Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended June 30, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period From _____ To _____

Commission File Number: 1-14122

D.R. Horton, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**75-2386963**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1341 Horton Circle
Arlington, Texas 76011
(Address of principal executive offices) (Zip code)

(817) 390-8200
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, par value $.01 per share	DHI	New York Stock Exchange NYSE Texas
5.000% Senior Notes due 2034	DHI 34	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 16, 2026, there were 279,701,267 shares of the registrant's common stock, par value $.01 per share, outstanding.

D.R. HORTON, INC. AND SUBSIDIARIES

FORM 10-Q

INDEX

	Page
PART I. FINANCIAL INFORMATION	
ITEM 1. Financial Statements (unaudited)	
Consolidated Balance Sheets at June 30, 2026 and September 30, 2025	3
Consolidated Statements of Operations for the three and nine months ended June 30, 2026 and 2025	4
Consolidated Statements of Total Equity for the three and nine months ended June 30, 2026 and 2025	5
Consolidated Statements of Cash Flows for the nine months ended June 30, 2026 and 2025	7
Notes to Consolidated Financial Statements	8
ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	28
ITEM 3. Quantitative and Qualitative Disclosures about Market Risk	59
ITEM 4. Controls and Procedures	60
PART II. OTHER INFORMATION	
ITEM 1. Legal Proceedings	61
ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds	62
ITEM 5. Other Information	62
ITEM 6. Exhibits	63
SIGNATURES	64

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

D.R. HORTON, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	June 30, 2026	September 30, 2025
	(In millions) (Unaudited)	
ASSETS		
Cash and cash equivalents	$ 2,078.7	$ 2,985.4
Restricted cash	56.2	47.9
Total cash, cash equivalents and restricted cash	2,134.9	3,033.3
Inventories:		
Construction in progress and finished homes	9,083.9	7,648.5
Residential land and lots — developed and under development	14,318.9	14,695.8
Land held for development	206.6	218.3
Land held for sale	31.7	21.4
Rental properties	3,045.8	2,703.3
Total inventory	26,686.9	25,287.3
Mortgage loans held for sale	2,990.6	2,566.5
Deferred tax asset, net	—	44.5
Property and equipment, net	607.5	578.9
Other assets	3,927.9	3,797.2
Goodwill	163.5	163.5
Total assets	$ 36,511.3	$ 35,471.2
LIABILITIES		
Accounts payable	$ 1,388.4	$ 1,221.9
Deferred tax liability, net	43.4	—
Accrued expenses and other liabilities	3,560.4	3,541.6
Notes payable	7,112.6	5,965.5
Total liabilities	12,104.8	10,729.0
Commitments and contingencies (Note K)		
EQUITY		
Preferred stock, $.10 par value, 30,000,000 shares authorized, no shares issued	—	—
Common stock, $.01 par value, 1,000,000,000 shares authorized, 404,898,495 shares issued and 280,730,194 shares outstanding at June 30, 2026 and 404,031,443 shares issued and 294,475,153 shares outstanding at September 30, 2025	4.0	4.0
Additional paid-in capital	3,634.9	3,576.1
Retained earnings	32,800.7	31,041.4
Treasury stock, 124,168,301 shares and 109,556,290 shares at June 30, 2026 and September 30, 2025, respectively, at cost	(12,620.1)	(10,431.1)
Stockholders' equity	23,819.5	24,190.4
Noncontrolling interests	587.0	551.8
Total equity	24,406.5	24,742.2
Total liabilities and equity	$ 36,511.3	$ 35,471.2

See accompanying notes to consolidated financial statements.

D.R. HORTON, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
	(In millions, except per share data) (Unaudited)			
Revenues	$ 9,227.1	$ 9,225.7	$ 23,672.2	$ 24,572.6
Cost of sales	7,080.9	7,016.5	18,227.9	18,553.1
Selling, general and administrative expense	991.2	944.3	2,759.7	2,721.1
Other (income) expense	(71.2)	(93.2)	(207.0)	(236.7)
Income before income taxes	1,226.2	1,358.1	2,891.6	3,535.1
Income tax expense	307.5	325.0	713.5	831.0
Net income	918.7	1,033.1	2,178.1	2,704.1
Net income attributable to noncontrolling interests	13.8	8.5	30.5	24.2
Net income attributable to D.R. Horton, Inc.	$ 904.9	$ 1,024.6	$ 2,147.6	$ 2,679.9
Net income per share attributable to D.R. Horton, Inc.				
Basic	$ 3.21	$ 3.37	$ 7.47	$ 8.57
Diluted	$ 3.20	$ 3.36	$ 7.45	$ 8.53
Weighted average shares outstanding				
Basic	282.2	304.1	287.5	312.7
Diluted	283.0	304.9	288.4	314.1

See accompanying notes to consolidated financial statements.

D.R. HORTON, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF TOTAL EQUITY

	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Non-controlling Interests	Total Equity
	(In millions, except common stock share data) (Unaudited)					
Balances at September 30, 2025 (294,475,153 shares)	$ 4.0	$ 3,576.1	$ 31,041.4	$ (10,431.1)	$ 551.8	$ 24,742.2
Net income	—	—	594.8	—	6.6	601.4
Stock issued under employee benefit plans (433,225 shares)	—	1.3	—	—	—	1.3
Cash paid for shares withheld for taxes	—	(29.7)	—	—	—	(29.7)
Stock-based compensation expense	—	41.4	—	—	—	41.4
Cash dividends declared ($0.45 per share)	—	—	(131.5)	—	—	(131.5)
Repurchases of common stock (4,410,309 shares)	—	—	—	(669.7)	—	(669.7)
Change of ownership interest in Forestar	—	(1.5)	—	—	1.5	—
Balances at December 31, 2025 (290,498,069 shares)	$ 4.0	$ 3,587.6	$ 31,504.7	$ (11,100.8)	$ 559.9	$ 24,555.4
Net income	—	—	647.9	—	10.1	658.0
Stock issued under employee benefit plans (415,060 shares)	—	8.6	—	—	—	8.6
Cash paid for shares withheld for taxes	—	(24.7)	—	—	—	(24.7)
Stock-based compensation expense	—	34.6	—	—	—	34.6
Cash dividends declared ($0.45 per share)	—	—	(129.7)	—	—	(129.7)
Repurchases of common stock (5,972,241 shares)	—	—	—	(903.6)	—	(903.6)
Change of ownership interest in Forestar	—	(2.8)	—	—	3.2	0.4
Balances at March 31, 2026 (284,940,888 shares)	$ 4.0	$ 3,603.3	$ 32,022.9	$ (12,004.4)	$ 573.2	$ 24,199.0
Net income	—	—	904.9	—	13.8	918.7
Stock issued under employee benefit plans (18,767 shares)	—	0.9	—	—	—	0.9
Cash paid for shares withheld for taxes	—	(0.8)	—	—	—	(0.8)
Stock-based compensation expense	—	31.5	—	—	—	31.5
Cash dividends declared ($0.45 per share)	—	—	(127.1)	—	—	(127.1)
Repurchases of common stock (4,229,461 shares)	—	—	—	(615.7)	—	(615.7)
Balances at June 30, 2026 (280,730,194 shares)	$ 4.0	$ 3,634.9	$ 32,800.7	$ (12,620.1)	$ 587.0	$ 24,406.5

See accompanying notes to consolidated financial statements.

D.R. HORTON, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF TOTAL EQUITY (Continued)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Non-controlling Interests	Total Equity
	(In millions, except common stock share data) (Unaudited)					
Balances at September 30, 2024 (324,027,360 shares)	$ 4.0	$ 3,490.7	$ 27,951.0	$ (6,132.9)	$ 511.6	$ 25,824.4
Net income	—	—	844.9	—	7.0	851.9
Stock issued under employee benefit plans (427,607 shares)	—	2.5	—	—	—	2.5
Cash paid for shares withheld for taxes	—	(27.6)	—	—	—	(27.6)
Stock-based compensation expense	—	43.0	—	—	—	43.0
Cash dividends declared ($0.40 per share)	—	—	(128.5)	—	—	(128.5)
Repurchases of common stock (6,802,767 shares)	—	—	—	(1,102.8)	—	(1,102.8)
Change of ownership interest in Forestar	—	(0.4)	—	—	0.4	—
Balances at December 31, 2024 (317,652,200 shares)	$ 4.0	$ 3,508.2	$ 28,667.4	$ (7,235.7)	$ 519.0	$ 25,462.9
Net income	—	—	810.4	—	8.7	819.1
Stock issued under employee benefit plans (633,434 shares)	—	8.4	—	—	—	8.4
Cash paid for shares withheld for taxes	—	(35.8)	—	—	—	(35.8)
Stock-based compensation expense	—	32.2	—	—	—	32.2
Cash dividends declared ($0.40 per share)	—	—	(125.5)	—	—	(125.5)
Repurchases of common stock (9,656,574 shares)	—	—	—	(1,303.1)	—	(1,303.1)
Change of ownership in Forestar	—	(3.4)	—	—	3.9	0.5
Balances at March 31, 2025 (308,629,060 shares)	$ 4.0	$ 3,509.6	$ 29,352.3	$ (8,538.8)	$ 531.6	$ 24,858.7
Net income	—	—	1,024.6	—	8.5	1,033.1
Stock issued under employee benefit plans (30,611 shares)	—	2.0	—	—	—	2.0
Cash paid for shares withheld for taxes	—	(0.8)	—	—	—	(0.8)
Stock-based compensation expense	—	25.9	—	—	—	25.9
Cash dividends declared ($0.40 per share)	—	—	(122.4)	—	—	(122.4)
Repurchases of common stock (9,714,653 shares)	—	—	—	(1,203.5)	—	(1,203.5)
Balances at June 30, 2025 (298,945,018 shares)	$ 4.0	$ 3,536.7	$ 30,254.5	$ (9,742.3)	$ 540.1	$ 24,593.0

See accompanying notes to consolidated financial statements.

D.R. HORTON, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended June 30,	
	2026	2025
	(In millions) (Unaudited)	
OPERATING ACTIVITIES		
Net income	$ 2,178.1	$ 2,704.1
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	84.8	73.9
Stock-based compensation expense	107.5	101.1
Deferred income taxes	88.0	101.2
Inventory and land option charges	65.2	100.8
Changes in operating assets and liabilities:		
Increase in construction in progress and finished homes	(1,417.2)	(146.1)
Decrease (increase) in residential land and lots – developed, under development, held for development and held for sale	372.3	(1,481.1)
Increase in rental properties	(342.9)	(230.8)
Increase in other assets	(108.8)	(136.5)
Increase in mortgage loans held for sale	(424.1)	(290.2)
Increase in accounts payable, accrued expenses and other liabilities	277.9	152.7
Net cash provided by operating activities	880.8	949.1
INVESTING ACTIVITIES		
Expenditures for property and equipment	(106.6)	(93.6)
Proceeds from sale of assets	—	18.4
Payments related to business acquisitions, net of cash acquired	(87.9)	(53.1)
Other investing activities	(19.0)	4.8
Net cash used in investing activities	(213.5)	(123.5)
FINANCING ACTIVITIES		
Proceeds from notes payable	3,495.0	3,012.0
Repayment of notes payable	(2,789.9)	(1,891.1)
Borrowings on mortgage repurchase facilities, net	404.9	170.4
Proceeds from stock associated with certain employee benefit plans	8.9	8.5
Cash paid for shares withheld for taxes	(55.2)	(64.2)
Cash dividends paid	(388.3)	(376.4)
Repurchases of common stock	(2,209.4)	(3,576.3)
Net other financing activities	(31.7)	12.4
Net cash used in financing activities	(1,565.7)	(2,704.7)
Net decrease in cash, cash equivalents and restricted cash	(898.4)	(1,879.1)
Cash, cash equivalents and restricted cash at beginning of period	3,033.3	4,544.0
Cash, cash equivalents and restricted cash at end of period	$ 2,134.9	$ 2,664.9
SUPPLEMENTAL DISCLOSURES OF NON-CASH ACTIVITIES:		
Notes payable issued for inventory	$ —	$ 5.5
Stock issued under employee incentive plans	$ 114.0	$ 147.2
Repurchases of common stock not settled	$ —	$ 23.2

See accompanying notes to consolidated financial statements.

D.R. HORTON, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
June 30, 2026

NOTE A – BASIS OF PRESENTATION

The accompanying unaudited, consolidated financial statements include the accounts of D.R. Horton, Inc. and all of its wholly owned, majority-owned and controlled subsidiaries, which are collectively referred to as the Company, unless the context otherwise requires. Noncontrolling interests represent the proportionate equity interests in consolidated entities that are not 100% owned by the Company. As of June 30, 2026, the Company owned a 62% controlling interest in Forestar Group Inc. (Forestar) and therefore is required to consolidate 100% of Forestar within its consolidated financial statements, and the 38% interest the Company does not own is accounted for as noncontrolling interests. All intercompany accounts, transactions and balances have been eliminated in consolidation.

The financial statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. In the opinion of management, these financial statements reflect all adjustments considered necessary to fairly state the results for the interim periods shown, including normal recurring accruals and other items. These financial statements, including the consolidated balance sheet as of September 30, 2025, which was derived from audited financial statements, do not include all of the information and notes required by GAAP for complete financial statements and should be read in conjunction with the consolidated financial statements and accompanying notes included in the Company's annual report on Form 10-K for the fiscal year ended September 30, 2025.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates.

Seasonality

Historically, the homebuilding industry has experienced seasonal fluctuations; therefore, the operating results for the three and nine months ended June 30, 2026 are not necessarily indicative of the results that may be expected for the fiscal year ending September 30, 2026 or subsequent periods.

Business Acquisition

In October 2025, the Company acquired the homebuilding operations of SK Builders for approximately $80 million in cash. SK Builders operates in and around Greenville, South Carolina. The assets acquired included approximately 160 homes in inventory, 260 lots and a sales order backlog of 110 homes. Through the acquisition, the Company also obtained control of approximately 1,320 additional lots through land purchase contracts.

Recent Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board (FASB) issued ASU 2023-09, "Income Taxes - Improvements to Income Tax Disclosures," which requires disclosure of disaggregated income taxes paid, prescribes standard categories for the components of the effective tax rate reconciliation and modifies other income tax related disclosures. The standard became effective for the Company's annual periods beginning in fiscal 2026. The standard will impact certain of the Company's income tax disclosures but will not impact its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures," which requires disclosure of certain costs and expenses on an interim and annual basis in the notes to the financial statements. The standard is effective for the Company's annual periods beginning in fiscal 2028 and interim periods beginning in the first quarter of fiscal 2029, with early adoption permitted. The Company is currently evaluating the impact this standard will have on its disclosures.

NOTE B – SEGMENT INFORMATION

The Company is a national homebuilder that is primarily engaged in the acquisition and development of land and the construction and sale of residential homes, with operations in 126 markets across 36 states. The Company's operating segments are its homebuilding divisions, its rental operations, its majority-owned Forestar residential lot development operations, its financial services operations and its other business activities. The Company's reporting segments are its homebuilding reporting segments, its rental operations segment, its Forestar lot development segment and its financial services segment. The accounting policies of the reporting segments are described throughout Note A in the Company's annual report on Form 10-K for the fiscal year ended September 30, 2025.

Homebuilding

The homebuilding operating segments are aggregated into six reporting segments. The reporting segments and the states in which the Company has homebuilding operations are as follows:

Northwest:	Colorado, Oregon, Utah and Washington
Southwest:	Arizona, California, Hawaii, Nevada and New Mexico
South Central:	Arkansas, Oklahoma and Texas
Southeast:	Alabama, Florida, Louisiana and Mississippi
East:	Georgia, North Carolina, South Carolina and Tennessee
North:	Delaware, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Minnesota, Missouri, Nebraska, New Jersey, Ohio, Pennsylvania, Virginia, West Virginia and Wisconsin

The Company's homebuilding divisions design, build and sell single-family detached homes on lots they develop and on fully developed lots purchased ready for home construction. To a lesser extent, the homebuilding divisions also build and sell attached homes, such as townhomes and duplexes. Most of the revenue generated by the Company's homebuilding operations is from the sale of completed homes and to a lesser extent from the sale of land and lots.

Rental

The Company's rental segment consists of single-family and multi-family rental operations. Single-family rental operations construct homes within single-family rental (build-to-rent) communities and then either sell homes to an investor as they are completed or lease the homes and market the entire community for a bulk sale. Multi-family rental operations develop, construct, lease and sell residential rental properties, the substantial majority of which are apartment communities.

Forestar

The Forestar segment is a residential lot development company with operations in 65 markets across 24 states. The Company's homebuilding divisions acquire finished lots from Forestar in accordance with the master supply agreement between the two companies. Forestar's segment results are presented on their historical cost basis, consistent with the manner in which management evaluates segment performance.

Financial Services

The Company's financial services segment provides mortgage financing, title agency services and title insurance to homebuyers in many of the Company's homebuilding markets. The segment generates the substantial majority of its revenues from originating and selling mortgages, collecting premiums and fees for escrow closing services and collecting premiums for title insurance. The Company sells substantially all of the mortgages it originates and the related servicing rights to third-party purchasers, typically within 60 days of origination.

Other

In addition to its homebuilding, rental, Forestar and financial services operations, the Company engages in other business activities through its subsidiaries. The Company conducts insurance-related operations, owns water rights and other water-related assets and owns non-residential real estate including ranch land and improvements. The results of these operations are immaterial for separate reporting and therefore are grouped together and presented in the Eliminations and Other column in the tables that follow.

D.R. HORTON, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) – (Continued)
June 30, 2026

The Company's Chief Executive Officer, Chief Operating Officer and Chief Financial Officer are its Chief Operating Decision Makers (CODMs). The CODMs evaluate segment performance primarily based on revenues, pre-tax income and inventories for all reporting segments. Revenues, pre-tax income and inventories at the segment level are compared to forecasted results to evaluate the performance of each segment and assist in decision making regarding capital allocation between segments. The tables that follow present financial information pertaining to the Company's reporting segments.

	June 30, 2026					
	Homebuilding	Rental	Forestar	Financial Services	Eliminations and Other (1)	Consolidated
	(In millions)					
Assets						
Cash and cash equivalents	$ 1,268.8	$ 118.4	$ 394.9	$ 255.5	$ 41.1	$ 2,078.7
Restricted cash	25.5	4.3	—	26.4	—	56.2
Inventories:						
Construction in progress and finished homes	9,218.1	—	—	—	(134.2)	9,083.9
Residential land and lots — developed and under development	12,012.4	—	2,557.5	—	(251.0)	14,318.9
Land held for development	52.6	—	154.0	—	—	206.6
Land held for sale	31.7	—	—	—	—	31.7
Rental properties	—	3,054.9	—	—	(9.1)	3,045.8
	21,314.8	3,054.9	2,711.5	—	(394.3)	26,686.9
Mortgage loans held for sale	—	—	—	2,990.6	—	2,990.6
Deferred tax asset, net	45.4	(42.2)	—	—	(3.2)	—
Property and equipment, net	572.8	0.6	7.3	3.9	22.9	607.5
Other assets	3,528.5	55.8	106.9	213.5	23.2	3,927.9
Goodwill	134.3	—	—	—	29.2	163.5
	$ 26,890.1	$ 3,191.8	$ 3,220.6	$ 3,489.9	$ (281.1)	$ 36,511.3
Liabilities						
Accounts payable	$ 1,212.8	$ 217.0	$ 65.3	$ 0.3	$ (107.0)	$ 1,388.4
Deferred tax liability, net	—	—	92.8	—	(49.4)	43.4
Accrued expenses and other liabilities	3,145.4	47.7	410.9	339.3	(382.9)	3,560.4
Notes payable	3,685.3	820.3	793.8	1,813.2	—	7,112.6
	$ 8,043.5	$ 1,085.0	$ 1,362.8	$ 2,152.8	$ (539.3)	$ 12,104.8

(1) Amounts include the balances of the Company's other businesses and the elimination of intercompany transactions.

D.R. HORTON, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) – (Continued)
June 30, 2026

	September 30, 2025					
	Homebuilding	Rental	Forestar	Financial Services	Eliminations and Other (1)	Consolidated
	(In millions)					
Assets						
Cash and cash equivalents	$ 2,210.5	$ 140.8	$ 379.2	$ 244.5	$ 10.4	$ 2,985.4
Restricted cash	25.5	2.5	—	19.9	—	47.9
Inventories:						
Construction in progress and finished homes	7,743.7	—	—	—	(95.2)	7,648.5
Residential land and lots — developed and under development	12,513.1	—	2,465.1	—	(282.4)	14,695.8
Land held for development	38.3	—	180.0	—	—	218.3
Land held for sale	21.4	—	—	—	—	21.4
Rental properties	—	2,710.4	—	—	(7.1)	2,703.3
	20,316.5	2,710.4	2,645.1	—	(384.7)	25,287.3
Mortgage loans held for sale	—	—	—	2,566.5	—	2,566.5
Deferred tax asset, net	125.7	(42.2)	—	—	(39.0)	44.5
Property and equipment, net	543.0	0.6	8.1	4.3	22.9	578.9
Other assets	3,344.1	38.9	104.6	220.6	89.0	3,797.2
Goodwill	134.3	—	—	—	29.2	163.5
	$ 26,699.6	$ 2,851.0	$ 3,137.0	$ 3,055.8	$ (272.2)	$ 35,471.2
Liabilities						
Accounts payable	$ 1,016.8	$ 230.6	$ 71.0	$ 0.7	$ (97.2)	$ 1,221.9
Accrued expenses and other liabilities	3,122.1	34.7	494.3	294.7	(404.2)	3,541.6
Notes payable	3,154.4	600.0	802.8	1,408.3	—	5,965.5
	$ 7,293.3	$ 865.3	$ 1,368.1	$ 1,703.7	$ (501.4)	$ 10,729.0

(1) Amounts include the balances of the Company's other businesses and the elimination of intercompany transactions.

D.R. HORTON, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) – (Continued)
June 30, 2026

	Three Months Ended June 30, 2026					
	Homebuilding	Rental	Forestar	Financial Services	Eliminations and Other (1)	Consolidated
	(In millions)					
Revenues						
Home sales	$ 8,681.9	$ —	$ —	$ —	$ —	$ 8,681.9
Land/lot sales and other	4.3	—	407.0	—	(352.9)	58.4
Rental property sales	—	266.1	—	—	—	266.1
Financial services	—	—	—	220.7	—	220.7
	8,686.2	266.1	407.0	220.7	(352.9)	9,227.1
Cost of sales						
Home sales (2)	6,884.6	—	—	—	(75.0)	6,809.6
Land/lot sales and other	3.0	—	322.1	—	(290.5)	34.6
Rental property sales	—	218.0	—	—	(3.2)	214.8
Inventory and land option charges	21.0	0.1	0.8	—	—	21.9
	6,908.6	218.1	322.9	—	(368.7)	7,080.9
Selling, general and administrative expense	720.6	55.5	38.3	172.1	4.7	991.2
Other (income) expense (3)	(9.6)	(38.5)	(2.9)	(21.7)	1.5	(71.2)
Income before income taxes	$ 1,066.6	$ 31.0	$ 48.7	$ 70.3	$ 9.6	$ 1,226.2

(1) Amounts include the results of the Company's other businesses and the elimination of intercompany transactions.

(2) Amount in the Eliminations and Other column represents the recognition of profit on lots sold from Forestar to the homebuilding segment. Intercompany profit is eliminated in the consolidated financial statements when Forestar sells lots to the homebuilding segment and is recognized in the consolidated financial statements when the homebuilding segment closes homes on the lots to homebuyers.

(3) Other (income) expense primarily includes interest and rental income but also consists of various other types of ancillary income, gains, expenses and losses not directly associated with sales of homes, land and lots.

D.R. HORTON, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) – (Continued)
June 30, 2026

	Nine Months Ended June 30, 2026					
	Homebuilding	Rental	Forestar	Financial Services	Eliminations and Other (1)	Consolidated
	(In millions)					
Revenues						
Home sales	$ 22,240.1	$ —	$ —	$ —	$ —	$ 22,240.1
Land/lot sales and other	38.2	—	1,054.3	—	(846.0)	246.5
Rental property sales	—	587.4	—	—	—	587.4
Financial services	—	—	—	598.2	—	598.2
	22,278.3	587.4	1,054.3	598.2	(846.0)	23,672.2
Cost of sales						
Home sales (2)	17,695.3	—	—	—	(191.1)	17,504.2
Land/lot sales and other	29.6	—	827.1	—	(688.2)	168.5
Rental property sales	—	493.8	—	—	(3.8)	490.0
Inventory and land option charges	56.7	0.4	7.9	—	0.2	65.2
	17,781.6	494.2	835.0	—	(882.9)	18,227.9
Selling, general and administrative expense	2,002.0	154.4	112.7	477.0	13.6	2,759.7
Other (income) expense (3)	(37.9)	(104.7)	(6.8)	(58.8)	1.2	(207.0)
Income before income taxes	$ 2,532.6	$ 43.5	$ 113.4	$ 180.0	$ 22.1	$ 2,891.6
Summary Cash Flow Information						
Depreciation and amortization	$ 79.1	$ 1.3	$ 2.4	$ 1.5	$ 0.5	$ 84.8
Cash provided by (used in) operating activities	$ 1,349.5	$ (324.6)	$ 27.6	$ (221.7)	$ 50.0	$ 880.8

(1) Amounts include the results of the Company's other businesses and the elimination of intercompany transactions.

(2) Amount in the Eliminations and Other column represents the recognition of profit on lots sold from Forestar to the homebuilding segment. Intercompany profit is eliminated in the consolidated financial statements when Forestar sells lots to the homebuilding segment and is recognized in the consolidated financial statements when the homebuilding segment closes homes on the lots to homebuyers.

(3) Other (income) expense primarily includes interest and rental income but also consists of various other types of ancillary income, gains, expenses and losses not directly associated with sales of homes, land and lots.

D.R. HORTON, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) – (Continued)
June 30, 2026

	Three Months Ended June 30, 2025					
	Homebuilding	Rental	Forestar	Financial Services	Eliminations and Other (1)	Consolidated
	(In millions)					
Revenues						
Home sales	$ 8,561.0	$ —	$ —	$ —	$ —	$ 8,561.0
Land/lot sales and other	19.8	—	390.5	—	(354.1)	56.2
Rental property sales	—	380.7	—	—	—	380.7
Financial services	—	—	—	227.8	—	227.8
	8,580.8	380.7	390.5	227.8	(354.1)	9,225.7
Cost of sales						
Home sales (2)	6,691.6	—	—	—	(62.2)	6,629.4
Land/lot sales and other	17.0	—	308.9	—	(288.0)	37.9
Rental property sales	—	295.6	—	—	(0.6)	295.0
Inventory and land option charges	51.9	0.4	1.9	—	—	54.2
	6,760.5	296.0	310.8	—	(350.8)	7,016.5
Selling, general and administrative expense	670.0	61.4	37.4	171.0	4.5	944.3
Other (income) expense (3)	(36.0)	(31.5)	(1.3)	(24.5)	0.1	(93.2)
Income before income taxes	$ 1,186.3	$ 54.8	$ 43.6	$ 81.3	$ (7.9)	$ 1,358.1

(1) Amounts include the results of the Company's other businesses and the elimination of intercompany transactions.

(2) Amount in the Eliminations and Other column represents the recognition of profit on lots sold from Forestar to the homebuilding segment. Intercompany profit is eliminated in the consolidated financial statements when Forestar sells lots to the homebuilding segment and is recognized in the consolidated financial statements when the homebuilding segment closes homes on the lots to homebuyers.

(3) Other (income) expense primarily includes interest and rental income but also consists of various other types of ancillary income, gains, expenses and losses not directly associated with sales of homes, land and lots.

D.R. HORTON, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) – (Continued)
June 30, 2026

	Nine Months Ended June 30, 2025					
	Homebuilding	Rental	Forestar	Financial Services	Eliminations and Other (1)	Consolidated
	(In millions)					
Revenues						
Home sales	$ 22,887.9	$ —	$ —	$ —	$ —	$ 22,887.9
Land/lot sales and other	63.1	—	991.9	—	(828.3)	226.7
Rental property sales	—	835.0	—	—	—	835.0
Financial services	—	—	—	623.0	—	623.0
	22,951.0	835.0	991.9	623.0	(828.3)	24,572.6
Cost of sales						
Home sales (2)	17,828.4	—	—	—	(165.3)	17,663.1
Land/lot sales and other	33.7	—	774.1	—	(675.8)	132.0
Rental property sales	—	657.8	—	—	(0.6)	657.2
Inventory and land option charges	93.2	4.3	3.9	—	(0.6)	100.8
	17,955.3	662.1	778.0	—	(842.3)	18,553.1
Selling, general and administrative expense	1,944.5	165.8	111.8	485.4	13.6	2,721.1
Other (income) expense (3)	(83.0)	(82.3)	(4.1)	(65.4)	(1.9)	(236.7)
Income before income taxes	$ 3,134.2	$ 89.4	$ 106.2	$ 203.0	$ 2.3	$ 3,535.1
Summary Cash Flow Information						
Depreciation and amortization	$ 68.1	$ 1.5	$ 2.6	$ 1.4	$ 0.3	$ 73.9
Cash provided by (used in) operating activities	$ 1,738.6	$ (294.5)	$ (453.9)	$ (20.1)	$ (21.0)	$ 949.1

(1) Amounts include the results of the Company's other businesses and the elimination of intercompany transactions.

(2) Amount in the Eliminations and Other column represents the recognition of profit on lots sold from Forestar to the homebuilding segment. Intercompany profit is eliminated in the consolidated financial statements when Forestar sells lots to the homebuilding segment and is recognized in the consolidated financial statements when the homebuilding segment closes homes on the lots to homebuyers.

(3) Other (income) expense primarily includes interest and rental income but also consists of various other types of ancillary income, gains, expenses and losses not directly associated with sales of homes, land and lots.

Revenues, expenses and pre-tax income of the Company's homebuilding segment are disaggregated into the individual homebuilding reporting segments in the tables below. Expenses maintained at the corporate level consist primarily of homebuilding interest and property taxes, which are capitalized and amortized to cost of sales or expensed directly, and the expenses related to operating the Company's corporate office. The amortization of capitalized interest and property taxes is allocated to each homebuilding segment based on the segment's cost of sales, while expenses associated with the corporate office are allocated to each homebuilding segment based on the segment's inventory balances.

Homebuilding Results by Reporting Segment	**Three Months Ended June 30, 2026**						
	Northwest	**Southwest**	**South Central**	**Southeast**	**East**	**North**	**Total**
				(In millions)			
Revenues							
Home sales	$ 652.0	$ 1,171.6	$ 1,967.1	$ 1,916.5	$ 1,754.5	$ 1,220.2	$ 8,681.9
Land/lot sales and other	0.3	—	0.4	2.9	0.4	0.3	4.3
	652.3	1,171.6	1,967.5	1,919.4	1,754.9	1,220.5	8,686.2
Cost of sales							
Home sales	525.3	943.0	1,537.4	1,525.7	1,390.6	962.6	6,884.6
Land/lot sales and other	0.3	(0.2)	—	2.9	—	—	3.0
Inventory and land option charges	0.2	1.1	7.2	3.5	6.8	2.2	21.0
	525.8	943.9	1,544.6	1,532.1	1,397.4	964.8	6,908.6
Selling, general and administrative expense	60.2	92.8	155.1	158.1	152.5	101.9	720.6
Other (income) expense	(2.0)	(1.1)	(1.7)	(1.6)	(1.7)	(1.5)	(9.6)
Income before income taxes	$ 68.3	$ 136.0	$ 269.5	$ 230.8	$ 206.7	$ 155.3	$ 1,066.6

	Nine Months Ended June 30, 2026						
	Northwest	**Southwest**	**South Central**	**Southeast**	**East**	**North**	**Total**
				(In millions)			
Revenues							
Home sales	$ 1,737.9	$ 3,086.6	$ 4,867.9	$ 4,921.1	$ 4,386.7	$ 3,239.9	$ 22,240.1
Land/lot sales and other	0.8	14.9	0.8	14.8	0.6	6.3	38.2
	1,738.7	3,101.5	4,868.7	4,935.9	4,387.3	3,246.2	22,278.3
Cost of sales							
Home sales	1,393.3	2,486.4	3,817.3	3,942.9	3,499.5	2,555.9	17,695.3
Land/lot sales and other	0.4	12.1	—	12.6	—	4.5	29.6
Inventory and land option charges	0.8	5.2	23.0	9.8	13.5	4.4	56.7
	1,394.5	2,503.7	3,840.3	3,965.3	3,513.0	2,564.8	17,781.6
Selling, general and administrative expense	166.2	264.6	425.7	439.5	416.4	289.6	2,002.0
Other (income) expense	(4.3)	(5.6)	(6.6)	(8.4)	(7.0)	(6.0)	(37.9)
Income before income taxes	$ 182.3	$ 338.8	$ 609.3	$ 539.5	$ 464.9	$ 397.8	$ 2,532.6

Homebuilding Results by Reporting Segment	Three Months Ended June 30, 2025						
	Northwest	Southwest	South Central	Southeast	East	North	Total
				(In millions)			
Revenues							
Home sales	$ 698.8	$ 1,166.2	$ 1,938.2	$ 1,923.2	$ 1,668.3	$ 1,166.3	$ 8,561.0
Land/lot sales and other	0.1	16.2	2.6	0.3	0.2	0.4	19.8
	698.9	1,182.4	1,940.8	1,923.5	1,668.5	1,166.7	8,580.8
Cost of sales							
Home sales	532.4	924.3	1,503.4	1,530.5	1,301.4	899.6	6,691.6
Land/lot sales and other	—	15.1	1.7	0.1	—	0.1	17.0
Inventory and land option charges	0.3	6.5	7.6	22.6	11.6	3.3	51.9
	532.7	945.9	1,512.7	1,553.2	1,313.0	903.0	6,760.5
Selling, general and administrative expense	53.1	89.5	144.8	153.1	132.9	96.6	670.0
Other (income) expense	(3.3)	(5.7)	(6.9)	(7.4)	(7.8)	(4.9)	(36.0)
Income before income taxes	$ 116.4	$ 152.7	$ 290.2	$ 224.6	$ 230.4	$ 172.0	$ 1,186.3

	Nine Months Ended June 30, 2025						
	Northwest	Southwest	South Central	Southeast	East	North	Total
				(In millions)			
Revenues							
Home sales	$ 1,892.3	$ 3,369.7	$ 4,954.7	$ 5,255.5	$ 4,336.5	$ 3,079.2	$ 22,887.9
Land/lot sales and other	0.2	16.5	3.7	31.6	6.6	4.5	63.1
	1,892.5	3,386.2	4,958.4	5,287.1	4,343.1	3,083.7	22,951.0
Cost of sales							
Home sales	1,447.5	2,654.0	3,835.6	4,158.4	3,350.7	2,382.2	17,828.4
Land/lot sales and other	—	14.9	2.1	9.2	4.7	2.8	33.7
Inventory and land option charges	3.4	12.8	13.2	35.5	22.4	5.9	93.2
	1,450.9	2,681.7	3,850.9	4,203.1	3,377.8	2,390.9	17,955.3
Selling, general and administrative expense	162.8	272.7	405.1	442.8	385.1	276.0	1,944.5
Other (income) expense	(7.5)	(12.6)	(17.5)	(17.5)	(16.4)	(11.5)	(83.0)
Income before income taxes	$ 286.3	$ 444.4	$ 719.9	$ 658.7	$ 596.6	$ 428.3	$ 3,134.2

The Company's total inventories are disaggregated into the individual reporting segments in the table below. Inventories are the only assets included in the measure of segment assets used by the Company's chief operating decision makers.

Inventories by Reporting Segment	June 30, 2026	September 30, 2025
	(In millions)	
Homebuilding		
Northwest	$ 1,906.6	$ 1,891.8
Southwest	3,084.8	3,068.5
South Central	4,070.3	3,931.9
Southeast	4,226.4	4,061.8
East	4,825.9	4,397.7
North	2,822.4	2,637.6
Corporate and unallocated (1)	378.4	327.2
Total Homebuilding	21,314.8	20,316.5
Rental	3,054.9	2,710.4
Forestar	2,711.5	2,645.1
Eliminations and other (2)	(394.3)	(384.7)
Consolidated inventories	$ 26,686.9	$ 25,287.3

(1) Corporate and unallocated consists primarily of homebuilding capitalized interest and property taxes.

(2) Amounts include the balances of the Company's other businesses and the elimination of intercompany transactions.

NOTE C – INVENTORIES

At the end of each quarter, the Company reviews the performance and outlook for all of its communities and land inventories for indicators of potential impairment and performs detailed impairment evaluations and analyses when necessary. As of June 30, 2026, the Company performed detailed impairment evaluations of communities and land inventories and determined that communities with a combined carrying value of $14.3 million were impaired on a non-recurring basis using Level 3 inputs. As a result, impairment charges of $3.7 million were recorded during the three months ended June 30, 2026 to reduce the carrying value of the related inventories to fair value. During the nine months ended June 30, 2026, impairment charges totaled $6.7 million. There were $15.9 million and $24.5 million of impairment charges recorded in the three and nine months ended June 30, 2025, respectively.

During the three and nine months ended June 30, 2026, earnest money and pre-acquisition cost write-offs related to land purchase contracts that the Company has terminated or expects to terminate were $18.2 million and $58.5 million, respectively, compared to $38.3 million and $76.3 million in the prior year periods. Inventory impairments and land option charges are included in cost of sales in the consolidated statements of operations.

NOTE D – NOTES PAYABLE

The Company's notes payable at their carrying amounts consist of the following:

	June 30, 2026	September 30, 2025
	(In millions)	
Homebuilding		
Revolving credit facility	$ 500.0	$ —
1.3% senior notes due 2026 (1)	599.7	598.8
1.4% senior notes due 2027 (1)	498.9	498.2
4.85% senior notes due 2030 (1)	496.1	495.5
5.0% senior notes due 2034 (1)	688.6	687.7
5.5% senior notes due 2035 (1)	694.0	693.6
Other notes	208.0	180.6
	3,685.3	3,154.4
Rental		
Revolving credit facility	820.0	600.0
Other notes	0.3	—
	820.3	600.0
Forestar		
Revolving credit facility	—	—
5.0% senior notes due 2028 (2)	299.1	298.7
6.5% senior notes due 2033 (2)	494.7	494.2
Other notes	—	9.9
	793.8	802.8
Financial Services		
Mortgage repurchase facilities:		
Committed facility	1,512.1	1,103.5
Uncommitted facility	301.1	304.8
	1,813.2	1,408.3
Total notes payable (3)	$ 7,112.6	$ 5,965.5

(1) Debt issuance costs that were deducted from the carrying amounts of the homebuilding senior notes totaled $16.3 million and $18.9 million at June 30, 2026 and September 30, 2025, respectively.

(2) Debt issuance costs that were deducted from the carrying amount of Forestar's senior notes totaled $6.2 million and $7.2 million at June 30, 2026 and September 30, 2025, respectively.

(3) The fair value of notes payable at June 30, 2026 totaled $7.1 billion, of which $3.8 billion were measured using Level 2 inputs and $3.3 billion were measured using Level 3 inputs. The fair value of notes payable at September 30, 2025 totaled $6.0 billion, of which $3.8 billion were measured using Level 2 inputs and $2.2 billion were measured using Level 3 inputs. The Level 2 inputs primarily relate to senior notes, and the Level 3 inputs primarily relate to the revolving credit and mortgage repurchase facilities and approximate carrying value due to their short-term nature and/or floating interest rate terms.

Homebuilding

The Company has a senior unsecured homebuilding revolving credit facility that was amended in March 2026 to increase its capacity from $2.3 billion to $3.3 billion. The amendment also extended the maturity dates of the facility. Of the total commitments, $265 million matures on October 28, 2027, $1.0 billion matures on March 27, 2029 and $2.0 billion matures on March 27, 2031. The facility has an uncommitted accordion feature that allows for an increase in its size to $4.0 billion, subject to certain conditions and availability of additional bank commitments. The facility also provides for the issuance of letters of credit with a sublimit equal to 100% of the total revolving credit commitments. Letters of credit issued under the facility reduce the available borrowing capacity. At June 30, 2026, there were $500 million of borrowings outstanding at a 4.5% annual interest rate and $240.3 million of letters of credit issued under the revolving credit facility, resulting in available capacity of $2.6 billion.

The Company's homebuilding revolving credit facility imposes restrictions on its operations and activities, including requiring the maintenance of a maximum allowable leverage ratio and a borrowing base restriction if the leverage ratio exceeds a certain level. These covenants are measured as defined in the credit agreement governing the facility and are reported to the lenders quarterly. A failure to comply with these financial covenants could allow the lending banks to terminate the availability of funds under the revolving credit facility or cause any outstanding borrowings to become due and payable prior to maturity. The credit agreement governing the facility imposes restrictions on the creation of secured debt and liens.

At June 30, 2026, the Company had $3.0 billion principal amount of homebuilding senior notes outstanding that mature from October 2026 through October 2035. The indenture governing the senior notes imposes restrictions on the creation of secured debt and liens.

D.R. Horton has an automatically effective universal shelf registration statement filed with the Securities and Exchange Commission (SEC) in July 2024, registering debt and equity securities that the Company may issue from time to time in amounts to be determined.

At June 30, 2026, the Company was in compliance with all of the covenants, limitations and restrictions of its homebuilding revolving credit facility and public debt obligations. The Company's homebuilding revolving credit facility and homebuilding senior notes are guaranteed by D.R. Horton, Inc.'s significant wholly owned homebuilding subsidiaries.

In July 2024, the Board of Directors authorized the repurchase of up to $500 million of the Company's debt securities. The authorization has no expiration date. All of the $500 million authorization was remaining at June 30, 2026.

Rental

The Company's rental subsidiary, DRH Rental, has a $1.05 billion senior unsecured revolving credit facility with an uncommitted accordion feature that could increase the size of the facility to $2.0 billion, subject to certain conditions and availability of additional bank commitments. Availability under the rental revolving credit facility is subject to a borrowing base calculation based on the book value of DRH Rental's real estate assets and unrestricted cash. The facility also provides for the issuance of letters of credit with a sublimit equal to the greater of $100 million and 50% of the total revolving credit commitments. The facility was amended in March 2026 to extend its maturity date to March 27, 2030. At June 30, 2026, there were $820 million of borrowings outstanding at a 5.4% annual interest rate and no letters of credit issued under the facility, resulting in available capacity of $230 million.

The rental revolving credit facility includes customary affirmative and negative covenants, events of default and financial covenants. The financial covenants require DRH Rental to maintain a minimum level of tangible net worth, a minimum level of liquidity and a maximum allowable leverage ratio. These covenants are measured as defined in the credit agreement governing the facility and are reported to the lenders quarterly. A failure to comply with these financial covenants could allow the lending banks to terminate the availability of funds under the revolving credit facility or cause any outstanding borrowings to become due and payable prior to maturity. At June 30, 2026, DRH Rental was in compliance with all of the covenants, limitations and restrictions of its revolving credit facility.

The rental revolving credit facility is guaranteed by DRH Rental's wholly owned subsidiaries that are not immaterial subsidiaries and have not been designated as unrestricted subsidiaries. The rental revolving credit facility is not guaranteed by D.R. Horton, Inc. or any of the subsidiaries that guarantee the debt of the Company's homebuilding, Forestar or financial services operations.

Forestar

Forestar has a $715 million senior unsecured revolving credit facility with an uncommitted accordion feature that could increase the size of the facility to $1.0 billion, subject to certain conditions and availability of additional bank commitments. The current capacity of the facility reflects additional bank commitments of $25 million and $50 million obtained in October 2025 and March 2026, respectively. Of the total commitments, $65 million matures on October 28, 2026 and $650 million matures on December 18, 2029. The facility also provides for the issuance of letters of credit with a sublimit equal to the greater of $100 million and 50% of the total revolving credit commitments. Borrowings under the revolving credit facility are subject to a borrowing base calculation based on the book value of Forestar's real estate assets and unrestricted cash. Letters of credit issued under the facility reduce the available borrowing capacity. At June 30, 2026, there were no borrowings outstanding and $45.1 million of letters of credit issued under the revolving credit facility, resulting in available capacity of $669.9 million.

Forestar's revolving credit facility includes customary affirmative and negative covenants, events of default and financial covenants. The financial covenants require Forestar to maintain a minimum level of tangible net worth, a minimum level of liquidity and a maximum allowable leverage ratio. These covenants are measured as defined in the credit agreement governing the facility and are reported to the lenders quarterly. A failure to comply with these financial covenants could allow the lending banks to terminate the availability of funds under the revolving credit facility or cause any outstanding borrowings to become due and payable prior to maturity.

At June 30, 2026, Forestar was in compliance with all of the covenants, limitations and restrictions of its revolving credit facility and senior note obligations. Forestar's revolving credit facility and its senior notes are guaranteed by Forestar's wholly owned subsidiaries that are not immaterial subsidiaries and have not been designated as unrestricted subsidiaries. They are not guaranteed by D.R. Horton, Inc. or any of the subsidiaries that guarantee the debt of the Company's homebuilding, rental or financial services operations.

In April 2020, Forestar's Board of Directors authorized the repurchase of up to $30 million of Forestar's debt securities. The authorization has no expiration date. All of the $30 million authorization was remaining at June 30, 2026.

Financial Services

The Company's mortgage subsidiary, DHI Mortgage, has two mortgage repurchase facilities, one of which is committed and the other of which is uncommitted, that provide financing and liquidity to DHI Mortgage by facilitating purchase transactions in which DHI Mortgage transfers eligible loans to counterparties upon receipt of funds from the counterparties. DHI Mortgage then has the right and obligation to repurchase the loans upon their sale to third-party purchasers in the secondary market or within specified time frames in accordance with the terms of the mortgage repurchase facilities.

In May 2026, the committed mortgage repurchase facility was amended to increase its capacity to $1.925 billion and extend its maturity date to May 4, 2029. The capacity of the facility can be increased to $2.0 billion subject to the availability of additional commitments. At June 30, 2026, DHI Mortgage had an obligation of $1.5 billion under the committed mortgage repurchase facility at a 5.6% annual interest rate.

At June 30, 2026, the uncommitted mortgage repurchase facility had a borrowing capacity of $500 million, of which DHI Mortgage had an obligation of $301.1 million at a 4.9% annual interest rate.

At June 30, 2026, $2.74 billion of mortgage loans held for sale with a collateral value of $2.69 billion were pledged under the committed mortgage repurchase facility, and $332.6 million of mortgage loans held for sale with a collateral value of $310.0 million were pledged under the uncommitted mortgage repurchase facility.

The facilities contain financial covenants as to the mortgage subsidiary's minimum required tangible net worth, its maximum allowable indebtedness to tangible net worth ratio and its minimum required liquidity. At June 30, 2026, DHI Mortgage was in compliance with all of the conditions and covenants of the mortgage repurchase facilities. The mortgage repurchase facilities are not guaranteed by D.R. Horton, Inc. or any of the subsidiaries that guarantee the debt of the Company's homebuilding, rental or Forestar operations.

NOTE E – CAPITALIZED INTEREST

The Company capitalizes interest costs incurred to inventory during active development and construction (active inventory). Capitalized interest is charged to cost of sales as the related inventory is delivered to the buyer. During periods in which the Company's active inventory is lower than its debt level, a portion of the interest incurred is reflected as interest expense in the period incurred. During the first nine months of fiscal 2026 and fiscal 2025, the Company's active inventory exceeded its debt level, and all interest incurred was capitalized to inventory.

The following table summarizes the Company's interest costs incurred, capitalized and expensed during the three and nine months ended June 30, 2026 and 2025:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
	(In millions)			
Capitalized interest, beginning of period	$ 485.8	$ 394.5	$ 438.7	$ 355.1
Interest incurred (1)	73.4	71.3	189.9	173.2
Interest charged to cost of sales	(46.1)	(38.4)	(115.5)	(100.9)
Capitalized interest, end of period	$ 513.1	$ 427.4	$ 513.1	$ 427.4

(1) Interest incurred includes (a) interest on the Company's mortgage repurchase facilities of $7.6 million and $16.6 million in the three and nine months ended June 30, 2026, respectively, and $10.3 million and $25.8 million in the prior year periods; (b) Forestar interest of $12.4 million and $37.4 million in the three and nine months ended June 30, 2026, respectively, and $13.4 million and $32.3 million in the prior year periods; and (c) interest on the rental revolving credit facility of $10.1 million and $29.5 million in the three and nine months ended June 30, 2026, respectively, and $16.6 million and $45.3 million in the prior year periods.

NOTE F – MORTGAGE LOANS

Mortgage loans held for sale consist primarily of single-family residential loans collateralized by the underlying property. The Company typically sells the servicing rights for the majority of loans when the loans are sold. Servicing rights retained are typically sold within six months of loan origination. At June 30, 2026, mortgage loans held for sale of $3.0 billion had an aggregate outstanding principal balance of $3.1 billion. At September 30, 2025, mortgage loans held for sale of $2.6 billion had an aggregate outstanding principal balance of $2.7 billion. Mortgage loans held for sale at both dates were primarily composed of mortgage loans measured at fair value on a recurring basis using Level 2 inputs.

During the nine months ended June 30, 2026 and 2025, mortgage loans originated totaled $17.2 billion and $17.1 billion, respectively, and mortgage loans sold totaled $16.7 billion in both periods. The Company had gains on sales of loans and servicing rights of $142.1 million and $394.0 million during the three and nine months ended June 30, 2026, respectively, compared to $152.8 million and $423.9 million in the prior year periods. Net gains on sales of loans and servicing rights are included in revenues in the consolidated statements of operations. During the nine months ended June 30, 2026, approximately 74% of the Company's mortgage loans were sold directly to the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac) or into securities backed by the Government National Mortgage Association (Ginnie Mae), and 18% were sold to one other major financial entity.

The Company also uses hedging instruments as part of a program to offer below market interest rate financing to its homebuyers. At June 30, 2026 and September 30, 2025, the Company had mortgage-backed securities (MBS) totaling $1.0 billion and $677.5 million, respectively, that did not yet have interest rate lock commitments (IRLCs) or closed loans created or assigned. The Company recorded assets of $2.8 million and $1.9 million at June 30, 2026 and September 30, 2025, respectively, for the fair value of such MBS position, which is measured using Level 2 inputs.

The Company is party to IRLCs, which are extended to borrowers who have applied for loan funding and meet defined credit and underwriting criteria. At June 30, 2026 and September 30, 2025, the notional amount of IRLCs, which are accounted for as derivative instruments recorded at fair value using Level 3 inputs, totaled $3.0 billion and $2.1 billion, respectively.

NOTE G – INCOME TAXES

The Company's income tax expense for the three and nine months ended June 30, 2026 was $307.5 million and $713.5 million, respectively, compared to $325.0 million and $831.0 million in the prior year periods. The effective tax rate was 25.1% and 24.7% for the three and nine months ended June 30, 2026, respectively, compared to 23.9% and 23.5% in the prior year periods. The effective tax rates for all periods include an expense for state income taxes and tax benefits related to stock-based compensation and federal energy efficient home tax credits.

At June 30, 2026, the Company had deferred tax liabilities, net of deferred tax assets, of $43.4 million, after consideration of a valuation allowance of $14.6 million recorded against certain deferred tax assets. At September 30, 2025, the Company had deferred tax assets, net of deferred tax liabilities, of $44.5 million, after consideration of a valuation allowance of $14.6 million recorded against certain deferred tax assets. The valuation allowance for both periods relates to deferred tax assets for state net operating loss (NOL) and tax credit carryforwards that are expected to expire before being realized. The Company will continue to evaluate both the positive and negative evidence in determining the need for a valuation allowance with respect to the remaining state NOL and tax credit carryforwards. Reversal of any portion of the valuation allowance in future periods would impact the Company's effective tax rate.

NOTE H – EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share. For the three and nine months ended June 30, 2025, the Company excluded 1.2 million and 0.8 million employee stock awards, respectively, from the calculation of diluted earnings per share as the impact of these awards was anti-dilutive.

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
	(In millions, except per share data)			
Numerator:				
Net income attributable to D.R. Horton, Inc.	$ 904.9	$ 1,024.6	$ 2,147.6	$ 2,679.9
Denominator:				
Denominator for basic earnings per share — weighted average shares	282.2	304.1	287.5	312.7
Effect of dilutive securities:				
Employee stock awards	0.8	0.8	0.9	1.4
Denominator for diluted earnings per share — adjusted weighted average shares	283.0	304.9	288.4	314.1
Basic net income per share attributable to D.R. Horton, Inc.	$ 3.21	$ 3.37	$ 7.47	$ 8.57
Diluted net income per share attributable to D.R. Horton, Inc.	$ 3.20	$ 3.36	$ 7.45	$ 8.53

NOTE I – STOCKHOLDERS' EQUITY

D.R. Horton has an automatically effective universal shelf registration statement, filed with the SEC in July 2024, registering debt and equity securities that it may issue from time to time in amounts to be determined.

In April 2025, the Board of Directors authorized the repurchase of up to $5.0 billion of the Company's common stock. The authorization has no expiration date. During the nine months ended June 30, 2026, the Company repurchased 14.6 million shares of its common stock at a total cost including commissions and excise taxes of $2.2 billion. At June 30, 2026, there was $1.1 billion remaining on the repurchase authorization.

During each of the first three quarters of fiscal 2026, the Board of Directors approved a quarterly cash dividend of $0.45 per share, the most recent of which was paid on May 14, 2026 to stockholders of record on May 7, 2026. Cash dividends declared and paid in the three and nine months ended June 30, 2026 totaled $127.1 million and $388.3 million, respectively. In July 2026, the Board of Directors approved a quarterly cash dividend of $0.45 per share, payable on August 13, 2026 to stockholders of record on August 6, 2026.

Forestar has an effective shelf registration statement, filed with the SEC in September 2024, registering $750 million of equity securities, of which $300 million is reserved for sales under its at-the-market equity offering (ATM) program that was entered into in November 2024. During the nine months ended June 30, 2026, there were no shares issued under the ATM program. At June 30, 2026, the full $750 million remained available for issuance under Forestar's shelf registration statement, with $300 million reserved for sales under the ATM program.

NOTE J – EMPLOYEE BENEFIT PLANS

Stock-Based Compensation

The Company's Stock Incentive Plan provides for the granting of equity awards, such as performance stock units (PSUs) and restricted stock units (RSUs), to executive officers, other key employees and non-management directors. PSUs are earned by achieving key performance goals, and RSUs are earned through continued employment with the Company over a requisite time period. Each stock unit represents the contingent right to receive one share of the Company's common stock if the performance criteria and/or vesting conditions are satisfied. The stock units have no dividend or voting rights until vested.

In October 2025, the Company granted 374,025 PSUs to its executive officers and other key employees. The number of units that ultimately vest depends on the Company's relative position compared to its peers in achieving each of the performance criteria and can range from 0% to 300% of the number of units granted. These awards vest at the end of a three-year performance period ending September 30, 2028. The grant date fair value of these equity awards was $157.79 per unit. Compensation expense related to this grant was $2.7 million and $11.6 million in the three and nine months ended June 30, 2026, respectively, based on an estimate of the Company's performance against a market index or its peer group, the elapsed portion of the performance period and the grant date fair value of the award.

During the nine months ended June 30, 2026, the Company granted approximately 670,000 RSUs to approximately 1,600 recipients, including executive officers, other key employees and non-management directors. The weighted average grant date fair value of these equity awards was $143.05 per unit, and they vest annually in equal installments over periods of three to five years. Compensation expense related to these grants was $4.9 million and $21.7 million in the three and nine months ended June 30, 2026, respectively. Compensation expense in the nine month period included $8.1 million of expense recognized for employees that were retirement eligible on the date of grant.

Total stock-based compensation expense related to the Company's equity awards was $27.7 million and $97.2 million during the three and nine months ended June 30, 2026, respectively, compared to $23.4 million and $93.2 million during the three and nine months ended June 30, 2025.

NOTE K – COMMITMENTS AND CONTINGENCIES

Warranty Claims

The Company typically provides its homebuyers with a ten-year limited warranty for major defects in structural elements such as framing components and foundation systems, a two-year limited warranty on major mechanical systems and a one-year limited warranty on other construction components of the home. The Company's warranty liability is based upon historical warranty cost experience in each market in which it operates.

Changes in the Company's warranty liability during the three and nine months ended June 30, 2026 and 2025 were as follows:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
	(In millions)			
Warranty liability, beginning of period	$ 546.5	$ 557.3	$ 566.2	$ 566.9
Warranties issued	49.6	51.5	129.5	138.5
Changes in liability for pre-existing warranties	(26.2)	(13.4)	(85.8)	(51.4)
Settlements made	(19.2)	(30.7)	(59.2)	(89.3)
Warranty liability, end of period	$ 550.7	$ 564.7	$ 550.7	$ 564.7

Legal Claims and Insurance

The Company is named as a defendant in various claims, complaints and other legal actions in the ordinary course of business. At any point in time, the Company is managing several hundred individual claims related to construction defect matters, personal injury claims, employment matters, land development issues, contract disputes and other matters. The Company has established reserves for these contingencies based on the estimated costs of pending claims and the estimated costs of anticipated future claims related to previously closed homes. The estimated liabilities for these contingencies were $1.1 billion at both June 30, 2026 and September 30, 2025 and are included in accrued expenses and other liabilities in the consolidated balance sheets. Approximately 99% and 98% of these reserves related to construction defect matters at June 30, 2026 and September 30, 2025, respectively. Expenses related to the Company's legal contingencies were $119.4 million and $142.5 million in the nine months ended June 30, 2026 and 2025, respectively.

Changes in the Company's legal claims reserves during the three and nine months ended June 30, 2026 and 2025 were as follows:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
	(In millions)			
Reserves for legal claims, beginning of period	$ 1,136.7	$ 991.3	$ 1,143.6	$ 949.6
Increase in reserves	37.1	59.7	87.3	132.3
Payments	(34.7)	(14.9)	(91.8)	(45.8)
Reserves for legal claims, end of period	$ 1,139.1	$ 1,036.1	$ 1,139.1	$ 1,036.1

The Company estimates and records receivables under its applicable insurance policies related to its estimated contingencies for known claims and anticipated future construction defect claims on previously closed homes and other legal claims and lawsuits incurred in the ordinary course of business when recovery is probable. However, because the self-insured retentions under these policies are significant, and the limits of the policies are finite, the Company anticipates it may be in large part self-insured. Since June 1, 2021, except for contractual risk transfer, the Company is almost exclusively self-insured for construction defect exposures. The Company's estimated insurance receivables from estimated losses for pending legal claims and anticipated future claims related to previously closed homes totaled $123.6 million, $167.0 million and $138.5 million at June 30, 2026, September 30, 2025 and June 30, 2025, respectively, and are included in other assets in the consolidated balance sheets. The Company also contractually requires major subcontractors in most markets to have general liability insurance, which includes construction defect coverage.

The estimation of losses related to these reserves and the related estimates of recoveries from insurance policies are subject to a high degree of variability due to uncertainties such as trends in construction defect claims relative to the Company's markets and the types of products built, claim frequency, claim settlement costs and patterns, insurance industry practices and legal interpretations, among others. Due to the high degree of judgment required in establishing reserves for these contingencies, actual future costs and recoveries from insurance could differ significantly from current estimated amounts, and it is not possible for the Company to make a reasonable estimate of the possible loss or range of loss in excess of its reserves.

Land and Lot Purchase Contracts

The Company enters into land and lot purchase contracts to acquire land or lots for the construction of homes. Under these contracts, the Company will fund a stated deposit in consideration for the right, but not the obligation, to purchase land or lots at a future point in time with predetermined terms. Under the terms of many of the purchase contracts, the deposits are not refundable in the event the Company elects to terminate the contract. Land purchase contract deposits and capitalized pre-acquisition costs are expensed to inventory and land option charges when the Company believes it is probable that it will not acquire the property under contract and will not be able to recover these costs through other means.

At June 30, 2026, the Company had total deposits of $2.5 billion, consisting of cash deposits of $2.3 billion and promissory notes and surety bonds of $190.3 million, related to contracts to purchase land and lots with a total remaining purchase price of approximately $27.5 billion. Of these amounts, $210.1 million of the deposits related to contracts with Forestar to purchase land and lots with a remaining purchase price of $2.1 billion. A limited number of the homebuilding land and lot purchase contracts at June 30, 2026, representing $71.3 million of remaining purchase price, were subject to specific performance provisions that may require the Company to purchase the land or lots upon the land sellers meeting their respective contractual obligations. Of the $71.3 million remaining purchase price subject to specific performance provisions, $19.6 million related to contracts between the homebuilding segment and Forestar.

During the three and nine months ended June 30, 2026, Forestar reimbursed the homebuilding segment $0.7 million and $4.2 million, respectively, for previously paid earnest money and $7.0 million and $27.0 million, respectively, for pre-acquisition and other due diligence costs related to land purchase contracts whereby the homebuilding segment assigned its rights under contract to Forestar. During the three and nine months ended June 30, 2025, Forestar reimbursed the homebuilding segment $4.2 million and $18.8 million, respectively, for previously paid earnest money and $9.5 million and $17.7 million, respectively, for such pre-acquisition and due diligence costs.

Other Commitments

At June 30, 2026, the Company had outstanding surety bonds of $3.4 billion and letters of credit of $285.4 million to secure performance under various contracts. Of the total letters of credit, $240.3 million were issued under the homebuilding revolving credit facility and $45.1 million were issued under Forestar's revolving credit facility.

NOTE L – OTHER ASSETS, ACCRUED EXPENSES AND OTHER LIABILITIES

The Company's other assets at June 30, 2026 and September 30, 2025 were as follows:

	June 30, 2026	September 30, 2025
	(In millions)	
Earnest money and refundable deposits	$ 2,529.4	$ 2,362.9
Water rights and other water-related assets	333.1	333.0
Pledged reimbursements asset	239.7	251.4
Insurance receivables	123.6	167.0
Other receivables	159.6	164.0
Prepaid assets	128.6	134.5
Contract assets - insurance agency commissions	138.0	127.9
Lease right of use assets	67.2	63.0
Margin deposits related to hedging instruments	10.2	47.9
Interest rate lock commitments	28.7	42.7
Mortgage servicing rights	35.8	27.1
Mortgage hedging instruments and commitments	28.7	0.6
Other	105.3	75.2
	$ 3,927.9	$ 3,797.2

The Company's accrued expenses and other liabilities at June 30, 2026 and September 30, 2025 were as follows:

	June 30, 2026	September 30, 2025
	(In millions)	
Reserves for legal claims	$ 1,139.1	$ 1,143.6
Employee compensation and related liabilities	602.5	598.7
Warranty liability	550.7	566.2
Inventory related accruals	524.2	497.3
Pledged reimbursements liability	239.7	251.4
Accrued property taxes	68.0	82.7
Customer deposits	112.8	81.5
Lease liabilities	71.3	65.6
Accrued interest	40.5	60.5
Mortgage hedging instruments and commitments	0.2	34.1
Federal and state income tax liabilities	73.3	19.0
Broker deposits related to hedging instruments	2.5	—
Interest rate lock commitments	3.8	—
Other	131.8	141.0
	$ 3,560.4	$ 3,541.6

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included in this quarterly report and with our annual report on Form 10-K for the fiscal year ended September 30, 2025. Some of the information contained in this discussion and analysis constitutes forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those described in the "Forward-Looking Statements" section following this discussion.

BUSINESS

D.R. Horton, Inc. is the largest homebuilding company in the United States as measured by number of homes closed. We construct and sell homes through our operating divisions in 126 markets across 36 states. Our common stock is included in the S&P 500 Index and listed on the New York Stock Exchange and NYSE Texas under the ticker symbol "DHI." Unless the context otherwise requires, the terms "D.R. Horton," the "Company," "we" and "our" used herein refer to D.R. Horton, Inc., a Delaware corporation, and its predecessors and subsidiaries.

Our business operations consist of homebuilding, rental, a majority-owned residential lot development company, financial services and other activities. Homebuilding is our core business and primarily includes the construction and sale of single-family homes with sales prices generally ranging from $200,000 to more than $1,000,000, with an average closing price of $362,900 during the nine months ended June 30, 2026. Approximately 85% of our home sales revenue in the nine months ended June 30, 2026 was generated from the sale of single-family detached homes, with the remainder from the sale of attached homes, such as townhomes and duplexes.

We have closed 1.3 million homes during our 47-year history, and we have been the largest volume homebuilder in the United States every year since 2002. Our product offerings include a broad range of homes for entry-level, move-up, active adult and luxury buyers.

Our rental segment consists of single-family and multi-family rental operations. Single-family rental operations construct homes within single-family rental (build-to-rent) communities and then either sell homes to an investor as they are completed or lease the homes and market the entire community for a bulk sale. Multi-family rental operations develop, construct, lease and sell residential rental properties, the substantial majority of which are apartment communities.

At June 30, 2026, we owned 62% of the outstanding shares of Forestar Group Inc. (Forestar), a publicly traded residential lot development company listed on the New York Stock Exchange and NYSE Texas under the ticker symbol "FOR." Forestar operates across many of our homebuilding operating markets and is a key part of our homebuilding strategy to maintain relationships with land developers and control a large portion of our land and lot position through land purchase contracts.

Our financial services operations provide mortgage financing and title agency services to homebuyers in many of our homebuilding markets. DHI Mortgage, our wholly owned subsidiary, provides mortgage financing services primarily to our homebuyers and sells substantially all of the mortgages it originates and the related servicing rights to third-party purchasers after origination. Our wholly owned subsidiary title companies issue title insurance policies and provide examination, underwriting and closing services primarily to our homebuilding customers.

In addition to our homebuilding, rental, Forestar and financial services operations, we engage in other business activities through our subsidiaries. We conduct insurance-related operations, own water rights and other water-related assets and own non-residential real estate including ranch land and improvements. The results of these operations are immaterial for separate reporting and therefore are grouped together and presented as other.

OVERVIEW

During the nine months ended June 30, 2026, we closed 61,287 homes compared to 61,495 homes in the prior year period. Our home sales revenues decreased 3% and our consolidated revenues decreased 4% to $23.7 billion in the nine months ended June 30, 2026 compared to $24.6 billion in the prior year period. Our pre-tax income was $2.9 billion in the nine months ended June 30, 2026 compared to $3.5 billion in the prior year period, and pre-tax operating margin was 12.2% compared to 14.4%. Net income was $2.2 billion in the nine months ended June 30, 2026 compared to $2.7 billion in the prior year period, and diluted earnings per share were $7.45 compared to $8.53.

In the trailing twelve months ended June 30, 2026, our return on equity (ROE) was 12.8% compared to 16.1% in the prior year period, and return on assets (ROA) was 8.5% compared to 11.1%. ROE is calculated as net income attributable to D.R. Horton for the trailing twelve months divided by average stockholders' equity, where average stockholders' equity is the sum of ending stockholders' equity balances for the trailing five quarters divided by five. ROA is calculated as net income attributable to D.R. Horton for the trailing twelve months divided by average consolidated assets, where average consolidated assets is the sum of total asset balances for the trailing five quarters divided by five.

During the third quarter, new home demand continued to be impacted by affordability constraints and cautious consumer sentiment. Our net sales orders and the value of those orders increased slightly compared to the prior year quarter. Home sales revenues increased 1% compared to the prior year quarter. Home sales gross margin was 20.7% for the third quarter, compared to 21.8% in the prior year quarter, reflecting the decline in our average sales price and higher sales incentives, including mortgage interest rate buydowns offered to support affordability for our homebuyers. We remain well positioned with our affordable product offerings and controlled lot supply, and we continue to manage home pricing, sales incentives and inventory levels based on demand within our local markets. We currently expect sales incentives to remain elevated during the remainder of fiscal 2026 and into fiscal 2027, and we will continue to adjust incentive levels based on changes in market conditions and mortgage interest rates.

We remain focused on our relationships with land developers across the country to maximize returns and capital efficiency. Within our homebuilding land and lot portfolio, lots controlled through purchase contracts represented 78% of the lots owned and controlled at June 30, 2026 compared to 75% at September 30, 2025 and 76% at June 30, 2025. We continue to prioritize the purchase of finished lots from Forestar and other land developers when possible. During the nine months ended June 30, 2026, 67% of the homes we closed were on lots developed by either Forestar or a third party compared to 65% in the prior year period.

Our strong balance sheet and liquidity provide us with flexibility to operate effectively through changing economic conditions. We plan to continue to generate strong cash flows from our operations and manage our product offerings, incentives, home pricing, sales pace and inventory levels to optimize the return on our inventory investments in each of our communities based on local housing market conditions.

STRATEGY

Our operating strategy focuses on consistently enhancing long-term value to our shareholders by leveraging our financial and competitive positions to maximize the returns on our inventory investments and generate strong profits and cash flows from operations, while managing risk and maintaining financial flexibility to navigate changing economic conditions. Our strategy includes the following initiatives:

- Developing and retaining highly experienced and productive teams of personnel that are aligned and focused on continuous improvement in our operational execution and financial performance.
- Maintaining a significant cash balance and strong overall liquidity position while controlling our level of debt.
- Allocating and actively managing our inventory investments across our operating markets to diversify our geographic risk.
- Offering new home communities that appeal to a broad range of entry-level, move-up, active adult and luxury homebuyers based on consumer demand in each market.
- Executing sales and marketing strategies to drive traffic, generate demand and optimize sales pace across our communities.
- Modifying product offerings, sales pace, home prices and incentives as necessary in each of our markets to meet consumer demand and maintain affordability.
- Delivering high quality homes and a positive experience to our customers both during and after the sale.
- Managing our inventory of homes under construction relative to demand in each of our markets, including starting construction on unsold homes to capture new home demand and actively controlling the number of unsold completed homes in inventory.
- Investing in lots, land and land development in desirable markets, while controlling the level of land and lots we own in each market relative to the local new home demand.
- Controlling a significant portion of our land and finished lot position through purchase contracts and prioritizing the purchase of finished lots from Forestar and other land developers when possible.
- Controlling the cost of labor and goods provided by subcontractors and vendors.
- Improving the efficiency of our land development, construction and other key operational activities.
- Controlling our selling, general and administrative (SG&A) expense infrastructure to match production levels.
- Ensuring that our financial services business provides high quality mortgage and title services to homebuyers efficiently and effectively.
- Investing in our rental operations to meet rental demand in high growth suburban markets and selling properties profitably.
- Opportunistically evaluating potential acquisitions to enhance our operating platform.

We believe our operating strategy, which has produced positive results in recent years, will allow us to successfully operate through changing economic conditions and maintain our strong financial performance and competitive position. However, we cannot provide any assurance that the initiatives listed above will continue to be successful, and we may need to adjust parts of our strategy to meet future market conditions.

KEY RESULTS

Key financial results as of and for the three months ended June 30, 2026, as compared to the same period of 2025 unless otherwise indicated, were as follows:

Consolidated Results:

- Consolidated revenues were essentially unchanged at $9.2 billion.
- Consolidated pre-tax income decreased 10% to $1.2 billion compared to $1.4 billion.
- Consolidated pre-tax income was 13.3% of consolidated revenues compared to 14.7%.
- Income tax expense was $307.5 million compared to $325.0 million, and our effective tax rate was 25.1% compared to 23.9%.
- Net income attributable to D.R. Horton decreased 12% to $904.9 million compared to $1.0 billion.
- Net income per diluted share attributable to D.R. Horton decreased 5% to $3.20 compared to $3.36.
- Stockholders' equity was $23.8 billion compared to $24.2 billion and $24.1 billion at September 30, 2025 and June 30, 2025, respectively.
- Book value per share increased to $84.85 compared to $82.15 and $80.46 at September 30, 2025 and June 30, 2025, respectively.
- Debt to total capital was 23.0% compared to 19.8% and 23.2% at September 30, 2025 and June 30, 2025, respectively. Net debt to total capital was 17.4% compared to 11.0% and 16.2% at September 30, 2025 and June 30, 2025, respectively.

Homebuilding:

- Homebuilding revenues increased 1% to $8.7 billion compared to $8.6 billion.
- Homes closed increased 4% to 23,983 homes, while the average closing price of those homes decreased 2% to $362,000.
- Net sales orders of 23,084 homes and the value of net sales orders of $8.4 billion both increased slightly from the prior year.
- Sales order backlog increased 14% to 15,983 homes, and the value of sales order backlog increased 16% to $6.2 billion.
- Home sales gross margin was 20.7% compared to 21.8%.
- Homebuilding SG&A expense was 8.3% of homebuilding revenues compared to 7.8%.
- Homebuilding pre-tax income decreased 10% to $1.1 billion compared to $1.2 billion.
- Homebuilding pre-tax income was 12.3% of homebuilding revenues compared to 13.8%.
- Homebuilding cash and cash equivalents totaled $1.3 billion compared to $2.2 billion and $2.0 billion at September 30, 2025 and June 30, 2025, respectively.
- Homebuilding inventories totaled $21.3 billion compared to $20.3 billion and $21.1 billion at September 30, 2025 and June 30, 2025, respectively.
- Homes in inventory totaled 38,000 compared to 29,600 and 38,400 at September 30, 2025 and June 30, 2025, respectively.
- Owned lots totaled 126,600 compared to 147,000 and 145,900 at September 30, 2025 and June 30, 2025, respectively. Lots controlled through purchase contracts totaled 441,900 compared to 444,900 and 455,500 at September 30, 2025 and June 30, 2025, respectively.

- Homebuilding debt was $3.7 billion compared to $3.2 billion and $3.7 billion at September 30, 2025 and June 30, 2025, respectively.

Rental:

- Rental revenues were $266.1 million compared to $380.7 million.
- Single-family rental homes closed totaled 601 compared to 1,065.
- Multi-family rental units closed totaled 339 compared to 328.
- Rental pre-tax income was $31.0 million compared to $54.8 million.
- Rental inventory totaled $3.1 billion compared to $2.7 billion and $3.1 billion at September 30, 2025 and June 30, 2025, respectively.

Forestar:

- Forestar's revenues increased 4% to $407.0 million compared to $390.5 million. Revenues in the current and prior year quarters included $360.5 million and $325.0 million, respectively, of revenue from land and lot sales to our homebuilding segment.
- Forestar's lots sold increased 1% to 3,659 compared to 3,605. Lots sold to D.R. Horton totaled 3,370 compared to 3,075.
- Forestar's revenue from tract acres sold was $8.3 million compared to $3.6 million in the prior year quarter.
- Forestar's pre-tax income increased 12% to $48.7 million compared to $43.6 million.
- Forestar's pre-tax income was 12.0% of revenues compared to 11.2%.
- Forestar's cash and cash equivalents totaled $394.9 million compared to $379.2 million and $189.2 million at September 30, 2025 and June 30, 2025, respectively.
- Forestar's inventories totaled $2.7 billion compared to $2.6 billion and $2.8 billion at September 30, 2025 and June 30, 2025, respectively.
- Forestar's owned and controlled lots totaled 91,700 compared to 99,800 and 102,300 at September 30, 2025 and June 30, 2025, respectively. Of these lots, 41,000 were under contract to sell to or subject to a right of first offer with D.R. Horton compared to 40,400 and 42,700 at September 30, 2025 and June 30, 2025, respectively.
- Forestar's debt was $793.8 million compared to $802.8 million and $872.8 million at September 30, 2025 and June 30, 2025, respectively.
- Forestar's debt to total capital was 30.0% compared to 31.2% and 34.2% at September 30, 2025 and June 30, 2025, respectively. Forestar's net debt to total capital was 17.7% compared to 19.3% and 28.9% at September 30, 2025 and June 30, 2025, respectively.

Financial Services:

- Financial services revenues decreased 3% to $220.7 million compared to $227.8 million.
- Financial services pre-tax income decreased 14% to $70.3 million compared to $81.3 million.
- Financial services pre-tax income was 31.9% of financial services revenues compared to 35.7%.

Key financial results for the nine months ended June 30, 2026, as compared to the same period of 2025, were as follows:

Consolidated Results:

- Consolidated revenues decreased 4% to $23.7 billion compared to $24.6 billion.
- Consolidated pre-tax income decreased 18% to $2.9 billion compared to $3.5 billion.
- Consolidated pre-tax income was 12.2% of consolidated revenues compared to 14.4%.
- Income tax expense was $713.5 million compared to $831.0 million, and our effective tax rate was 24.7% compared to 23.5%.
- Net income attributable to D.R. Horton decreased 20% to $2.1 billion compared to $2.7 billion.
- Net income per diluted share attributable to D.R. Horton decreased 13% to $7.45 compared to $8.53.
- Net cash provided by operations was $880.8 million compared to $949.1 million.

Homebuilding:

- Homebuilding revenues decreased 3% to $22.3 billion compared to $23.0 billion.
- Homes closed decreased from 61,495 to 61,287 homes, and the average closing price of those homes decreased 2% to $362,900.
- Net sales orders increased 5% to 66,376 homes, and the value of net sales orders increased 4% to $24.3 billion.
- Home sales gross margin was 20.4% compared to 22.1%.
- Homebuilding SG&A expense was 9.0% of homebuilding revenues compared to 8.5%.
- Homebuilding pre-tax income decreased 19% to $2.5 billion compared to $3.1 billion.
- Homebuilding pre-tax income was 11.4% of homebuilding revenues compared to 13.7%.
- Net cash provided by homebuilding operations was $1.3 billion compared to $1.7 billion.

Rental:

- Rental revenues were $587.4 million compared to $835.0 million.
- Single-family rental homes closed totaled 1,564 compared to 1,895.
- Multi-family rental units closed totaled 555 compared to 1,132.
- Rental pre-tax income was $43.5 million compared to $89.4 million.

Forestar:

- Forestar’s revenues increased 6% to $1.1 billion compared to $991.9 million. Revenues in the current and prior year periods included $840.1 million and $811.3 million, respectively, of revenue from land and lot sales to our homebuilding segment.
- Forestar’s lots sold decreased 9% to 8,541 compared to 9,349. Lots sold to D.R. Horton totaled 7,447 compared to 7,688.
- Forestar’s revenue from tract acres sold was $73.2 million compared to $3.6 million in the prior year period.
- Forestar’s pre-tax income increased 7% to $113.4 million compared to $106.2 million.
- Forestar’s pre-tax income was 10.8% of revenues compared to 10.7%.

Financial Services:

- Financial services revenues decreased 4% to $598.2 million compared to $623.0 million.
- Financial services pre-tax income decreased 11% to $180.0 million compared to $203.0 million.
- Financial services pre-tax income was 30.1% of financial services revenues compared to 32.6%.

RESULTS OF OPERATIONS - HOMEBUILDING

We conduct our homebuilding operations in the geographic regions, states and markets listed below. Our homebuilding operating divisions are aggregated into six reporting segments, also referred to as reporting regions, which comprise the markets below. Our financial statements and the notes thereto contain additional information regarding segment performance.

State	Reporting Region/Market	State	Reporting Region/Market	State	Reporting Region/Market
	Northwest Region		**Southeast Region**		**North Region**
Colorado	Colorado Springs	**Alabama**	Baldwin County	**Delaware**	Northern Delaware
	Denver		Birmingham		Southern Delaware
	Fort Collins		Huntsville	**Illinois**	Chicago
Oregon	Bend		Mobile	**Indiana**	Fort Wayne
	Eugene/Springfield		Montgomery		Indianapolis
	Medford		Tuscaloosa		Northwest Indiana
	Portland/Salem	**Florida**	Cape Coral/Fort Myers	**Iowa**	Des Moines
Utah	Salt Lake City/Provo/Ogden		Deltona/Daytona Beach		Iowa City/Cedar Rapids
	St. George		Gainesville	**Kansas/Missouri**	Kansas City
Washington	Bremerton		Jacksonville	**Kentucky**	Louisville/Lexington
	Central Washington		Lakeland	**Maryland**	Baltimore
	Kennewick/Pasco/Richland		Miami/Fort Lauderdale		Eastern Maryland
	Seattle/Tacoma/Everett/Olympia		Ocala		Suburban Washington, D.C.
	Spokane		Orlando		Western Maryland
	Vancouver		Palm Bay/Melbourne	**Minnesota**	Minneapolis/St. Paul
			Panama City	**Nebraska**	Omaha
	Southwest Region		Pensacola	**New Jersey**	Northern New Jersey
Arizona	Phoenix		Port St. Lucie		Southern New Jersey
	Tucson		Tallahassee	**Ohio**	Cincinnati/Dayton
California	Bakersfield		Tampa/Sarasota/Punta Gorda		Columbus
	Bay Area		West Palm Beach	**Pennsylvania**	Central Pennsylvania
	Fresno/Tulare	**Louisiana**	Baton Rouge		Philadelphia
	Los Angeles County		Lake Charles/Lafayette		Pittsburgh
	Modesto/Merced/Stockton	**Mississippi**	Gulf Coast	**Virginia**	Northern Virginia
	Redding/Yuba City		Hattiesburg		Richmond
	Riverside County		Jackson		Virginia Beach/Williamsburg
	Sacramento				Western Virginia
	San Bernardino County		**East Region**	**West Virginia**	Eastern West Virginia
Hawaii	Oahu	**Georgia**	Atlanta		Northern West Virginia
Nevada	Las Vegas		Augusta	**Wisconsin**	Southeast Wisconsin
	Reno		Central Georgia		
New Mexico	Albuquerque		Savannah/Brunswick		
	Santa Fe		Valdosta		
		North Carolina	Asheville		
	South Central Region		Charlotte		
Arkansas	Little Rock		Greensboro/Winston-Salem		
	Northwest Arkansas		New Bern/Greenville		
Oklahoma	Oklahoma City		Raleigh/Durham/Fayetteville		
	Tulsa		Wilmington/Jacksonville		
Texas	Abilene	**South Carolina**	Charleston		
	Austin		Columbia		
	Beaumont		Greenville/Spartanburg		
	Bryan/College Station		Hilton Head		
	Corpus Christi		Myrtle Beach/Florence		
	Dallas	**Tennessee**	Chattanooga		
	East Texas		Knoxville		
	Fort Worth		Memphis		
	Houston		Nashville		
	Killeen/Temple/Waco		Northeast Tennessee		
	Lubbock				
	Midland/Odessa				
	New Braunfels/San Marcos				
	San Antonio				

The following tables and related discussion set forth key operating and financial data for our homebuilding operations by reporting segment as of and for the three and nine months ended June 30, 2026 and 2025.

Net Sales Orders (1)

Three Months Ended June 30,

	Net Homes Sold			Value (In millions)			Average Selling Price		
	2026	2025	% Change	2026	2025	% Change	2026	2025	% Change
Northwest	1,183	1,294	(9)%	$ 617.6	$ 683.6	(10)%	$ 522,100	$ 528,300	(1)%
Southwest	2,376	2,396	(1)%	1,171.4	1,129.3	4 %	493,000	471,300	5 %
South Central	6,011	6,131	(2)%	1,804.7	1,868.0	(3)%	300,200	304,700	(1)%
Southeast	5,456	5,475	— %	1,862.0	1,830.1	2 %	341,300	334,300	2 %
East	4,857	4,887	(1)%	1,653.8	1,696.5	(3)%	340,500	347,100	(2)%
North	3,201	2,888	11 %	1,330.2	1,214.8	9 %	415,600	420,600	(1)%
	23,084	23,071	— %	$ 8,439.7	$ 8,422.3	— %	$ 365,600	$ 365,100	— %

Nine Months Ended June 30,

	Net Homes Sold			Value (In millions)			Average Selling Price		
	2026	2025	% Change	2026	2025	% Change	2026	2025	% Change
Northwest	3,340	3,703	(10)%	$ 1,777.1	$ 1,980.1	(10)%	$ 532,100	$ 534,700	— %
Southwest	7,044	6,941	1 %	3,414.1	3,322.4	3 %	484,700	478,700	1 %
South Central	17,763	16,648	7 %	5,322.3	5,152.2	3 %	299,600	309,500	(3)%
Southeast	15,427	15,077	2 %	5,223.9	5,094.2	3 %	338,600	337,900	— %
East	13,877	13,228	5 %	4,778.8	4,579.8	4 %	344,400	346,200	(1)%
North	8,925	7,748	15 %	3,738.9	3,305.8	13 %	418,900	426,700	(2)%
	66,376	63,345	5 %	$ 24,255.1	$ 23,434.5	4 %	$ 365,400	$ 370,000	(1)%

Sales Order Cancellations

Three Months Ended June 30,

	Cancelled Sales Orders		Value (In millions)		Cancellation Rate (2)	
	2026	2025	2026	2025	2026	2025
Northwest	156	220	$ 91.0	$ 127.0	12 %	15 %
Southwest	533	435	266.6	216.5	18 %	15 %
South Central	1,558	1,206	478.8	399.0	21 %	16 %
Southeast	1,286	1,307	448.5	450.7	19 %	19 %
East	1,271	1,051	444.2	367.4	21 %	18 %
North	803	618	335.8	259.1	20 %	18 %
	5,607	4,837	$ 2,064.9	$ 1,819.7	20 %	17 %

Nine Months Ended June 30,

	Cancelled Sales Orders		Value (In millions)		Cancellation Rate (2)	
	2026	2025	2026	2025	2026	2025
Northwest	476	582	$ 276.8	$ 336.2	12 %	14 %
Southwest	1,507	1,212	749.0	612.0	18 %	15 %
South Central	3,809	3,227	1,192.9	1,057.4	18 %	16 %
Southeast	3,423	3,482	1,184.6	1,201.8	18 %	19 %
East	3,160	2,759	1,116.5	974.4	19 %	17 %
North	2,096	1,759	866.0	739.7	19 %	19 %
	14,471	13,021	$ 5,385.8	$ 4,921.5	18 %	17 %

(1) Net sales orders represent the number and dollar value of new sales contracts executed with customers (gross sales orders), net of cancelled sales orders.

(2) Cancellation rate represents the number of cancelled sales orders divided by gross sales orders.

Net Sales Orders

The value of net sales orders was $8.4 billion (23,084 homes) and $24.3 billion (66,376 homes) for the three and nine months ended June 30, 2026, respectively, compared to $8.4 billion (23,071 homes) and $23.4 billion (63,345 homes) in the prior year periods. Comparing the three month periods, the number, value and average selling price of homes sold were essentially unchanged.

In the nine month period, the increase in the value of net sales orders was attributable to a 5% increase in sales order volume. The highest percentage increase was in the North region where the Pittsburgh and Ohio markets contributed most to the increase. In the Northwest region where sales order volume decreased, the Seattle and Salt Lake City markets contributed most to the decrease.

During the third quarter, new home demand continued to be impacted by affordability constraints and cautious consumer sentiment. We remain well positioned with our affordable product offerings and controlled lot supply, and we continue to manage home pricing, sales incentives and inventory levels based on demand within our local markets.

Sales Order Backlog

	As of June 30,								
	Homes in Backlog			Value (In millions)			Average Selling Price		
	2026	2025	% Change	2026	2025	% Change	2026	2025	% Change
Northwest	589	689	(15)%	$ 316.9	$ 372.0	(15)%	$ 538,000	$ 539,900	— %
Southwest	1,581	1,218	30 %	813.9	576.3	41 %	514,800	473,200	9 %
South Central	3,799	3,459	10 %	1,207.5	1,091.2	11 %	317,800	315,500	1 %
Southeast	3,135	2,833	11 %	1,124.7	974.1	15 %	358,800	343,800	4 %
East	3,595	3,465	4 %	1,276.0	1,255.7	2 %	354,900	362,400	(2)%
North	3,284	2,411	36 %	1,440.4	1,068.8	35 %	438,600	443,300	(1)%
	15,983	14,075	14 %	$ 6,179.4	$ 5,338.1	16 %	$ 386,600	$ 379,300	2 %

Sales Order Backlog

Sales order backlog represents homes under contract but not yet closed at the end of the period. Many of the contracts in our sales order backlog are subject to contingencies, including mortgage loan approval and buyers selling their existing homes, which can result in cancellations. A portion of the contracts in backlog will not result in closings due to cancellations.

Homes Closed and Home Sales Revenue

Three Months Ended June 30,

	Homes Closed			Value (In millions)			Average Selling Price		
	2026	2025	% Change	2026	2025	% Change	2026	2025	% Change
Northwest	1,239	1,270	(2)%	$ 652.0	$ 698.8	(7)%	$ 526,200	$ 550,200	(4)%
Southwest	2,438	2,396	2 %	1,171.6	1,166.2	— %	480,600	486,700	(1)%
South Central	6,660	6,239	7 %	1,967.1	1,938.2	1 %	295,400	310,700	(5)%
Southeast	5,652	5,682	(1)%	1,916.5	1,923.2	— %	339,100	338,500	— %
East	5,061	4,835	5 %	1,754.5	1,668.3	5 %	346,700	345,000	— %
North	2,933	2,738	7 %	1,220.2	1,166.3	5 %	416,000	426,000	(2)%
	23,983	23,160	4 %	$ 8,681.9	$ 8,561.0	1 %	$ 362,000	$ 369,600	(2)%

Nine Months Ended June 30,

	Homes Closed			Value (In millions)			Average Selling Price		
	2026	2025	% Change	2026	2025	% Change	2026	2025	% Change
Northwest	3,227	3,549	(9)%	$ 1,737.9	$ 1,892.3	(8)%	$ 538,500	$ 533,200	1 %
Southwest	6,498	6,937	(6)%	3,086.6	3,369.7	(8)%	475,000	485,800	(2)%
South Central	16,399	15,943	3 %	4,867.9	4,954.7	(2)%	296,800	310,800	(5)%
Southeast	14,697	15,339	(4)%	4,921.1	5,255.5	(6)%	334,800	342,600	(2)%
East	12,714	12,507	2 %	4,386.7	4,336.5	1 %	345,000	346,700	— %
North	7,752	7,220	7 %	3,239.9	3,079.2	5 %	417,900	426,500	(2)%
	61,287	61,495	— %	$ 22,240.1	$ 22,887.9	(3)%	$ 362,900	$ 372,200	(2)%

Home Sales Revenue

Revenues from home sales were $8.7 billion (23,983 homes) and $22.2 billion (61,287 homes) for the three and nine months ended June 30, 2026, respectively, compared to $8.6 billion (23,160 homes) and $22.9 billion (61,495 homes) in the prior year periods.

The number of homes closed increased 4% in the three months ended June 30, 2026 compared to the prior year period. In regions where homes closed increased, the markets contributing most to the increase were the Phoenix market in the Southwest, the Houston market in the South Central, the Atlanta market in the East and the Pittsburgh market in the North. These increases in volume were largely offset by decreases in the average selling price, particularly in the Northwest and South Central regions.

The number of homes closed was essentially unchanged in the nine months ended June 30, 2026 compared to the prior year period due to offsetting fluctuations between the regions. Home sales revenues decreased due to decreases in the average selling price, particularly in the South Central region.

Homebuilding Operating Margin Analysis

	Percentages of Related Revenues			
	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
Gross profit – home sales	20.7 %	21.8 %	20.4 %	22.1 %
Gross profit – land/lot sales and other	30.2 %	14.1 %	22.5 %	46.6 %
Inventory and land option charges	(0.2)%	(0.6)%	(0.3)%	(0.4)%
Gross profit – total homebuilding	20.5 %	21.2 %	20.2 %	21.8 %
Selling, general and administrative expense	8.3 %	7.8 %	9.0 %	8.5 %
Other (income) expense	(0.1)%	(0.4)%	(0.2)%	(0.4)%
Homebuilding pre-tax income	12.3 %	13.8 %	11.4 %	13.7 %

Home Sales Gross Profit

Gross profit from home sales decreased to $1.8 billion in the three months ended June 30, 2026 from $1.9 billion in the prior year period and decreased 110 basis points to 20.7% as a percentage of home sales revenues. The percentage decrease resulted from a decrease of 110 basis points due to the average cost of our homes closed increasing along with a decrease in the average selling price of those homes and 10 basis points due to an increase in the amortization of capitalized interest. These decreases were partially offset by an increase of 10 basis points due to lower warranty and construction defect costs.

Gross profit from home sales decreased to $4.5 billion in the nine months ended June 30, 2026 from $5.1 billion in the prior year period and decreased 170 basis points to 20.4% as a percentage of home sales revenues. The percentage decrease resulted from a decrease of 190 basis points due to the average cost of our homes closed increasing along with a decrease in the average selling price of those homes and 10 basis points due to an increase in the amortization of capitalized interest. These decreases were partially offset by an increase of 30 basis points due to a favorable litigation outcome and lower warranty costs.

We remain focused on managing the pricing, incentives and sales pace in each of our communities to optimize the returns on our inventory investments and adjust to local market conditions and new home demand. To adjust to changes in market conditions during recent years, we have used a higher level of incentives and reduced home prices and sizes of our home offerings where necessary to provide better affordability to homebuyers. We currently expect sales incentives to remain elevated during the remainder of fiscal 2026 and into fiscal 2027, and we will continue to adjust incentive levels based on changes in market conditions and mortgage interest rates.

Land/Lot Sales and Other Revenues

Land/lot sales and other revenues from our homebuilding operations were $4.3 million and $38.2 million in the three and nine months ended June 30, 2026, respectively, and $19.8 million and $63.1 million in the prior year periods.

We continually evaluate our land and lot supply, and fluctuations in revenues and profitability from land sales occur based on how we manage our inventory levels in various markets. We generally purchase land and lots with the intent to build and sell homes on them. However, some of the land that we purchase includes commercially zoned parcels that we may sell to commercial developers. We may also sell residential lots or land parcels to manage our supply or for other strategic reasons. As of June 30, 2026, our homebuilding operations had $31.7 million of land held for sale that we expect to sell in the next twelve months.

Inventory and Land Option Charges

At the end of each quarter, we review the performance and outlook for all of our communities and land inventories for indicators of potential impairment and perform detailed impairment evaluations and analyses when necessary. As a result of this review, there were $3.7 million and $6.7 million of impairment charges recorded in our homebuilding segment during the three and nine months ended June 30, 2026, respectively, compared to $15.9 million and $23.3 million in the prior year periods.

As we manage our inventory investments across our operating markets to optimize returns and cash flows, we may modify our pricing and incentives, construction and development plans or land sale strategies in individual active communities and land held for development, which could result in the affected communities being evaluated for potential impairment. If the housing market or economic conditions are adversely affected for a prolonged period, we may be required to evaluate additional communities for potential impairment. These evaluations could result in impairment charges which could be significant.

During the three and nine months ended June 30, 2026, earnest money and pre-acquisition cost write-offs related to our homebuilding segment's land purchase contracts that we have terminated or expect to terminate were $17.3 million and $50.0 million, respectively, compared to $36.0 million and $69.9 million in the prior year periods.

Selling, General and Administrative (SG&A) Expense

Homebuilding SG&A expense was $720.6 million and $2.0 billion in the three and nine months ended June 30, 2026, respectively, compared to $670.0 million and $1.9 billion in the prior year periods. As a percentage of homebuilding revenues, SG&A expense was 8.3% and 9.0% in the three and nine months ended June 30, 2026, respectively, compared to 7.8% and 8.5% in the prior year periods.

Employee compensation and related costs were $560.6 million and $1.5 billion in the three and nine months ended June 30, 2026, respectively, compared to $532.3 million and $1.5 billion in the prior year periods. These costs represented 78% and 76% of SG&A costs in the three and nine months ended June 30, 2026, respectively, compared to 79% and 78% in the prior year periods. Our homebuilding operations employed 9,997 and 10,190 people at June 30, 2026 and 2025, respectively.

We attempt to control our homebuilding SG&A costs while ensuring that our infrastructure adequately supports our operations; however, we cannot make assurances that we will be able to maintain or improve upon the current SG&A expense as a percentage of revenues.

Interest Incurred

We capitalize interest costs incurred to inventory during active development and construction (active inventory). Capitalized interest is charged to cost of sales as the related inventory is delivered to the buyer. Interest incurred by our homebuilding operations increased 40% to $43.3 million and 52% to $106.4 million in the three and nine months ended June 30, 2026, respectively, compared to $31.0 million and $69.8 million in the prior year periods. The increases were primarily due to increases in the weighted average interest rate of homebuilding debt outstanding in the three and nine months ended June 30, 2026, as well as an increase of 26% in the average amount of that debt in both periods. Interest charged to cost of sales was 0.5% of homebuilding cost of sales (excluding inventory and land option charges) in both the three and nine months ended June 30, 2026 compared to 0.4% in both prior year periods.

Other Income

Other income, net of other expenses, included in our homebuilding operations was $9.6 million and $37.9 million in the three and nine months ended June 30, 2026, respectively, compared to $36.0 million and $83.0 million in the prior year periods. Other income consists of interest income and various other types of ancillary income, gains, expenses and losses not directly associated with sales of homes, land and lots. The activities that result in this ancillary income are not significant, either individually or in the aggregate.

Business Acquisition

In October 2025, we acquired the homebuilding operations of SK Builders for approximately $80 million in cash. SK Builders operates in and around Greenville, South Carolina. The assets acquired included approximately 160 homes in inventory, 260 lots and a sales order backlog of 110 homes. Through the acquisition, we also obtained control of approximately 1,320 additional lots through land purchase contracts.

Homebuilding Results by Reporting Region

	Three Months Ended June 30,					
	2026			2025		
	Homebuilding Revenues	Homebuilding Pre-tax Income (1)	Pre-tax Income as % of Revenues	Homebuilding Revenues	Homebuilding Pre-tax Income (1)	Pre-tax Income as % of Revenues
	(In millions)					
Northwest	$ 652.3	$ 68.3	10.5 %	$ 698.9	$ 116.4	16.7 %
Southwest	1,171.6	136.0	11.6 %	1,182.4	152.7	12.9 %
South Central	1,967.5	269.5	13.7 %	1,940.8	290.2	15.0 %
Southeast	1,919.4	230.8	12.0 %	1,923.5	224.6	11.7 %
East	1,754.9	206.7	11.8 %	1,668.5	230.4	13.8 %
North	1,220.5	155.3	12.7 %	1,166.7	172.0	14.7 %
	$ 8,686.2	$ 1,066.6	12.3 %	$ 8,580.8	$ 1,186.3	13.8 %

	Nine Months Ended June 30,					
	2026			2025		
	Homebuilding Revenues	Homebuilding Pre-tax Income (1)	Pre-tax Income as % of Revenues	Homebuilding Revenues	Homebuilding Pre-tax Income (1)	Pre-tax Income as % of Revenues
	(In millions)					
Northwest	$ 1,738.7	$ 182.3	10.5 %	$ 1,892.5	$ 286.3	15.1 %
Southwest	3,101.5	338.8	10.9 %	3,386.2	444.4	13.1 %
South Central	4,868.7	609.3	12.5 %	4,958.4	719.9	14.5 %
Southeast	4,935.9	539.5	10.9 %	5,287.1	658.7	12.5 %
East	4,387.3	464.9	10.6 %	4,343.1	596.6	13.7 %
North	3,246.2	397.8	12.3 %	3,083.7	428.3	13.9 %
	$ 22,278.3	$ 2,532.6	11.4 %	$ 22,951.0	$ 3,134.2	13.7 %

(1) Expenses maintained at the corporate level consist primarily of interest and property taxes, which are capitalized and amortized to cost of sales or expensed directly, and the expenses related to operating our corporate office. The amortization of capitalized interest and property taxes is allocated to each segment based on the segment's cost of sales, while expenses associated with the corporate office are allocated to each segment based on the segment's inventory balances.

Northwest Region — Homebuilding revenues decreased 7% and 8% in the three and nine months ended June 30, 2026, respectively, compared to the prior year periods, primarily due to decreases in the number of homes closed, particularly in our Seattle and Salt Lake City markets. The region generated pre-tax income of $68.3 million and $182.3 million in the three and nine months ended June 30, 2026, respectively, compared to $116.4 million and $286.3 million in the prior year periods. Gross profit from home sales as a percentage of home sales revenue (home sales gross profit percentage) decreased by 440 and 370 basis points in the three and nine months ended June 30, 2026, respectively, compared to the prior year periods, primarily due to the average cost of homes closed increasing by more than the average selling price of those homes. As a percentage of homebuilding revenues, SG&A expenses increased by 160 and 100 basis points in the three and nine months ended June 30, 2026, respectively, compared to the prior year periods, primarily due to the decrease in homebuilding revenues.

Southwest Region — Homebuilding revenues decreased 1% and 8% in the three and nine months ended June 30, 2026, respectively, compared to the prior year periods. The decrease in the nine month period was primarily due to decreases in the number of homes closed in our Las Vegas and Southern California markets. The region generated pre-tax income of $136.0 million and $338.8 million in the three and nine months ended June 30, 2026, respectively, compared to $152.7 million and $444.4 million in the prior year periods. Home sales gross profit percentage decreased by 120 and 180 basis points in the three and nine months ended June 30, 2026, respectively, compared to the prior year periods, primarily due to the average selling price of homes closed decreasing by more than the average cost of those homes. As a percentage of homebuilding revenues, SG&A expenses increased by 30 and 50 basis points in the three and nine months ended June 30, 2026, respectively, compared to the prior year periods. The increase in the nine month period was primarily due to the decrease in homebuilding revenues, while the increase in the three month period was primarily due to a slight increase in SG&A costs.

South Central Region — Homebuilding revenues increased 1% and decreased 2% in the three and nine months ended June 30, 2026, respectively, compared to the prior year periods. The region generated pre-tax income of $269.5 million and $609.3 million in the three and nine months ended June 30, 2026, respectively, compared to $290.2 million and $719.9 million in the prior year periods. Home sales gross profit percentage decreased by 60 and 100 basis points in the three and nine months ended June 30, 2026, respectively, compared to the prior year periods, primarily due to the average selling price of homes closed decreasing by more than the average cost of those homes. As a percentage of homebuilding revenues, SG&A expenses increased by 40 and 60 basis points in the three and nine months ended June 30, 2026, respectively, compared to the prior year periods, primarily due to an increase in SG&A costs.

Southeast Region — Homebuilding revenues decreased slightly in the three months ended June 30, 2026 and decreased 7% in the nine months ended June 30, 2026 compared to the prior year periods, primarily due to decreases in the number of homes closed, particularly in our Jacksonville market. The region generated pre-tax income of $230.8 million and $539.5 million in the three and nine months ended June 30, 2026, respectively, compared to $224.6 million and $658.7 million in the prior year periods. Home sales gross profit percentage was flat in the three months ended June 30, 2026 and decreased by 100 basis points in the nine months ended June 30, 2026 compared to the prior year periods, primarily due to the average selling price of homes closed decreasing by more than the average cost of those homes in the nine month period. As a percentage of homebuilding revenues, SG&A expenses increased by 30 and 50 basis points in the three and nine months ended June 30, 2026, respectively, compared to the prior year periods, primarily due to the decrease in homebuilding revenues.

East Region — Homebuilding revenues increased 5% and 1% in the three and nine months ended June 30, 2026, respectively, compared to the prior year periods, primarily due to increases in the number of homes closed, particularly in our Atlanta, Greenville and Myrtle Beach markets. The region generated pre-tax income of $206.7 million and $464.9 million in the three and nine months ended June 30, 2026, respectively, compared to $230.4 million and $596.6 million in the prior year periods. Home sales gross profit percentage decreased by 120 and 250 basis points in the three and nine months ended June 30, 2026, respectively, compared to the prior year periods, primarily due to the average cost of homes closed increasing while the average selling price of those homes was essentially unchanged. As a percentage of homebuilding revenues, SG&A expenses increased by 70 and 60 basis points in the three and nine months ended June 30, 2026, respectively, compared to the prior year periods, primarily due to an increase in SG&A costs.

North Region — Homebuilding revenues increased 5% in both the three and nine months ended June 30, 2026 compared to the prior year periods, primarily due to increases in the number of homes closed, particularly in our Pittsburgh and Southern Virginia markets. The region generated pre-tax income of $155.3 million and $397.8 million in the three and nine months ended June 30, 2026, respectively, compared to $172.0 million and $428.3 million in the prior year periods. Home sales gross profit percentage decreased by 180 and 150 basis points in the three and nine months ended June 30, 2026 compared to the prior year periods, primarily due to the average selling price of homes closed decreasing by more than the average cost of those homes. As a percentage of homebuilding revenues, SG&A expenses increased by 10 basis points in the three months and was flat in the nine months ended June 30, 2026 compared to the prior year periods.

HOMEBUILDING INVENTORIES, LAND AND LOT POSITION AND HOMES IN INVENTORY

We routinely enter into contracts to purchase land or developed residential lots at predetermined prices on a defined schedule commensurate with planned development or anticipated new home demand. At the time of purchase, the undeveloped land is generally vested with the rights to begin development or construction work, and we plan and coordinate the development of our land into residential lots for use in our homebuilding business. We manage our inventory of owned land and lots and homes under construction relative to demand in each of our markets, including starting construction on unsold homes to capture new home demand and actively controlling the number of unsold, completed homes in inventory.

Our homebuilding segment's inventories at June 30, 2026 and September 30, 2025 are summarized as follows:

	June 30, 2026				
	Construction in Progress and Finished Homes	Residential Land/Lots Developed and Under Development	Land Held for Development	Land Held for Sale	Total Inventory
			(In millions)		
Northwest	$ 743.3	$ 1,129.9	$ 30.3	$ 3.1	$ 1,906.6
Southwest	1,183.4	1,870.1	8.7	22.6	3,084.8
South Central	1,839.9	2,229.6	0.3	0.5	4,070.3
Southeast	1,869.7	2,339.7	12.6	4.4	4,226.4
East	1,986.9	2,839.0	—	—	4,825.9
North	1,428.2	1,393.5	—	0.7	2,822.4
Corporate and unallocated (1)	166.7	210.6	0.7	0.4	378.4
	$ 9,218.1	$ 12,012.4	$ 52.6	$ 31.7	$ 21,314.8

	September 30, 2025				
	Construction in Progress and Finished Homes	Residential Land/Lots Developed and Under Development	Land Held for Development	Land Held for Sale	Total Inventory
			(In millions)		
Northwest	$ 647.4	$ 1,225.3	$ 16.2	$ 2.9	$ 1,891.8
Southwest	1,003.8	2,047.1	8.7	8.9	3,068.5
South Central	1,643.0	2,288.6	0.3	—	3,931.9
Southeast	1,537.8	2,502.3	12.6	9.1	4,061.8
East	1,561.4	2,836.3	—	—	4,397.7
North	1,222.8	1,414.6	—	0.2	2,637.6
Corporate and unallocated (1)	127.5	198.9	0.5	0.3	327.2
	$ 7,743.7	$ 12,513.1	$ 38.3	$ 21.4	$ 20,316.5

(1) Corporate and unallocated inventory consists primarily of capitalized interest and property taxes.

Our land and lot position and homes in inventory at June 30, 2026 and September 30, 2025 are summarized as follows:

	June 30, 2026			
	Land/Lots Owned (1)	Lots Controlled Through Land and Lot Purchase Contracts (2)(3)	Total Land/Lots Owned and Controlled	Homes in Inventory (4)
Northwest	10,700	17,100	27,800	2,000
Southwest	16,800	31,400	48,200	3,800
South Central	29,500	119,300	148,800	9,500
Southeast	27,100	104,100	131,200	8,200
East	27,800	107,900	135,700	8,800
North	14,700	62,100	76,800	5,700
	126,600	441,900	568,500	38,000
	22 %	78 %	100 %	

	September 30, 2025			
	Land/Lots Owned (1)	Lots Controlled Through Land and Lot Purchase Contracts (2)(3)	Total Land/Lots Owned and Controlled	Homes in Inventory (4)
Northwest	12,200	17,100	29,300	1,700
Southwest	19,600	31,200	50,800	3,200
South Central	35,900	111,900	147,800	7,700
Southeast	31,500	113,600	145,100	6,300
East	31,500	111,100	142,600	6,300
North	16,300	60,000	76,300	4,400
	147,000	444,900	591,900	29,600
	25 %	75 %	100 %	

(1) Land/lots owned included approximately 72,500 and 78,400 owned lots that are fully developed and ready for home construction at June 30, 2026 and September 30, 2025, respectively.

(2) The total remaining purchase price of lots controlled through land and lot purchase contracts at June 30, 2026 and September 30, 2025 was $27.5 billion and $26.0 billion, respectively, secured by earnest money deposits of $2.5 billion and $2.3 billion, respectively. The total remaining purchase price of lots controlled through land and lot purchase contracts at June 30, 2026 and September 30, 2025 included $2.1 billion and $2.0 billion, respectively, related to lot purchase contracts with Forestar, secured by $210.1 million and $200.2 million, respectively, of earnest money.

(3) Lots controlled at June 30, 2026 included approximately 41,000 lots owned by Forestar, 21,800 of which our homebuilding divisions had under contract to purchase and 19,200 of which our homebuilding divisions had a right of first offer to purchase. Of these, approximately 10,700 lots were in our Southeast region, 9,600 lots were in our South Central region, 8,600 lots were in our East region, 6,700 lots were in our North region, 3,700 lots were in our Southwest region and 1,700 lots were in our Northwest region. Lots controlled at September 30, 2025 included approximately 40,400 lots owned by Forestar, 22,800 of which our homebuilding divisions had under contract to purchase and 17,600 of which our homebuilding divisions had a right of first offer to purchase.

(4) Approximately 23,300 and 19,600 of our homes in inventory were unsold at June 30, 2026 and September 30, 2025, respectively. At June 30, 2026, approximately 7,600 of our unsold homes were completed, of which approximately 600 homes had been completed for more than six months. At September 30, 2025, approximately 9,300 of our unsold homes were completed, of which approximately 800 homes had been completed for more than six months. Homes in inventory exclude approximately 2,900 and 2,700 model homes at June 30, 2026 and September 30, 2025, respectively.

RESULTS OF OPERATIONS - RENTAL

Our rental segment consists of single-family and multi-family rental operations. Single-family rental operations construct homes within single-family rental (build-to-rent) communities and then either sell homes to an investor as they are completed or lease the homes and market the entire community for a bulk sale. Multi-family rental operations develop, construct, lease and sell residential rental properties, with a primary focus on constructing garden style apartment communities in high growth suburban markets. Single-family and multi-family rental property sales are recognized as revenues, and rental income is recognized as other income. The following tables provide further information regarding our rental operations as of and for the three and nine months ended June 30, 2026 and 2025.

Rental Homes/Units Closed and Revenue

	Three Months Ended June 30,								
	Homes/Units Closed			Rental Revenue (In millions)			Average Selling Price		
	2026	2025	% Change	2026	2025	% Change	2026	2025	% Change
Single-family	601	1,065	(44)%	$ 162.9	$ 313.5	(48)%	271,000	294,400	(8)%
Multi-family	339	328	3 %	95.2	66.1	44 %	280,800	201,500	39 %
	940	1,393	(33)%	$ 258.1	$ 379.6	(32)%	274,600	272,500	1 %

	Nine Months Ended June 30,								
	Homes/Units Closed			Rental Revenue (In millions)			Average Selling Price		
	2026	2025	% Change	2026	2025	% Change	2026	2025	% Change
Single-family	1,564	1,895	(17)%	$ 425.7	$ 545.8	(22)%	272,200	288,000	(5)%
Multi-family	555	1,132	(51)%	153.7	280.1	(45)%	276,900	247,400	12 %
	2,119	3,027	(30)%	$ 579.4	$ 825.9	(30)%	273,400	272,800	— %

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
	(In millions)			
Revenues				
Single-family rental	$ 162.9	$ 313.5	$ 425.7	$ 545.8
Multi-family rental and other	103.2	67.2	161.7	289.2
Total revenues	266.1	380.7	587.4	835.0
Cost of sales				
Single-family rental	134.4	245.2	358.3	430.1
Multi-family rental and other	83.6	50.4	135.5	227.7
Inventory and land option charges	0.1	0.4	0.4	4.3
Total cost of sales	218.1	296.0	494.2	662.1
Selling, general and administrative expense	55.5	61.4	154.4	165.8
Other (income) expense	(38.5)	(31.5)	(104.7)	(82.3)
Income before income taxes	$ 31.0	$ 54.8	$ 43.5	$ 89.4

Rental Operating Margin Analysis

	Percentages of Rental Revenues			
	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
Gross profit — rental	18.0 %	22.2 %	15.9 %	20.7 %
Selling, general and administrative expense	20.9 %	16.1 %	26.3 %	19.9 %
Other (income) expense	(14.5)%	(8.3)%	(17.8)%	(9.9)%
Rental pre-tax income	11.6 %	14.4 %	7.4 %	10.7 %

Revenues from our rental operations decreased to $266.1 million and $587.4 million during the three and nine months ended June 30, 2026, respectively, from $380.7 million and $835.0 million in the prior year periods. Pre-tax income was $31.0 million and $43.5 million during the three and nine months ended June 30, 2026, respectively, compared to $54.8 million and $89.4 million in the prior year periods. The decline in pre-tax income for both periods was due to a decrease in single-family revenues due to fewer homes closed, as well as a decrease in the gross profit percentage on both single-family and multi-family closings. A decrease in multi-family units closed also contributed to the decline in pre-tax income in the nine month period.

At June 30, 2026, our rental property inventory of $3.1 billion included $320.5 million of single-family rental inventory and $2.7 billion of multi-family rental inventory. At September 30, 2025, our rental property inventory of $2.7 billion included $378.3 million of single-family rental inventory and $2.3 billion of multi-family rental inventory. Single-family rental homes and lots and multi-family rental units at June 30, 2026 and September 30, 2025 consisted of the following:

	Rental Inventory	
	June 30, 2026	**September 30, 2025**
Single-family rental homes (1)	1,200	1,420
Single-family rental lots (2)	1,350	1,150
Multi-family rental units (3)	13,830	12,480

(1) Single-family rental homes at June 30, 2026 consist of 640 homes under construction and 560 completed homes compared to 370 homes under construction and 1,050 completed homes at September 30, 2025.

(2) Single-family rental lots at June 30, 2026 consist of 590 undeveloped lots and 760 finished lots compared to 440 undeveloped lots and 710 finished lots at September 30, 2025.

(3) Multi-family rental units at June 30, 2026 consist of 3,580 units under construction and 10,250 units that were substantially complete and in the lease-up phase compared to 4,910 units under construction and 7,570 units that were substantially complete at September 30, 2025.

RESULTS OF OPERATIONS – FORESTAR

At June 30, 2026, we owned 62% of the outstanding shares of Forestar. Forestar is a publicly traded residential lot development company with operations in 65 markets across 24 states as of June 30, 2026. (See Note B to the accompanying financial statements for additional Forestar segment information.)

Results of operations for the Forestar segment for the three and nine months ended June 30, 2026 and 2025 were as follows:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
	(In millions)			
Total revenues	$ 407.0	$ 390.5	$ 1,054.3	$ 991.9
Cost of land/lot sales and other	322.1	308.9	827.1	774.1
Inventory and land option charges	0.8	1.9	7.9	3.9
Total cost of sales	322.9	310.8	835.0	778.0
Selling, general and administrative expense	38.3	37.4	112.7	111.8
Other (income) expense	(2.9)	(1.3)	(6.8)	(4.1)
Income before income taxes	$ 48.7	$ 43.6	$ 113.4	$ 106.2

Forestar's revenues are primarily derived from sales of single-family residential lots to local, regional and national homebuilders and land bankers for homebuilders. The following tables provide further information regarding Forestar's revenues for the three and nine months ended June 30, 2026 and 2025 and lot position as of June 30, 2026 and September 30, 2025:

	Three Months Ended June 30,			
	Lots Sold		Value (In millions)	
	2026	2025	2026	2025
Residential lots sold				
Lots sold to D.R. Horton	3,370	3,075	$ 360.5	$ 323.7
Total lots sold	3,659	3,605	$ 397.4	$ 383.0
Tract acres sold				
Tract acres sold to D.R. Horton	—	24	$ —	$ 1.3
Total tract acres sold	184	63	$ 8.3	$ 3.6

	Nine Months Ended June 30,			
	Lots Sold		Value (In millions)	
	2026	2025	2026	2025
Residential lots sold				
Lots sold to D.R. Horton	7,447	7,688	$ 828.6	$ 810.0
Total lots sold	8,541	9,349	$ 963.9	$ 977.3
Tract acres sold				
Tract acres sold to D.R. Horton	56	24	$ 11.5	$ 1.3
Total tract acres sold	765	63	$ 73.2	$ 3.6

	June 30, 2026	September 30, 2025
Residential lots in inventory and under contract		
Lots owned	62,200	65,100
Lots controlled through land purchase contracts	29,500	34,700
Total lots owned and controlled	91,700	99,800
Owned lots under contract to sell to D.R. Horton	21,800	22,800
Owned lots under contract to customers other than D.R. Horton	1,700	1,000
Total owned lots under contract	23,500	23,800
Owned lots subject to right of first offer with D.R. Horton	19,200	17,600
Owned lots fully developed	9,600	8,900

At June 30, 2026 and September 30, 2025, Forestar's inventory, which includes land and lots developed, under development and held for development, totaled $2.7 billion and $2.6 billion, respectively.

Forestar's inventory and land option charges consisted of $0.8 million and $7.9 million of earnest money and pre-acquisition cost write-offs in the three and nine months ended June 30, 2026, respectively, compared to $1.9 million and $3.9 million in the prior year periods. There were no impairment charges recorded in the current or prior year periods.

SG&A expense for the three and nine months ended June 30, 2026 included charges of $1.8 million and $5.4 million, respectively, related to the shared services agreement between Forestar and D.R. Horton whereby D.R. Horton provides Forestar with certain administrative, compliance, operational and procurement services. Shared services charges were $1.8 million and $5.4 million, respectively, in the prior year periods.

Other expense in the nine months ended June 30, 2025 includes a loss on extinguishment of debt of $1.1 million due to Forestar's repurchase of $329.4 million of its $400 million principal amount of 3.85% senior notes due 2026 in March 2025.

RESULTS OF OPERATIONS – FINANCIAL SERVICES

The following tables and related discussion set forth key operating and financial data for our financial services operations, comprising DHI Mortgage and our subsidiary title companies, for the three and nine months ended June 30, 2026 and 2025.

	Three Months Ended June 30,			Nine Months Ended June 30,		
	2026	2025	% Change	2026	2025	% Change
Number of first-lien loans originated or brokered by DHI Mortgage for D.R. Horton homebuyers	19,729	18,855	5 %	49,611	49,488	— %
Number of homes closed by D.R. Horton	23,983	23,160	4 %	61,287	61,495	— %
Percentage of D.R. Horton homes financed by DHI Mortgage	82 %	81 %		81 %	80 %	
Total number of loans originated or brokered by DHI Mortgage	19,834	18,978	5 %	49,869	49,776	— %
Loans sold by DHI Mortgage to third parties	18,926	18,107	5 %	48,366	48,842	(1)%

	Three Months Ended June 30,			Nine Months Ended June 30,		
	2026	2025	% Change	2026	2025	% Change
	(In millions)					
Loan origination and other fees	$ 25.0	$ 23.7	5 %	$ 62.7	$ 62.7	— %
Gains on sale of mortgage loans and mortgage servicing rights	142.1	152.8	(7)%	394.0	423.9	(7)%
Servicing income	2.0	0.7	186 %	5.4	1.5	260 %
Total mortgage operations revenues	169.1	177.2	(5)%	462.1	488.1	(5)%
Title policy premiums	51.6	50.6	2 %	136.1	134.9	1 %
Total revenues	220.7	227.8	(3)%	598.2	623.0	(4)%
General and administrative expense	172.1	171.0	1 %	477.0	485.4	(2)%
Other (income) expense	(21.7)	(24.5)	(11)%	(58.8)	(65.4)	(10)%
Financial services pre-tax income	$ 70.3	$ 81.3	(14)%	$ 180.0	$ 203.0	(11)%

Financial Services Operating Margin Analysis

	Percentages of Financial Services Revenues			
	Three Months Ended June 30,		Nine Months Ended June 30,	
	2026	2025	2026	2025
General and administrative expense	78.0 %	75.1 %	79.7 %	77.9 %
Other (income) expense	(9.8)%	(10.8)%	(9.8)%	(10.5)%
Financial services pre-tax income	31.9 %	35.7 %	30.1 %	32.6 %

Mortgage Loan Activity

DHI Mortgage's primary focus is to originate loans for our homebuilding operations, and those loan originations account for substantially all of its total loan volume. In the three months ended June 30, 2026, the volume of first-lien loans originated or brokered by DHI Mortgage for our homebuyers increased 5% primarily due to an increase of 4% in the number of homes closed by our homebuilding operations. In the nine months ended June 30, 2026, the volume of loan originations and homes closed were essentially unchanged from the prior year period. The percentage of homes closed for which DHI Mortgage handled our homebuyers' financing was 82% and 81% in the three and nine months ended June 30, 2026, respectively, compared to 81% and 80% in the prior year periods.

The number of loans sold increased 5% and decreased 1% in the three and nine months ended June 30, 2026, respectively, compared to the prior year periods. Substantially all mortgage loans held for sale on June 30, 2026 were eligible for sale to the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac) or the Government National Mortgage Association (Ginnie Mae). During the nine months ended June 30, 2026, approximately 74% of our mortgage loans were sold directly to Fannie Mae, Freddie Mac or into securities backed by Ginnie Mae, and 18% were sold to one other major financial entity. Changes in market conditions could result in a greater concentration of our mortgage sales in future periods to fewer financial entities and directly to Fannie Mae, Freddie Mac or Ginnie Mae, and we may need to make other adjustments to our mortgage operations.

Financial Services Revenues and Expenses

Total loan origination volume increased 5% and increased slightly in the three and nine months ended June 30, 2026, respectively, compared to the prior year periods. Revenues from our mortgage operations decreased 5% to $169.1 million and $462.1 million, respectively, from $177.2 million and $488.1 million in the prior year periods, primarily due to reduced profit margin on loans sold. Revenues from our title operations were $51.6 million and $136.1 million in the three and nine months ended June 30, 2026, respectively, compared to $50.6 million and $134.9 million in the prior year periods.

General and administrative (G&A) expense related to our financial services operations was $172.1 million and $477.0 million in the three and nine months ended June 30, 2026, respectively, compared to $171.0 million and $485.4 million in the prior year periods. As a percentage of financial services revenues, G&A expense was 78.0% and 79.7%, respectively, compared to 75.1% and 77.9% in the prior year periods. Fluctuations in financial services G&A expense as a percentage of revenues can occur because some components of revenue fluctuate differently than loan volumes, and some expenses are not directly related to mortgage loan volume or to changes in the amount of revenue earned. Our financial services operations employed 2,862 and 2,989 people at June 30, 2026 and 2025, respectively.

Other income, net of other expense, included in our financial services operations consists primarily of the interest income of our mortgage subsidiary. Other income decreased 11% to $21.7 million and 10% to $58.8 million in the three and nine months ended June 30, 2026, respectively, from $24.5 million and $65.4 million in the prior year periods, primarily due to a decrease in interest income because of lower interest rates on our loan originations.

RESULTS OF OPERATIONS - OTHER BUSINESSES

In addition to our homebuilding, rental, Forestar and financial services operations, we engage in other business activities through our subsidiaries. We conduct insurance-related operations, own water rights and other water-related assets and own non-residential real estate including ranch land and improvements. The pre-tax income of all of our subsidiaries engaged in other business activities was $9.0 million and $26.7 million in the three and nine months ended June 30, 2026, respectively, compared to $5.9 million and $28.6 million in the prior year periods.

RESULTS OF OPERATIONS - CONSOLIDATED

Income before Income Taxes

Pre-tax income for the three and nine months ended June 30, 2026 was $1.2 billion and $2.9 billion, respectively, compared to $1.4 billion and $3.5 billion in the prior year periods. The decreases were primarily due to a decrease in the pre-tax income of our homebuilding operations.

Income Taxes

Our income tax expense for the three and nine months ended June 30, 2026 was $307.5 million and $713.5 million, respectively, compared to $325.0 million and $831.0 million in the prior year periods. Our effective tax rate was 25.1% and 24.7% for the three and nine months ended June 30, 2026, respectively, compared to 23.9% and 23.5% in the prior year periods. The effective tax rates for all periods include an expense for state income taxes and tax benefits related to stock-based compensation and federal energy efficient home tax credits.

At June 30, 2026, we had deferred tax liabilities, net of deferred tax assets, of $43.4 million, after consideration of a valuation allowance of $14.6 million recorded against certain deferred tax assets. At September 30, 2025, we had deferred tax assets, net of deferred tax liabilities, of $44.5 million, after consideration of a valuation allowance of $14.6 million recorded against certain deferred tax assets. The valuation allowance for both periods relates to deferred tax assets for state net operating loss (NOL) and tax credit carryforwards that are expected to expire before being realized. We will continue to evaluate both the positive and negative evidence in determining the need for a valuation allowance with respect to our remaining state NOL and tax credit carryforwards. Reversal of any portion of the valuation allowance in future periods would impact our effective tax rate.

CAPITAL RESOURCES AND LIQUIDITY

We have historically funded our operations with cash flows from operating activities, borrowings under bank credit facilities and the issuance of new debt securities. Our current levels of cash, borrowing capacity and balance sheet leverage provide us with the operational flexibility to adjust to changes in economic and market conditions.

We continue to invest in our homebuilding and rental inventories to expand our operations and consolidate market share. We are also returning capital to shareholders through repurchases of our common stock and dividend payments. We are maintaining significant homebuilding cash balances and liquidity to support the scale and level of activity in our business and to provide flexibility to adjust to changing market conditions and opportunities.

At June 30, 2026, we had outstanding notes payable with varying maturities totaling an aggregate principal amount of $7.1 billion. $2.6 billion was payable within 12 months, which includes $1.8 billion outstanding under our mortgage repurchase facilities and $600 million principal amount of 1.3% homebuilding senior notes maturing in October 2026.

At June 30, 2026, our ratio of debt to total capital (notes payable divided by stockholders' equity plus notes payable) was 23.0% compared to 19.8% at September 30, 2025 and 23.2% at June 30, 2025. Our net debt to total capital (notes payable net of cash divided by stockholders' equity plus notes payable net of cash) was 17.4% at June 30, 2026 compared to 11.0% at September 30, 2025 and 16.2% at June 30, 2025. Over the long term, we intend to maintain our ratio of debt to total capital around 20%.

At June 30, 2026, we had outstanding letters of credit of $285.4 million and surety bonds of $3.4 billion issued by third parties to secure performance under various contracts. We expect that our performance obligations secured by these letters of credit and bonds will generally be completed in the ordinary course of business and in accordance with the applicable contractual terms. When we complete our performance obligations, the related letters of credit and bonds are generally released shortly thereafter, leaving us with no continuing obligations. We have no material third-party guarantees.

We regularly assess our projected capital requirements to fund growth in our business, repay debt obligations, pay dividends, repurchase our common stock and maintain sufficient cash and liquidity levels to support our other operational needs, and we regularly evaluate our opportunities to raise additional capital. D.R. Horton has an automatically effective universal shelf registration statement filed with the Securities and Exchange Commission (SEC) in July 2024, registering debt and equity securities that may be issued from time to time in amounts to be determined. Forestar also has an effective shelf registration statement filed with the SEC in September 2024, registering $750 million of equity securities, of which $300 million is reserved for sales under its at-the-market equity offering (ATM) program that was entered into in November 2024. As market conditions permit, we may issue new debt or equity securities through the capital markets or obtain additional bank financing to fund our projected capital requirements or provide additional liquidity. We believe that our existing cash resources, revolving credit facilities, mortgage repurchase facilities and ability to access the capital markets or obtain additional bank financing will provide sufficient liquidity to fund our near-term working capital needs and debt obligations for the next 12 months and for the foreseeable future thereafter.

Capital Resources - Homebuilding

Cash and Cash Equivalents — At June 30, 2026, cash and cash equivalents of our homebuilding segment totaled $1.3 billion.

Bank Credit Facility — We have a senior unsecured homebuilding revolving credit facility that was amended in March 2026 to increase its capacity from $2.3 billion to $3.3 billion. The amendment also extended the maturity dates of the facility. Of the total commitments, $265 million matures on October 28, 2027, $1.0 billion matures on March 27, 2029 and $2.0 billion matures on March 27, 2031. The facility has an uncommitted accordion feature that allows for an increase in its size to $4.0 billion, subject to certain conditions and availability of additional bank commitments. The facility also provides for the issuance of letters of credit with a sublimit equal to 100% of the total revolving credit commitments. Letters of credit issued under the facility reduce the available borrowing capacity. At June 30, 2026, there were $500 million of borrowings outstanding at a 4.5% annual interest rate and $240.3 million of letters of credit issued under the revolving credit facility, resulting in available capacity of $2.6 billion.

Our homebuilding revolving credit facility imposes restrictions on our operations and activities, including requiring the maintenance of a maximum allowable leverage ratio and a borrowing base restriction if our leverage ratio exceeds a certain level. These covenants are measured as defined in the credit agreement governing the facility and are reported to the lenders quarterly. A failure to comply with these financial covenants could allow the lending banks to terminate the availability of funds under the revolving credit facility or cause any outstanding borrowings to become due and payable prior to maturity. The credit agreement governing the facility imposes restrictions on the creation of secured debt and liens.

Public Unsecured Debt — At June 30, 2026, we had $3.0 billion principal amount of homebuilding senior notes outstanding that mature from October 2026 through October 2035. The indenture governing our senior notes imposes restrictions on the creation of secured debt and liens.

Compliance and Guarantors — At June 30, 2026, we were in compliance with all of the covenants, limitations and restrictions of our homebuilding revolving credit facility and public debt obligations. Our homebuilding revolving credit facility and homebuilding senior notes are guaranteed by D.R. Horton, Inc.'s significant wholly owned homebuilding subsidiaries.

Debt and Stock Repurchase Authorizations — In July 2024, our Board of Directors authorized the repurchase of up to $500 million of our debt securities. In April 2025, the Board authorized the repurchase of up to $5.0 billion of our common stock, replacing the previous authorization. During the nine months ended June 30, 2026, we repurchased 14.6 million shares at a total cost including commissions and excise taxes of $2.2 billion. At June 30, 2026, the full amount of the debt repurchase authorization was remaining, and $1.1 billion of the stock repurchase authorization was remaining. The debt and stock repurchase authorizations have no expiration date.

Capital Resources - Rental

During the past few years, we have made significant investments in our rental operations. The inventory in our rental segment totaled $3.1 billion at June 30, 2026 compared to $2.7 billion at September 30, 2025 and $3.1 billion at June 30, 2025.

Cash and Cash Equivalents — At June 30, 2026, cash and cash equivalents of our rental segment totaled $118.4 million.

Bank Credit Facility — Our rental subsidiary, DRH Rental, has a $1.05 billion senior unsecured revolving credit facility with an uncommitted accordion feature that could increase the size of the facility to $2.0 billion, subject to certain conditions and availability of additional bank commitments. Availability under the rental revolving credit facility is subject to a borrowing base calculation based on the book value of DRH Rental's real estate assets and unrestricted cash. The facility also provides for the issuance of letters of credit with a sublimit equal to the greater of $100 million and 50% of the total revolving credit commitments. The facility was amended in March 2026 to extend its maturity date to March 27, 2030. At June 30, 2026, there were $820 million of borrowings outstanding at a 5.4% annual interest rate and no letters of credit issued under the facility, resulting in available capacity of $230 million.

The rental revolving credit facility includes customary affirmative and negative covenants, events of default and financial covenants. The financial covenants require DRH Rental to maintain a minimum level of tangible net worth, a minimum level of liquidity and a maximum allowable leverage ratio. These covenants are measured as defined in the credit agreement governing the facility and are reported to the lenders quarterly. A failure to comply with these financial covenants could allow the lending banks to terminate the availability of funds under the revolving credit facility or cause any outstanding borrowings to become due and payable prior to maturity.

Compliance and Guarantors — At June 30, 2026, DRH Rental was in compliance with all of the covenants, limitations and restrictions of its revolving credit facility. The rental revolving credit facility is guaranteed by DRH Rental's wholly owned subsidiaries that are not immaterial subsidiaries and have not been designated as unrestricted subsidiaries. The rental revolving credit facility is not guaranteed by D.R. Horton, Inc. or any of the subsidiaries that guarantee the debt of our homebuilding, Forestar or financial services operations.

Capital Resources - Forestar

Forestar's achievement of its long-term growth objectives will depend on its ability to obtain financing and generate sufficient cash flows from operations. As market conditions permit, Forestar may issue new debt or equity securities through the capital markets or obtain additional bank financing to provide capital for future growth and additional liquidity. At June 30, 2026, Forestar's ratio of debt to total capital (notes payable divided by stockholders' equity plus notes payable) was 30.0% compared to 31.2% at September 30, 2025 and 34.2% at June 30, 2025. Forestar's ratio of net debt to total capital (notes payable net of cash divided by stockholders' equity plus notes payable net of cash) was 17.7% compared to 19.3% at September 30, 2025 and 28.9% at June 30, 2025.

Cash and Cash Equivalents — At June 30, 2026, Forestar had cash and cash equivalents of $394.9 million.

Bank Credit Facility — Forestar has a $715 million senior unsecured revolving credit facility with an uncommitted accordion feature that could increase the size of the facility to $1.0 billion, subject to certain conditions and availability of additional bank commitments. The current capacity of the facility reflects additional bank commitments of $25 million and $50 million obtained in October 2025 and March 2026, respectively. Of the total commitments, $65 million matures on October 28, 2026 and $650 million matures on December 18, 2029. The facility also provides for the issuance of letters of credit with a sublimit equal to the greater of $100 million and 50% of the total revolving credit commitments. Borrowings under the revolving credit facility are subject to a borrowing base calculation based on the book value of Forestar's real estate assets and unrestricted cash. Letters of credit issued under the facility reduce the available borrowing capacity. At June 30, 2026, there were no borrowings outstanding and $45.1 million of letters of credit issued under the revolving credit facility, resulting in available capacity of $669.9 million.

The Forestar revolving credit facility includes customary affirmative and negative covenants, events of default and financial covenants. The financial covenants require Forestar to maintain a minimum level of tangible net worth, a minimum level of liquidity and a maximum allowable leverage ratio. These covenants are measured as defined in the credit agreement governing the facility and are reported to the lenders quarterly. A failure to comply with these financial covenants could allow the lending banks to terminate the availability of funds under the revolving credit facility or cause any outstanding borrowings to become due and payable prior to maturity.

Unsecured Debt — As of June 30, 2026, Forestar had $800 million principal amount of senior notes issued pursuant to Rule 144A and Regulation S under the Securities Act of 1933, as amended, that mature from March 2028 through March 2033 and represent unsecured obligations of Forestar.

Compliance and Guarantors — At June 30, 2026, Forestar was in compliance with all of the covenants, limitations and restrictions of its revolving credit facility and senior note obligations. Forestar's revolving credit facility and its senior notes are guaranteed by Forestar's wholly owned subsidiaries that are not immaterial subsidiaries and have not been designated as unrestricted subsidiaries. They are not guaranteed by D.R. Horton, Inc. or any of the subsidiaries that guarantee the debt of our homebuilding, rental or financial services operations.

Debt Repurchase Authorization — In April 2020, Forestar's Board of Directors authorized the repurchase of up to $30 million of Forestar's debt securities. All of the $30 million authorization was remaining at June 30, 2026, and the authorization has no expiration date.

Issuance of Common Stock — During the nine months ended June 30, 2026, there were no shares issued under Forestar's ATM program. At June 30, 2026, $750 million remained available for issuance under Forestar's shelf registration statement, with $300 million reserved for sales under the ATM program.

Capital Resources - Financial Services

Cash and Cash Equivalents — At June 30, 2026, cash and cash equivalents of our financial services segment totaled $255.5 million.

Mortgage Repurchase Facilities — Our mortgage subsidiary, DHI Mortgage, has two mortgage repurchase facilities, one of which is committed and the other of which is uncommitted, that provide financing and liquidity to DHI Mortgage by facilitating purchase transactions in which DHI Mortgage transfers eligible loans to counterparties upon receipt of funds from the counterparties. DHI Mortgage then has the right and obligation to repurchase the loans upon their sale to third-party purchasers in the secondary market or within specified time frames in accordance with the terms of the mortgage repurchase facilities.

In May 2026, the committed mortgage repurchase facility was amended to increase its capacity to $1.925 billion and extend its maturity date to May 4, 2029. The capacity of the facility can be increased to $2.0 billion subject to the availability of additional commitments. At June 30, 2026, DHI Mortgage had an obligation of $1.5 billion under the committed mortgage repurchase facility at a 5.6% annual interest rate.

At June 30, 2026, the uncommitted mortgage repurchase facility had a borrowing capacity of $500 million, of which DHI Mortgage had an obligation of $301.1 million at a 4.9% annual interest rate.

At June 30, 2026, $2.74 billion of mortgage loans held for sale with a collateral value of $2.69 billion were pledged under the committed mortgage repurchase facility, and $332.6 million of mortgage loans held for sale with a collateral value of $310.0 million were pledged under the uncommitted mortgage repurchase facility.

The mortgage repurchase facilities contain financial covenants as to the mortgage subsidiary's minimum required tangible net worth, its maximum allowable indebtedness to tangible net worth ratio and its minimum required liquidity.

In the past, DHI Mortgage has been able to renew or extend its committed mortgage repurchase facility at a sufficient capacity and on satisfactory terms prior to its maturity and obtain temporary additional commitments through amendments to the facility during periods of higher-than-normal volumes of mortgages held for sale. The liquidity of our financial services business depends upon its continued ability to renew and extend the committed mortgage repurchase facility, utilize the uncommitted mortgage repurchase facility or obtain other additional financing in sufficient capacities.

Compliance and Guarantors — At June 30, 2026, DHI Mortgage was in compliance with all of the conditions and covenants of the mortgage repurchase facilities. The mortgage repurchase facilities are not guaranteed by D.R. Horton, Inc. or any of the subsidiaries that guarantee the debt of our homebuilding, rental or Forestar operations.

Operating Cash Flow Activities

In the nine months ended June 30, 2026, net cash provided by operating activities was $880.8 million compared to $949.1 million in the prior year period. Cash provided by operating activities in the current year period primarily consisted of $1.3 billion and $27.6 million of cash provided by our homebuilding and Forestar segments, respectively, partially offset by $324.6 million and $221.7 million of cash used in our rental and financial services segments, respectively.

The most significant source of cash provided by operating activities in both years was net income, partially offset by increases in our inventories which were the most significant use of cash. In the nine months ended June 30, 2026 and 2025, cash used to increase inventories was $1.0 billion and $1.6 billion, respectively, and cash used to increase our rental properties was $342.9 million and $230.8 million in those periods.

Investing Cash Flow Activities

In the nine months ended June 30, 2026, net cash used in investing activities was $213.5 million compared to $123.5 million in the prior year period. In the current year period, uses of cash included purchases of property and equipment totaling $106.6 million and the payment of $87.9 million related to a business acquisition. In the prior year period, uses of cash included purchases of property and equipment totaling $93.6 million and the payment of $53.1 million related to a business acquisition.

Financing Cash Flow Activities

We expect the short-term financing needs of our operations will be funded with existing cash, cash generated from operations and borrowings under our credit facilities. Long-term financing needs for our operations may be funded with the issuance of senior unsecured debt securities or equity securities through the capital markets.

During the nine months ended June 30, 2026, net cash used in financing activities was $1.6 billion, consisting primarily of cash used to repurchase $2.2 billion of our common stock and payment of cash dividends totaling $388.3 million. These uses of cash were partially offset by net borrowings on our rental and homebuilding revolving credit facilities of $220 million and $500 million, respectively, and net borrowings on our mortgage repurchase facilities of $404.9 million.

During the nine months ended June 30, 2025, net cash used in financing activities was $2.7 billion, consisting primarily of cash used to repurchase $3.6 billion of our common stock, repayment of $500 million principal amount of our 2.5% homebuilding senior notes at maturity, early repurchase of $329.4 million of Forestar's $400 million principal amount 3.85% senior notes and payment of cash dividends totaling $376.4 million. These uses of cash were partially offset by note proceeds from our issuances of $700 million principal amount of 5.5% homebuilding senior notes and $500 million principal amount of 4.85% homebuilding senior notes, note proceeds from Forestar's issuance of $500 million principal amount of 6.5% senior notes and net borrowings on our rental revolving credit facility and mortgage repurchase facilities of $275 million and $170.4 million, respectively.

During each of the first three quarters of fiscal 2026, our Board of Directors approved a quarterly cash dividend of $0.45 per share, the most recent of which was paid on May 14, 2026 to stockholders of record on May 7, 2026. Cash dividends declared and paid in the three and nine months ended June 30, 2026 totaled $127.1 million and $388.3 million, respectively. Cash dividends of $0.40 per share were approved and paid in each quarter of fiscal 2025.

In July 2026, our Board of Directors approved a quarterly cash dividend of $0.45 per share, payable on August 13, 2026 to stockholders of record on August 6, 2026. The declaration of future cash dividends is at the discretion of our Board of Directors and will depend upon, among other things, our future earnings, cash flows, capital requirements, financial condition and general business conditions.

SUPPLEMENTAL GUARANTOR FINANCIAL INFORMATION

As of June 30, 2026, D.R. Horton, Inc. had $3.0 billion principal amount of homebuilding senior notes outstanding due through October 2035 and $500 million outstanding on its homebuilding revolving credit facility.

All of the homebuilding senior notes and the homebuilding revolving credit facility are fully and unconditionally guaranteed, on a joint and several basis, by certain subsidiaries of D.R. Horton, Inc. (Guarantors or Guarantor Subsidiaries). Each of the Guarantor Subsidiaries is 100% owned, directly or indirectly, by D.R. Horton, Inc. Our subsidiaries associated with the single-family and multi-family rental operations, Forestar lot development operations, financial services operations and certain other subsidiaries do not guarantee the homebuilding senior notes or the homebuilding revolving credit facility (collectively, Non-Guarantor Subsidiaries). The guarantees are senior unsecured obligations of each Guarantor and rank equal with all existing and future senior debt of such Guarantor and senior to all subordinated debt of such Guarantor. The guarantees are effectively subordinated to any secured debt of such Guarantor to the extent of the value of the assets securing such debt. The guarantees will be structurally subordinated to indebtedness and other liabilities of Non-Guarantor Subsidiaries of the Guarantors.

The guarantees by a Guarantor Subsidiary will be automatically and unconditionally released and discharged upon: (1) the sale or other disposition of its common stock whereby it is no longer a subsidiary of ours; (2) the sale or other disposition of all or substantially all of its assets (other than to us or another Guarantor); (3) its merger or consolidation with an entity other than us or another Guarantor; or (4) its ceasing to guarantee any of our publicly traded debt securities and ceasing to guarantee any of our obligations under our homebuilding revolving credit facility.

The enforceability of the obligations of the Guarantor Subsidiaries under their guarantees may be subject to review under applicable federal or state laws relating to fraudulent conveyance or transfer, voidable preference and similar laws affecting the rights of creditors generally. In certain circumstances, a court could void the guarantees, subordinate amounts owing under the guarantees or order other relief detrimental to the holders of our guaranteed obligations. The indenture governing our homebuilding senior notes contains a “savings clause,” which limits the liability of each Guarantor on its guarantee to the maximum amount that such Guarantor can incur without risk that its guarantee will be subject to avoidance as a fraudulent transfer. This provision may not be effective to protect such guarantees from fraudulent transfer challenges or, if it does, it may reduce such Guarantor’s obligation such that the remaining amount due and collectible under the guarantees would not suffice, if necessary, to pay the notes in full when due.

The following tables present summarized financial information for D.R. Horton, Inc. and the Guarantor Subsidiaries on a combined basis after intercompany transactions and balances have been eliminated among D.R. Horton, Inc. and the Guarantor Subsidiaries, as well as their investment in, and equity in earnings from the Non-Guarantor Subsidiaries.

D.R. Horton, Inc. and Guarantor Subsidiaries

Summarized Balance Sheet Data	**June 30, 2026**	**September 30, 2025**
	(In millions)	
Assets		
Cash	$ 1,195.6	$ 2,140.3
Inventories	21,345.4	20,321.9
Amount due from Non-Guarantor Subsidiaries	1,500.5	1,540.0
Total assets	28,258.9	28,108.0
Liabilities & Stockholders’ Equity		
Notes payable	$ 3,685.3	$ 3,154.4
Total liabilities	7,953.0	7,196.2
Stockholders’ equity	20,305.9	20,911.8

Summarized Statement of Operations Data	**Nine Months Ended June 30, 2026**	**Year Ended September 30, 2025**
	(In millions)	
Revenues	$ 22,087.4	$ 31,271.6
Cost of sales	17,630.3	24,646.7
Selling, general and administrative expense	1,949.5	2,565.9
Income before income taxes	2,520.6	4,130.0
Net income	1,897.9	3,154.8

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

As disclosed in our annual report on Form 10-K for the fiscal year ended September 30, 2025, our most critical accounting policies relate to revenue recognition, inventories and cost of sales, and legal claims and insurance. Since September 30, 2025, there have been no significant changes to those critical accounting policies.

As disclosed in our critical accounting policies in our Form 10-K for the fiscal year ended September 30, 2025, our reserves for construction defect claims include the estimated costs of both known claims and anticipated future claims. At June 30, 2026 and September 30, 2025, we had reserves for approximately 895 and 875 pending construction defect claims, respectively, and no individual existing claim was material to our financial statements. During the nine months ended June 30, 2026, we were notified of approximately 225 new construction defect claims and resolved 205 construction defect claims for a total cost of $65.8 million. At June 30, 2025 and September 30, 2024, we had reserves for approximately 940 and 825 pending construction defect claims, respectively, and no individual existing claim was material to our financial statements. During the nine months ended June 30, 2025, we were notified of approximately 380 new construction defect claims and resolved 265 construction defect claims for a total cost of $25.1 million.

RECENT ACCOUNTING PRONOUNCEMENTS

See Note A to our consolidated financial statements included in this report for discussion of recent accounting pronouncements.

SEASONALITY

Although significant changes in market conditions have impacted our seasonal patterns in the past and could do so again in the future, we generally close more homes and generate greater revenues and pre-tax income in the third and fourth quarters of our fiscal year. The seasonal nature of our business can also cause significant variations in the working capital requirements for our homebuilding, rental, lot development and financial services operations. As a result of seasonal activity, our quarterly results of operations and financial position at the end of a particular fiscal quarter are not necessarily representative of the balance of our fiscal year.

Forward-Looking Statements

Some of the statements contained in this report, as well as in other materials we have filed or will file with the SEC, statements made by us in periodic press releases and oral statements we make to analysts, stockholders and the press in the course of presentations about us, may be construed as "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on management's beliefs as well as assumptions made by, and information currently available to, management. These forward-looking statements typically include the words "anticipate," "believe," "consider," "continue," "could," "estimate," "expect," "forecast," "goal," "intend," "likely," "may," "outlook," "plan," "possible," "potential," "predict," "projection," "seek," "should," "strategy," "target," "will," "would" or other words of similar meaning. Any or all of the forward-looking statements included in this report and in any other of our reports or public statements may not approximate actual experience, and the expectations derived from them may not be realized, due to risks, uncertainties and other factors. As a result, actual results may differ materially from the expectations or results we discuss in the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to:

- the cyclical nature of the homebuilding, rental and lot development industries and changes in economic, real estate or other conditions;
- adverse developments affecting the capital markets and financial institutions, which could limit our ability to access capital, increase our cost of capital and impact our liquidity and capital resources;
- reductions in the availability of mortgage financing provided by government agencies, changes in government financing programs, a decrease in our ability to sell mortgage loans on attractive terms or an increase in mortgage interest rates;
- the risks associated with our land, lot and rental inventory;
- our ability to effect our growth strategies, acquisitions, investments or other strategic initiatives successfully;
- the impact of an inflationary, deflationary or higher interest rate environment;
- risks of acquiring land, building materials and skilled labor and challenges obtaining regulatory approvals;
- the effects of public health issues such as a major epidemic or pandemic on the economy and our businesses;
- the effects of weather conditions and natural disasters on our business and financial results;
- home warranty and construction defect claims;
- the effects of health and safety incidents;
- reductions in the availability of performance bonds;
- increases in the costs of owning a home;
- the effects of information technology failures, cybersecurity incidents, and the failure to satisfy privacy and data protection laws and regulations;
- the effects of governmental regulations and environmental matters on our land development and housing operations;
- the effects of changes in income tax and securities laws;
- the effects of governmental regulations on our financial services operations;
- the effects of competitive conditions within the industries in which we operate;
- our ability to manage and service our debt and comply with related debt covenants, restrictions and limitations;
- the effects of negative publicity;
- the effects of the loss of key personnel; and
- the effects of actions by activist stockholders.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. However, any further disclosures made on related subjects in subsequent reports on Forms 10-K, 10-Q and 8-K should be consulted. Additional information about issues that could lead to material changes in performance and risk factors that have the potential to affect us is contained in our annual report on Form 10-K for the fiscal year ended September 30, 2025, including the section entitled "Risk Factors," which is filed with the SEC.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are subject to interest rate risk on our long-term debt. We monitor our exposure to changes in interest rates and utilize both fixed and variable rate debt. For fixed rate debt, changes in interest rates generally affect the fair value of the debt instrument, but not our earnings or cash flows. Conversely, for variable rate debt, changes in interest rates generally do not impact the fair value of the debt instrument, but may affect our future earnings and cash flows. Except in very limited circumstances, we do not have an obligation to prepay fixed-rate debt prior to maturity and, as a result, interest rate risk and changes in fair value would not have a significant impact on our cash flows related to our fixed-rate debt until such time as we are required to refinance, repurchase or repay such debt.

We are exposed to interest rate risk associated with our mortgage loan origination services. We manage interest rate risk through the use of forward sales of mortgage-backed securities (MBS), which are referred to as "hedging instruments" in the following discussion. We do not enter into or hold derivatives for trading or speculative purposes.

Interest rate lock commitments (IRLCs) are extended to borrowers who have applied for loan funding and who meet defined credit and underwriting criteria. Typically, the IRLCs have a duration of less than six months. Some IRLCs are committed immediately to a specific purchaser through the use of best-efforts whole loan delivery commitments, while other IRLCs are funded prior to being committed to third-party purchasers. The hedging instruments related to IRLCs are classified and accounted for as derivative instruments in an economic hedge, with gains and losses recognized in revenues in the consolidated statements of operations. Hedging instruments related to funded, uncommitted loans are accounted for at fair value, with changes recognized in revenues in the consolidated statements of operations, along with changes in the fair value of the funded, uncommitted loans. The fair value change related to hedging instruments generally offsets the fair value change in the uncommitted loans. The net fair value change, which for the three and nine months ended June 30, 2026 and 2025 was not significant, is recognized in current earnings. At June 30, 2026, hedging instruments used to mitigate interest rate risk related to uncommitted mortgage loans held for sale and uncommitted IRLCs totaled a notional amount of $5.0 billion. Uncommitted IRLCs totaled a notional amount of approximately $3.0 billion and uncommitted mortgage loans held for sale totaled a notional amount of approximately $2.2 billion at June 30, 2026.

We also use hedging instruments as part of a program to offer below market interest rate financing to our homebuyers. At June 30, 2026 and September 30, 2025, we had MBS totaling $1.0 billion and $677.5 million, respectively, that did not yet have IRLCs or closed loans created or assigned and recorded assets of $2.8 million and $1.9 million, respectively, for the fair value of such MBS position.

The following table sets forth principal cash flows by scheduled maturity, effective weighted average interest rates and estimated fair value of our debt obligations as of June 30, 2026. Because the mortgage repurchase facilities are effectively secured by certain mortgage loans held for sale that are typically sold within 60 days, the outstanding balances related to those facilities are included in the most current period presented. The interest rate for our variable rate debt represents the weighted average interest rate in effect at June 30, 2026.

	Three Months Ending September 30, 2026	Fiscal Year Ending September 30,							Fair Value at June 30, 2026
		2027	2028	2029	2030	2031	Thereafter	Total	
					($ in millions)				
Debt:									
Fixed rate	$190.4	$600.4	$800.0	$17.5	$—	$500.0	$1,900.0	$4,008.3	$4,001.2
Average interest rate	4.8%	1.5%	3.0%	6.0%	—%	5.1%	5.8%	4.5%	
Variable rate	$1,813.2	$—	$40.2	$153.6	$820.0	$306.2	$—	$3,133.2	$3,133.2
Average interest rate	5.4%	—%	4.7%	4.5%	5.4%	4.5%	—%	5.3%	

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, an evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the Company's disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934. Based on that evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures as of June 30, 2026 were effective in providing reasonable assurance that information required to be disclosed in the reports the Company files, furnishes, submits or otherwise provides the SEC under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that information required to be disclosed in reports filed by the Company under the Exchange Act is accumulated and communicated to the Company's management, including the CEO and CFO, in such a manner as to allow timely decisions regarding the required disclosure.

There have been no changes in the Company's internal controls over financial reporting during the quarter ended June 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are involved in lawsuits and other contingencies in the ordinary course of business. While the outcome of such contingencies cannot be predicted with certainty, we believe that the liabilities arising from these matters will not have a material adverse effect on our consolidated financial position, results of operations or cash flows. However, to the extent the liability arising from the ultimate resolution of any matter exceeds our estimates reflected in the recorded reserves relating to such matter, we could incur additional charges that could be significant.

With respect to administrative or judicial proceedings involving the environment, we have determined that we will disclose any such proceeding if we reasonably believe such proceeding will result in monetary sanctions, exclusive of interest and costs, at or in excess of $1 million.

In fiscal 2014, we received Notices of Violation from the United States Environmental Protection Agency (EPA), the Alabama Department of Environmental Management and the State of South Carolina Department of Health and Environmental Control related to stormwater compliance at certain of our sites in the southeastern United States within EPA Region 4. Since 2014, we have enhanced our practices and procedures related to stormwater compliance, and this matter has been resolved with each of these governmental entities through a consent decree issued in April 2024 (Consent Decree) and entered by the court in August 2024. In addition to a $400,000 civil penalty, we agreed to complete a supplemental environmental project intended to provide a tangible environmental benefit. The Consent Decree also provides for ongoing reporting obligations and stipulated penalties for future noncompliance with the Consent Decree in EPA Region 4. While the aggregate costs of the civil penalty, the project and stipulated penalties have exceeded $1 million, we do not believe it is reasonably possible that any future obligations related to this matter would result in a loss that would have a material effect on our consolidated financial position, results of operations or cash flows.

In September 2024, the Maryland Department of Environment (MDE) filed suit in the Circuit Court for Harford County, Maryland against D.R. Horton, Inc. and Forestar regarding various alleged stormwater compliance issues and violations at a project in Maryland dating from 2022 through 2024, seeking injunctive relief, including restoration of impacted waters, and civil penalties. These matters were resolved through a consent decree with MDE entered into in May 2026. When the consent decree became effective, we paid a $200,000 civil penalty and contributed $210,000 towards the restoration of impacted waters, and Forestar paid a $637,500 civil penalty, contributed $840,000 towards the restoration of impacted waters and paid $325,000 of attorneys' fees.

On April 29, 2025, a verified stockholder of Forestar filed a derivative complaint in the Delaware Court of Chancery, on behalf of Forestar, against D.R. Horton, Inc., Forestar's Executive Chairman and certain of Forestar's directors. The complaint, which is captioned Mississippi Public Employees' Retirement System v. D.R. Horton, Inc., C.A. No. 2025-0465-MTZ, asserts claims for breach of fiduciary duty arising out of lot sale transactions between Forestar and D.R. Horton. The complaint seeks judgment awarding Forestar damages against the defendants and awarding the plaintiff the costs and disbursements of the action, including reasonable attorney and expert fees. The Company disputes the allegations of wrongdoing in this matter. The outcome of this lawsuit is uncertain; however, we do not anticipate this matter would have a material adverse effect on our business, financial condition, results of operations or liquidity.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

We may repurchase shares of our common stock from time to time pursuant to our $5.0 billion common stock repurchase authorization, which was approved by our Board of Directors in April 2025. The authorization has no expiration date. During the three months ended June 30, 2026, we repurchased 4.2 million shares of our common stock at a total cost including commissions and excise taxes of $615.7 million. At June 30, 2026, there was $1.1 billion remaining on the repurchase authorization. The following table sets forth additional information concerning our common stock repurchases during the quarter.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that may yet be Purchased Under the Plans or Programs (In millions)
April 2026	2,101,812	$ 147.00	2,101,812	$ 1,401.7
May 2026	1,886,687	143.78	1,886,687	1,130.5
June 2026	240,962	147.47	240,962	1,095.0
Total	4,229,461	$ 145.59	4,229,461	$ 1,095.0

The share repurchases may be effected through Rule 10b5-1 plans or open market purchases, each in compliance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended (Exchange Act). Shares repurchased in April 2026 included 1,606,712 shares purchased pursuant to a trading plan under Rule 10b5-1 of the Exchange Act.

ITEM 5. OTHER INFORMATION

(c) Trading Plans

During the three months ended June 30, 2026, no director or Section 16 officer adopted or terminated any Rule 10b5-1 trading arrangements or non-Rule 10b5-1 trading arrangements (in each case, as defined in Item 408(a) of Regulation S-K).

ITEM 6. EXHIBITS

(a) Exhibits.

2.1		Agreement and Plan of Merger dated June 29, 2017 by and among D.R. Horton, Inc., Force Merger Sub, Inc. and Forestar Group Inc. (incorporated by reference from Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the SEC on June 29, 2017).
3.1		Certificate of Amendment of the Amended and Restated Certificate of Incorporation, as amended, of the Company dated January 31, 2006, and the Amended and Restated Certificate of Incorporation, as amended, of the Company dated March 18, 1992 (incorporated by reference from Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2005, filed with the SEC on February 2, 2006).
3.2		Amended and Restated Bylaws of the Company, effective as of August 23, 2024 (incorporated by reference from Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on August 28, 2024).
10.1		Fifth Amendment to Fourth Amended and Restated Master Repurchase Agreement, dated May 6, 2026, among DHI Mortgage Company, Ltd., U.S. Bank National Association, as Administrative Agent, Joint Book Runner, Joint Lead Arranger, and a Buyer and all other Buyers (incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on May 12, 2026).
22.1	*	List of Guarantor Subsidiaries.
31.1	*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	*	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	*	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	**	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	**	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	**	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	**	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	**	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	**	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	**	Cover Page Interactive Data File (embedded within the Inline XBRL document contained in Exhibit 101).

* Filed or furnished herewith.

** Submitted electronically herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

D.R. HORTON, INC.

Date: July 23, 2026

By: /s/ Bill W. Wheat
Bill W. Wheat
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: July 23, 2026

By: /s/ Aron M. Odom
Aron M. Odom
Senior Vice President and Controller
(Principal Accounting Officer)

Exhibit 22.1

List of Guarantor Subsidiaries

The following subsidiaries of D.R. Horton, Inc. (the "Company") were, as of June 30, 2026, guarantors of the Company's 1.3% senior notes due 2026, 1.4% senior notes due 2027, 4.85% senior notes due 2030, 5.0% senior notes due 2034 and 5.5% senior notes due 2035.

Exact Name of Guarantor Subsidiary	Jurisdiction of Formation
C. Richard Dobson Builders, Inc.	Virginia
CH Investments of Texas, Inc. *(f/k/a CH Investments of Texas II, Inc.)*	Delaware
CHTEX of Texas, Inc.	Delaware
Continental Homes, Inc.	Delaware
Continental Homes of Texas, L.P.	Texas
Continental Residential, Inc. *(f/k/a L&W Investments, Inc.)*	California
DHI Construction LLC *(f/k/a SHA Construction LLC)*	Delaware
D.R. Horton - Abrams Crossing, LLC *(f/k/a Regrem LIV, LLC)*	Delaware
D.R. Horton - CHAustin, LLC *(f/k/a DRH Regrem XXXII, LLC)*	Delaware
D.R. Horton - Cleveland, LLC *(f/k/a DRH Regrem LIII, LLC)*	Delaware
D.R. Horton - Colorado, LLC *(f/k/a DRH Regrem XXXV, LLC)*	Delaware
D.R. Horton - Corpus Christi, LLC *(f/k/a DRH Regrem XLII, LLC)*	Delaware
D.R. Horton - Crown, LLC *(f/k/a DRH Regrem XXVII, LLC)*	Delaware
D.R. Horton - Emerald, Ltd. *(f/k/a DRH Regrem VI, LP)*	Texas
D.R. Horton - Georgia, LLC *(f/k/a DRH Regrem XXX, LLC)*	Delaware
D.R. Horton - Highland, LLC *(f/k/a DRH Regrem XXXIX, LLC)*	Delaware
D.R. Horton - Houston, LLC *(f/k/a DRH Regrem XLIX, LLC)*	Delaware
D.R. Horton - Indiana, LLC *(f/k/a DRH Regrem XXXVI, LLC)*	Delaware
D.R. Horton - Iowa, LLC *(f/k/a DRH Regrem XXXVIII, LLC)*	Delaware
D.R. Horton - Nebraska, LLC *(f/k/a DRH Regrem XLIV, LLC)*	Delaware
D.R. Horton - NW Arkansas, LLC *(f/k/a DRH Regrem XLV, LLC)*	Delaware
D.R. Horton - Pensacola, LLC *(f/k/a DRH Regrem XLVI, LLC)*	Delaware
D.R. Horton - Permian, LLC *(f/k/a DRH Regrem XXXIII, LLC)*	Delaware
D.R. Horton - Regent, LLC *(f/k/a DRH Regrem XXVI, LLC)*	Delaware
D.R. Horton - Springfield, LLC *(f/k/a DRH Regrem XLVIII, LLC)*	Delaware
D.R. Horton - Terramor, LLC *(f/k/a DRH Regrem XL, LLC)*	Delaware
D.R. Horton - Texas, Ltd.	Texas
D.R. Horton - Tulsa, LLC *(f/k/a DRH Regrem LI, LLC)*	Delaware

Exact Name of Guarantor Subsidiary	Jurisdiction of Formation
D.R. Horton - WPA, LLC *(f/k/a DRH Regrem L, LLC)*	Delaware
D.R. Horton - WPH, LLC *(f/k/a (i) D.R. Horton - Atlanta, LLC and (ii) DRH Regrem XXIX, LLC)*	Delaware
D.R. Horton - Wyoming, LLC *(f/k/a DRH Regrem XLIII, LLC)*	Delaware
D.R. Horton, Inc. - Birmingham	Alabama
D.R. Horton, Inc. -Chicago	Delaware
D.R. Horton, Inc. - Dietz-Crane *(f/k/a DRH Regrem I, Inc.)*	Delaware
D.R. Horton, Inc. - Greensboro	Delaware
D.R. Horton, Inc. - Gulf Coast *(f/k/a DRH Regrem V, Inc.)*	Delaware
D.R. Horton, Inc. - Huntsville *(f/k/a DRH Regrem XIII, Inc.)*	Delaware
D.R. Horton, Inc. - Jacksonville *(f/k/a D.R. Horton, Inc. - San Diego)*	Delaware
D.R. Horton, Inc. - Louisville *(f/k/a D.R. Horton, Inc. - Albuquerque)*	Delaware
D.R. Horton, Inc. - Midwest *(f/k/a (i) DRH Cambridge Homes, Inc. and (ii) D.R. Horton Sacramento Management Company, Inc.)*	California
D.R. Horton, Inc. - Minnesota	Delaware
D.R. Horton, Inc. - New Jersey	Delaware
D.R. Horton, Inc. - Portland	Delaware
D.R. Horton, Inc. - Torrey	Delaware
D.R. Horton BAY, Inc. *(f/k/a (i) D.R. Horton OCI, Inc., (ii) D.R. Horton Orange County, Inc. and (iii) DRH Regrem IX, Inc.)*	Delaware
D.R. Horton CA2, Inc. *(f/k/a D.R. Horton, Inc. - Sacramento)*	California
D.R. Horton CA3, Inc. *(f/k/a (i) DRH Regrem IV, Inc. and (ii) D.R. Horton, Inc. - Fresno)*	Delaware
D.R. Horton CA4, LLC *(f/k/a DRH Regrem XXXI, LLC)*	Delaware
D.R. Horton CA5, Inc. *(f/k/a DRH Regrem XIV, Inc.)*	Delaware
D.R. Horton Cruces Construction, Inc. *(f/k/a DRH Regrem XI, Inc.)*	Delaware
D.R. Horton Hawaii LLC *(f/k/a D.R. Horton - Schuler Homes, LLC)*	Delaware
D.R. Horton LA North, Inc. *(f/k/a DRH Regrem X, Inc.)*	Delaware
D.R. Horton Los Angeles Holding Company, Inc.	California
D.R. Horton Management Company, Ltd. *(f/k/a Meadows Management Company, Ltd.)*	Texas
D.R. Horton Materials, Inc. *(f/k/a DRH Regrem III, Inc.)*	Delaware
D.R. Horton Serenity Construction, LLC *(f/k/a DRH Regrem VIII, LLC)*	Delaware
D.R. Horton VEN, Inc. *(f/k/a (i) D.R. Horton LAV, Inc. and (ii) D.R. Horton San Diego Holding Company, Inc.)*	California
DRH - Greenville, LLC *(f/k/a DRH Regrem LII, LLC)*	Delaware
DRH - HWY 114, LLC *(f/k/a DRH Regrem XLI, LLC)*	Delaware
DRH - Michigan CV, LLC *(f/k/a DRH Regrem LV, LLC)*	Delaware
DRH Cambridge Homes, LLC	Delaware

Exact Name of Guarantor Subsidiary	Jurisdiction of Formation
DRH Construction, Inc.	Delaware
DRH Phoenix Construction, Inc. *(f/k/a (i) DRH Phoenix East Construction, Inc. and (ii) CHI Construction Company)*	Arizona
DRH Regrem VII, LP	Texas
DRH Regrem XII, LP	Texas
DRH Regrem XV, Inc.	Delaware
DRH Regrem XVI, Inc.	Delaware
DRH Regrem XVII, Inc.	Delaware
DRH Regrem XVIII, Inc.	Delaware
DRH Regrem XIX, Inc.	Delaware
DRH Regrem XX, Inc.	Delaware
DRH Regrem XXI, Inc.	Delaware
DRH Regrem XXII, Inc.	Delaware
DRH Regrem XXIII, Inc.	Delaware
DRH Regrem XXIV, Inc.	Delaware
DRH Regrem XXV, Inc. *(f/k/a (i) D.R. Horton VEN, Inc., (ii) D.R. Horton, Inc. - Los Angeles and (iii) D.R. Horton, Inc. - Chicago)*	Delaware
DRH Regrem LVI, LLC	Delaware
DRH Regrem LVII, LLC	Delaware
DRH Regrem LVIII, LLC	Delaware
DRH Regrem LIX, LLC	Delaware
DRH Regrem LX, LLC	Delaware
DRH Regrem LXI, LLC	Delaware
DRH Regrem LXII, LLC	Delaware
DRH Regrem LXIII, LLC	Delaware
DRH Regrem LXIV, LLC	Delaware
DRH Regrem LXV, LLC	Delaware
DRH Southwest Construction, Inc. *(f/k/a DRH Land Company, Inc.)*	California
DRH Tucson Construction, Inc. *(f/k/a DRH - California, Inc.)*	Delaware
HPH Homebuilders 2000 L.P.	California
KDB Homes, Inc.	Delaware
Lexington Homes - DRH, LLC *(f/k/a DRH Regrem XXXIV, LLC)*	Delaware
Meadows I, Ltd.	Delaware
Meadows II, Ltd.	Delaware
Meadows VIII, Ltd.	Delaware

Exact Name of Guarantor Subsidiary	Jurisdiction of Formation
Meadows IX, Inc.	New Jersey
Meadows X, Inc.	New Jersey
Melody Homes, Inc.	Delaware
Pacific Ridge - DRH, LLC *(f/k/a (i) D.R. Horton - Seattle North, LLC and (ii) DRH Regrem XXVIII, LLC)*	Delaware
Pensacola Land Company, LLC *(f/k/a DRH Regrem XLVII, LLC)*	Delaware
Schuler Homes of Arizona LLC	Delaware
Schuler Homes of California, Inc.	California
Schuler Homes of Oregon, Inc.	Oregon
Schuler Homes of Washington, Inc.	Washington
SGS Communities at Grande Quay L.L.C.	New Jersey
SHLR of California, Inc.	California
SHLR of Nevada, Inc.	Nevada
SHLR of Washington, Inc.	Washington
SRHI LLC	Delaware
SSHI LLC	Delaware
Vertical Construction Corporation *(f/k/a Lokelani Construction Corporation)*	Delaware
Walker Drive, LLC *(f/k/a DRH Regrem XXXVII, LLC)*	Delaware
Western Pacific Housing-Antigua, LLC *(f/k/a Western Pacific Housing - Eastlake, LLC)*	Delaware
Western Pacific Housing-Broadway, LLC	Delaware
Western Pacific Housing-Canyon Park, LLC	Delaware
Western Pacific Housing-Carrillo, LLC	Delaware
Western Pacific Housing-Communications Hill, LLC	Delaware
Western Pacific Housing-Copper Canyon, LLC *(f/k/a Agoura II, LLC)*	Delaware
Western Pacific Housing-Creekside, LLC	Delaware
Western Pacific Housing-Lomas Verdes, LLC	Delaware
Western Pacific Housing-McGonigle Canyon, LLC *(f/k/a Western Pacific Housing-Carlsbad II, LLC)*	Delaware
Western Pacific Housing - Mountaingate, L.P.	California
Western Pacific Housing-Norco Estates, LLC	Delaware
Western Pacific Housing-Pacific Park II, LLC	Delaware
Western Pacific Housing-Park Avenue East, LLC	Delaware
Western Pacific Housing-Park Avenue West, LLC	Delaware
Western Pacific Housing-Playa Vista, LLC	Delaware
Western Pacific Housing-River Ridge, LLC	Delaware

Exact Name of Guarantor Subsidiary	Jurisdiction of Formation
Western Pacific Housing-Terra Bay Duets, LLC	Delaware
Western Pacific Housing-Torrey Meadows, LLC	Delaware
Western Pacific Housing-Torrey Village Center, LLC	Delaware
Western Pacific Housing-Windemere, LLC *(f/k/a Western Pacific Housing-Glacier, LLC)*	Delaware
Western Pacific Housing, Inc. *(f/k/a Schuler Homes Holdco, Inc.)*	Delaware
Western Pacific Housing Management, Inc. *(f/k/a Western Pacific Housing, Inc. (CA))*	California
WPH-Camino Ruiz, LLC	Delaware

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302(a)
OF THE SARBANES-OXLEY ACT OF 2002

I, Paul J. Romanowski, certify that:

1 I have reviewed this quarterly report on Form 10-Q of D.R. Horton, Inc.;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5 The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 23, 2026

/s/ PAUL J. ROMANOWSKI

By: Paul J. Romanowski
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302(a)
OF THE SARBANES-OXLEY ACT OF 2002

I, Bill W. Wheat, certify that:

1 I have reviewed this quarterly report on Form 10-Q of D.R. Horton, Inc.;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4 The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5 The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 23, 2026

/s/ BILL W. WHEAT

By: Bill W. Wheat
Executive Vice President and
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of D.R. Horton, Inc. (the "Company") on Form 10-Q for the quarterly period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul J. Romanowski, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 23, 2026

/s/ PAUL J. ROMANOWSKI

By: Paul J. Romanowski
President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of D.R. Horton, Inc. (the "Company") on Form 10-Q for the quarterly period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bill W. Wheat, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 23, 2026

/s/ BILL W. WHEAT

By: Bill W. Wheat
Executive Vice President and
Chief Financial Officer