Hovnanian Enterprises, Inc.

Review of Financial Results Second Quarter Fiscal 2023

Forward-Looking Statements

Note: 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; (3) fluctuations in interest rates and the availability of mortgage financing, including as a result of bank sector instability; (4) adverse weather and other environmental conditions and natural disasters; (5) the seasonality of the Company's business; (6) the availability and cost of suitable land and improved lots and sufficient liquidity to invest in such land and lots; (7) reliance on, and the performance of, subcontractors; (8) 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; (9) increases in cancellations of agreements of sale; (10) increases in inflation; (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) high leverage and restrictions on the Company's operations and activities imposed by the agreements governing the Company's outstanding indebtedness; (18) availability and terms of financing to the Company; (19) the Company's sources of liquidity; (20) changes in credit ratings; (21) government regulation, including regulations concerning development of land, the home building, sales and customer financing processes, tax laws and the environment; (22) operations through unconsolidated joint ventures with third parties; (23) significant influence of the Company's controlling stockholders; (24) availability of net operating loss carryforwards; (25) loss of key management personnel or failure to attract qualified personnel; and (26) 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, 2022 and the Company's Quarterly Reports on Form 10-Q for the quarterly periods during fiscal 2023 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 loss on extinguishment of debt, net (“Adjusted EBITDA”) are not U.S. generally accepted accounting principles (GAAP) financial measures. The most directly comparable GAAP financial measure is net income. The reconciliation for historical periods of EBIT, EBITDA and Adjusted EBITDA to net income is presented in a table attached to this presentation.

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 presentation.

Adjusted pretax income, which is defined as income before income taxes excluding land-related charges and loss on extinguishment of debt, net is a non-GAAP financial measure. This presentation also presents income before income taxes adjusted to exclude the impact of incremental phantom stock expense. The most directly comparable GAAP financial measure is income before income taxes. The reconciliation for historical periods of adjusted pretax income to income before income taxes is presented in a table attached to this presentation.

Total liquidity is comprised of $333.3 million of cash and cash equivalents, $5.5 million of restricted cash required to collateralize letters of credit and $125.0 million availability under the senior secured revolving credit facility as of April 30, 2023.

Recent company performance

Guidance Compared with Actuals for Q2 Fiscal 2023

($ in millions)

	Guidance Q2 2023[1]	Actuals Q2 2023
Total Revenues	**$525 - $625**	**$704**
Adjusted Homebuilding Gross Margin[2]	**21.0% - 22.5%**	**20.9%**
Total SG&A as Percentage of Total Revenues[3]	**13.0% - 14.0%**	**10.7%**
Adjusted EDITDA[4]	**$52 - $67**	**$87**
Adjusted Income Before Income Taxes[5]	**$20 - $35**	**$46**

(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 $73.77, which was the price at the end of the second quarter of fiscal year 2023.

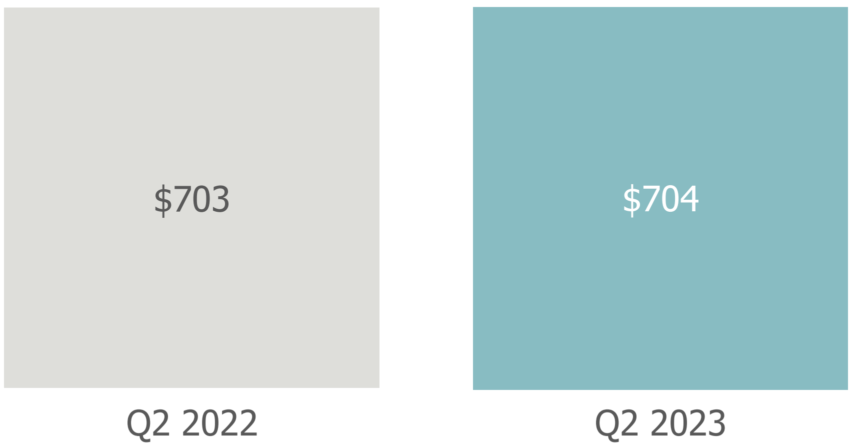
(4) Adjusted EBITDA is a non-GAAP financial measure. The most directly comparable GAAP financial measure is net income. Adjusted EBITDA represents earnings before interest expense, income taxes, depreciation, amortization, land-related charges and loss (gain) on extinguishment of debt, net. See appendix 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.

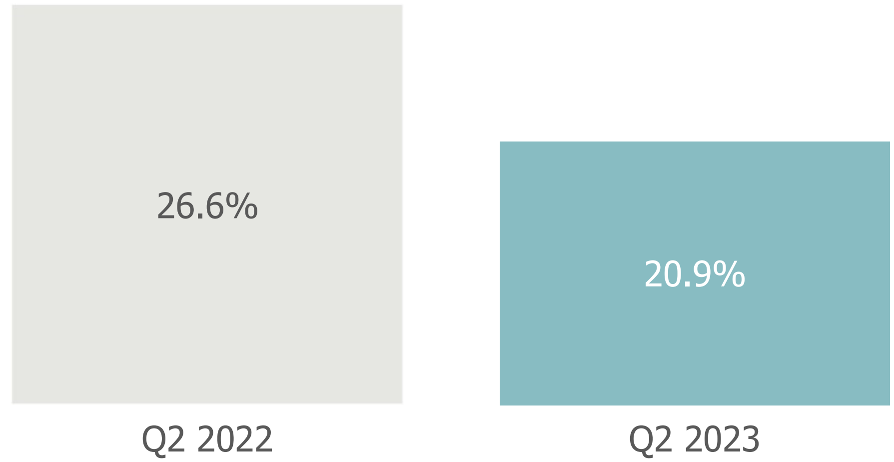
Second Quarter Operating Results

($ in millions, unless specified otherwise)

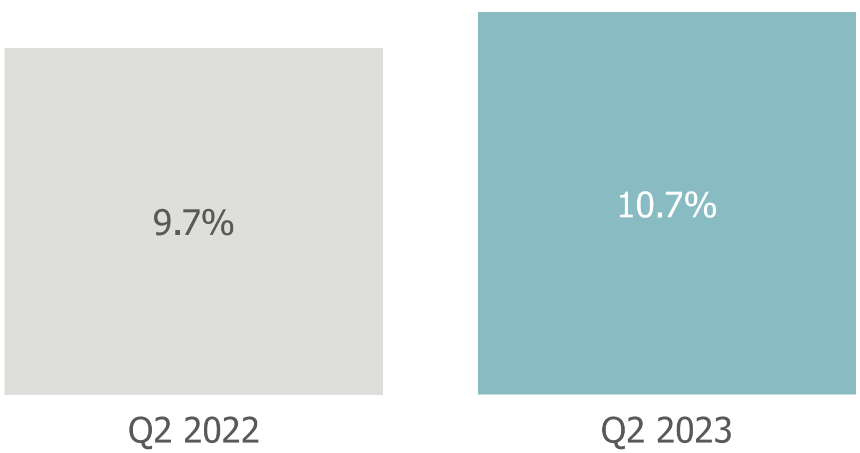
Total Revenues



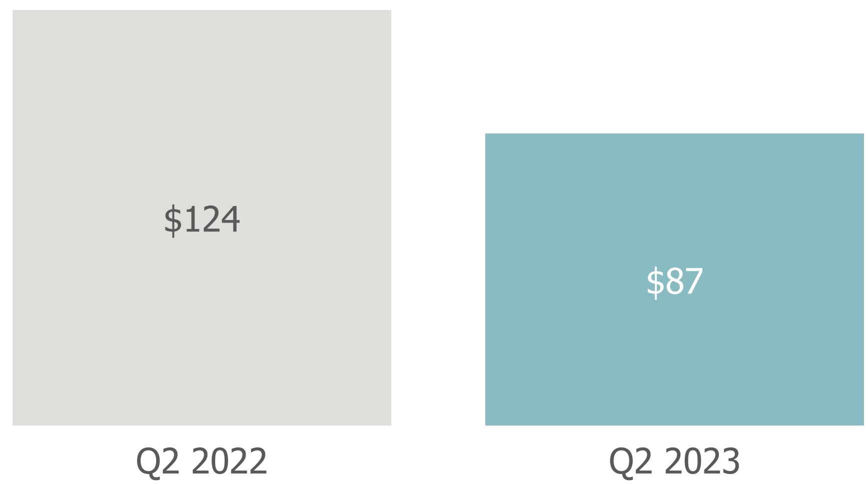
Adjusted Homebuilding Gross Margin(1)



Total SG&A Ratio(2),(3)



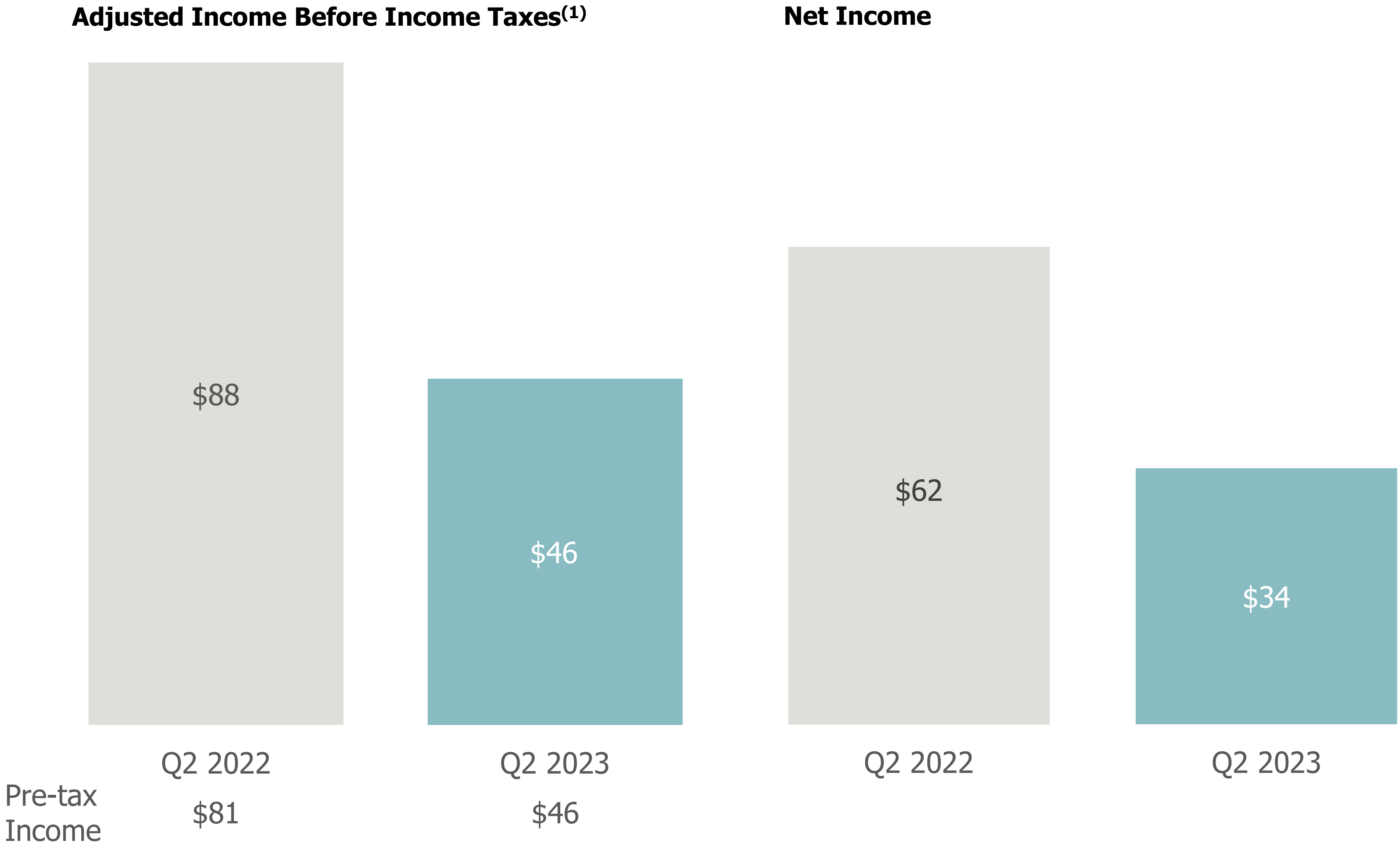
Adjusted EBITDA(4)



(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 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.
(3) SG&A expense in the second quarter of 2023 included $1.1 million of incremental expense due to the phantom stock awards, which is solely related to our common stock price increasing from $57.88 at the end of the first quarter to $73.77 at the end of the second quarter. SG&A expense in the second quarter of 2022 included $6.0 million of incremental benefit due to the phantom stock awards, which is solely related to our common stock price decreasing from $96.88 at the end of the first quarter to $46.02 at the end of the second quarter.
(4) Adjusted EBITDA is a non-GAAP financial measure. The most directly comparable GAAP financial measure is net income. 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.

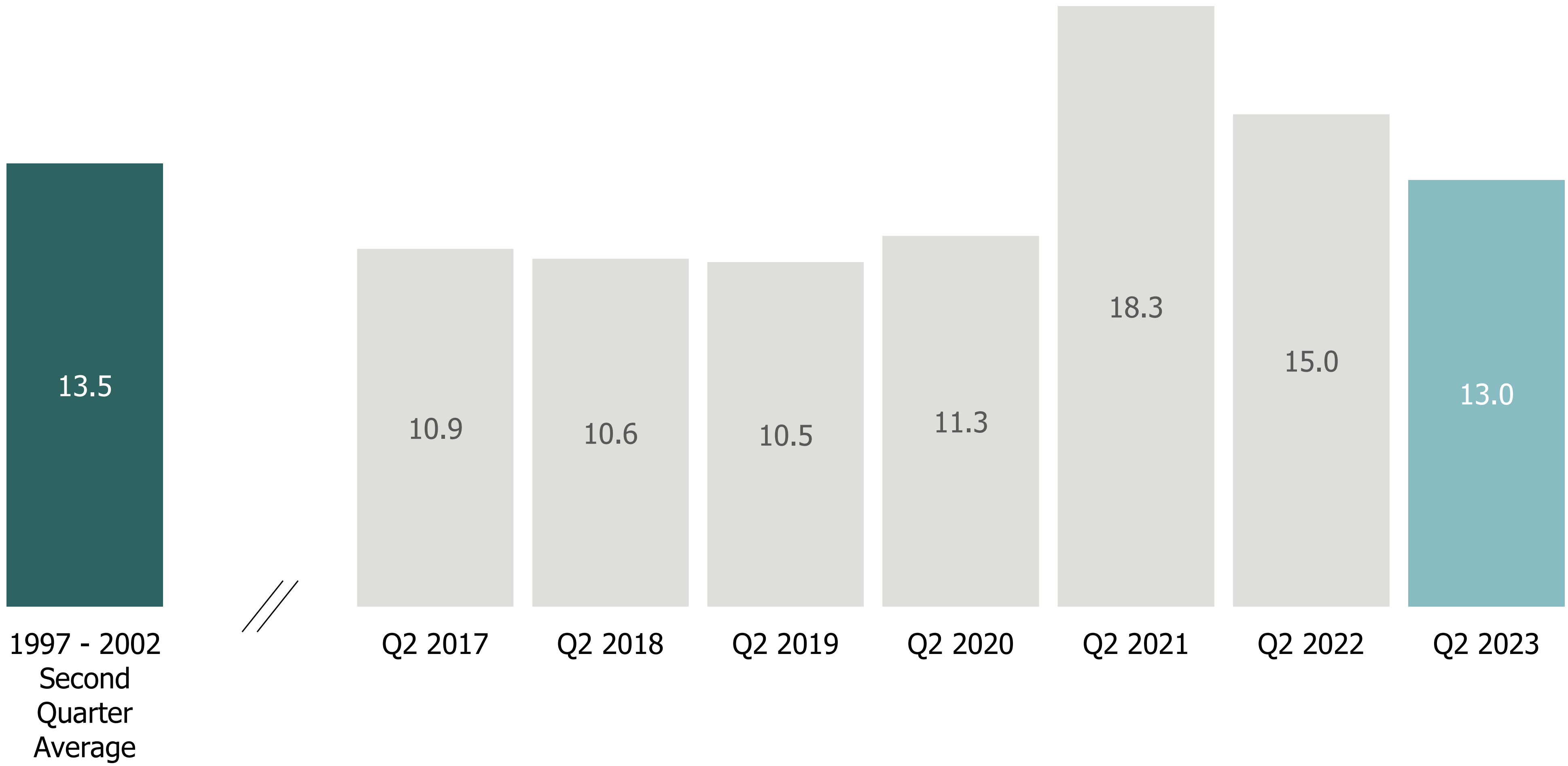
Income Before and After Taxes

($ in millions)



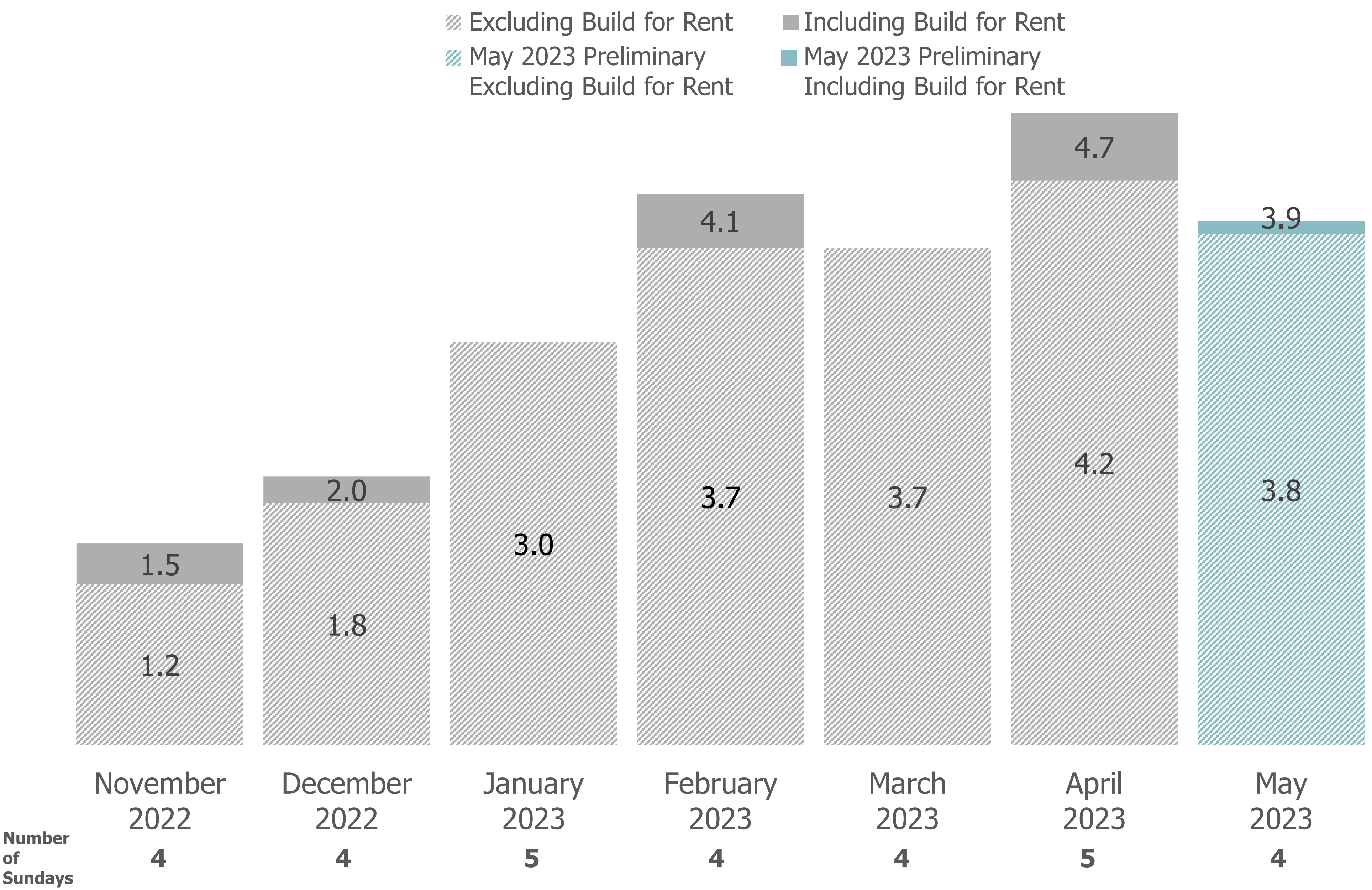
Note: Adjusted Income Before Income Taxes excludes land-related charges and loss on extinguishment of debt, net. See appendix for a reconciliation to the most directly comparable GAAP measure.

Quarterly Contracts Per Community



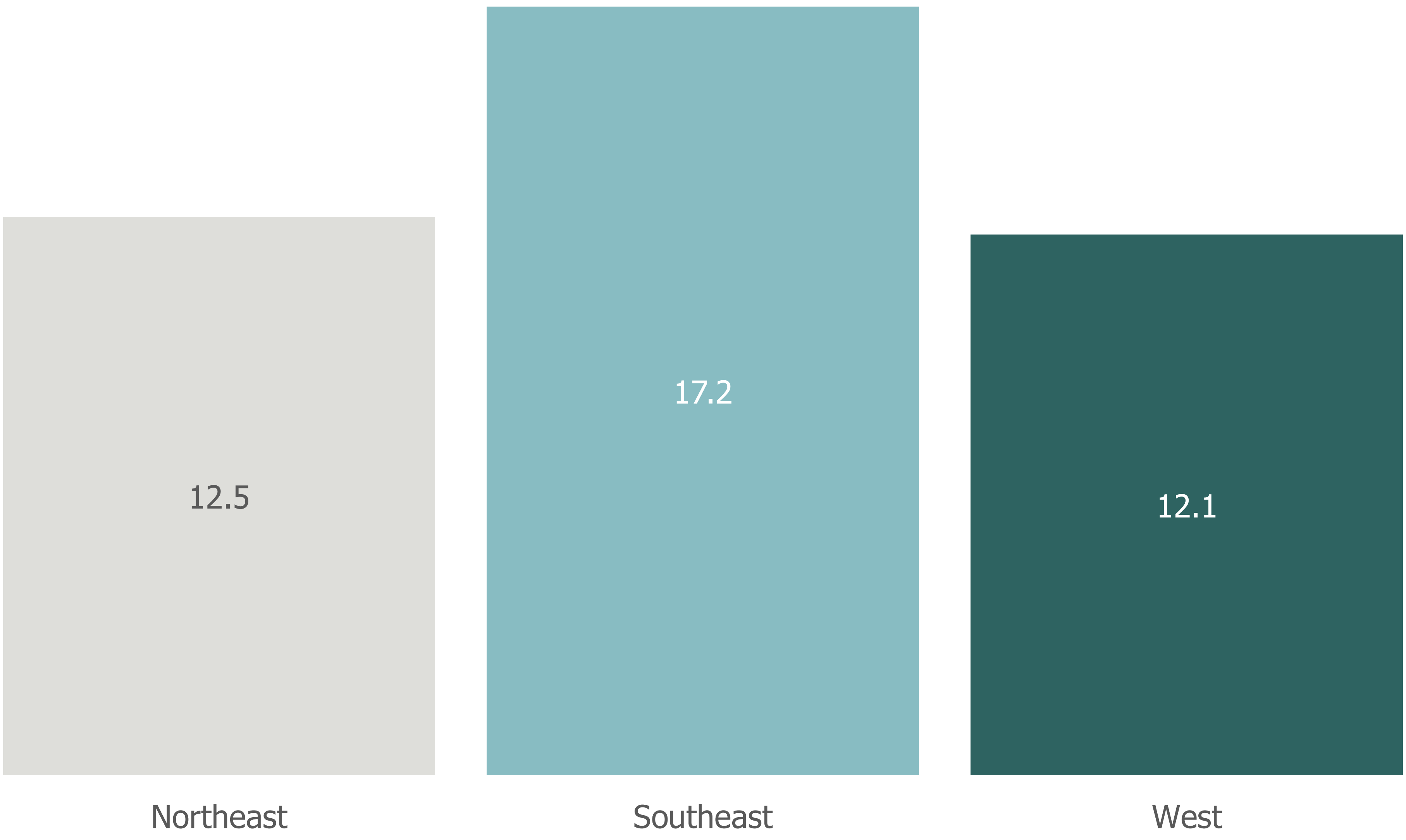
Note: Excludes unconsolidated joint ventures.

Contracts Per Community



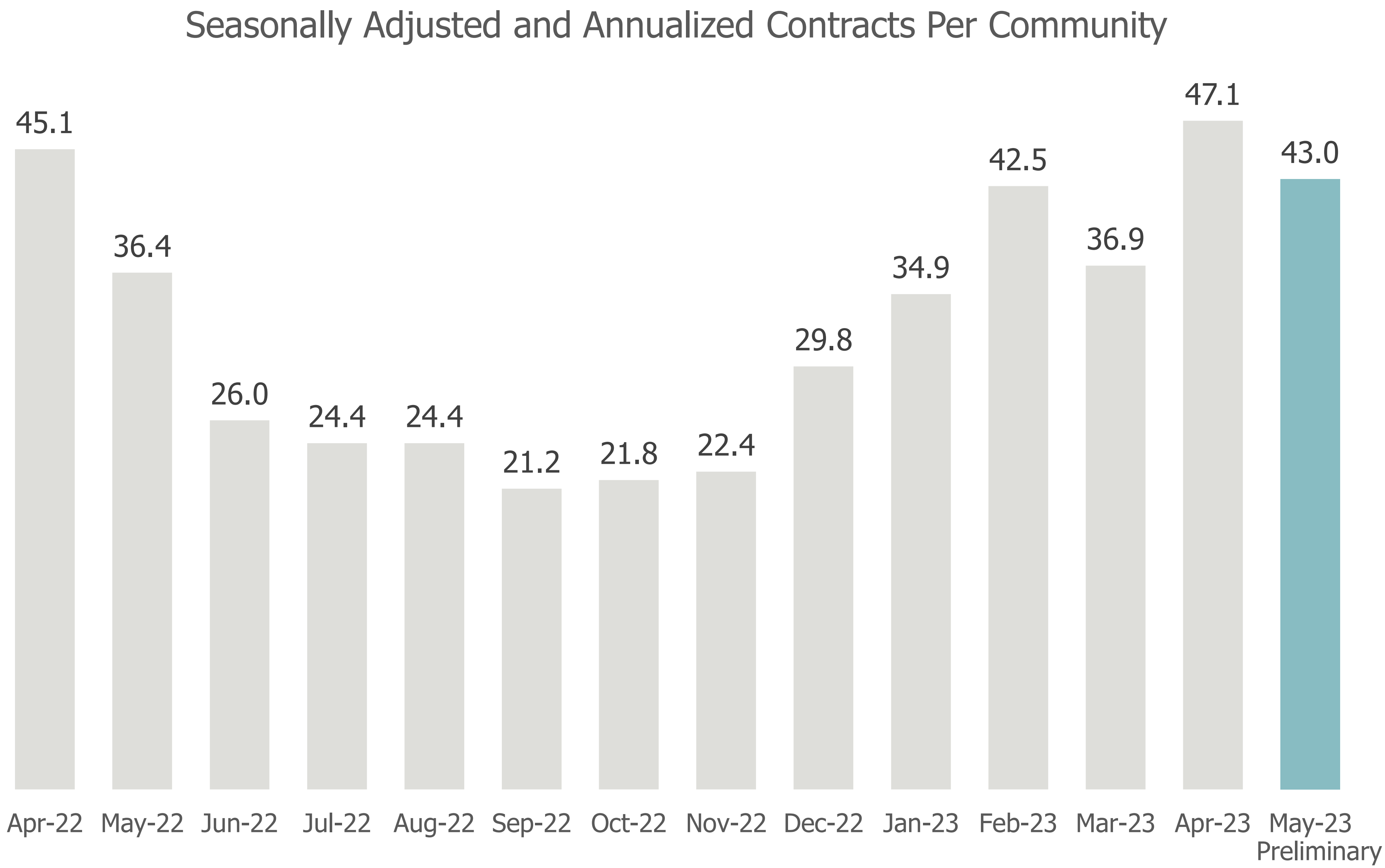
Note: Excludes unconsolidated joint ventures.
Note: May 2023 preliminary results are only through May 29, 2023.

Q2 2023 Quarter Contracts Per Community by Segment



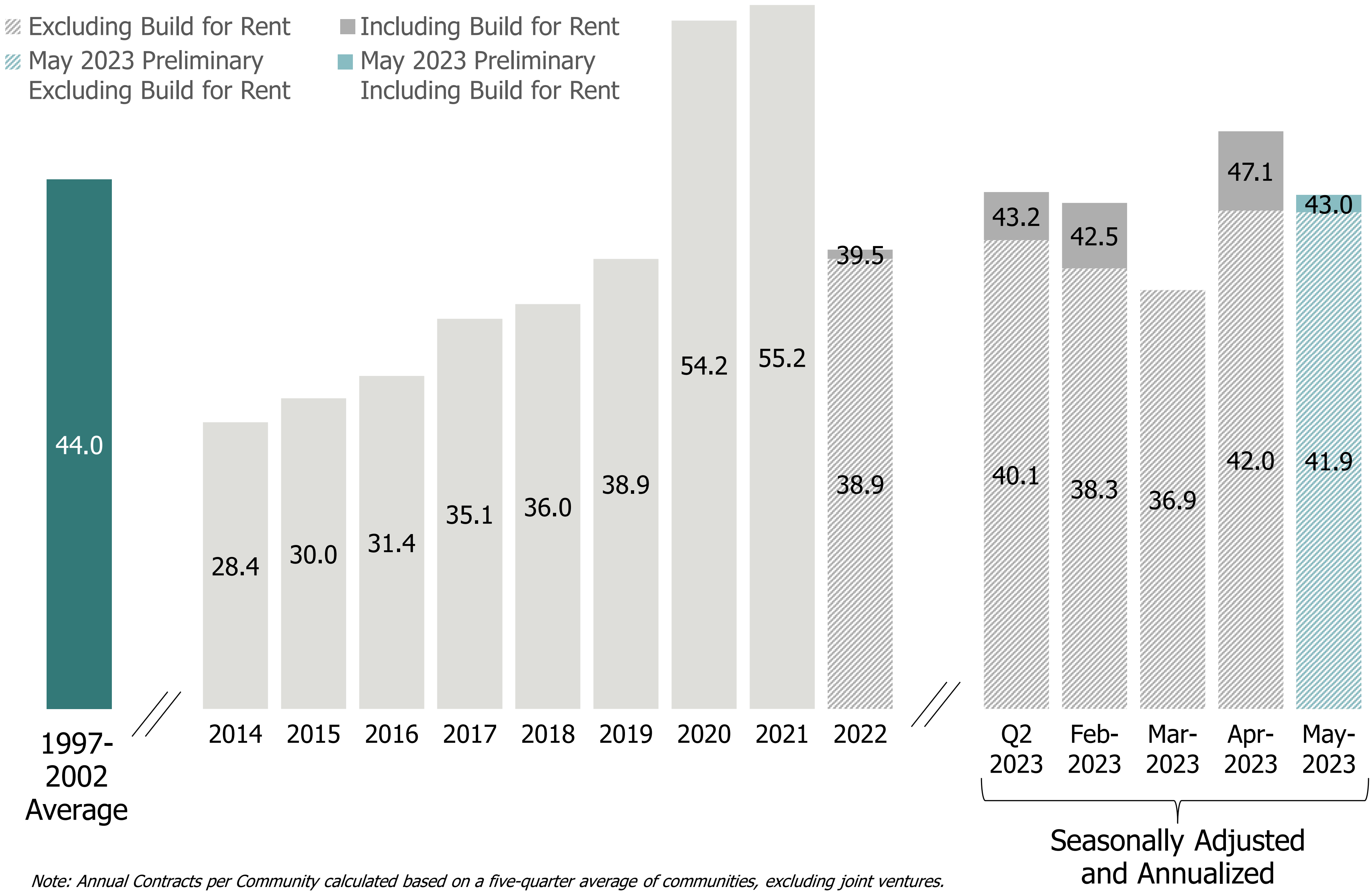
Note: Excludes unconsolidated joint ventures.

Recent Upturn in Sales Pace



Note: May 2023 preliminary results are only through May 29, 2023.

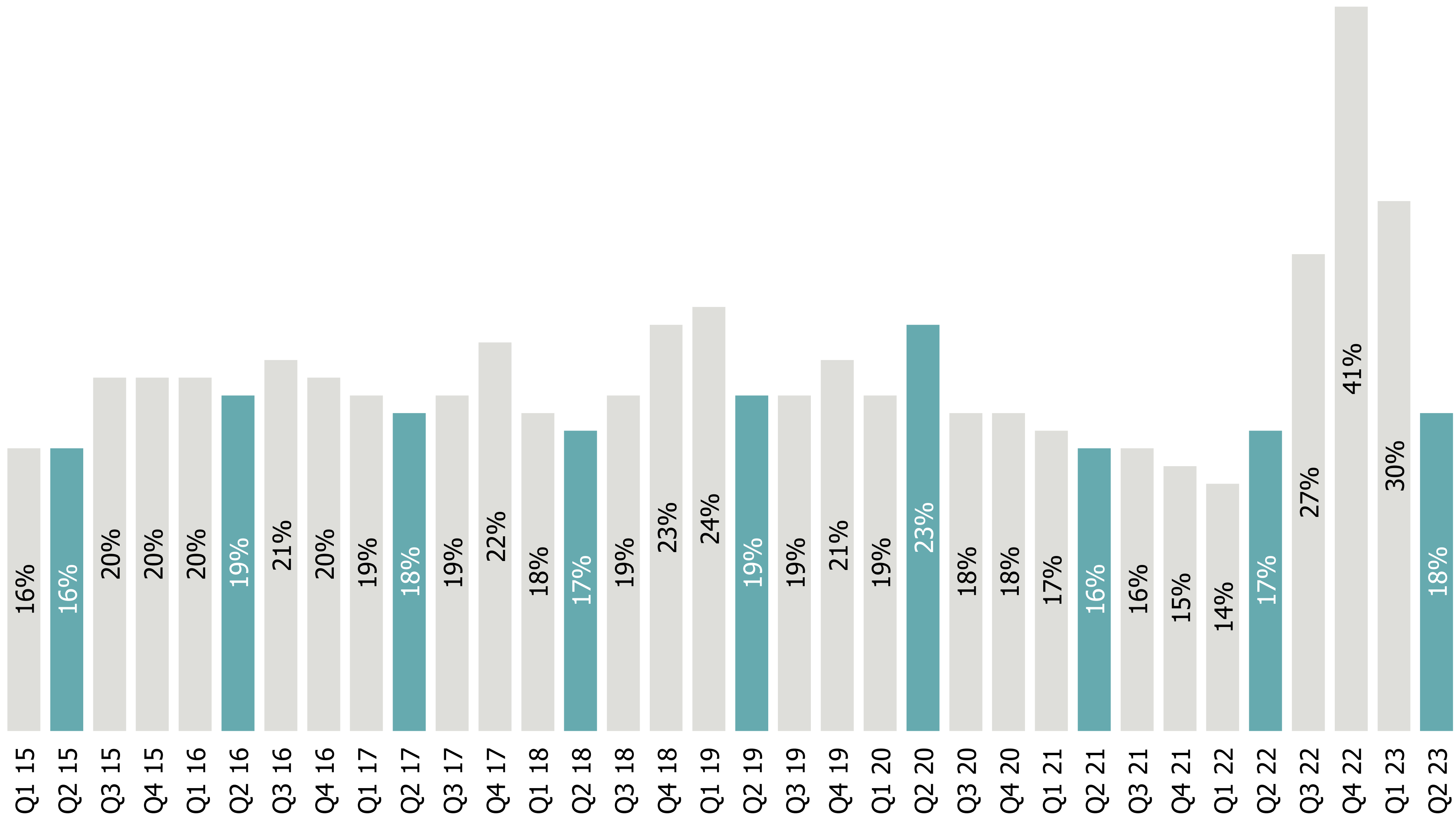
Annual Contracts Per Community



Note: Annual Contracts per Community calculated based on a five-quarter average of communities, excluding joint ventures.
Note: May 2023 preliminary results are only through May 29, 2023.

Cancellation Rates

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

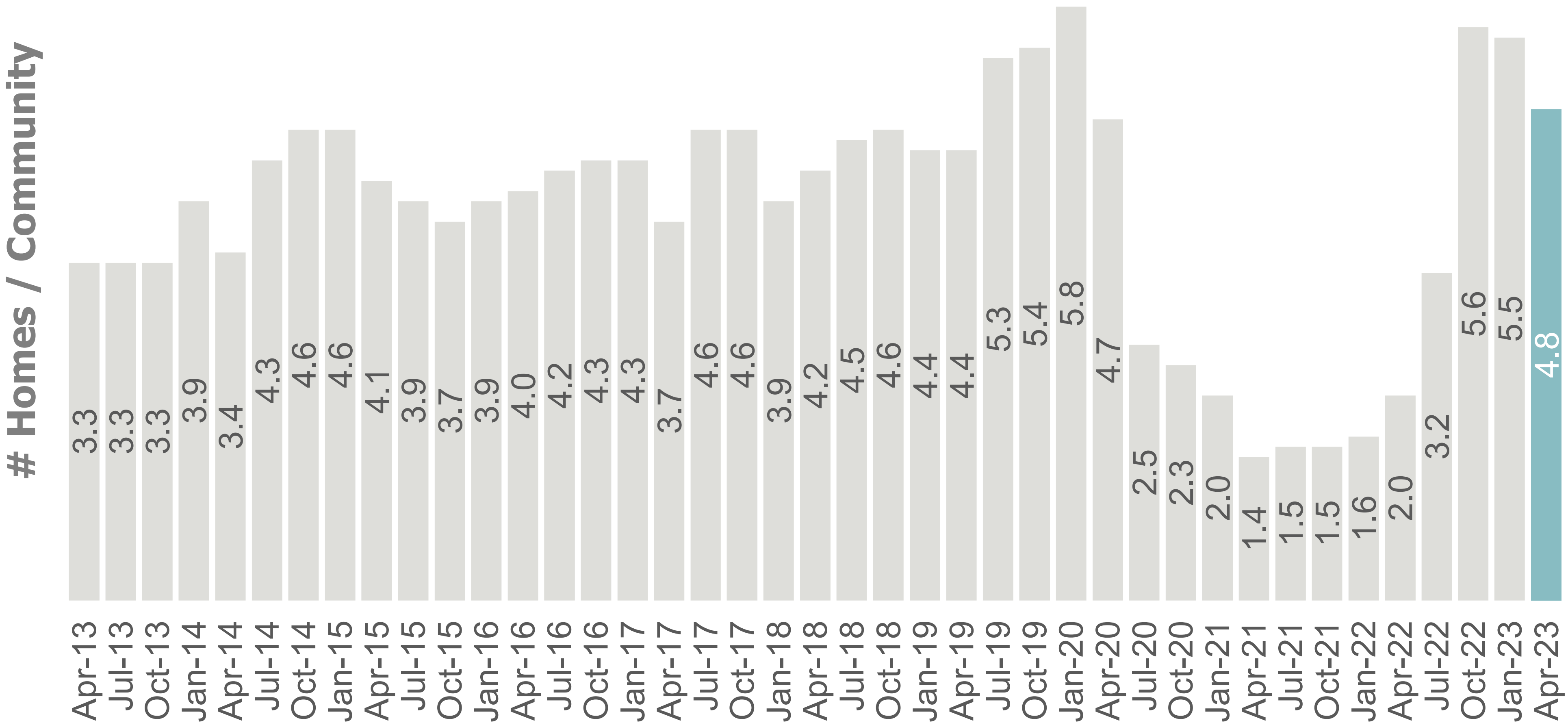


Note: Calculated as a % of gross contracts, excluding unconsolidated joint ventures.

Quick Move In Homes (QMIs) Per Community

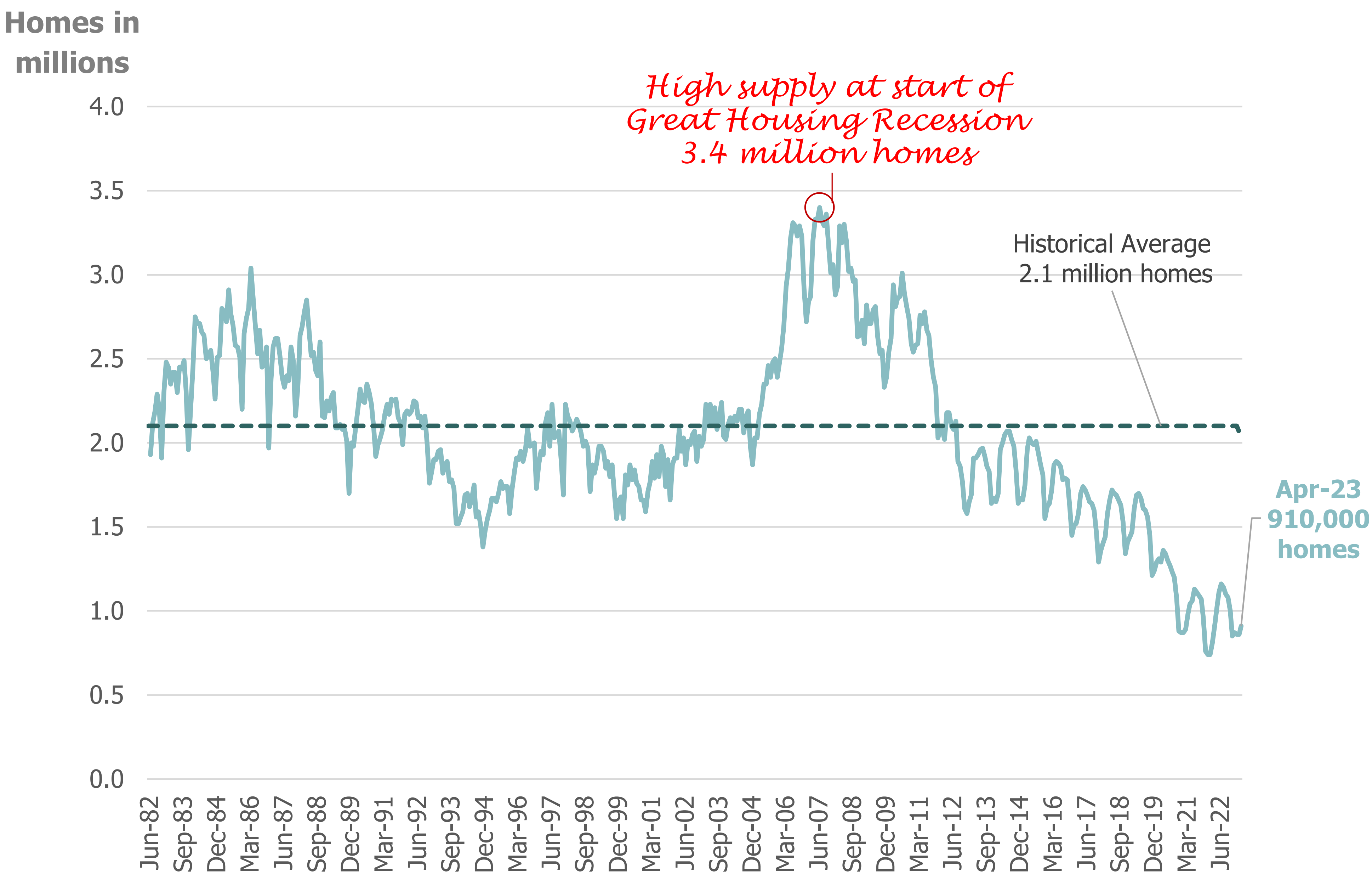
Hovnanian Enterprises, Inc.

- *542 QMIs at 04/30/23, excluding models*
- *4.4 average QMIs per community since 1997*
- *127 finished QMIs at 04/30/23*



Note: Excluding unconsolidated joint ventures and models.

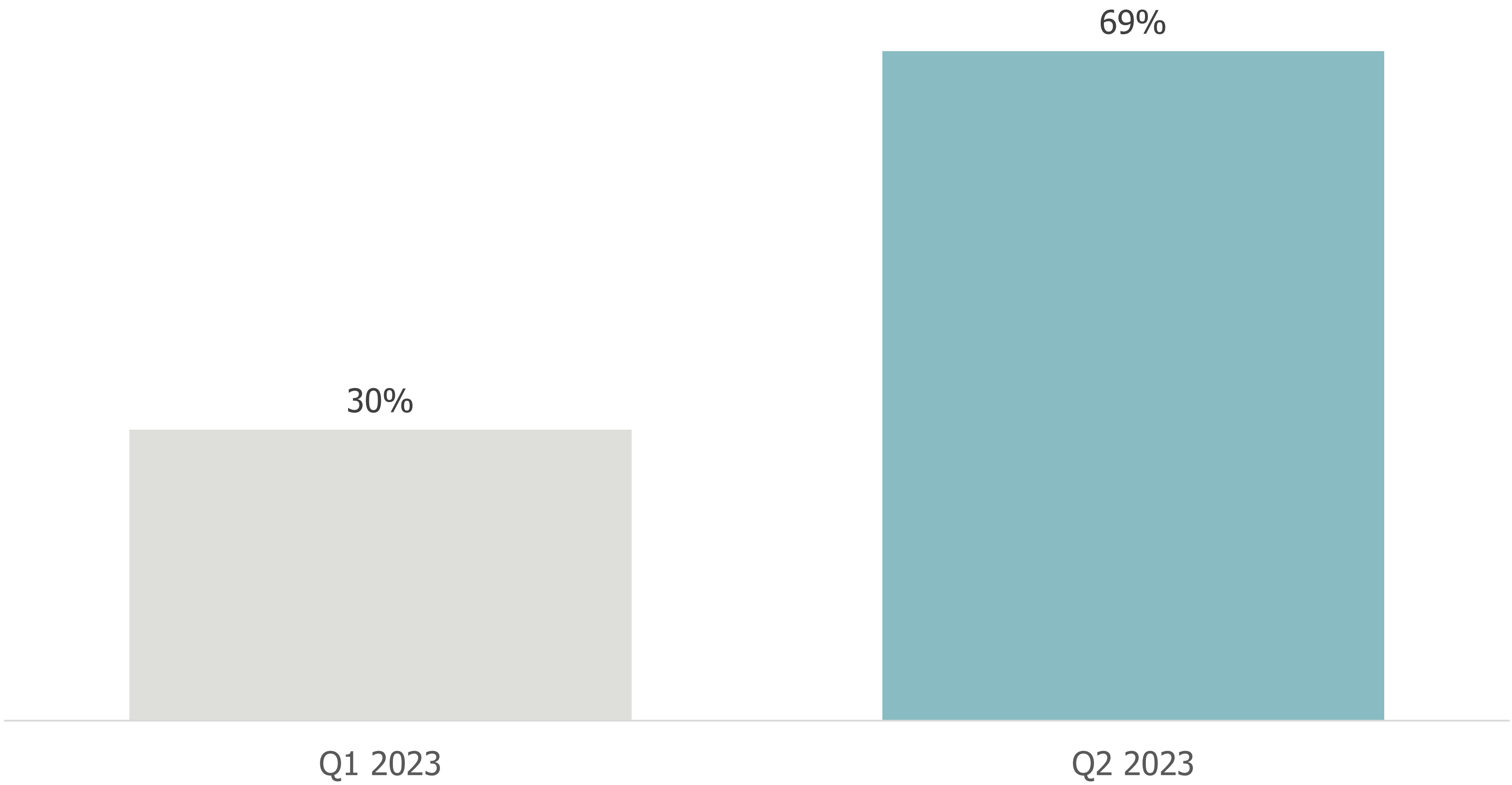
Historically Low Supply of Existing Homes for Sale



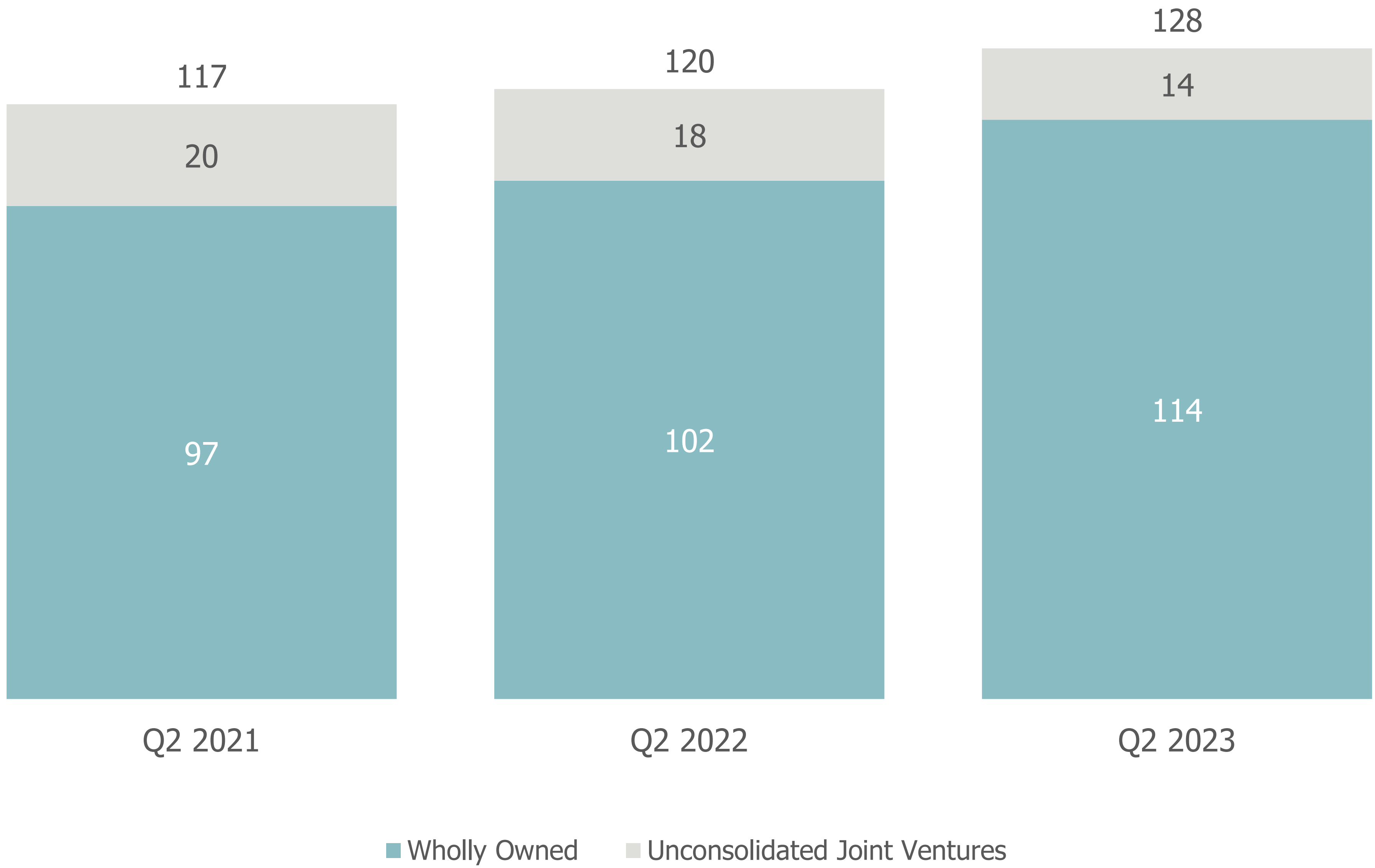
Source: National Association of Realtors.

Raising Home Prices in Many of Our Communities

Percentage of communities where we raised prices

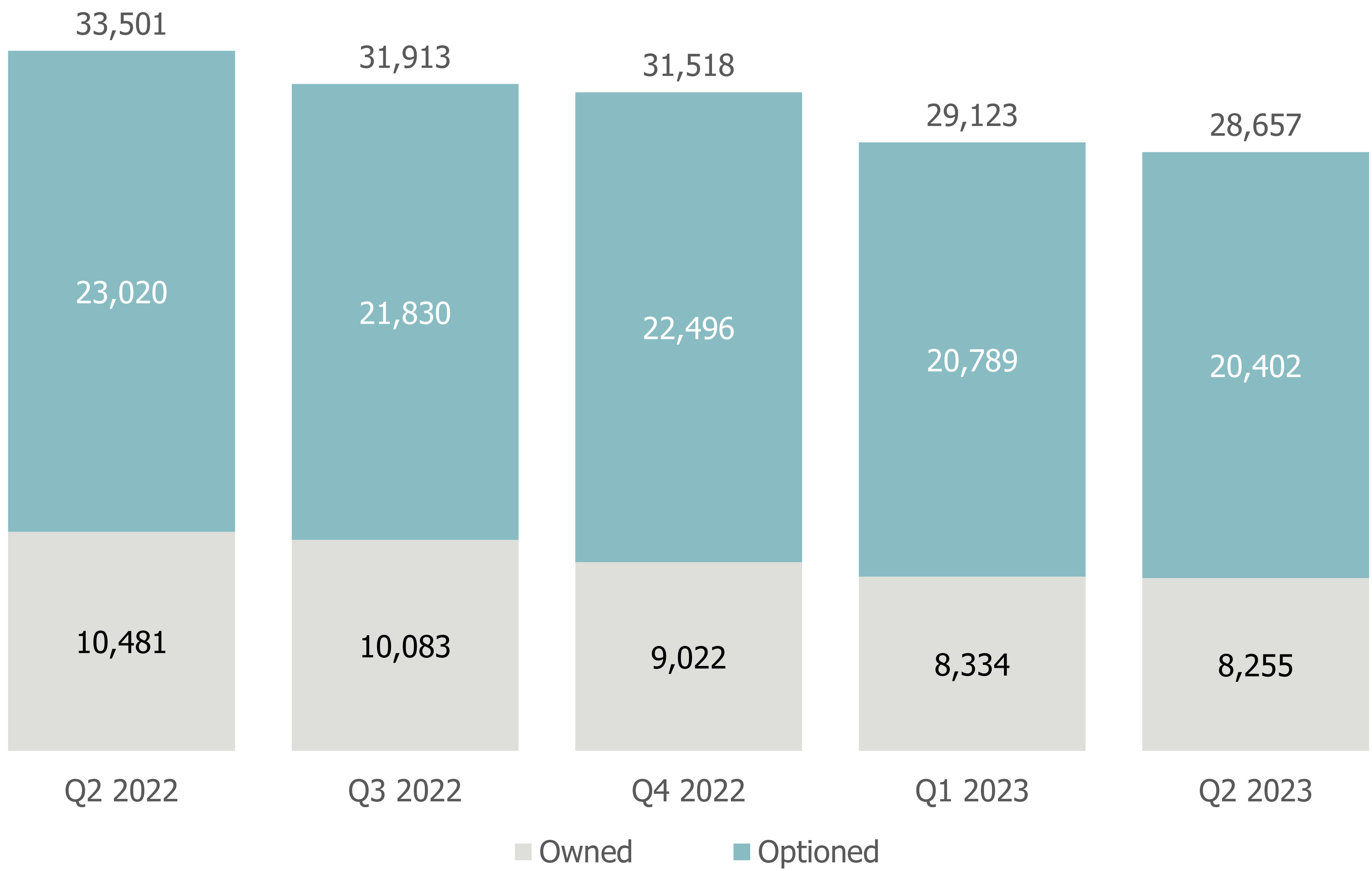


Community Count



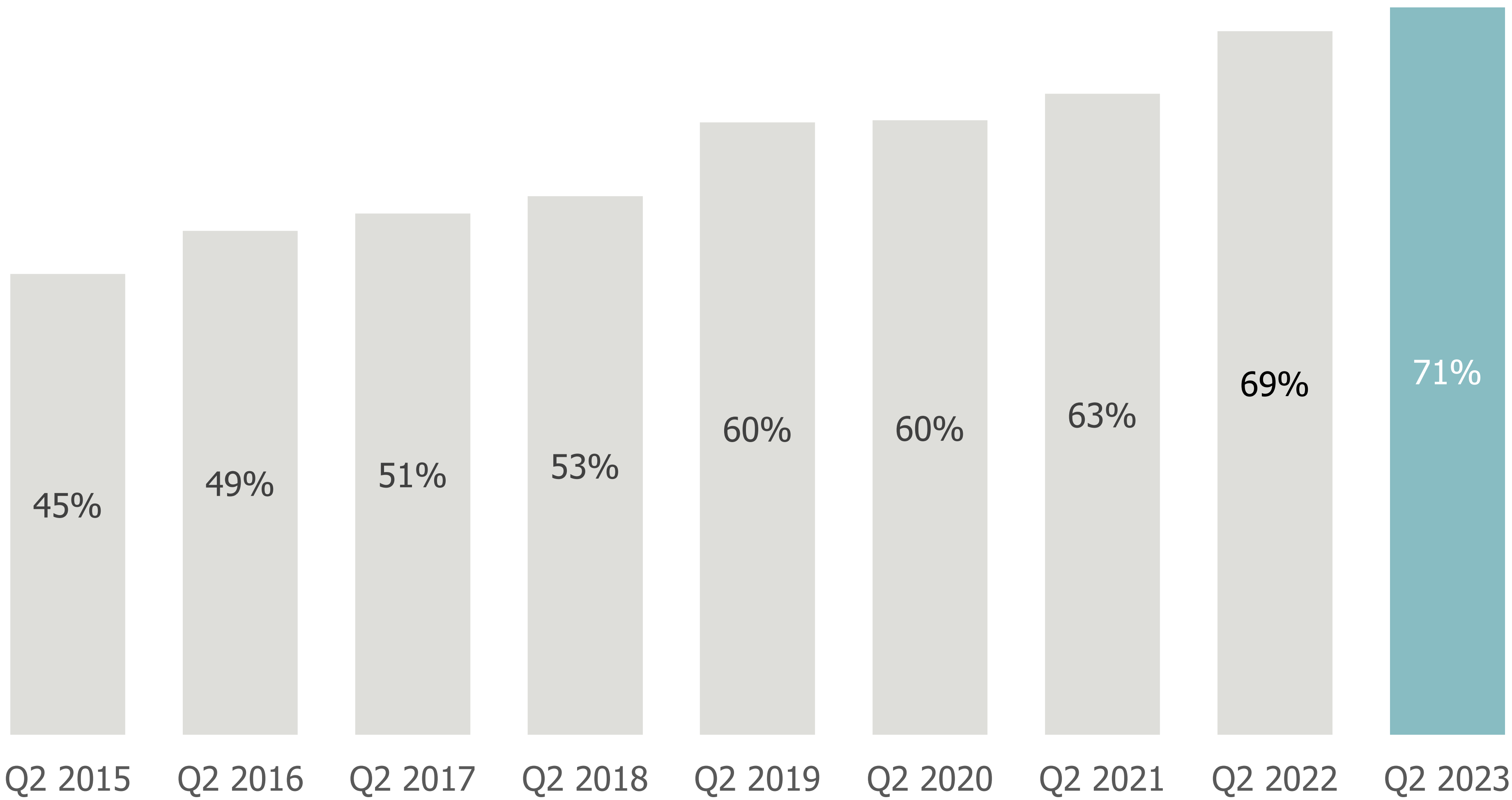
Note: Excludes our single community unconsolidated joint venture in the Kingdom of Saudi Arabia.

Lots Controlled[1]



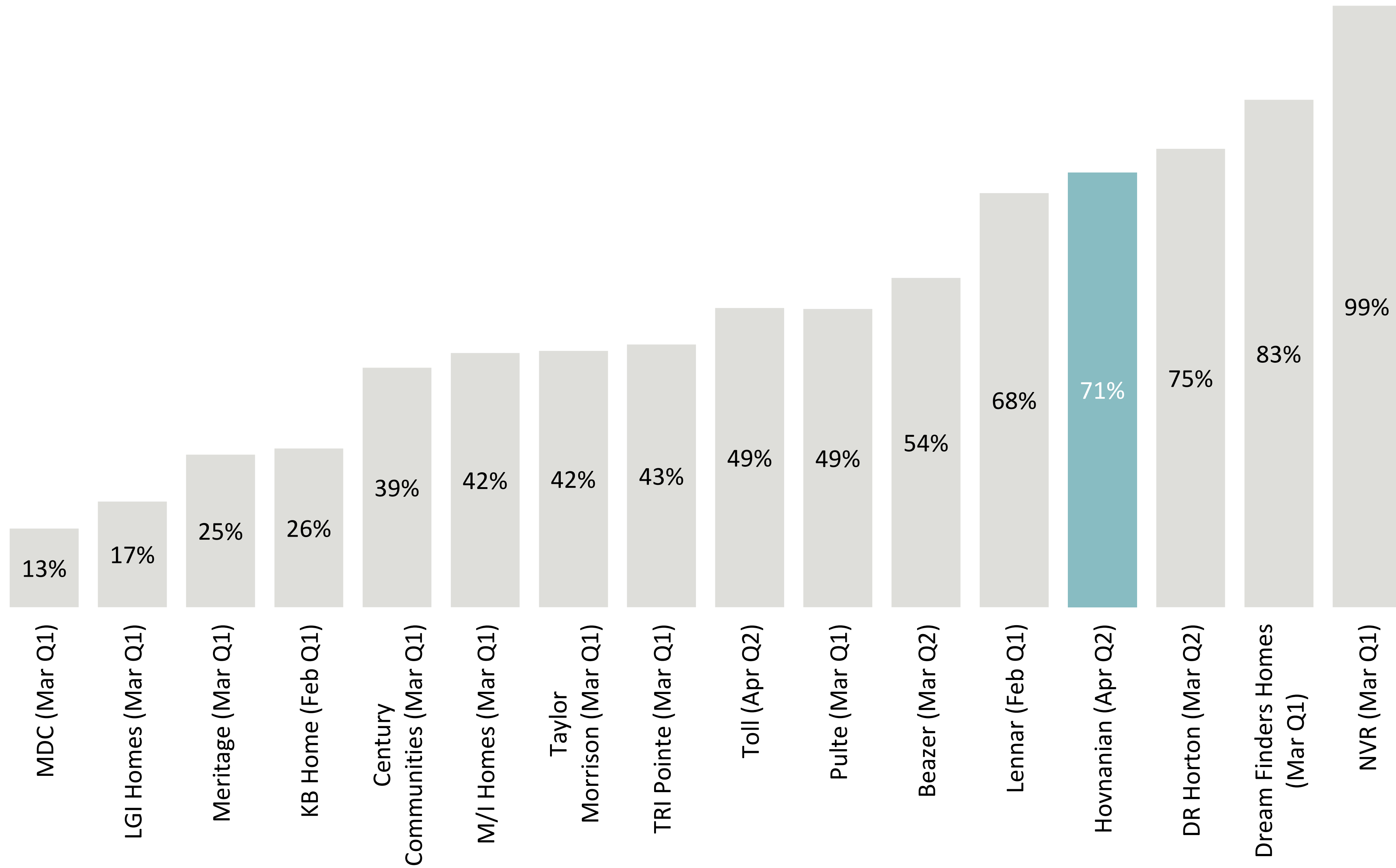
(1) Excludes unconsolidated joint ventures.

Percentage of Optioned Lots



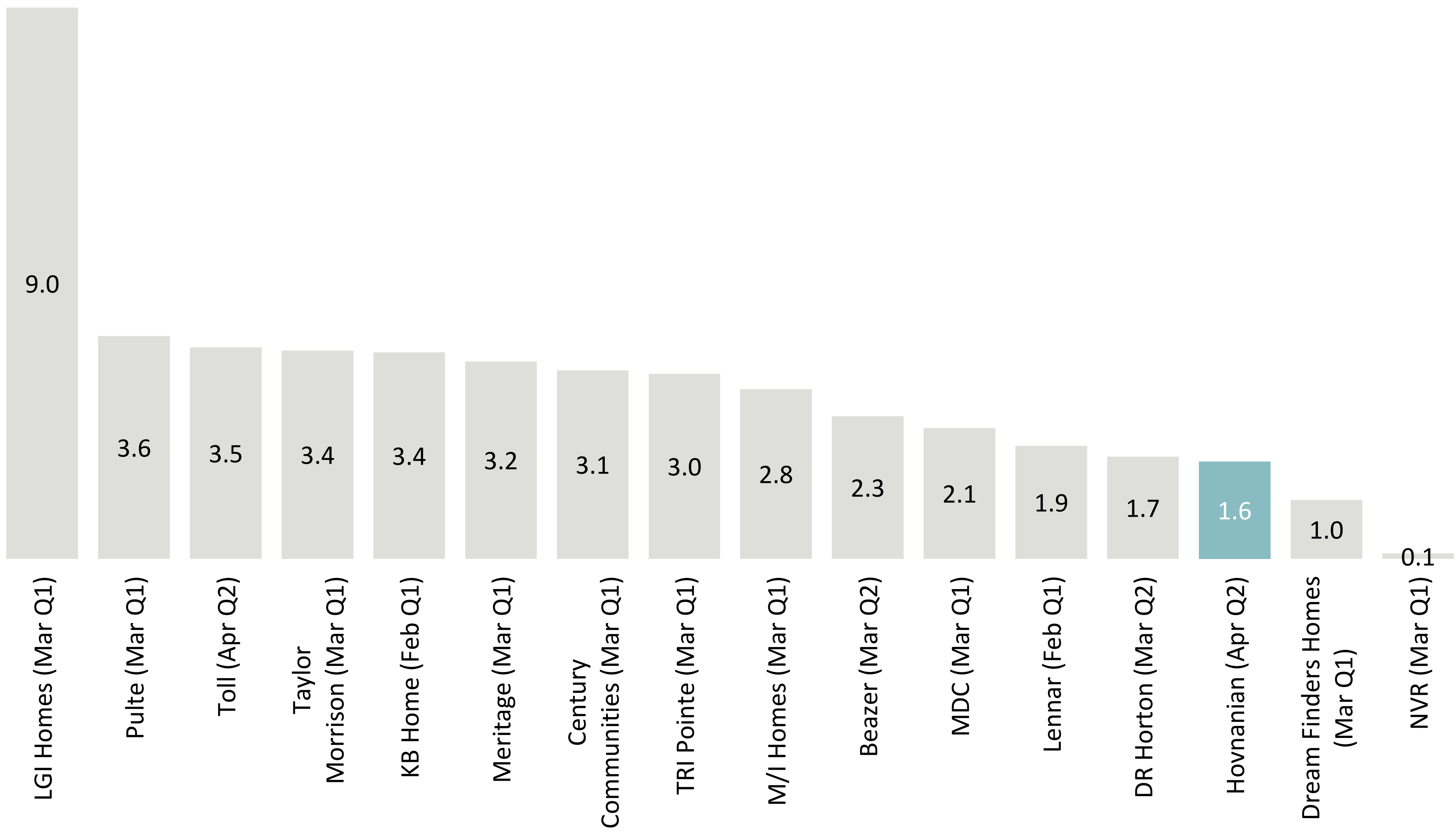
(1) Excludes unconsolidated joint ventures.

% of Lots Optioned



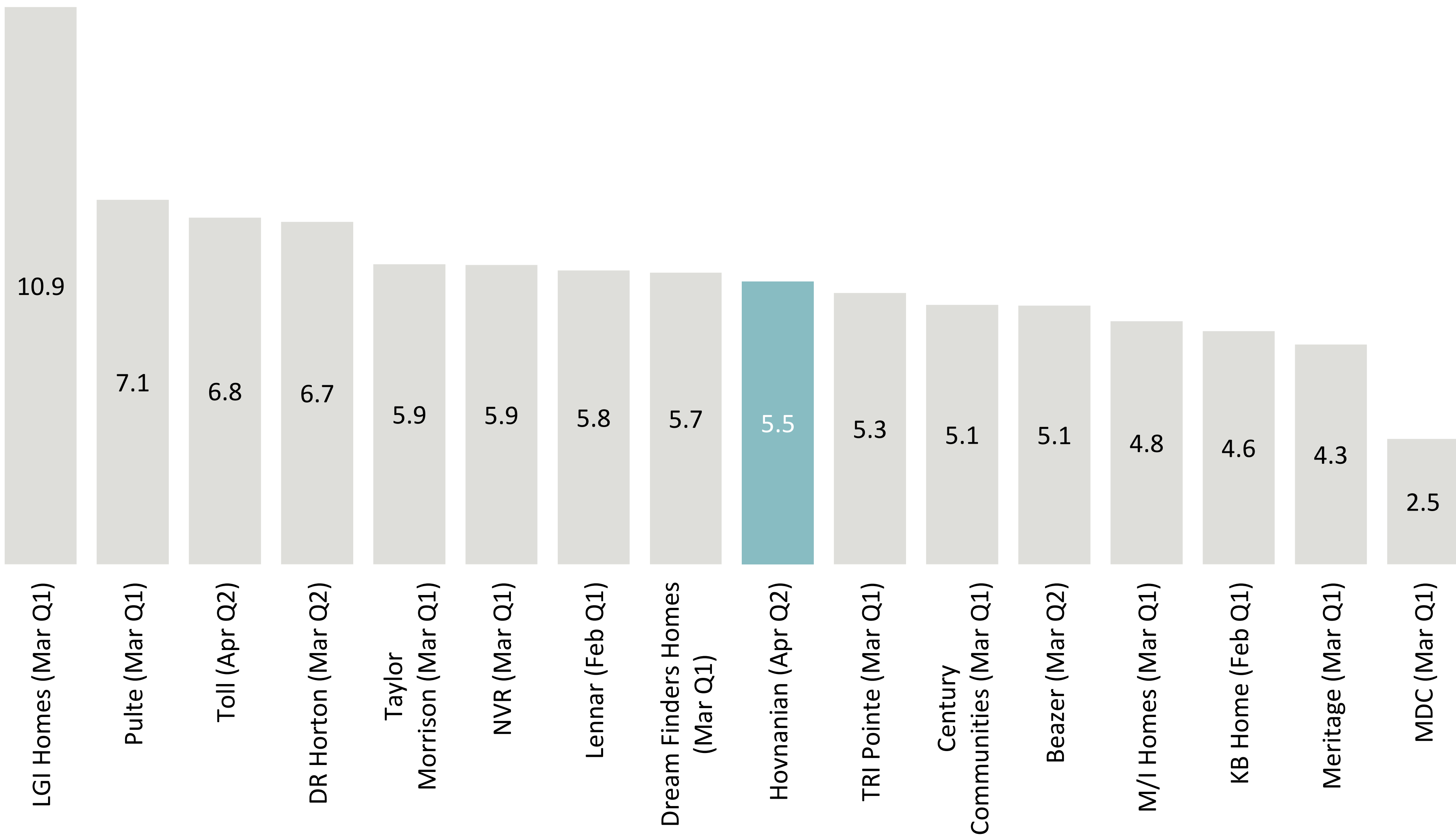
Source: Company SEC filings and press releases as of 05/31/2023.
Note: Excludes unconsolidated joint ventures.

Owned Lots – Years Supply



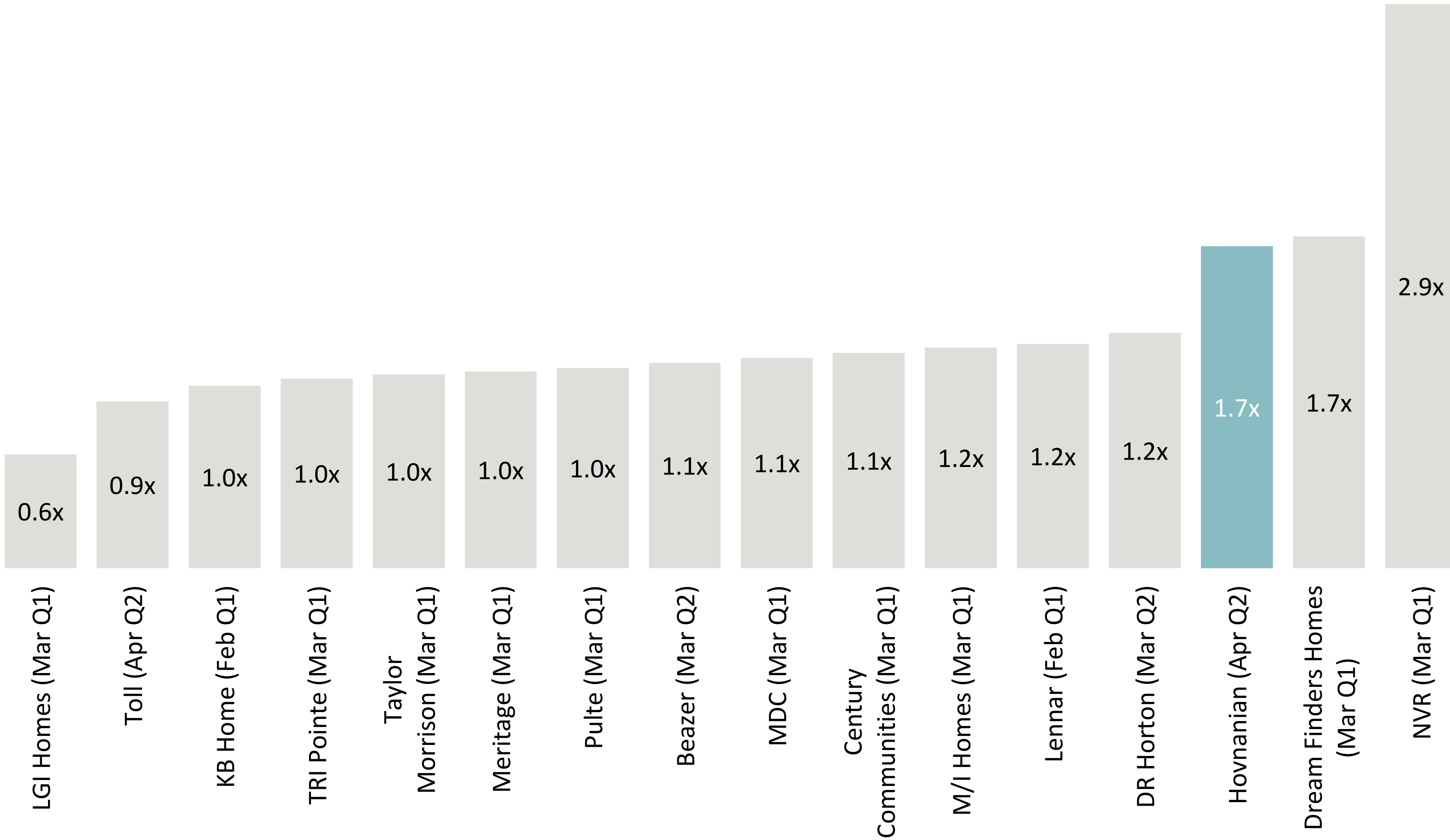
Source: Company SEC filings and press releases as of 05/31/2023.

Total Lots – Years Supply



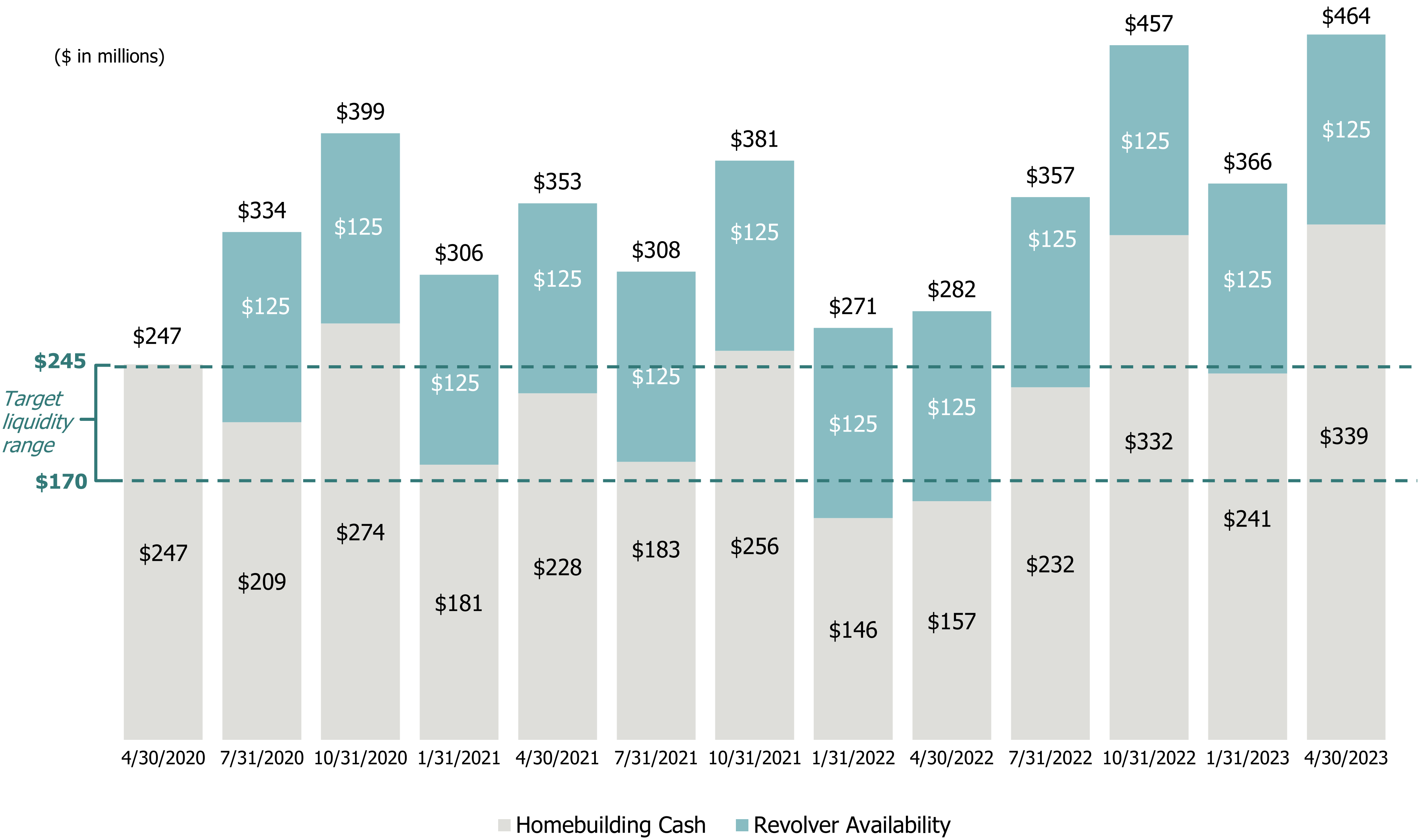
Source: Company SEC filings and press releases as of 05/31/2023.

Inventory Turns (COGS), Last Twelve Months



Note: Inventory turns are derived by dividing cost of sales, excluding capitalized interest, by the five-quarter average homebuilding inventory less capitalized interest and less liabilities from inventory not owned.
Source: Company SEC filings and press releases as of 05/31/2023.

Liquidity Position and Target

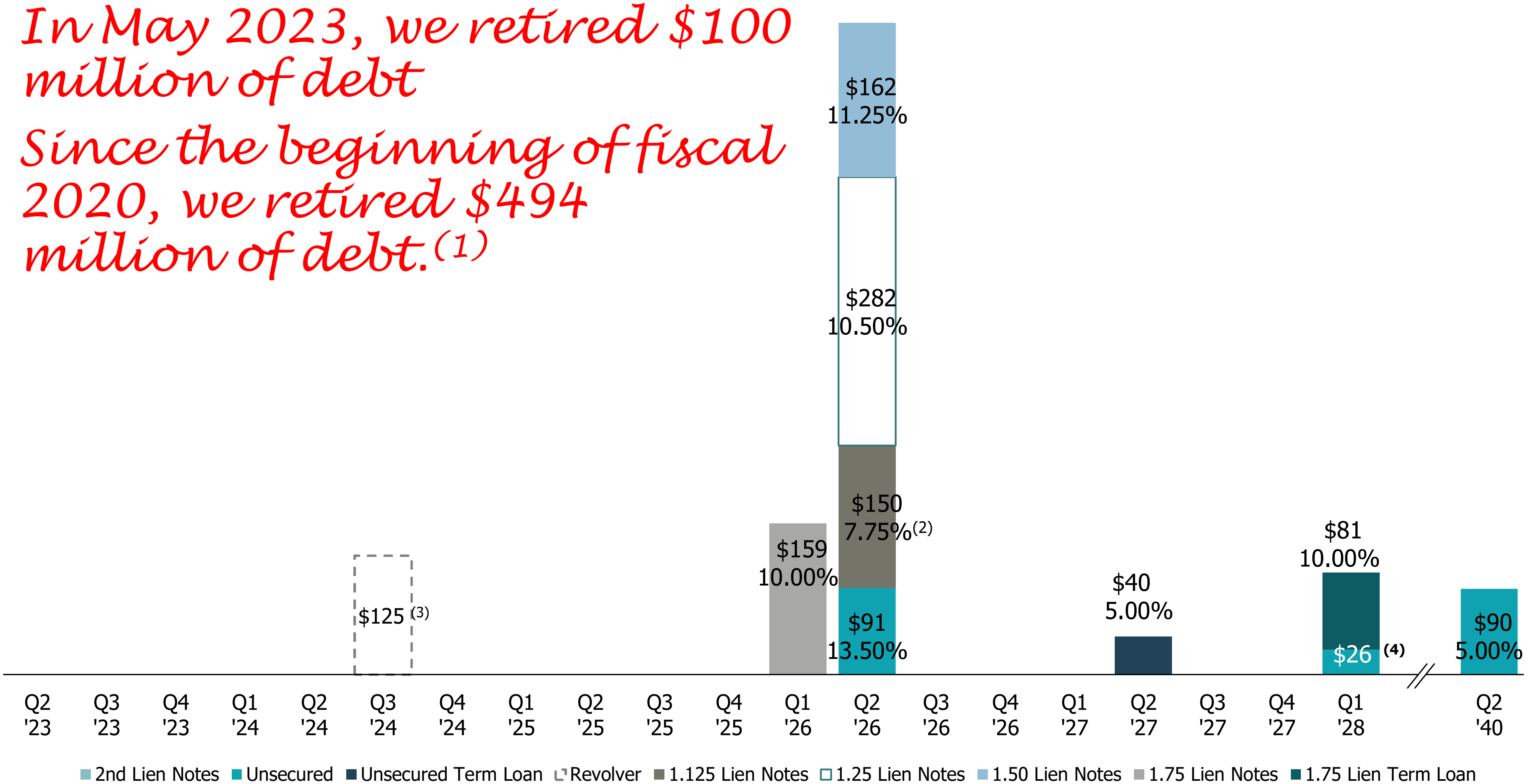


Note: Liquidity position includes homebuilding cash and cash equivalents (which includes unrestricted cash and restricted cash required to collateralize letters of credit) and revolving credit facility availability.

Debt Maturity Profile

As of April 30, 2023 (Pro forma for May 2023 redemption)
($ in millions)

- *In May 2023, we retired $100 million of debt*
- *Since the beginning of fiscal 2020, we retired $494 million of debt.(1)*



Note: Shown on a fiscal year basis, at face value.
Excludes non-recourse mortgages.
(1) Retired debt total includes $100 million of 7.75% Notes redeemed in May 2023.
(2) The 7.75% Notes balance is reflective of the $100 million of debt retired in May 2023.
(3) $0 balance as of April 30, 2023.
(4) $26 million of 8.0% senior notes held by wholly owned subsidiary, no cash required to retire.

Guidance for Third Quarter 2023

($ in millions)

	Guidance Q3 2023[1]
Total Revenues	**$630 - $730**
Adjusted Homebuilding Gross Margin[2]	**21.5% - 22.5%**
Total SG&A as Percentage of Total Revenues[3]	**11.0% - 12.0%**
Adjusted EBITDA[4]	**$85 - $95**
Adjusted Income Before Income Taxes[5]	**$50 - $60**

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(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 $73.77, which was the price at the end of the second quarter of fiscal year 2023.
(4) Adjusted EBITDA is a non-GAAP financial measure. The most directly comparable GAAP financial measure is net income. 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.

Guidance for Fiscal 2023

($ in millions)

	Guidance FY 2023[1]
Total Revenues	**$2,500 - $2,650**
Adjusted Homebuilding Gross Margin[2]	**21.0% - 22.5%**
Total SG&A as Percentage of Total Revenues[3]	**11.0% - 12.5%**
Adjusted EBITDA[4]	**$320 - $340**
Adjusted Income Before Income Taxes[5]	**$180 - $200**
Diluted EPS	**$17 - $20**
Book Value Per Share	**$57 - $60**

(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.
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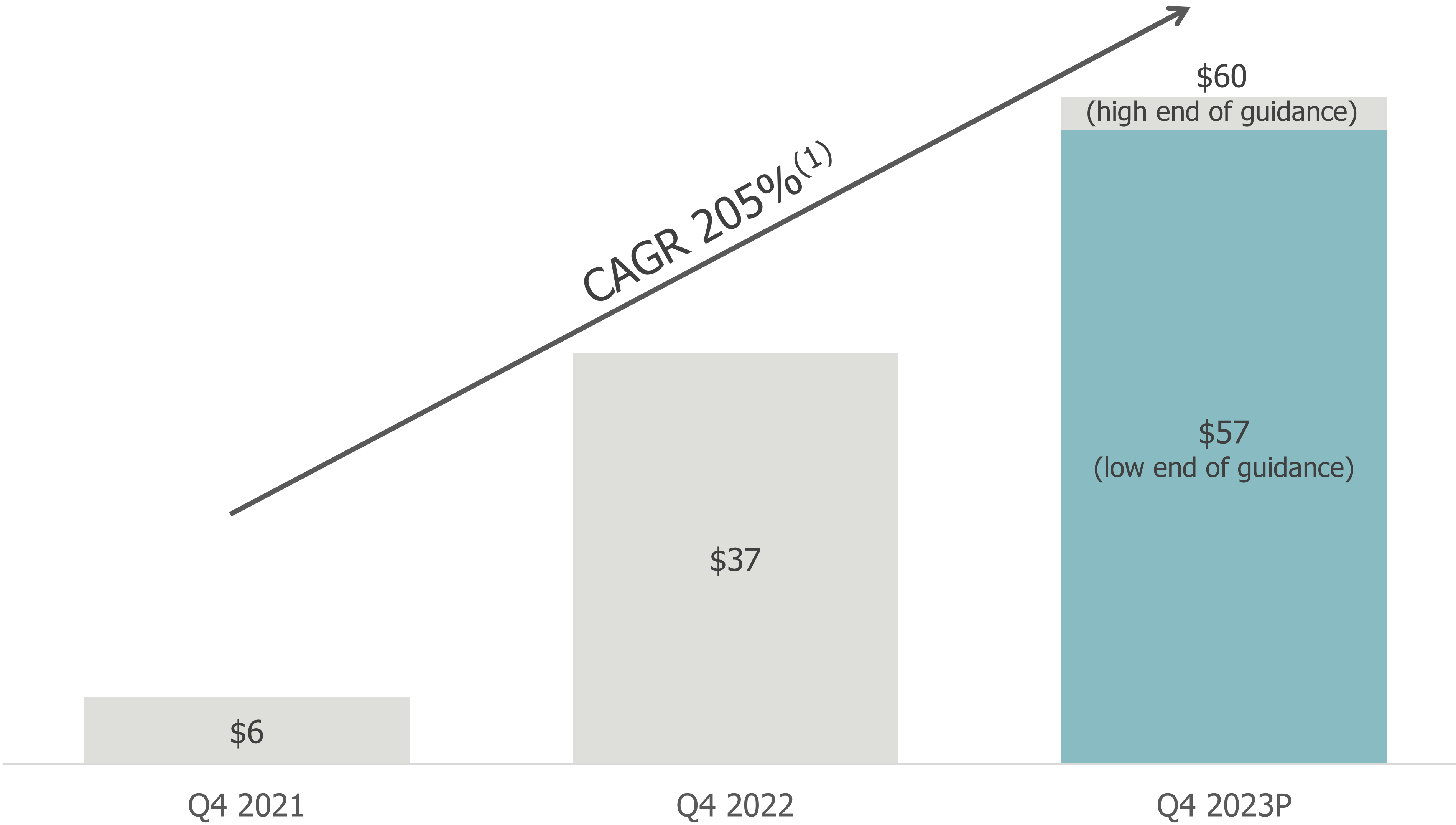
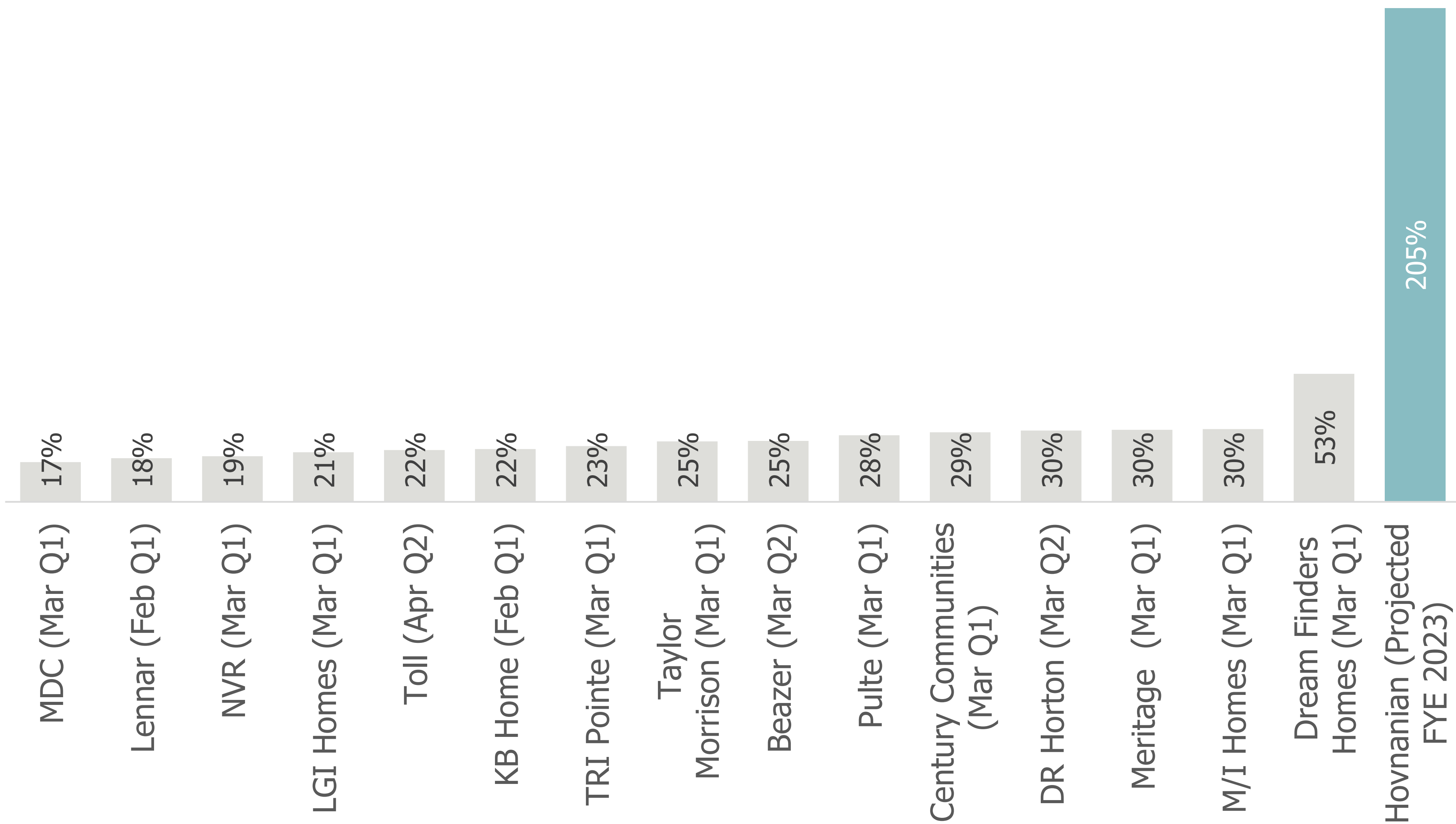
Solid Growth in Book Value Per Share

($ in millions)



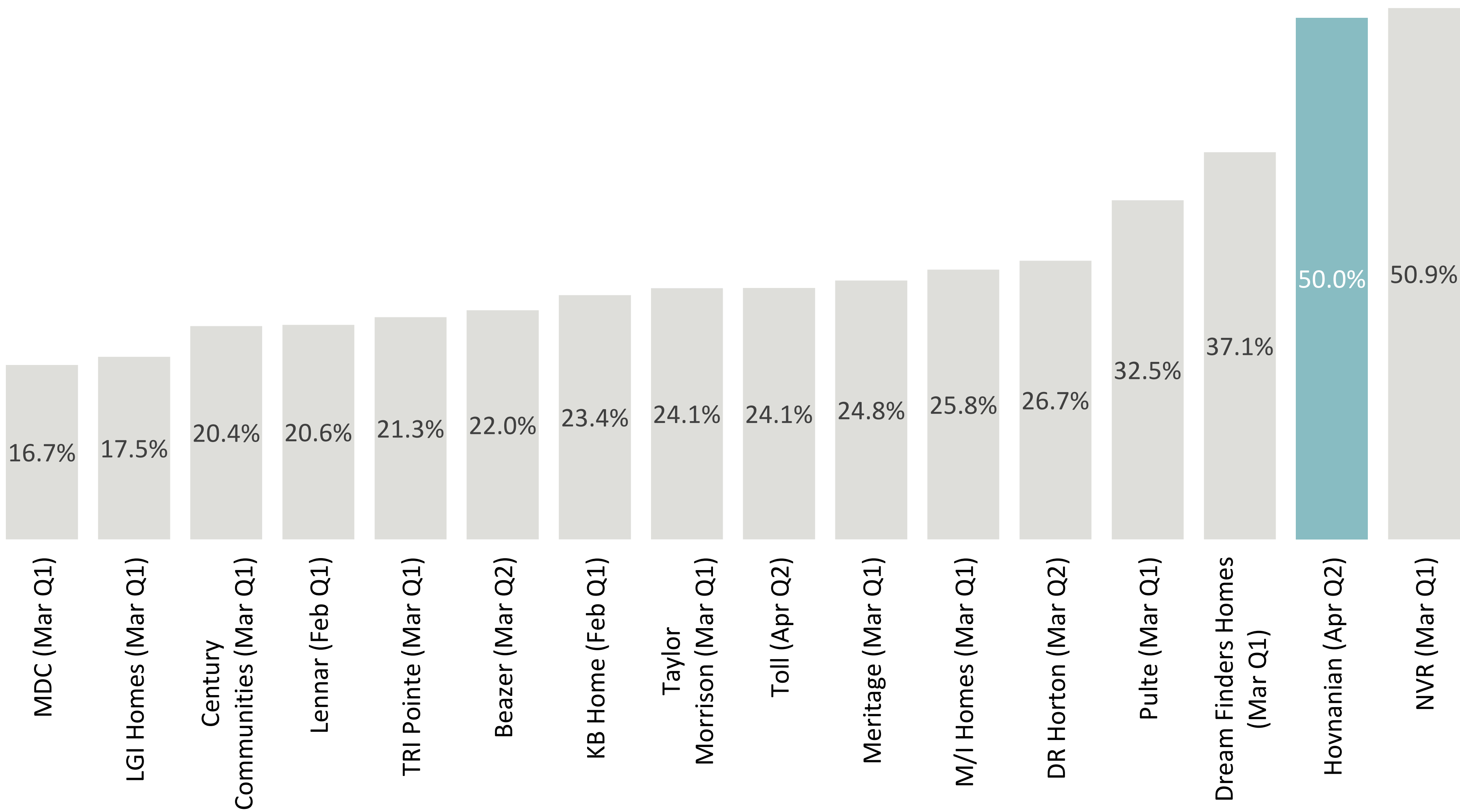
(1) Calculation done from FYE 2021 through FYE 2023, using mid-point of guidance.

CAGR of Book Value Per Share from 2021 to 2023



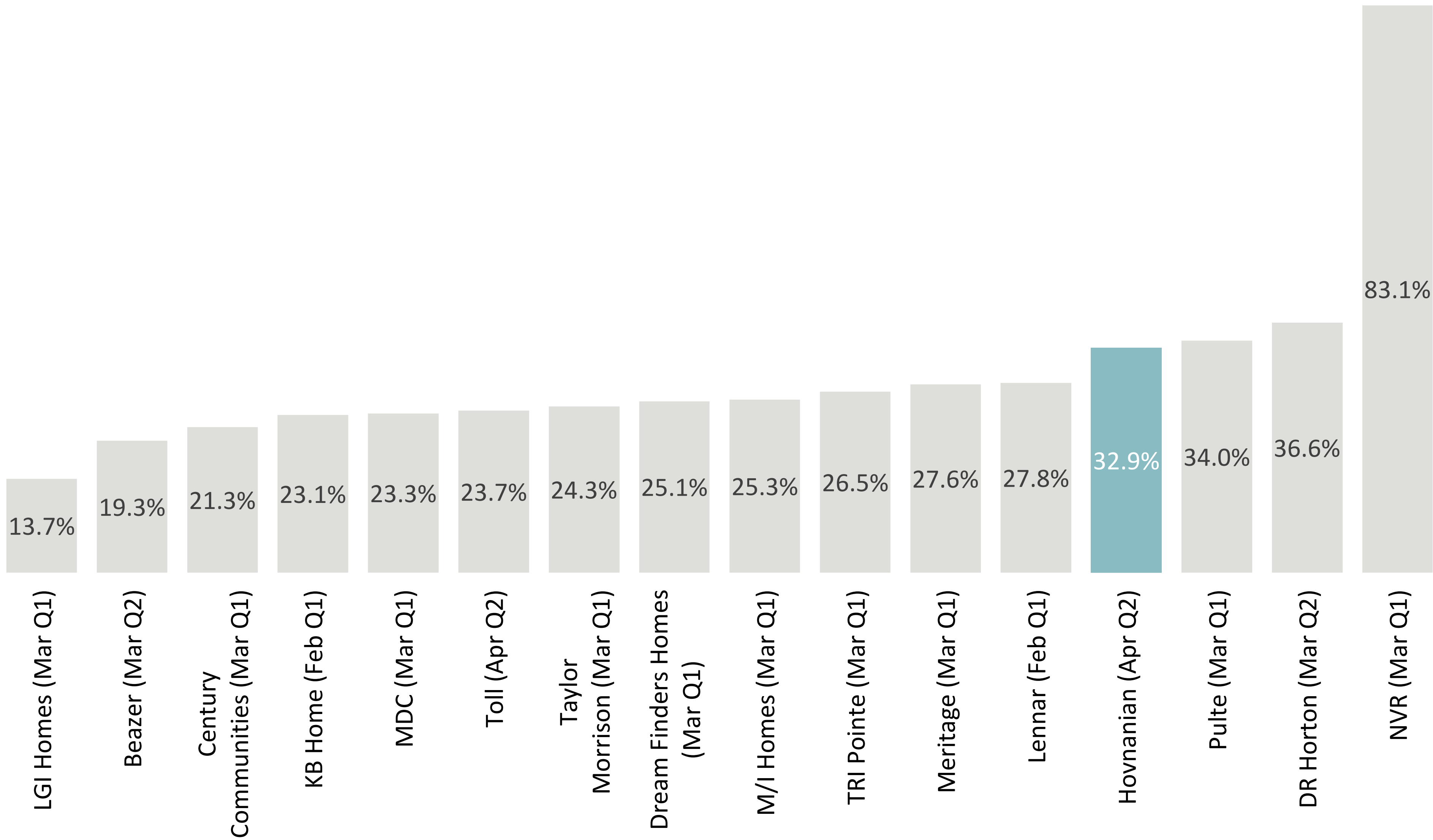
Note: Peer calculations done for two-year period ending with most recent quarterly results. Hovnanian calculation done from FYE 2021 through FYE 2023, using mid-point of guidance.

ROE, Last Twelve Months



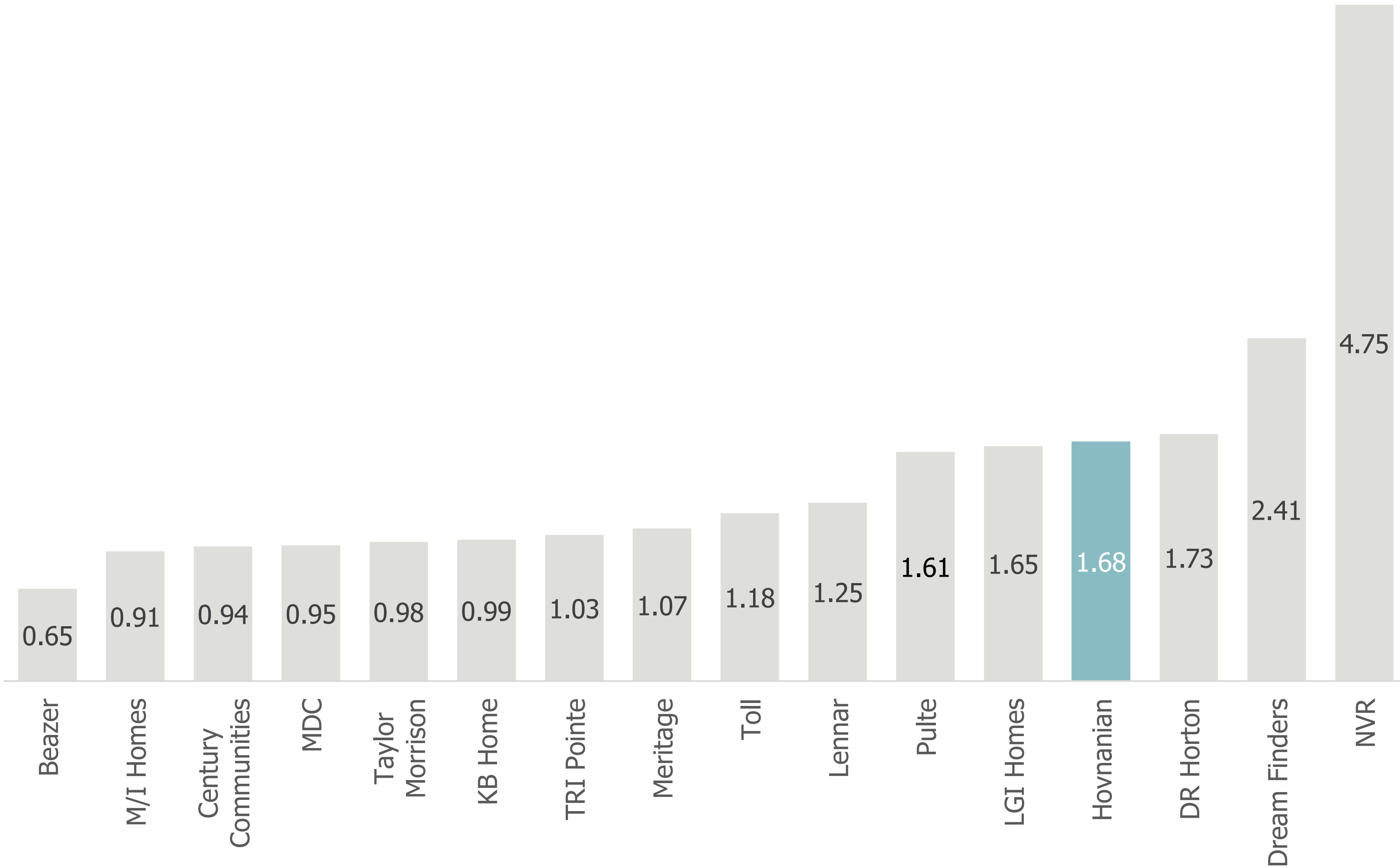
Source: Company SEC filings and press releases as of 05/31/2023.

Consolidated EBIT ROI, Last Twelve Months



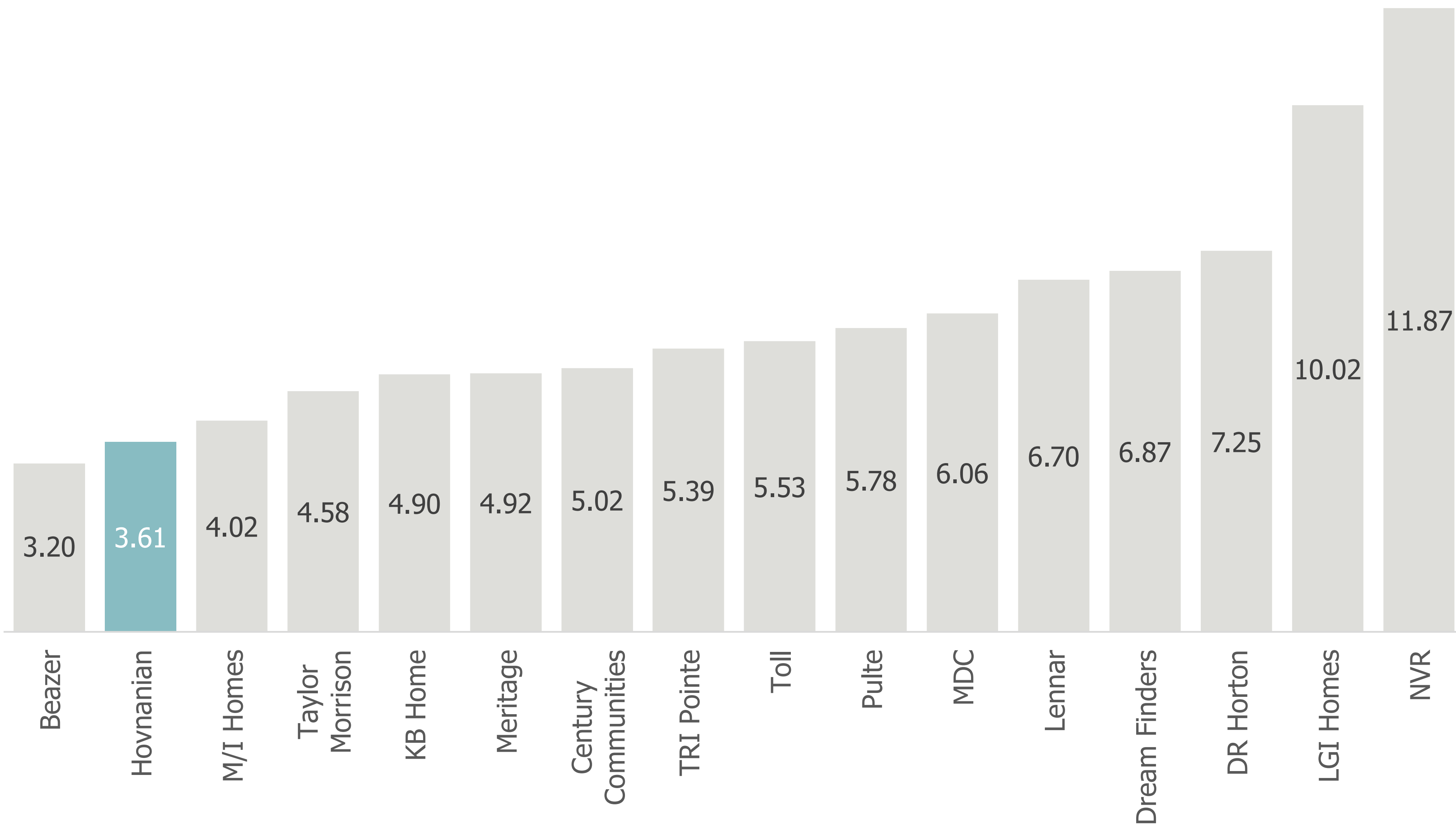
Source: Company SEC filings and press releases as of 05/31/2023.
(1) Defined as LTM Total Company EBIT before land-related charges and gain (loss) on extinguishment of debt divided by five quarter average inventory, excluding capitalized interest and liabilities from inventory not owned and includes goodwill definite life intangibles assets.

Price to Book Value



Source: Price to book value for most recent quarter based on Yahoo! finance as of 05/30/2023.
Note: Hovnanian price to book value calculated as of 04/30/2023.

Price to Earnings Ratio

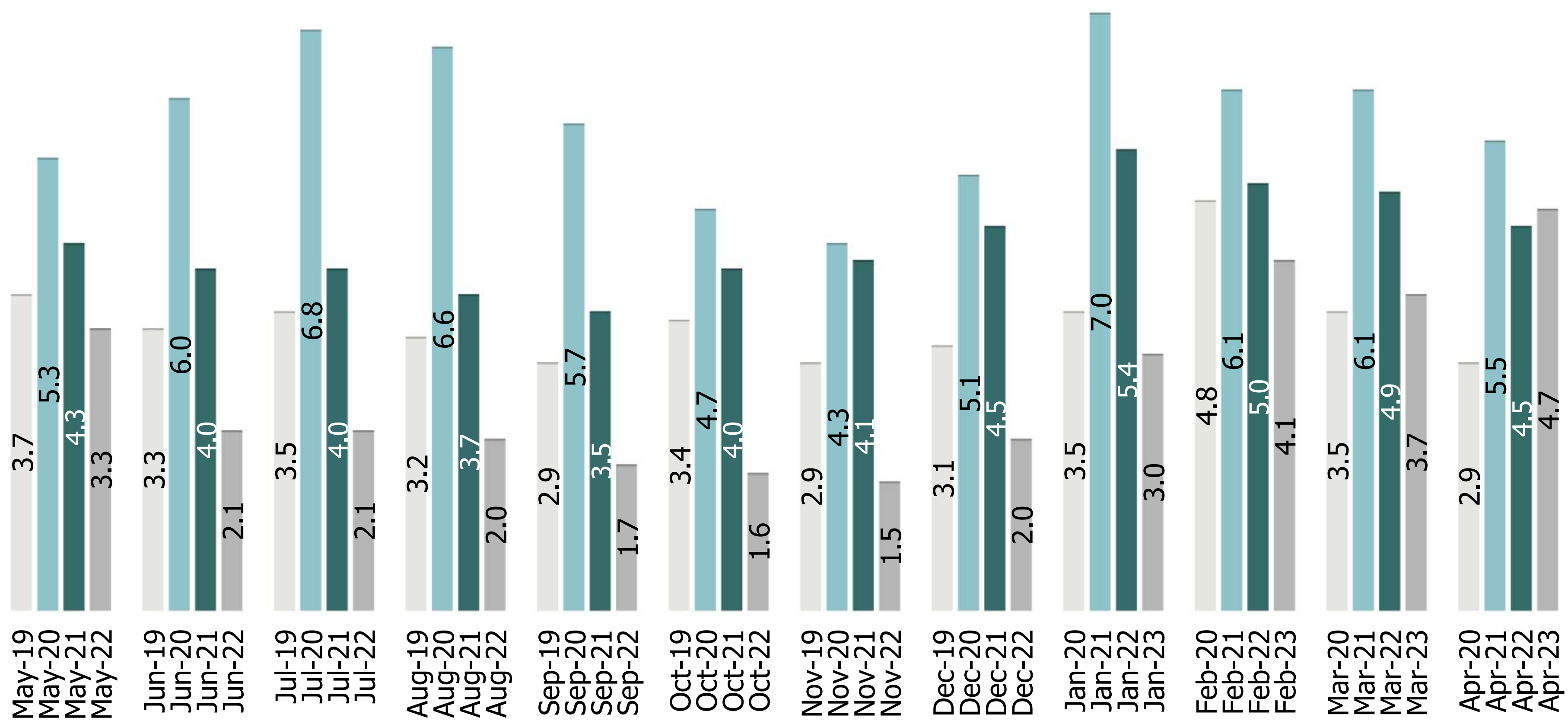


Source: Trailing twelve-month price to earnings ratio based on Yahoo! finance as of 05/30/2023.
Note: Hovnanian price to earnings ratio calculated on trailing twelve months as of 04/30/2023.

Appendix

Number of Monthly Contracts Per Community, Excludes Unconsolidated Joint Ventures

Hovnanian Enterprises, Inc.



	Number of Sundays	Monthly contracts
May-19	4	536
May-20	5	687
May-21	5	413
May-22	5	336
Jun-19	5	491
Jun-20	4	745
Jun-21	4	384
Jun-22	4	232
Jul-19	4	488
Jul-20	4	794
Jul-21	4	414
Jul-22	5	231
Aug-19	4	445
Aug-20	5	735
Aug-21	5	383
Aug-22	4	215
Sep-19	5	416
Sep-20	4	634
Sep-21	4	390
Sep-22	4	192
Oct-19	4	484
Oct-20	4	549
Oct-21	5	490
Oct-22	5	195
Nov-19	4	404
Nov-20	5	493
Nov-21	4	467
Nov-22	4	182
Dec-19	5	436
Dec-20	4	551
Dec-21	4	486
Dec-22	4	238
Jan-20	4	482
Jan-21	5	734
Jan-22	5	598
Jan-23	5	368
Feb-20	4	647
Feb-21	4	613
Feb-22	4	548
Feb-23	4	504
Mar-20	5	463
Mar-21	4	620
Mar-22	4	519
Mar-23	4	442
Apr-20	4	377
Apr-21	4	538
Apr-22	4	458
Apr-23	5	531

Note: Excludes unconsolidated joint ventures.

Land Positions by Geographic Segment

Hovnanian Enterprises, Inc.

April 30, 2023

Segment	**Owned: Excluding Mothballed Lots**	**Owned: Mothballed Lots**	**Optioned Lots**	**Total Lots**
Northeast	1,980	6	12,203	14,189
Southeast	1,433	-	2,326	3,759
West	4,446	390	5,873	10,709
Consolidated Total	**7,859**	**396**	**20,402**	**28,657**
Unconsolidated Joint Ventures	1,518	-	6	1,524
Grand Total	9,377	396	20,408	30,181

- **Option deposits as of April 30, 2023 were $184 million**
- **$30 million invested in pre-development expenses as of April 30, 2023**

Note: Option deposits and pre-development expenses refers to consolidated optioned lots.
Note: Excludes our single community unconsolidated joint venture in the Kingdom of Saudi Arabia.

Phantom Stock Impact

Hovnanian Enterprises, Inc.

($ 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)	$72.1	14.0%
Q2 2023	$73.77	$75.5	10.7%	$(1.1)	$74.4	10.6%

- *In 2019 and 2023, 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.*

Reconciliation of income before income taxes excluding land-related charges to income before income taxes

Hovnanian Enterprises, Inc.
April 30, 2023
Reconciliation of income before income taxes excluding land-related charges and loss on extinguishment of debt, net to income before income taxes
(In thousands)

	Three Months Ended April 30,		Six Months Ended April 30,	
	2023	2022	2023	2022
	(Unaudited)		(Unaudited)	
Income before income taxes	$ 46,123	$ 80,945	$ 64,170	$ 116,346
Inventory impairments and land option write-offs	137	565	614	664
Loss on extinguishment of debt, net	-	6,795	-	6,795
Income before income taxes excluding land-related charges (1)	$ 46,260	$ 88,305	$ 64,784	$ 123,805

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

Reconciliation of Gross Margin

Hovnanian Enterprises, Inc.
April 30, 2023
Gross margin
(In thousands)

	Homebuilding Gross Margin Three Months Ended April 30,		Homebuilding Gross Margin Six Months Ended April 30,	
	2023	2022	2023	2022
	(Unaudited)		(Unaudited)	
Sale of homes	$ 670,708	$ 685,823	$ 1,170,353	$ 1,237,189
Cost of sales, excluding interest expense and land charges (1)	530,759	503,466	921,722	931,339
Homebuilding gross margin, before cost of sales interest expense and land charges (2)	139,949	182,357	248,631	305,850
Cost of sales interest expense, excluding land sales interest expense	20,521	21,678	35,522	35,402
Homebuilding gross margin, after cost of sales interest expense, before land charges (2)	119,428	160,679	213,109	270,448
Land charges	137	565	614	664
Homebuilding gross margin	$ 119,291	$ 160,114	$ 212,495	$ 269,784
Homebuilding gross margin percentage	17.8%	23.3%	18.1%	21.8%
Homebuilding gross margin percentage, before cost of sales interest expense and land charges (2)	20.9%	26.6%	21.2%	24.7%
Homebuilding gross margin percentage, after cost of sales interest expense, before land charges (2)	17.8%	23.4%	18.2%	21.9%

	Land Sales Gross Margin Three Months Ended April 30,		Land Sales Gross Margin Six Months Ended April 30,	
	2023	2022	2023	2022
	(Unaudited)		(Unaudited)	
Land and lot sales	$ 15,284	$ 365	$ 15,613	$ 399
Cost of sales, excluding interest (1)	9,863	216	9,940	260
Land and lot sales gross margin, excluding interest and land charges	5,421	149	5,673	139
Land and lot sales interest expense	904	-	925	21
Land and lot sales gross margin, including interest	$ 4,517	$ 149	$ 4,748	$ 118

(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 Income

Hovnanian Enterprises, Inc.
April 30, 2023
Reconciliation of adjusted EBITDA to net income
(In thousands)

	Three Months Ended April 30,		Six Months Ended April 30,	
	2023	2022	2023	2022
	(Unaudited)		(Unaudited)	
Net income	$ 34,146	$ 62,435	$ 52,862	$ 87,243
Income tax provision	11,977	18,510	11,308	29,103
Interest expense	35,926	34,103	66,041	61,241
EBIT (1)	82,049	115,048	130,211	177,587
Depreciation and amortization	4,514	1,314	5,924	2,489
EBITDA (2)	86,563	116,362	136,135	180,076
Inventory impairments and land option write-offs	137	565	614	664
Loss on extinguishment of debt, net	-	6,795	-	6,795
Adjusted EBITDA (3)	$ 86,700	$ 123,722	$ 136,749	$ 187,535
Interest incurred	$ 35,122	$ 33,872	$ 69,448	$ 66,655
Adjusted EBITDA to interest incurred	2.47	3.65	1.97	2.81

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

Reconciliation of Inventory Turnover

Hovnanian Enterprises, Inc.						
April 30, 2023						
Calculation of Inventory Turnover[1]						
						TTM
		For the quarter ended				**ended**
(Dollars in thousands)		7/31/2022	10/31/2022	1/31/2023	4/30/2023	**4/30/2023**
Cost of sales, excluding interest		$548,576	$656,888	$391,040	$540,622	$2,137,126
			As of			
	4/30/2022	7/31/2022	10/31/2022	1/31/2023	4/30/2023	
Total inventories	$1,492,167	$1,585,281	$1,519,184	$1,507,038	$1,484,992	**Five**
Less liabilities from inventory not owned, net of debt issuance costs	123,793	178,454	202,492	209,579	200,299	**Quarter**
Less capitalized interest	63,573	64,140	59,600	60,795	60,274	**Average**
Inventories less consolidated inventory not owned and capitalized interest plus liabilities from inventory not owned	$1,304,801	$1,342,687	$1,257,092	$1,236,664	$1,224,419	$1,273,133
Inventory turnover						1.7x

(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 Consolidated EBIT ROI

Hovnanian Enterprises, Inc.
April 30, 2023
Calculation of Consolidated Adjusted EBIT ROI

		For the quarter ended				TTM ended
(Dollars in thousands)		7/31/2022	10/31/2022	1/31/2023	4/30/2023	**4/30/2023**
Consolidated EBIT		$144,004	$130,745	$48,162	$82,049	$404,960
Impairments and walk away		$1,173	$12,239	$477	$137	$14,026
Adjusted EBIT		$145,177	$142,984	$48,639	$82,186	$418,986

	As of					
	4/30/2022	7/31/2022	10/31/2022	1/31/2023	4/30/2023	**Five Quarter Average**
Total inventories	$1,492,167	$1,585,281	$1,519,184	$1,507,038	$1,484,992	
Less liabilities from inventory not owned, net of debt issuance costs	123,793	178,454	202,492	209,579	200,299	
Less capitalized interest	63,573	64,140	59,600	60,795	60,274	
Inventories less consolidated inventory not owned and capitalized interest plus liabilities from inventory not owned	$1,304,801	$1,342,687	$1,257,092	$1,236,664	$1,224,419	$1,273,133
Inventory turnover						32.9%

Hovnanian Enterprises®, Inc.