年报其语

D.R. HORTON DHI

Mkt Cap	Stock Price	Book Value	P/E Ratio	P/FCF Ratio	Div Yield
39.5B	145.55	85.14	14.4x	11.8x	1.2%

HOW IT EARNS CASH | BUSINESS CHAIN

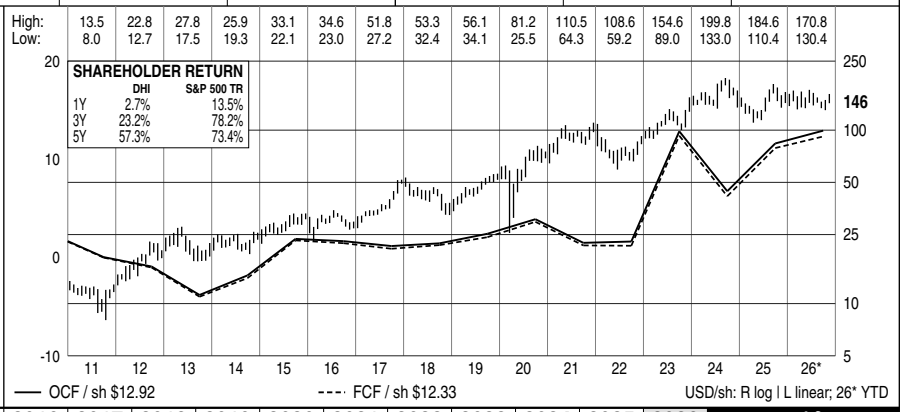
1 Secure lots | 440,100 controlled; 77% of total.
2 Build to demand | 28,200 homes in inventory.
3 Win orders | 84,995 net; 19% cancellation rate.
4 Close & collect | 84,202 homes; ~$364K each.
5 Recycle cash | 68% on Forestar or third-party lots.

BUSINESS MIX | FY26

Revenue	$M	Mix	YoY	3Y CAGR
Home sales	30617.8	92.7%	-2.6%	-1.1%
Land/lots & other	373.8	1.1%	+11.0%	-3.2%
Rental sales	1234.5	3.7%	-24.7%	-22.0%
Financial services	817.3	2.5%	-2.8%	+0.7%
Total revenue	**33043.4**	**100.0%**	**-3.5%**	**-2.3%**

Land/lots include Forestar after eliminations.

Watch orders, aged homes and margin per closing.



VALUE CREATION	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Nianbao Qiyu 6 Groups	Unit
SECURE LAND 440,100 controlled lots (77%). Forestar sold 13,545 lots.	3636.8	4354.0	6259.3	8024.9	10824	12157	14091	16068	17593	20311	27774	33480	35460	36801	34250	33043	Revenue	$M
	-17.3%	19.7%	43.8%	28.2%	34.9%	12.3%	15.9%	14.0%	9.5%	15.5%	36.7%	20.5%	5.9%	3.8%	-6.9%	-3.5%	Rev. YoY	%
	16.1%	17.7%	20.8%	21.3%	19.8%	20.2%	20.0%	21.3%	20.2%	21.8%	25.5%	28.7%	23.5%	23.5%	21.5%	20.2%	Home Sales GM*	%
	57.20	247.40	639.50	790.90	1102.3	1334.5	1576.6	1993.1	2039.5	2890.1	5318.8	7570.4	6101.6	5935.9	4424.2	3612.1	Op. Income*	$M
↓ **BUILD TO PACE** 28,200 homes in stock. 8,800 finished unsold; 600 aged >6 months.	1.6%	5.7%	10.2%	9.9%	10.2%	11.0%	11.2%	12.4%	11.6%	14.2%	19.2%	22.6%	17.2%	16.1%	12.9%	10.9%	Op. Margin*	%
	71.80	956.30	462.70	533.50	750.70	886.30	1038.4	1460.3	1618.5	2373.7	4175.8	5857.5	4745.7	4756.4	3585.2	2889.4	Net Income	$M
	2.0%	22.0%	7.4%	6.6%	6.9%	7.3%	7.4%	9.1%	9.2%	11.7%	15.0%	17.5%	13.4%	12.9%	10.5%	8.7%	Net Margin	%
	14.90	-292.20	-1229.3	-661.40	700.40	623.90	440.20	545.20	892.10	1421.6	534.40	561.80	4304.1	2189.8	3420.9	3507.2	OCF	$M
	.4%	-6.7%	-19.6%	-8.2%	6.5%	5.1%	3.1%	3.4%	5.1%	7.0%	1.9%	1.7%	12.1%	6.0%	10.0%	10.6%	OCF Margin	%
↓ **CONVERT DEMAND**	.2x	-.3x	-2.7x	-1.2x	.9x	.7x	.4x	.4x	.6x	.6x	.1x	.1x	.9x	.5x	1.0x	1.2x	OCF / Net Inc.	x
	16.30	33.60	58.00	100.20	56.10	78.10	102.70	68.10	127.20	96.50	93.50	148.20	148.60	165.30	137.40	160.40	Capex	$M
REACH BUYERS ~43,500 first-time buyers. Use rate buydowns.	109.4%	-11.5%	-4.7%	-15.1%	8.0%	12.5%	23.3%	12.5%	14.3%	6.8%	17.5%	26.4%	3.5%	7.5%	4.0%	4.6%	Capex / OCF	%
	-1.40	-325.80	-1287.3	-761.60	644.30	545.80	337.50	477.10	764.90	1325.1	440.90	413.60	4155.5	2024.5	3283.5	3346.8	FCF	$M
	-.04%	-7.5%	-20.6%	-9.5%	6.0%	4.5%	2.4%	3.0%	4.3%	6.5%	1.6%	1.2%	11.7%	5.5%	9.6%	10.1%	FCF Margin	%
KEEP ORDERS 84,995 net orders. 19% cancels; Q4 23%.	--	96.50	9.40	244.10	70.90	82.20	4.10	159.20	315.80	9.70	24.50	271.50	212.90	40.40	53.10	124.10	Acq. + Other*	$M
	--	-33.0%	-.8%	-36.9%	10.1%	13.2%	.9%	29.2%	35.4%	.7%	4.6%	48.3%	4.9%	1.8%	1.6%	3.5%	Acq. + Other / OCF*	%
	14.20	18.10	19.00	26.20	42.20	49.00	59.20	55.80	73.20	77.80	91.40	105.10	111.20	118.10	131.00	134.00	SBC Expense	$M
	95.3%	-6.2%	-1.5%	-4.0%	6.0%	7.9%	13.4%	10.2%	8.2%	5.5%	17.1%	18.7%	2.6%	5.4%	3.8%	3.8%	SBC / OCF	%
↓ **COLLECT CASH** 84,202 closings. Homebuilding OCF $2.72B.	38.60	--	--	--	--	--	60.60	127.50	479.80	360.40	848.40	1131.5	1178.5	1787.5	4281.6	3523.8	Repurchases	$M
	259.1%	--	--	--	--	--	13.8%	23.4%	53.8%	25.4%	158.8%	201.4%	27.4%	81.6%	125.2%	100.5%	Repurchases / OCF	%
	47.80	47.80	60.20	48.60	91.60	118.70	149.60	188.40	223.40	256.00	289.30	316.50	341.20	395.20	494.80	513.30	Dividends	$M
↓ **REINVEST** Homebuilding inventory return fell to 16.6% from 20.1%.	320.8%	-16.4%	-4.9%	-7.3%	13.1%	19.0%	34.0%	34.6%	25.0%	18.0%	54.1%	56.3%	7.9%	18.0%	14.5%	14.6%	Dividends / OCF	%
	--	3.8%	7.9%	7.0%	8.9%	10.2%	11.1%	13.9%	13.7%	18.4%	27.6%	29.2%	19.8%	17.9%	12.5%	10.0%	Base ROIC*	%
	2.7%	30.8%	12.1%	11.6%	13.6%	14.0%	14.3%	17.5%	17.0%	21.7%	31.2%	34.2%	22.5%	19.8%	14.5%	12.2%	ROE	%
	1.3%	15.2%	5.8%	5.6%	7.0%	7.8%	8.7%	11.1%	10.9%	13.8%	19.5%	21.7%	15.2%	14.0%	10.1%	8.4%	ROA	%
	316.04	320.89	322.94	364.59	368.65	372.92	374.99	376.26	368.43	364.00	356.02	343.95	334.85	324.03	294.48	271.44	Shares Out.	M sh
RETURN TEST Can faster closings offset lower margins without more land cash?	11.51	13.57	19.38	22.01	29.36	32.60	37.58	42.70	47.75	55.80	78.01	97.34	105.90	113.57	116.31	121.74	Revenue / Sh.	$/sh
	.23	2.77	1.33	1.50	2.03	2.36	2.74	3.81	4.29	6.41	11.41	16.51	13.82	14.34	11.57	10.11	Diluted EPS	$/sh
	.05	-.91	-3.81	-1.81	1.90	1.67	1.17	1.45	2.42	3.91	1.50	1.63	12.85	6.76	11.62	12.92	OCF / Sh.	$/sh
	.05	.10	.18	.27	.15	.21	.27	.18	.35	.27	.26	.43	.44	.51	.47	.59	Capex / Sh.	$/sh
	(<.01)	-1.02	-3.99	-2.09	1.75	1.46	.90	1.27	2.08	3.64	1.24	1.20	12.41	6.25	11.15	12.33	FCF / Sh.	$/sh
	.15	.15	.19	.14	.25	.32	.40	.50	.60	.70	.80	.90	1.00	1.20	1.60	1.80	Dividend / Sh.	$/sh
	49.2x	5.5x	16.3x	14.5x	13.0x	12.9x	11.8x	11.8x	9.8x	8.7x	7.4x	5.0x	7.3x	10.4x	12.6x	14.8x	Avg. P/E	x
	-.05%	-4.9%	-20.5%	-10.2%	6.0%	4.8%	2.3%	3.0%	3.9%	4.8%	1.5%	1.8%	11.5%	3.3%	6.6%	9.0%	FCF Yield	%
	1.7%	.7%	1.0%	.7%	.9%	1.1%	1.0%	1.2%	1.1%	.9%	1.0%	1.3%	.9%	.6%	.9%	1.3%	Dividend Yield	%

CORE KPI TRACKER

Metric	FY22	FY23	FY24	FY25	FY26
Net orders	76137	78342	86561	83423	**84995**
Cancel rate	21%	20%	18%	18%	**19%**
Homes closed	82744	82917	89690	84863	**84202**
Backlog homes	19614	15197	12180	10785	**11714**
Homes in inv.	46400	42000	37400	29600	**28200**
Controlled lots	77%	75%	76%	75%	**77%**

COMPOUND ANNUAL GROWTH RATE

	1Y	3Y	5Y	10Y	15Y
Revenue	-3.5%	-2.3%	3.5%	10.5%	15.8%
Op. Income	-18.4%	-16.0%	-7.4%	10.5%	31.8%
Net Income	-19.4%	-15.2%	-7.1%	12.5%	27.9%
OCF	2.5%	-6.6%	45.7%	18.8%	43.9%
FCF	1.9%	-7.0%	50.0%	19.9%	NM
Diluted EPS	-12.6%	-9.9%	-2.4%	15.7%	28.7%
FCF / Sh.	10.6%	-.2%	58.4%	23.8%	NM

FINANCIAL POSITION | $M

	FY22	FY23	FY24	FY25	FY26
Tot. assets	30351	32582	36104	35471	34818
Tot. liabilities	10566	9444.5	10280	10729	11104
Net assets	19786	23138	25824	24742	23714
Mkt cap*	23165	35986	61815	49905	39507
Cash & eq.	2540.5	3873.6	4516.4	2985.4	2060.4
Liab./assets	34.8%	29.0%	28.5%	30.2%	31.9%

CAPITAL RETURNS: FY12-FY26 OCF $16.96B less cash capex $1.57B yielded **$15.38B FCF.** Cash buybacks: **$13.78B (89.6%);** paid dividends: **$3.53B (23.0%).** Combined: **112.5% of FCF.** $1.93B shortfall before other investing and financing flows.

NET SHARES: FY11-end 316.04M to FY26-end 271.44M, **down 44.61M (14.1%).** FY26: +0.94M issued, +23.98M treasury; **23.04M fewer (7.8%).** FY26 cash payouts used 120.6% of FCF. Notes rose $88M; cash fell $925M.

Volume held; margin fell. FY26 orders rose 2% and closings fell 1%, yet homebuilding pretax margin fell from 13.1% to 11.2%. Q4 orders fell 7% and cancels hit 23%. Watch order pace as incentives change.

Lot control saves time. Forestar or third parties developed lots for 68% of FY26 closings, up from 65%. Land tied up can stay high even when owned lot counts fall. Track deposits and option write-offs.

Inventory must turn faster. Aged completed unsold homes fell from 800 to 600, but homebuilding return on inventory fell from 20.1% to 16.6%. Track aging alongside margin to test whether quicker sales are paying off.

Cash benefited from land timing. Land and lots used $1.88B of cash in FY25 and released $21M in FY26. Group OCF still rose only 2.5%. Cash conversion can weaken if land spending normalizes.

Defects have a long tail. June 2026 reserves for legal claims were $1.14B and warranty liability was $551M. Pending defect claims rose from about 875 to 895. Future claims can eat into cash from prior sales.

Rental competes for capital. FY26 rental earned $18M pretax after a $91M impairment. Group cash fell $925M. Compare rental returns with the capital tied up.

FY26 ended Sep 30, 2026; full-year Oct 29 8-K is preliminary. Latest 12 months: OCF $3,507.2M; FCF $3,346.8M.
Prices/total returns through Nov 13, 2026 (partial Nov); DHI adjusted close vs S&P 500 TR. FY10 cash anchors chart.
Position cap: FY22-25 fiscal closes; FY26 uses Nov 13 price and Sep 30 shares. Header EPS/FCF: FY26; yield: paid TTM.
15Y FCF and FCF/sh CAGR: NM due to negative FY11 bases. Home sales GM is segment-based; OI = sales less cost of sales & SG&A.
Base ROIC excludes operating leases; FY11 NM, FY12 tax override. Dividends use paid dates; DPS uses declaration dates.
Sources: DHI A/B pack, SEC 10-K/10-Q/8-K, issuer IR, Yahoo Finance; market as stated. Calculations & presentation: Nianbao Qiyu.
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