Hovnanian Enterprises, Inc.

Review of Financial Results
Third Quarter Fiscal 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

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.

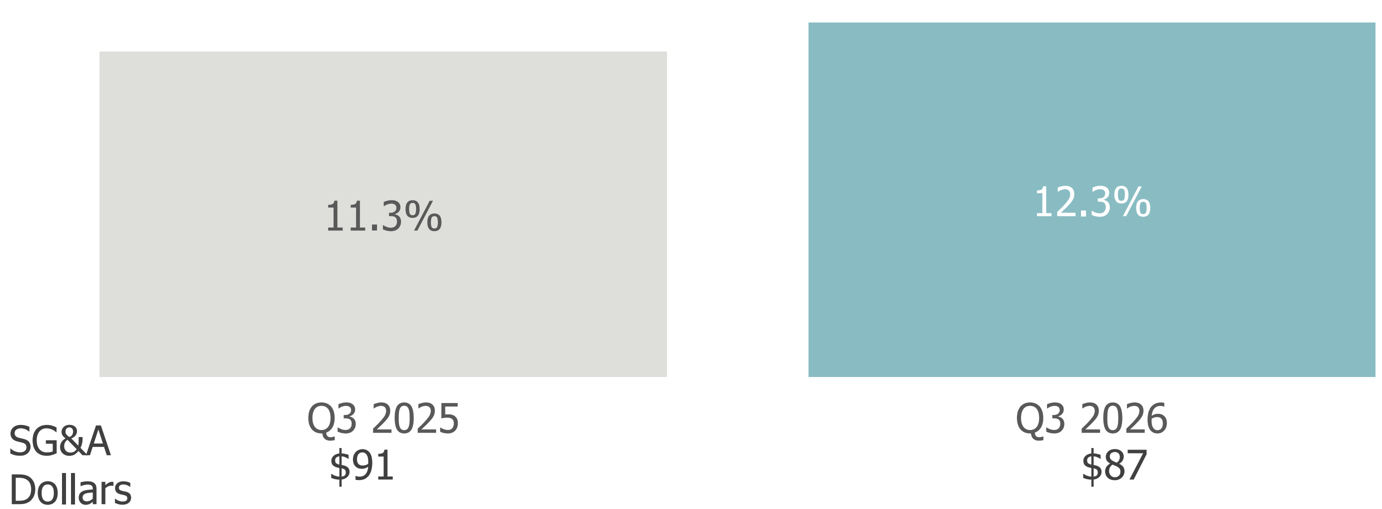
Third Quarter Results Compared to Last Year

($ 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.

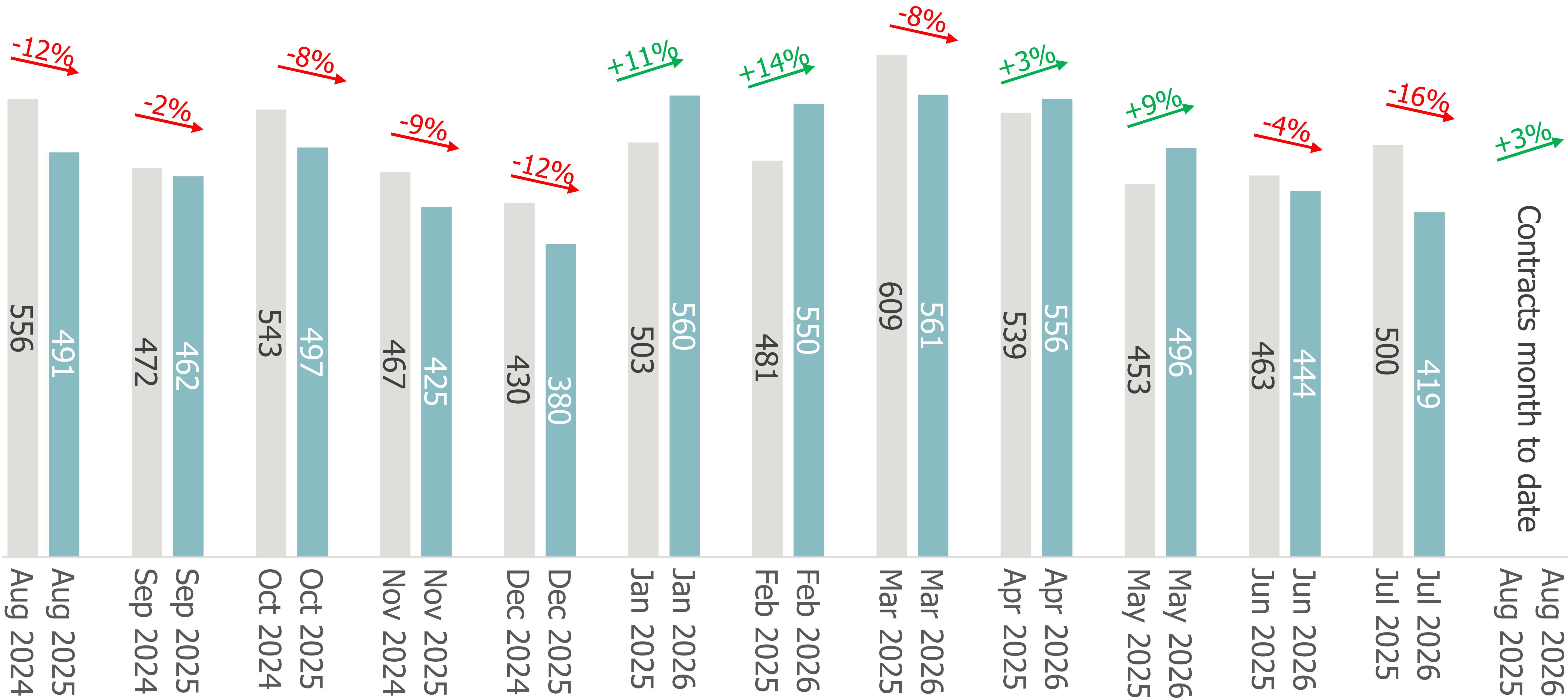
(2) Total SG&A includes homebuilding selling, general and administrative costs and corporate general and administrative costs. Ratio calculated as a percentage of total revenues.

(3) 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.

Contracts, including domestic unconsolidated joint ventures

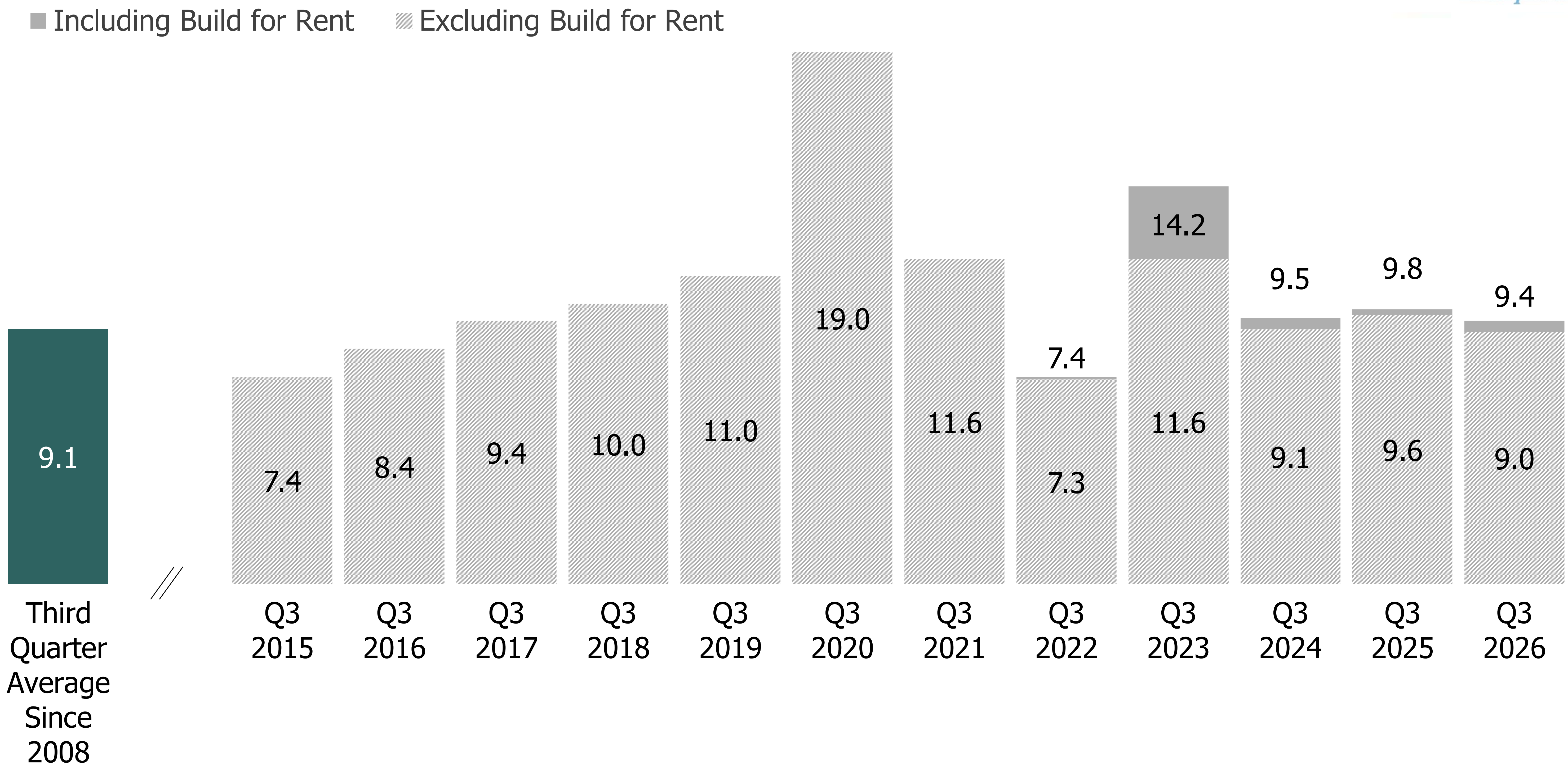
Note: Excludes contracts from HOV Global (Kingdom of Saudi Arabia) operations.

Monthly contracts



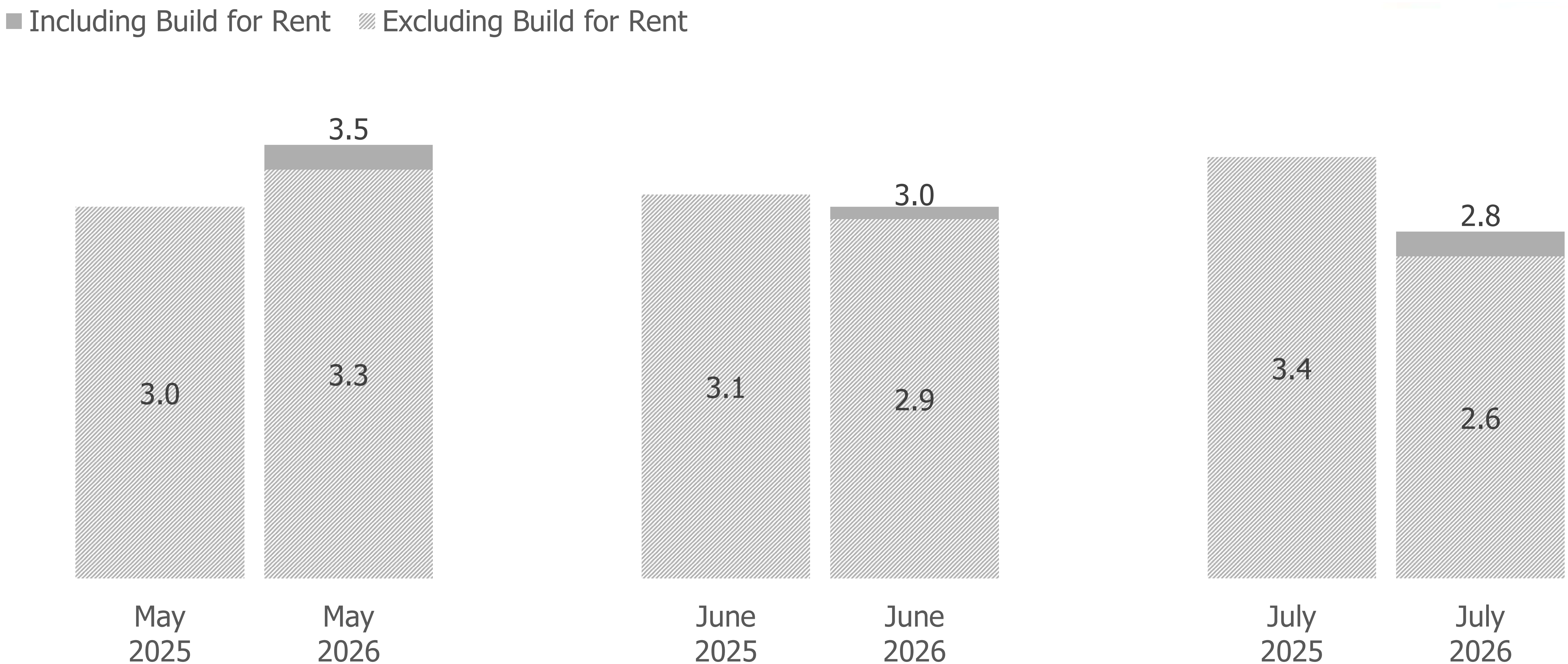
Note: Excludes contracts from HOV Global (Kingdom of Saudi Arabia) operations.
Note: Includes domestic unconsolidated joint venture contracts.
Note: August contracts months to date through Aug 19th for both 2025 and 2026.

Quarterly Contracts Per Community



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

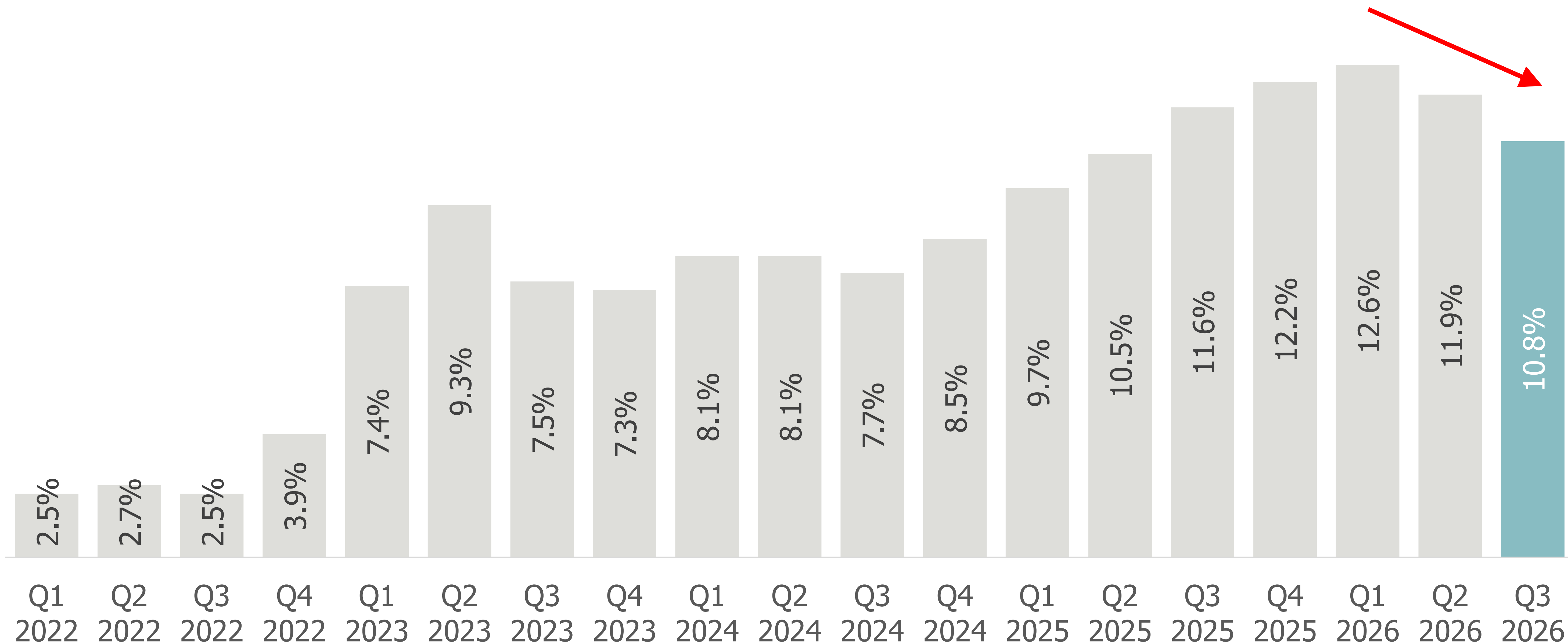
Contracts Per Community



Number Of Sundays	May 2025	May 2026	June 2025	June 2026	July 2025	July 2026
	4	5	5	4	4	4

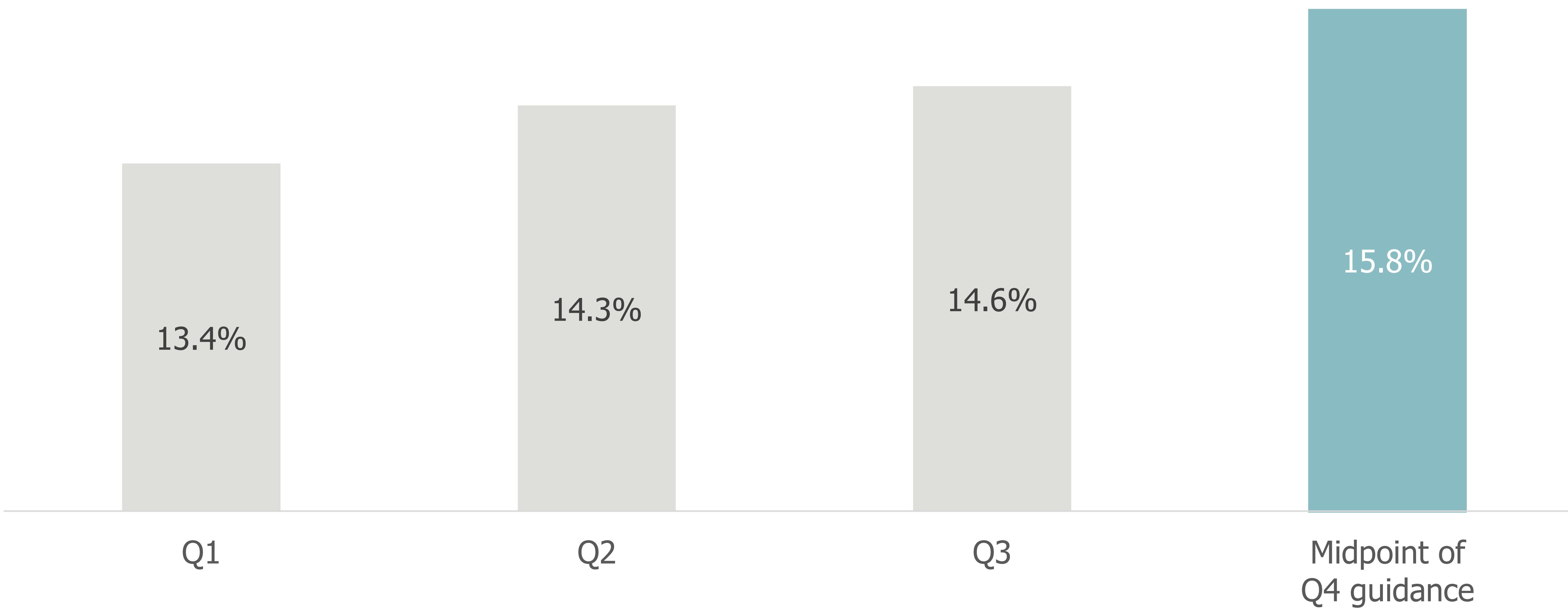
Note: Excludes contracts from HOV Global (Kingdom of Saudi Arabia) operations.
Note: Excludes unconsolidated joint ventures.

Percentage of Incentives for Deliveries



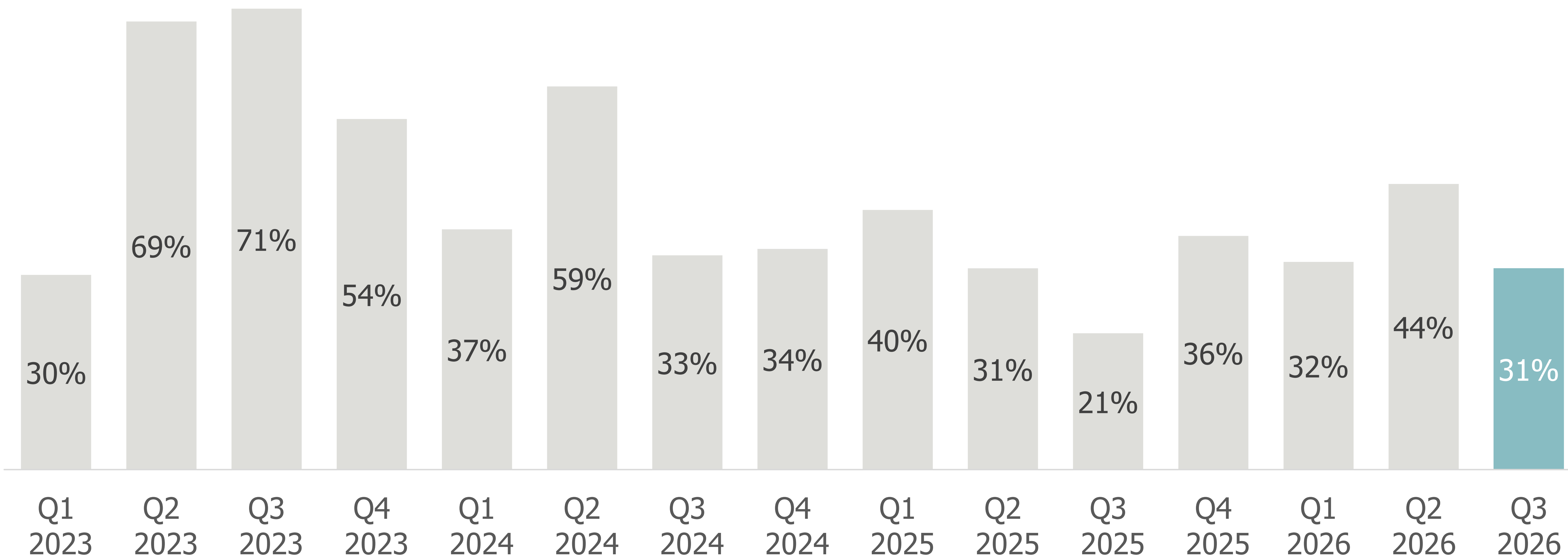
Note: "% of incentives for deliveries" is percentage of incentives to total revenue before incentives for deliveries. The percentages are indicative of the percentage of incentives we used when underwriting new land acquisitions in those quarters.

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.

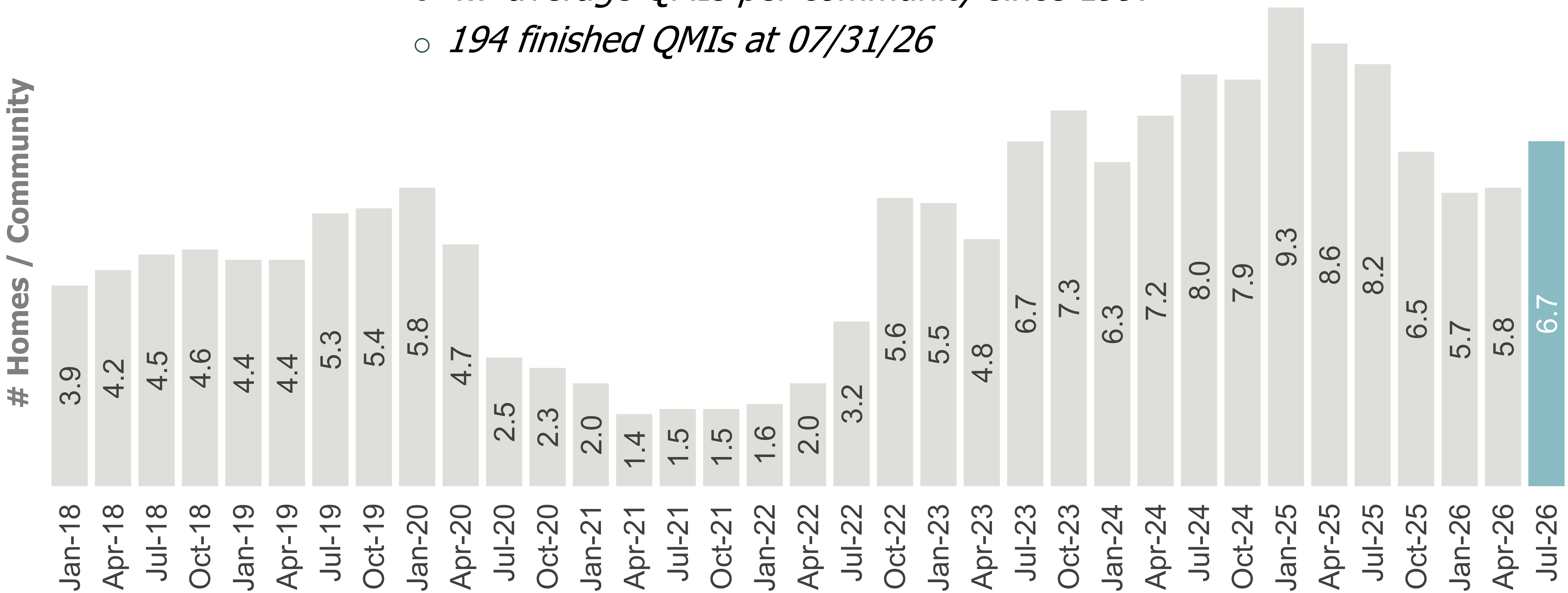
Percentage of communities where we raised net prices



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

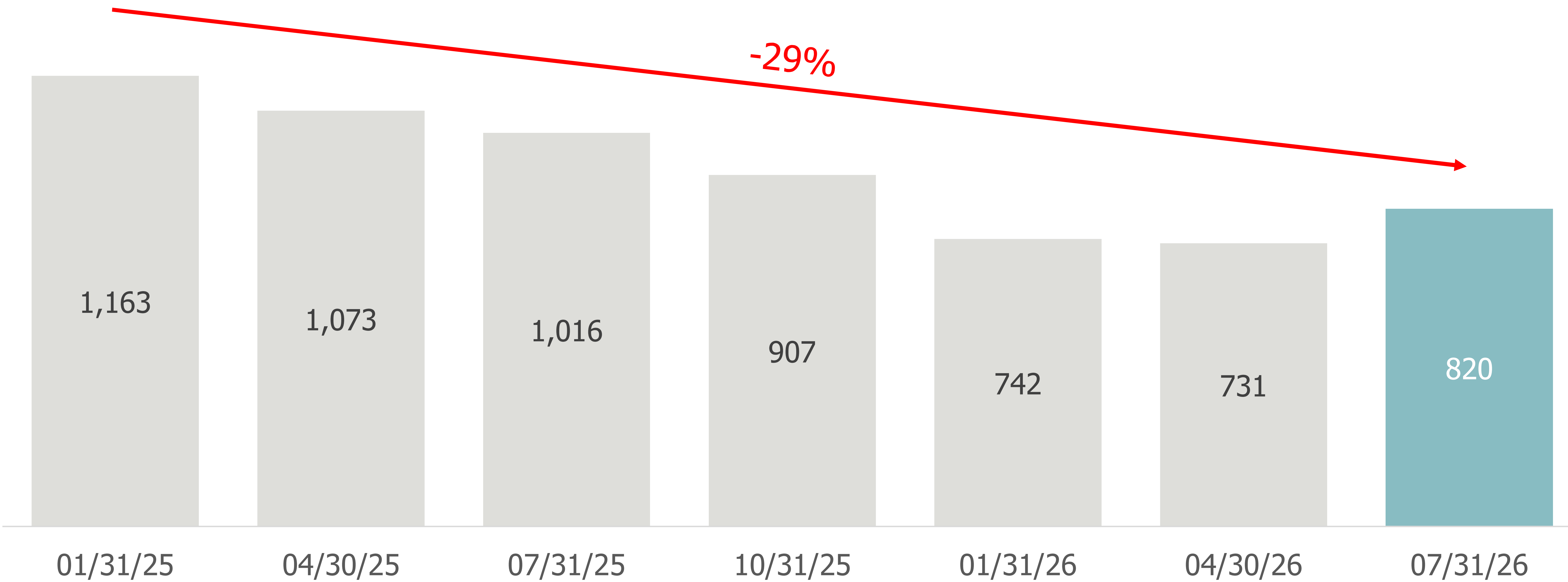
Quick Move In Homes (QMIs) Per Community

- *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.

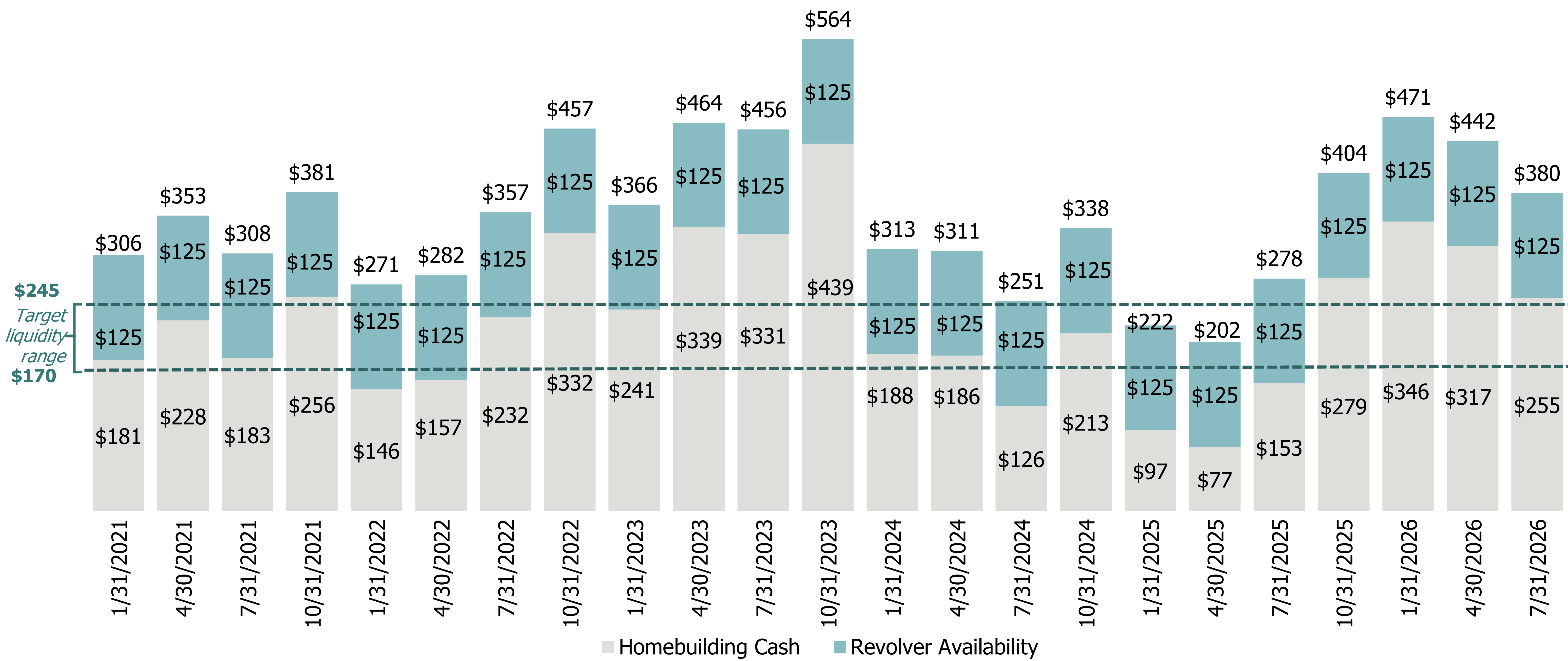
Quick Move In Homes (QMIs)



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

Liquidity Position and Target

($ in millions)

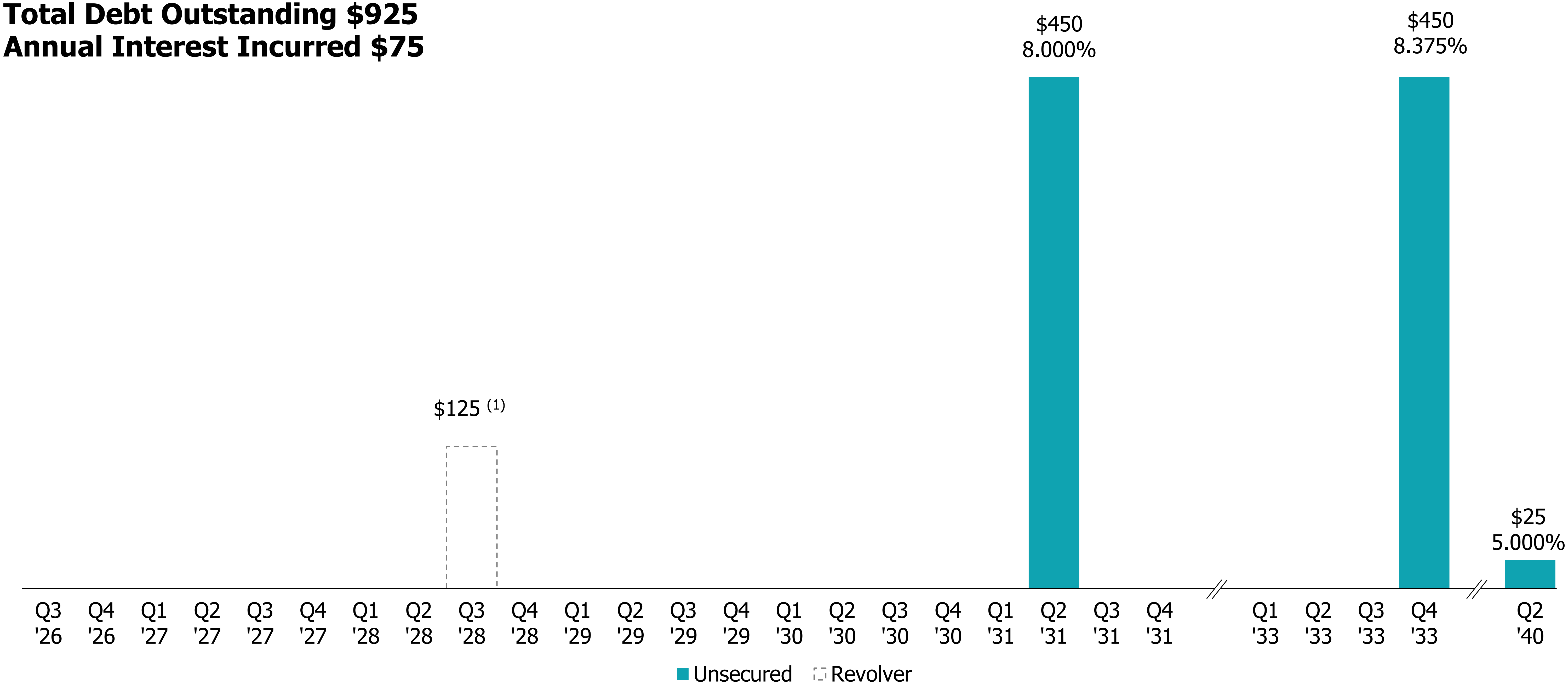


Note: Liquidity position includes homebuilding cash and cash equivalents (which includes unrestricted cash and restricted cash required to collateralize letters of credit) and revolving credit facility availability.

Debt Maturity Profile

As of July 31, 2026
($ in millions)

Total Debt Outstanding $925
Annual Interest Incurred $75

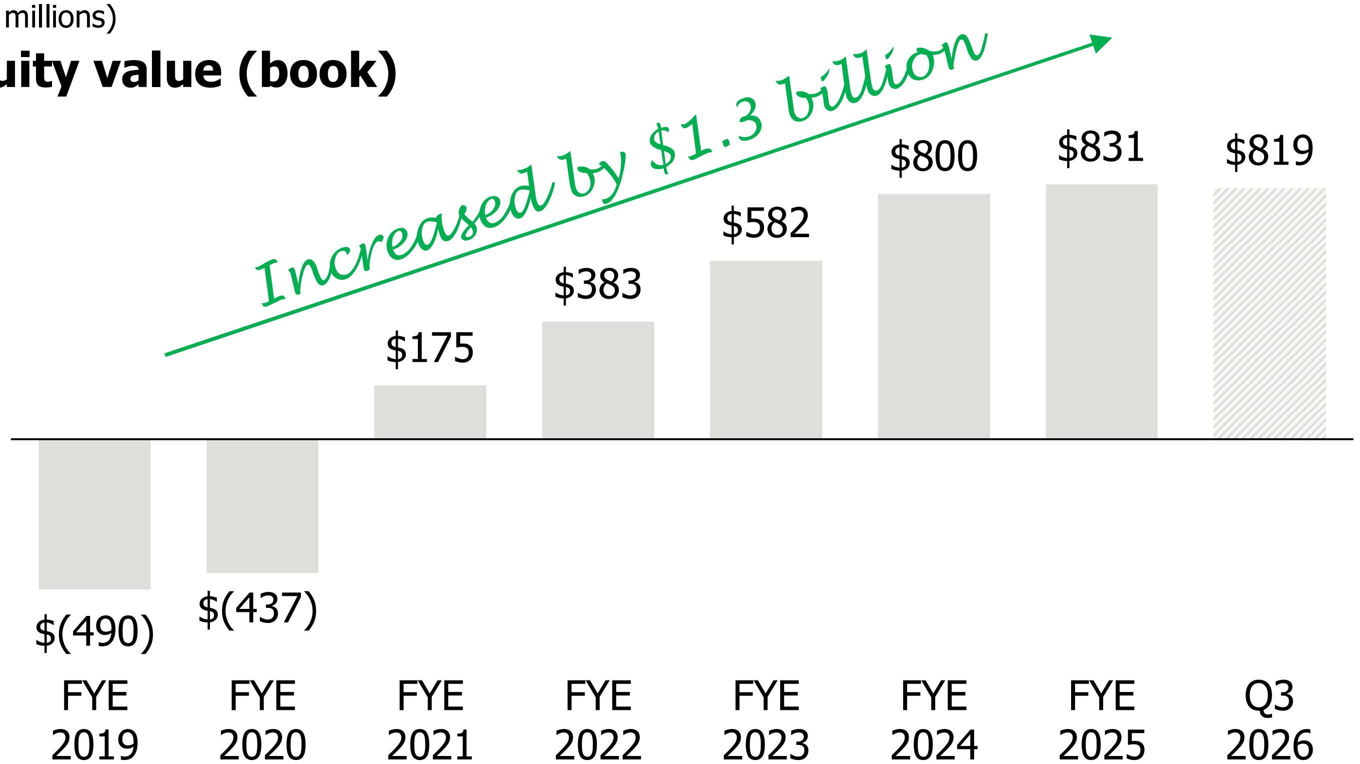


Note: Shown on a fiscal year basis, at face value.
Excludes non-recourse mortgages.
(1) $0 balance as of July 31, 2026.

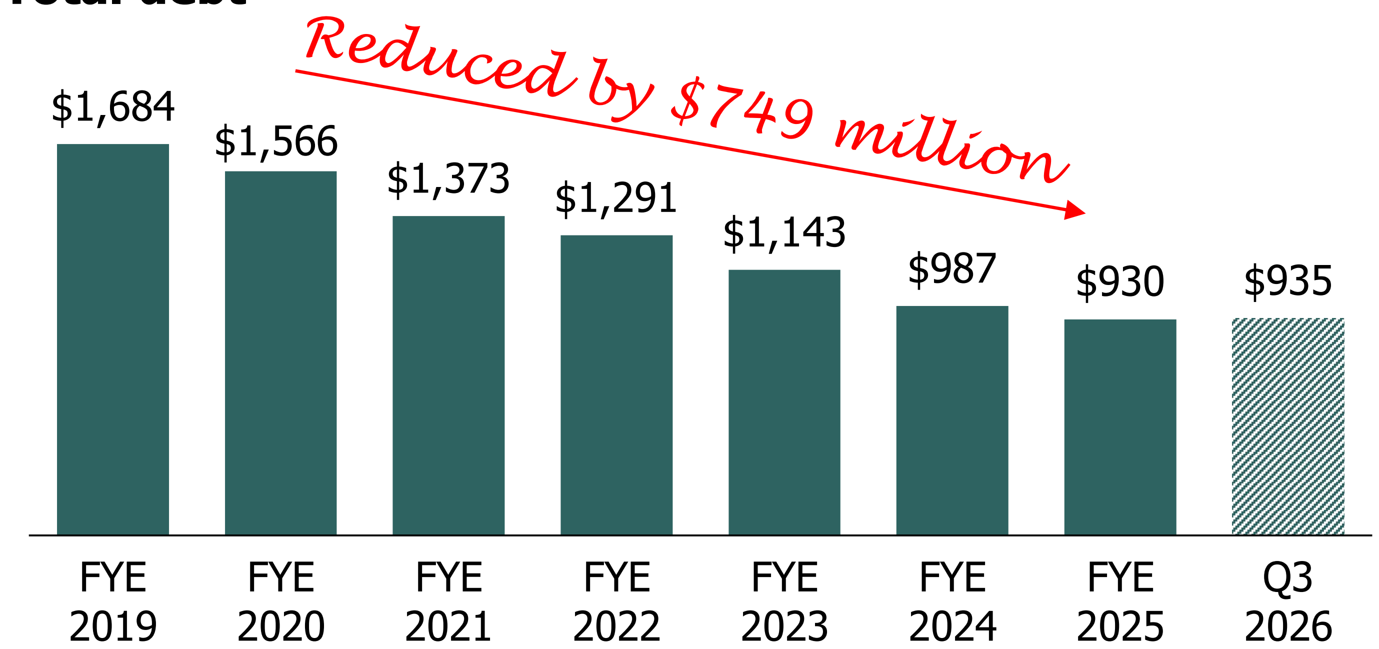
Balance Sheet Metrics

($ in millions)

Equity value (book)

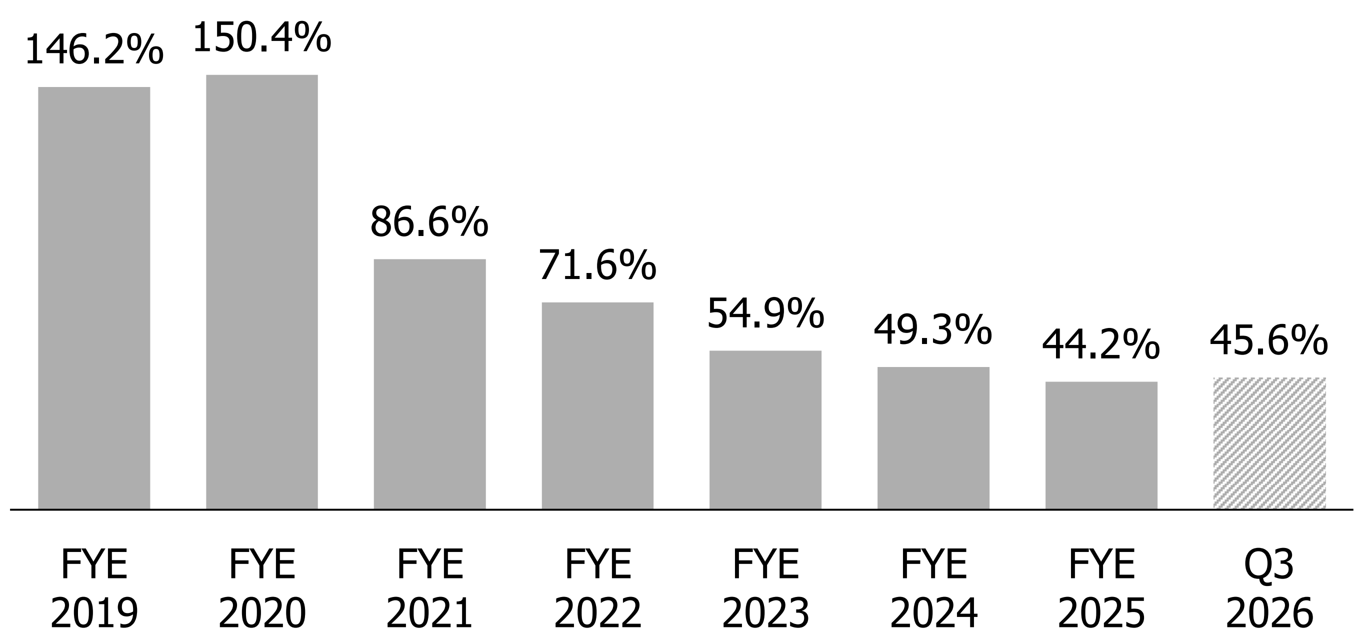


Total debt



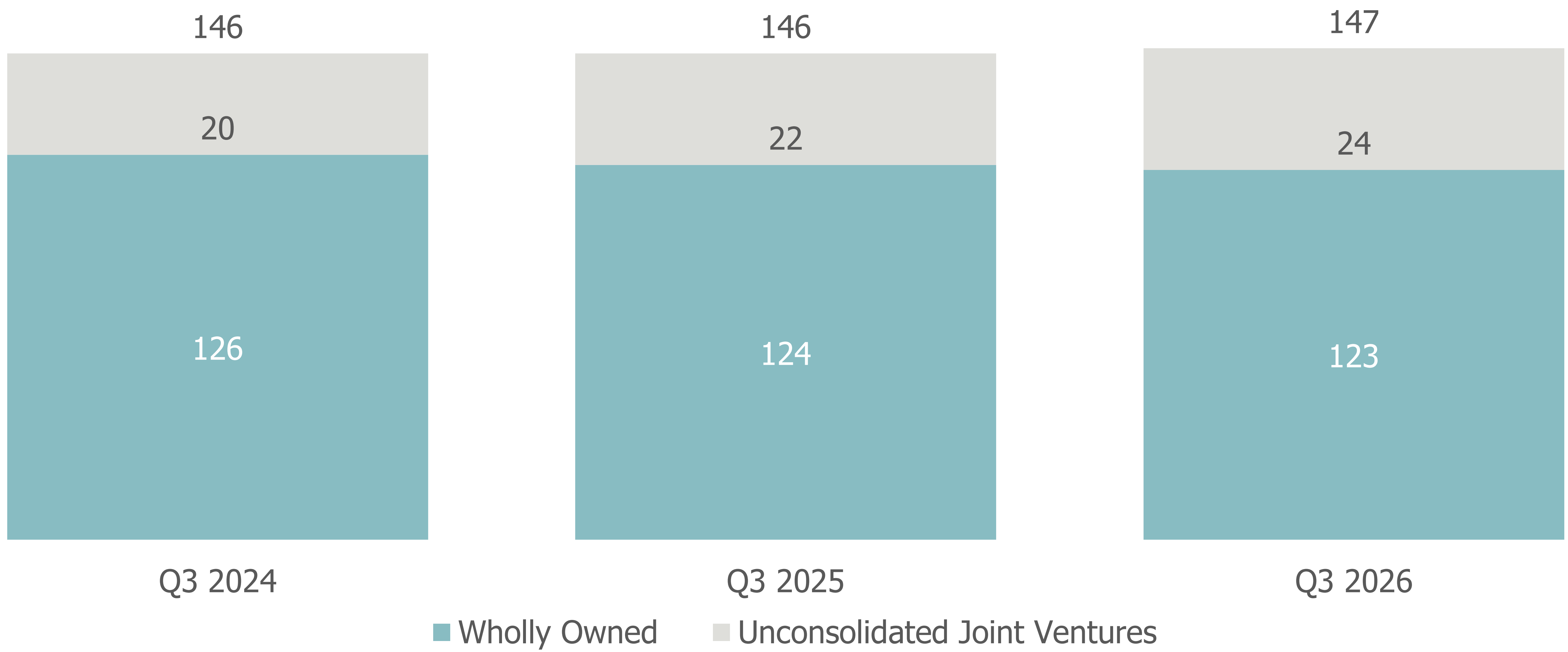
Net debt to net capitalization

Goal: 30%



Community Count

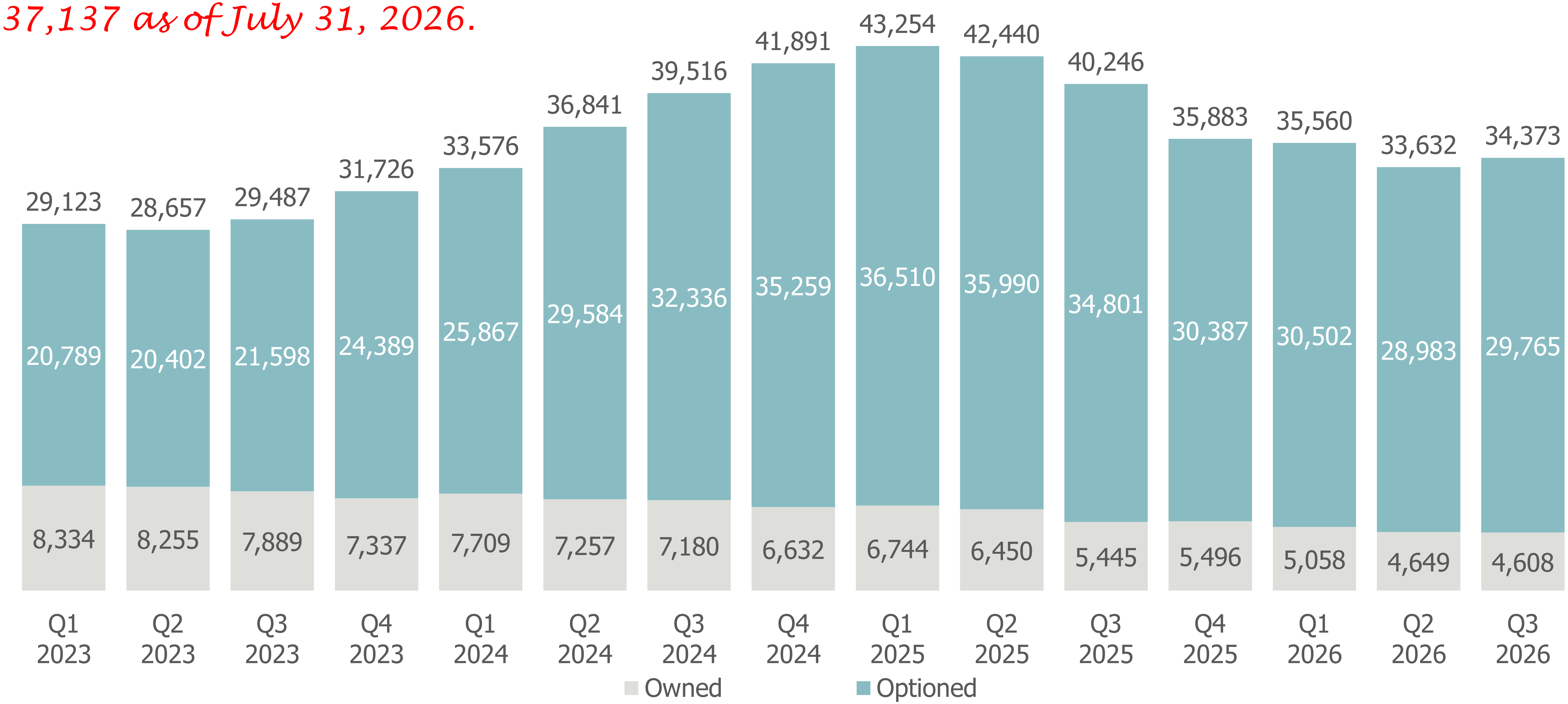
Community count expected to grow further in fiscal 2026.



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.

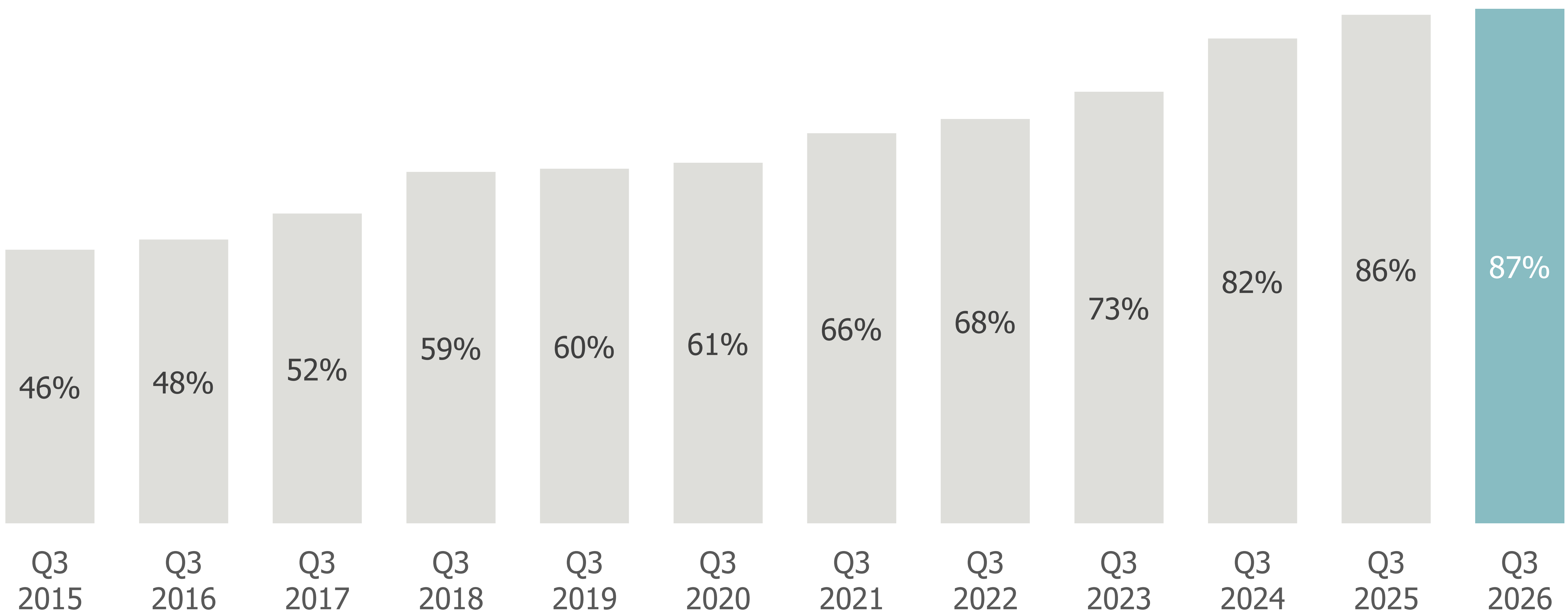
Lots Controlled

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



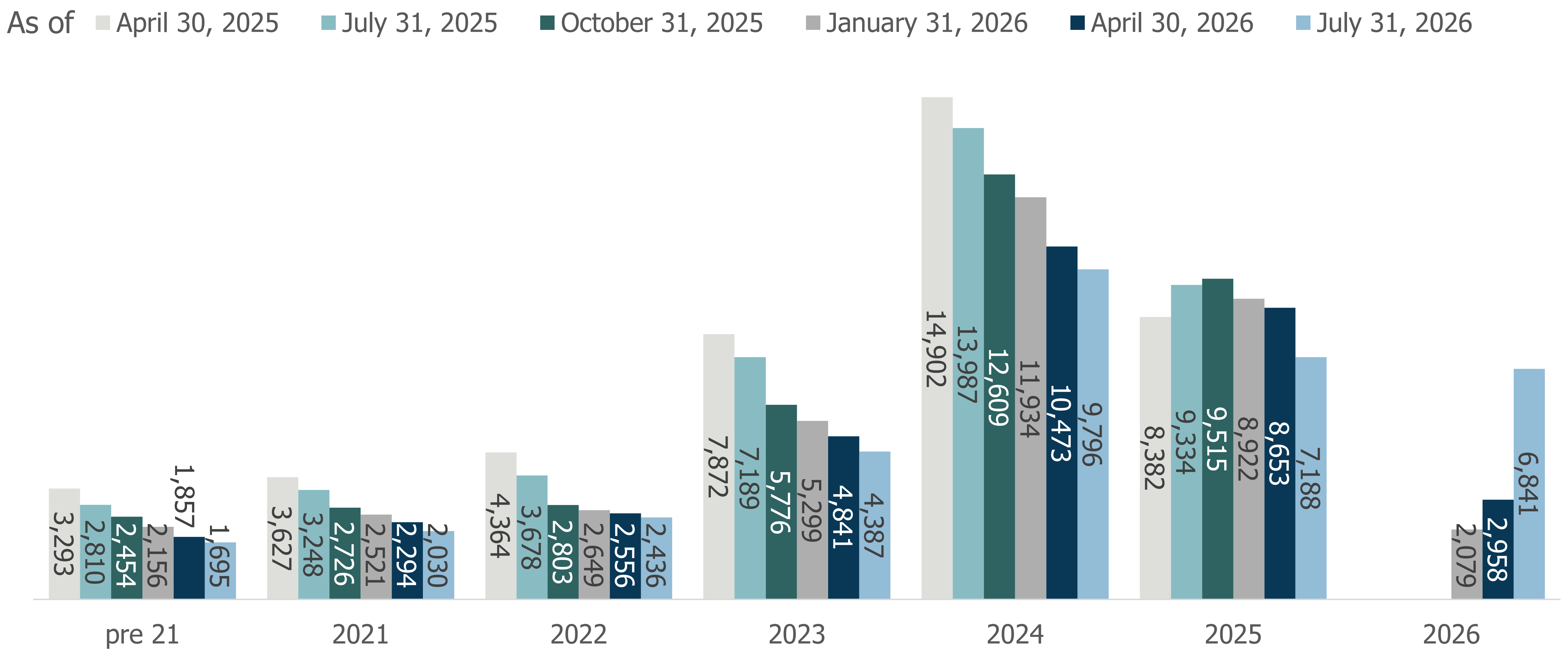
Note: Excludes HOV Global (Kingdom of Saudi Arabia) operations.
Note: Excludes unconsolidated joint ventures.

Percentage of Optioned Lots



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

Lot Vintage



% 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.

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.
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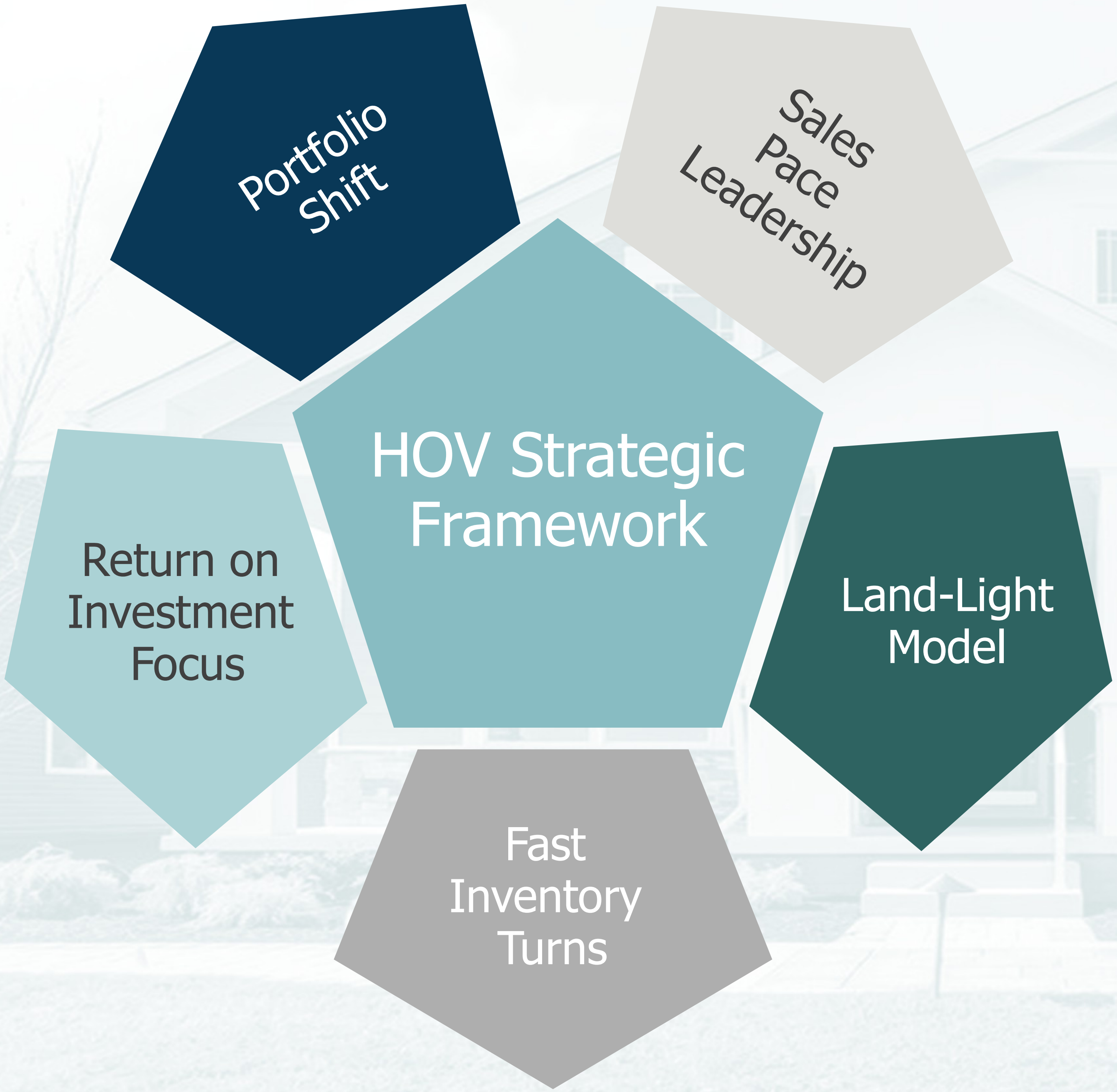


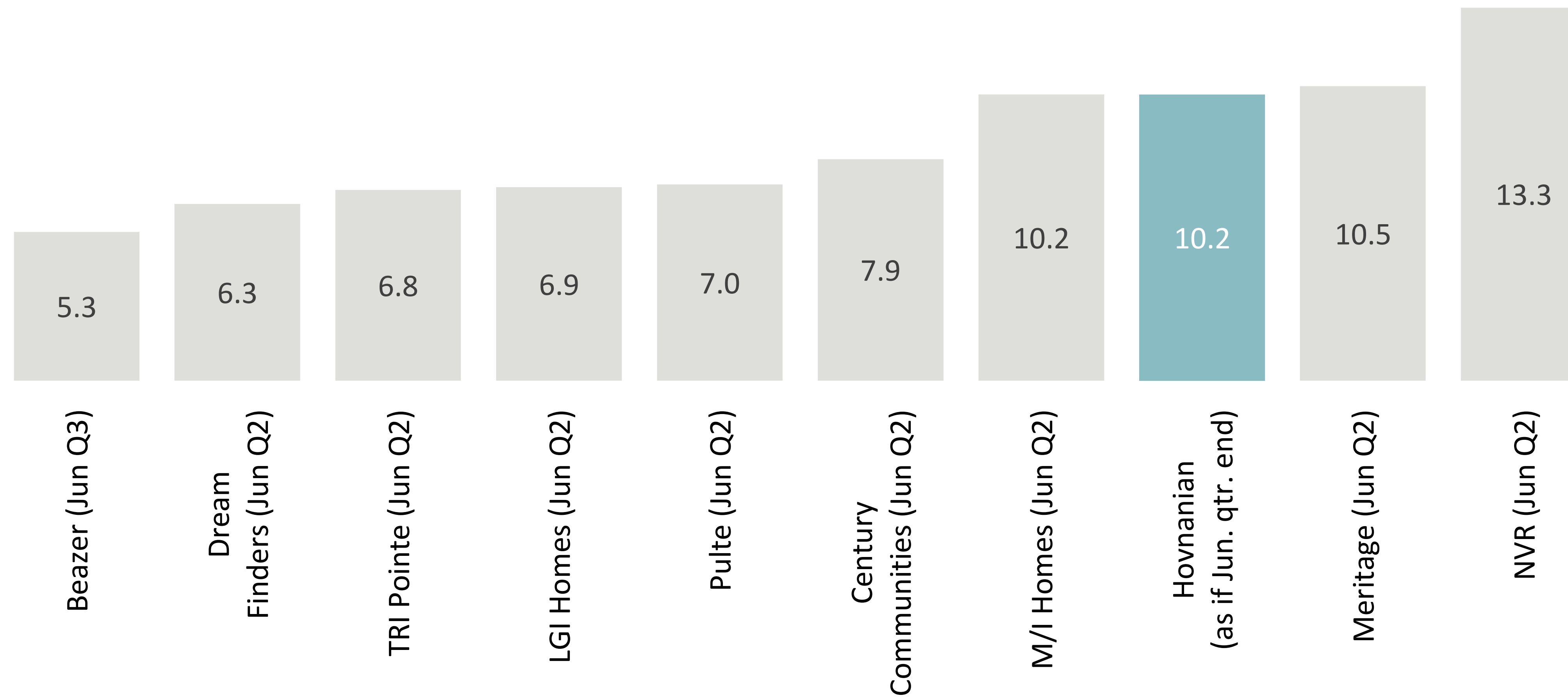
Sales Pace Leadership	Share Gain
Land-Light Model	Capital Efficiency
Fast Inventory Turns	Execution Advantage
Return on Investment Focus	Value Creation
Portfolio Shift	Move Up/Away from Entry Level

Sales Pace Leadership

Share Gains

PILLAR 01 OF 05

Contracts Per Community – for quarter ended June 30, 2026

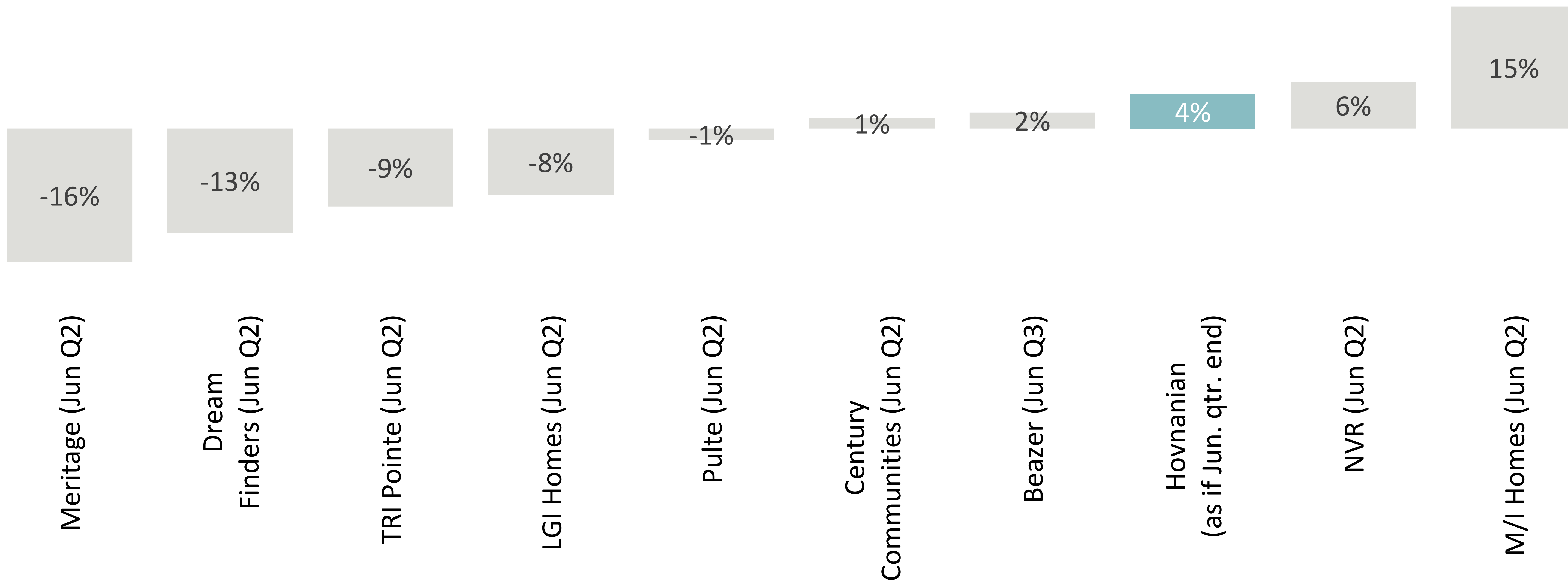


Note: Only peers with June quarter ends are shown on this slide.
Note: Hovnanian calculation excludes domestic unconsolidated joint venture contracts.

- 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.

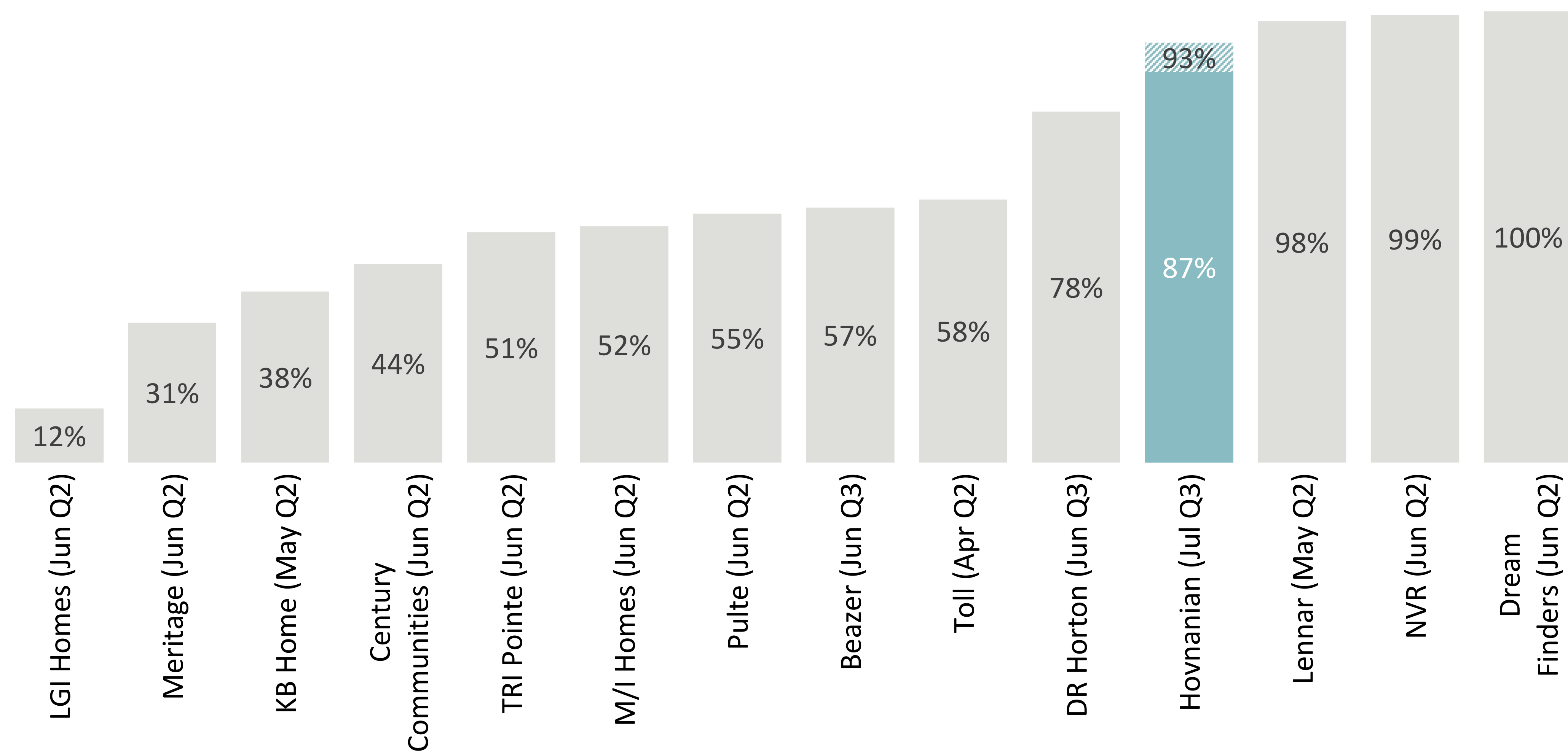
Land-Light Model

Capital Efficiency

PILLAR 02 OF 05

Leader in pivoting towards "asset-lite"

Hovnanian Enterprises, Inc.



- 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

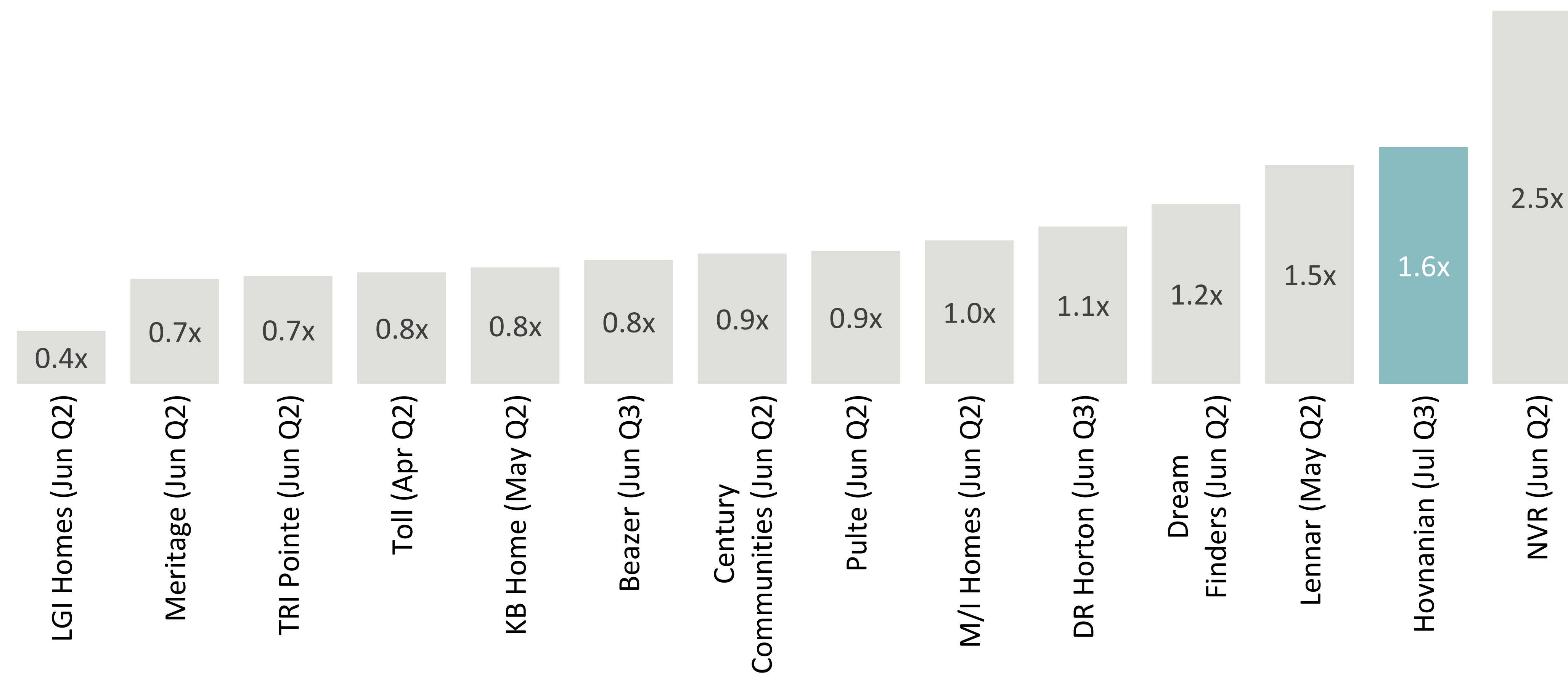
Execution Strategy

Fast Inventory Turns

PILLAR 03 OF 05

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

Hovnanian Enterprises, Inc.



- 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

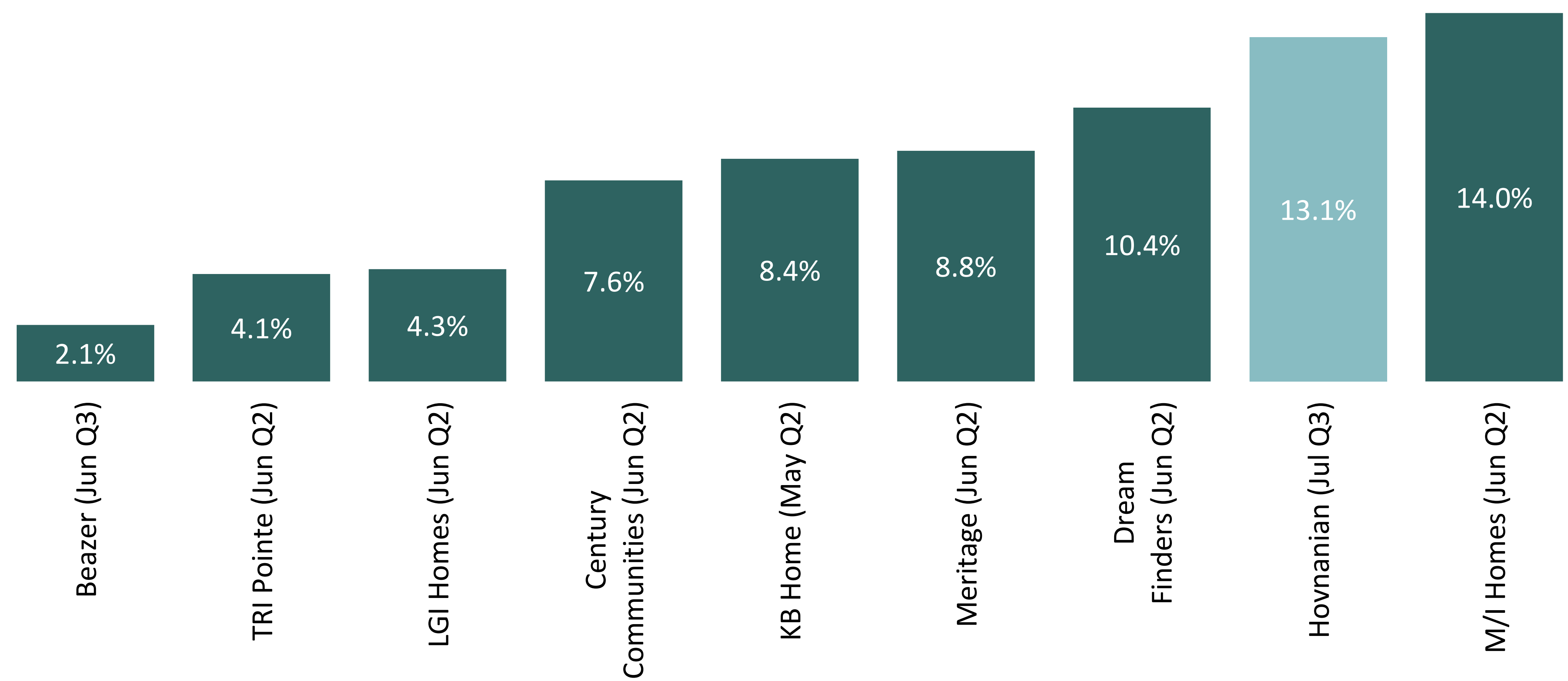
Value Creation

Return on Investment Focus

PILLAR 04 OF 05

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

Hovnanian Enterprises, Inc.



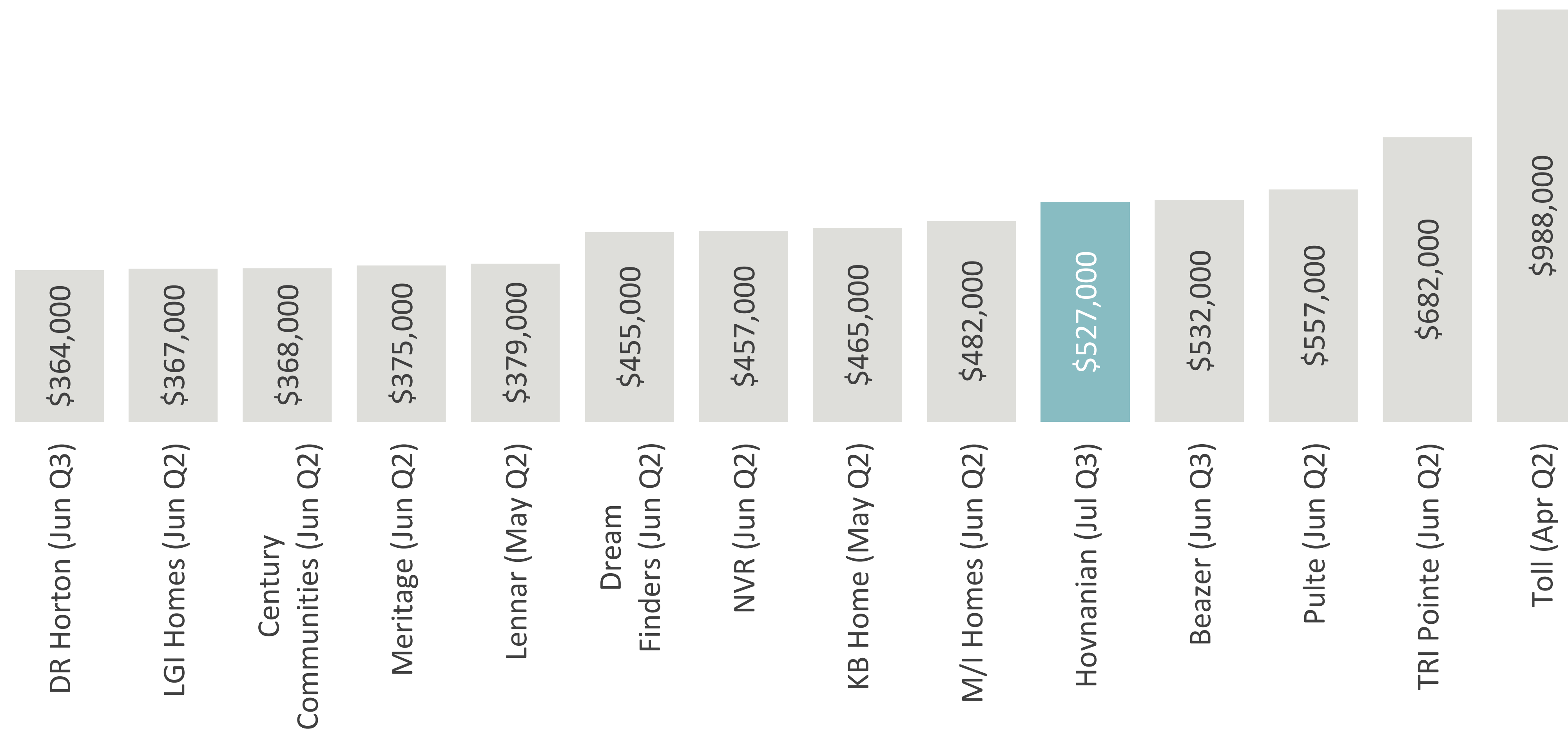
- Evaluate every decision through the lens of inventory and capital returns
- Allocate capital to the highest-returning communities and opportunities
- Balance growth, margins and cash flow to maximize long-term value creation

Move Up Market

Portfolio Shift

Average sales price of deliveries, last twelve months

Hovnanian Enterprises, Inc.

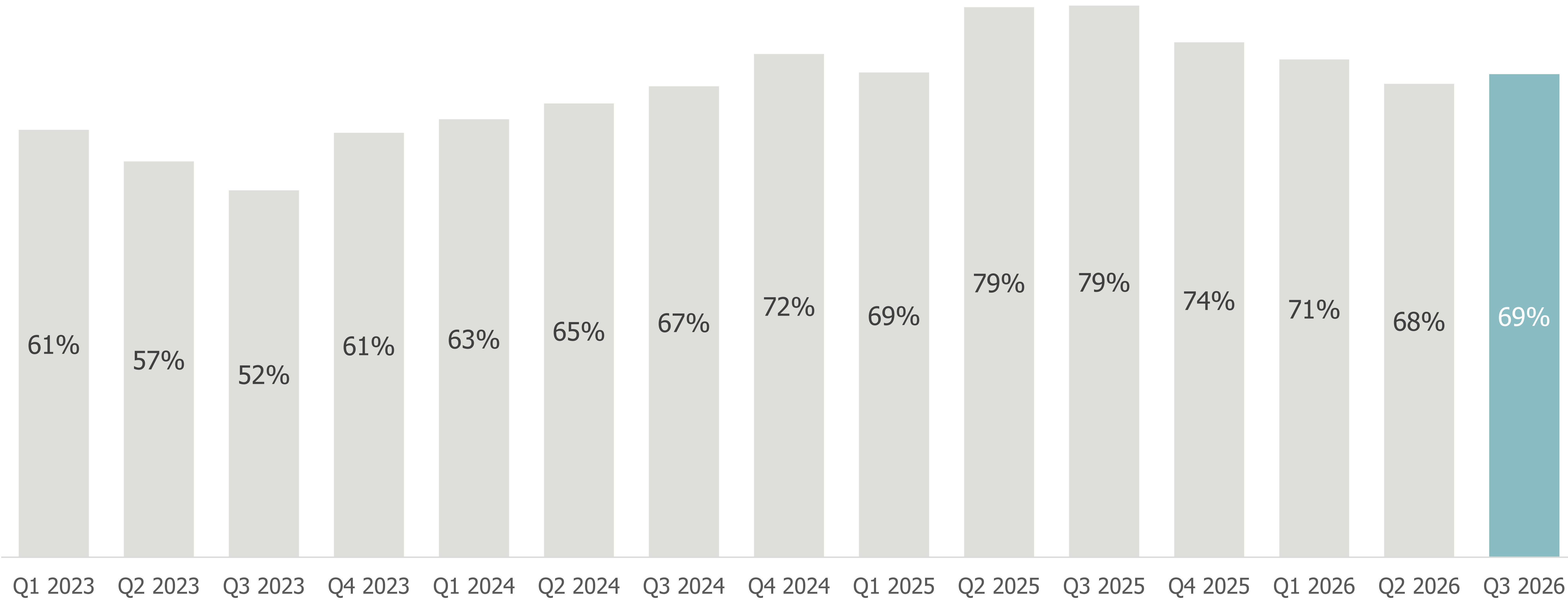


- Reduce exposure to highly competitive entry-level price points
- Focus on move-up and higher-value buyer segments, including active lifestyle communities
- Differentiate communities through elevated design, quality and included features

Appendix

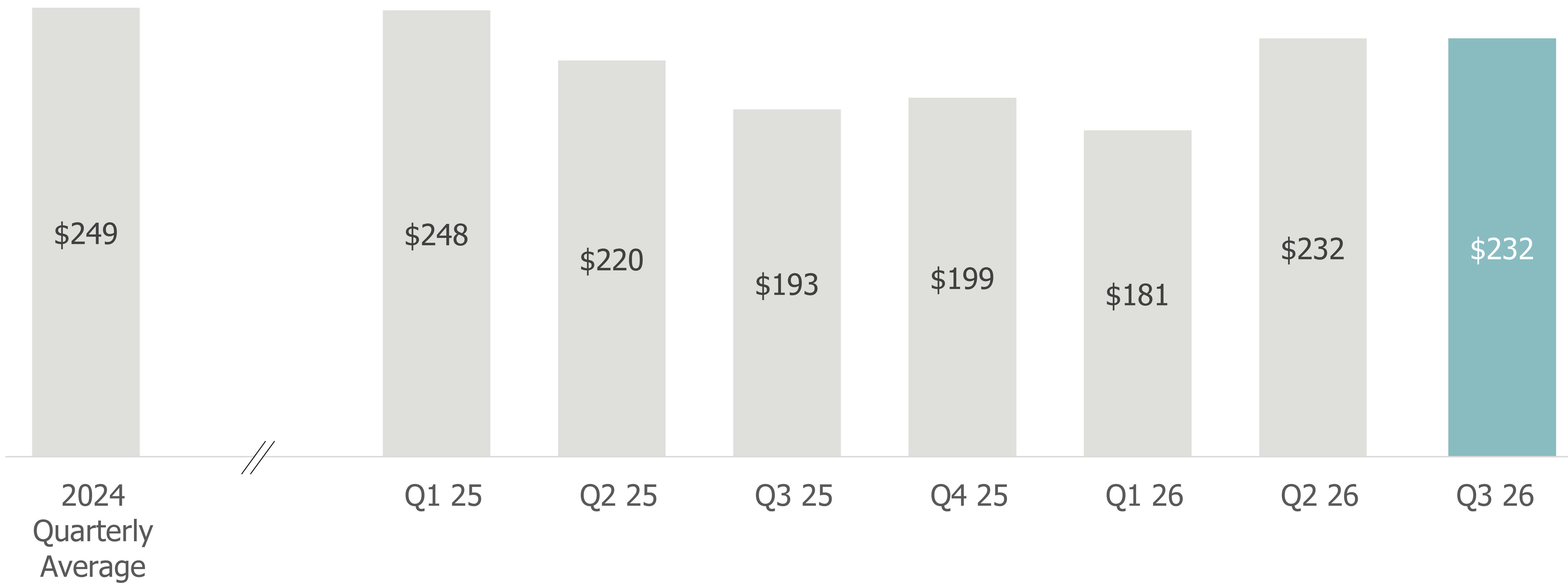
Subtle shift to more to-be-built homes

QMIs as a percentage of gross contracts



Quarterly Land and Land Development Spend

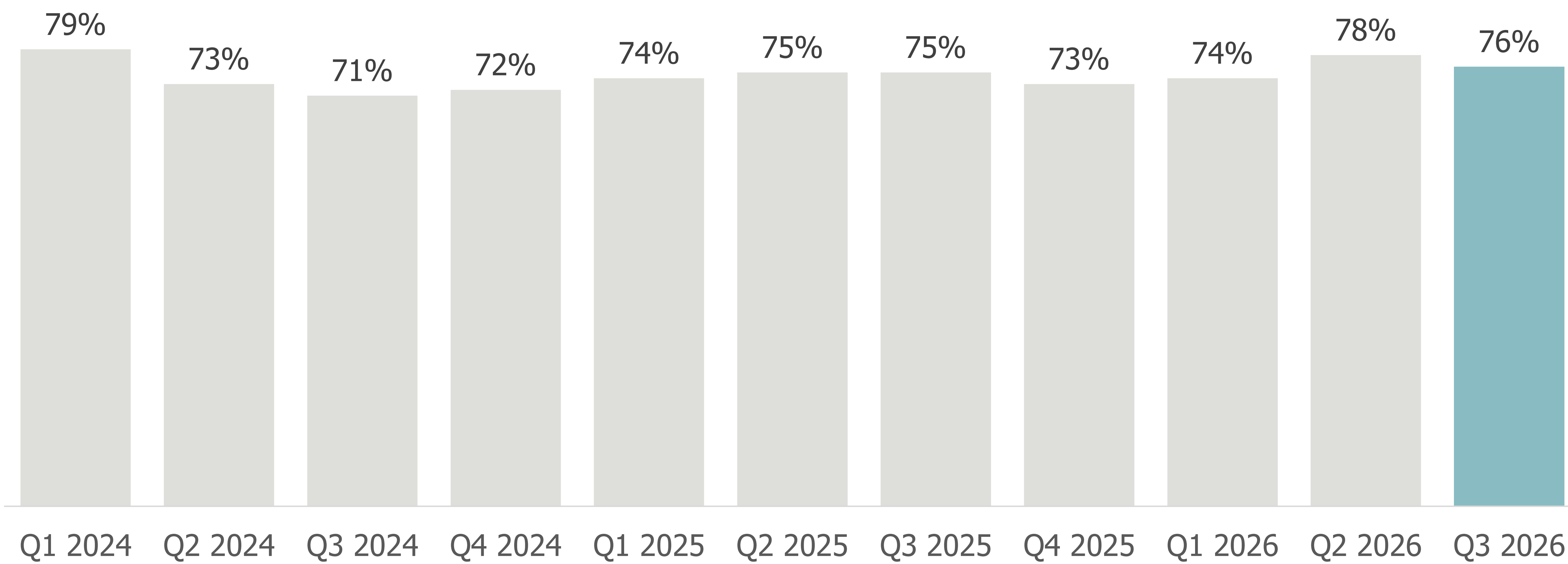
($ in millions)



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

Percentage of Our Homebuyers That Used Buydowns

Hovnanian Enterprises, Inc.



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

Land Positions by Geographic Segment

Hovnanian Enterprises, Inc.

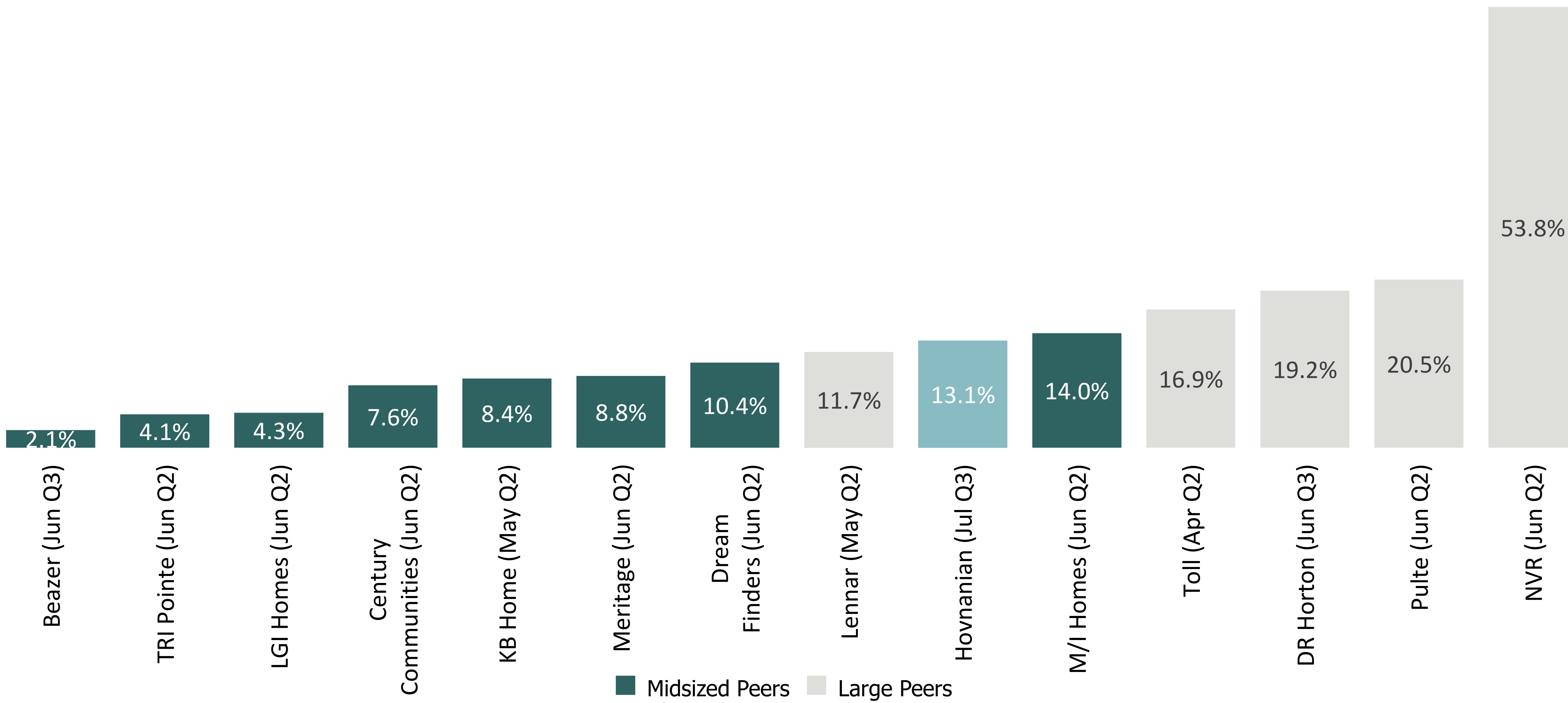
July 31, 2026

Segment	Owned: Excluding Mothballed Lots	Owned: 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**

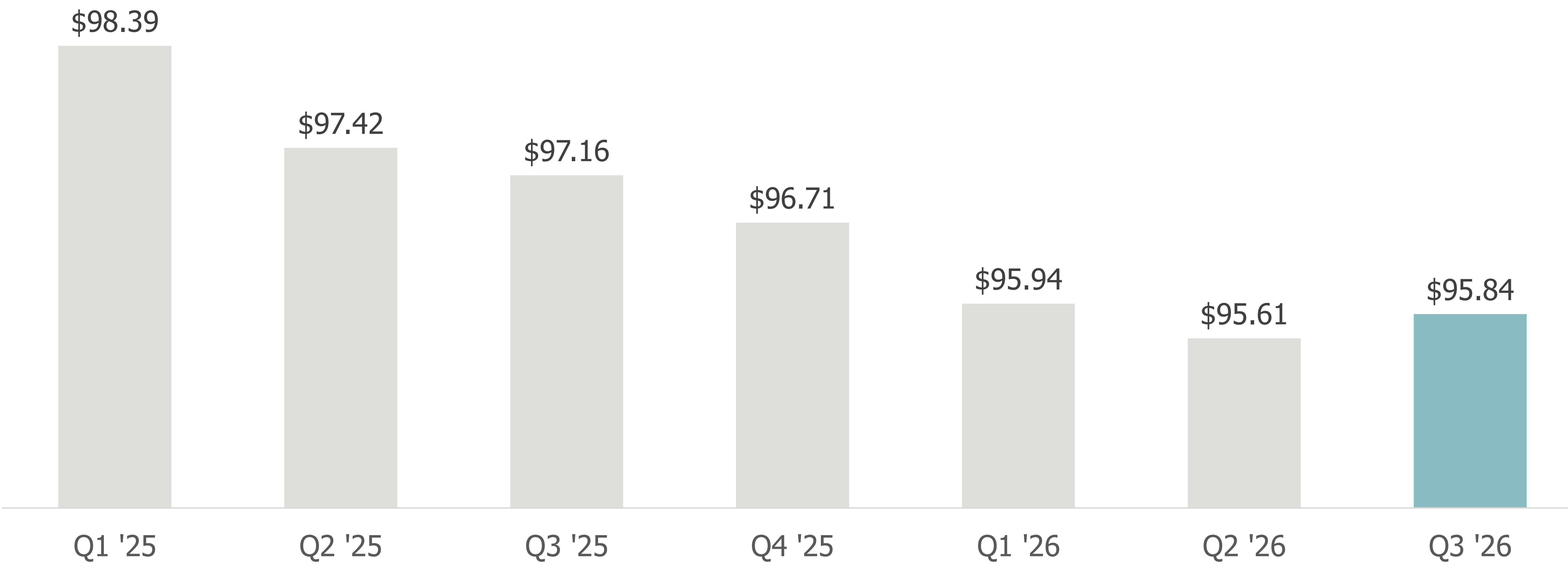
Note: Option deposits and pre-development expenses refers to consolidated optioned lots.
Note: Excludes our HOV Global (Kingdom of Saudi Arabia) operations which owned 340 lots, optioned 2,728 lots and had $142.7 million invested in pre-development expenses as of July 31, 2026.

Adjusted EBIT ROI, Last Twelve Months

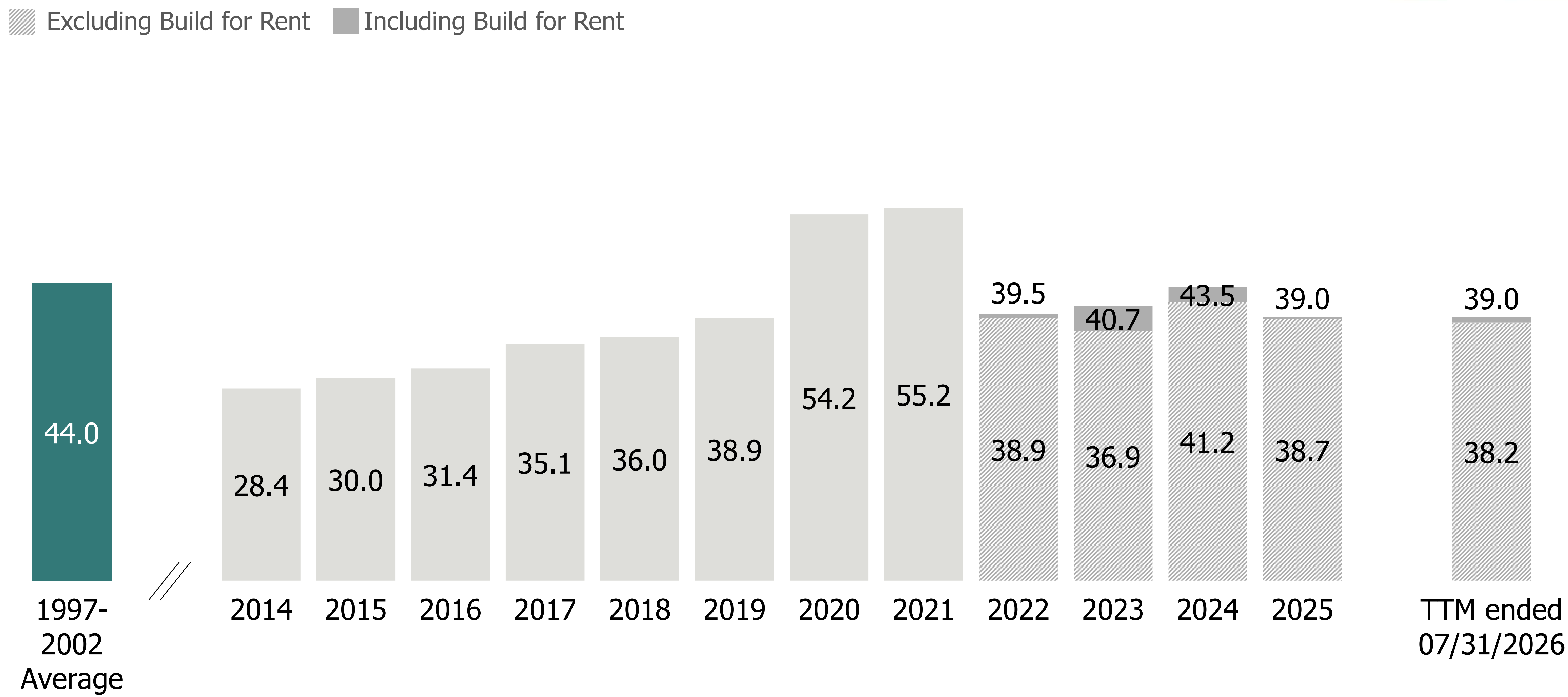


Source: Peer SEC filings and press releases as of 08/20/2026.
Note: Defined as LTM Total Company EBIT before land-related charges and gain (loss) on extinguishment of debt divided by five quarter average inventory, excluding capitalized interest and liabilities from inventory not owned, includes goodwill definite life intangibles assets and includes investments in and advances to unconsolidated joint ventures.

Base Construction & Option Costs Per Square Foot



Annual Contracts Per Community



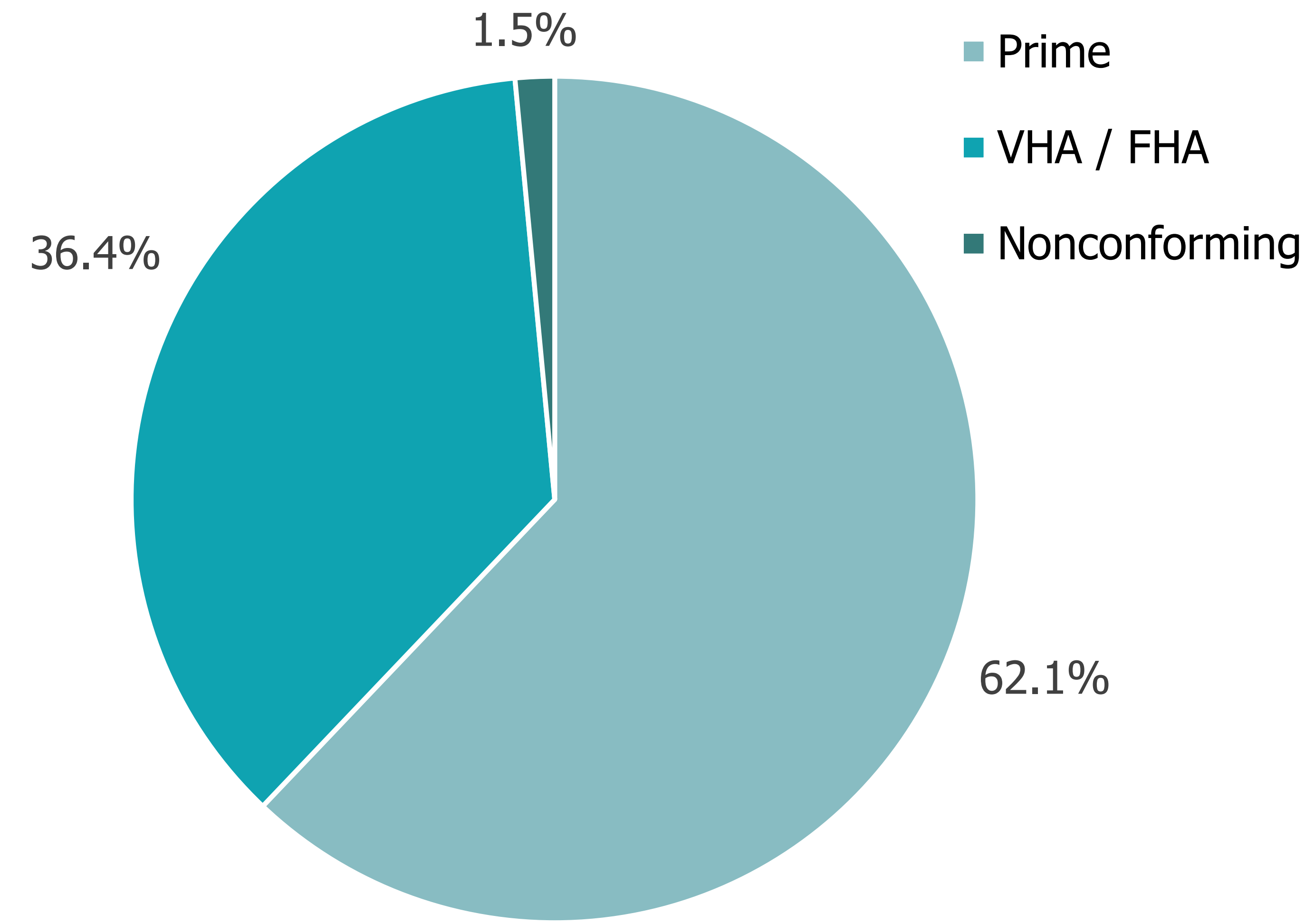
Note: Annual Contracts per Community calculated based on a five-quarter average of communities, excluding unconsolidated joint ventures and HOV Global (Kingdom of Saudi Arabia).

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%

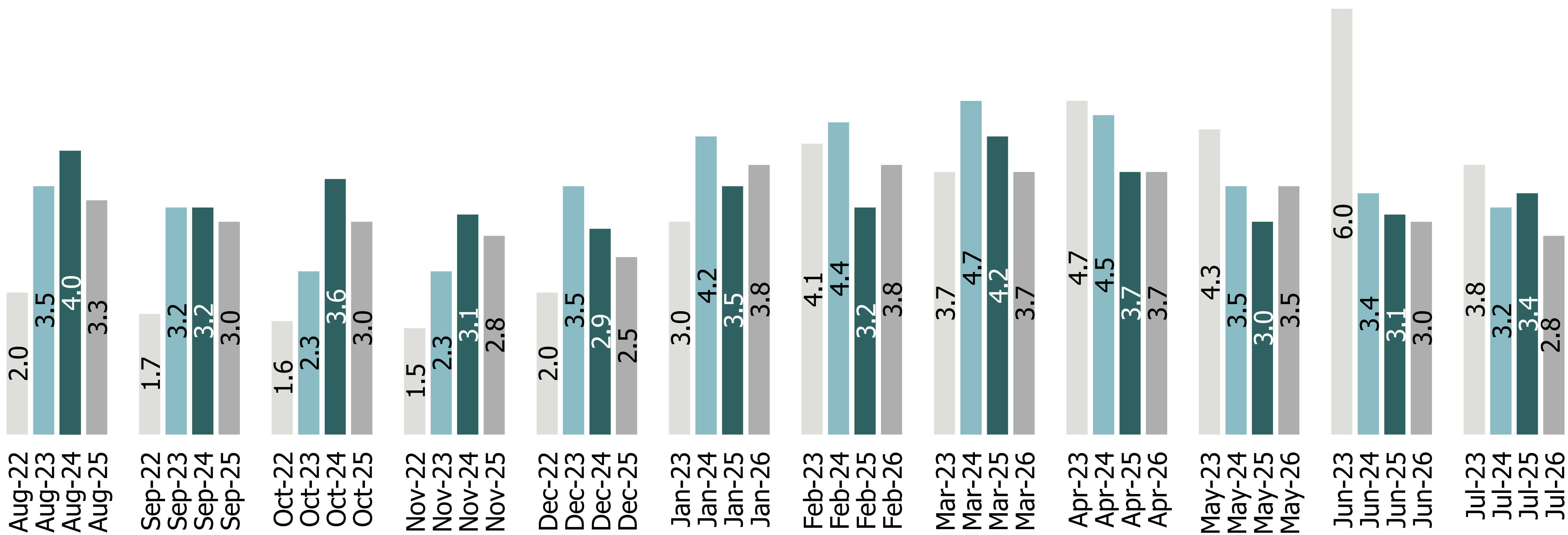
Note: Loans originated by our wholly-owned mortgage banking subsidiary.

Monthly Traffic per Community

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

Number of Monthly Contracts Per Community, Excludes Unconsolidated Joint Ventures

Hovnanian Enterprises, Inc.



Number of Sundays	4	4	4	5	4	4	5	4	5	5	4	4	4	4	4	5
	Aug-22	Aug-23	Aug-24	Aug-25	Sep-22	Sep-23	Sep-24	Sep-25	Oct-22	Oct-23	Oct-24	Oct-25	Nov-22	Nov-23	Nov-24	Nov-25
Monthly contracts	215	352	490	407	192	324	399	386	195	262	466	416	182	260	400	397

Number of Sundays	4	5	5	4	5	4	4	4	4	4	4	4	4	5	5	5
	Dec-22	Dec-23	Dec-24	Dec-25	Jan-23	Jan-24	Jan-25	Jan-26	Feb-23	Feb-24	Feb-25	Feb-26	Mar-23	Mar-24	Mar-25	Dec-25
Monthly contracts	238	374	372	352	368	493	433	493	504	504	415	477	442	513	523	469

Number of Sundays	5	4	4	4	4	4	4	5	4	5	5	4	5	4	4	4
	Apr-23	Apr-24	Apr-25	Jan-26	May-23	May-24	May-25	May-26	Jun-23	Jun-24	Jun-25	Jun-26	Jul-23	Jul-24	Jul-25	Jul-26
Monthly contracts	531	495	460	466	456	397	386	434	603	393	399	378	385	402	426	343

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

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.

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 Return on Adjusted Investment

Hovnanian Enterprises, Inc.
July 31, 2026
Reconciliation of Adjusted EBIT Return on Adjusted Investment
(in thousands)

		For the quarter ended				TTM ended
		10/31/2025	1/31/2026	4/30/2026	7/31/2026	7/31/2026
Net (loss) income		$(667)	$20,859	$(595)	$(2,215)	$17,382
	As of					Five Quarter
	7/31/2025	10/31/2025	1/31/2026	4/30/2026	7/31/2026	Average
Total inventories	$1,692,932	$1,637,470	$1,647,970	$1,723,587	$1,794,444	$1,699,281
Return on Inventory						1.0%

	For the quarter ended				TTM ended
	10/31/2025	1/31/2026	4/30/2026	7/31/2026	7/31/2026
Net (loss) income	$(667)	$20,859	$(595)	$(2,215)	$17,382
(Benefit) provision for income taxes	(3,441)	7,843	934	(560)	4,776
Interest expense	34,443	28,749	28,456	30,475	122,123
EBIT (1)	30,335	57,451	28,795	27,700	144,281
Inventory impairments and land option write-offs	19,430	2,359	8,750	493	31,032
Loss on extinguishment of debt, net	33,512	-	-	-	33,512
Adjusted EBIT (2)	$83,277	$59,810	$37,545	$28,193	$208,825

	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	
Less Liabilities from inventory not owned, net of debt issuance costs	(236,644)	(244,723)	(235,945)	(253,441)	(228,622)	
Less Interest capitalized at end of period	(48,139)	(43,263)	(43,397)	(46,736)	(46,483)	
Plus Investments in and advances to unconsolidated joint ventures	218,356	163,469	146,631	148,480	155,086	Five Quarter
Plus Goodwill	-	-	31,705	31,705	31,705	Average
Adjusted Investment (3)	$1,626,505	$1,512,953	$1,546,964	$1,603,595	$1,706,130	$1,599,229
Adjusted EBIT Return on Adjusted Investment (4)						13.1%

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

(3) Adjusted Investment is a non-GAAP financial measure. The most directly comparable GAAP financial measure is total inventories. Adjusted Investment represents 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.

(4) The ratio of Adjusted EBIT Return on Adjusted Investment is a non-GAAP financial measure. The most directly comparable GAAP financial measure is the ratio of net (loss) income to total inventories.

Key credit and balance sheet metrics reconciliations

Hovnanian Enterprises, Inc.

	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.

Hovnanian
Enterprises, Inc.