

*Hovnanian*  
*Enterprises, Inc.*

A photograph of a modern, two-story house with a large garage. The house features dark green vertical siding and white trim. The garage doors are white with a decorative pattern and are illuminated from within. The main entrance has a bright yellow door and is also illuminated. The house is set against a dramatic sunset sky with purple and orange clouds. A large tree is visible on the right side of the house. The overall scene is well-lit, suggesting dusk or dawn.

# **Review of Financial Results Fourth Quarter Fiscal 2025**

# 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 because of 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, 2024 and the Company’s Quarterly Reports on Form 10-Q for the quarterly periods during fiscal 2025 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 (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 loss (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 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 income before income taxes, which is defined as (loss) income before income taxes excluding land-related charges and loss (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 income before income taxes to (loss) income before income taxes is presented in a table attached to this presentation.

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 presentation.

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 income return to total inventories. The presentation of the ratios of Adjusted EBIT ROI and net income return on inventory are presented in a table attached to this presentation.

Total liquidity is comprised of \$272.8 million of cash and cash equivalents, \$6.3 million of restricted cash required to collateralize letters of credit and \$125.0 million available under a senior secured revolving credit facility as of October 31, 2025.



**Recent company  
performance**

# Fourth Quarter Results Compared to Guidance

(\$ in millions)

	<u>Guidance</u> <u>Q4 2025<sup>(1)</sup></u>	<u>Actuals</u> <u>Q4 2025</u>
<b>Total Revenues</b>	<b>\$750 - \$850</b>	<b>\$818</b>
<b>Adjusted Homebuilding Gross Margin<sup>(2)</sup></b>	<b>15.0% - 16.5%</b>	<b>16.3%</b>
<b>Total SG&amp;A as Percentage of Total Revenues<sup>(3)</sup></b>	<b>11.0% - 12.0%</b>	<b>11.2%</b>
<b>Income from Unconsolidated Joint Ventures</b>	<b>\$8 - \$12</b>	<b>\$13</b>
<b>Adjusted EBITDA<sup>(4)</sup></b>	<b>\$77 - \$87</b>	<b>\$89</b>
<b>Adjusted Income Before Income Taxes<sup>(5)</sup></b>	<b>\$45 - \$55</b>	<b>\$49</b>

(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 \$119.47, which was the price at the end of the third quarter of fiscal year 2025.

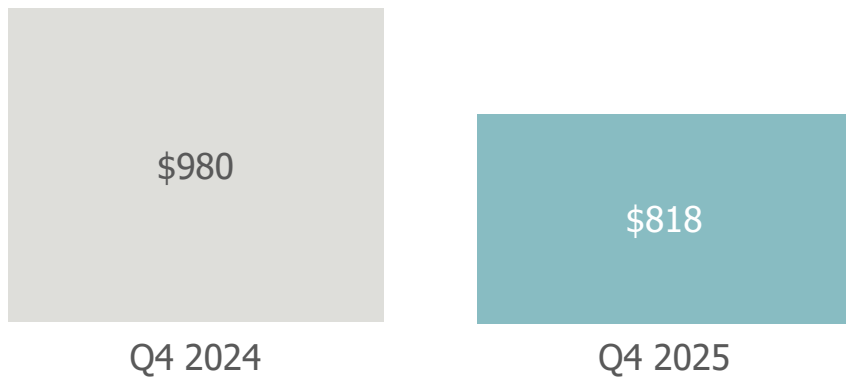
(4) Adjusted EBITDA is a non-GAAP financial measure. The most directly comparable GAAP financial measure is net (loss) income. Adjusted EBITDA represents earnings before interest expense, income taxes, depreciation, amortization, land-related charges and loss (gain) on extinguishment of debt, net. See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

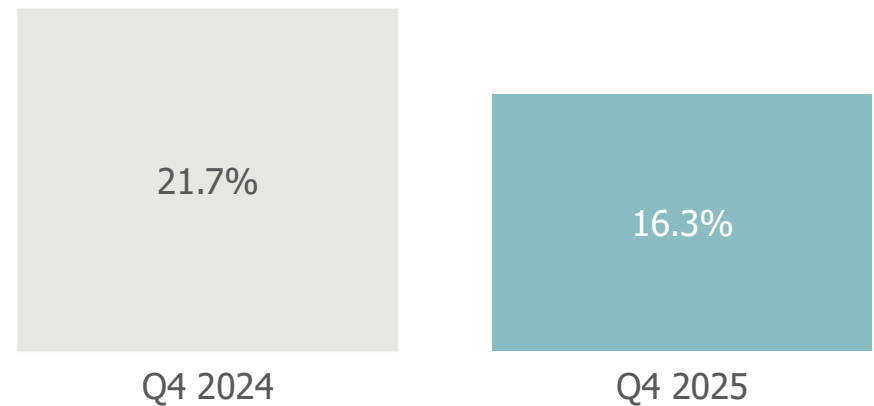
# Fourth Quarter Results Compared to Last Year

(\$ in millions)

## Total Revenues



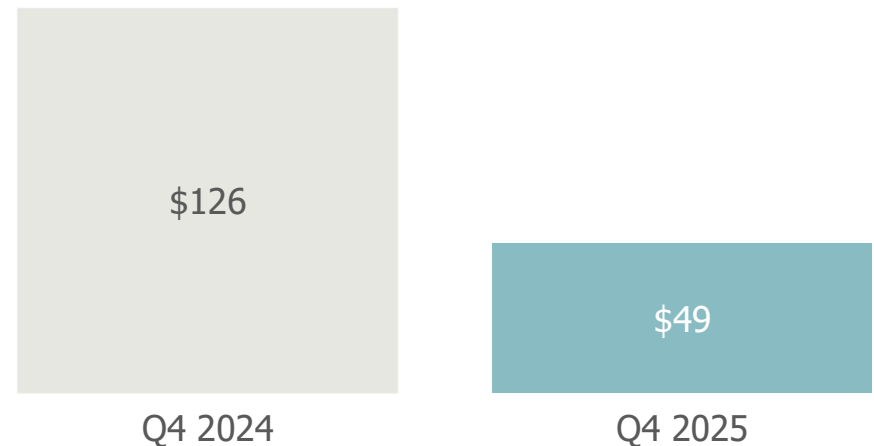
## Adjusted Gross Margin<sup>(1)</sup>



## Total Interest Expense as a Percentage of Total Revenues



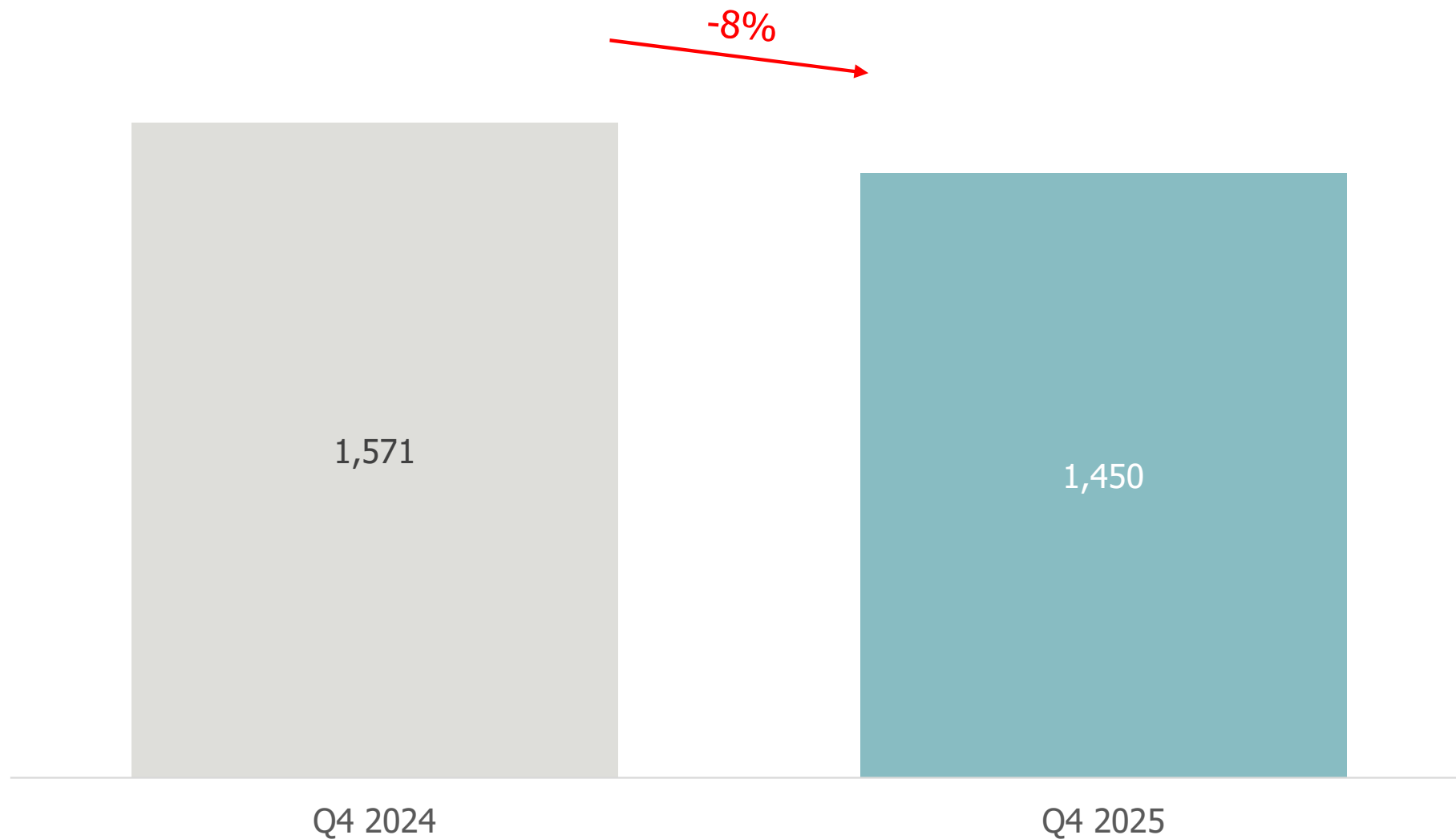
## Adjusted Income Before Income Taxes<sup>(2)</sup>



(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) 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.

# Contracts, including domestic unconsolidated joint ventures



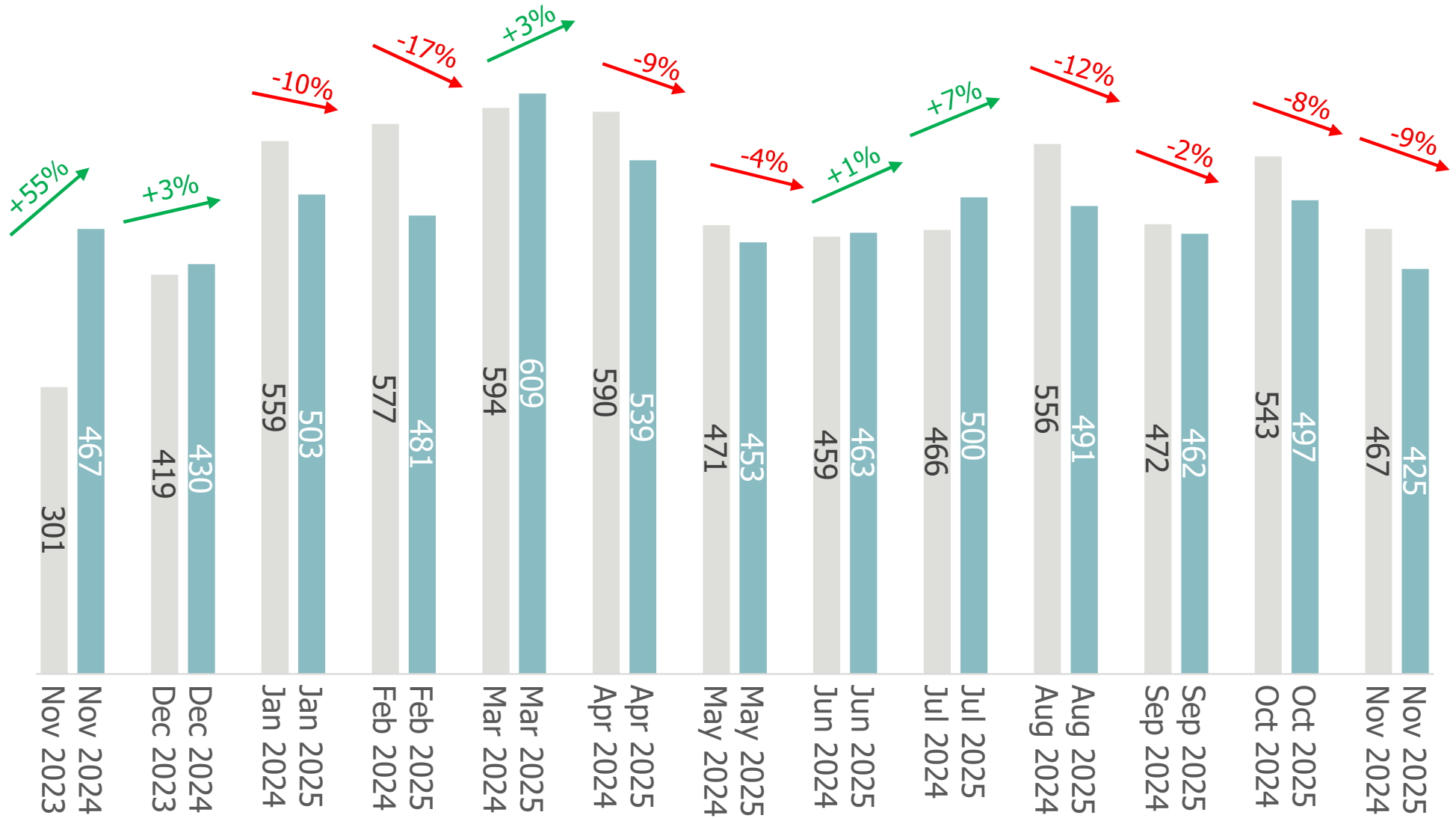
*Note: Includes domestic unconsolidated joint venture contracts.*

# Traffic per Community



*Note: Includes domestic unconsolidated joint venture communities.*

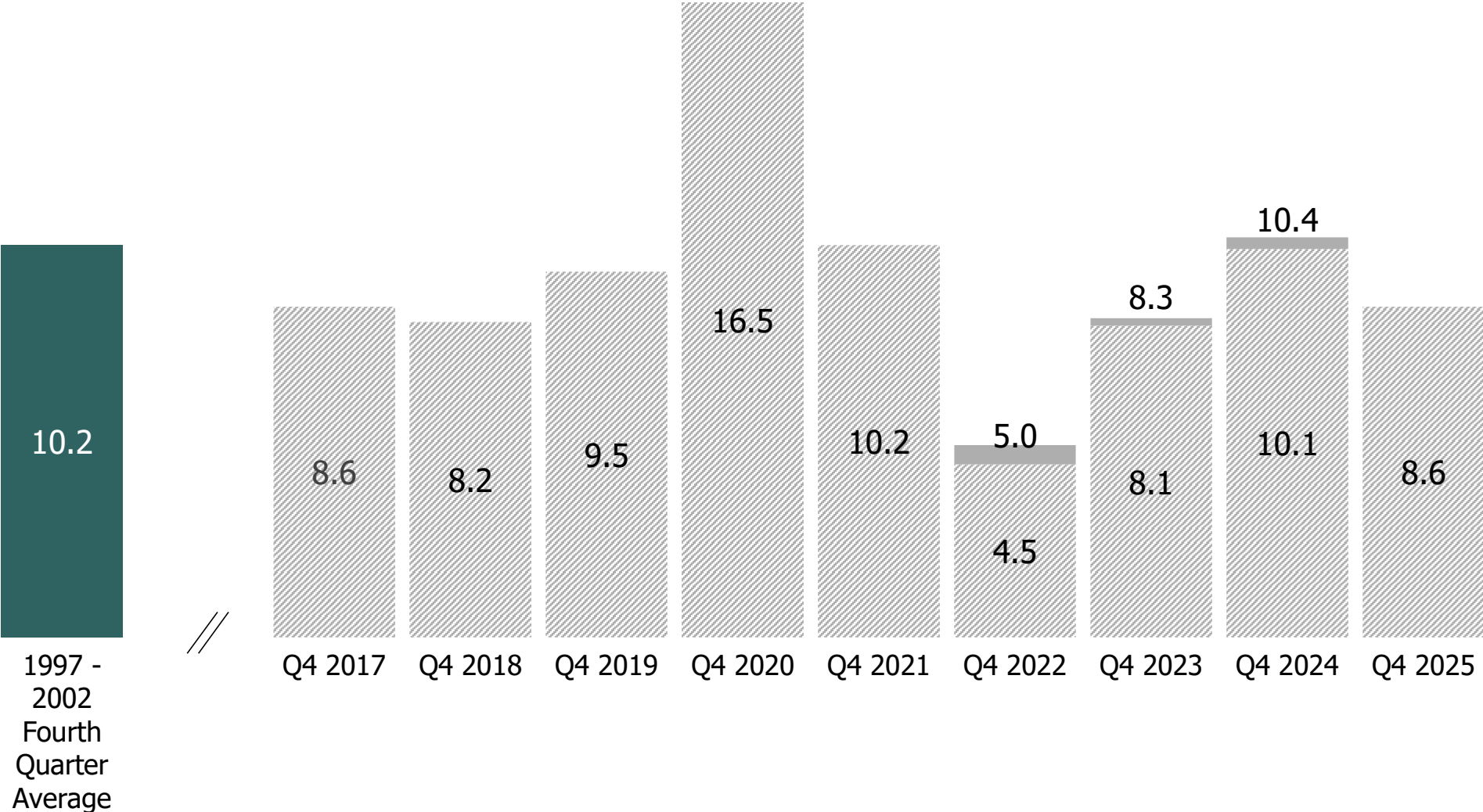
# Monthly contracts



Note: Includes domestic unconsolidated joint venture contracts.

# Quarterly Contracts Per Community

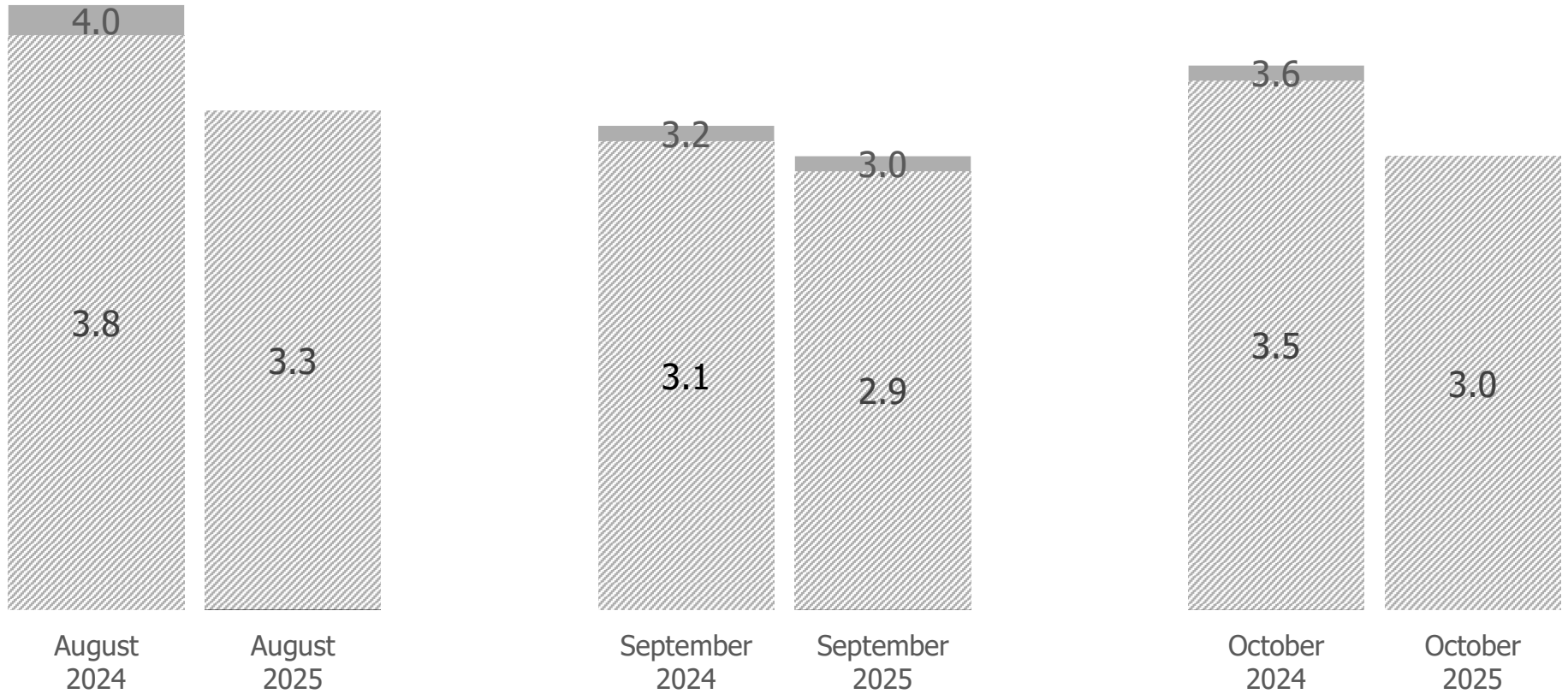
▨ Excluding Build for Rent    ■ Including Build for Rent



*Note: Excludes unconsolidated joint ventures.*

# Contracts Per Community

▨ Excluding Build for Rent    ■ Including Build for Rent



Number  
Of  
Sundays

4

5

5

4

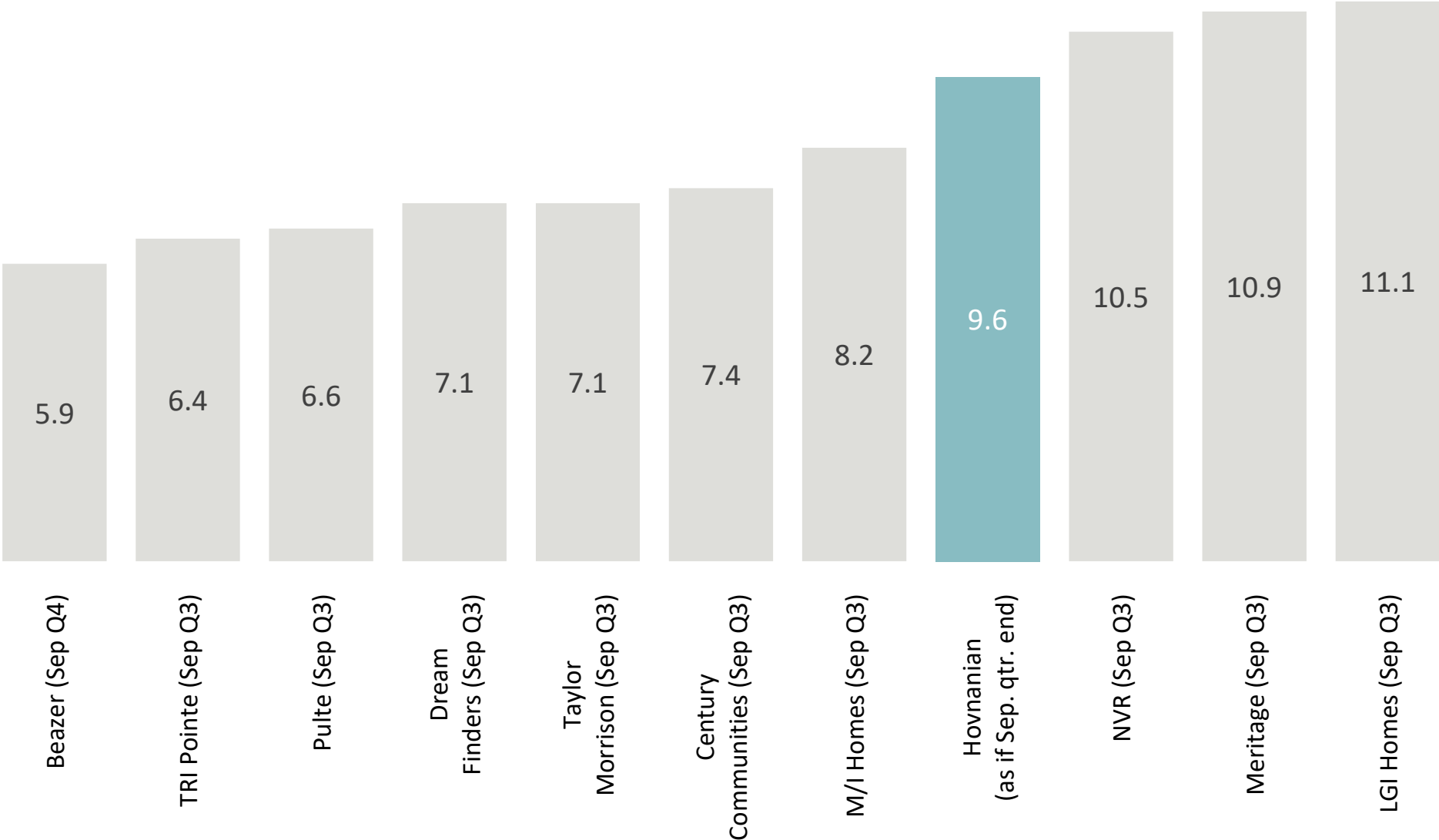
4

4

*Note: Excludes unconsolidated joint ventures.*

# Contracts Per Community – Most Recent Quarter

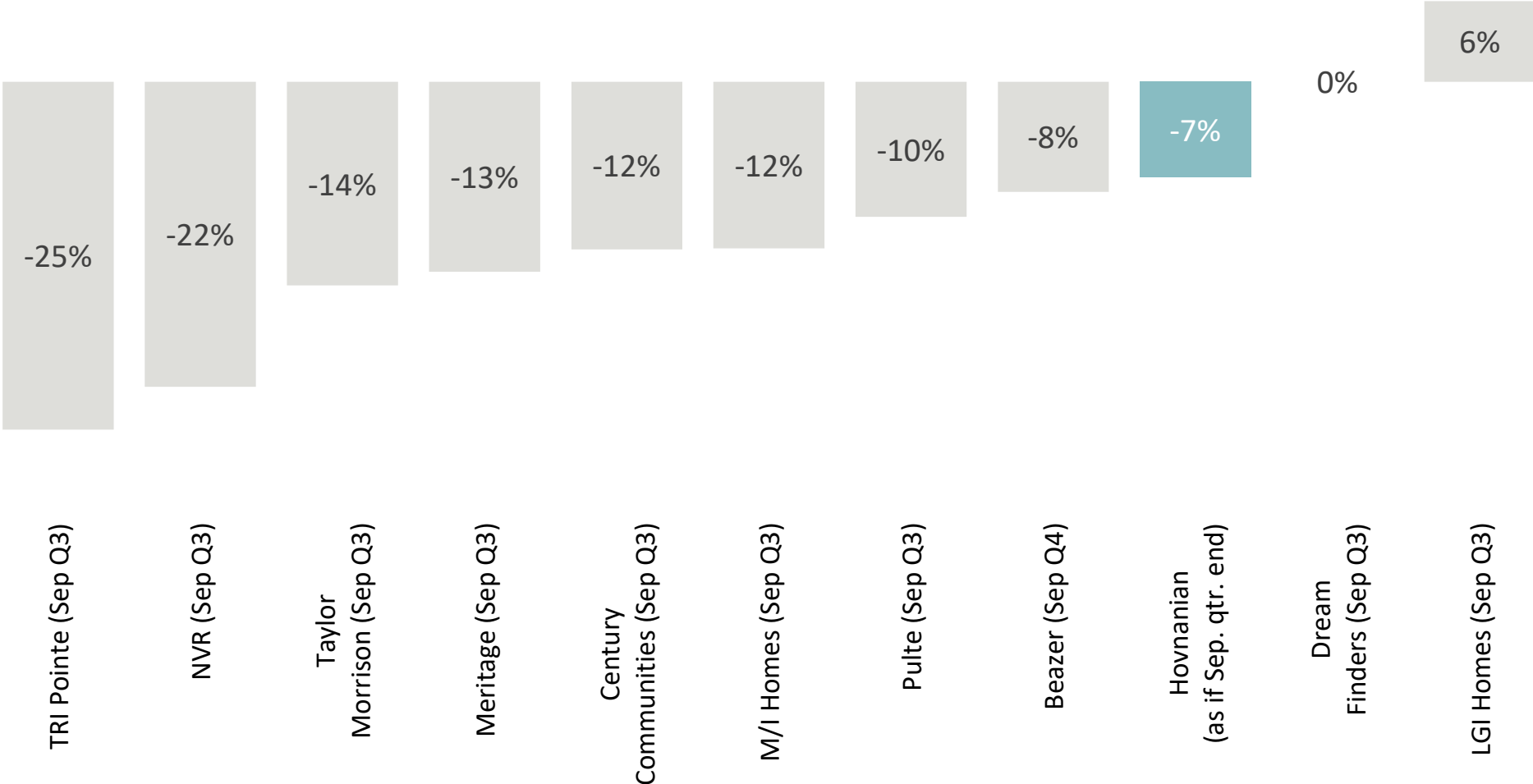
*For the quarter ended September 30, 2025*



*Note: Only peers with September quarter ends are shown on this slide.  
Note: Hovnanian calculation includes domestic unconsolidated joint venture contracts and excludes Build for Rent contracts.*

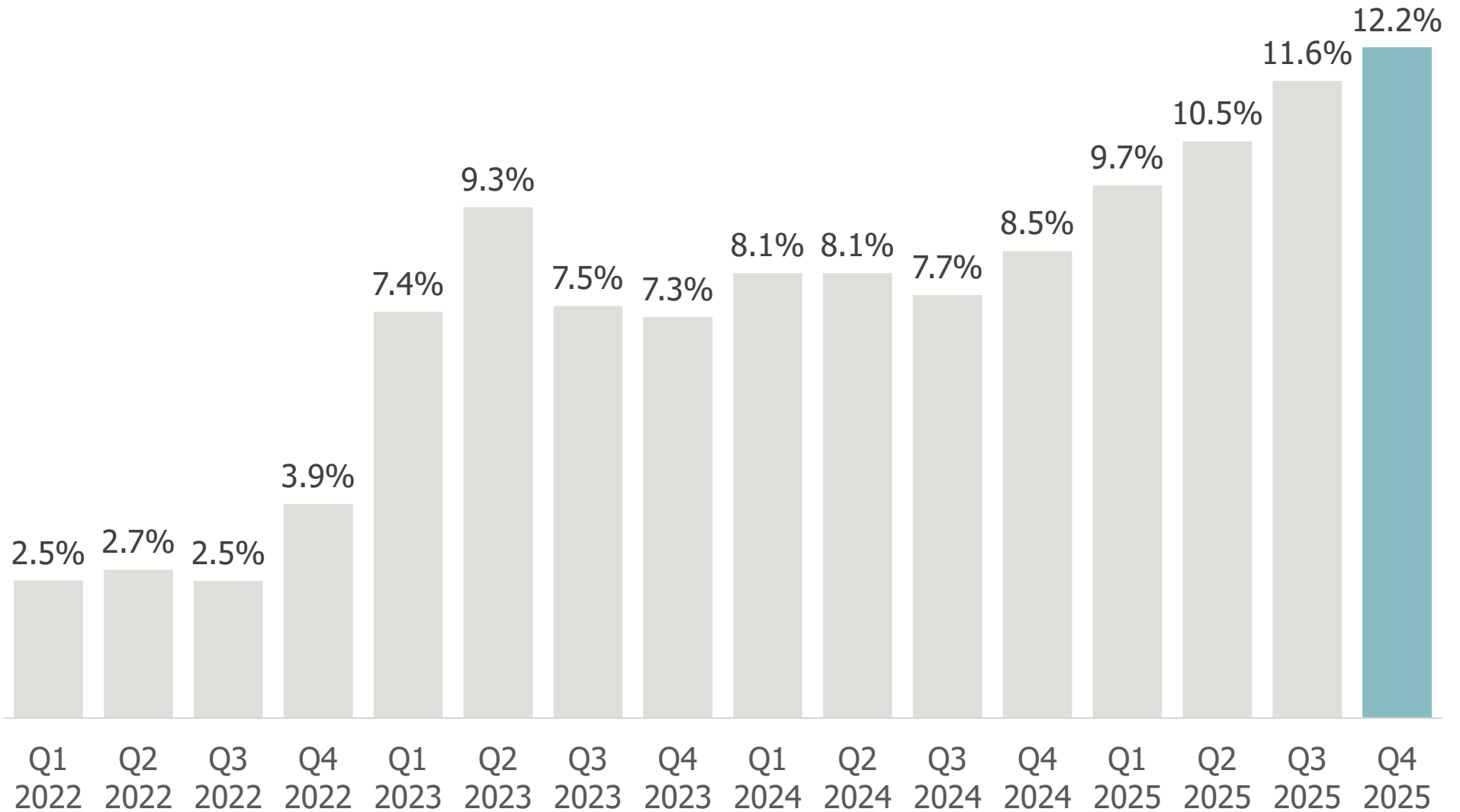
# Contracts Per Community – Most Recent Quarter Year-Over-Year Change

*For the quarter ended September 30, 2025, compared with the quarter ended September 30, 2024*



*Note: Only peers with September quarter ends are shown on this slide.  
Note: Hovnanian calculation includes domestic unconsolidated joint venture contracts and excludes Build for Rent contracts.*

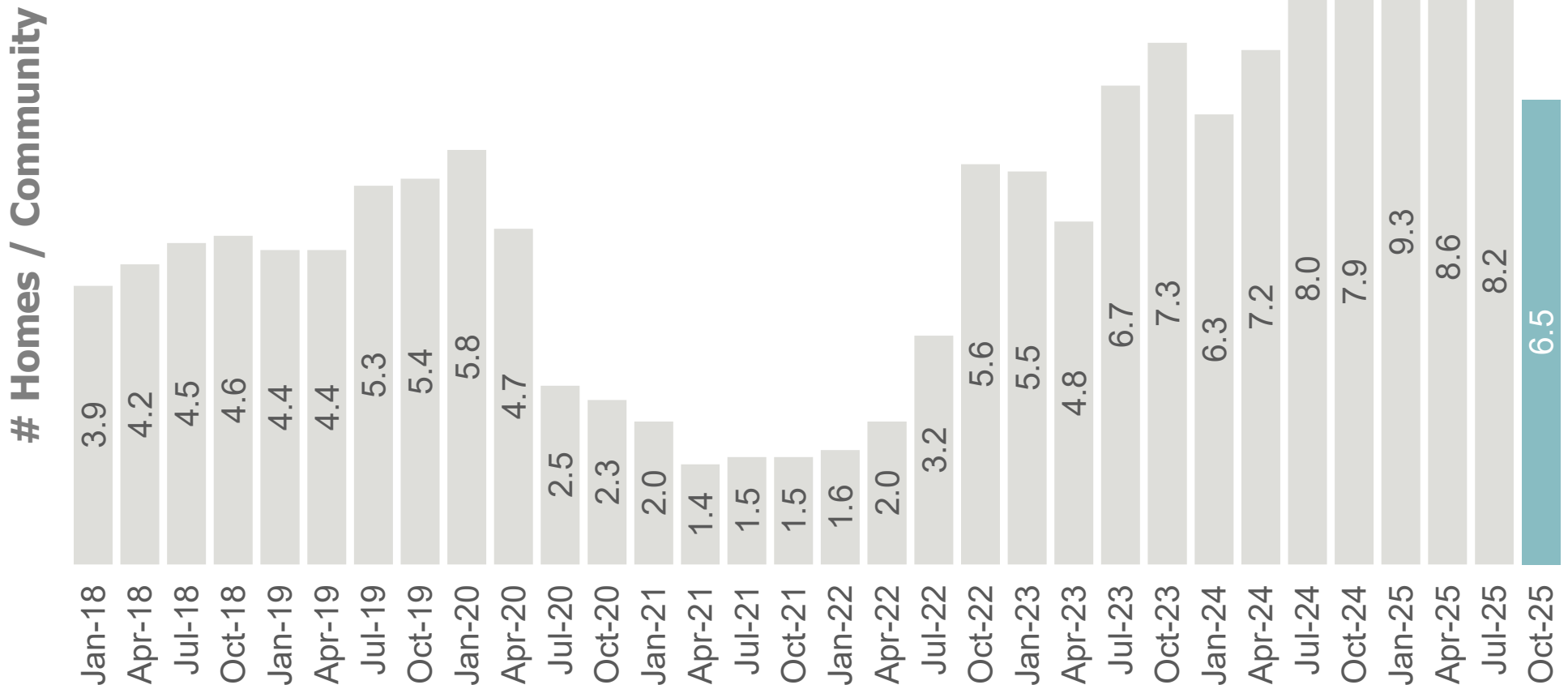
# Percentage of Incentives for Deliveries



*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.*

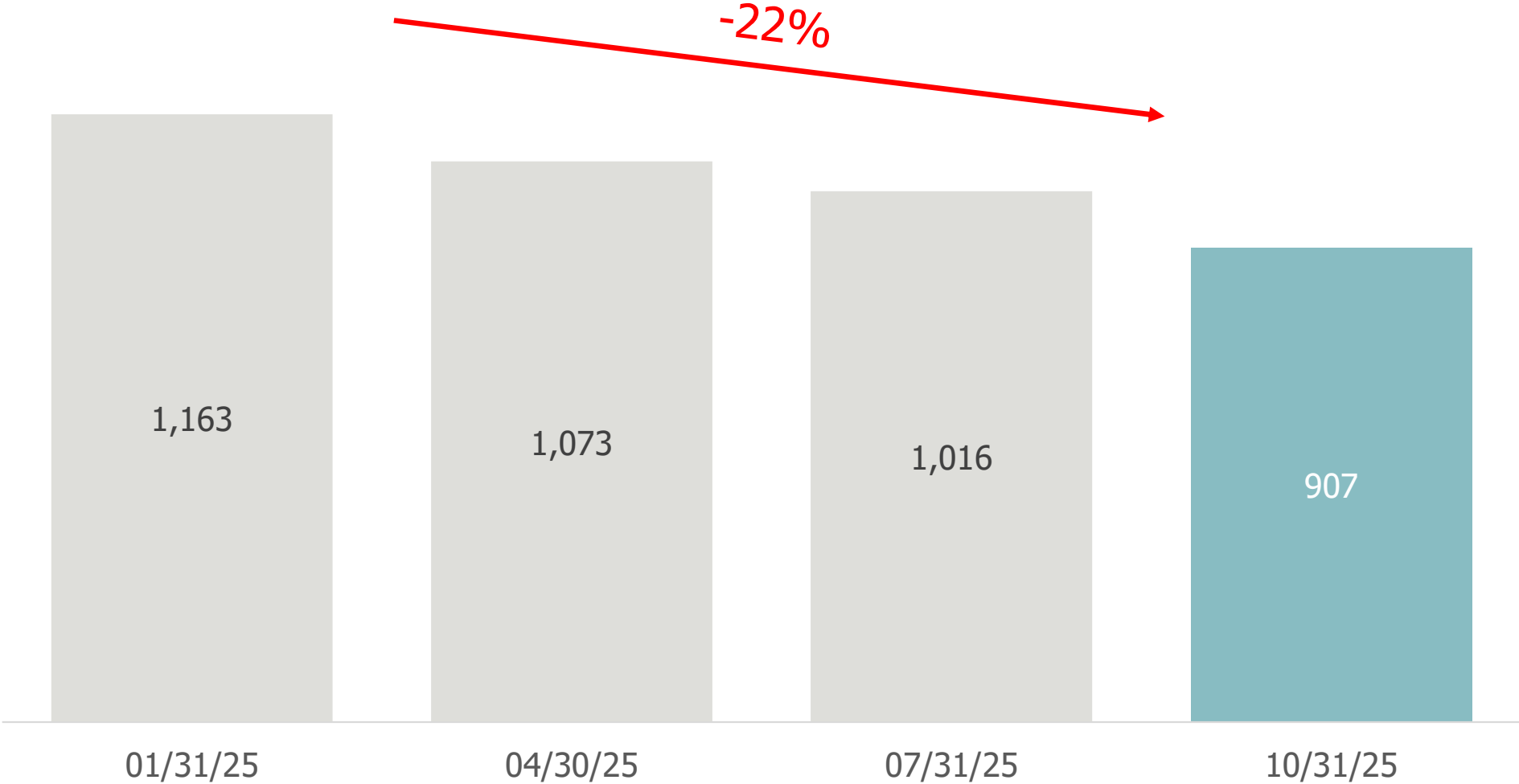
# Quick Move In Homes (QMIs) Per Community

- *907 QMIs at 10/31/25, excluding models*
- *4.7 average QMIs per community since 1997*
- *348 finished QMIs at 10/31/25*



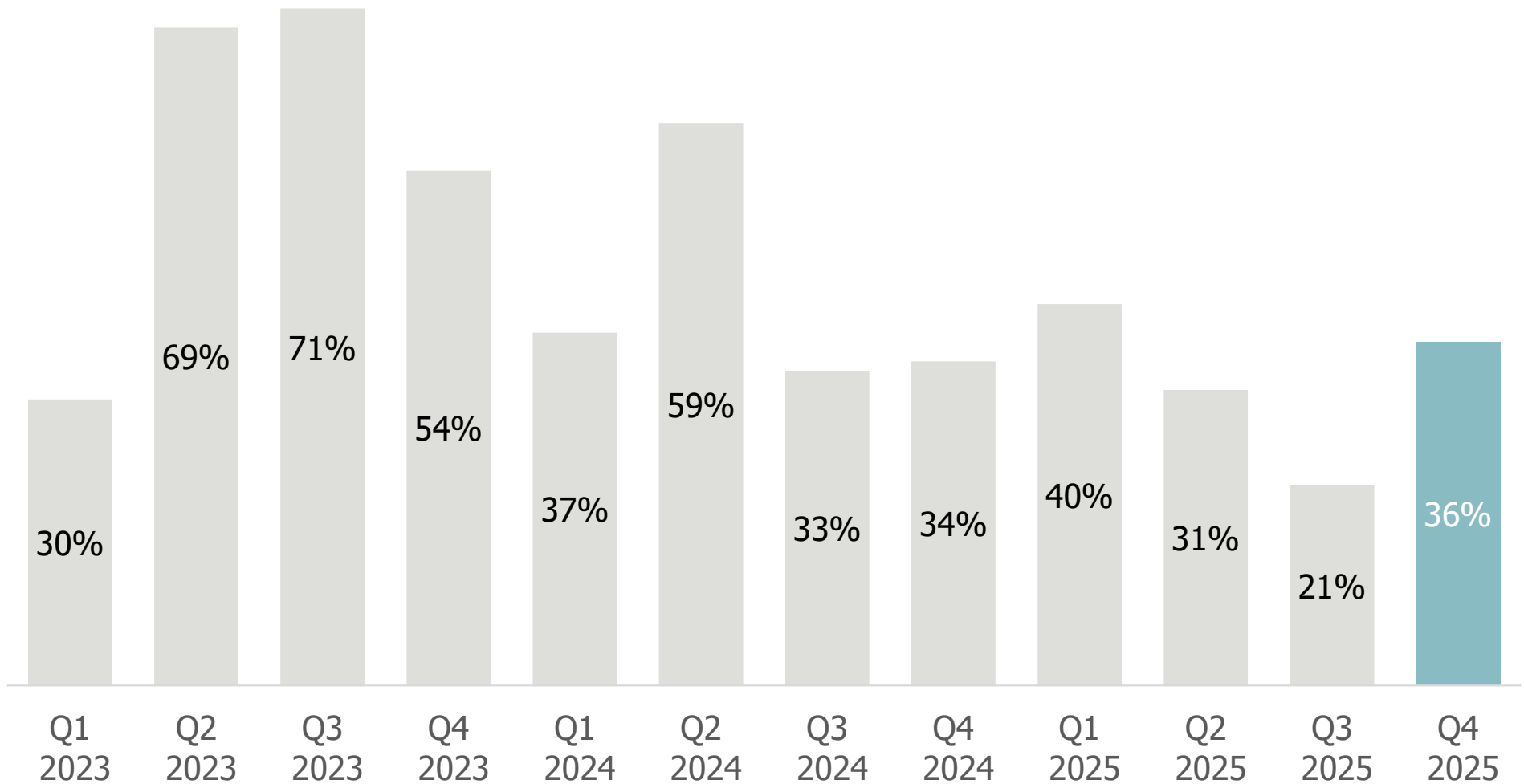
*Note: Excluding unconsolidated joint ventures and models.*

# Quick Move In Homes (QMIs)



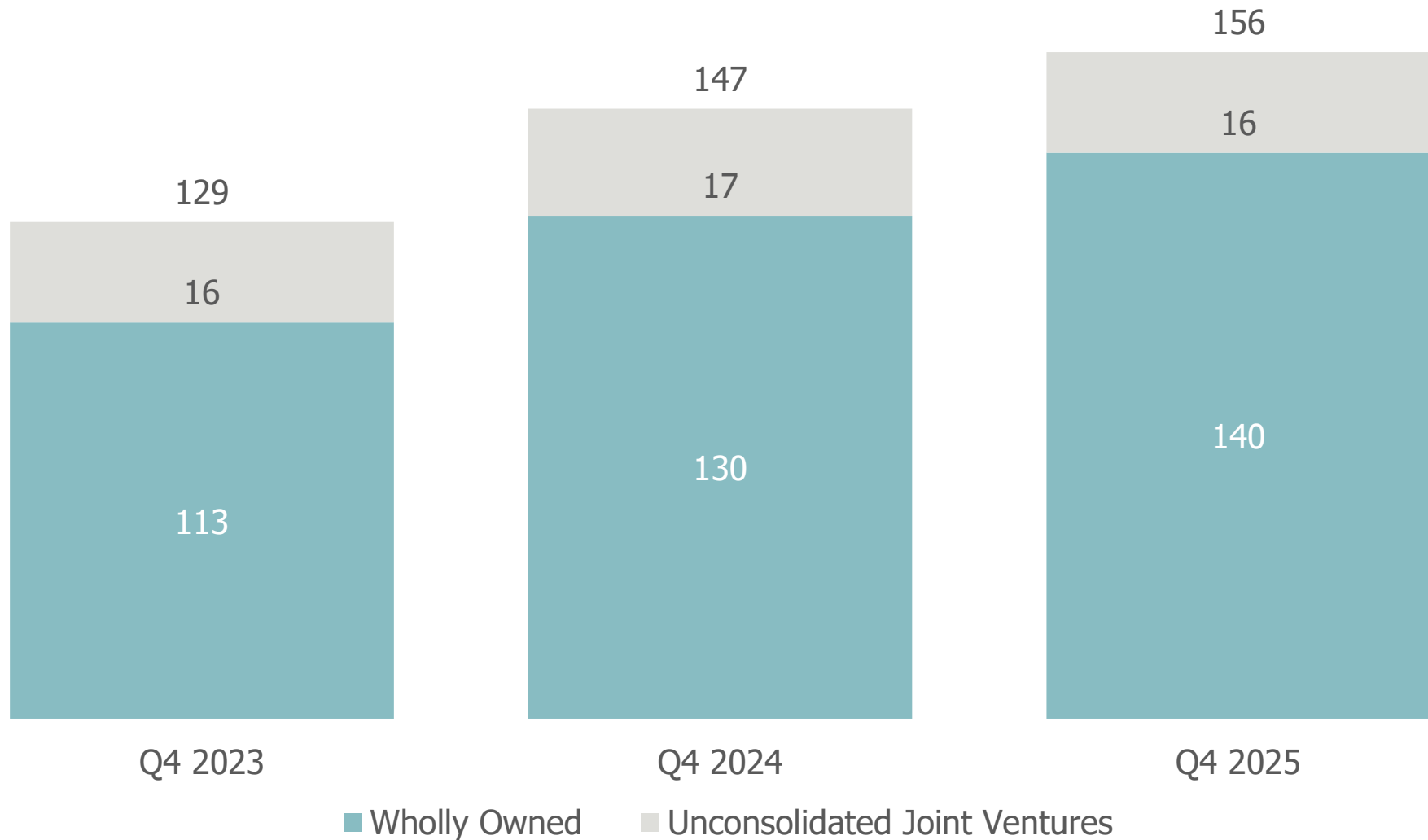
*Note: Excluding unconsolidated joint ventures and models.*

# Percentage of communities where we raised net prices



# Community Count

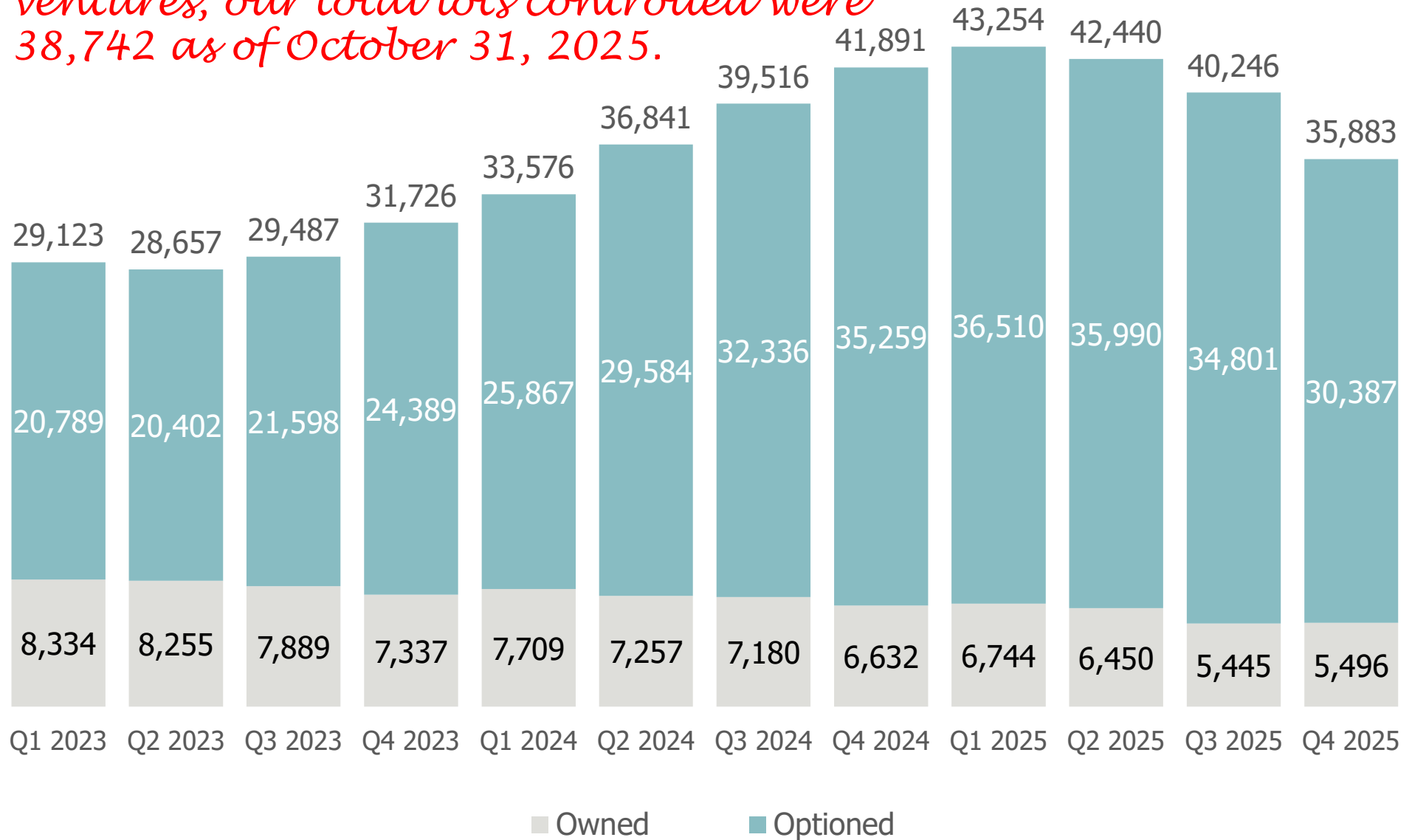
*Community count expected to grow further in fiscal 2026.*



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

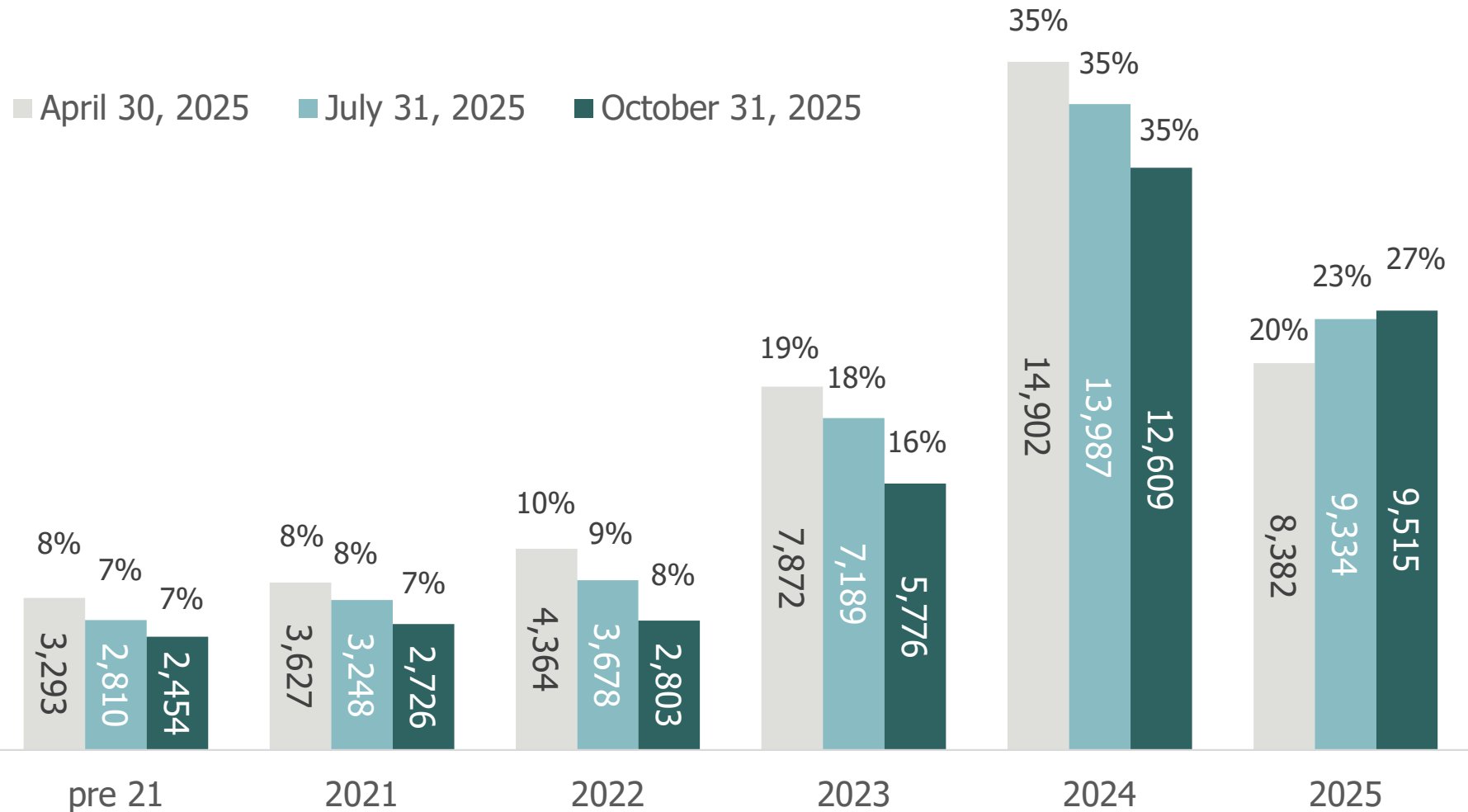
# Lots Controlled

*Including domestic unconsolidated joint ventures, our total lots controlled were 38,742 as of October 31, 2025.*



*Note: Excludes unconsolidated joint ventures.*

# Lot Vintage



Year	% of Incentives
pre 21	-
2021	3.4%
2022	3.0%
2023	7.9%
2024	8.1%
2025	11.1%

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.

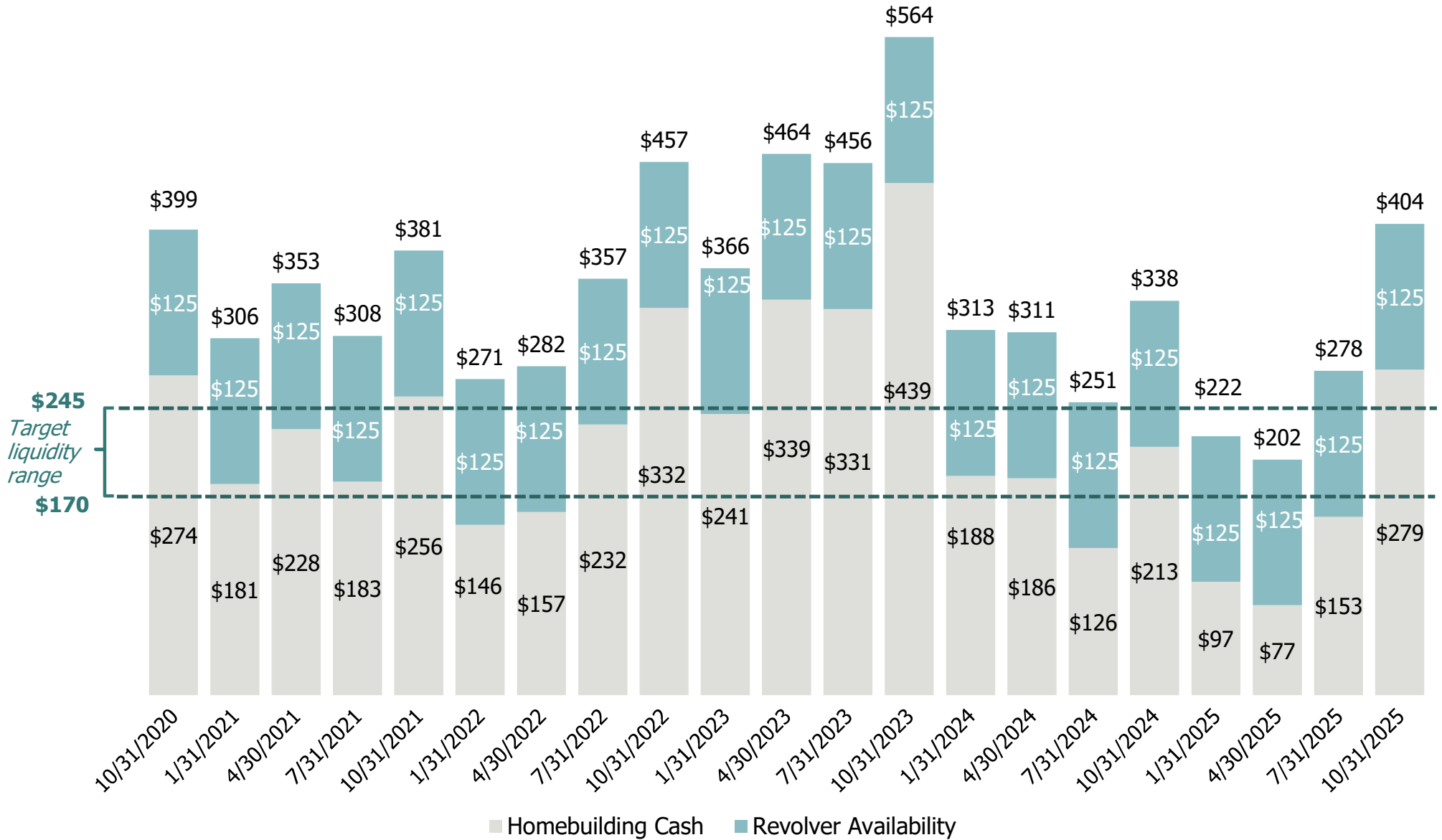
# Quarterly Land and Land Development Spend

(\$ in millions)



# Liquidity Position and Target

(\$ in millions)



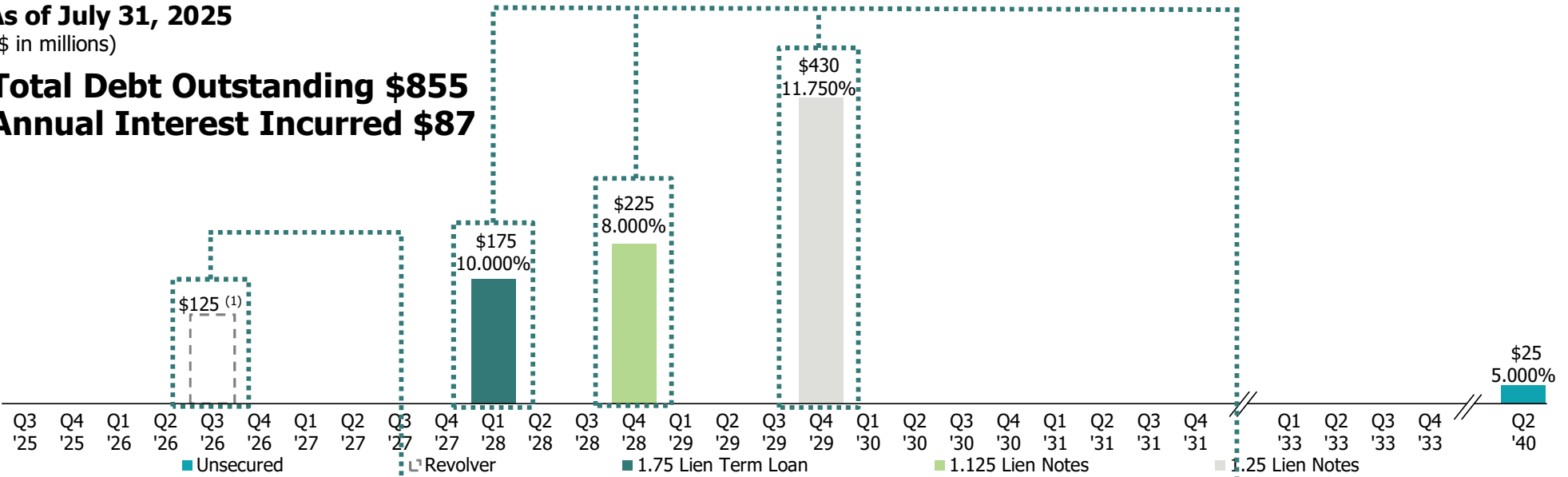
Note: Liquidity position includes homebuilding cash and cash equivalents (which includes unrestricted cash and restricted cash required to collateralize letters of credit) and revolving credit facility availability.

# Debt Maturity Profile

**As of July 31, 2025**

(\$ in millions)

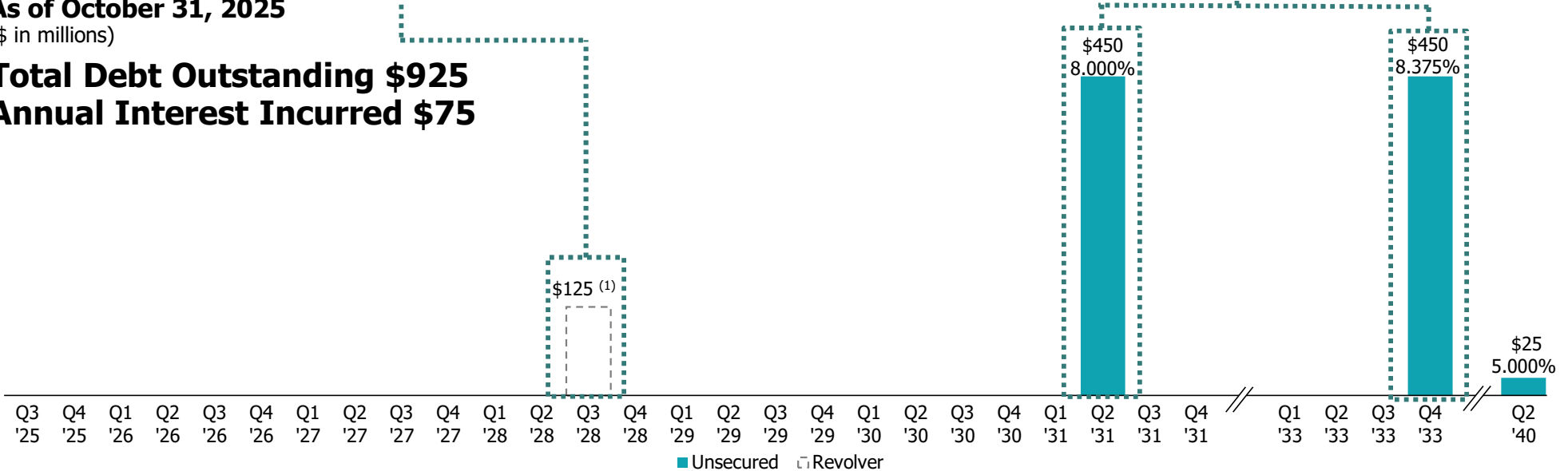
**Total Debt Outstanding \$855**  
**Annual Interest Incurred \$87**



**As of October 31, 2025**

(\$ in millions)

**Total Debt Outstanding \$925**  
**Annual Interest Incurred \$75**



Note: Shown on a fiscal year basis, at face value.

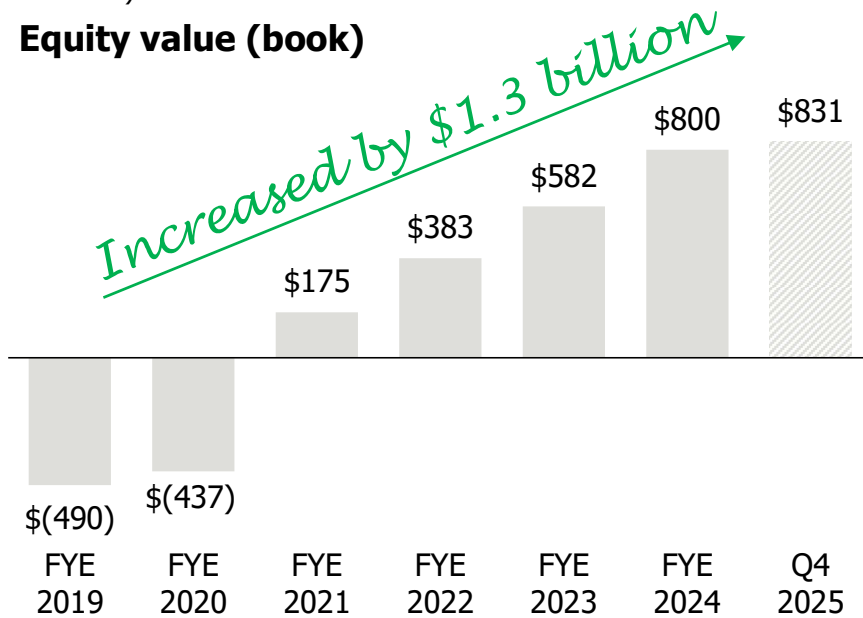
Excludes non-recourse mortgages.

(1) \$0 balance as of July 31, 2025 and October 31, 2025.

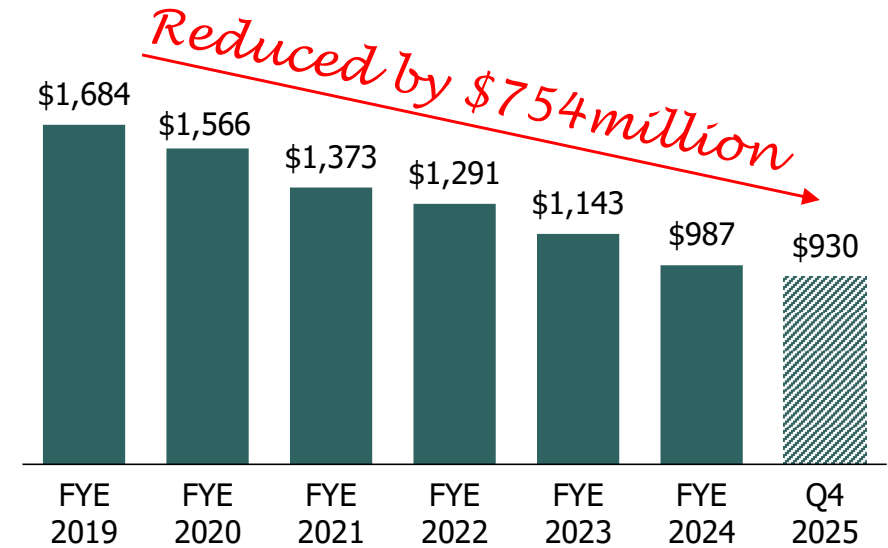
# Balance Sheet Metrics

(\$ in millions)

## Equity value (book)

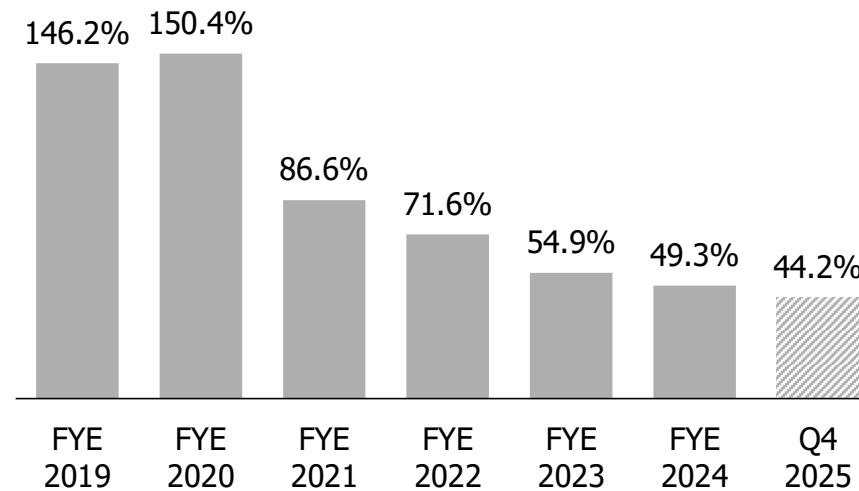


## Total debt



## Net debt to net capitalization

Goal: 30%



# Guidance for Fiscal 2026 First Quarter

(\$ in millions)

	<b><u>Guidance</u></b> <b><u>Q1 2026<sup>(1)</sup></u></b>
<b>Total Revenues</b>	<b>\$550 - \$650</b>
<b>Adjusted Homebuilding Gross Margin<sup>(2)</sup></b>	<b>13.0% - 14.0%</b>
<b>Total SG&amp;A as Percentage of Total Revenues<sup>(3)</sup></b>	<b>13.5% - 14.5%</b>
<b><i>Income from Unconsolidated Joint Ventures</i></b>	<b><i>\$0 - \$10</i></b>
<b><i>Adjusted EBITDA<sup>(4)</sup></i></b>	<b><i>\$35 - \$45</i></b>
<b>Adjusted Income Before Income Taxes<sup>(5)</sup></b>	<b>\$10 - \$20</b>

(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.

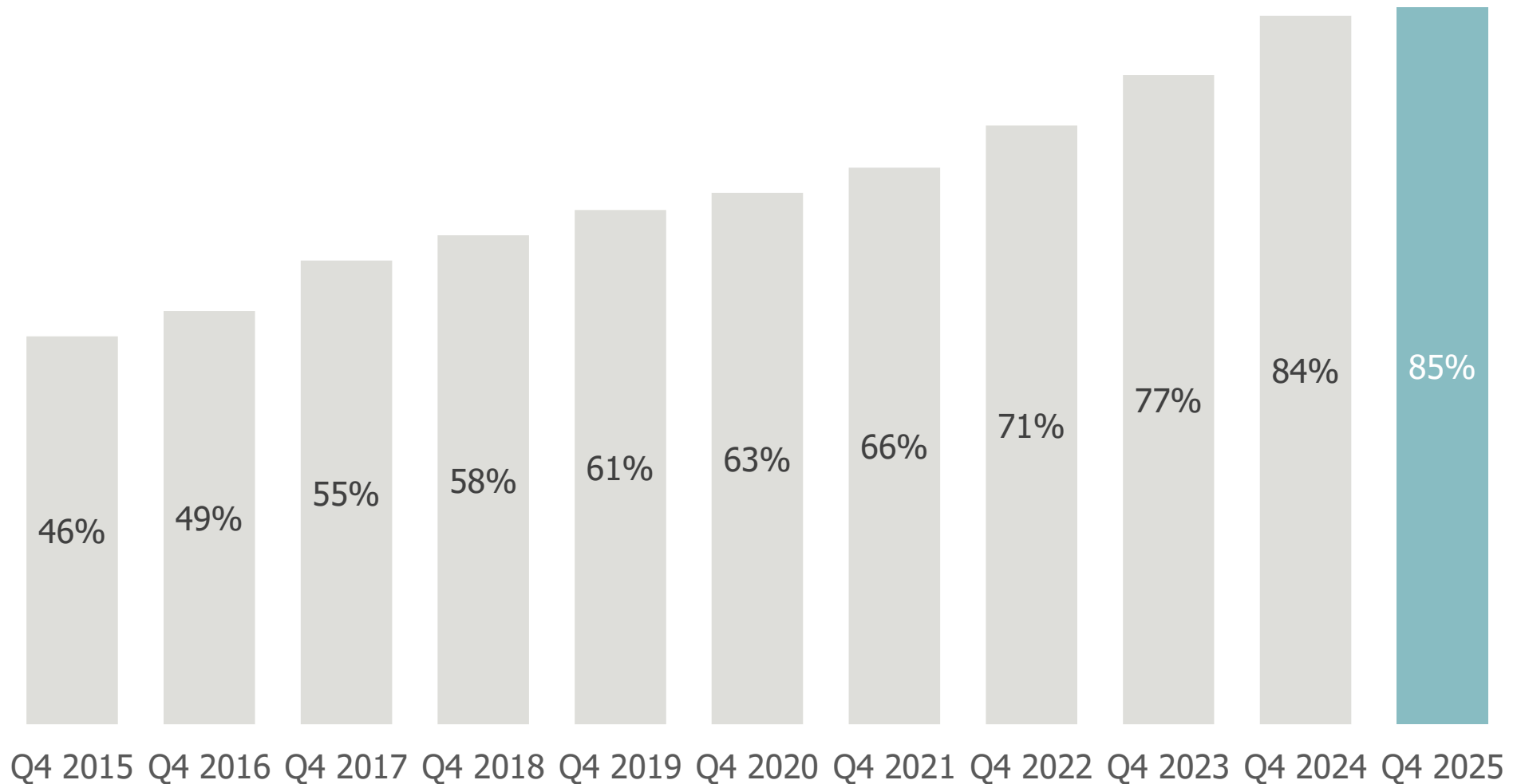
(2) Adjusted homebuilding gross margin percentage is before cost of sales interest expense and land charges and is a non-GAAP financial measure. See appendix for a reconciliation of the historic measure to the most directly comparable GAAP measure.

(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 \$120.23, which was the price at the end of the fourth quarter of fiscal year 2025.

(4) 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, 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.

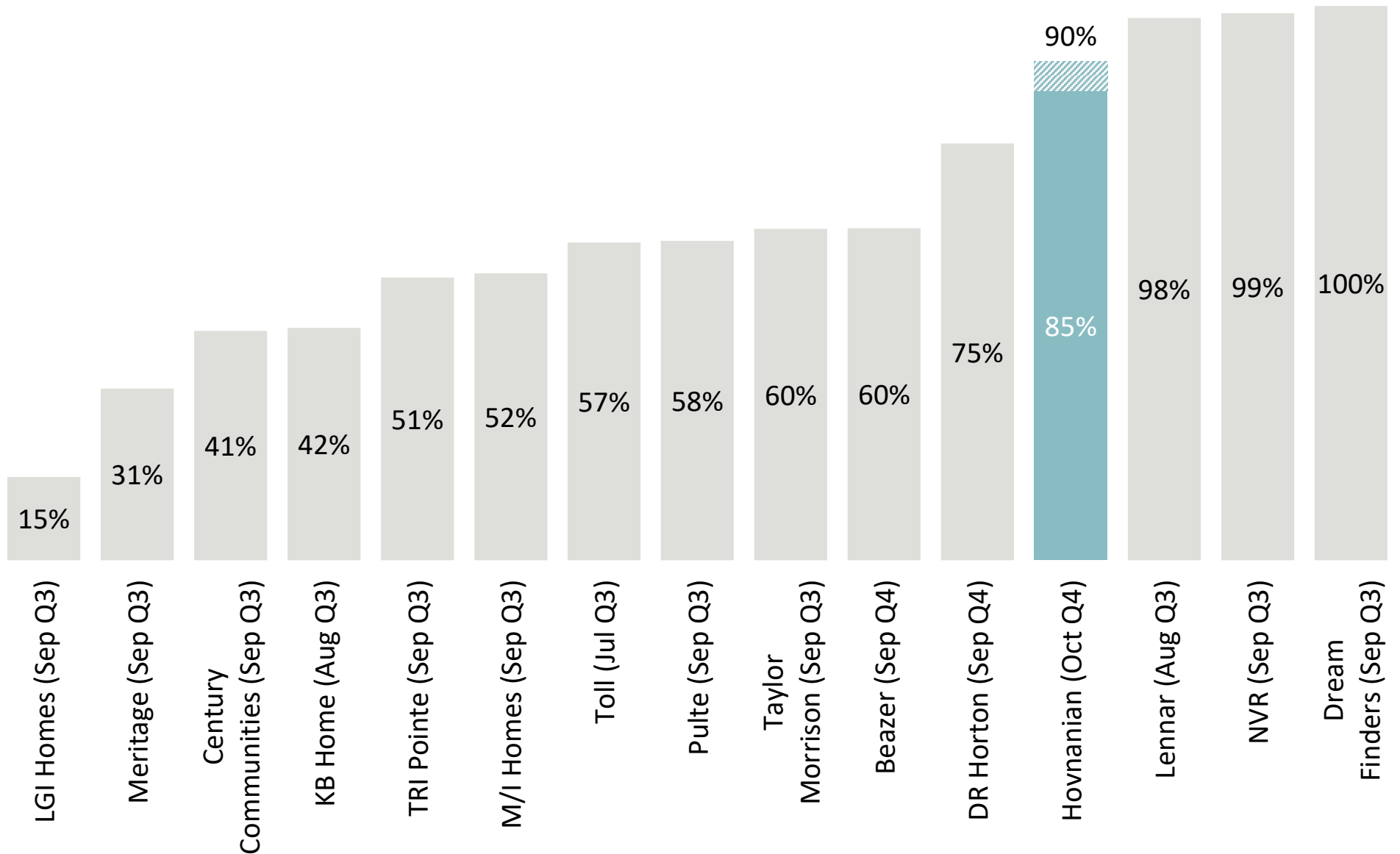
(5) Adjusted Income Before Income Taxes excludes land-related charges, joint venture write-downs and loss (gain) on extinguishment of debt, net and is a non-GAAP financial measure. See appendix for a reconciliation of the historic measure to the most directly comparable GAAP measure.

# Percentage of Optioned Lots



*Note: Excludes unconsolidated joint ventures.*

# % of Lots Optioned

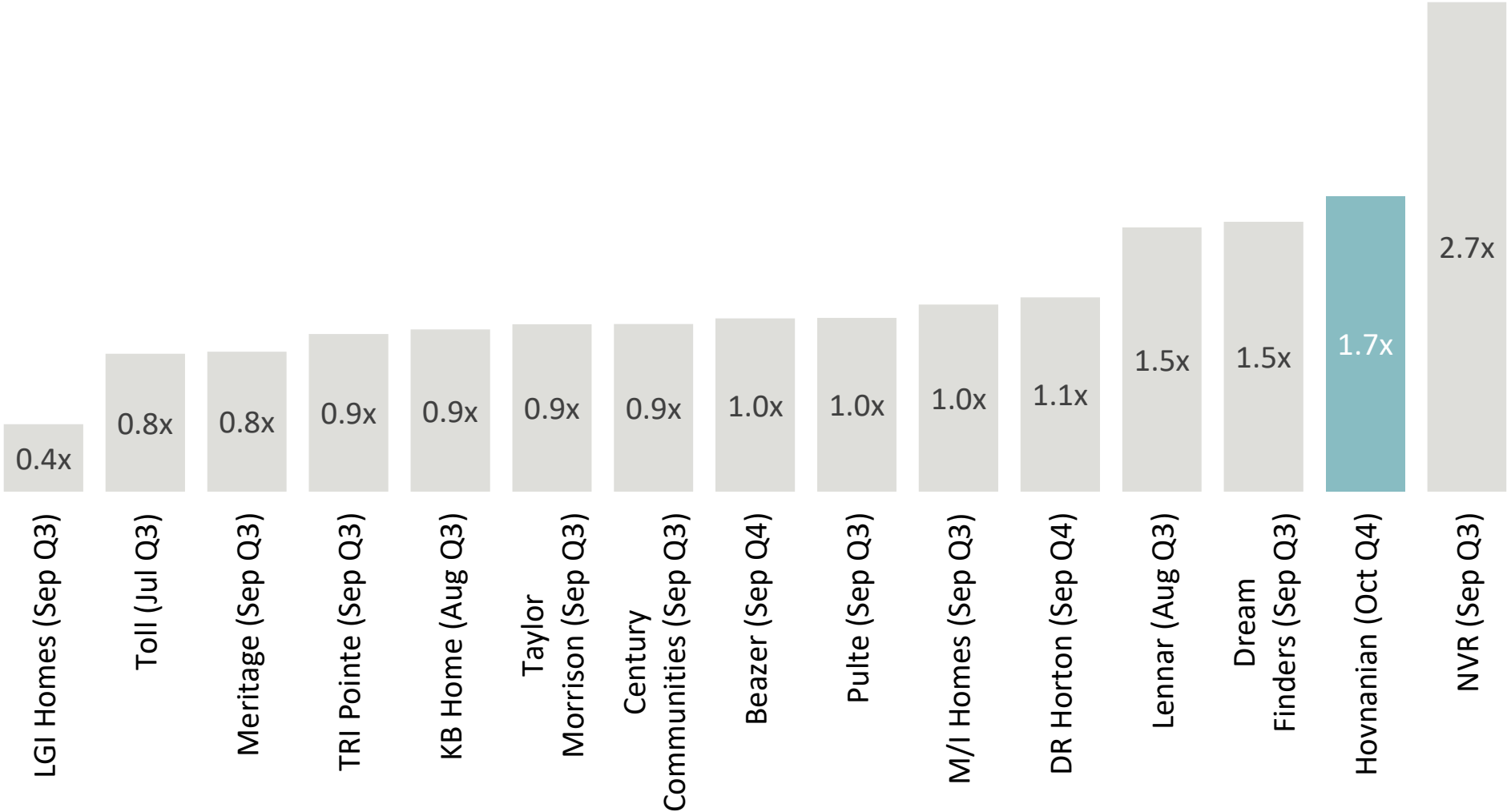


Source: Peer SEC filings and press releases as of 12/04/2025.

Note: Excludes unconsolidated joint ventures.

Note: Hovnanian 90% excludes QMIs and backlog from owned lots.

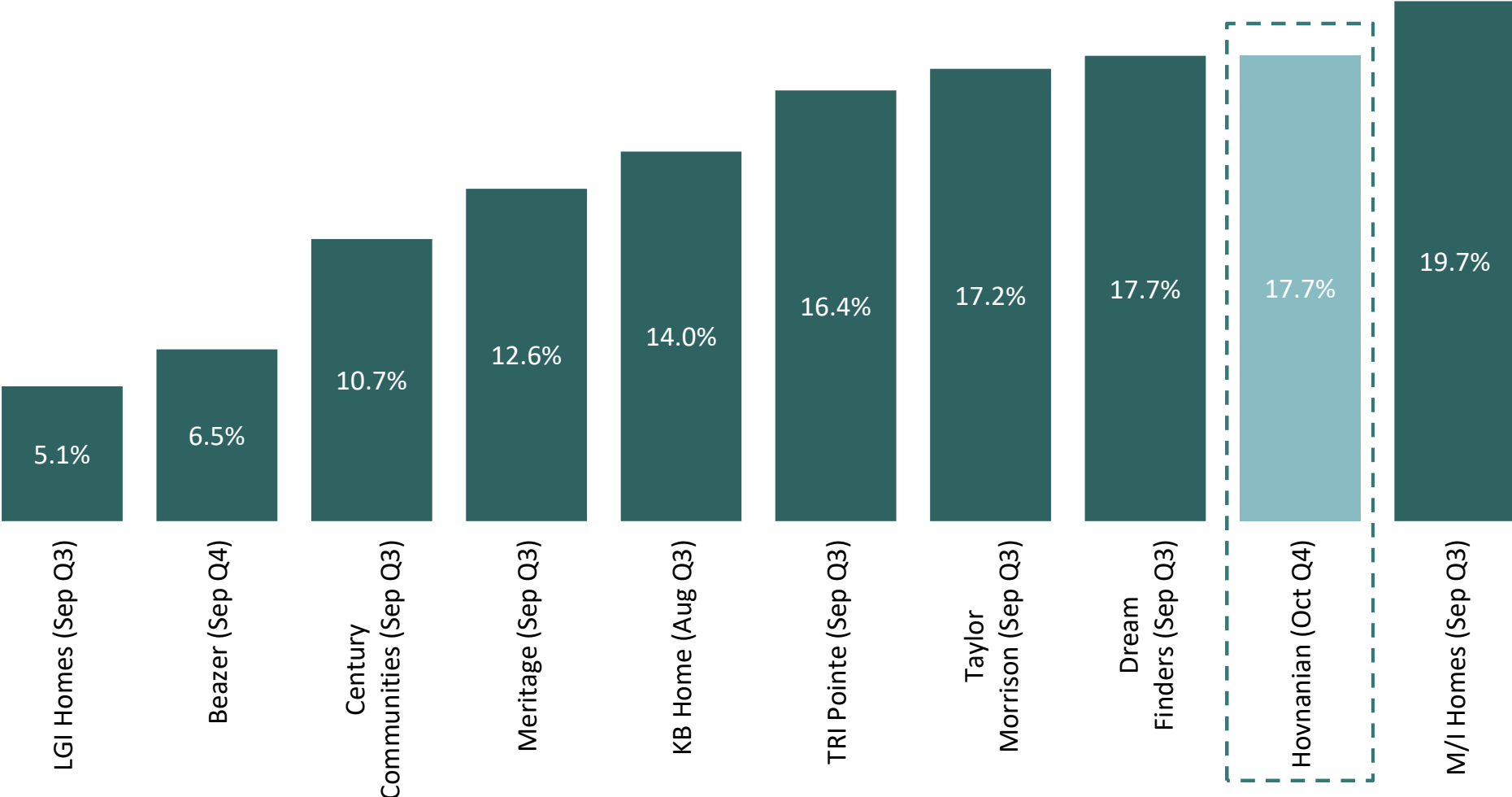
# Inventory Turns (COGS), Last Twelve Months



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

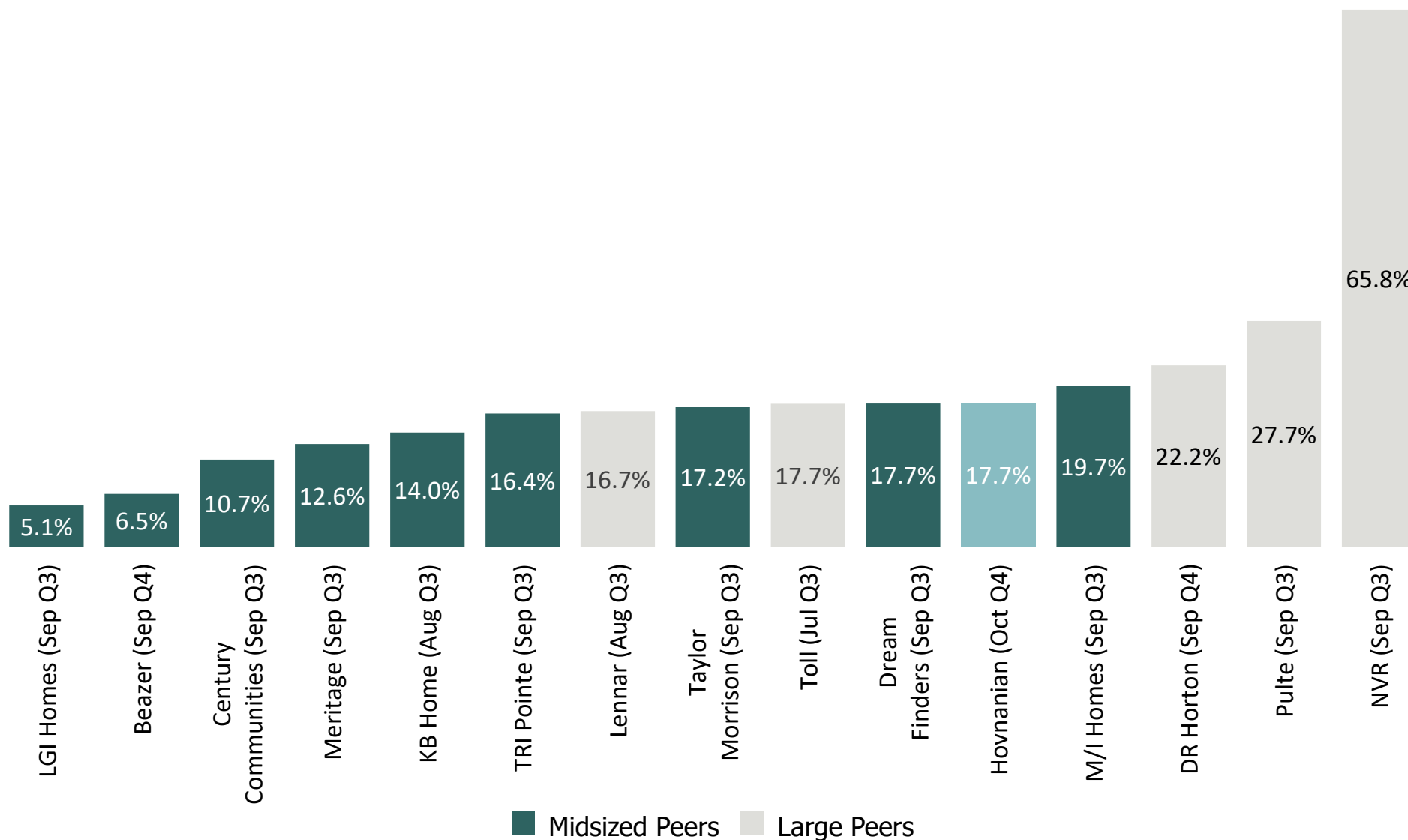
# Adjusted EBIT ROI, Last Twelve Months



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

(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.

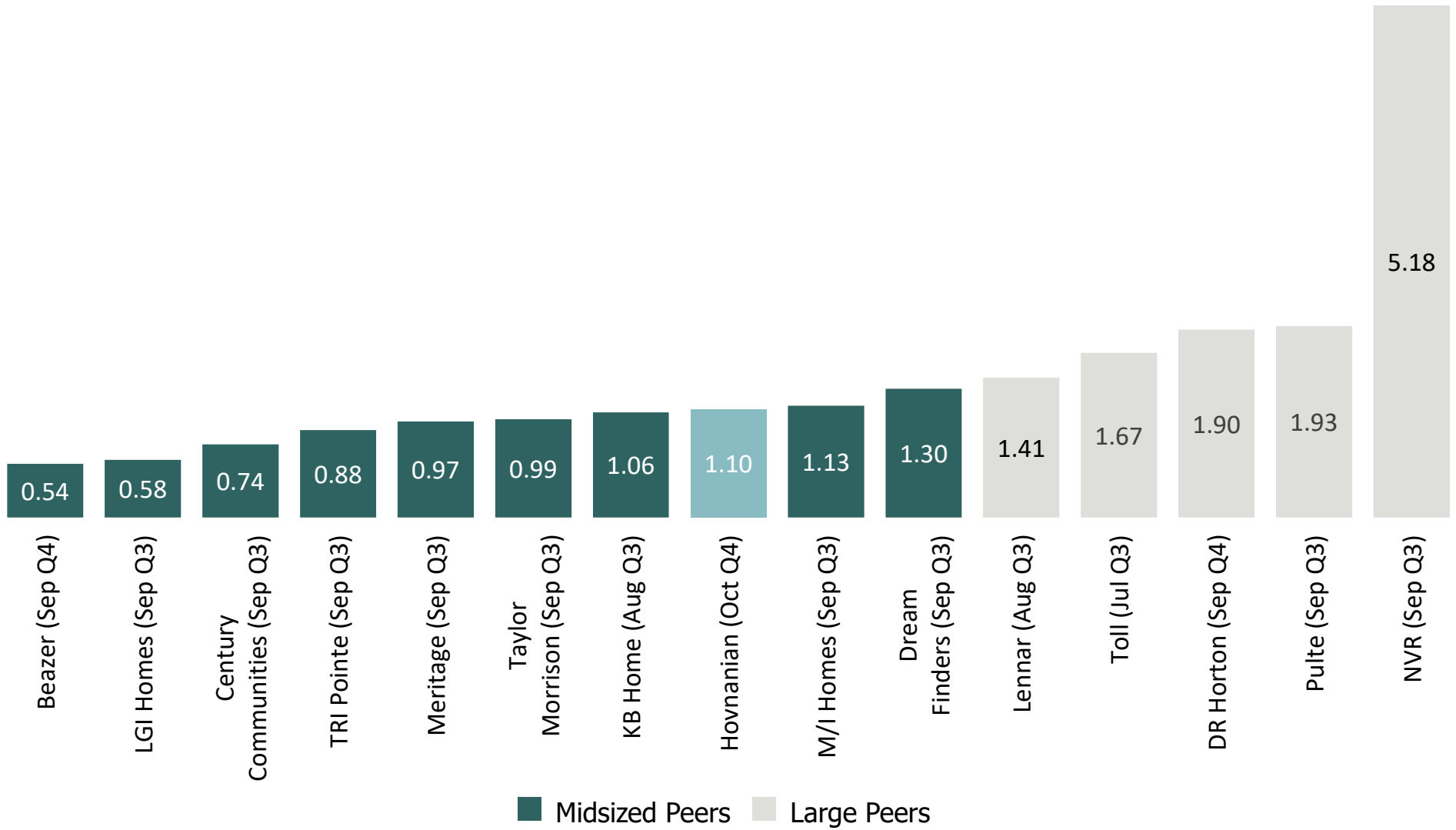
# Adjusted EBIT ROI, Last Twelve Months



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

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.

# Price to Book Value



Source: Price to book value for most recent quarter based on Yahoo! finance as of 12/03/2025.

Note: Hovnanian price to book value calculated with common equity as of 10/31/2025 and stock price of \$133.98 as of 12/03/2025.

# Land Positions by Geographic Segment

**October 31, 2025**

Segment	Owned			Total Lots
	Excluding Mothballed Lots	Mothballed Lots	Optioned Lots	
Northeast	2,172	6	16,802	18,980
Southeast	1,110	-	4,971	6,081
West	1,818	390	8,614	10,822
<b>Consolidated Total</b>	<b>5,100</b>	<b>396</b>	<b>30,387</b>	<b>35,883</b>
Unconsolidated Joint Ventures	2,375	-	484	2,859
<b>Grand Total</b>	<b>7,475</b>	<b>396</b>	<b>30,871</b>	<b>38,742</b>

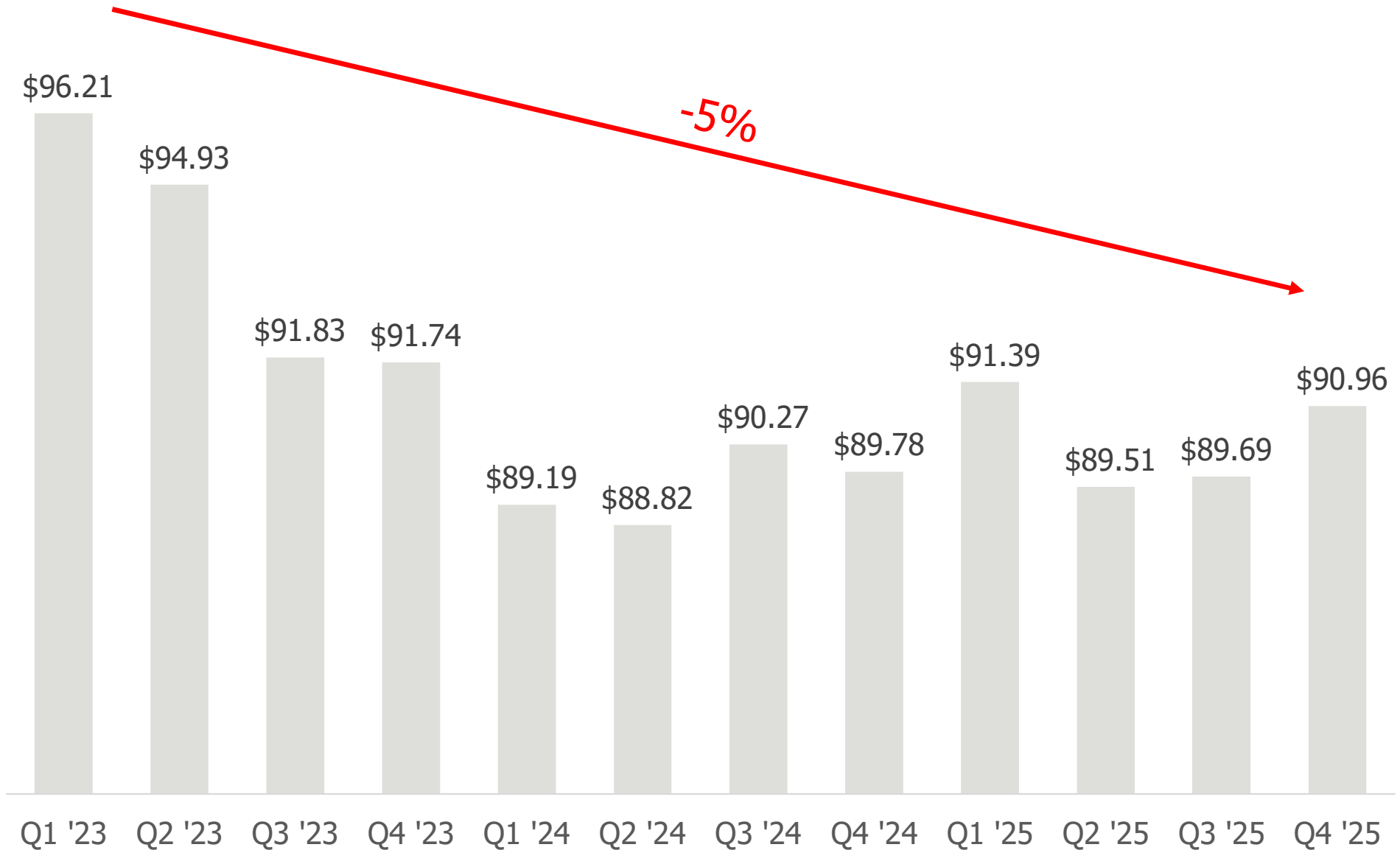
- **Option deposits as of October 31, 2025, were \$333.2 million**
- **\$103.1 million invested in pre-development expenses as of October 31, 2025**

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



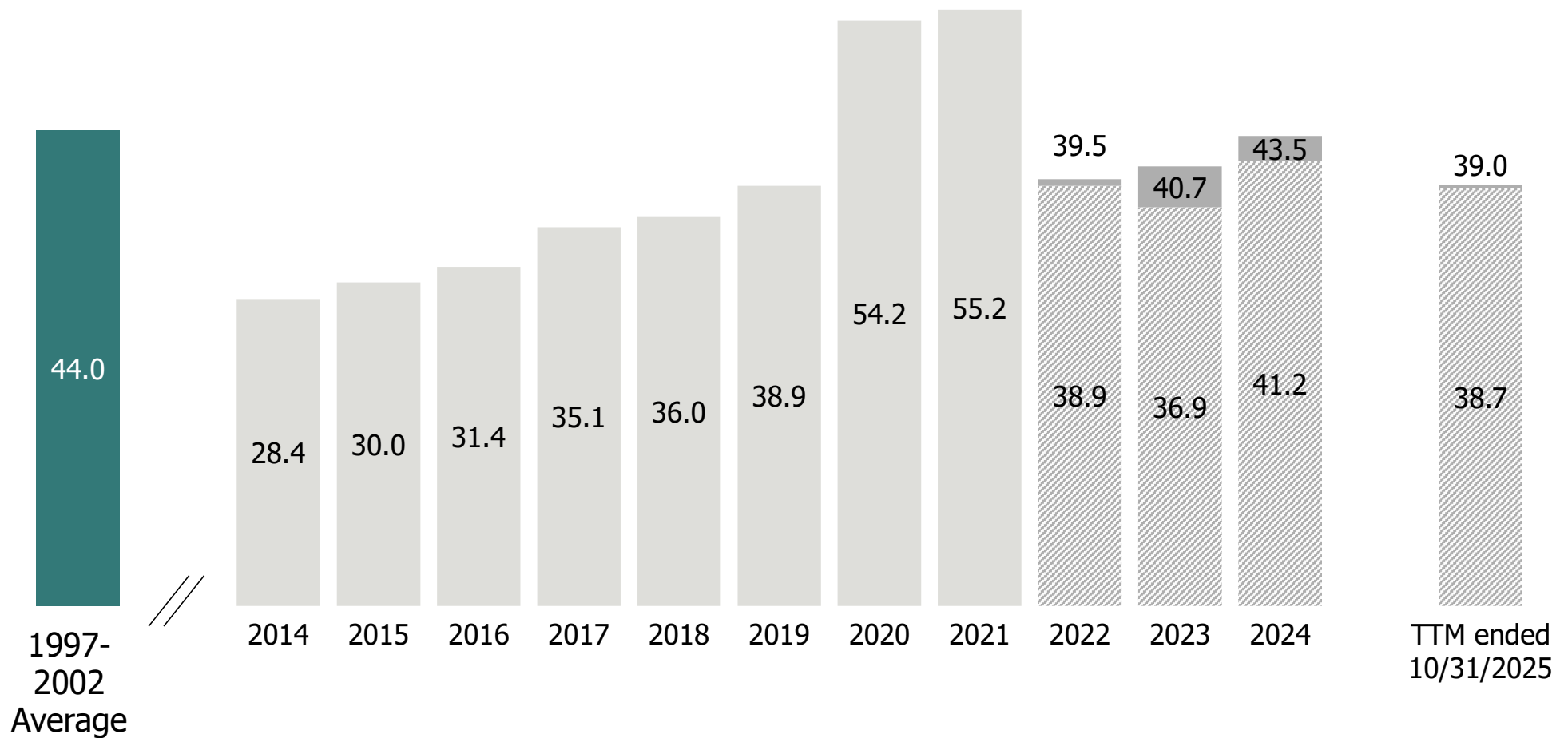
## Appendix

# Base Construction Costs Per Square Foot



# Annual Contracts Per Community

▨ Excluding Build for Rent    ■ Including Build for Rent



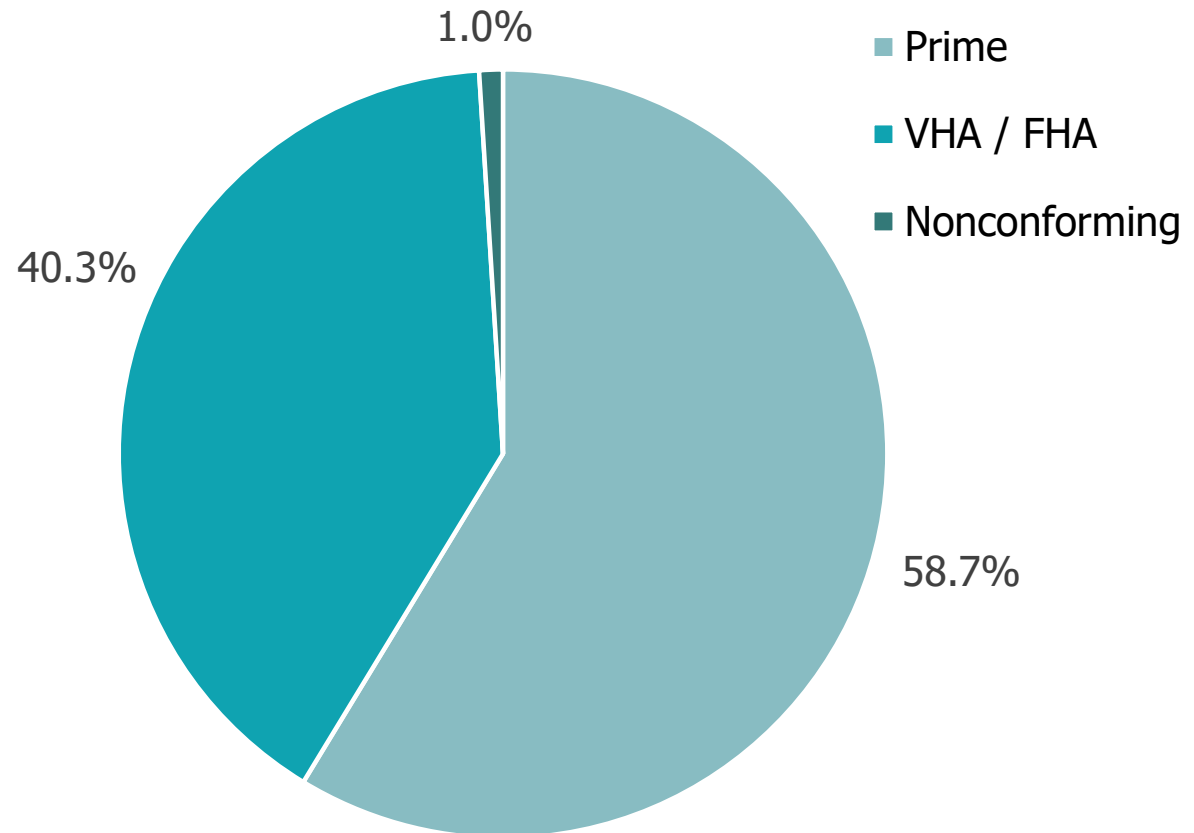
*Note: Annual Contracts per Community calculated based on a five-quarter average of communities, excluding unconsolidated joint ventures.*

# 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
- \$95mm LTM revenues
- \$39mm LTM operating income
- 41% LTM operating margin

## Origination portfolio for the year ended October 31, 2025



*Note: Last twelve months (LTM) through October 31, 2025*

# Credit Quality of Homebuyers

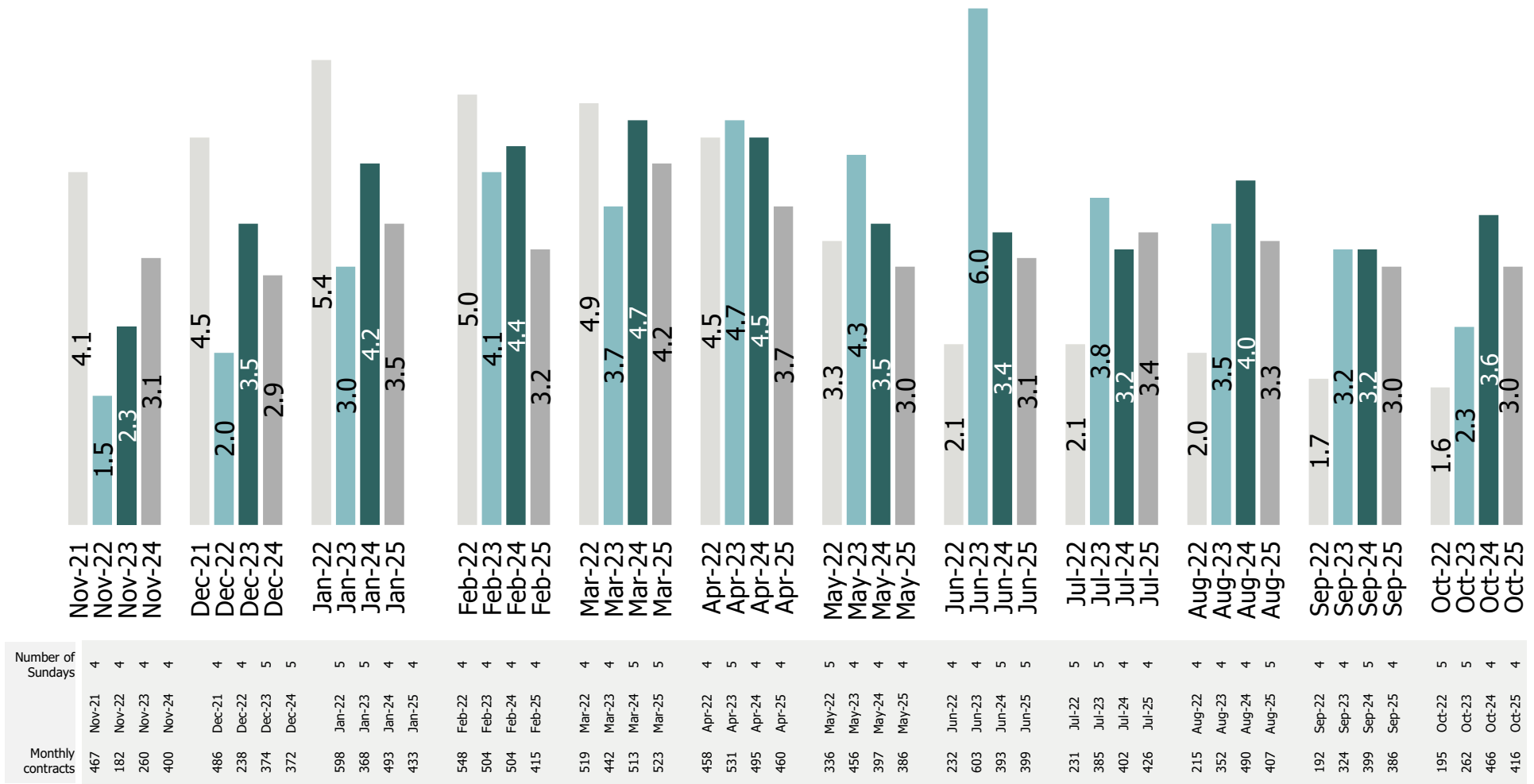
## Fiscal Year 2025

- Average LTV: 84%
- Average CLTV: 84%
- ARMs: 0.3%
- FICO Score: 745
- Capture Rate: 80%

## Fourth Quarter 2025

- Average LTV: 84%
- Average CLTV: 84%
- ARMs: 0.1%
- FICO Score: 745
- Capture Rate: 80%

# Number of Monthly Contracts Per Community, Excludes Unconsolidated Joint Ventures



Note: Excludes unconsolidated joint ventures.

# 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%

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

## Hovnanian Enterprises, Inc.

October 31, 2025

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

(In thousands)

	Three Months Ended		Year Ended	
	October 31,		October 31,	
	2025	2024	2025	2024
	(Unaudited)		(Unaudited)	
(Loss) income before income taxes	\$ (4,108)	\$ 117,865	\$ 86,087	\$ 317,089
Inventory impairments and land option write-offs	19,430	7,918	39,571	11,556
Loss (gain) on extinguishment of debt, net	33,512	-	33,113	(1,371)
Income before income taxes excluding land-related charges and loss (gain) on extinguishment of debt, net (1)	<u>\$ 48,834</u>	<u>\$ 125,783</u>	<u>\$ 158,771</u>	<u>\$ 327,274</u>

(1) Income before income taxes excluding land-related charges and loss (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.

October 31, 2025

Gross margin  
(In thousands)

	Homebuilding Gross Margin Three Months Ended October 31,		Homebuilding Gross Margin Year Ended October 31,	
	2025	2024	2025	2024
	(Unaudited)		(Unaudited)	
Sale of homes	\$ 786,630	\$ 927,499	\$ 2,852,908	\$ 2,875,488
Cost of sales, excluding interest expense and land charges (1)	658,528	726,491	2,360,888	2,241,749
Homebuilding gross margin, before cost of sales interest expense and land charges (2)	128,102	201,008	492,020	633,739
Cost of sales interest expense, excluding land sales interest expense	24,813	25,925	90,357	87,717
Homebuilding gross margin, after cost of sales interest expense, before land charges (2)	103,289	175,083	401,663	546,022
Land charges	19,430	7,918	39,571	8,903
Homebuilding gross margin	<u>\$ 83,859</u>	<u>\$ 167,165</u>	<u>\$ 362,092</u>	<u>\$ 537,119</u>
Homebuilding gross margin percentage	10.7%	18.0%	12.7%	18.7%
Homebuilding gross margin percentage, before cost of sales interest expense and land charges (2)	16.3%	21.7%	17.2%	22.0%
Homebuilding gross margin percentage, after cost of sales interest expense, before land charges (2)	13.1%	18.9%	14.1%	19.0%

	Land Sales Gross Margin Three Months Ended October 31,		Land Sales Gross Margin Year Ended October 31,	
	2025	2024	2025	2024
	(Unaudited)		(Unaudited)	
Land and lot sales	\$ 983	\$ 26,974	\$ 21,606	\$ 42,757
Cost of sales, excluding interest (1)	-	8,846	10,475	21,635
Land and lot sales gross margin, excluding interest and land charges	983	18,128	11,131	21,122
Land and lot sales interest expense	-	125	618	2,090
Land and lot sales gross margin, including interest	<u>\$ 983</u>	<u>\$ 18,003</u>	<u>\$ 10,513</u>	<u>\$ 19,032</u>

(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 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.

October 31, 2025

Reconciliation of adjusted EBITDA to net income

(In thousands)

	Three Months Ended		Year Ended	
	October 31,		October 31,	
	2025	2024	2025	2024
	(Unaudited)		(Unaudited)	
Net (loss) income	\$ (667)	\$ 94,349	\$ 63,865	\$ 242,008
Income tax (benefit) provision	(3,441)	23,516	22,222	75,081
Interest expense	<u>34,443</u>	<u>31,120</u>	<u>126,416</u>	<u>120,559</u>
EBIT (1)	30,335	148,985	212,503	437,648
Depreciation and amortization	<u>5,350</u>	<u>2,051</u>	<u>13,863</u>	<u>7,730</u>
EBITDA (2)	35,685	151,036	226,366	445,378
Inventory impairments and land option write-offs	19,430	7,918	39,571	11,556
Loss (gain) on extinguishment of debt, net	<u>33,512</u>	-	<u>33,113</u>	<u>(1,371)</u>
Adjusted EBITDA (3)	<u>\$ 88,627</u>	<u>\$ 158,954</u>	<u>\$ 299,050</u>	<u>\$ 455,563</u>
Interest incurred	\$ 28,776	\$ 34,199	\$ 116,986	\$ 128,777
Adjusted EBITDA to interest incurred	3.08	4.65	2.56	3.54

(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 (loss) gain on extinguishment of debt, net.

# Reconciliation of Inventory Turnover

## Hovnanian Enterprises, Inc.

October 31, 2025

Calculation of Inventory Turnover<sup>(1)</sup>

	For the quarter ended					TTM ended
(Dollars in thousands)	1/31/2025	4/30/2025	7/31/2025	10/31/2025		10/31/2025
Cost of sales, excluding interest	\$533,290	\$543,289	\$636,256	\$658,528		\$2,371,363
	As of					
	10/31/2024	1/31/2025	4/30/2025	7/31/2025	10/31/2025	
Total inventories	\$1,644,804	\$1,666,490	\$1,743,965	\$1,692,932	\$1,637,470	<b>Five</b>
Less liabilities from inventory not owned, net of debt issuance costs	140,298	156,274	173,098	236,644	244,723	<b>Quarter</b>
Less capitalized interest	57,671	52,884	53,633	48,139	43,263	<b>Average</b>
Inventories less consolidated inventory not owned and capitalized interest plus liabilities from inventory not owned	\$1,446,835	\$1,457,332	\$1,517,234	\$1,408,149	\$1,349,484	\$1,435,807
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 Adjusted EBIT Return on Adjusted Investment

## Hovnanian Enterprises, Inc.

October 31, 2025

Reconciliation of Adjusted EBIT Return on Adjusted Investment

	For the quarter ended				TTM ended
	1/31/2025	4/30/2025	7/31/2025	10/31/2025	10/31/2025
Net income (loss)	\$28,191	\$19,726	\$16,615	\$(667)	\$63,865
	As of				Five Quarter Average
	10/31/2024	1/31/2025	4/30/2025	7/31/2025	10/31/2025
Total inventories	\$1,644,804	\$1,666,490	\$1,743,965	\$1,692,932	\$1,637,470
Return on Inventory					3.8%

	For the quarter ended				TTM ended
	1/31/2025	4/30/2025	7/31/2025	10/31/2025	10/31/2025
Net income (loss)	\$28,191	\$19,726	\$16,615	\$(667)	\$63,865
Income tax provision (benefit)	11,672	6,804	7,187	(3,441)	22,222
Interest expense	28,873	29,083	34,017	34,443	126,416
EBIT (1)	68,736	55,613	57,819	30,335	212,503
Inventory impairments and land option write-offs	1,040	3,056	16,045	19,430	39,571
Loss (gain) on extinguishment of debt, net	-	(399)	-	33,512	33,113
Adjusted EBIT (2)	\$69,776	\$58,270	\$73,864	\$83,277	\$285,187
	As of				Five Quarter Average
	10/31/2024	1/31/2025	4/30/2025	7/31/2025	10/31/2025
Total inventories	\$1,644,804	\$1,666,490	\$1,743,965	\$1,692,932	\$1,637,470
Less Liabilities from inventory not owned, net of debt issuance costs	(140,298)	(156,274)	(173,098)	(236,644)	(244,723)
Less Interest capitalized at end of period	(57,671)	(52,884)	(53,633)	(48,139)	(43,263)
Plus Investments in and advances to unconsolidated joint ventures	142,910	172,679	183,461	218,356	163,469
Adjusted Investment (3)	\$1,589,745	\$1,630,011	\$1,700,695	\$1,626,505	\$1,512,953
Adjusted EBIT Return on Adjusted Investment (4)					17.7%

(1) EBIT is a non-GAAP financial measure. The most directly comparable GAAP financial measure is net income (loss). 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 income (loss). Adjusted EBIT represents earnings before interest expense, income taxes, inventory impairments and land option write-offs and loss (gain) 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 income to total inventories.

# Key credit and balance sheet metrics reconciliations

	October 31,						
	2019	2020	2021	2022	2023	2024	2025
Nonrecourse mortgages secured by inventory, net of debt issuance costs	\$203,585	\$135,122	\$125,089	\$144,805	\$91,539	\$90,675	\$29,494
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
<b>Total debt</b>	<b>\$1,683,575</b>	<b>\$1,566,232</b>	<b>\$1,373,462</b>	<b>\$1,291,352</b>	<b>\$1,143,030</b>	<b>\$986,893</b>	<b>\$930,212</b>
Cash and cash equivalents	\$130,976	\$262,489	\$245,970	\$326,198	\$434,119	\$209,976	\$272,772
<b>Net Debt</b>	<b>\$1,552,599</b>	<b>\$1,303,743</b>	<b>\$1,127,492</b>	<b>\$965,154</b>	<b>\$708,911</b>	<b>\$776,917</b>	<b>\$657,440</b>
Adjusted EBITDA	\$174,009	\$234,314	\$364,335	\$478,664	\$426,825	\$455,563	\$299,050
<b>Total debt to adjusted EBITDA</b>	<b>9.7</b>	<b>6.7</b>	<b>3.8</b>	<b>2.7</b>	<b>2.7</b>	<b>2.2</b>	<b>3.1</b>
Net debt to adjusted EBITDA	8.9	5.6	3.1	2.0	1.7	1.7	2.2
Interest incurred	\$165,906	\$176,457	\$155,514	\$134,024	\$136,535	\$128,777	\$116,986
Adjusted EBITDA to Interest incurred	1.0	1.3	2.3	3.6	3.1	3.5	2.6
Total Debt	\$1,683,575	\$1,566,232	\$1,373,462	\$1,291,352	\$1,143,030	\$986,893	\$930,212
Total (deficit) equity	\$(490,463)	\$(436,929)	\$174,897	\$383,036	\$581,736	\$800,349	\$830,935
<b>Total capitalization</b>	<b>\$1,193,112</b>	<b>\$1,129,303</b>	<b>\$1,548,359</b>	<b>\$1,674,388</b>	<b>\$1,724,766</b>	<b>\$1,787,200</b>	<b>\$1,761,147</b>
Debt to capitalization	141.1%	138.7%	88.7%	77.1%	66.3%	55.2%	52.8%
Net debt to net capitalization	146.2%	150.4%	86.6%	71.6%	54.9%	49.3%	44.2%

*Note: Adjusted EBITA and Interest Incurred for October 31, 2025 are based on last twelve months basis.*



*Hovnanian*  
*Enterprises, Inc.*