Hovnanian Enterprises, Inc.

Review of Financial Results
Third 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; (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 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 development of land, the home building, sales and customer financing processes, tax laws and the environment; (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 income. The reconciliation for historical periods of EBIT, EBITDA, Adjusted EBIT and Adjusted EBITDA to net 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 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 income before income taxes. The reconciliation for historical periods of adjusted income before income taxes to 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 $146.6 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 July 31, 2025.

Recent company performance

Third Quarter Results Compared to Guidance

Hovnanian Enterprises Inc.

($ in millions)

	Guidance Q3 2025(1)	Actuals Q3 2025
Total Revenues	**$750 - $850**	**$801**
Adjusted Homebuilding Gross Margin(2)	**17.0% - 18.0%**	**17.3%**
Total SG&A as Percentage of Total Revenues(3)	**11.0% - 12.0%**	**11.3%**
Income from Unconsolidated Joint Ventures	**$15 - $25**	**$16**
Adjusted EBITDA(4)	**$60 - $70**	**$77**
Adjusted Income Before Income Taxes(5)	**$30 - $40**	**$40**

(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 $96.80, which was the price at the end of the second quarter of fiscal year 2025.

(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.

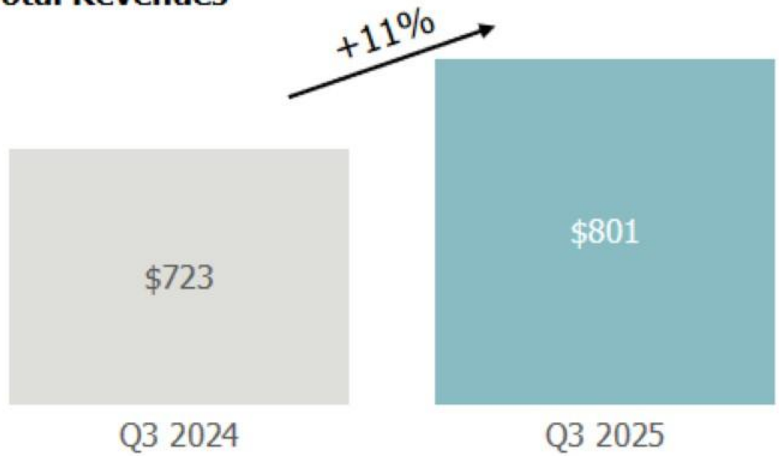
(5) Adjusted Income Before Income Taxes excludes land-related charges, joint venture write-downs and loss (gain) on extinguishment of debt, net and is a non-GAAP financial measure. See appendix for a reconciliation of the historic measure to the most directly comparable GAAP measure.

Third Quarter Results Compared to Last Year

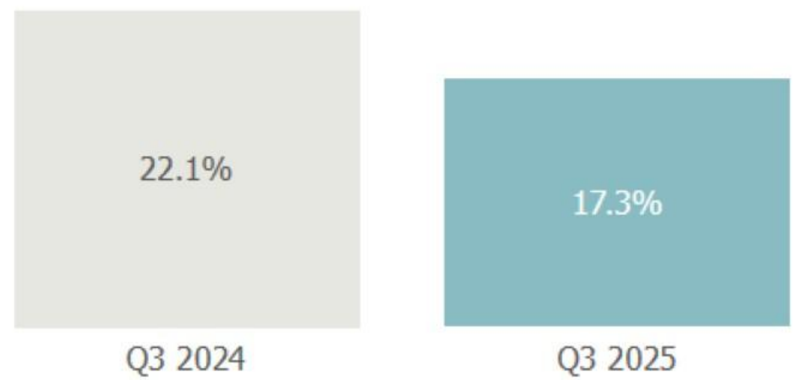
Hovnanian Enterprises, Inc.

($ in millions)

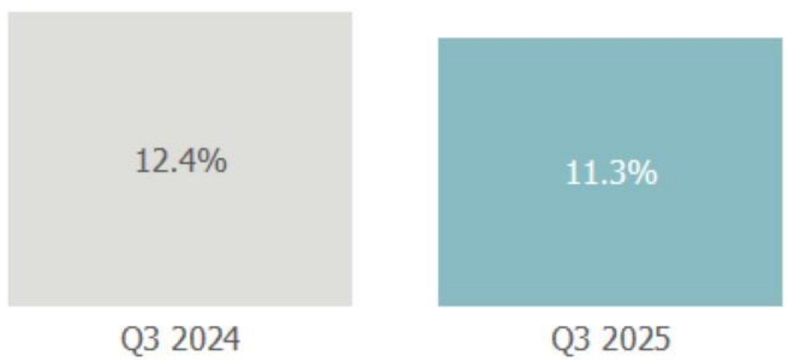
Total Revenues



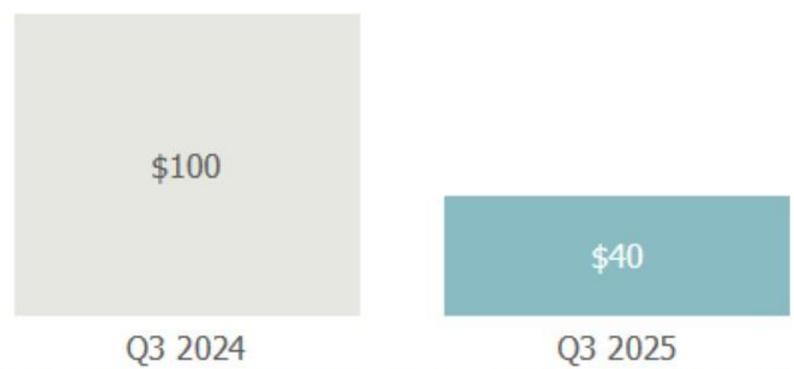
Adjusted Gross Margin(1)



Total SG&A as a Percentage of Total Revenues(2)



Adjusted Income Before Income Taxes(3)

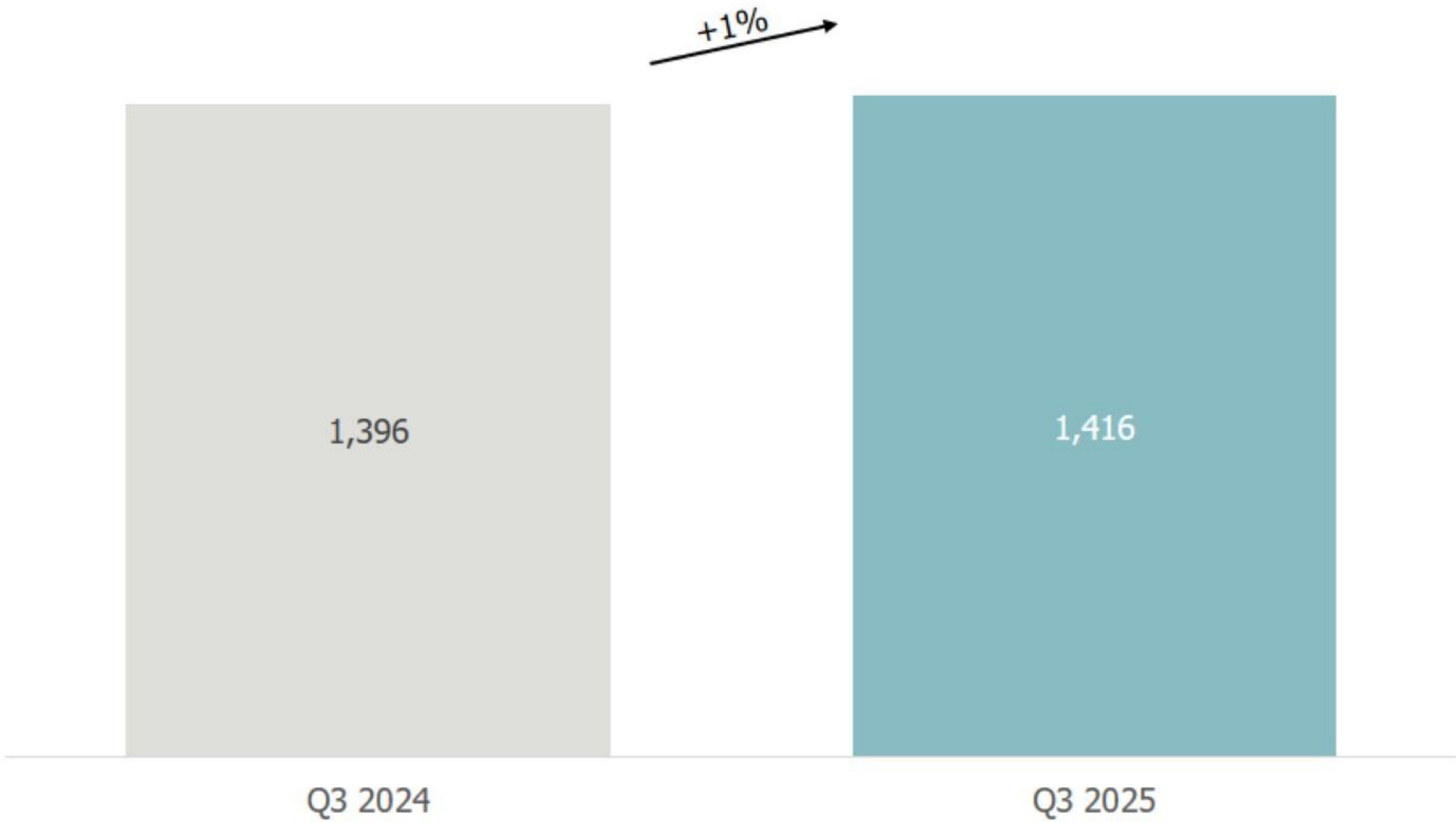


(1) Adjusted homebuilding gross margin percentage is before cost of sales interest expense and land charges and is a non-GAAP financial measure. See appendix for a reconciliation of the historic measure to the most directly comparable GAAP measure.

(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.

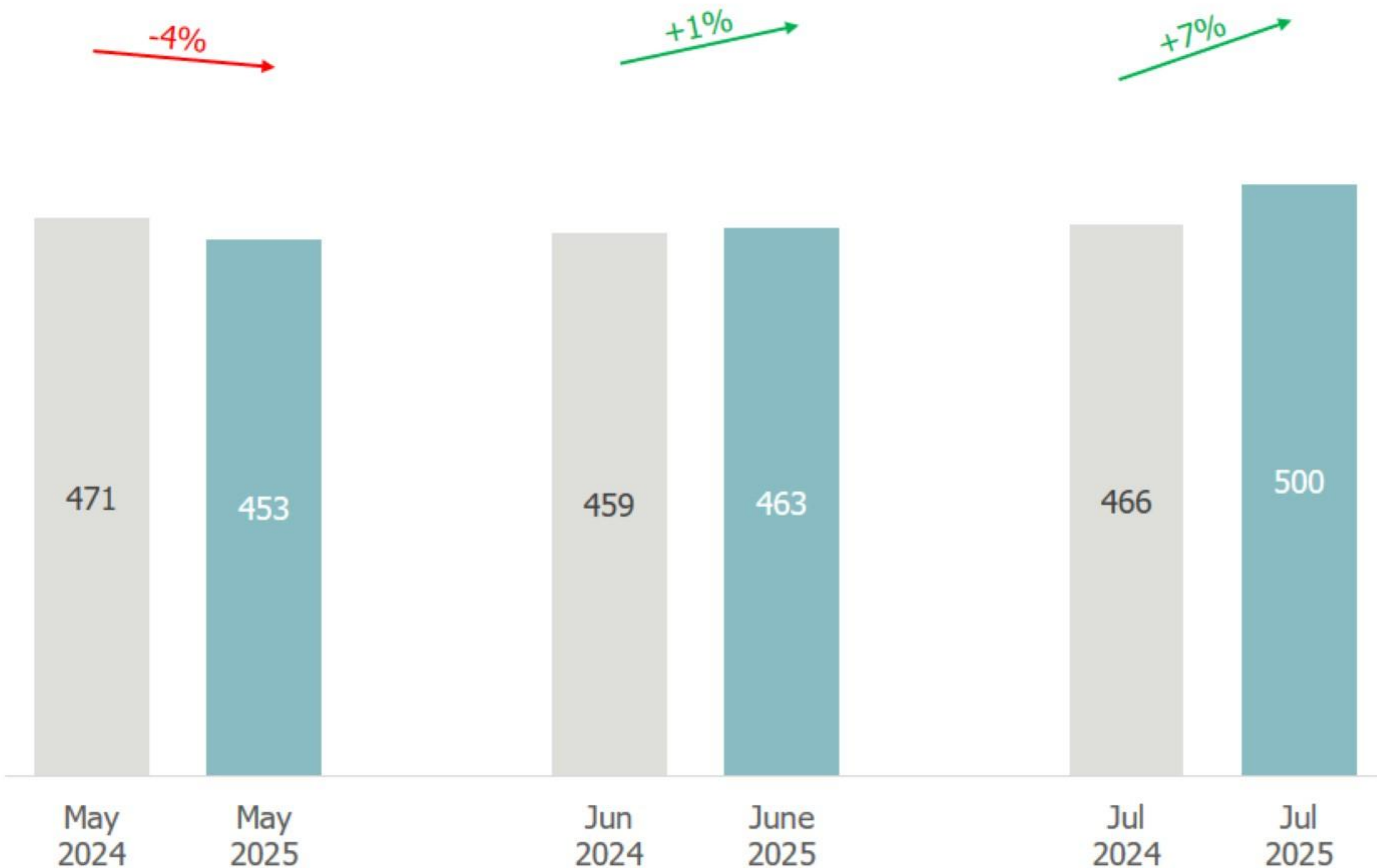
(3) Adjusted Income Before Income Taxes excludes land-related charges, joint venture write-downs and loss (gain) on extinguishment of debt, net and is a non-GAAP financial measure. See appendix for a reconciliation of the historic measure to the most directly comparable GAAP measure.

Contracts, including domestic unconsolidated joint ventures



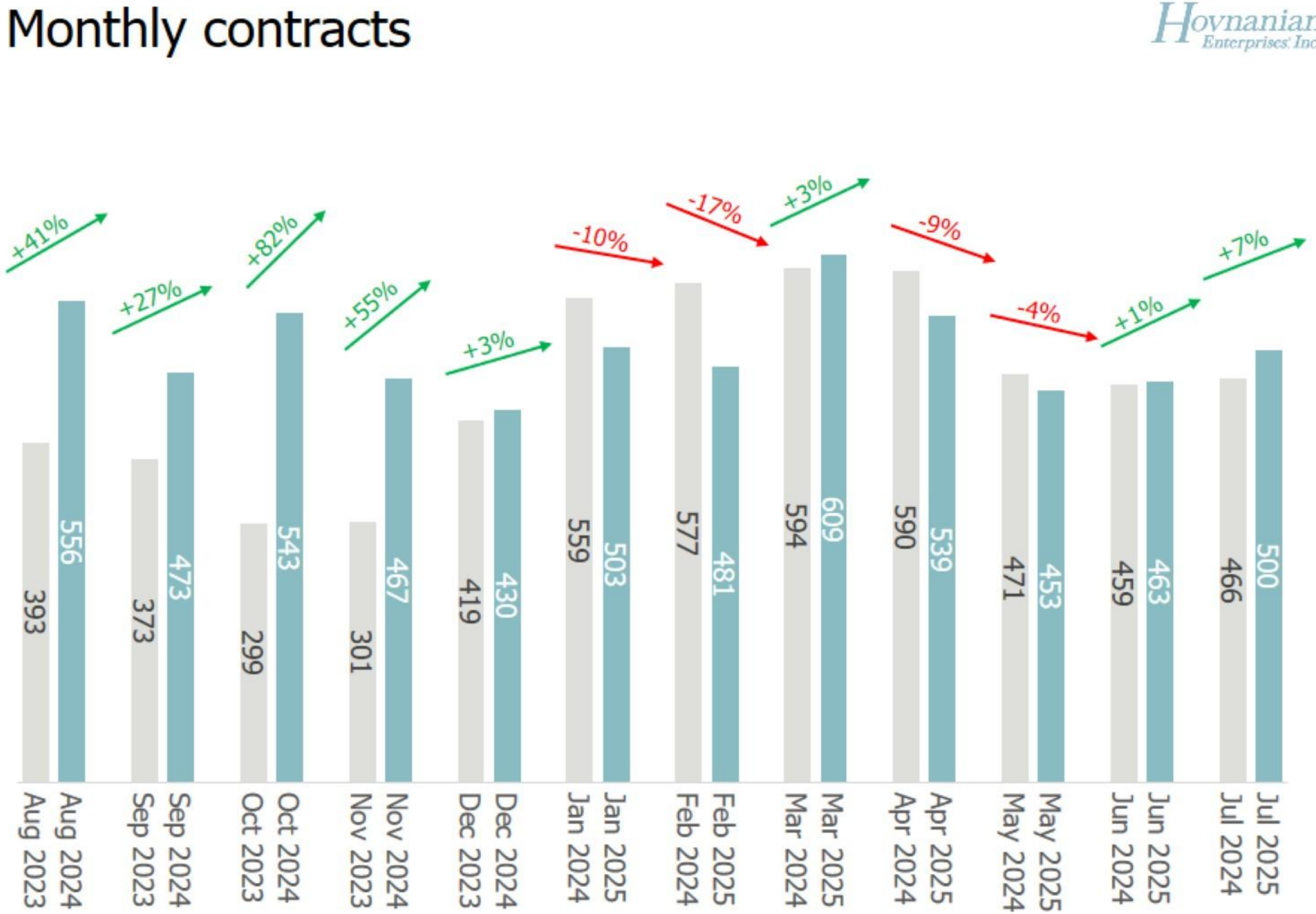
Note: Includes domestic unconsolidated joint venture contracts.

Monthly contracts



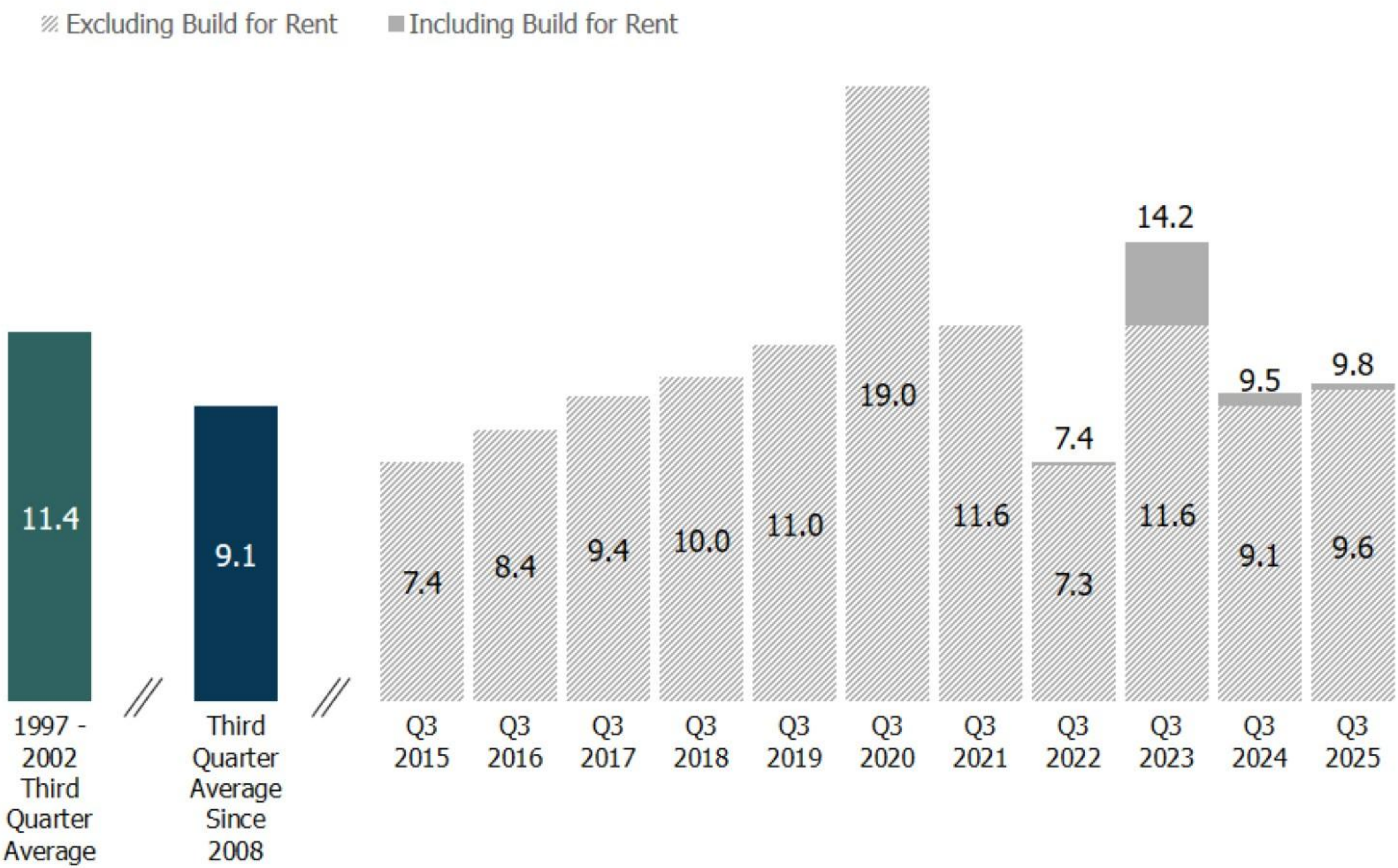
Note: Includes domestic unconsolidated joint venture contracts.

Monthly contracts



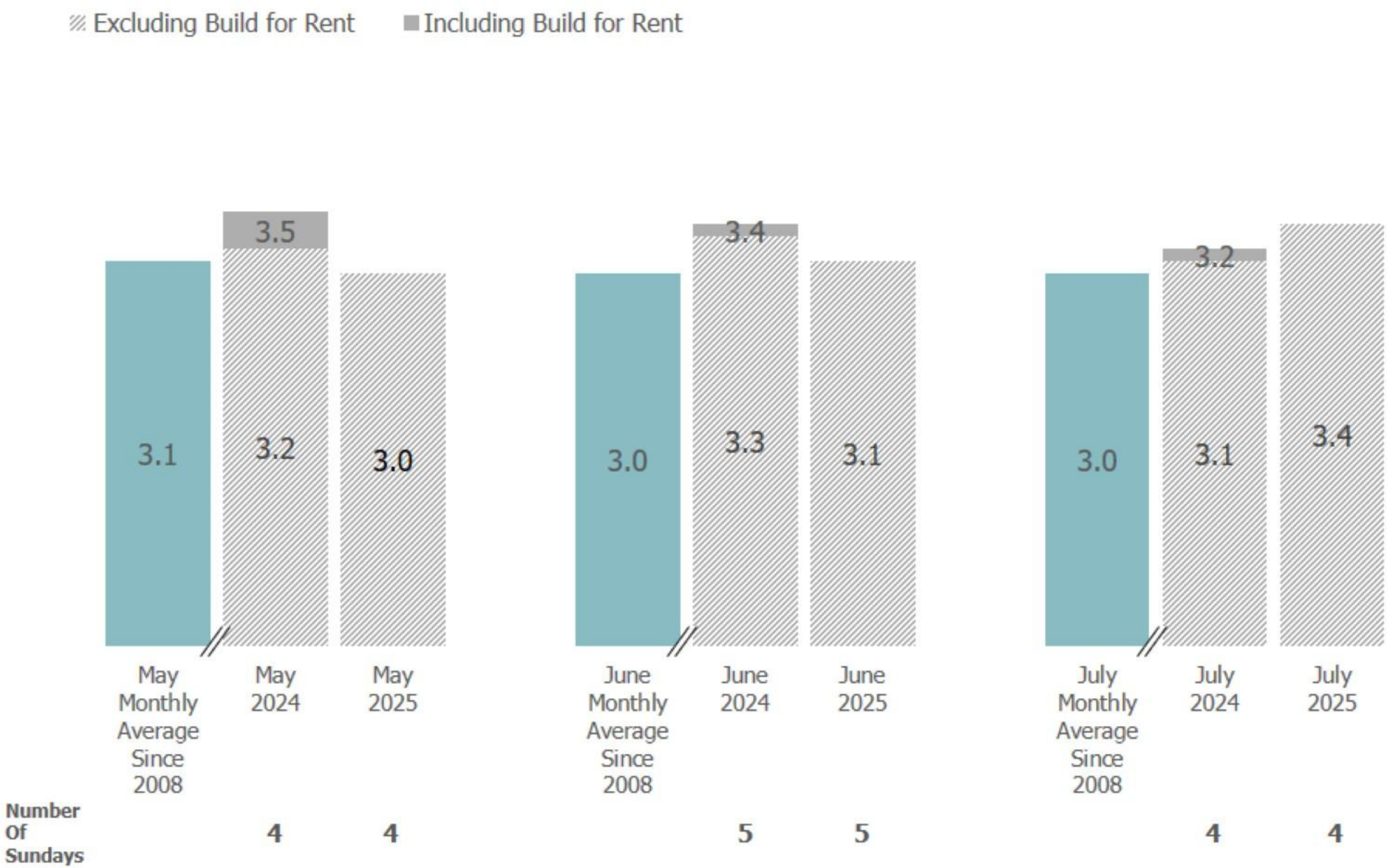
Note: Includes domestic unconsolidated joint venture contracts.

Quarterly Contracts Per Community



Note: Excludes unconsolidated joint ventures.

Contracts Per Community



Note: Excludes unconsolidated joint ventures.

Contracts Per Community – Most Recent Quarter

Hovnanian Enterprises Inc.

For the quarter ended June 30, 2025

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

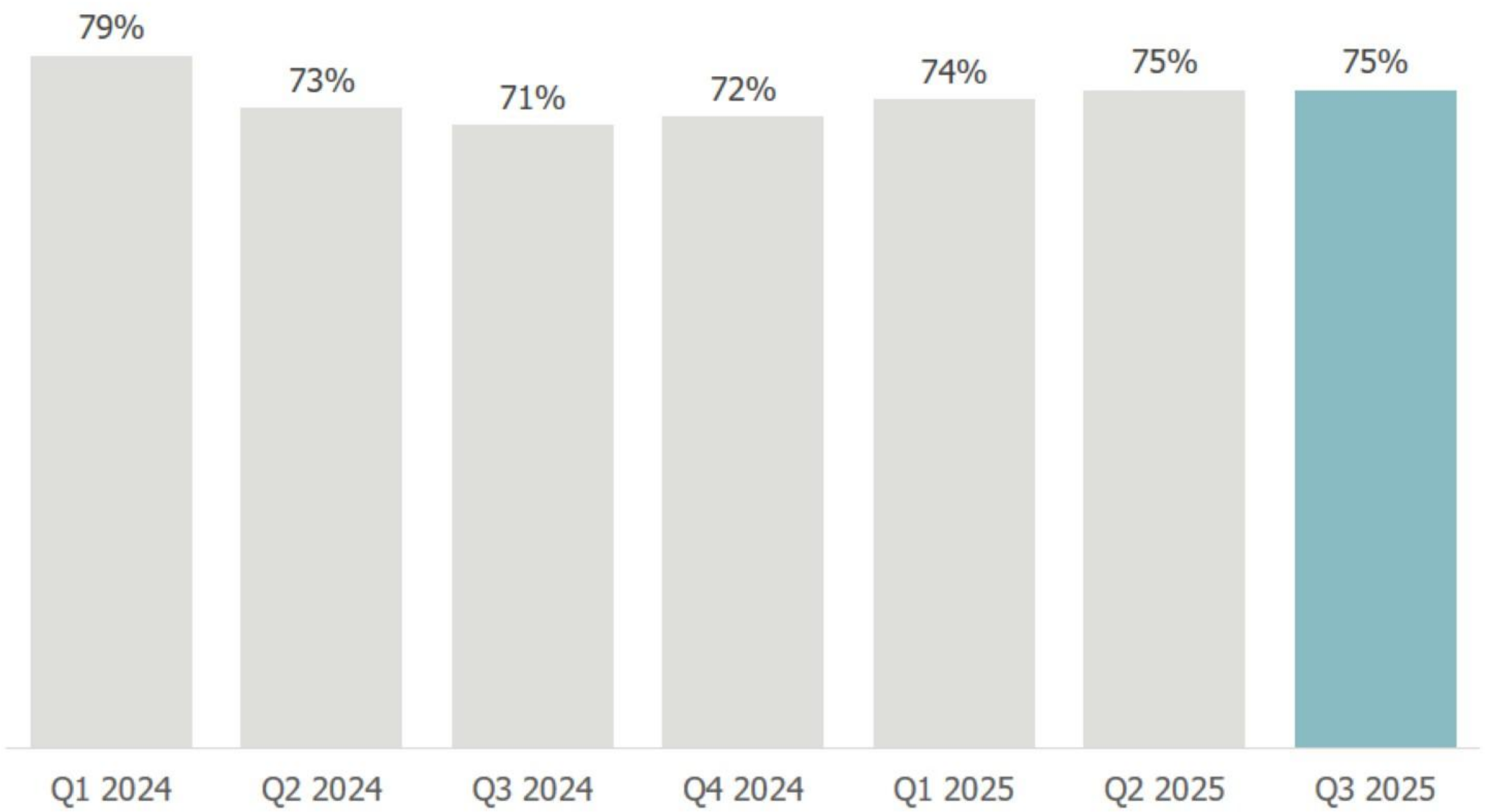
Contracts Per Community – Most Recent Quarter Year-Over-Year Change

Hovnanian Enterprises, Inc.

For the quarter ended June 30, 2025, compared with the quarter ended June 30, 2024

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

Percentage of Our Homebuyers That Used Buydowns

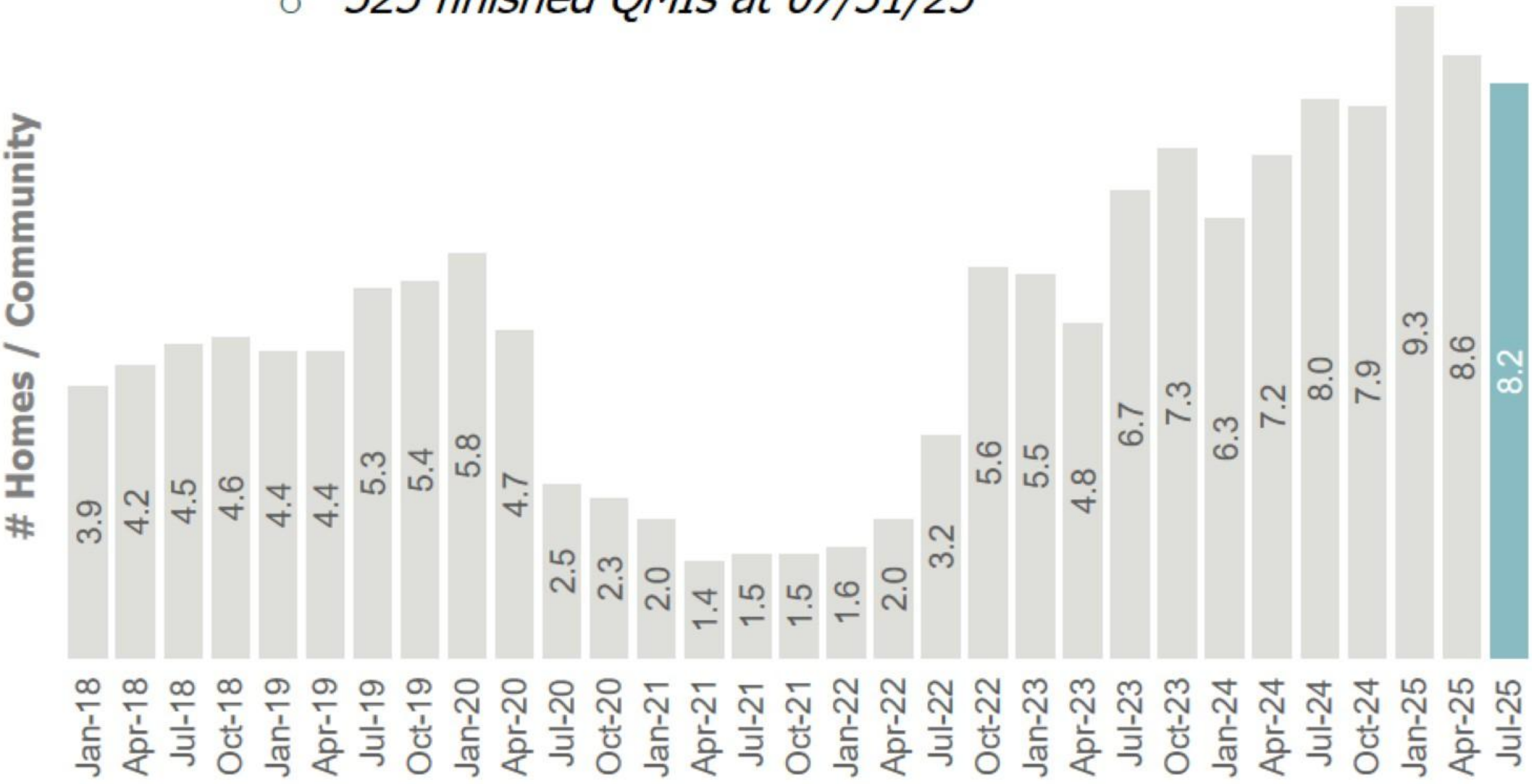


Note: Represents the percentage of K. Hovnanian American Mortgage customers that used a buydown.

Quick Move In Homes (QMIs) Per Community

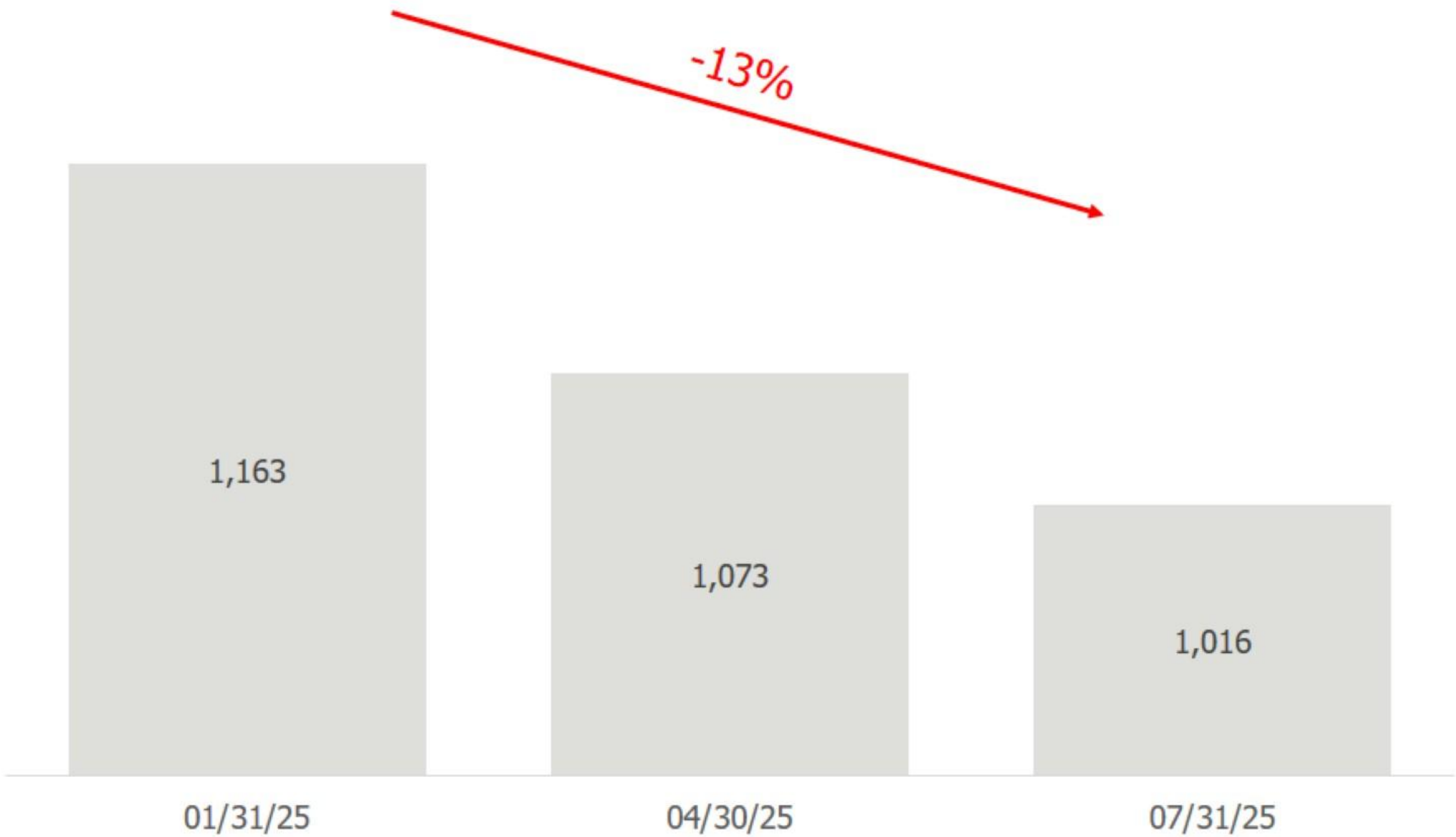
Hovnanian Enterprises, Inc.

- *1,016 QMIs at 07/31/25, excluding models*
- *4.7 average QMIs per community since 1997*
- *323 finished QMIs at 07/31/25*



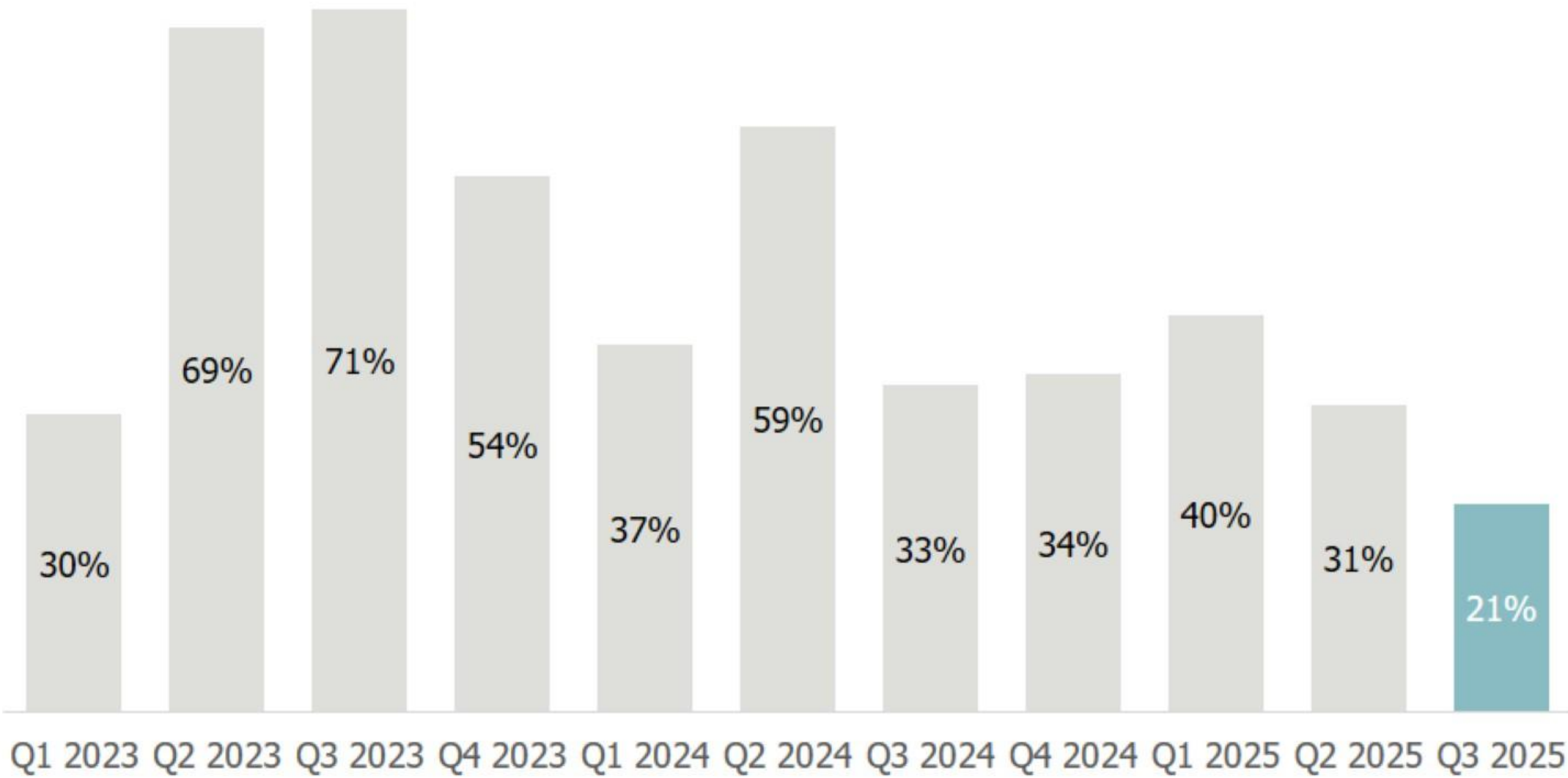
Note: Excluding unconsolidated joint ventures and models.

Quick Move In Homes (QMIs)



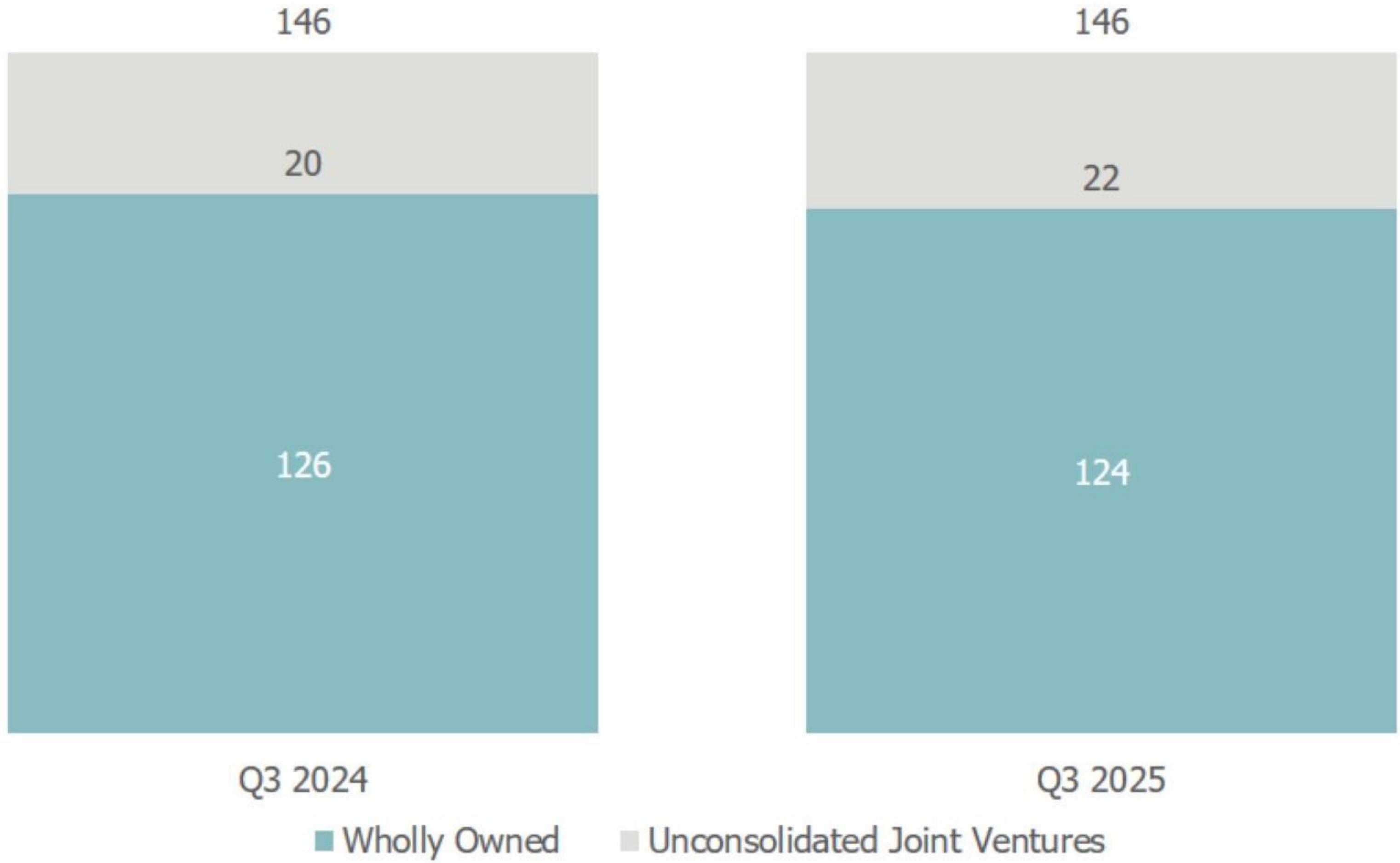
Note: Excluding unconsolidated joint ventures and models.

Percentage of communities where we raised net prices



Community Count

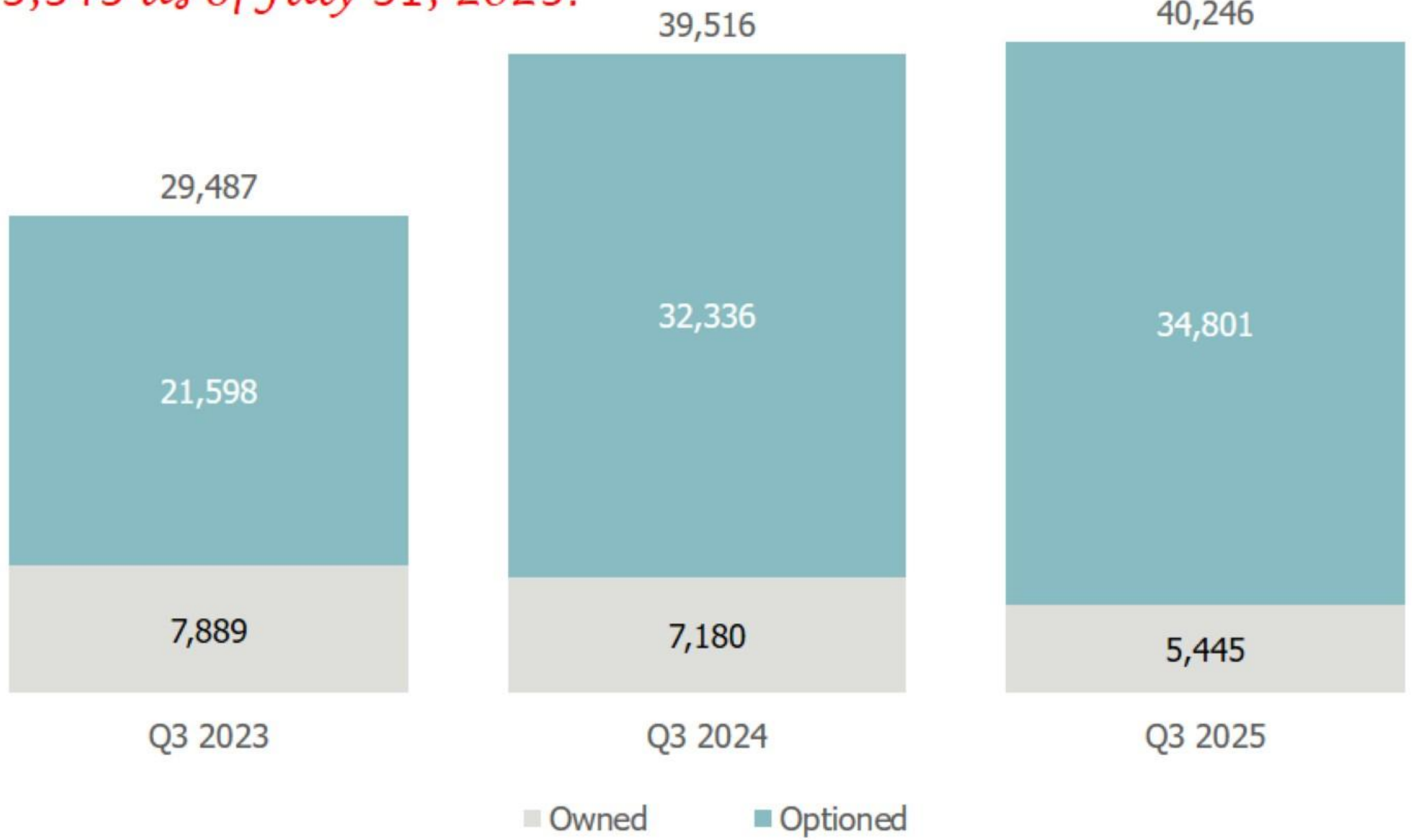
Community count expected to grow further in fiscal 2025.



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 43,343 as of July 31, 2025.



Note: Excludes unconsolidated joint ventures.

Lots Controlled

Hovnanian Enterprises, Inc.

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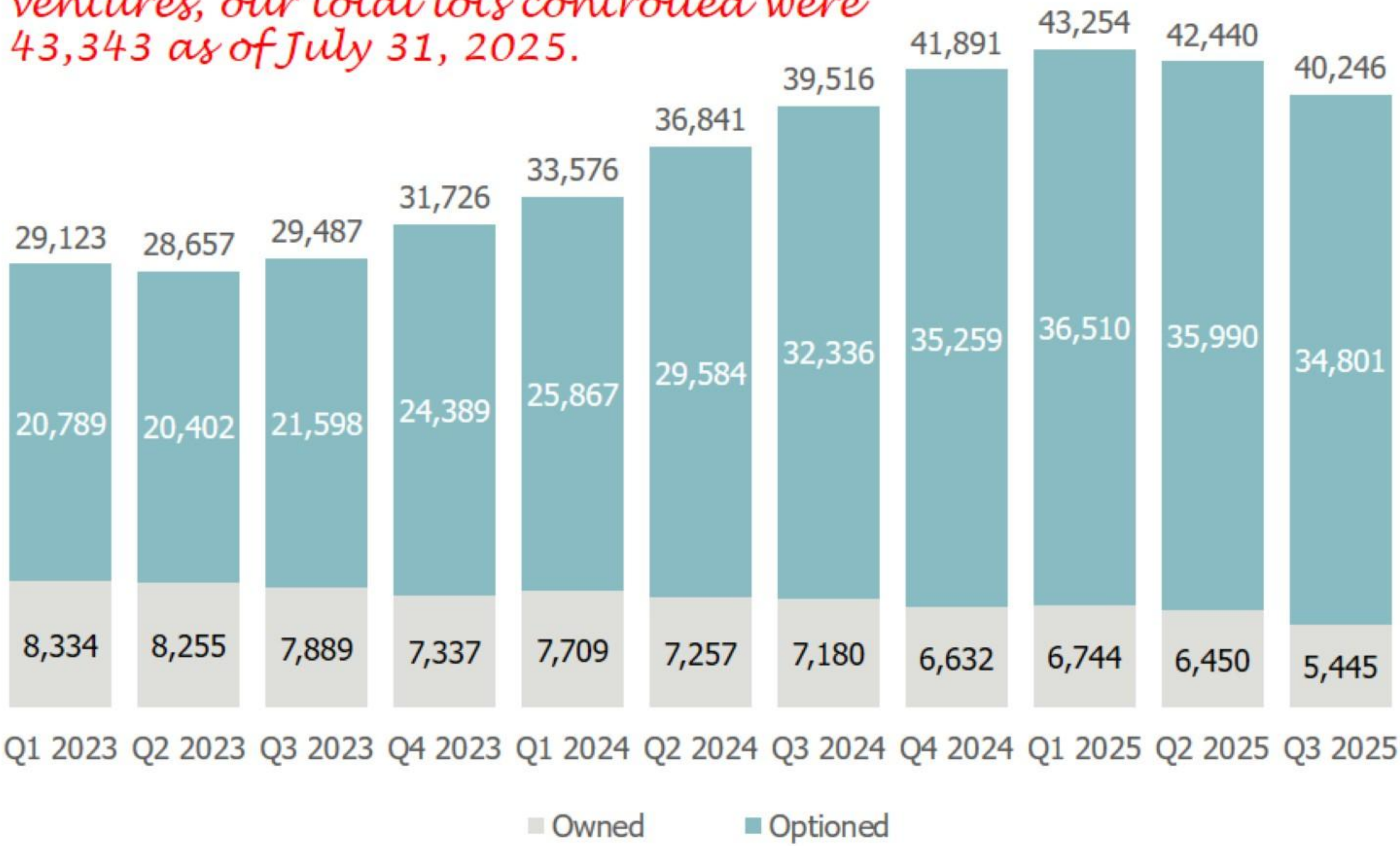
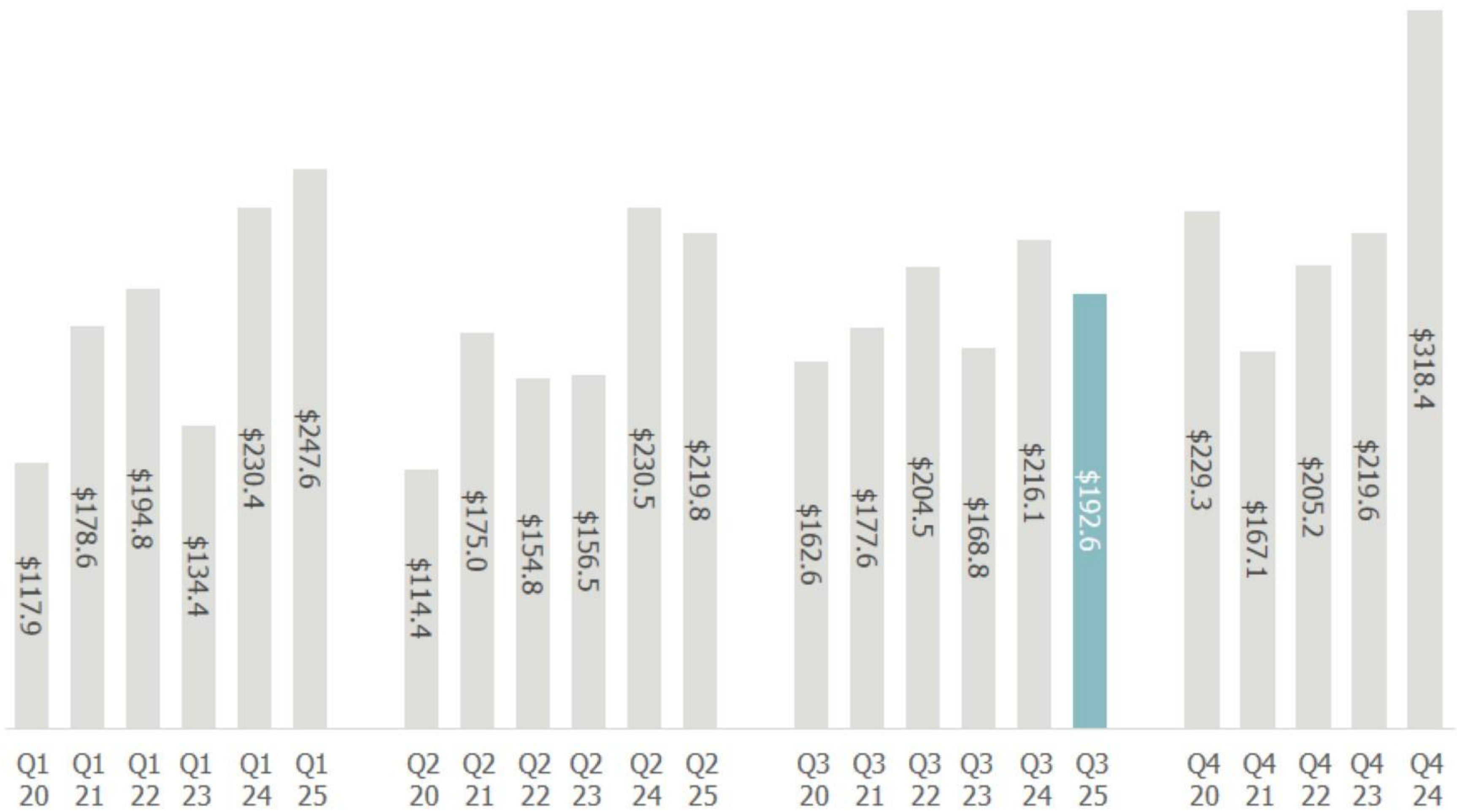
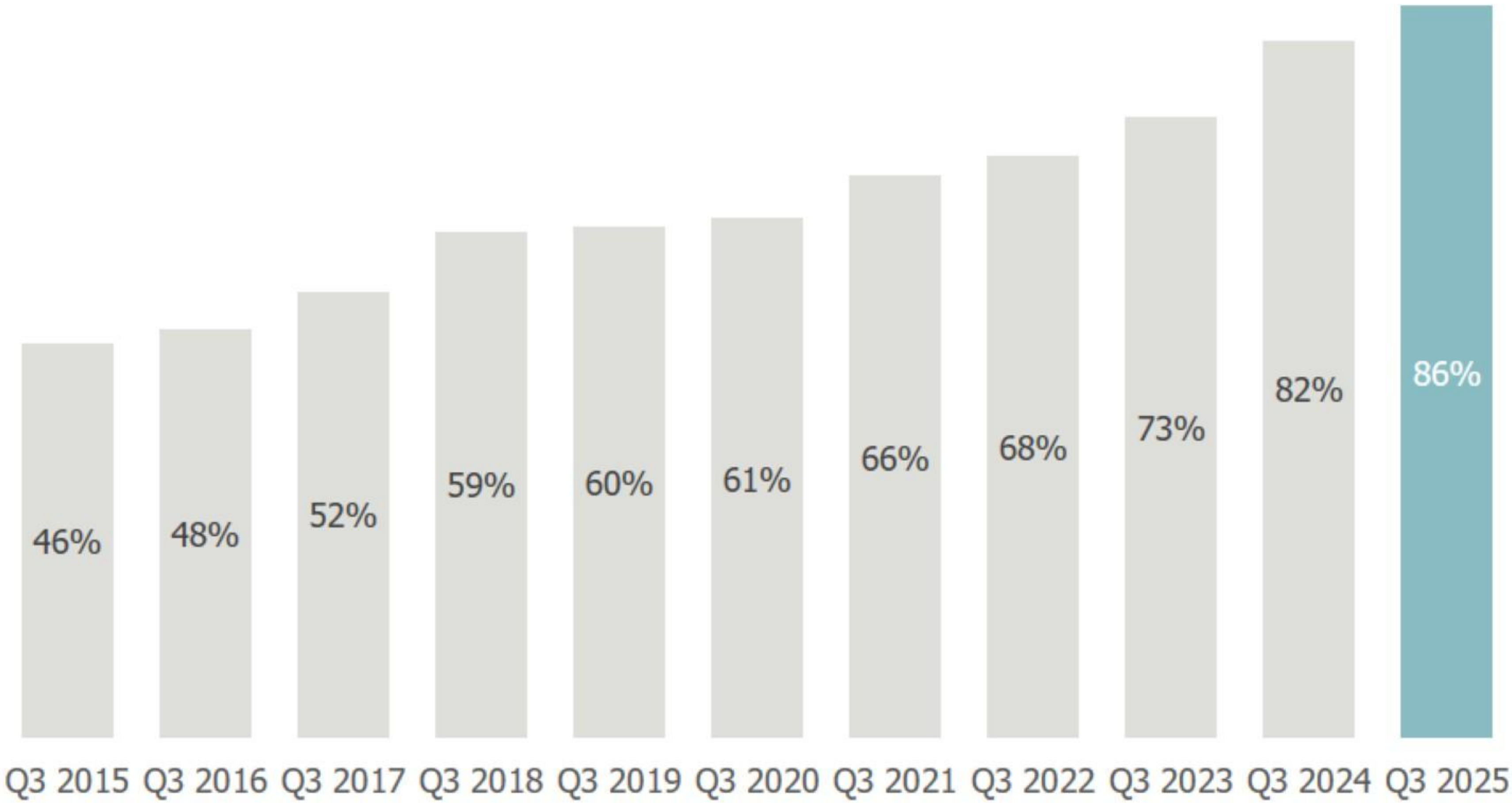


Note: Excludes unconsolidated joint ventures.

Quarterly Land and Land Development Spend

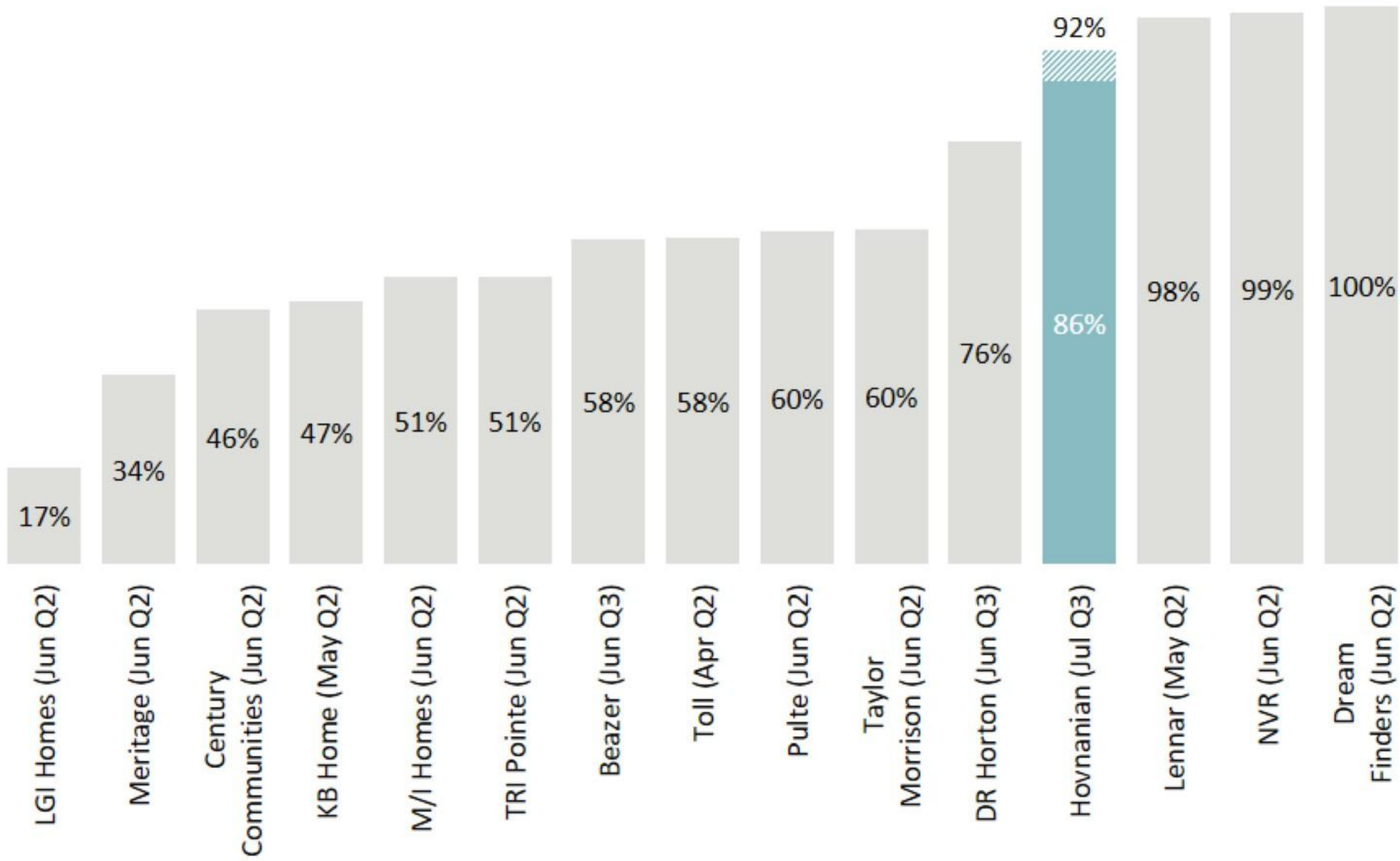


Percentage of Optioned Lots



Note: Excludes unconsolidated joint ventures.

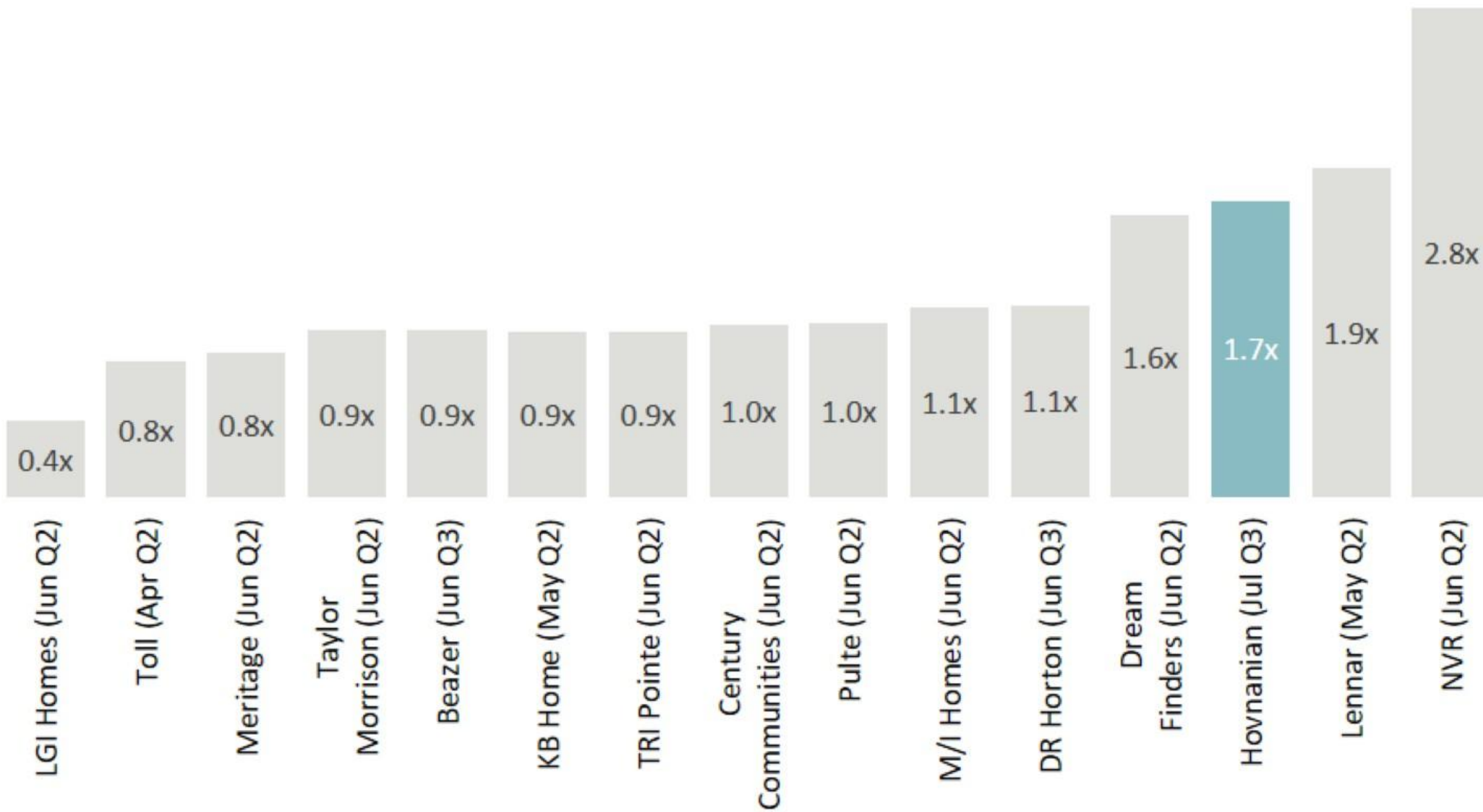
% of Lots Optioned



Source: Peer SEC filings and press releases as of 08/18/2025.
Note: Excludes unconsolidated joint ventures.
Note: Hovnanian 92% excludes QMIs and backlog from owned lots.

Inventory Turns (COGS), Last Twelve Months

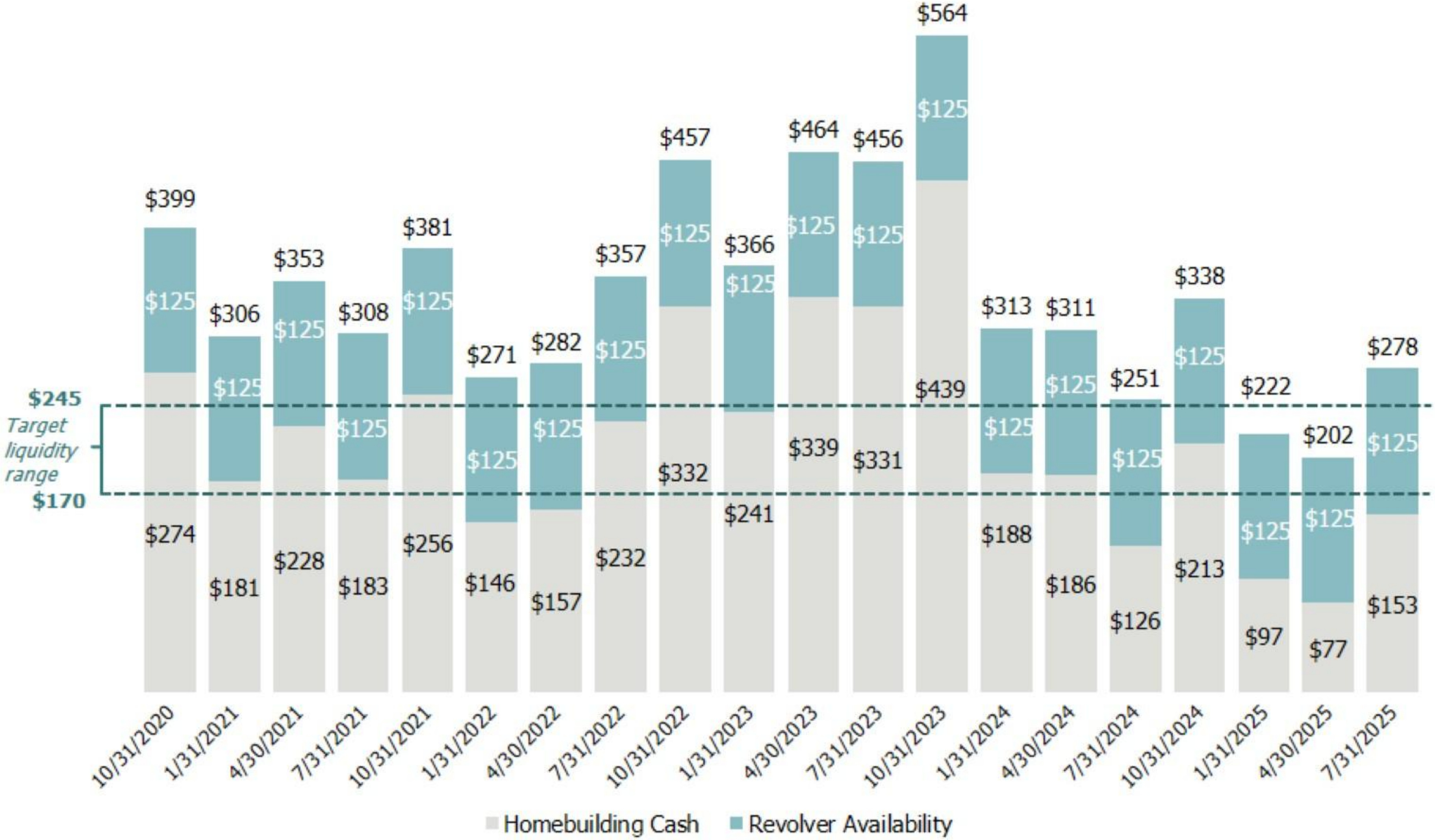
Hovnanian Enterprises, Inc.



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 08/18/2025.

Liquidity Position and Target

($ in millions)



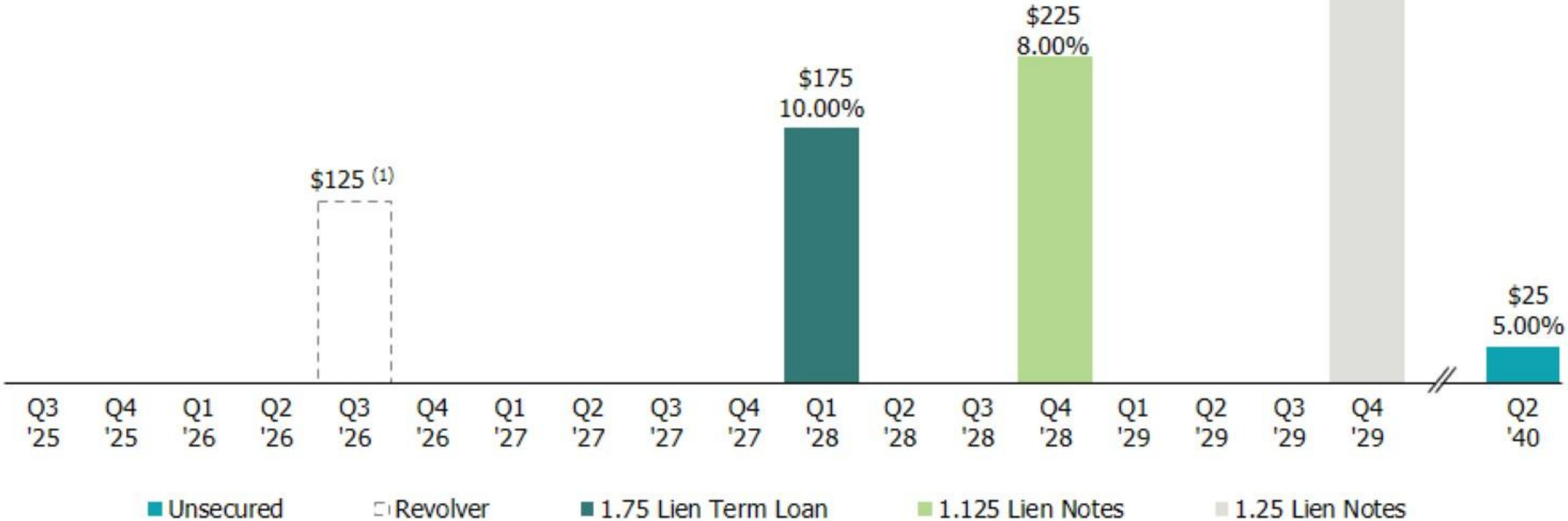
Note: Liquidity position includes homebuilding cash and cash equivalents (which includes unrestricted cash and restricted cash required to collateralize letters of credit) and revolving credit facility availability.

Debt Maturity Profile

July 31, 2025
($ in millions)

Total Debt Outstanding $855
Annual Interest Incurred $87

In Q2 2025 redeemed $27M of 13.5% senior notes due February of 2026.

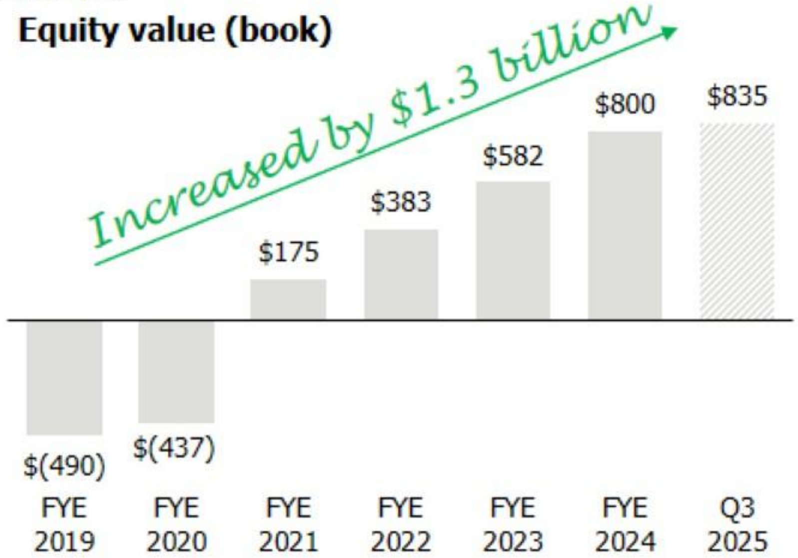


Note: Shown on a fiscal year basis, at face value.
Excludes non-recourse mortgages.
(1) $0 balance as of July 31, 2025.

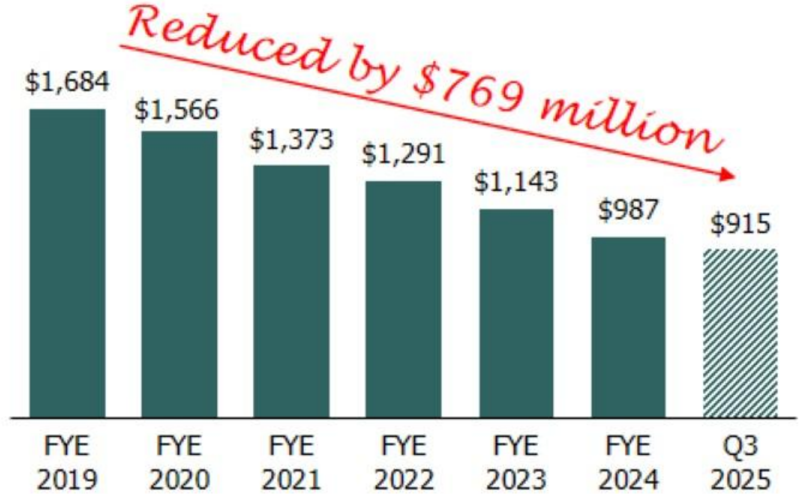
Balance Sheet Metrics

($ in millions)

Equity value (book)

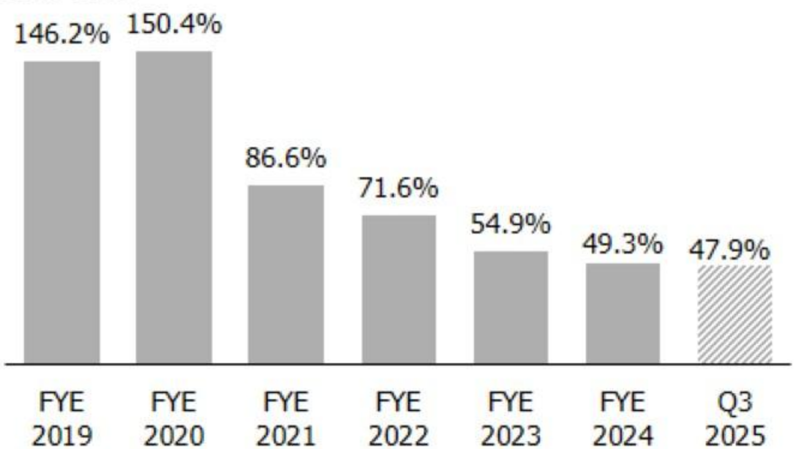


Total debt



Net debt to net capitalization

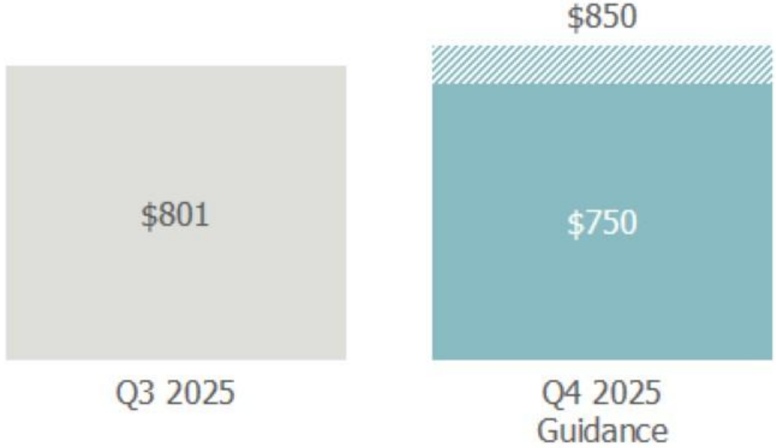
Goal: 30%



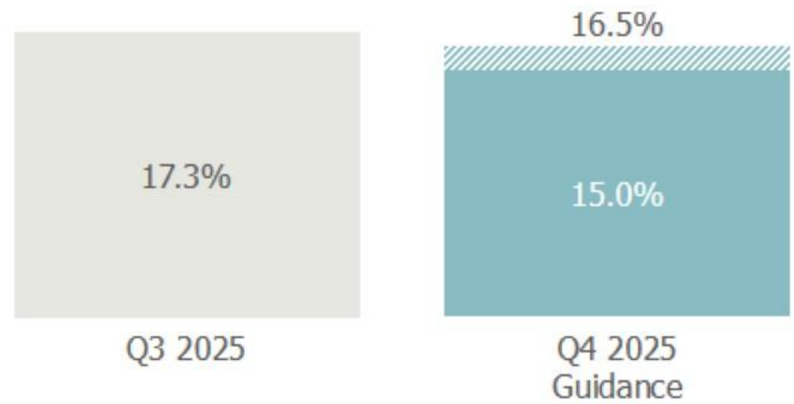
Fourth Quarter Guidance vs. Third Quarter Actuals

($ in millions)

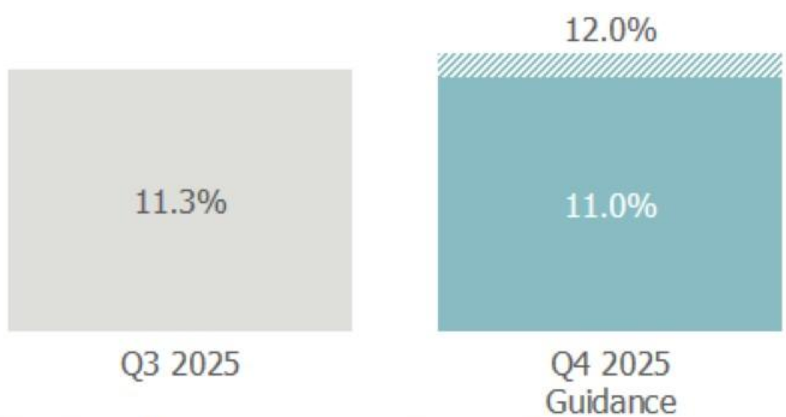
Total Revenues



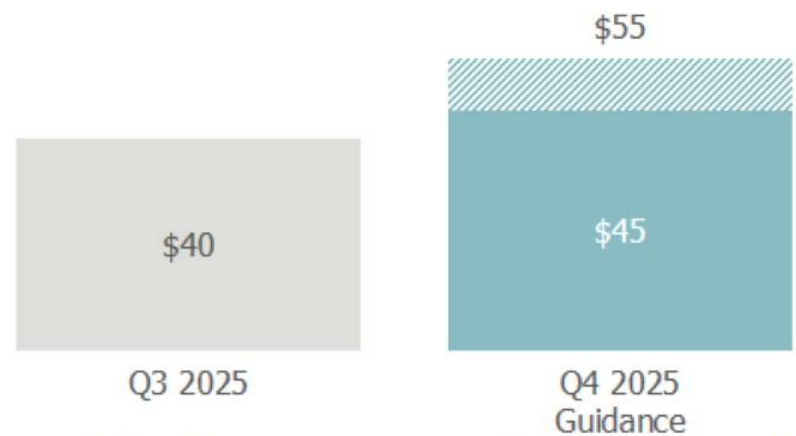
Adjusted Gross Margin(1)



Total SG&A as Percentage of Total Revenues(2)



Adjusted 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 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 2025 Fourth Quarter

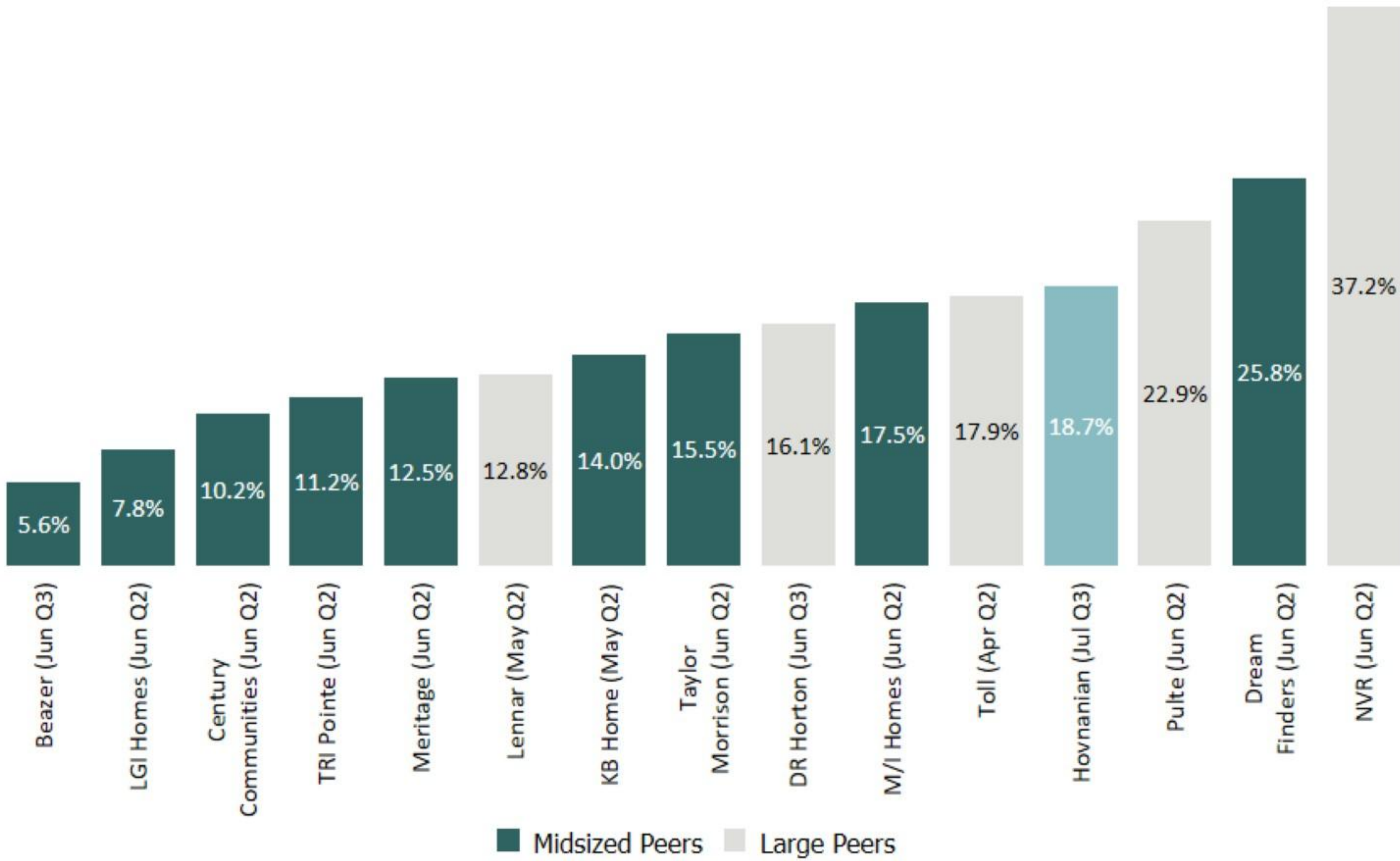
Hovnanian Enterprises, Inc.

($ in millions)

	Guidance Q4 2025(1)
Total Revenues	**$750 - $850**
Adjusted Homebuilding Gross Margin(2)	**15.0% - 16.5%**
Total SG&A as Percentage of Total Revenues(3)	**11.0% - 12.0%**
Income from Unconsolidated Joint Ventures	***$8 - $12***
Adjusted EBITDA(4)	***$77 - $87***
Adjusted Income Before Income Taxes(5)	**$45 - $55**

(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 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.

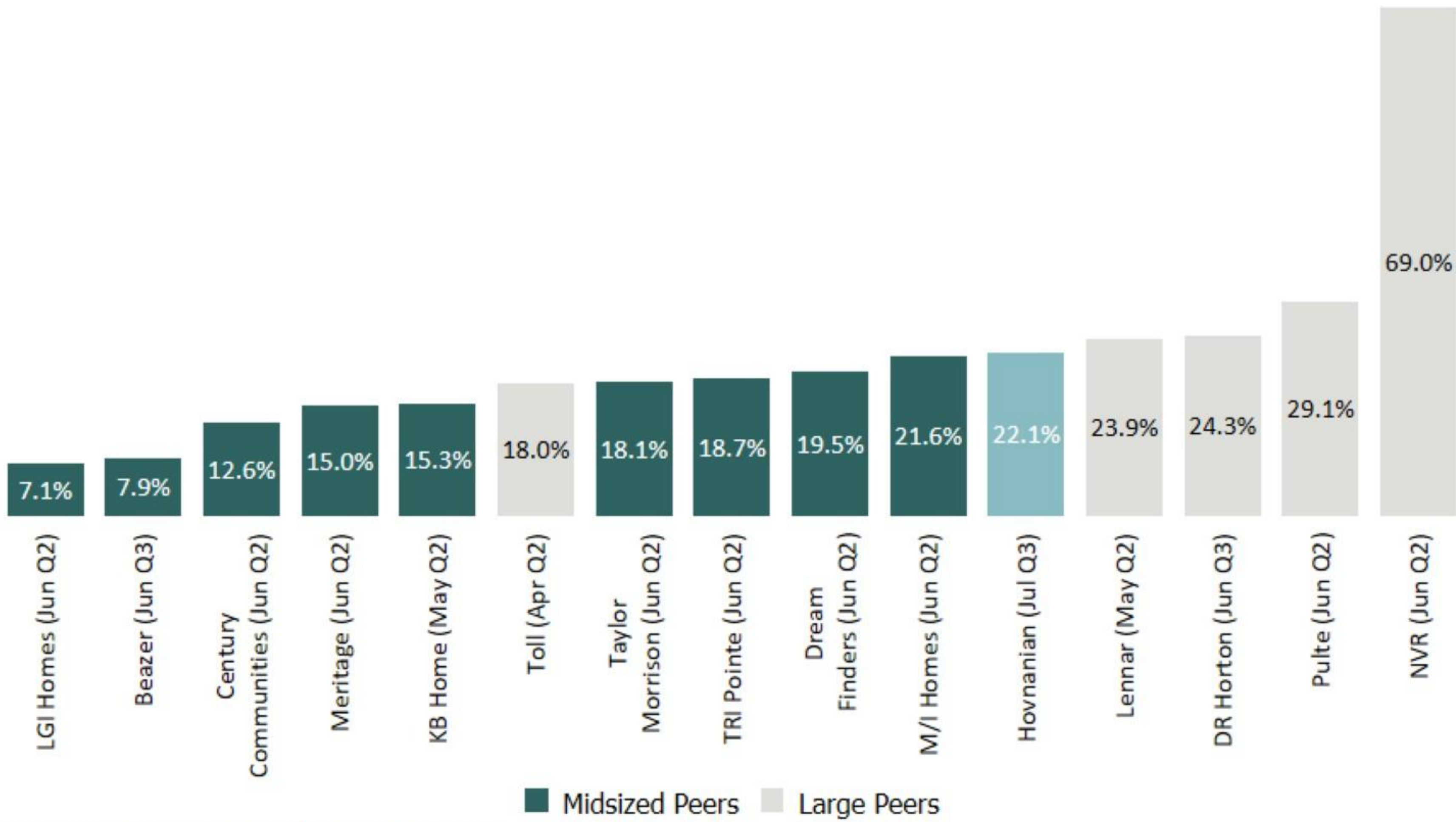
ROE, Last Twelve Months



Source: Peer SEC filings and press releases as of 08/18/2025.

Adjusted EBIT ROI, Last Twelve Months

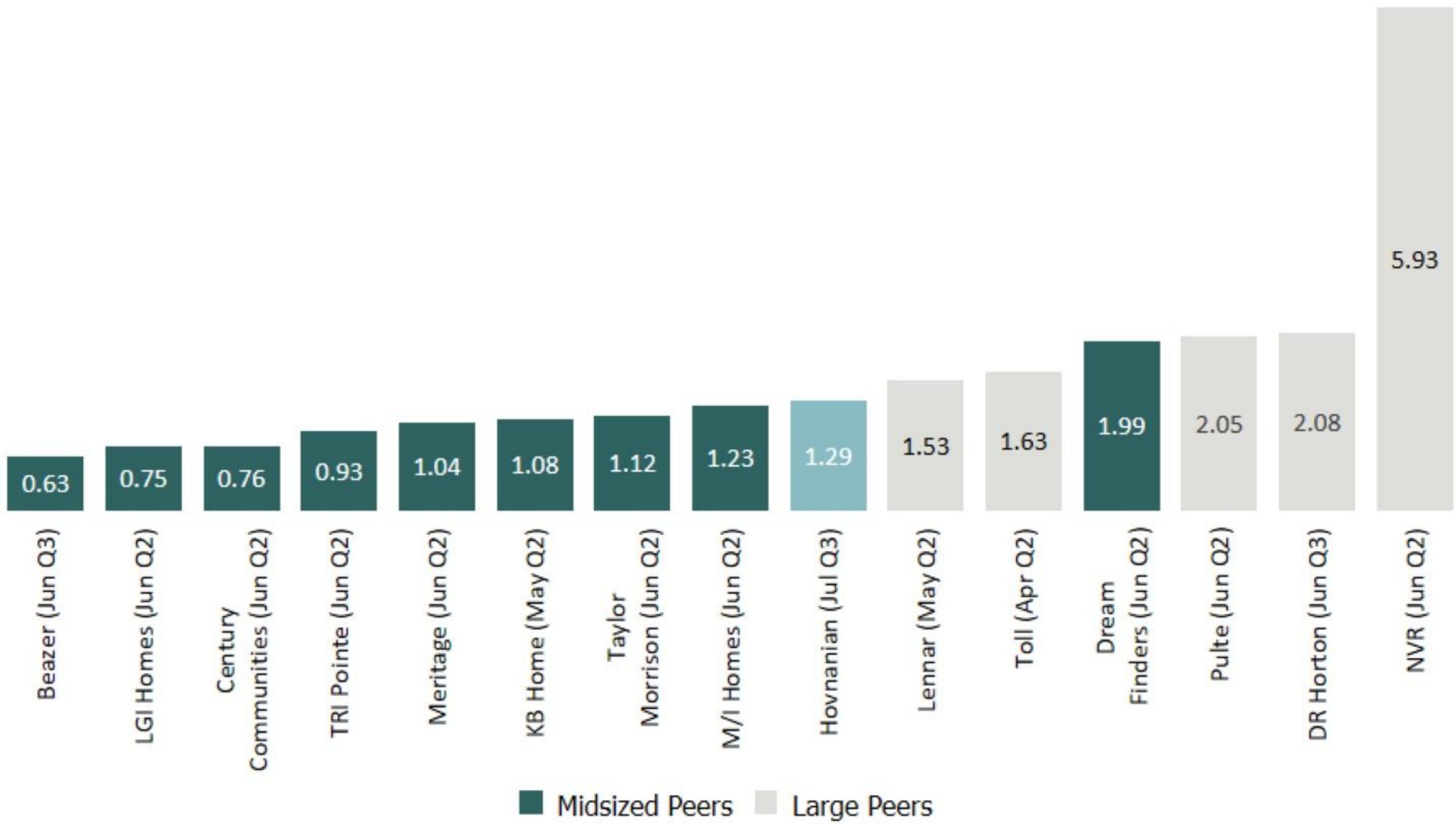
Hovnanian Enterprises, Inc.



Source: Peer SEC filings and press releases as of 08/18/2025.
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.

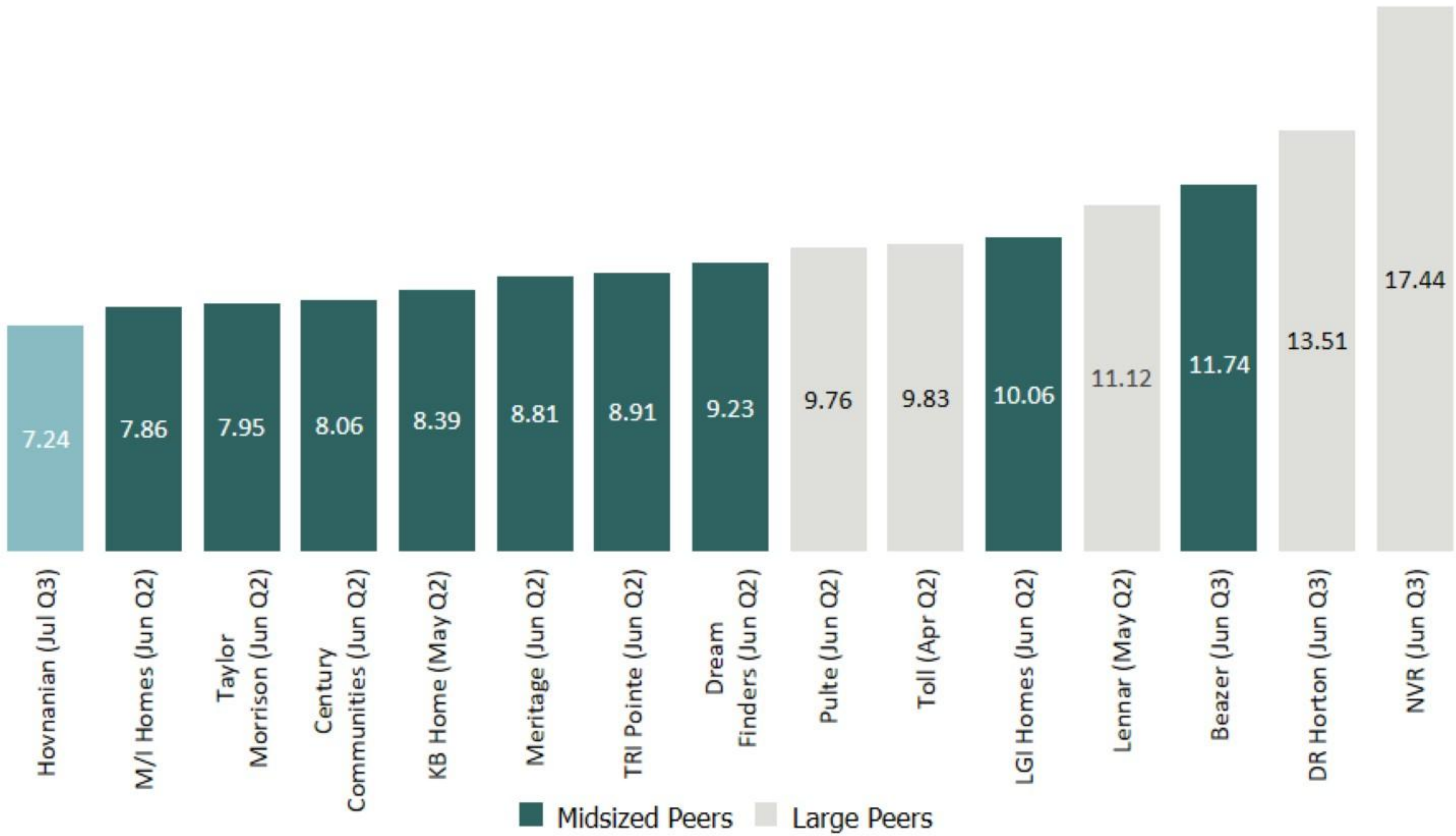
Price to Book Value

Hovnanian Enterprises, Inc.



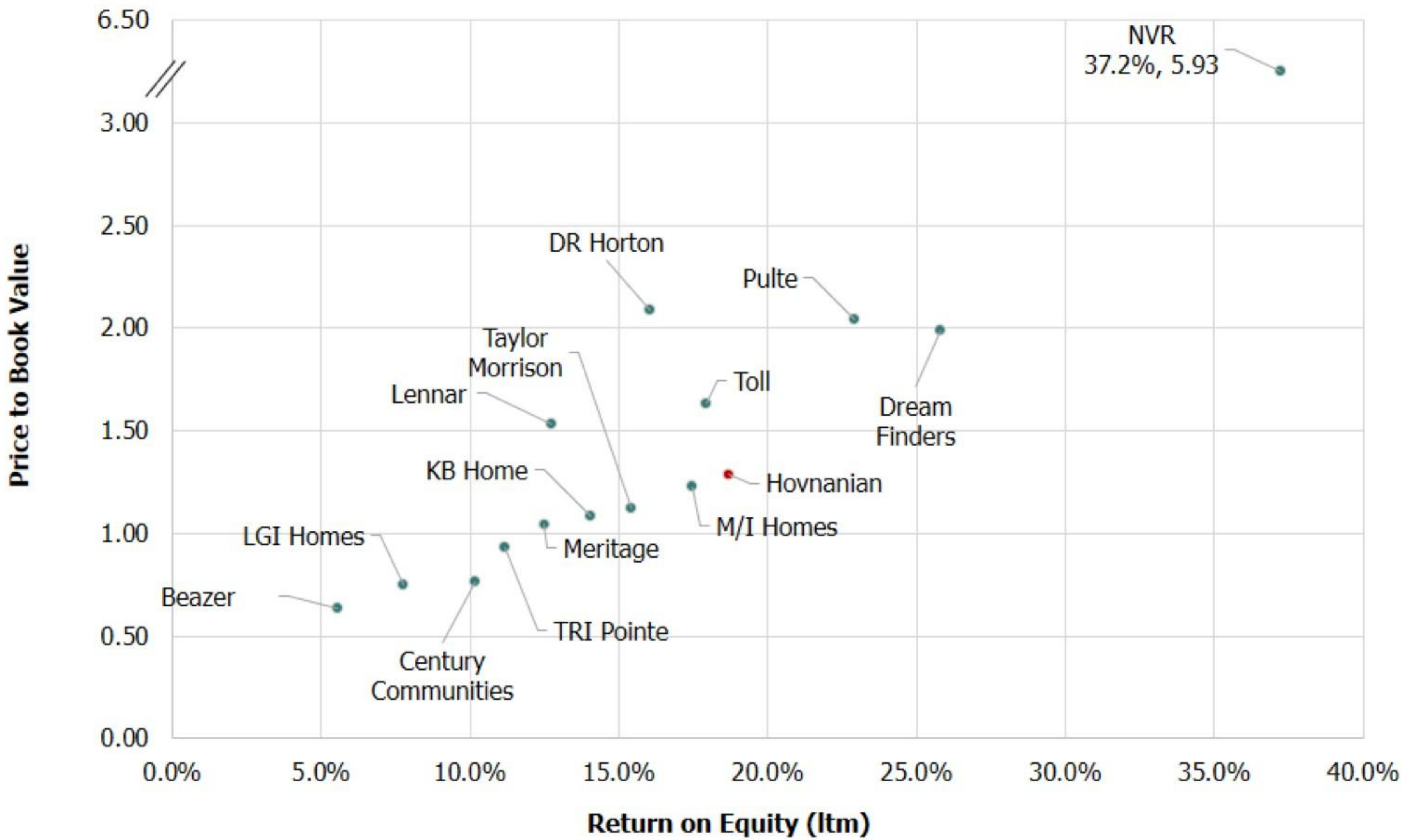
Source: Price to book value for most recent quarter based on Yahoo! finance as of 08/20/2025.
Note: Hovnanian price to book value calculated with common equity as of 07/31/2025 and stock price of $148.95 as of 08/20/2025.

Price to Earnings Ratio



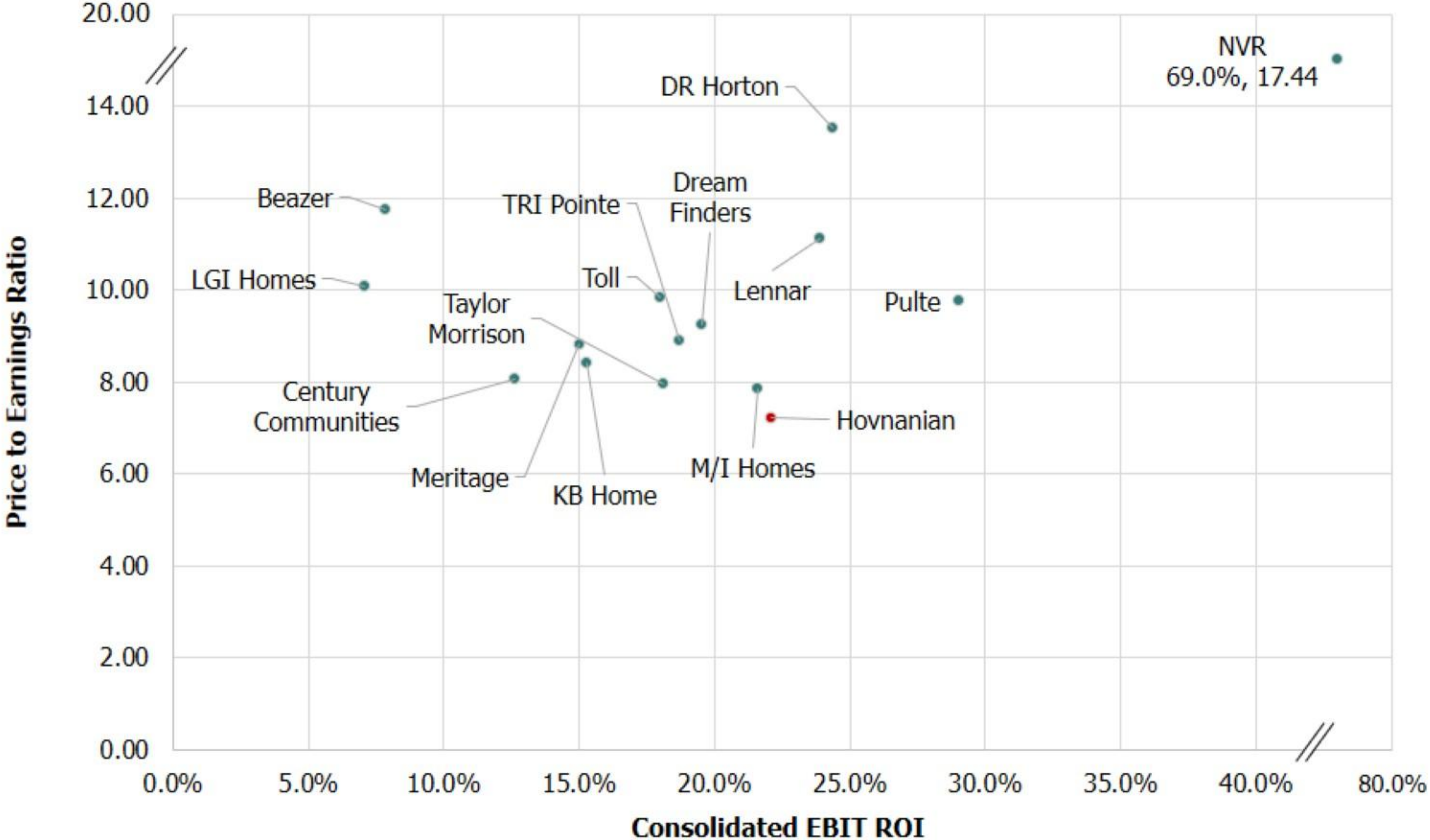
Source: Last twelve-month price to earnings ratio based on Yahoo! finance as of 08/20/2025.
Note: Hovnanian price to earnings ratio calculated using last twelve months EPS as of 07/31/2025 and stock price of $148.95 as of 08/20/2025.

ROE Price to Book



Source: Yahoo! finance as of 08/20/2025.

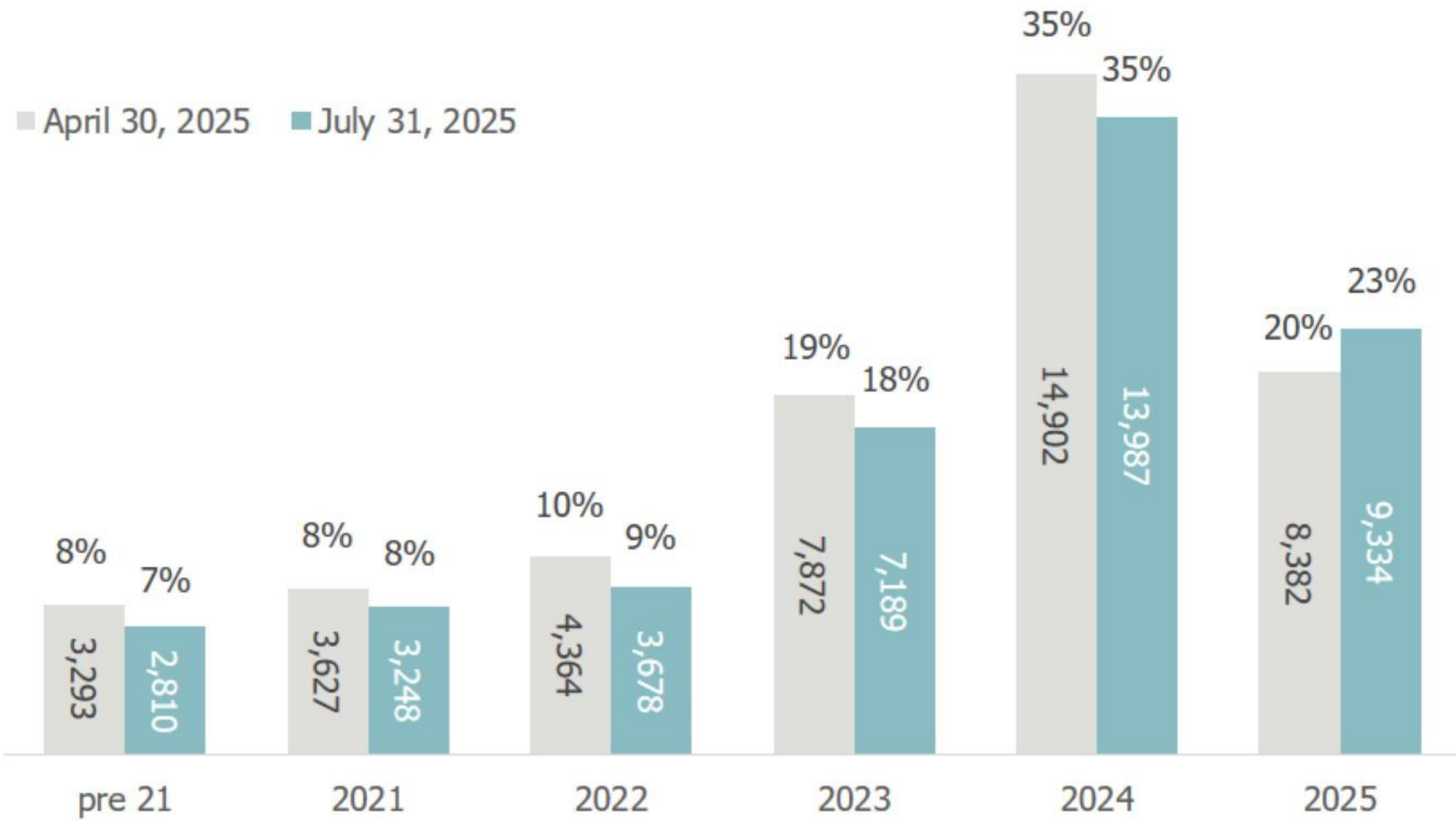
EBIT ROI to PE



Source: Yahoo! finance as of 08/20/2025.

Appendix

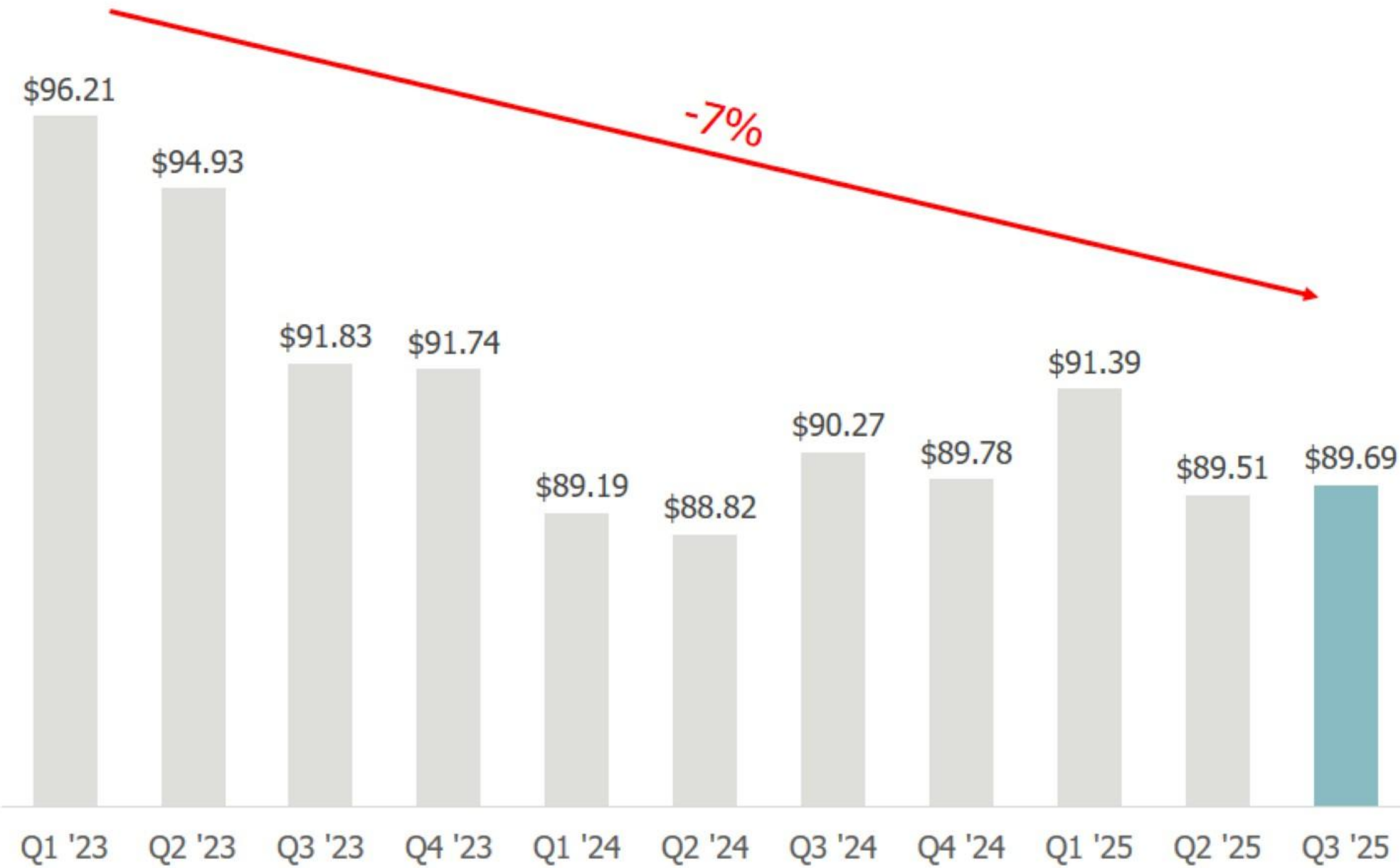
Lot Vintage



	pre 21	2021	2022	2023	2024	2025
% of Incentives	-	3.4%	3.0%	7.9%	8.1%	10.7%

Note: "% of incentives" is percentage of incentives to total revenue before incentives. Percentage for 2025 is for the first nine months of the fiscal year. The other percentages are for the full fiscal years.

Base Construction Costs Per Square Foot



Third Quarter Results Compared to Guidance

($ in millions)

	Guidance Q3 2025(1)	Actuals Q3 2025	Actuals Q3 2025 Excluding Incremental Phantom Benefit
Total Revenues	$750- $850	$801	$801
Adjusted Homebuilding Gross Margin(2)	17.0% - 18.0%	17.3%	17.3%
Total SG&A as Percentage of Total Revenues(3)	11.0% - 12.0%	11.3%	11.0%
Income from Unconsolidated Joint Ventures	$15 - $25	$16	$16
Adjusted EBITDA(4)	$60 - $70	$77	$80
Adjusted Income Before Income Taxes(5)	$30 - $40	$40	$42

(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.

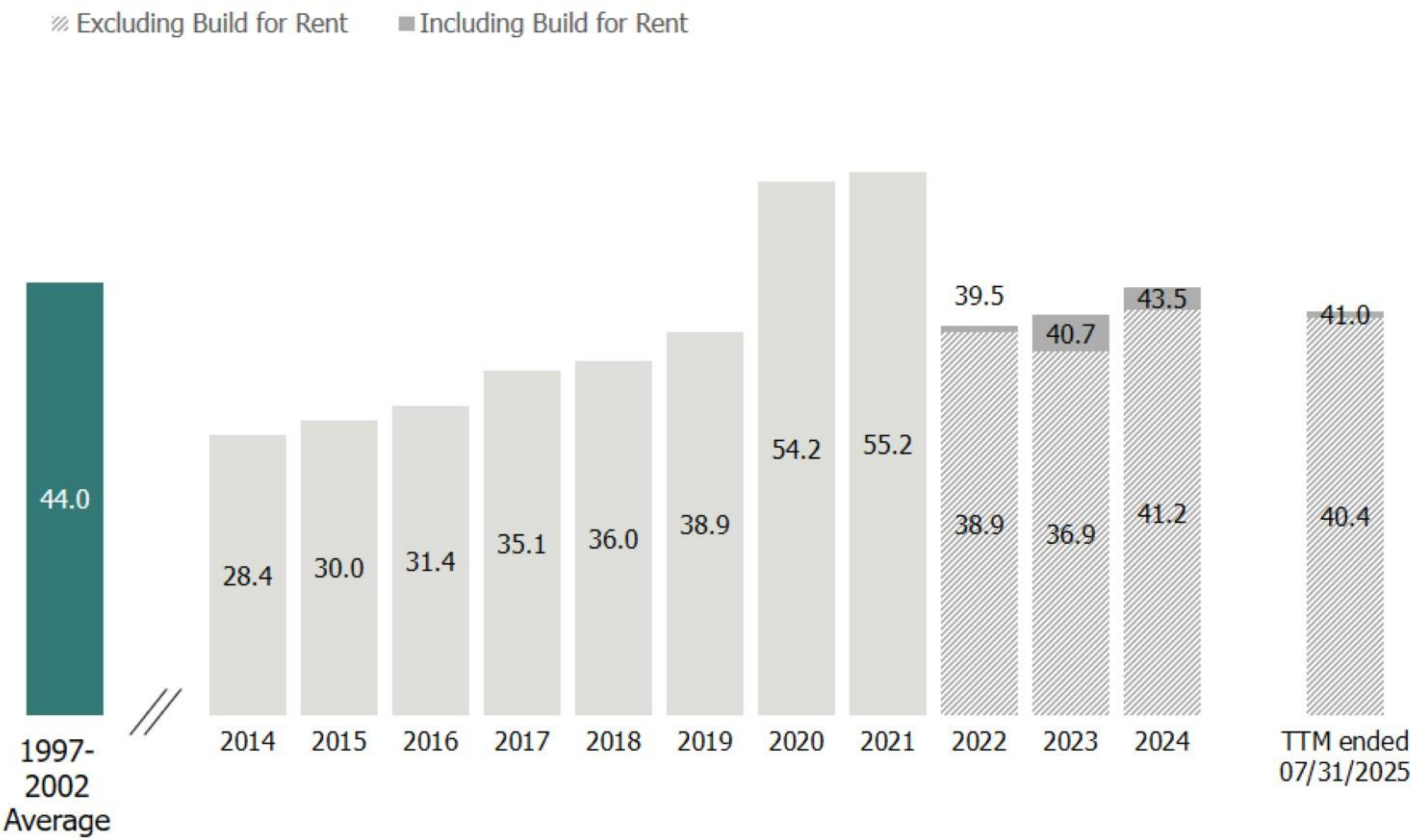
(2) Adjusted homebuilding gross margin percentage is before cost of sales interest expense and land charges and is a non-GAAP financial measure. See appendix for a reconciliation of the historic measure to the most directly comparable GAAP measure.

(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 $96.80, which was the price at the end of the second quarter of fiscal year 2025.

(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.

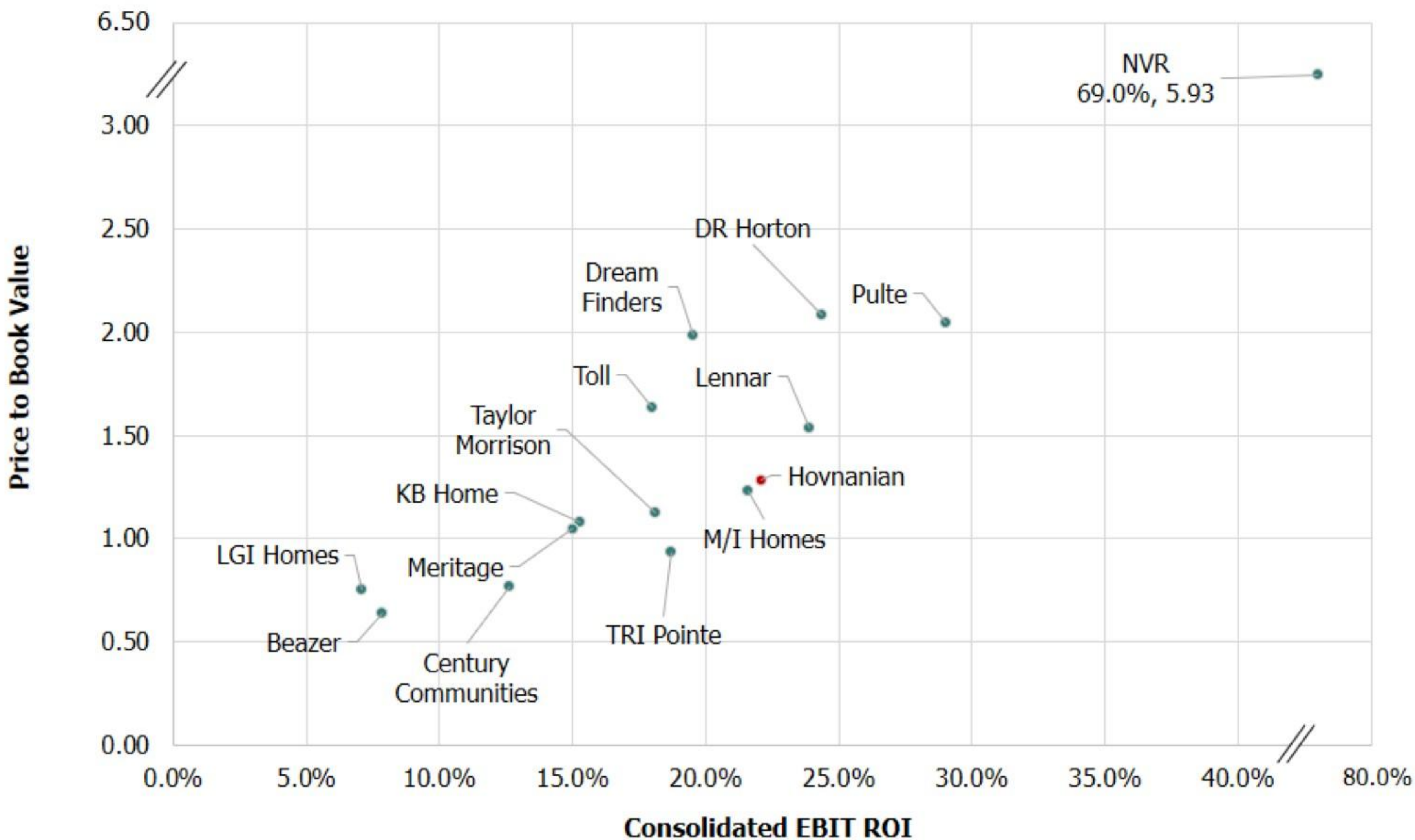
Annual Contracts Per Community



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

EBIT ROI to Price to Book Value

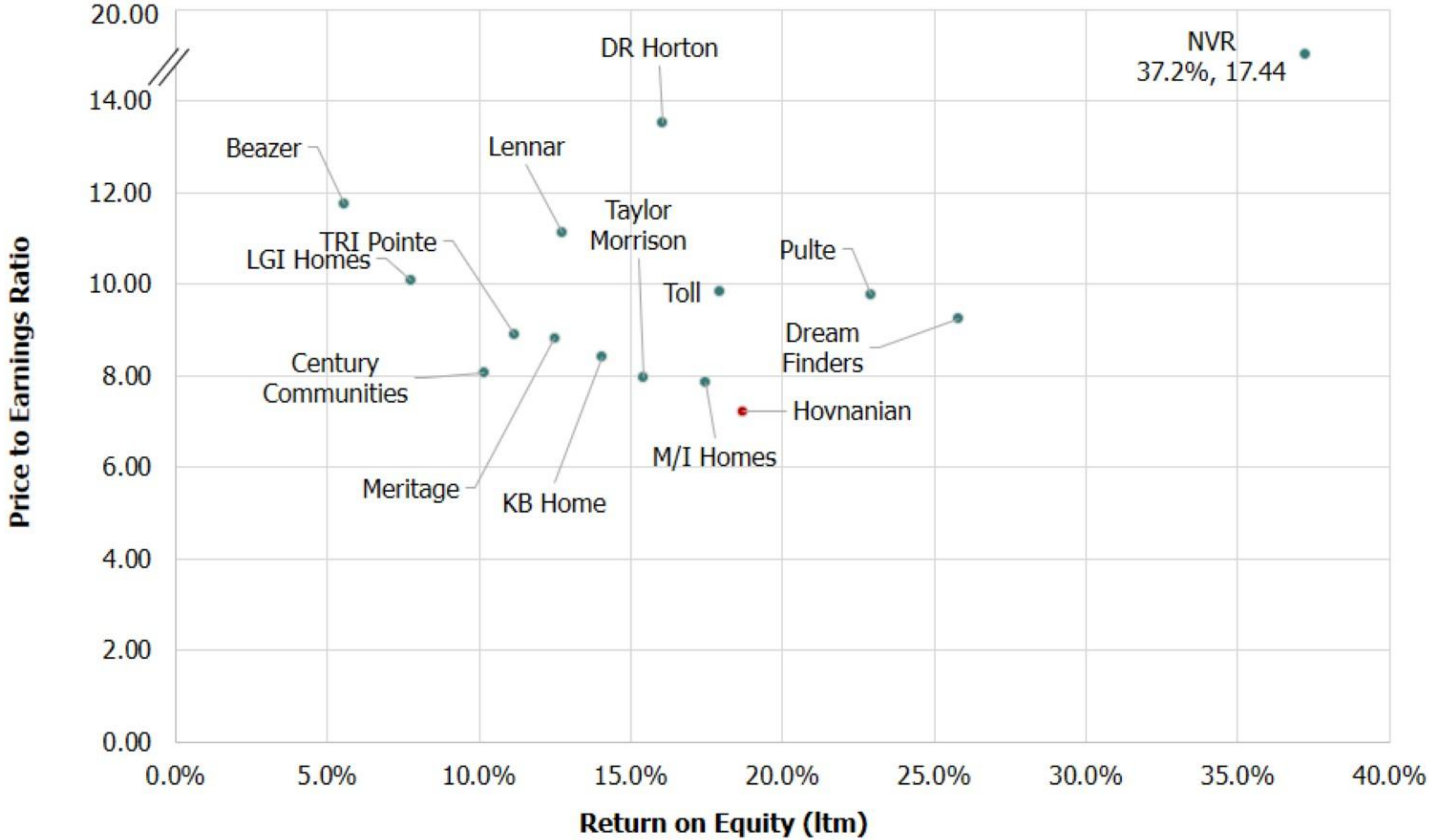
Hovnanian Enterprises Inc.



Source: Yahoo! finance as of 08/20/2025.

ROE to PE

Hovnanian Enterprises, Inc.



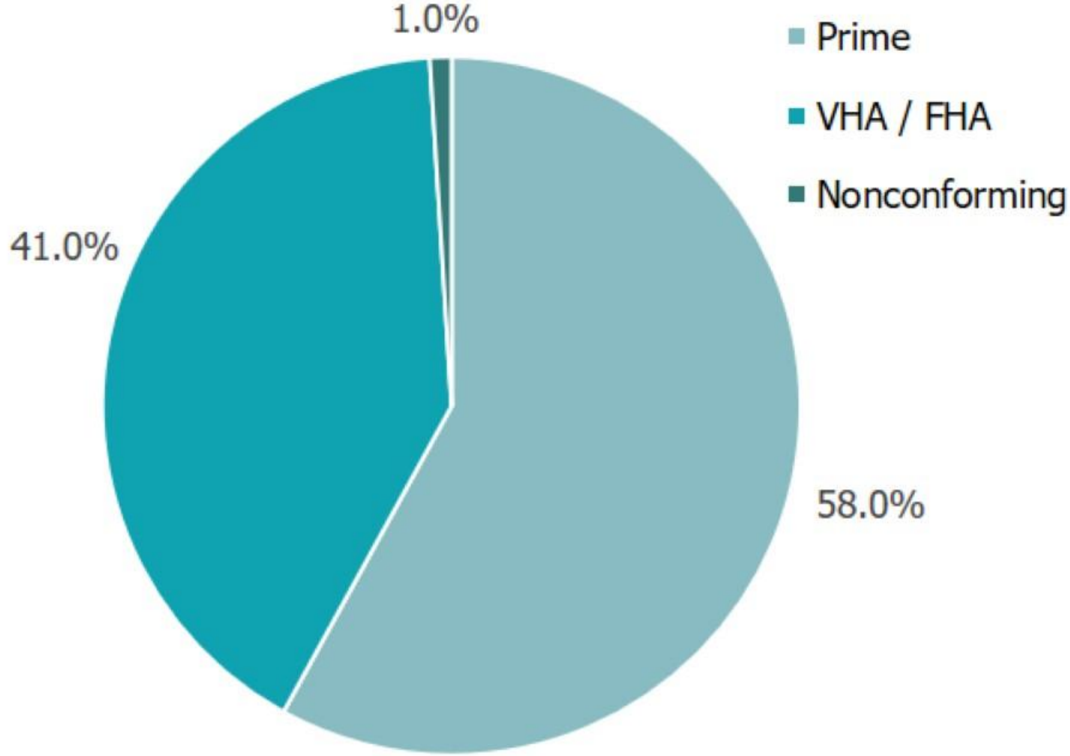
Source: Yahoo! finance as of 08/20/2025.

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
- $90mm LTM revenues
- $34mm LTM operating income
- 38% LTM operating margin

Origination portfolio for the nine months ended July 31, 2025



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

Credit Quality of Homebuyers

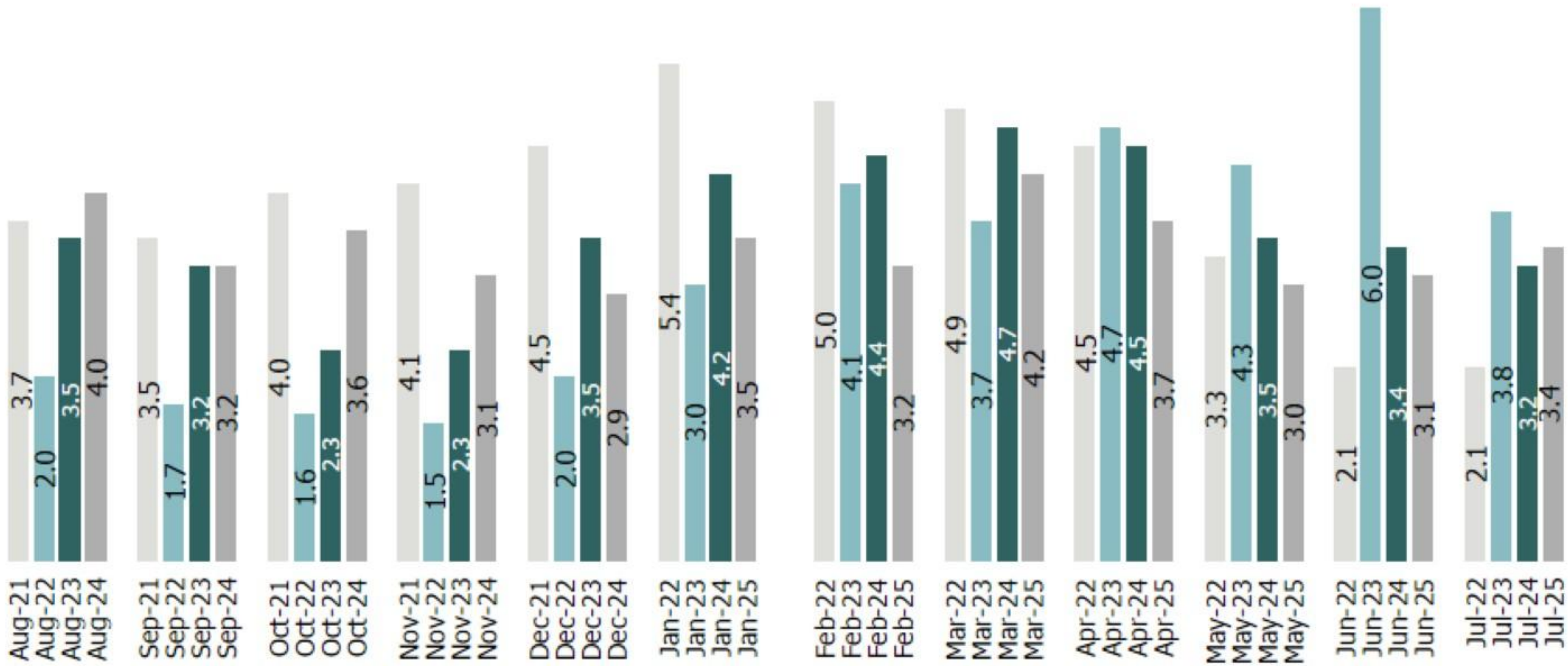
Hovnanian Enterprises Inc.

Fiscal Year 2024	Third Quarter 2025
Average LTV: 83%	Average LTV: 84%
Average CLTV: 83%	Average CLTV: 84%
ARMs: 0.0%	ARMs: 0.5%
FICO Score: 745	FICO Score: 744
Capture Rate: 79%	Capture Rate: 81%

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

Number of Monthly Contracts Per Community, Excludes Unconsolidated Joint Ventures

Hovnanian Enterprises, Inc.



	Aug-21	Aug-22	Aug-23	Aug-24	Sep-21	Sep-22	Sep-23	Sep-24	Oct-21	Oct-22	Oct-23	Oct-24
Number of Sundays	5	4	4	4	4	4	4	5	5	5	5	4
Monthly contracts	383	215	352	490	390	192	324	399	490	195	262	466

	Nov-21	Nov-22	Nov-23	Nov-24	Dec-21	Dec-22	Dec-23	Dec-24	Jan-22	Jan-23	Jan-24	Jan-25
Number of Sundays	4	4	4	4	4	4	5	5	5	5	4	4
Monthly contracts	467	182	260	400	486	238	374	372	598	368	493	433

	Feb-22	Feb-23	Feb-24	Feb-25	Mar-22	Mar-23	Mar-24	Mar-25	Apr-22	Apr-23	Apr-24	Apr-25
Number of Sundays	4	4	4	4	4	4	5	5	4	5	4	4
Monthly contracts	548	504	504	415	519	442	513	523	458	531	495	460

	May-22	May-23	May-24	May-25	Jun-22	Jun-23	Jun-24	Jun-25	Jul-22	Jul-23	Jul-24	Jul-25
Number of Sundays	5	4	4	4	4	4	5	5	5	5	4	4
Monthly contracts	336	456	397	386	232	603	393	399	231	385	402	426

Note: Excludes unconsolidated joint ventures.

Land Positions by Geographic Segment

Hovnanian Enterprises Inc.

	July 31, 2025			
	Owned			
Segment	**Excluding Mothballed Lots**	**Mothballed Lots**	**Optioned Lots**	**Total Lots**
Northeast	1,927	6	18,065	19,998
Southeast	941	-	6,137	7,078
West	2,181	390	10,599	13,170
Consolidated Total	**5,049**	**396**	**34,801**	**40,246**
Unconsolidated Joint Ventures	2,603	-	494	3,097
Grand Total	7,652	396	35,295	43,343

- **Option deposits as of July 31, 2025, were $312.1 million**
- **$87.1 million invested in pre-development expenses as of July 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.

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)	$72.0	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%

- *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 gain on extinguishment of debt, net to income before income taxes

Hovnanian Enterprises Inc.

Hovnanian Enterprises, Inc.
July 31, 2025
Reconciliation of income before income taxes excluding land-related charges and gain on extinguishment of debt, net to income before income taxes
(In thousands)

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2025	2024	2025	2024
	(Unaudited)		(Unaudited)	
Income before income taxes	$ 23,802	$ 97,269	$ 90,195	$ 199,224
Inventory impairments and land option write-offs	16,045	3,099	20,141	3,638
Gain on extinguishment of debt, net	-	-	(399)	(1,371)
Income before income taxes excluding land-related charges and gain on extinguishment of debt, net (1)	$ 39,847	$ 100,368	$ 109,937	$ 201,491

(1) 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 income before income taxes.

Reconciliation of Gross Margin

Hovnanian Enterprises, Inc.

Hovnanian Enterprises, Inc.
July 31, 2025
Gross margin
(In thousands)

	Homebuilding Gross Margin Three Months Ended July 31,		Homebuilding Gross Margin Nine Months Ended July 31,	
	2025	2024	2025	2024
	(Unaudited)		(Unaudited)	
Sale of homes	$ 769,050	$ 687,424	$ 2,066,278	$ 1,947,989
Cost of sales, excluding interest expense and land charges (1)	636,015	535,425	1,702,360	1,515,258
Homebuilding gross margin, before cost of sales interest expense and land charges (2)	133,035	151,999	363,918	432,731
Cost of sales interest expense, excluding land sales interest expense	26,868	20,351	65,544	61,792
Homebuilding gross margin, after cost of sales interest expense, before land charges (2)	106,167	131,648	298,374	370,939
Land charges	16,045	446	20,141	985
Homebuilding gross margin	$ 90,122	$ 131,202	$ 278,233	$ 369,954
Homebuilding gross margin percentage	11.7%	19.1%	13.5%	18.9%
Homebuilding gross margin percentage, before cost of sales interest expense and land charges (2)	17.3%	22.1%	17.6%	22.2%
Homebuilding gross margin percentage, after cost of sales interest expense, before land charges (2)	13.8%	19.2%	14.4%	19.0%

	Land Sales Gross Margin Three Months Ended July 31,		Land Sales Gross Margin Nine Months Ended July 31,	
	2025	2024	2025	2024
	(Unaudited)		(Unaudited)	
Land and lot sales	$ 1,193	$ 14,230	$ 20,623	$ 15,783
Cost of sales, excluding interest (1)	241	11,907	10,475	12,789
Land and lot sales gross margin, excluding interest and land charges	952	2,323	10,148	2,994
Land and lot sales interest expense	-	1,965	618	1,965
Land and lot sales gross margin, including interest	$ 952	$ 358	$ 9,530	$ 1,029

(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.

Hovnanian Enterprises, Inc.
July 31, 2025
Reconciliation of adjusted EBITDA to net income
(In thousands)

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2025	2024	2025	2024
	(Unaudited)		(Unaudited)	
Net income	$ 16,615	$ 72,919	$ 64,532	$ 147,659
Income tax provision	7,187	24,350	25,663	51,565
Interest expense	34,017	28,578	91,973	89,439
EBIT (1)	57,819	125,847	182,168	288,663
Depreciation and amortization	3,192	2,067	8,513	5,679
EBITDA (2)	61,011	127,914	190,681	294,342
Inventory impairments and land option write-offs	16,045	3,099	20,141	3,638
Gain on extinguishment of debt, net	-	-	(399)	(1,371)
Adjusted EBITDA (3)	$ 77,056	$ 131,013	$ 210,423	$ 296,609
Interest incurred	$ 28,523	$ 28,087	$ 88,210	$ 94,578
Adjusted EBITDA to interest incurred	2.70	4.66	2.39	3.14

(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, inventory impairments and land option write-offs and gain on extinguishment of debt, net.

Reconciliation of Inventory Turnover

Hovnanian Enterprises, Inc.
July 31, 2025
Calculation of Inventory Turnover[1]

		For the quarter ended				**TTM ended**
(Dollars in thousands)		10/31/2024	1/31/2025	4/30/2025	7/31/2025	**7/31/2025**
Cost of sales, excluding interest		$735,337	$533,290	$543,289	$636,256	$2,448,172
	As of					
	7/31/2024	10/31/2024	1/31/2025	4/30/2025	7/31/2025	
Total inventories	$1,650,470	$1,644,804	$1,666,490	$1,743,965	$1,692,932	**Five**
Less liabilities from inventory not owned, net of debt issuance costs	135,559	140,298	156,274	173,098	236,644	**Quarter**
Less capitalized interest	54,592	57,671	52,884	53,633	48,139	**Average**
Inventories less consolidated inventory not owned and capitalized interest plus liabilities from inventory not owned	$1,460,319	$1,446,835	$1,457,332	$1,517,234	$1,408,149	$1,457,974
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.
July 31, 2025
Reconciliation of Adjusted EBIT Return on Adjusted Investment
(in thousands)

		For the quarter ended				TTM ended
		10/31/2024	1/31/2025	4/30/2025	7/31/2025	7/31/2025
Net income		$94,349	$28,191	$19,726	$16,615	$158,881
	As of					Five Quarter Average
	7/31/2024	10/31/2024	1/31/2025	4/30/2025	7/31/2025	
Total inventories	$1,650,470	$1,644,804	$1,666,490	$1,743,965	$1,692,932	$1,679,732
Return on Inventory						9.5%

		For the quarter ended				TTM ended
		10/31/2024	1/31/2025	4/30/2025	7/31/2025	7/31/2025
Net income		$94,349	$28,191	$19,726	$16,615	$158,881
Income tax provision		23,516	11,672	6,804	7,187	49,179
Interest expense		31,120	28,873	29,083	34,017	123,093
EBIT (1)		148,985	68,736	55,613	57,819	331,153
Inventory impairments and land option write-offs		7,918	1,040	3,056	16,045	28,059
Loss (gain) on extinguishment of debt, net		-	-	(399)	-	(399)
Adjusted EBIT (2)		$ 156,903	$69,776	$58,270	$73,864	$358,813
	As of					
	7/31/2024	10/31/2024	1/31/2025	4/30/2025	7/31/2025	
Total inventories	$1,650,470	$1,644,804	$1,666,490	$1,743,965	$1,692,932	
Less Liabilities from inventory not owned, net of debt issuance costs	(135,559)	(140,298)	(156,274)	(173,098)	(236,644)	Five
Less Interest capitalized at end of period	(54,592)	(57,671)	(52,884)	(53,633)	(48,139)	Quarter
Plus Investments in and advances to unconsolidated joint ventures	126,318	142,910	172,679	183,461	218,356	Average
Adjusted Investment (3)	$1,586,637	$1,589,745	$1,630,011	$1,700,695	$1,626,505	$1,626,719
Adjusted EBIT Return on Adjusted Investment (4)						22.1%

(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) Adjusted EBIT is a non-GAAP financial measure. The most directly comparable GAAP financial measure is net income. 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

Hovnanian Enterprises, Inc.

	October 31,						LTM
	2019	2020	2021	2022	2023	2024	July 31, 2025
Nonrecourse mortgages secured by inventory, net of debt issuance costs	$203,585	$135,122	$125,089	$144,805	$91,539	$90,675	$53,524
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	$861,922
Total debt	$1,683,575	$1,566,232	$1,373,462	$1,291,352	$1,143,030	$986,893	$915,446
Cash and cash equivalents	$130,976	$262,489	$245,970	$326,198	$434,119	$209,976	$146,592
Net Debt	$1,552,599	$1,303,743	$1,127,492	$965,154	$708,911	$776,917	$768,854
Adjusted EBITDA	$174,009	$234,314	$364,335	$478,664	$426,825	$455,563	$369,377
Total debt to adjusted EBITDA	9.7	6.7	3.8	2.7	2.7	2.2	2.5
Net debt to adjusted EBITDA	8.9	5.6	3.1	2.0	1.7	1.7	2.1
Interest incurred	$165,906	$176,457	$155,514	$134,024	$136,535	$128,777	$122,409
Adjusted EBITDA to Interest incurred	1.0	1.3	2.3	3.6	3.1	3.5	3.0
Total Debt	$1,683,575	$1,566,232	$1,373,462	$1,291,352	$1,143,030	$986,893	$915,446
Total equity (deficit)	$(490,463)	$(436,929)	$174,897	$383,036	$581,736	$800,349	$835,363
Total capitalization	$1,193,112	$1,129,303	$1,548,359	$1,674,388	$1,724,766	$1,787,200	$1,750,809
Debt to capitalization	141.1%	138.7%	88.7%	77.1%	66.3%	55.2%	52.3%
Net debt to net capitalization	146.2%	150.4%	86.6%	71.6%	54.9%	49.3%	47.9%

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

Hovnanian
Enterprises®, Inc.