4	$258.8	$271.4	$279.9	$318.2	$329.1	$337.8	$300.4	$283.9	$280.7	$279.9	$300.6	$338.8	$366.2	$379.2	$402.4	$417.7	$393.3	$394.2	$396.1	$431.0	$512.9	$539.2	$537.7	$519.1	

Cancellation Rates

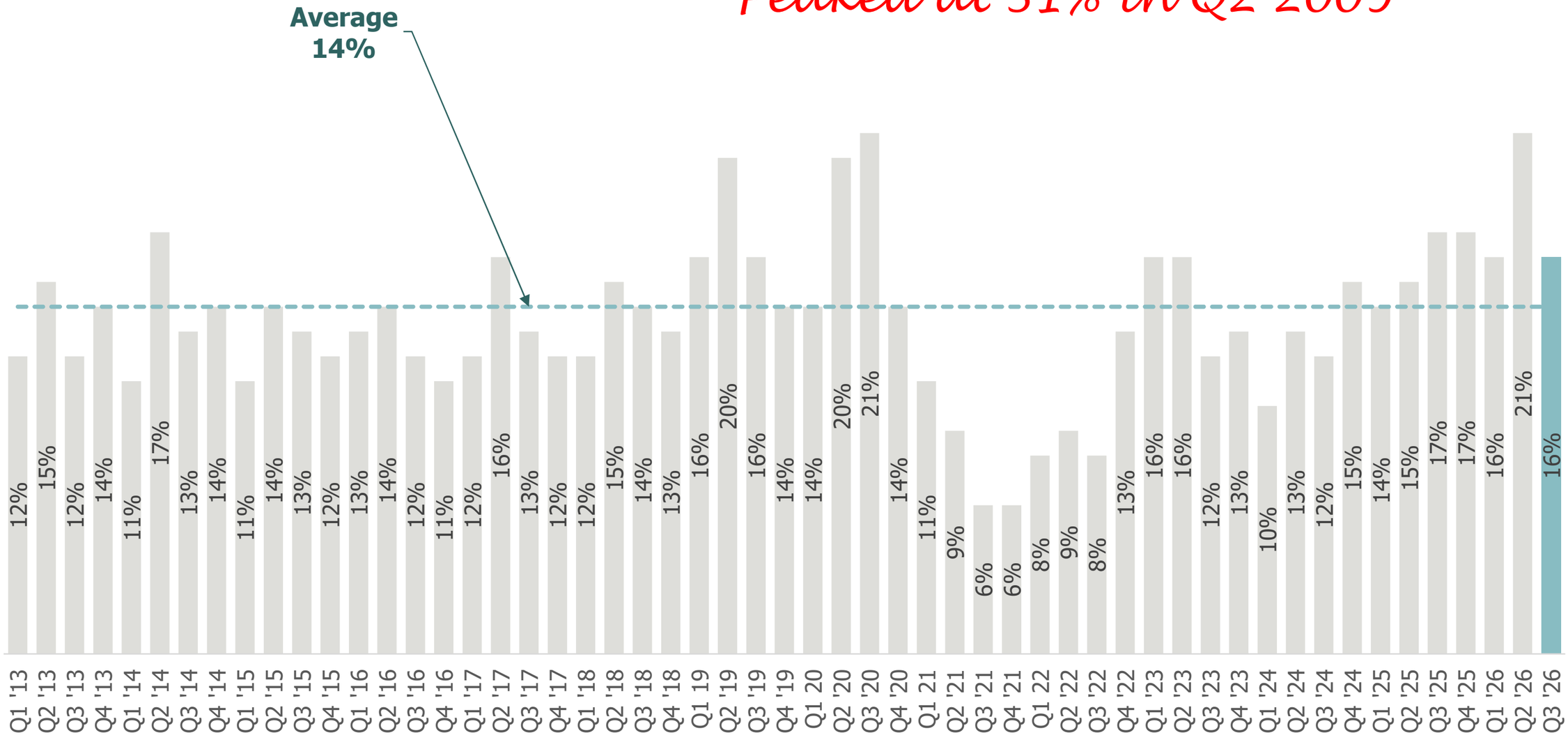
Normal long term cancellation rate is between 18% and 22%



Note: Calculated as a % of gross contracts, excluding unconsolidated joint ventures.

Backlog Cancellation Rates

Peaked at 31% in Q2 2009

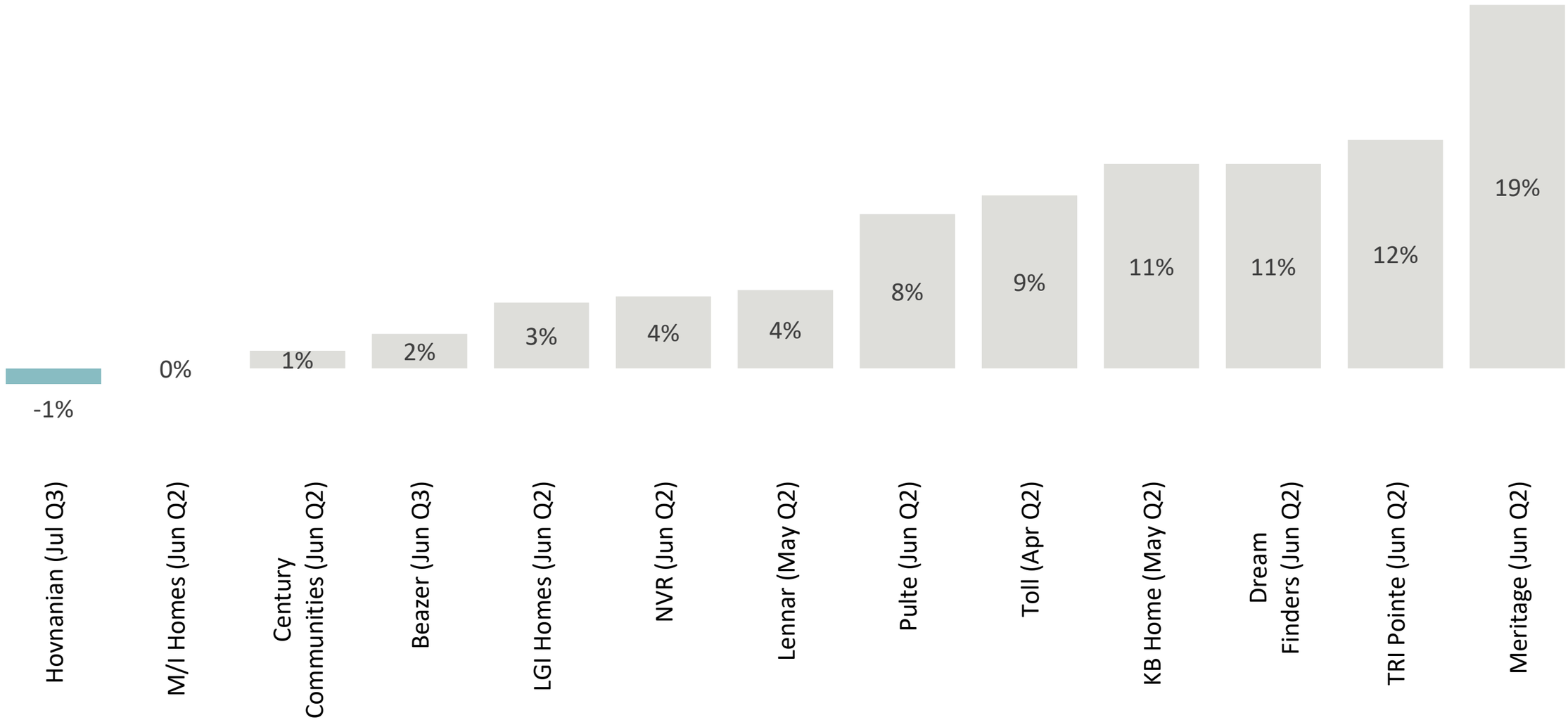


Note: Calculated as a % of beginning backlog, excluding unconsolidated joint ventures.



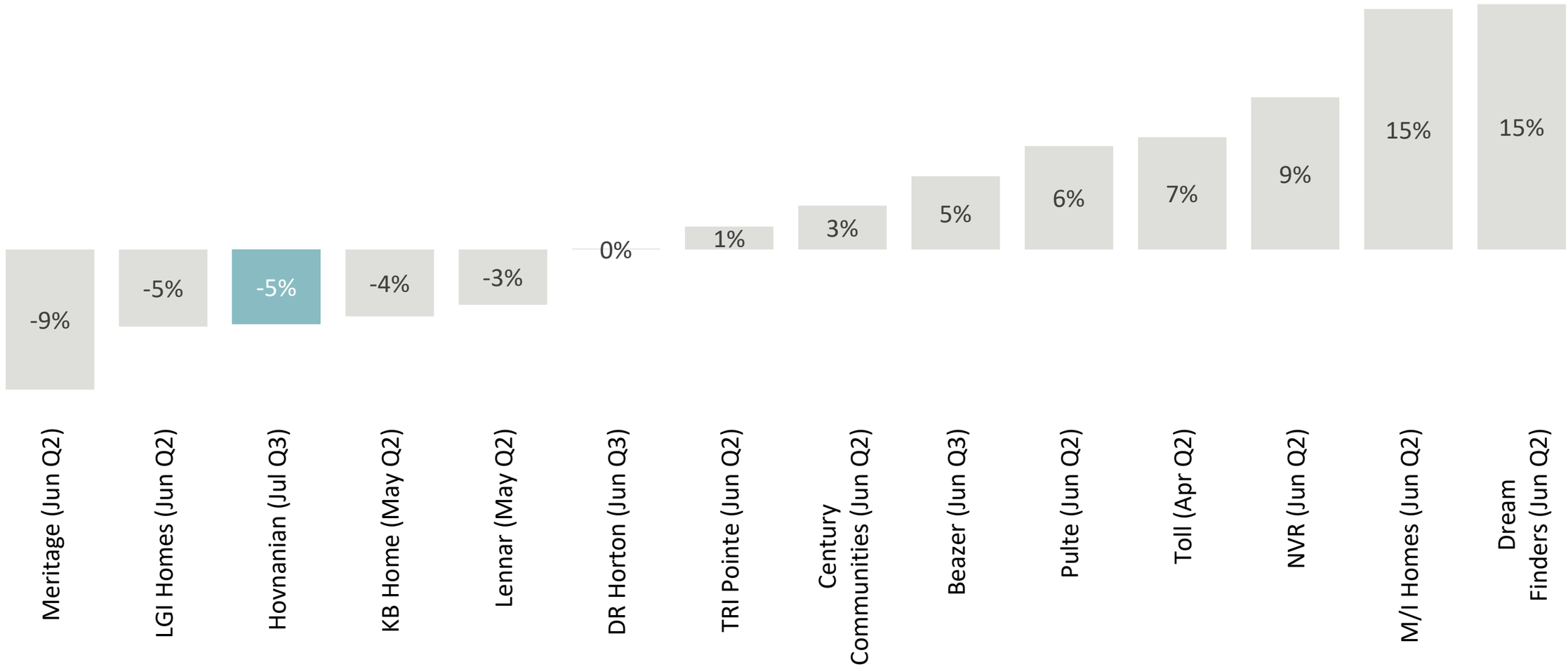
Builder Peer Statistics

Year-over-Year Change in Community Count, Most Recent Quarter



Excludes unconsolidated joint ventures.
Source: Company SEC filings, press releases as of 08/20/2026.

Year-over-Year % Change in Contracts, Most Recent Quarter



Excludes unconsolidated joint ventures.
Source: Company SEC filings, press releases as of 08/20/2026.

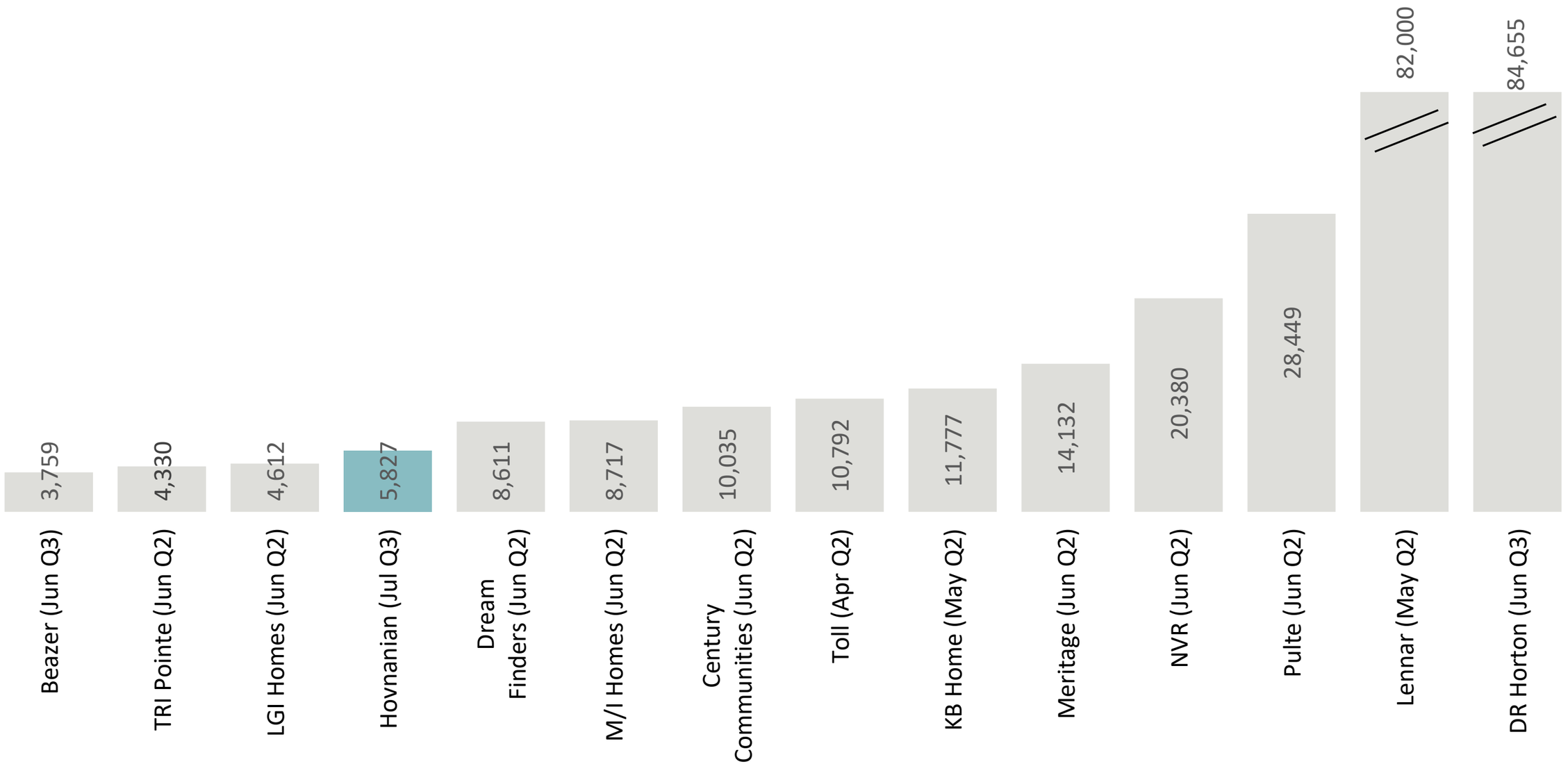
Net Contracts per Community, Last Twelve Months



Excludes unconsolidated joint ventures.
Source: Company SEC filings, press releases as of 08/20/2026.

Total Deliveries, Last Twelve Months

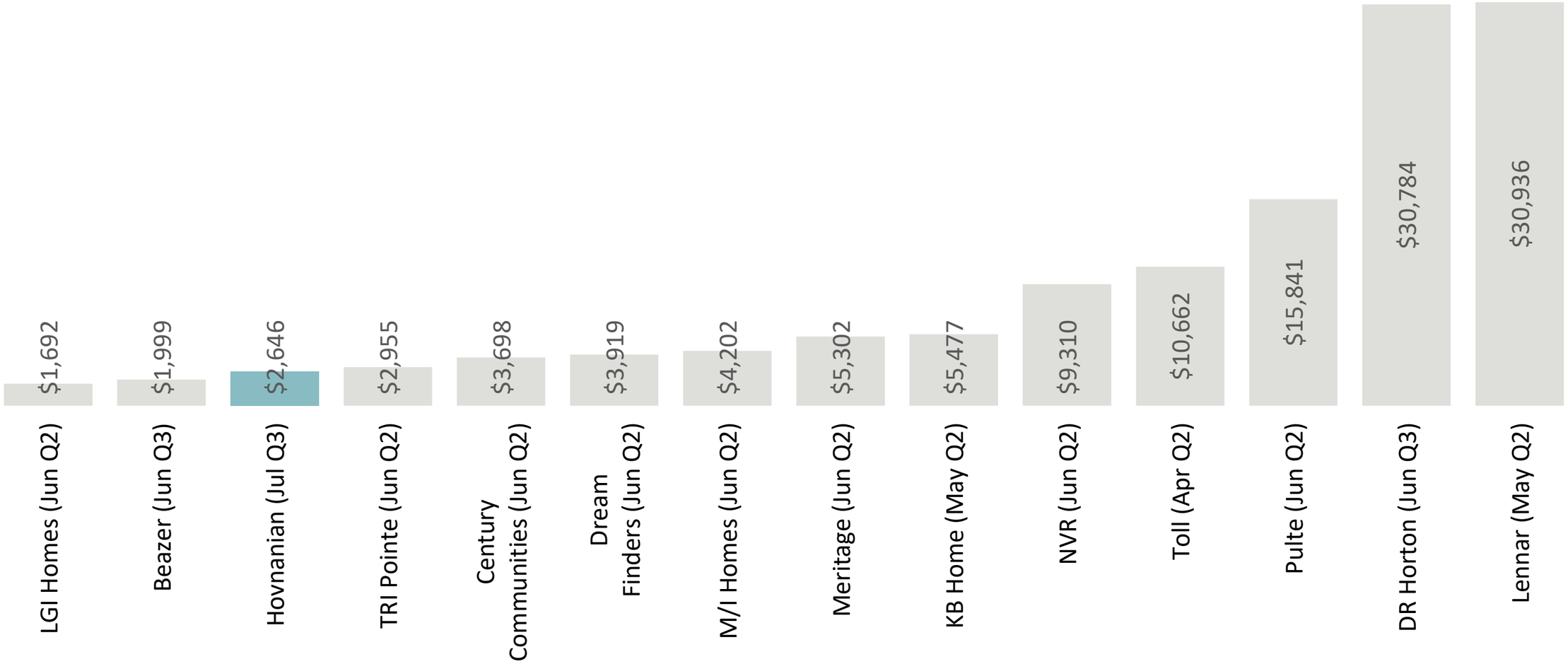
Homes



Includes unconsolidated joint ventures.
Source: Company SEC filings, press releases as of 08/20/2026.

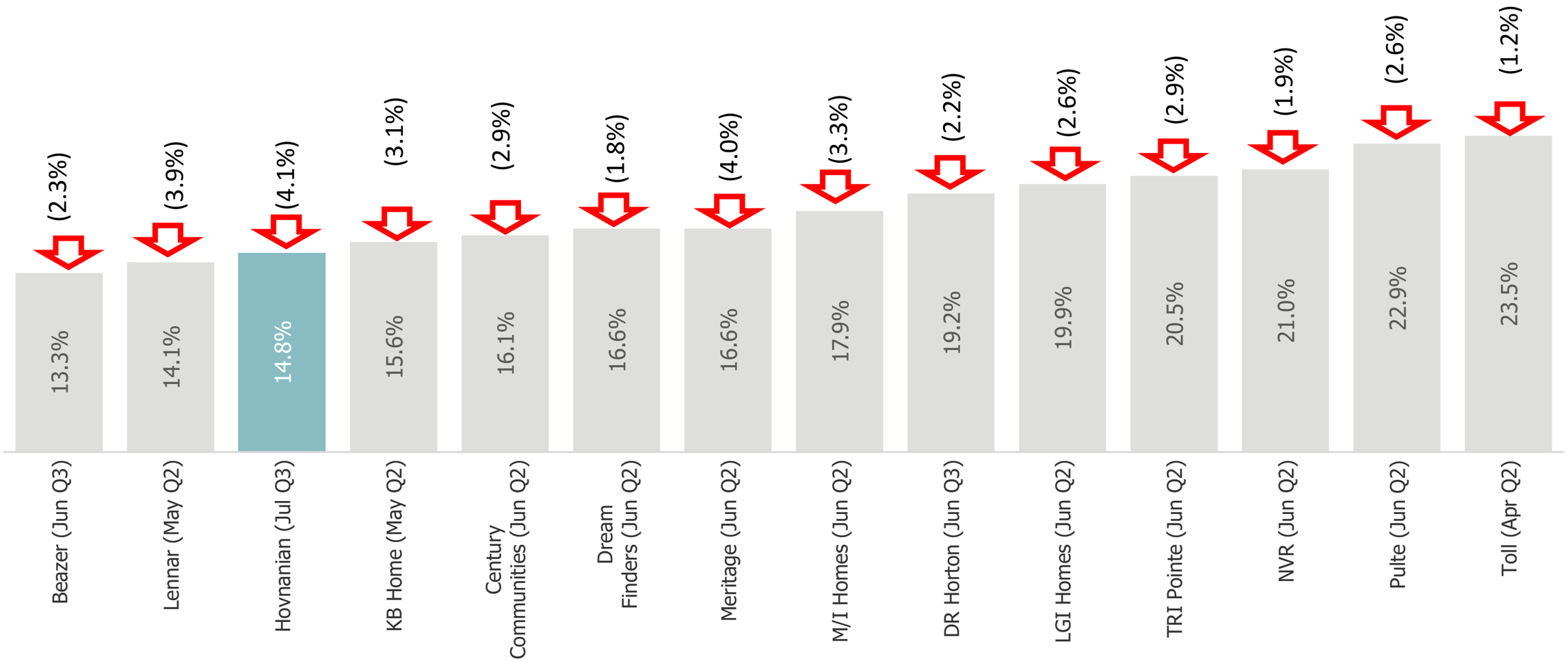
Homebuilding Revenue, Last Twelve Months

$ in millions



Excludes unconsolidated joint ventures.
Source: Company SEC filings, press releases as of 08/20/2026.

Adjusted Gross Margin Percentage, Last Twelve Months

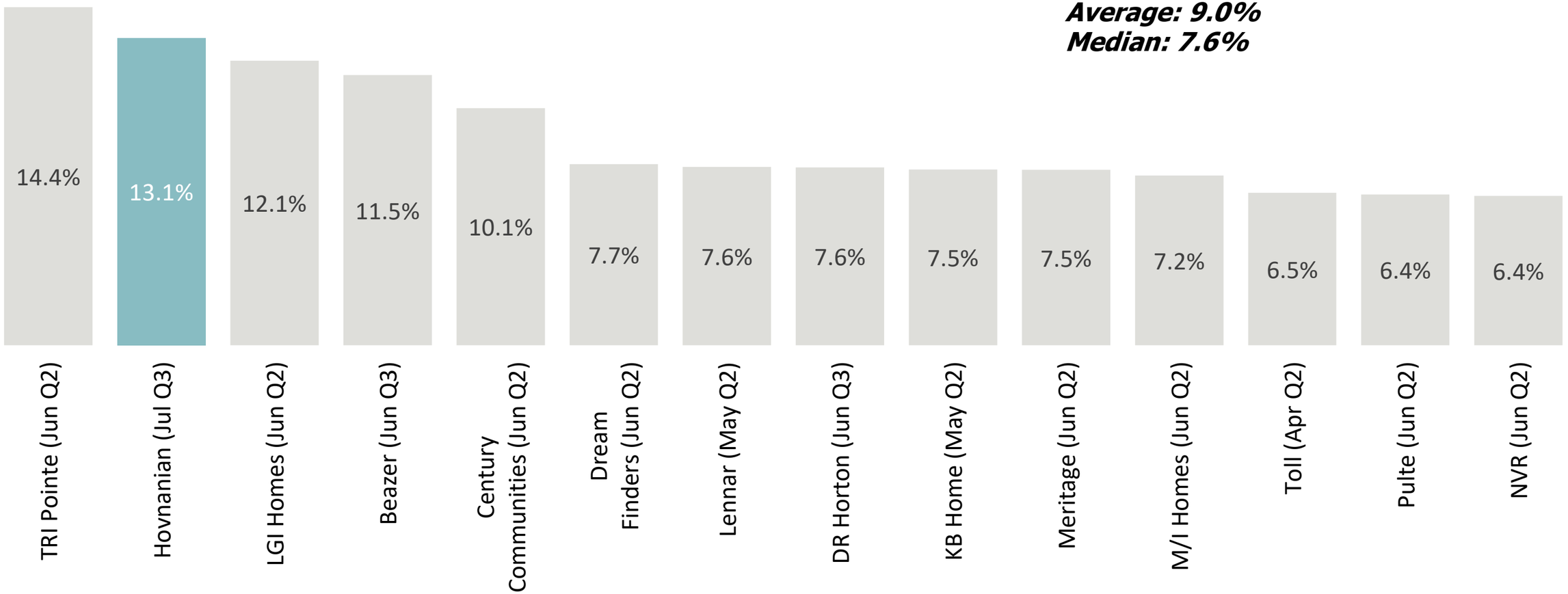


Note: Hovnanian sales commission was 3.3% in the last twelve months. Adjusted Century Communities, Lennar, LGI Homes, Meritage, M/I Homes, Pulte, Taylor Morrison, Toll and Tri Pointe publicly reported results by full 3.3% because all of their sales commissions are reported in SG&A. Adjusted DR Horton's publicly reported results by 1.7% because only some of their sales commissions were reported in SG&A. Beazer, Dream Finders and KB Home report commissions separately and are adjusted by 3.3%, 4.4% and 3.5%, respectively.
Source: Company SEC filings and press releases as of 08/20/2026.
Note: Excluding interest and impairments.

Adjusted Homebuilding SG&A as a % of Homebuilding Revenue, Last Twelve Months

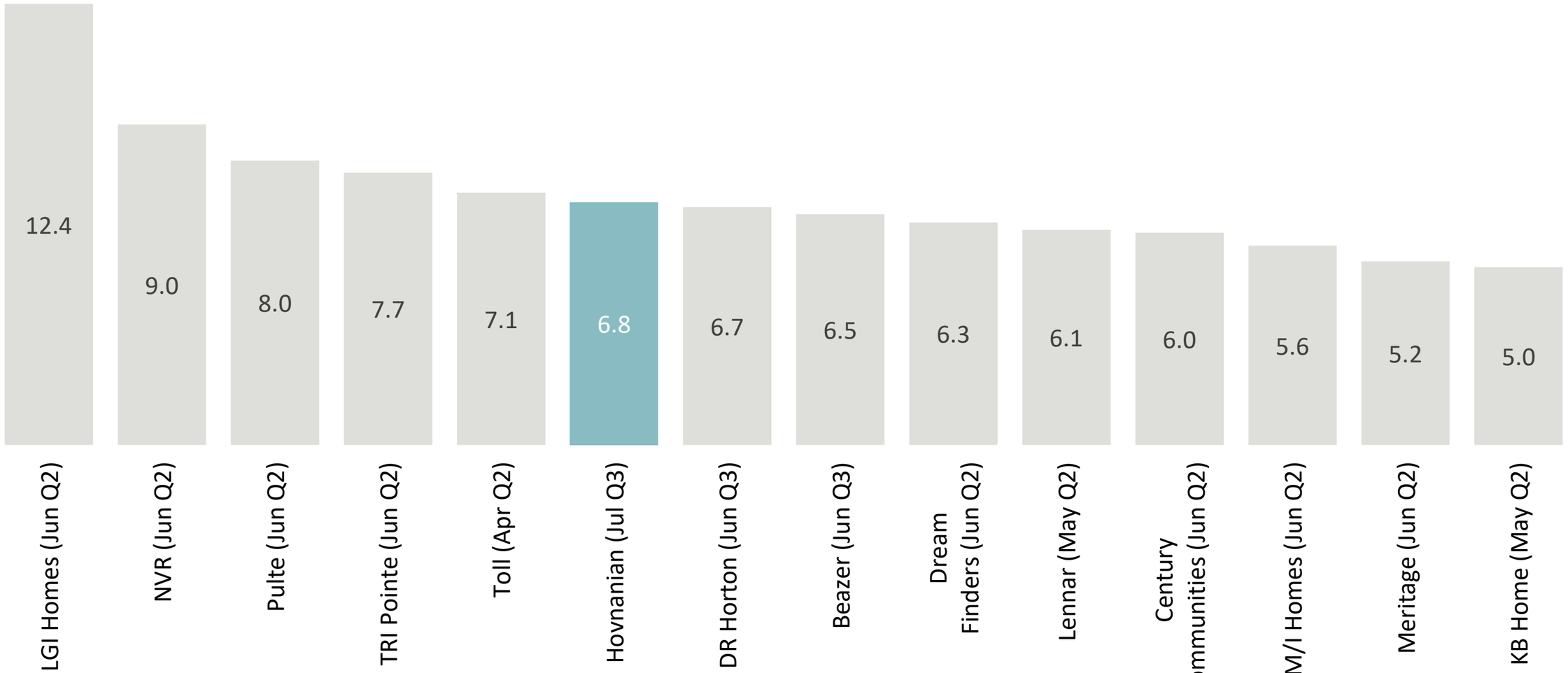
(adjusted for sales commissions)

Average: 9.0%
Median: 7.6%



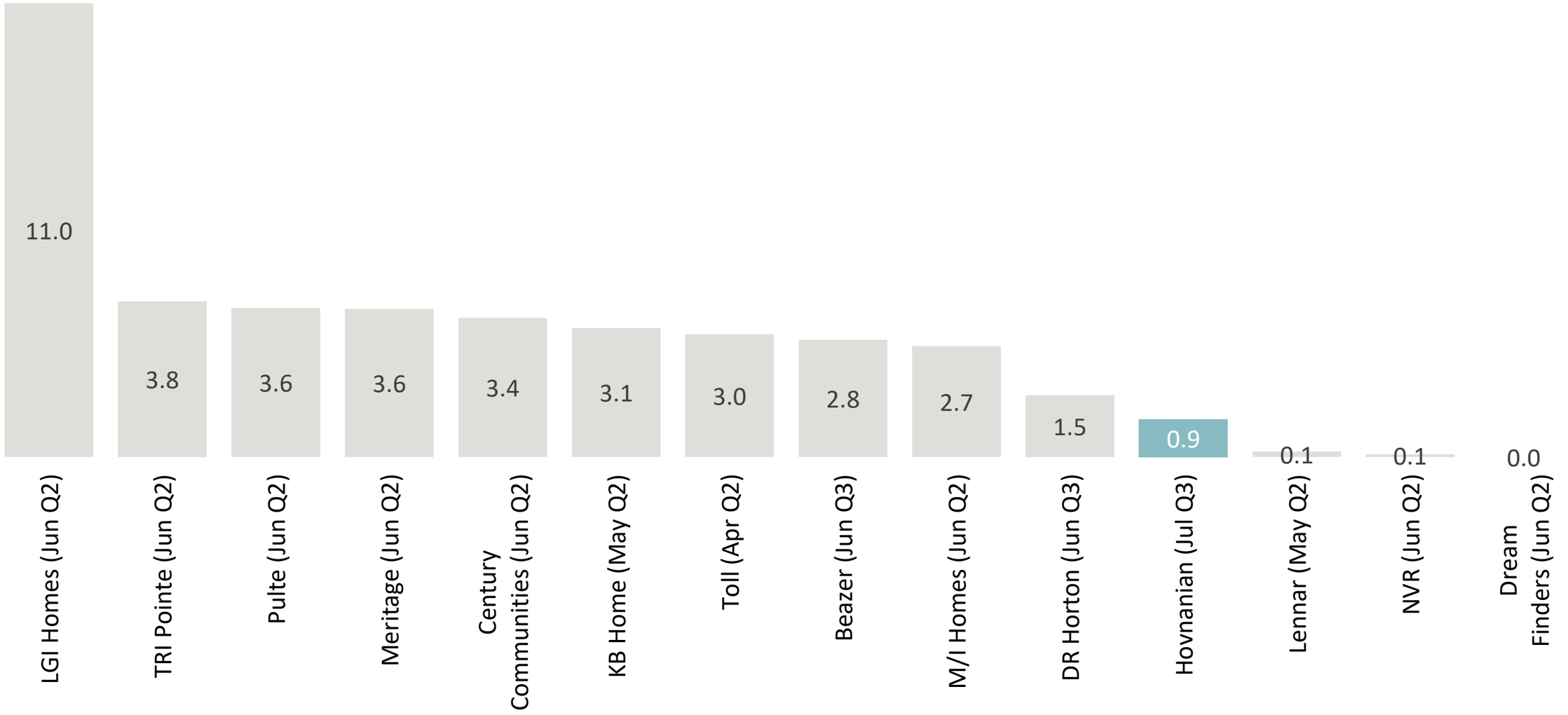
Note: Hovnanian sales commission was 3.3% in the last twelve months. Adjusted Century Communities, Lennar, LGI Homes, Meritage, M/I Homes, Pulte, Taylor Morrison, Toll and Tri Pointe publicly reported results by full 3.3% because all of their sales commissions are reported in SG&A. Adjusted DR Horton's publicly reported results by 1.7% because only some of their sales commissions were reported in SG&A. Beazer, Dream Finders and KB Home report commissions separately and are adjusted by 3.3%, 4.4% and 3.5%, respectively.
Source: Company SEC filings and press releases as of 08/20/2026.
Note: Excluding interest and impairments.

Total Lots – Years Supply



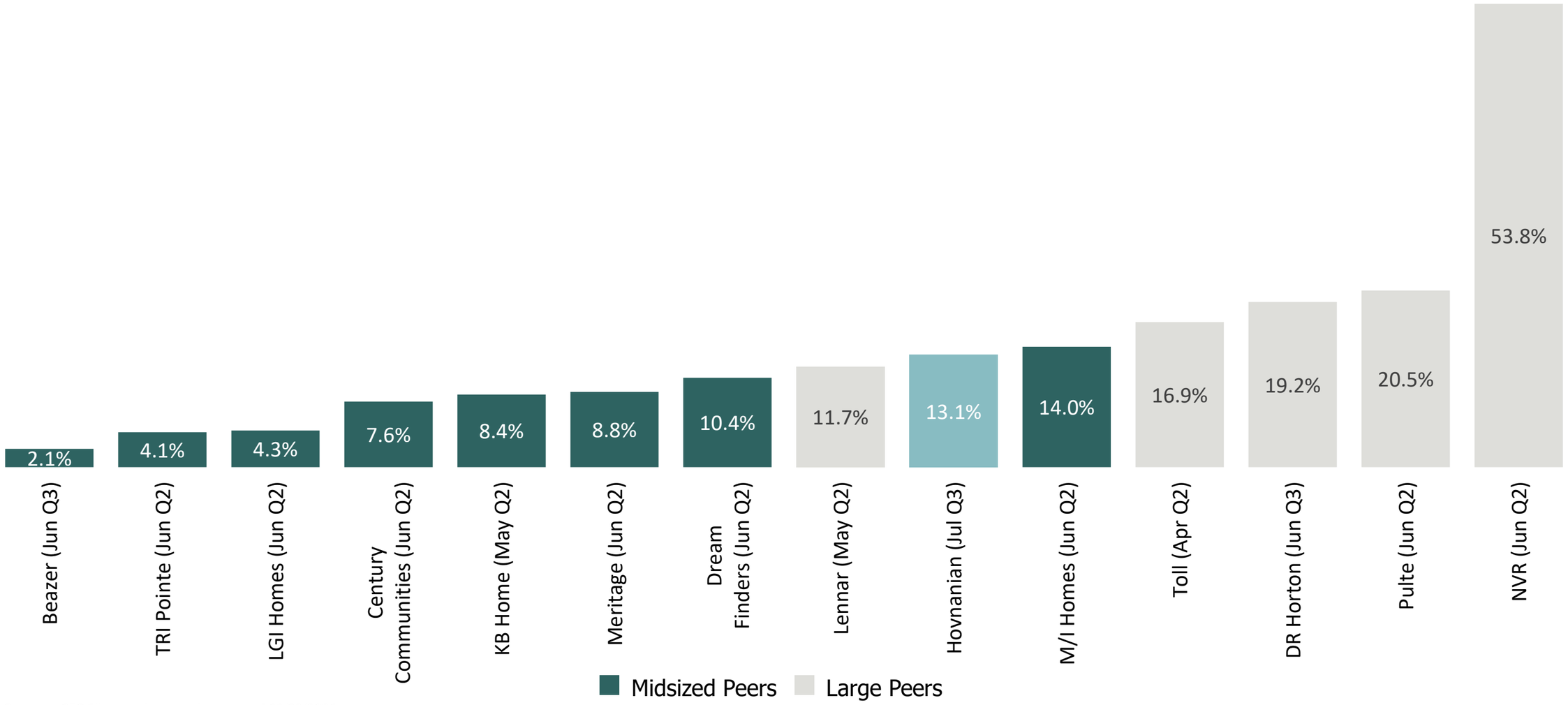
Source: Company SEC filings and press releases as of 08/20/2026.

Owned Lots – Years Supply



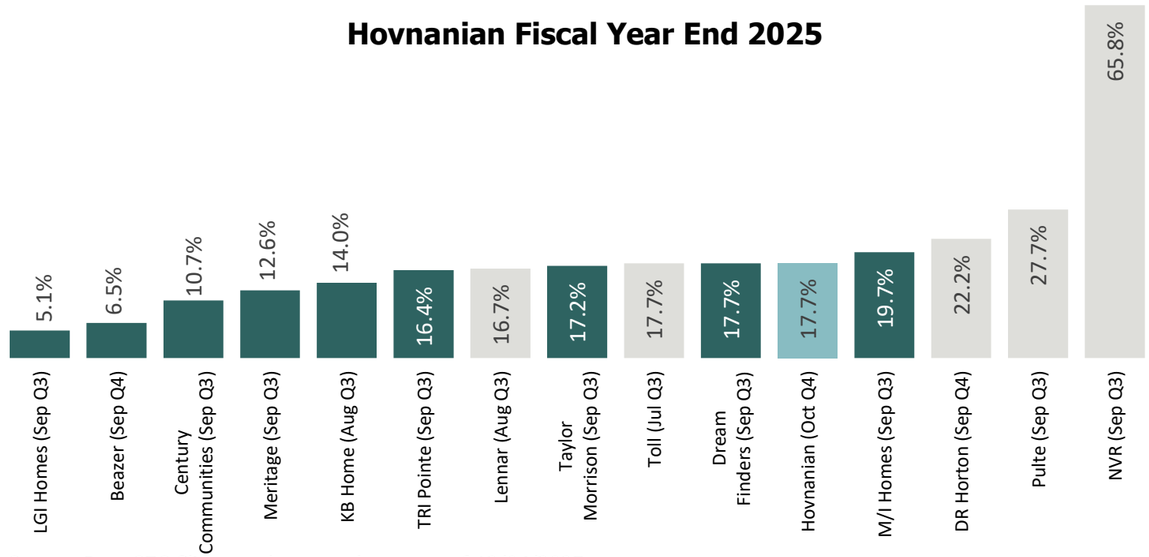
Source: Company SEC filings and press releases as of 08/20/2026.

Adjusted EBIT ROI, Last Twelve Months

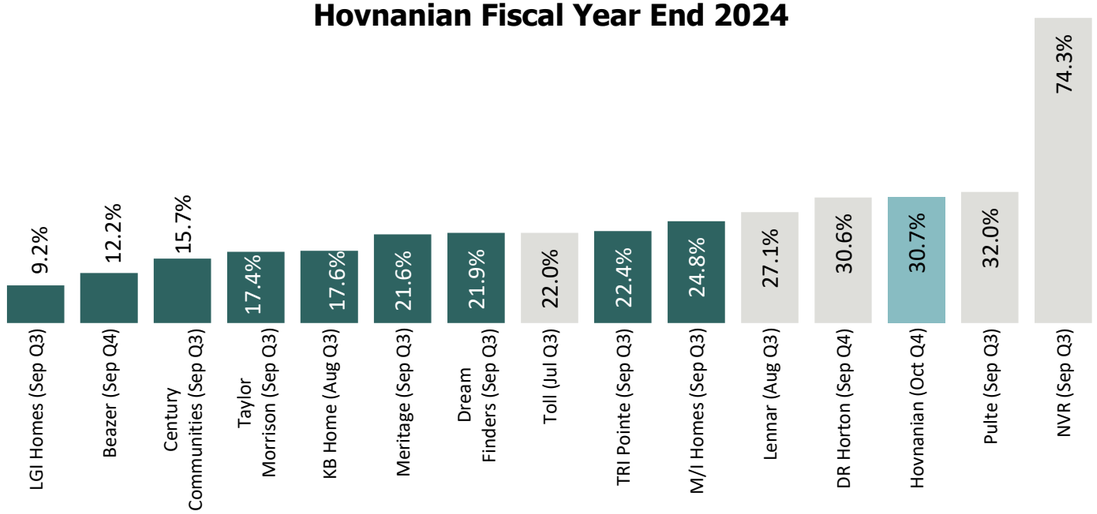


Source: Company SEC filings and press releases as of 08/20/2026.
(1) Consolidated EBIT Return on Investment is defined as LTM Total Company EBIT before land-related charges and gain (loss) on extinguishment of debt divided by five quarter average inventory, investment in unconsolidated joint ventures, investment in build for rent assets, definite life intangibles and goodwill balances, excluding capitalized interest and the impact of consolidated inventory not owned.

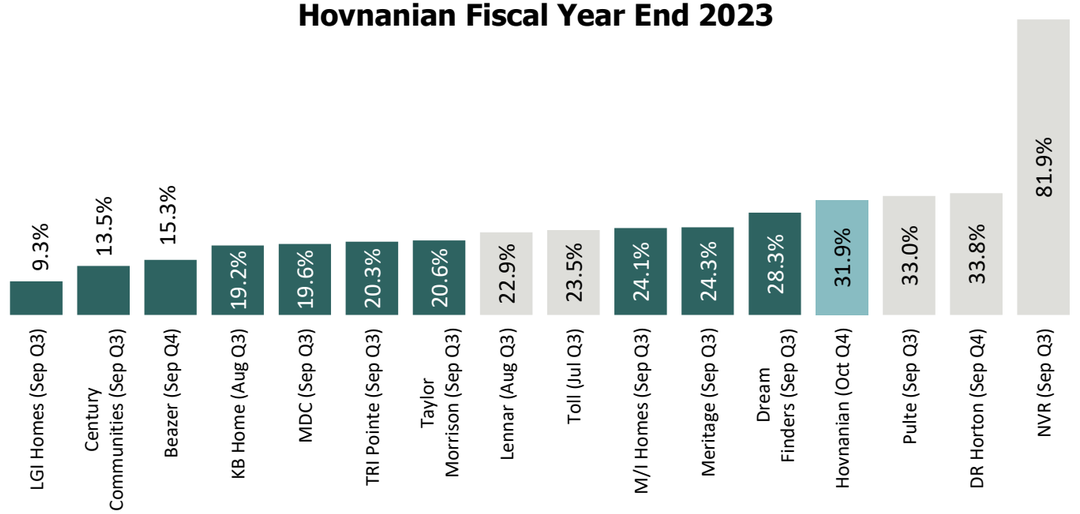
Adjusted EBIT ROI



Source: Peer SEC filings and press releases as of 12/04/2025.



Source: Peer SEC filings and press releases as of 12/05/2023.



Source: Peer SEC filings and press releases as of 12/05/2024.

Note: Defined as LTM Total Company EBIT before land-related charges and gain (loss) on extinguishment of debt divided by five quarter average inventory, excluding capitalized interest and liabilities from inventory not owned, includes goodwill definite life intangibles assets and includes investments in and advances to unconsolidated joint ventures.



Appendix

Phantom Stock Impact

($ in millions, except stock prices)

	Stock Price at end of quarter	Reported Total SG&A	Reported Total SG&A Ratio	Incremental Phantom Stock Benefit (Expense)	Total SG&A Adjusted for Phantom Stock	Total SG&A Ratio Adjusted for Phantom Stock
Q1 2021	$51.16	-	-	-	-	-
Q2 2021	$132.59	$82.6	11.7%	$(17.5)	$65.1	9.3%
Q3 2021	$104.39	$60.3	8.7%	$6.7	$67.0	9.7%
Q4 2021	$84.26	$70.0	8.6%	$5.3	$75.3	9.2%
Q1 2022	$96.88	$72.2	12.8%	$(5.7)	$66.5	11.8%
Q2 2022	$46.02	$68.2	9.7%	$6.0	$74.2	10.6%
Q3 2022	$48.51	$74.9	9.8%	$(0.3)	$74.6	9.7%
Q4 2022	$40.33	$80.9	9.1%	$1.0	$81.9	9.2%
Q1 2023	$57.88	$73.4	14.2%	$(1.4)	$72.0	14.0%
Q2 2023	$73.77	$75.5	10.7%	$(1.1)	$74.4	10.6%
Q3 2023	$106.62	$75.1	11.6%	$(2.4)	$72.7	11.2%
Q4 2023	$69.48	$80.8	9.1%	$2.9	$83.7	9.4%
Q1 2024	$168.97	$86.1	14.5%	$(7.5)	$78.6	13.2%
Q2 2024	$143.83	$79.0	11.2%	$0.6	$79.6	11.2%
Q3 2024	$209.89	$89.5	12.4%	$(2.2)	$87.3	12.1%
Q4 2024	$176.04	$87.7	9.0%	$1.2	$88.9	9.1%
Q1 2025	$132.39	$86.9	12.9%	$1.6	$88.5	13.1%
Q2 2025	$96.80	$80.6	11.7%	$2.8	$83.4	12.1%
Q3 2025	$119.47	$90.8	11.3%	$(2.5)	$88.3	11.0%
Q4 2025	$120.23	$91.5	11.2%	$(0.1)	$91.4	11.2%
Q1 2026	$112.65	$84.0	13.3%	$1.4	$85.4	13.5%
Q2 2026	$112.44	$84.0	12.6%	$(0.1)	$83.9	12.6%
Q3 2026	$123.90	$86.9	12.3%	$(0.6)	$86.3	12.2%

In 2019, 2023 and 2024, we granted phantom stock awards in lieu of actual equity under our long-term incentive plans ("LTIP").
This was done in the best interest of shareholders to avoid dilution concerns associated with our low stock prices at the time of grants.
Expense related to the phantom stock varies depending upon our common stock price at quarter end, is a non-cash expense until paid and is reflected in our total SG&A expenses.

FAS 144 Trigger Calculation

	Lots Remaining	Current Selling Price	Total
Total Remaining Housing Revenue	102	$ 534,000	$ 54,468,000
Book Value (inventory as of analysis date)			$18,500,000
Remaining Cost to Build (Including future capped interest)			$36,300,000
Cost to Sell			$1,500,000
Trigger (If "negative" then "yes")			-$1,832,000

Reconciliation of (loss) income before income taxes excluding land-related charges and gain on extinguishment of debt, net to (loss) income before income taxes

Hovnanian Enterprises, Inc.
July 31, 2026
Reconciliation of (loss) income before income taxes excluding land-related charges and gain on extinguishment of debt, net to (loss) income before income taxes
(In thousands)

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2026	2025	2026	2025
	(Unaudited)		(Unaudited)	
(Loss) income before income taxes	$ (2,775)	$ 23,802	$ 26,266	$ 90,195
Inventory impairments and land option write-offs	493	16,045	11,602	20,141
Gain on extinguishment of debt, net	-	-	-	(399)
(Loss) income before income taxes excluding land-related charges and gain on extinguishment of debt, net (1)	$ (2,282)	$ 39,847	$ 37,868	$ 109,937

(1) (Loss) income before income taxes excluding land-related charges and gain on extinguishment of debt, net is a non-GAAP financial measure. The most directly comparable GAAP financial measure is (loss) income before income taxes.

Reconciliation of Gross Margin

Hovnanian Enterprises, Inc.
July 31, 2026
Gross margin
(In thousands)

	Homebuilding Gross Margin Three Months Ended July 31,		Homebuilding Gross Margin Nine Months Ended July 31,	
	2026	2025	2026	2025
	(Unaudited)		(Unaudited)	
Sale of homes	$ 679,042	$ 769,050	$ 1,858,989	$ 2,066,278
Cost of sales, excluding interest expense and land charges (1)	579,573	636,015	1,595,651	1,702,360
Homebuilding gross margin, before cost of sales interest expense and land charges (2)	99,469	133,035	263,338	363,918
Cost of sales interest expense, excluding land sales interest expense	19,098	26,868	51,537	65,544
Homebuilding gross margin, after cost of sales interest expense, before land charges (2)	80,371	106,167	211,801	298,374
Land charges	493	16,045	11,602	20,141
Homebuilding gross margin	$ 79,878	$ 90,122	$ 200,199	$ 278,233
Homebuilding gross margin percentage	11.8%	11.7%	10.8%	13.5%
Homebuilding gross margin percentage, before cost of sales interest expense and land charges (2)	14.6%	17.3%	14.2%	17.6%
Homebuilding gross margin percentage, after cost of sales interest expense, before land charges (2)	11.9%	13.8%	11.4%	14.4%

	Land Sales Gross Margin Three Months Ended July 31,		Land Sales Gross Margin Nine Months Ended July 31,	
	2026	2025	2026	2025
	(Unaudited)		(Unaudited)	
Land and lot sales	$ 10	$ 1,193	$ 68,224	$ 20,623
Cost of sales, excluding interest	3	241	24,617	10,475
Land and lot sales gross margin, excluding interest	7	952	43,607	10,148
Land and lot sales interest expense	-	-	118	618
Land and lot sales gross margin, including interest	$ 7	$ 952	$ 43,489	$ 9,530

(1) Does not include cost associated with walking away from land options or inventory impairment losses which are recorded as Inventory impairment loss and land option write-offs in the Condensed Consolidated Statements of Operations.

(2) Homebuilding gross margin, before cost of sales interest expense and land charges, and homebuilding gross margin percentage, before cost of sales interest expense and land charges, are non-GAAP financial measures. The most directly comparable GAAP financial measures are homebuilding gross margin and homebuilding gross margin percentage, respectively.

Reconciliation of Adjusted EBITDA to Net (Loss) Income

Hovnanian Enterprises, Inc.
July 31, 2026
Reconciliation of adjusted EBITDA to net (loss) income
(In thousands)

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2026	2025	2026	2025
	(Unaudited)		(Unaudited)	
Net (loss) income	$ (2,215)	$ 16,615	$ 18,049	$ 64,532
(Benefit) provision for income taxes	(560)	7,187	8,217	25,663
Interest expense	30,475	34,017	87,680	91,973
EBIT (1)	27,700	57,819	113,946	182,168
Depreciation and amortization	3,723	3,192	10,536	8,513
EBITDA (2)	31,423	61,011	124,482	190,681
Inventory impairments and land option write-offs	493	16,045	11,602	20,141
Gain on extinguishment of debt, net	-	-	-	(399)
Adjusted EBITDA (3)	$ 31,916	$ 77,056	$ 136,084	$ 210,423
Interest incurred	$ 30,222	$ 28,523	$ 91,584	$ 88,210
Adjusted EBITDA to interest incurred	1.06	2.70	1.49	2.39

(1) EBIT is a non-GAAP financial measure. The most directly comparable GAAP financial measure is net (loss) income. EBIT represents earnings before interest expense and income taxes.

(2) EBITDA is a non-GAAP financial measure. The most directly comparable GAAP financial measure is net (loss) income. EBITDA represents earnings before interest expense, income taxes, depreciation and amortization.

(3) Adjusted EBITDA is a non-GAAP financial measure. The most directly comparable GAAP financial measure is net (loss) income. Adjusted EBITDA represents earnings before interest expense, income taxes, depreciation, amortization, inventory impairments and land option write-offs and gain on extinguishment of debt, net.

Reconciliation of Inventory Turnover

Hovnanian Enterprises, Inc.
July 31, 2026
Calculation of Inventory Turnover[1]

		For the quarter ended				TTM ended
(Dollars in thousands)		10/31/2025	1/31/2026	4/30/2026	7/31/2026	7/31/2026
Cost of sales, excluding interest		$658,528	$509,631	$531,061	$579,576	$2,278,796
		As of				
	7/31/2025	10/31/2025	1/31/2026	4/30/2026	7/31/2026	
Total inventories	$1,692,932	$1,637,470	$1,647,970	$1,723,587	$1,794,444	Five
Less liabilities from inventory not owned, net of debt issuance costs	236,644	244,723	235,945	253,441	228,622	Quarter
Less capitalized interest	48,139	43,263	43,397	46,736	46,483	Average
Inventories less consolidated inventory not owned and capitalized interest plus liabilities from inventory not owned	$1,408,149	$1,349,484	$1,368,628	$1,423,410	$1,519,339	$1,413,802
Inventory turnover						1.6x

(1) Derived by dividing cost of sales, excluding cost of sales interest, by the five-quarter average inventory, excluding liabilities from inventory not owned and capitalized interest. The Company's calculation of Inventory Turnover may be different than the calculation used by other companies and, therefore, comparability may be affected.

Reconciliation of Adjusted EBIT ROI - Current

Hovnanian Enterprises, Inc.

($ in millions)

	BZH (Jun Q3)	DHI (Jun Q3)	HOV (Jul Q3)	KBH (May Q2)	LEN (May Q2)	MHO (Jun Q2)	MTH (Jun Q2)	NVR (Jun Q2)	PHM (Jun Q2)	TOL (Apr Q2)	TMHC (Mar Q1)	TPH (Jun Q2)	LGIH (Jun Q2)	CCS (Jun Q2)	DFH (Jun Q2)
TTM earnings before taxes	($34)	$4,096	$22	$350	$2,189	$414	$424	$1,483	$2,495	$1,716	$894	$4	$92	$177	$195
TTM impairment and walk away charges	$8	$115	$31	$33	$265	$52	$60	$85	$141	$173	$37	$43	$11	$23	$7
TTM gains (losses) on extinguishment of debt	$0	$0	($34)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TTM interest expense	$71	$173	$122	$99	$203	$13	$57	$27	$120	$120	$98	$96	$52	$63	$110
Adjusted EBIT	$45	$4,384	$209	$482	$2,657	$479	$541	$1,596	$2,756	$2,009	$1,029	$143	$155	$264	$312
Total Inventories less liabilities from inventory not owned															
MRQ	$2,369	$23,641	$1,566	$5,733	$18,133	$3,485	$6,061	$3,163	$13,715	$11,378	$6,526	$3,436	$3,532	$3,599	$2,830
MRQ-1	$2,253	$23,303	$1,470	$5,704	$17,499	$3,355	$6,128	$2,877	$13,301	$11,204	$6,407	$3,302	$3,566	$3,526	$2,675
MRQ-2	$2,141	$22,722	$1,412	$5,671	$16,525	$3,354	$6,161	$2,575	$12,925	$10,678	$6,670	$3,178	$3,550	$3,361	$2,571
MRQ-3	$2,029	$22,584	$1,393	$5,839	$17,403	$3,395	$6,339	$3,000	$13,352	$11,072	$6,764	$3,372	$3,675	$3,584	$2,697
MRQ-4	$2,292	$23,594	$1,456	$5,913	$16,984	$3,274	$6,185	$3,008	$13,216	$10,995	$6,528	$3,301	$3,679	$3,510	$2,522
Less capitalized interest															
MRQ	$157	$513	$46	$145	$0	$45	$87	$0	$125	$202	$166	$160	$0	$108	$57
MRQ-1	$148	$486	$47	$135	$0	$44	$84	$0	$125	$200	$154	$163	$0	$105	$58
MRQ-2	$140	$464	$43	$126	$0	$42	$77	$0	$122	$191	$151	$161	$0	$101	$56
MRQ-3	$132	$439	$43	$131	$0	$40	$71	$1	$132	$195	$160	$174	$0	$100	$52
MRQ-4	$138	$427	$48	$129	$0	$39	$64	$1	$137	$196	$160	$179	$0	$94	$44
Plus investments in and advances to UJVs															
MRQ	$0	$0	$155	$79	$1,479	$62	$59	$0	$203	$955	$483	$246	$25	$0	$22
MRQ-1	$0	$0	$148	$77	$1,480	$68	$61	$0	$168	$956	$487	$217	$23	$0	$20
MRQ-2	$0	$0	$147	$72	$1,545	$106	$57	$0	$167	$1,026	$488	$183	$21	$0	$27
MRQ-3	$0	$0	$163	$67	$2,648	$82	$46	$0	$179	$1,122	$475	$191	$21	$0	$11
MRQ-4	$0	$0	$218	$58	$2,700	$67	$35	$0	$182	$1,172	$475	$194	$24	$0	$12
Plus goodwill and definite life intangible assets															
MRQ	$11	$164	$32	$0	$3,442	$16	$33	$42	$64	$0	$663	$157	$12	$41	$377
MRQ-1	$11	$164	$32	$0	$3,442	$16	$33	$42	$65	$0	$663	$157	$12	$41	$377
MRQ-2	$11	$164	$32	$0	$3,442	$16	$33	$42	$67	$0	$663	$157	$12	$41	$377
MRQ-3	$11	$164	$0	$0	$3,442	$16	$33	$42	$108	$0	$663	$157	$12	$41	$375
MRQ-4	$11	$164	$0	$0	$3,442	$16	$33	$42	$111	$0	$663	$157	$12	$41	$378
Investment: inventories less liabilities from consolidated inventory not owned, less capitalized interest, plus investments in and advances to UJVs, plus goodwill and definite life intangible assets															
MRQ	$2,224	$23,292	$1,706	$5,666	$23,054	$3,518	$6,067	$3,204	$13,857	$12,131	$7,507	$3,678	$3,568	$3,532	$3,172
MRQ-1	$2,116	$22,981	$1,604	$5,646	$22,421	$3,396	$6,138	$2,919	$13,409	$11,960	$7,403	$3,513	$3,601	$3,462	$3,014
MRQ-2	$2,012	$22,422	$1,547	$5,618	$21,513	$3,435	$6,174	$2,617	$13,037	$11,514	$7,669	$3,357	$3,583	$3,301	$2,919
MRQ-3	$1,909	$22,309	$1,513	$5,775	$23,494	$3,453	$6,346	$3,041	$13,508	$11,999	$7,742	$3,545	$3,708	$3,525	$3,030
MRQ-4	$2,166	$23,330	$1,627	$5,842	$23,126	$3,319	$6,189	$3,049	$13,372	$11,971	$7,506	$3,473	$3,715	$3,457	$2,868
Investment five quarter average	$2,086	$22,867	$1,599	$5,709	$22,722	$3,424	$6,183	$2,966	$13,436	$11,915	$7,566	$3,513	$3,635	$3,456	$3,001
Adjusted EBIT return on investment (EBIT ROI)	2.1%	19.2%	13.1%	8.4%	11.7%	14.0%	8.8%	53.8%	20.5%	16.9%	13.6%	4.1%	4.3%	7.6%	10.4%

Source: Peer SEC filings and press releases as of 12/04/2025.
Note: midsized peers in gray

Reconciliation of Adjusted EBIT ROI – FYE 2025

Hovnanian Enterprises, Inc.

($ in millions)

	BZH	DHI	HOV	KBH	LEN	MHO	MTH	NVR	PHM	TOL	TMHC	TPH	LGIH	CCS	DFH
	(Sep Q4)	(Sep Q4)	(Oct Q4)	(Aug Q3)	(Aug Q3)	(Sep Q3)	(Sep Q3)	(Sep Q3)	(Sep Q3)	(Jul Q3)	(Sep Q3)	(Sep Q3)	(Sep Q3)	(Sep Q3)	(Sep Q3)
TTM earnings before taxes	$41	$4,740	$86	$673	$3,589	$617	$703	$1,866	$3,439	$1,819	$1,122	$423	$142	$283	$375
TTM impairment and walk away charges	$13	$151	$40	$19	$164	$17	$9	$52	$84	$74	$66	$25	$0	$29	$5
TTM gains (losses) on extinguishment of debt	$0	$0	($33)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TTM interest expense	$79	$158	$126	$110	$162	$10	$50	$29	$119	$122	$110	$115	$43	$60	$106
Adjusted EBIT	$133	$5,049	$285	$801	$3,915	$644	$762	$1,947	$3,642	$2,016	$1,297	$563	$185	$372	$485
Total Inventories less liabilities from inventory not owned															
MRQ	$2,029	$22,584	$1,393	$5,839	$17,403	$3,395	$6,339	$3,000	$13,352	$11,072	$6,670	$3,372	$3,675	$3,584	$2,697
MRQ-1	$2,292	$23,594	$1,456	$5,913	$16,984	$3,274	$6,185	$3,008	$13,216	$10,995	$6,764	$3,301	$3,679	$3,510	$2,522
MRQ-2	$2,233	$23,364	$1,571	$5,943	$15,733	$3,188	$6,056	$2,868	$12,959	$10,678	$6,528	$3,265	$3,585	$3,473	$2,370
MRQ-3	$2,164	$23,092	$1,510	$5,528	$19,781	$3,080	$5,921	$2,785	$12,693	$9,713	$6,463	$3,153	$3,424	$3,454	$2,174
MRQ-4	$2,041	$21,997	$1,505	$5,649	$19,725	$3,121	$5,665	$2,926	$12,667	$10,198	$6,539	$3,413	$3,473	$3,581	$2,428
Less capitalized interest															
MRQ	$132	$439	$43	$131	$0	$40	$71	$1	$132	$195	$151	$174	$0	$100	$52
MRQ-1	$138	$427	$48	$129	$0	$39	$64	$1	$137	$196	$160	$179	$0	$94	$44
MRQ-2	$134	$395	$54	$125	$0	$38	$57	$1	$140	$192	$160	$185	$0	$89	$43
MRQ-3	$130	$372	$53	$122	$0	$36	$54	$0	$140	$180	$157	$186	$0	$84	$38
MRQ-4	$124	$355	$58	$130	$0	$35	$54	$0	$146	$192	$168	$205	$0	$82	$44
Plus investments in and advances to UJVs															
MRQ	$0	$0	$163	$67	$2,648	$82	$46	$0	$179	$1,122	$488	$191	$21	$0	$11
MRQ-1	$0	$0	$218	$58	$2,700	$67	$35	$0	$182	$1,172	$475	$194	$24	$0	$12
MRQ-2	$0	$0	$183	$61	$2,646	$71	$31	$0	$221	$1,107	$475	$170	$25	$0	$12
MRQ-3	$0	$0	$173	$67	$1,345	$65	$29	$0	$215	$1,007	$440	$174	$28	$0	$11
MRQ-4	$0	$0	$143	$63	$1,310	$63	$18	$0	$213	$984	$397	$131	$26	$0	$7
Plus goodwill and definite life intangible assets															
MRQ	$11	$164	$0	$0	$3,442	$16	$33	$42	$108	$0	$663	$157	$12	$41	$375
MRQ-1	$11	$164	$0	$0	$3,442	$16	$33	$42	$111	$0	$663	$157	$12	$41	$378
MRQ-2	$11	$164	$0	$0	$3,442	$16	$33	$42	$113	$0	$663	$157	$12	$41	$346
MRQ-3	$11	$164	$0	$0	$3,442	$16	$33	$42	$115	$0	$663	$157	$12	$41	$300
MRQ-4	$11	$164	$0	$0	$3,442	$16	$33	$42	$118	$0	$663	$157	$12	$39	$300
Investment: inventories less liabilities from consolidated inventory not owned, less capitalized interest, plus investments in and advances to UJVs, plus goodwill and definite life intangible assets															
MRQ	$1,909	$22,309	$1,513	$5,775	$23,494	$3,453	$6,346	$3,041	$13,508	$11,999	$7,669	$3,545	$3,708	$3,525	$3,030
MRQ-1	$2,166	$23,330	$1,627	$5,842	$23,126	$3,319	$6,189	$3,049	$13,372	$11,971	$7,742	$3,473	$3,715	$3,457	$2,868
MRQ-2	$2,110	$23,133	$1,701	$5,878	$21,821	$3,237	$6,063	$2,909	$13,154	$11,592	$7,506	$3,408	$3,622	$3,425	$2,686
MRQ-3	$2,045	$22,884	$1,630	$5,473	$24,568	$3,126	$5,929	$2,827	$12,884	$10,541	$7,409	$3,298	$3,464	$3,411	$2,448
MRQ-4	$1,928	$21,806	$1,590	$5,582	$24,477	$3,165	$5,662	$2,967	$12,852	$10,990	$7,432	$3,495	$3,511	$3,538	$2,691
Investment five quarter average	$2,032	$22,692	$1,612	$5,710	$23,497	$3,260	$6,038	$2,958	$13,154	$11,419	$7,552	$3,444	$3,604	$3,471	$2,745
Adjusted EBIT return on investment (EBIT ROI)	6.5%	22.2%	17.7%	14.0%	16.7%	19.7%	12.6%	65.8%	27.7%	17.7%	17.2%	16.4%	5.1%	10.7%	17.7%

Source: Peer SEC filings and press releases as of 08/20/2026.
Note: midsized peers in gray

Reconciliation of Adjusted EBIT ROI – FYE 2024

Hovnanian Enterprises, Inc.

($ in millions)	BZH	DHI	HOV	KBH	LEN	MDC	MHO	MTH	NVR	PHM	TOL	TMHC	TPH	LGIH	CCS	DFH
	(Sep Q4)	(Sep Q4)	(Oct Q4)	(Aug Q3)	(Aug Q3)	(Jun Q2)	(Sep Q3)	(Sep Q3)	(Sep Q3)	(Sep Q3)	(Jul Q3)	(Sep Q3)	(Sep Q3)	(Sep Q3)	(Sep Q3)	(Sep Q3)
TTM earnings before taxes	$159	$6,285	$317	$803	$5,511	$474	$701	$1,040	$2,027	$3,770	$2,070	$1,074	$623	$260	$431	$405
TTM impairment and walk away charges	$2	$79	$12	$5	$155	$19	$14	$0	($2)	$46	$76	$7	$4	$4	$8	$3
TTM gains (losses) on extinguishment of debt	($0)	$0	$1	$0	$0	$0	$0	($1)	$0	$1	$0	($0)	$0	$0	$0	$0
TTM interest expense	$68	$135	$121	$115	$211	$71	$3	$58	$28	$111	$137	$119	$153	$39	$57	$79
Adjusted EBIT	$230	$6,499	$448	$922	$5,876	$564	$717	$1,098	$2,053	$3,926	$2,283	$1,200	$779	$303	$496	$487
Total Inventories less liabilities from inventory not owned																
MRQ	$2,041	$21,997	$1,505	$5,649	$16,745	$3,342	$3,121	$5,665	$2,926	$12,667	$10,198	$6,539	$3,413	$3,473	$3,581	$2,428
MRQ-1	$2,172	$22,466	$1,515	$5,335	$16,674	$3,249	$2,937	$5,332	$2,891	$12,324	$9,927	$6,356	$3,466	$3,394	$3,295	$2,199
MRQ-2	$2,057	$21,762	$1,330	$5,244	$16,330	$3,301	$2,760	$5,037	$2,726	$12,132	$9,581	$6,041	$3,423	$3,261	$3,107	$2,002
MRQ-3	$1,954	$21,103	$1,349	$5,134	$15,812	$3,236	$2,770	$4,833	$2,527	$11,819	$9,058	$5,677	$3,337	$3,138	$3,017	$1,687
MRQ-4	$1,756	$19,682	$1,225	$5,186	$19,749	$3,145	$2,717	$4,595	$2,534	$11,621	$9,204	$5,686	$3,413	$3,092	$3,058	$1,715
Less capitalized interest																
MRQ	$124	$355	$48	$130	$0	$60	$35	$54	$0	$146	$192	$168	$205	$0	$82	$44
MRQ-1	$127	$338	$55	$132	$0	$63	$34	$54	$0	$149	$193	$172	$218	$0	$78	$37
MRQ-2	$123	$319	$52	$134	$0	$65	$33	$54	$0	$148	$198	$177	$227	$0	$75	$31
MRQ-3	$120	$301	$54	$134	$0	$65	$32	$55	$0	$139	$191	$174	$222	$0	$73	$27
MRQ-4	$113	$286	$52	$139	$0	$62	$31	$58	$0	$140	$204	$187	$230	$0	$73	$124
Plus investments in and advances to UJVs																
MRQ	$0	$0	$143	$63	$1,310	$0	$63	$18	$0	$213	$984	$397	$131	$26	$0	$7
MRQ-1	$0	$0	$126	$64	$1,264	$0	$46	$24	$0	$210	$1,002	$382	$134	$24	$0	$21
MRQ-2	$0	$0	$151	$60	$1,207	$0	$59	$19	$0	$204	$996	$370	$125	$22	$0	$18
MRQ-3	$0	$0	$111	$59	$1,144	$0	$44	$17	$0	$167	$959	$346	$132	$22	$0	$15
MRQ-4	$0	$0	$98	$56	$1,157	$0	$45	$15	$0	$162	$900	$330	$139	$17	$0	$14
Plus goodwill and definite life intangible assets																
MRQ	$11	$164	$0	$0	$3,442	$0	$16	$33	$42	$118	$0	$663	$157	$12	$39	$300
MRQ-1	$11	$164	$0	$0	$3,442	$0	$16	$33	$42	$120	$0	$663	$157	$12	$32	$300
MRQ-2	$11	$164	$0	$0	$3,442	$0	$16	$33	$42	$123	$0	$663	$157	$12	$32	$305
MRQ-3	$11	$164	$0	$0	$3,442	$0	$16	$33	$42	$125	$0	$663	$157	$12	$30	$172
MRQ-4	$11	$164	$0	$0	$3,442	$0	$16	$33	$42	$128	$0	$663	$157	$12	$30	$172
Investment: inventories less liabilities from consolidated inventory not owned, less capitalized interest, plus investments in and advances to UJVs, plus goodwill and definite life intangible assets																
MRQ	$1,928	$21,806	$1,600	$5,582	$21,497	$3,282	$3,165	$5,662	$2,967	$12,852	$10,990	$7,432	$3,495	$3,511	$3,538	$2,691
MRQ-1	$2,057	$22,291	$1,587	$5,268	$21,380	$3,186	$2,966	$5,334	$2,932	$12,505	$10,736	$7,229	$3,538	$3,430	$3,249	$2,483
MRQ-2	$1,946	$21,607	$1,429	$5,169	$20,979	$3,236	$2,802	$5,035	$2,768	$12,311	$10,379	$6,897	$3,477	$3,294	$3,064	$2,293
MRQ-3	$1,845	$20,965	$1,406	$5,058	$20,398	$3,171	$2,799	$4,828	$2,568	$11,972	$9,826	$6,512	$3,404	$3,172	$2,974	$1,848
MRQ-4	$1,655	$19,559	$1,271	$5,104	$24,348	$3,083	$2,748	$4,584	$2,575	$11,771	$9,900	$6,492	$3,479	$3,120	$3,015	$1,777
Investment five quarter average	$1,886	$21,246	$1,458	$5,236	$21,720	$3,192	$2,896	$5,089	$2,762	$12,282	$10,366	$6,912	$3,479	$3,305	$3,168	$2,218
EBIT return on investment (EBIT ROI)	12.2%	30.6%	30.7%	17.6%	27.1%	17.7%	24.8%	21.6%	74.3%	32.0%	22.0%	17.4%	22.4%	9.2%	15.7%	21.9%

Source: Peer SEC filings and press releases as of 08/20/2026.

Reconciliation of Adjusted EBIT ROI – FYE 2023

Hovnanian Enterprises, Inc.

($ in millions)																
	BZH	DHI	HOV	KBH	LEN	MDC	MHO	MTH	NVR	PHM	TOL	TMHC	TPH	LGIH	CCS	DFH
	(Sep Q4)	(Sep Q4)	(Oct Q4)	(Aug Q3)	(Aug Q3)	(Jun Q2)	(Sep Q3)	(Sep Q3)	(Sep Q3)	(Sep Q3)	(Jul Q3)	(Sep Q3)	(Sep Q3)	(Sep Q3)	(Sep Q3)	(Sep Q3)
TTM earnings before taxes	$183	$6,315	$256	$857	$5,177	$475	$633	$1,033	$2,019	$3,666	$2,079	$1,161	$560	$240	$327	$390
TTM impairment and walk away charges	$1	$74	$2	$41	$180	$120	$18	$0	$20	$51	$55	$37	$16	$7	$17	$7
TTM gains (losses) on extinguishment of debt	-$1	$0	-$26	$0	$0	$0	$0	-$1	$0	$0	$0	$0	$0	$0	$0	$0
TTM interest expense	$68	$155	$135	$124	$268	$68	$23	$64	$28	$133	$161	$138	$111	$30	$46	$110
Adjusted EBIT	$252	$6,543	$418	$1,021	$5,625	$663	$674	$1,097	$2,067	$3,850	$2,295	$1,336	$688	$277	$391	$507
Total Inventories less liabilities from inventory not owned																
MRQ	$1,756	$19,682	$1,225	$5,186	$19,749	$3,236	$2,717	$4,595	$2,534	$11,621	$9,204	$5,686	$3,413	$3,092	$3,058	$1,715
MRQ-1	$1,742	$19,664	$1,265	$5,129	$19,672	$3,145	$2,666	$4,420	$2,537	$11,369	$9,108	$5,441	$3,193	$2,915	$2,856	$1,665
MRQ-2	$1,742	$19,340	$1,285	$5,445	$19,761	$3,258	$2,638	$4,421	$2,367	$11,480	$9,099	$5,559	$3,142	$2,907	$2,741	$1,697
MRQ-3	$1,779	$19,545	$1,297	$5,543	$19,464	$3,516	$2,812	$4,435	$2,284	$11,368	$8,733	$5,610	$3,174	$2,923	$2,831	$1,655
MRQ-4	$1,738	$19,112	$1,317	$5,737	$21,181	$4,042	$3,012	$4,815	$2,692	$11,810	$9,409	$6,195	$3,608	$2,904	$3,108	$1,804
Less capitalized interest																
MRQ	$113	$286	$52	$139	$0	$65	$31	$58	$0	$140	$204	$187	$230	$0	$73	$124
MRQ-1	$114	$288	$55	$141	$0	$62	$31	$61	$0	$142	$212	$191	$220	$0	$70	$117
MRQ-2	$114	$272	$60	$147	$0	$61	$31	$62	$0	$141	$215	$197	$209	$0	$66	$109
MRQ-3	$113	$255	$61	$145	$0	$60	$30	$60	$1	$137	$209	$190	$191	$0	$62	$95
MRQ-4	$109	$237	$60	$150	$0	$64	$29	$62	$1	$144	$232	$190	$194	$0	$61	$81
Plus investments in and advances to UJVs																
MRQ	$0	$0	$98	$56	$1,157	$0	$45	$15	$0	$162	$900	$330	$139	$17	$0	$14
MRQ-1	$0	$0	$85	$53	$1,137	$0	$42	$12	$0	$151	$888	$306	$140	$17	$0	$14
MRQ-2	$0	$0	$86	$51	$1,179	$0	$49	$11	$0	$145	$909	$295	$134	$16	$0	$13
MRQ-3	$0	$0	$101	$47	$1,173	$0	$52	$12	$0	$147	$852	$283	$130	$11	$0	$14
MRQ-4	$1	$0	$75	$47	$1,174	$0	$52	$11	$0	$158	$768	$306	$133	$7	$0	$11
Plus goodwill and definite life intangible assets																
MRQ	$11	$164	$0	$0	$3,442	$0	$16	$33	$42	$128	$0	$663	$157	$12	$30	$172
MRQ-1	$11	$164	$0	$0	$3,442	$0	$16	$33	$42	$131	$0	$663	$157	$12	$30	$172
MRQ-2	$11	$164	$0	$0	$3,442	$0	$16	$33	$42	$133	$0	$663	$157	$12	$30	$172
MRQ-3	$11	$164	$0	$0	$3,442	$0	$16	$33	$42	$136	$0	$663	$157	$12	$30	$177
MRQ-4	$11	$164	$0	$0	$3,442	$0	$16	$33	$42	$139	$0	$663	$157	$12	$30	$178
Investment: inventories less liabilities from consolidated inventory not owned, less capitalized interest, plus investments in and advances to UJVs, plus goodwill and definite life intangible assets																
MRQ	$1,655	$19,559	$1,271	$5,104	$24,348	$3,171	$2,748	$4,584	$2,575	$11,771	$9,900	$6,492	$3,479	$3,120	$3,015	$1,777
MRQ-1	$1,639	$19,540	$1,295	$5,041	$24,252	$3,083	$2,694	$4,404	$2,578	$11,509	$9,784	$6,219	$3,270	$2,944	$2,817	$1,734
MRQ-2	$1,639	$19,232	$1,310	$5,349	$24,382	$3,196	$2,673	$4,403	$2,409	$11,616	$9,793	$6,320	$3,224	$2,935	$2,706	$1,774
MRQ-3	$1,677	$19,453	$1,338	$5,444	$24,080	$3,456	$2,850	$4,420	$2,325	$11,514	$9,376	$6,366	$3,269	$2,947	$2,799	$1,752
MRQ-4	$1,641	$19,038	$1,332	$5,633	$25,797	$3,979	$3,051	$4,797	$2,733	$11,963	$9,944	$6,974	$3,704	$2,923	$3,077	$1,913
Investment five quarter average	$1,650	$19,364	$1,309	$5,314	$24,572	$3,377	$2,803	$4,522	$2,524	$11,675	$9,759	$6,474	$3,389	$2,974	$2,883	$1,790
EBIT return on investment (EBIT ROI)	15.3%	33.8%	31.9%	19.2%	22.9%	19.6%	24.1%	24.3%	81.9%	33.0%	23.5%	20.6%	20.3%	9.3%	13.5%	28.3%

Source: Peer SEC filings and press releases as of 12/05/2023.

Key credit and balance sheet metrics reconciliations

	October 31,							LTM
	2019	2020	2021	2022	2023	2024	2025	July 31, 2026
Nonrecourse mortgages secured by inventory, net of debt issuance costs	$203,585	$135,122	$125,089	$144,805	$91,539	$90,675	$29,494	$32,411
Senior notes and credit facilities (net of discounts, premiums and debt issuance costs)	$1,479,990	$1,431,110	$1,248,373	$1,146,547	$1,051,491	$896,218	$900,718	$902,492
Total debt	$1,683,575	$1,566,232	$1,373,462	$1,291,352	$1,143,030	$986,893	$930,212	$934,903
Cash and cash equivalents	$130,976	$262,489	$245,970	$326,198	$434,119	$209,976	$272,772	$249,090
Net Debt	$1,552,599	$1,303,743	$1,127,492	$965,154	$708,911	$776,917	$657,440	$685,813
Adjusted EBITDA	$174,009	$234,314	$364,335	$478,664	$426,825	$455,563	$299,050	$224,711
Total debt to adjusted EBITDA	9.7	6.7	3.8	2.7	2.7	2.2	3.1	4.2
Net debt to adjusted EBITDA	8.9	5.6	3.1	2.0	1.7	1.7	2.2	3.1
Interest incurred	$165,906	$176,457	$155,514	$134,024	$136,535	$128,777	$116,986	$120,360
Adjusted EBITDA to Interest incurred	1.0	1.3	2.3	3.6	3.1	3.5	2.6	1.9
Total Debt	$1,683,575	$1,566,232	$1,373,462	$1,291,352	$1,143,030	$986,893	$930,212	$934,903
Total (deficit) equity	$(490,463)	$(436,929)	$174,897	$383,036	$581,736	$800,349	$830,935	$818,667
Total capitalization	$1,193,112	$1,129,303	$1,548,359	$1,674,388	$1,724,766	$1,787,200	$1,761,147	$1,753,570
Debt to capitalization	141.1%	138.7%	88.7%	77.1%	66.3%	55.2%	52.8%	53.3%
Net debt to net capitalization	146.2%	150.4%	86.6%	71.6%	54.9%	49.3%	44.2%	45.6%

Note: Adjusted EBITA and Interest Incurred for July 31, 2026 are based on last twelve months basis.

Gross Margin

Gross Margin

	Year Ended																								
($ in thousands)	10/31/25	10/31/24	10/31/23	10/31/22	10/31/21	10/31/20	10/31/19	10/31/18	10/31/17	10/31/16	10/31/15	10/31/14	10/31/13	10/31/12	10/31/11	10/31/10	10/31/09	10/31/08	10/31/07	10/31/06	10/31/05	10/31/04	10/31/03	10/31/02	10/31/01	10/31/00
Sale of homes	$2,852,908	$2,875,488	$2,630,457	$2,840,454	$2,673,710	$2,252,029	$1,949,682	$1,906,228	$2,340,033	$2,600,790	$2,088,129	$2,013,013	$1,784,327	$1,405,580	$1,072,474	$1,327,499	$1,522,469	$3,177,853	$4,581,375	$5,903,387	$5,177,655	$4,082,263	$3,129,830	$2,462,095	$1,693,717	$1,105,466
Cost of Sales, excluding interest expense	2,360,888	2,241,749	2,032,136	2,131,208	2,091,016	1,837,332	1,596,237	1,555,894	1,937,116	2,162,284	1,721,336	1,612,122	1,426,032	1,155,643	905,253	1,103,872	1,382,234	2,965,886	3,890,474	4,538,795	3,812,922	3,042,057	2,331,393	1,919,941	1,344,735	876,492
Homebuilding gross margin, before cost of sales interest expense and land charges	492,020	633,739	598,321	709,246	582,694	414,697	353,445	350,334	402,917	438,506	366,793	400,891	358,295	249,937	167,221	223,627	140,235	211,967	690,901	1,364,592	1,364,733	1,040,206	798,437	542,154	348,982	228,974
Cost of sales interest expense, excluding land sales interest expense	90,357	87,717	79,894	85,198	82,181	74,174	70,520	56,588	76,902	86,593	59,574	53,101	51,939	48,843	57,016	79,095	97,332	136,439	130,825	106,892	85,104	73,403	44,069	49,424	-	-
Homebuilding gross margin, after cost of sales interest expense, before land charges	401,663	546,022	518,427	624,048	500,513	340,523	282,925	293,746	326,015	351,913	307,219	347,790	306,356	201,094	110,205	144,532	42,903	75,528	560,076	1,257,700	1,279,629	966,803	754,368	492,730	-	-
Land charges	39,571	8,903	1,536	14,076	3,630	8,813	6,288	3,501	17,813	33,353	12,044	5,224	4,965	12,530	101,749	135,699	659,475	710,120	457,773	336,204	5,360	6,990	-	-	-	-
Homebuilding gross margin, after cost of sales interest expense and land charges	$362,092	$537,119	$516,891	$609,972	$496,883	$331,710	$276,637	$290,245	308,202	$318,560	$295,175	$342,566	$301,391	$188,564	$8,456	$8,833	-$616,572	-$634,592	$102,303	$921,496	$1,274,269	$959,813	-	-	-	-
Homebuilding gross margin percentage, before cost of sales interest expense and land charges	17.2%	22.0%	22.7%	25.0%	21.8%	18.4%	18.1%	18.4%	17.2%	16.9%	17.6%	19.9%	20.1%	17.8%	15.6%	16.8%	9.2%	6.7%	15.1%	23.1%	26.4%	25.5%	25.5%	22.0%	20.6%	20.7%
Homebuilding gross margin percentage, after cost of sales interest expense, before land charges	14.1%	19.0%	19.7%	22.0%	18.7%	15.1%	14.5%	15.4%	13.9%	13.5%	14.7%	17.3%	17.2%	14.3%	10.3%	10.9%	2.8%	2.4%	12.2%	21.3%	24.7%	23.7%	24.1%	20.0%	-	-
Homebuilding gross margin, after cost of sales interest expense and land charges	12.7%	18.7%	19.6%	21.5%	18.6%	14.7%	14.2%	15.2%	13.2%	12.2%	14.1%	17.0%	16.9%	13.4%	0.8%	0.7%	-40.5%	-20.0%	2.2%	15.6%	24.6%	23.5%	-	-	-	-

Reconciliation of Income (Loss) Before Income Taxes Excluding Land-Related Charges, Joint Venture Write-Downs and Gain on Extinguishment of Debt to (Loss) Income Before Income Taxes

Dollars in Thousands

Reconciliation of Income (Loss) Before Income Taxes Excluding Land-Related Charges, Expenses Associated with the Debt Exchange Offer and Loss on Extinguishment of Debt to Income (Loss) Before Income Taxes

	Years Ended October 31,																								
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Income (Loss) Before Income Taxes	$86,087	$317,089	$255,951	$319,753	$189,861	$55,403	($39,668)	$8,146	($45,244)	$2,436	($21,765)	$20,180	$21,935	($101,248)	($291,588)	($295,282)	($672,019)	($1,168,048)	($646,966)	$233,106	$780,585	$549,772	$411,518	$225,730	$106,354	$51,818
Inventory Impairment Loss and Land Option Write-Offs	$39,571	$11,556	$1,536	$14,076	$3,360	$8,813	$6,288	$3,501	$17,813	$33,353	$12,044	$5,224	$4,965	$12,530	$101,749	$135,699	$659,475	$710,120	$457,773	$336,204	$5,360	$6,990	$5,150	$8,199	$4,368	$1,791
Goodwill and Definite Life Intangible Impairments																		35,363	135,206	4,241						
Unconsolidated Joint Venture Investment, Intangible and Land-Related Charges							854	1,261	2,763						3,289		43,611	31,242	33,100	7,809						
Expenses Associated with the Debt Exchange Offer														4,694												
Loss (Gain) on Extinguishment of Debt	33,113	(1,371)	25,638	6,795	3,748	(13,337)	42,436	7,536	34,854	3,200		1,155	760	29,066	(7,528)	(25,047)	(410,185)									
Income (Loss) Before Income Taxes Excluding Land Related Charges, Intangible Impairments, Expenses Associated with the Debt Exchange Offer and Gain on Extinguishment of Debt	$158,771	$327,274	$283,125	$340,624	$197,239	$50,879	$9,910	$20,444	10,186	$38,989	($9,721)	$26,559	$27,660	($54,958)	($194,078)	($184,630)	($379,118)	($391,323)	($20,887)	$581,360	$785,945	$556,762	$416,668	$233,929	$110,722	$53,609

Hovnanian
Enterprises, Inc.