



# Investor Presentation

Q1 | 2026



# FORWARD-LOOKING STATEMENTS

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Factors that may cause the actual results to be materially different from the future results expressed by the forward-looking statements include, but are not limited to: the effect of D.R. Horton's controlling level of ownership on us and the holders of our securities; our ability to realize the potential benefits of the strategic relationship with D.R. Horton; the effect of our strategic relationship with D.R. Horton on our ability to maintain relationships with our customers; the cyclical nature of the homebuilding and lot development industries and changes in economic, real estate and other conditions; the impact of significant inflation, higher interest rates or deflation; supply shortages and other risks of acquiring land, construction materials and skilled labor; the effects of public health issues such as a major epidemic or pandemic on the economy and our business; the impacts of weather conditions and natural disasters; health and safety incidents relating to our operations; our ability to obtain or the availability of surety bonds to secure our performance related to construction and development activities and the pricing of bonds; the effect of information technology failures and the risk of cybersecurity incidents and the failure to satisfy privacy and data protection laws and regulations; the impact of governmental policies, laws or regulations and actions or restrictions of regulatory agencies; the effects of changes in income tax and securities law; our ability to achieve our strategic initiatives; continuing liabilities related to assets that have been sold; the cost and availability of property suitable for residential lot development; general economic, market or business conditions where our real estate activities are concentrated; our dependence on relationships with national, regional and local homebuilders; competitive conditions in our industry; obtaining reimbursements and other payments from governmental districts and other agencies and timing of such payments; our ability to succeed in new markets; the conditions of the capital markets and our ability to raise capital to fund expected growth; our ability to manage and service our debt and comply with our debt covenants, restrictions and limitations; the volatility of the market price and trading volume of our common stock; and our ability to hire and retain key personnel. Additional information about issues that could lead to material changes in performance is contained in Forestar's annual report on Form 10-K which is filed with the Securities and Exchange Commission.

In addition to providing results that are determined in accordance with GAAP, we present EBITDA and Adjusted EBITDA, which are non-GAAP financial measures. These measures are not considered measures of financial performance or liquidity under GAAP, and the items excluded therefrom are significant components in understanding and assessing our financial performance or liquidity. These measures should not be considered in isolation or as alternatives to GAAP measures such as net income, cash provided by or used in operating, investing or financing activities or other financial statement data presented in the financial statements as an indicator of our financial performance or liquidity.

Non-GAAP financial measures as reported by us may not be comparable to similarly titled metrics reported by other companies and may not be calculated in the same manner. These measures have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Reconciliations of such non-GAAP measures to the most directly comparable GAAP measure and calculations of the non-GAAP measures are set forth in the appendix of this presentation.

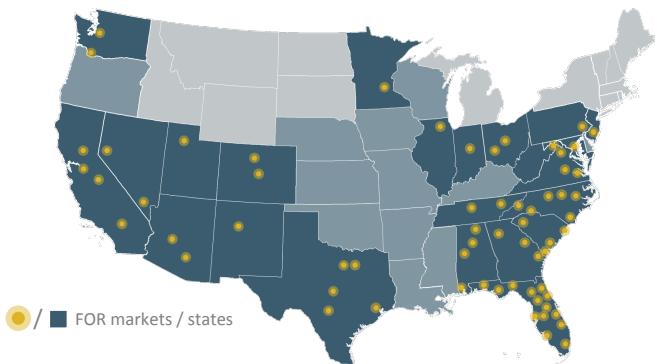
# FORESTAR OVERVIEW



## FORESTAR

Forestar Group Inc. (“Forestar” or “FOR”) is a highly differentiated, pure-play, residential lot developer for the affordably-priced single-family home market

Operations in 64 markets across 23 states<sup>(1)</sup>



(1) As of December 31, 2025

- » RETURNS FOCUSED
- » PRUDENT
- » DISCIPLINED
- » STRATEGIC
- » EFFICIENT
- » STRONG LIQUIDITY
- » LEADERSHIP

Track record of solid operational results

Fully-entitled projects with short durations

Investing capital across a diverse, national footprint which mitigates risk

Strong relationship with D.R. Horton, the nation's largest homebuilder

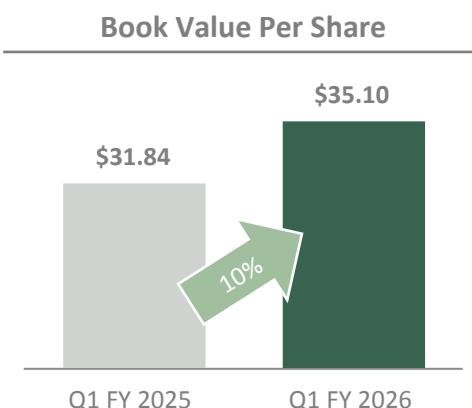
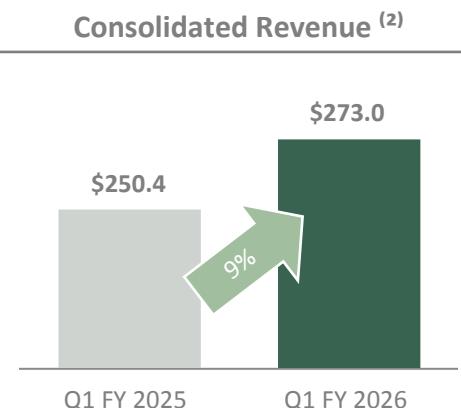
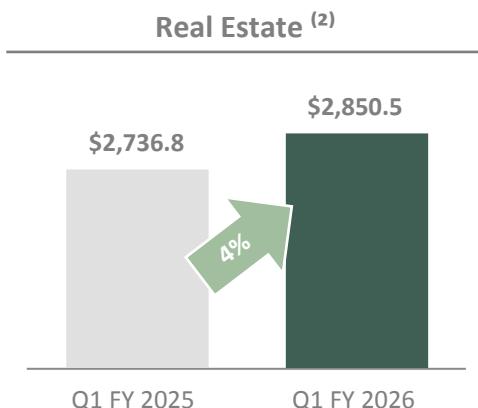
Capturing market share while maintaining a low overhead model

Balance sheet provides financial and operational flexibility

Proven management team with significant land development experience

# Q1 FY 2026 HIGHLIGHTS

- Earnings per diluted share of \$0.30 on net income of \$15.4 million
- Pre-tax income of \$20.8 million
- Revenues increased 9% to \$273.0 million on 1,944 lots sold
- Owned and controlled 101,000 lots at December 31, 2025
- Lots contracted for sale of 24,100 lots representing \$2.2 billion of future revenue at December 31, 2025
- Return on equity of 9.8% for the trailing twelve months ended December 31, 2025
- Net debt to capital<sup>(1)</sup> of 24.6%, with total liquidity of \$819.3 million



Note: All comparisons are to the prior year quarter

(1) Net debt to total capital consists of debt net of unrestricted cash divided by stockholders' equity plus debt net of unrestricted cash

(2) \$ shown in millions

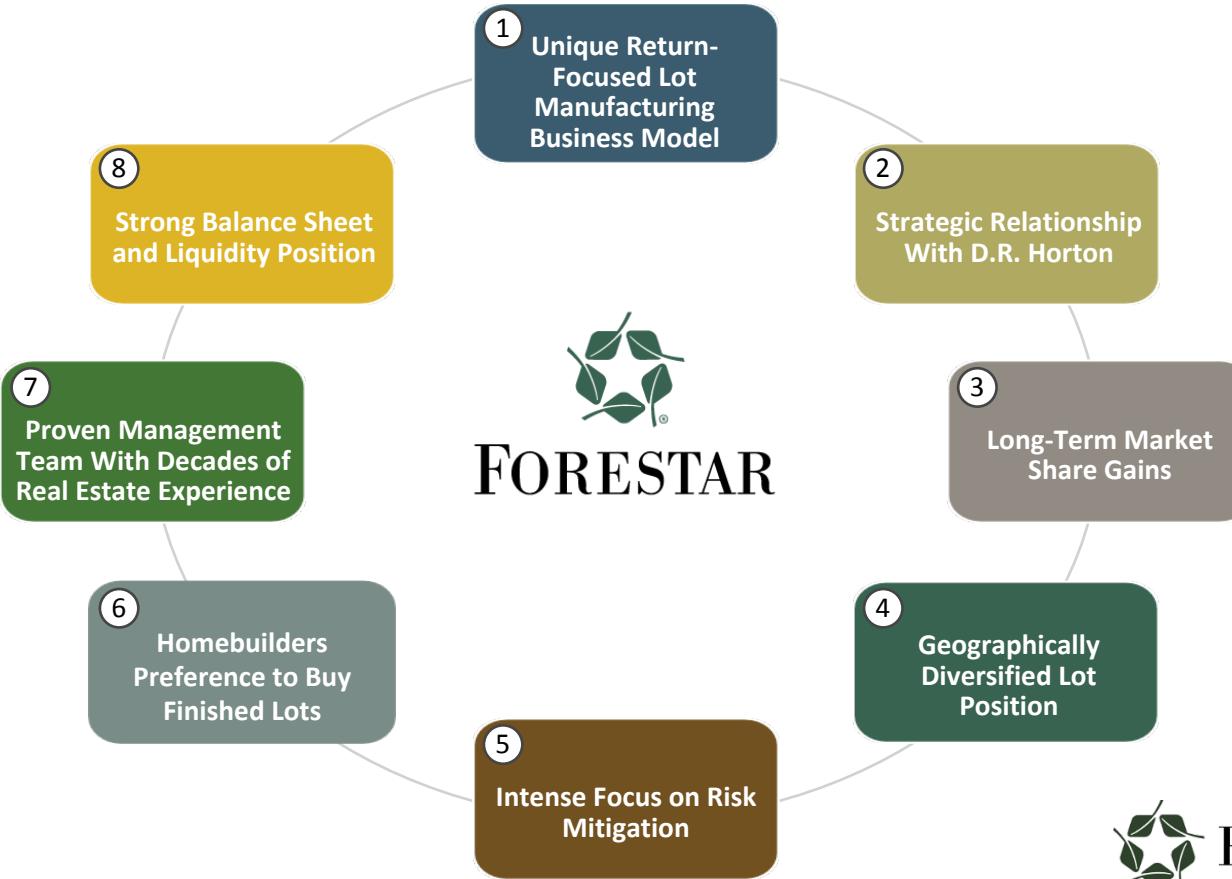
# FY 2026 OUTLOOK

Forestar is focused on a disciplined approach to creating long-term value

FY 2026 Priorities	FY 2026 Guidance	
<ul style="list-style-type: none"><li>• Balance pace and level of investment in-line with market conditions</li><li>• Disciplined capital allocation while continuing to position Forestar for future growth</li><li>• Expand market share within existing markets</li><li>• Grow book value per share</li><li>• Maintain strong balance sheet</li><li>• Evaluate opportunistic M&amp;A opportunities</li></ul>	Residential Lots Sales	14,000 - 15,000 Lots
	Consolidated Total Revenues	\$1.6 - \$1.7 billion
	Total Investment in Land and Land Development	~\$1.4 billion

Note: Expectations are based on current market conditions as noted on the Company's Q1 FY2026 conference call on 1/20/26.

# FORESTAR INVESTMENT HIGHLIGHTS



# MANUFACTURING APPROACH TO LAND DEVELOPMENT

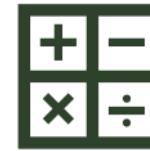
Forestar has built a unique lot manufacturing model that enables it to be a dependable supplier of lots to homebuilders, while producing solid risk-adjusted returns



**Short duration**, fully-entitled lot development projects — asset turnover is fundamental to the business strategy



**Large scale** with national footprint and in-market depth — Forestar has more than 200 active projects across 64 markets and 23 states



**Returns-focused, with strict underwriting criteria** — all projects must have >15% return on average inventory<sup>(1)</sup> and return the entire phase 1 investment (including all land costs) in 36 months or less



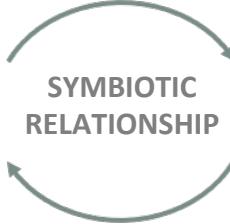
**Predictable operating results with strong profitability** — pre-tax profit margin of 12.9% for Q1 TTM FY 2026



**Strong liquidity and access to debt and equity capital** — Forestar's capital structure is a key competitive advantage

(1) Return on average inventory is calculated as pre-tax income divided by average inventory over the life of a project

# HIGHLY STRATEGIC ALIGNMENT WITH DHI

BENEFITS TO FOR		BENEFITS TO DHI
<ul style="list-style-type: none"> <li>Supports Forestar's national platform</li> <li>Significant built-in demand for lots</li> <li>Improved access to capital markets</li> <li>Shared Services from DHI</li> </ul>	 <p>A circular diagram with the text "SYMBIOTIC RELATIONSHIP" in the center, enclosed by a double-headed curved arrow forming a circle.</p>	<ul style="list-style-type: none"> <li>Long-term consistent supplier of finished lots across DHI's national footprint (126 markets in 36 states)</li> <li>Integral component of DHI's operational strategy</li> <li>Participate in value creation of FOR</li> </ul>

## Alignment with the nation's largest builder provides support and stability in changing economic conditions

- Most land developers lack the scale and access to capital to be consistent suppliers of lots to DHI across its national footprint
- DHI is committed to owning no more than a 2-year supply of lots, while increasing its mix of controlled lots in inventory
- D.R. Horton has a strong appetite for finished lots that continues even during potential market downturns
  - During the worst years of the last significant housing downturn, D.R. Horton closed ~17,000 to 20,000 homes annually, the majority of which were built on finished lots purchased from 3rd parties
- Master Supply, Stockholder and Shared Services Agreements formalize the business relationship and protect FOR's interests<sup>(1)</sup>
- DHI plans to maintain a significant ownership position in FOR over the long-term<sup>(2)</sup>

**Relationship with DHI further strengthens FOR's competitive advantage**  
**DHI's interests are aligned with FOR shareholders to ensure the profitable expansion of FOR's platform**

(1) Stockholder's Agreement and Shared Services Agreement summaries included in Appendix

(2) D.R. Horton owns 62% of Forestar as of December 31, 2025

# MASTER SUPPLY AGREEMENT

The Master Supply Agreement formalizes the business relationship with DHI as both companies identify real estate opportunities and protects FOR's interests via the Right of First Offer process

## A Right of First Offer (ROFO) is very different than a Right of First Refusal (ROFR)

- A ROFO agreement helps establish a fair market price/terms, whereas a ROFR is advantageous to the buyer by providing a "last look"
- The ROFO provides DHI the "first look" on available lots at market terms set by Forestar
- If FOR and DHI fail to agree on terms, FOR can offer the lots to other customers at similar terms offered to DHI

1

### Lots Sourced by DHI

FOR must offer 100% of the lots sourced by DHI to DHI at current market terms

2

### Lots Sourced by FOR

FOR must offer 50% of the lots in the first phase to DHI and 50% of the lots in any subsequent phase if DHI purchases at least 25% of the lots in the previous phase at current market terms

3

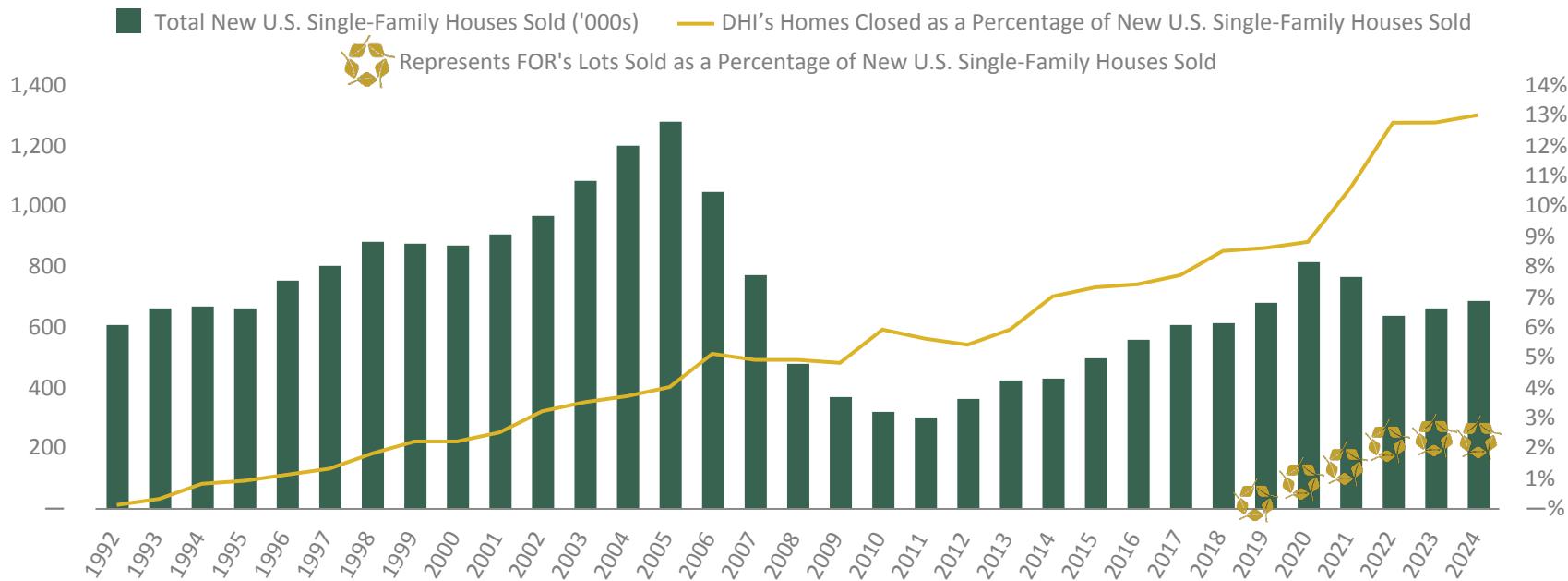
### Lots Sourced by Third Parties

FOR offers the lots to the respective customer on third-party sourced development opportunities and is not contractually obligated to offer DHI the "first look"

Note: The Master Supply Agreement continues until the earlier of (i) the date which DHI owns less than 15% of voting shares of FOR or (ii) June 29, 2037; however, FOR may terminate the MSA at any time when DHI owns less than 25% of the voting stock of Forestar

## DHI TRACK RECORD PROVIDES ROADMAP TO FOR

DHI's 30-year public track record provides a blueprint to FOR to achieve its own growth, consolidation and market share gains

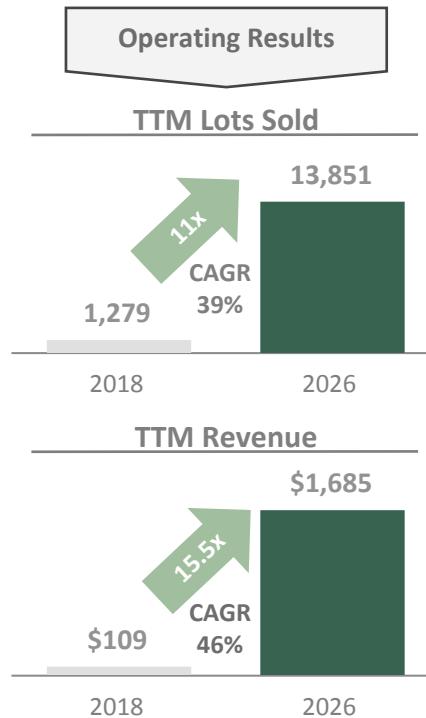
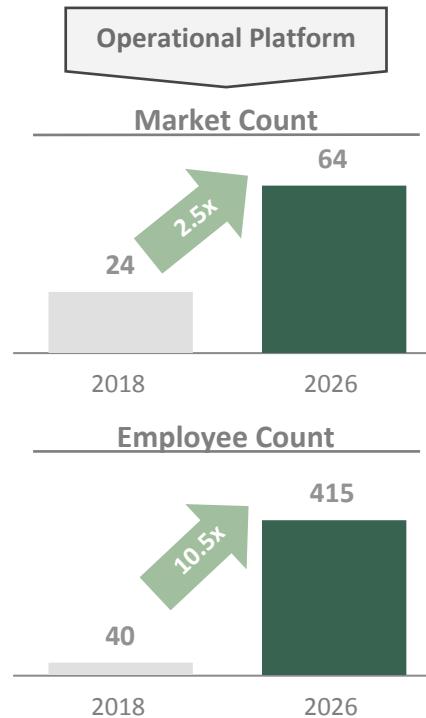
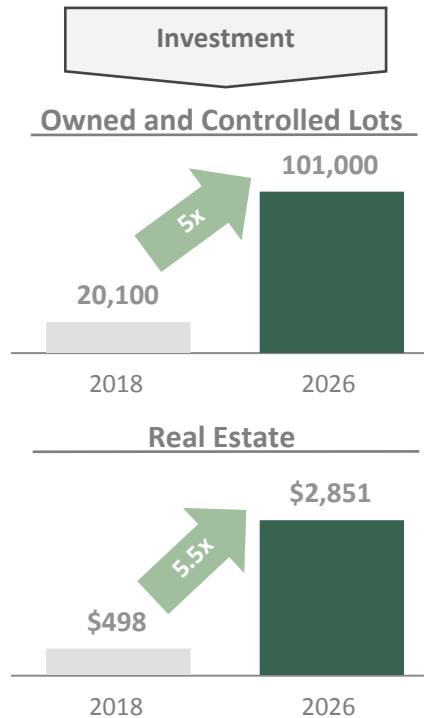


Source: Company filings, Census

Note: Periods represent full calendar year

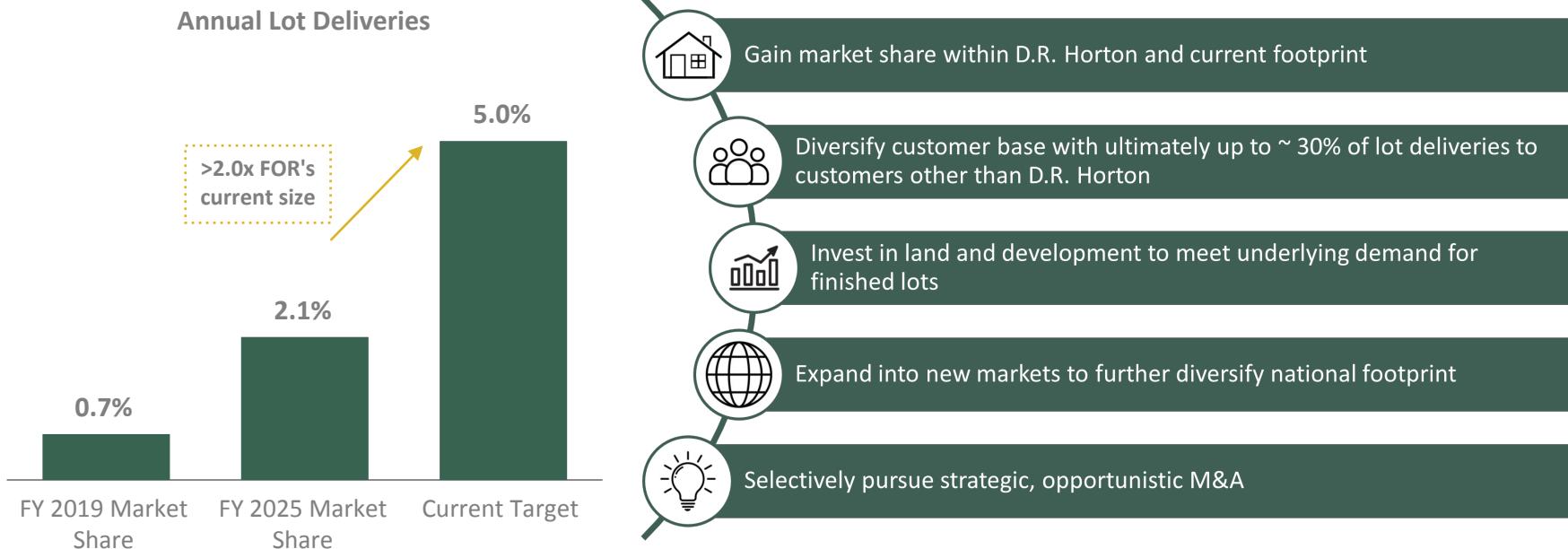
# Then and Now: FOR Today vs. 2018

Since D.R. Horton's investment in Forestar in late-2017, Forestar has significantly expanded its operations



## INTERMEDIATE TERM GROWTH GOALS

Forestar has a visible path to capturing 5% market share within the highly-fragmented U.S. single-family residential lot development industry\*

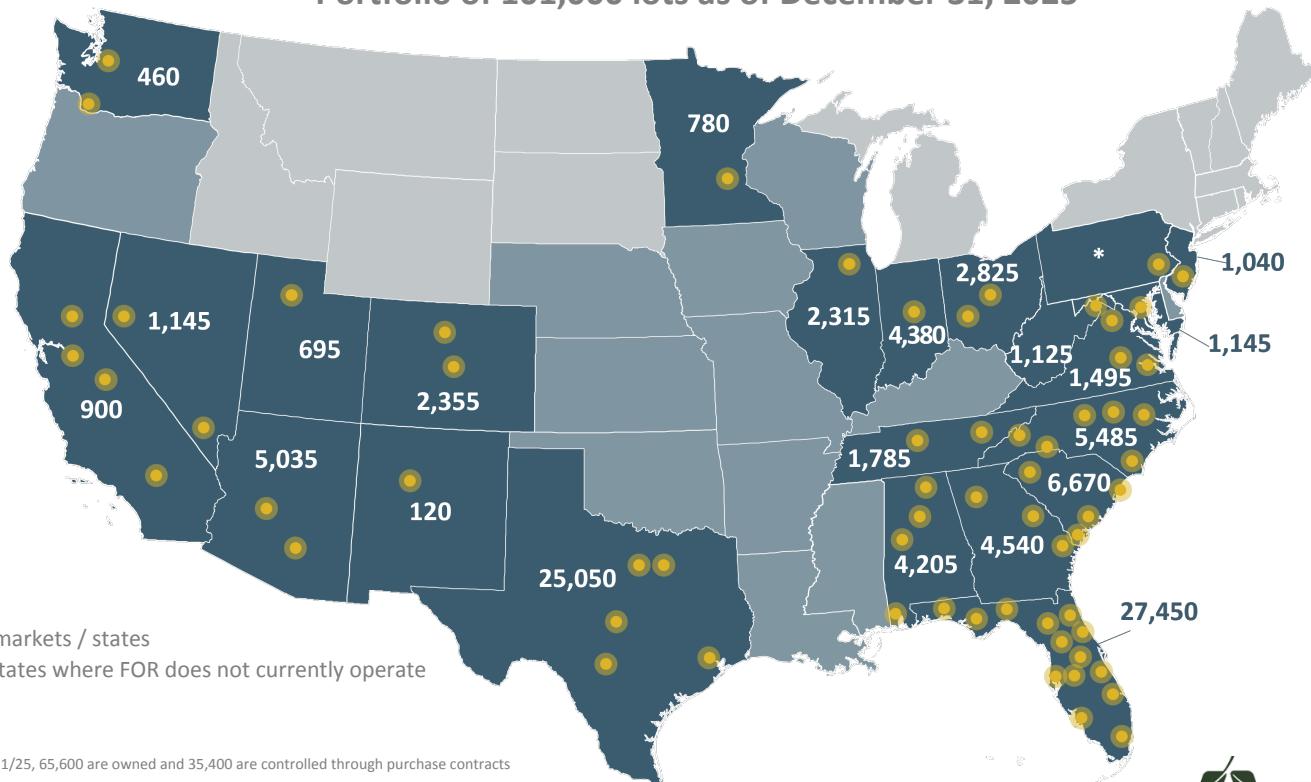


\*5% market share goal based on approximately 700,000 annual U.S. fee simple single-family homes started

## DIVERSIFIED NATIONAL FOOTPRINT

64 MARKETS | 23 STATES

Portfolio of 101,000 lots as of December 31, 2025



Of total lot position at 12/31/25, 65,600 are owned and 35,400 are controlled through purchase contracts

\*Although Forestar does not currently own lots in Pennsylvania, the Company is currently reviewing investment opportunities and expects to continue to have a presence in the state



FORESTAR

# INTENSE FOCUS ON RISK MITIGATION

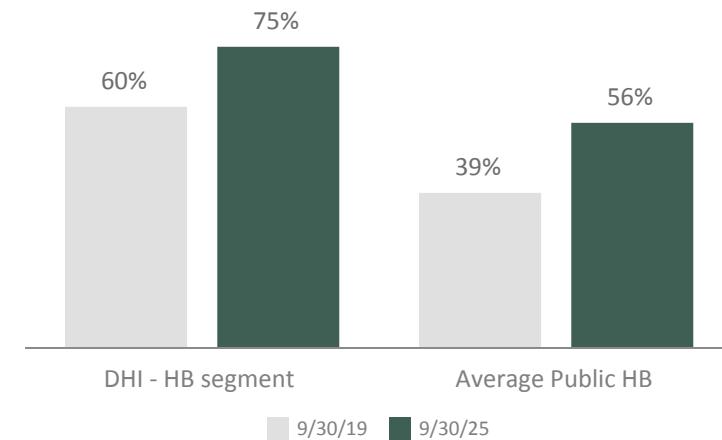
Strategic	Operational	Financial
<ul style="list-style-type: none"> <li>✓ Strict underwriting requiring minimum 15% return on average inventory and return of the entire phase 1 investment (including all land costs) in 36 months or less</li> </ul>	<ul style="list-style-type: none"> <li>✓ Significant local knowledge and expertise</li> </ul>	<ul style="list-style-type: none"> <li>✓ Robust analytical process to determine best capital allocation across markets</li> </ul>
<ul style="list-style-type: none"> <li>✓ Diverse, national footprint lowers operational risks and mitigates the effects of local and regional economic cycles</li> </ul>	<ul style="list-style-type: none"> <li>✓ Primarily focused on developing lots for homes at affordable price points (the largest segment of the new home market)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Demonstrated ability to manage spend and build liquidity during slower periods</li> </ul>
<ul style="list-style-type: none"> <li>✓ Strong strategic relationship with D.R. Horton, the nation's largest volume homebuilder</li> </ul>	<ul style="list-style-type: none"> <li>✓ Buy fully entitled, short duration projects with phased development, which is largely discretionary</li> </ul>	<ul style="list-style-type: none"> <li>✓ Maintain a strong balance sheet and liquidity position including managing to a ≤40% net debt to capital ratio</li> </ul>
<ul style="list-style-type: none"> <li>✓ Governance documents that formalize relationship with D.R. Horton and protect Forestar</li> </ul>	<ul style="list-style-type: none"> <li>✓ Experienced leadership team</li> </ul>	<ul style="list-style-type: none"> <li>✓ Unsecured Company-level debt allows for operational flexibility</li> </ul>
		<ul style="list-style-type: none"> <li>✓ Earnest money deposits on sales contracts (at least 10% of contracted revenues)</li> </ul>



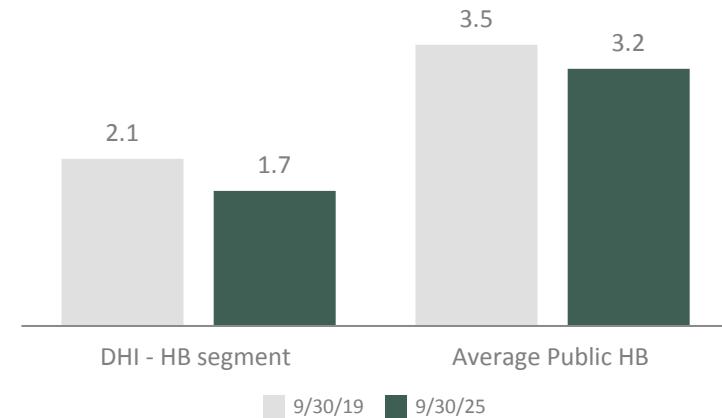
## UNIQUELY POSITIONED TO PROVIDE FINISHED LOTS

Builders' preference for 'land lighter' models enhances opportunity, and in times of economic uncertainty, many homebuilders shift their land strategies to slow raw land purchases and focus on purchasing finished lots

Optioned Land/Lot Position as a  
% of Total Owned & Controlled



Number of Years of Owned Land  
Based on TTM Closings



Source: FactSet and respective Company SEC filings

Notes: Average Public Homebuilder (HB) data represents the land and lot positions of LEN, PHM, TOL, NVR, MTH, MHO, TMHC, TPH, LGIH and KBH

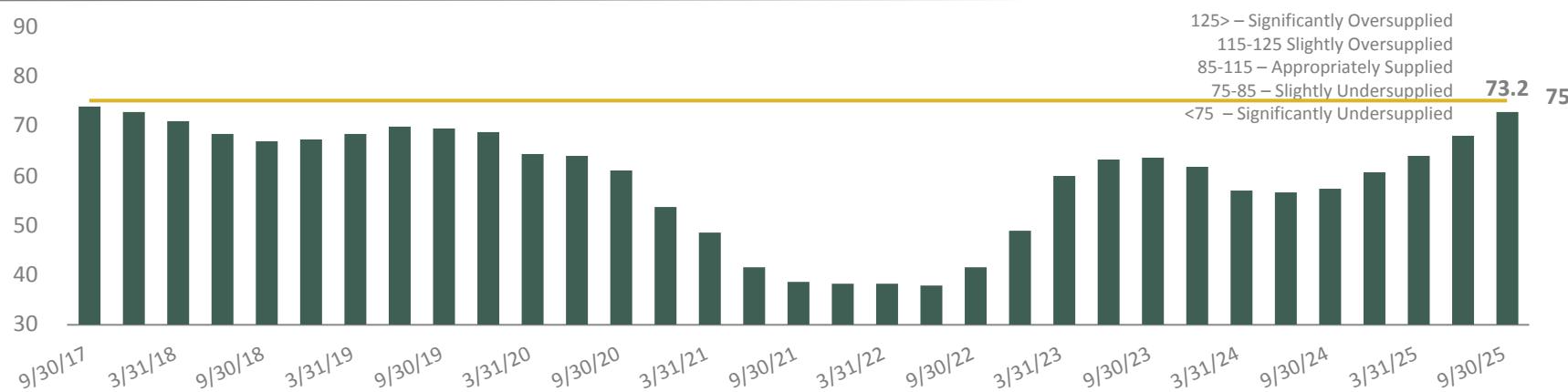
For LEN and KBH, data is as of the periods ended 8/31

For TOL, data is as of the periods ended 10/31

## CONSTRAINED LOT SUPPLY

- Availability of lots is improving from historic lows; however, calendar 3Q 2025 data still reflects a significantly undersupplied market nationally
- New home construction has been constrained by the availability of lots, increased regulation and tight credit for land development

Zonda New Home Lot Supply Index



Source: Zonda

Note: The lot supply index values represent single-family vacant developed lot supply, lots that are ready to be built on, relative to equilibrium



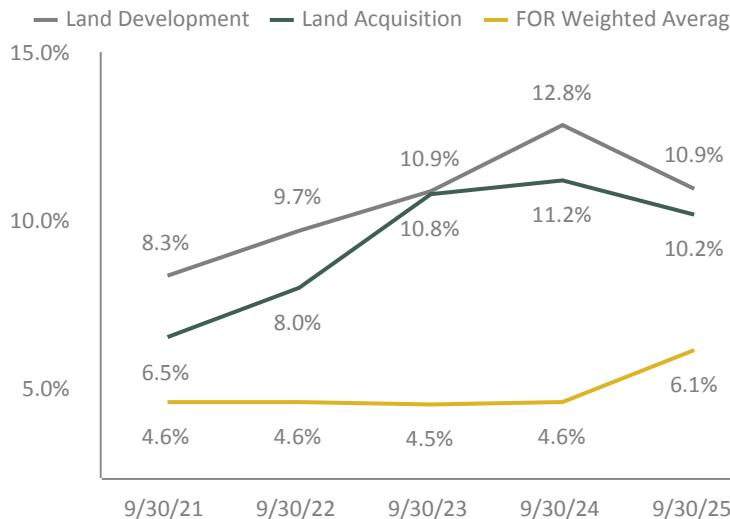
FORESTAR

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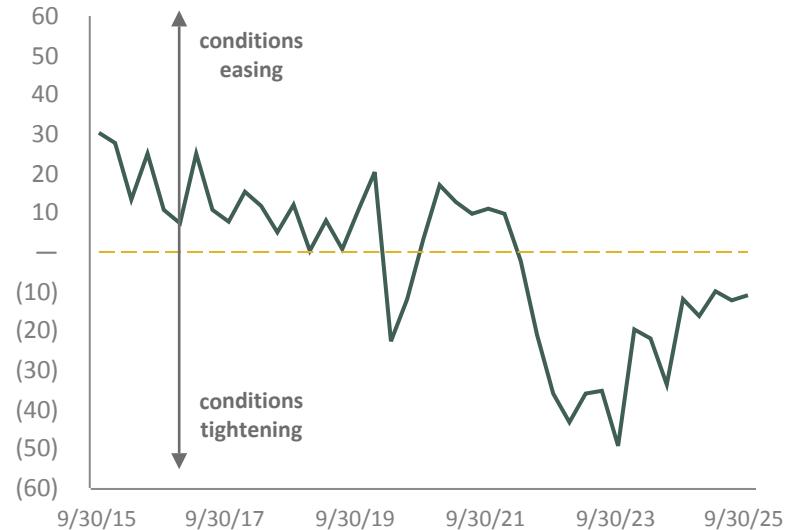
## PROJECT-LEVEL LAND DEVELOPMENT FINANCING SNAPSHOT

According to the NAHB's Survey on Acquisition, Development & Construction Financing, land development loan availability continues to be expensive and hard to secure

Effective Interest Rate of Financing



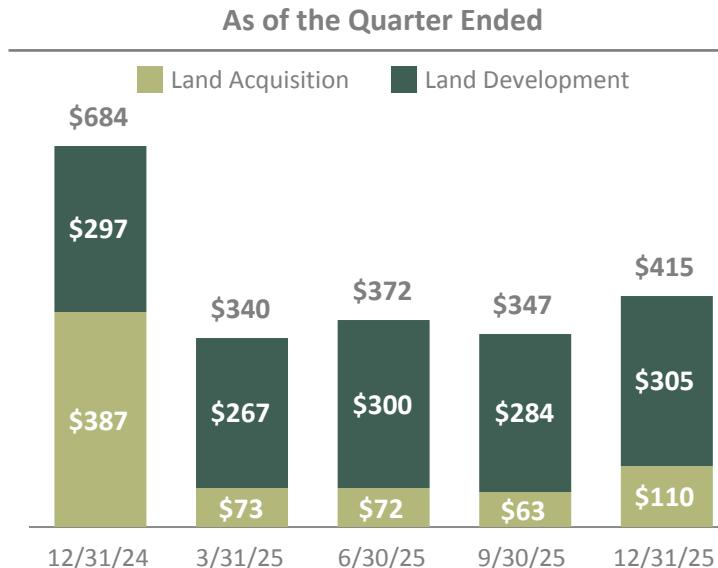
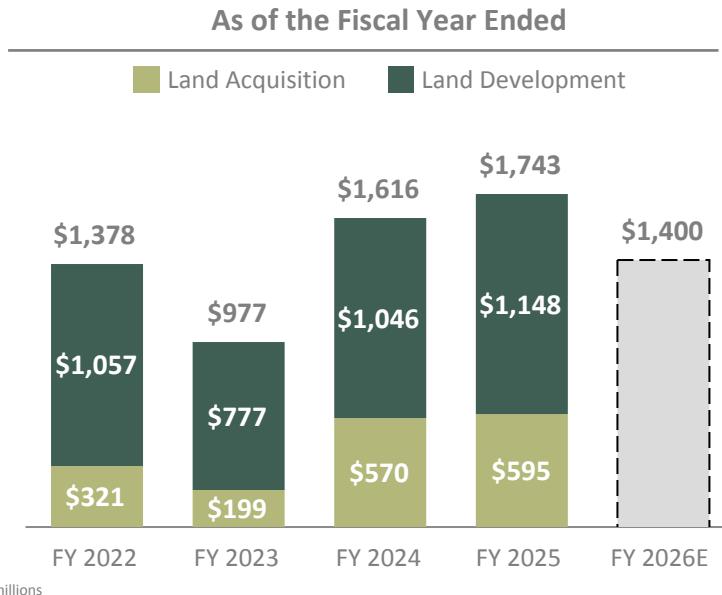
NAHB AD&C Financing Survey Index



Source: NAHB. The NAHB AD&C Financing Survey Index is derived from the share of respondents who rated the availability of new loans for land acquisition, land development and single-family construction. The share of respondents who selected "worse" is subtracted from the share selecting "better" for each series, and the results are then averaged.

## LAND AND DEVELOPMENT INVESTMENTS

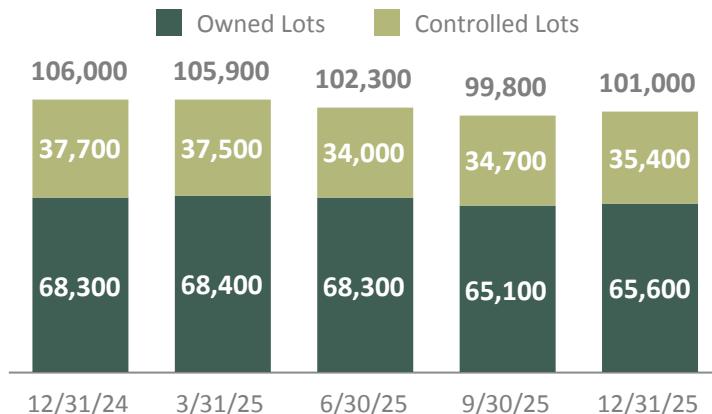
- Investing in new projects while maintaining a disciplined and conservative approach to underwriting
- Phased development intends to deliver finished lots at a pace that matches market demand, consistent with FOR's focus on capital efficiency and returns
- Expect to invest approximately \$1.4 billion in land acquisition and development in fiscal 2026 with the majority of investment targeted for land development



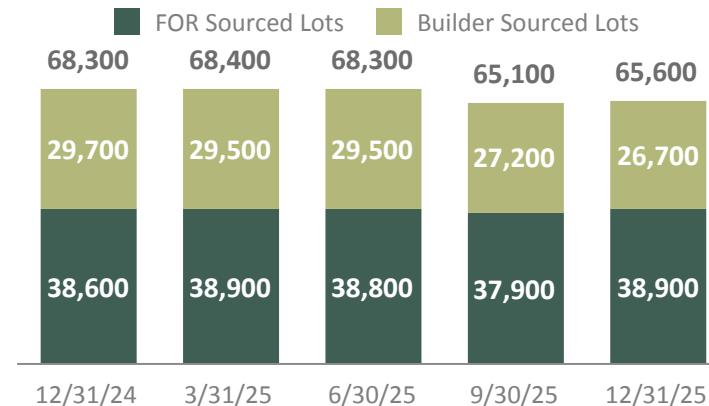
## LOT POSITION

- Owned and controlled lot position supports future growth and market share gains; targeting a 3- to 4-year owned inventory of lots
- Consistent with Forestar's focus on capital efficiency, its land and lot supply that is controlled via purchase contracts remains robust
- Balance sheet and liquidity will be used to invest in opportunistic land purchases

Owned & Controlled Lot Position

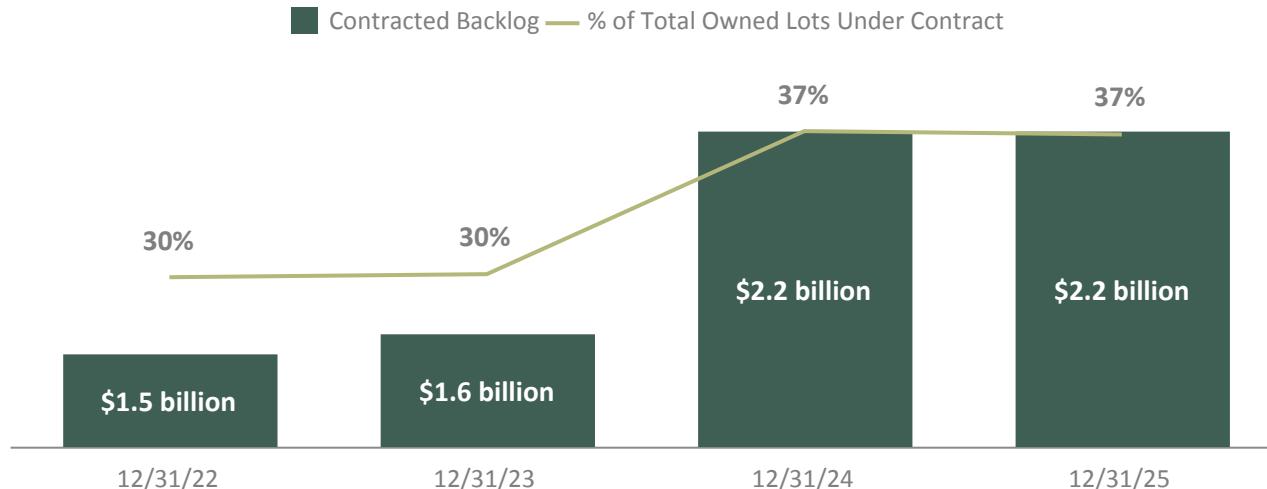


Owned Lot Position by Source



## CONTRACTED REVENUES

- Contracted backlog is a strong indicator of FOR's ability to continue gaining market share in the highly fragmented lot development industry
- Owned lots under contract of 24,100 lots or 37% of FOR's owned lot position
- \$210 million dollars of hard earnest money deposits secure these contracts, which are expected to generate approximately \$2.2 billion dollars of future revenue



Total lots that DHI has under contract or the right of first offer to purchase of 40,700 at 12/31/25, 43,800 at 12/31/24, 33,700 at 12/31/23, and 35,000 at 12/31/22, respectively.

## COMMITTED LEADERSHIP WITH DECADES OF EXPERIENCE

Management team includes land development veterans experienced in consolidating market share and navigating through industry and economic cycles

### DON TOMNITZ Executive Chairman

*Formerly President & CEO of DHI for over a decade and joined FOR in October 2017*

### JIM ALLEN CFO

*Joined FOR in March 2020 with over 35 years of operating and financial experience in multiple industries including manufacturing*

### ANDY OXLEY CEO

*Joined FOR in January 2024 from DHI; over 25 years of experience in the homebuilding & land development industry*

### MARK WALKER COO

*Joined FOR in February 2019 with over 20 years of real estate experience from public and private homebuilders, including DHI*

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**Regional Leadership**  
(Region/Sub-Region Presidents and Vice Presidents)  
*28 Average Years of Experience*

22

**Divisional Leadership**  
(Division Presidents)  
*22 Average Years of Experience*

## SOLID BALANCE SHEET AND LIQUIDITY POSITION

- Forestar is well-positioned with net leverage<sup>(1)</sup> of 2.3x, net debt to capital<sup>(2)</sup> of 24.6% and a strong liquidity position of \$819 million at 12/31/25
- Balanced financing plan includes both debt and equity — net debt to capital<sup>(2)</sup> target of ≤ 40%
- Capital allocation priorities include land development, land acquisition, investment in team and opportunistic M&A

### Capitalization Summary at 12/31/25

Cash and cash equivalents	\$ 211.7
Debt	\$ 793.2
Stockholders' equity	\$ 1,786.0
<b>Net debt to capital<sup>(2)</sup></b>	<b>24.6%</b>

### Available Liquidity at 12/31/25

Cash and cash equivalents	\$ 211.7
Availability under revolving credit facility	\$ 607.6
<b>Total liquidity</b>	<b>\$ 819.3</b>

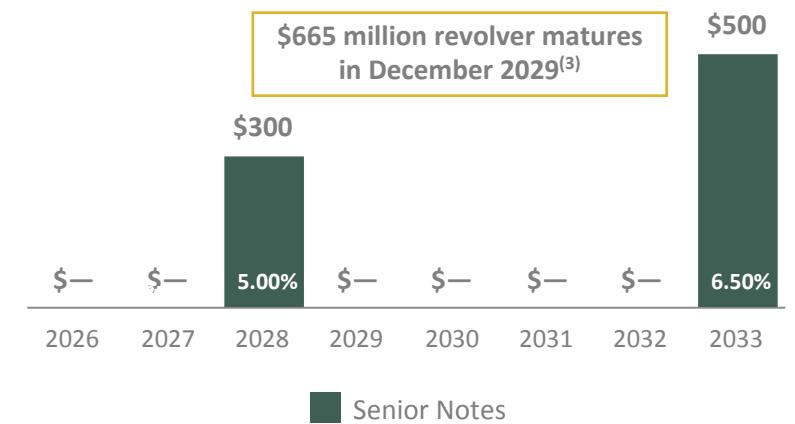
\$ in millions

(1) Net leverage is calculated as debt net of unrestricted cash divided by adjusted EBITDA for the trailing twelve months. See appendix for adjusted EBITDA reconciliation

(2) Net debt to capital is calculated as debt net of unrestricted cash divided by debt net of unrestricted cash plus stockholders' equity

(3) \$600 million Series A revolving credit facility matures in December 2029 and \$65 million Series B revolving credit facility matures in October 2026

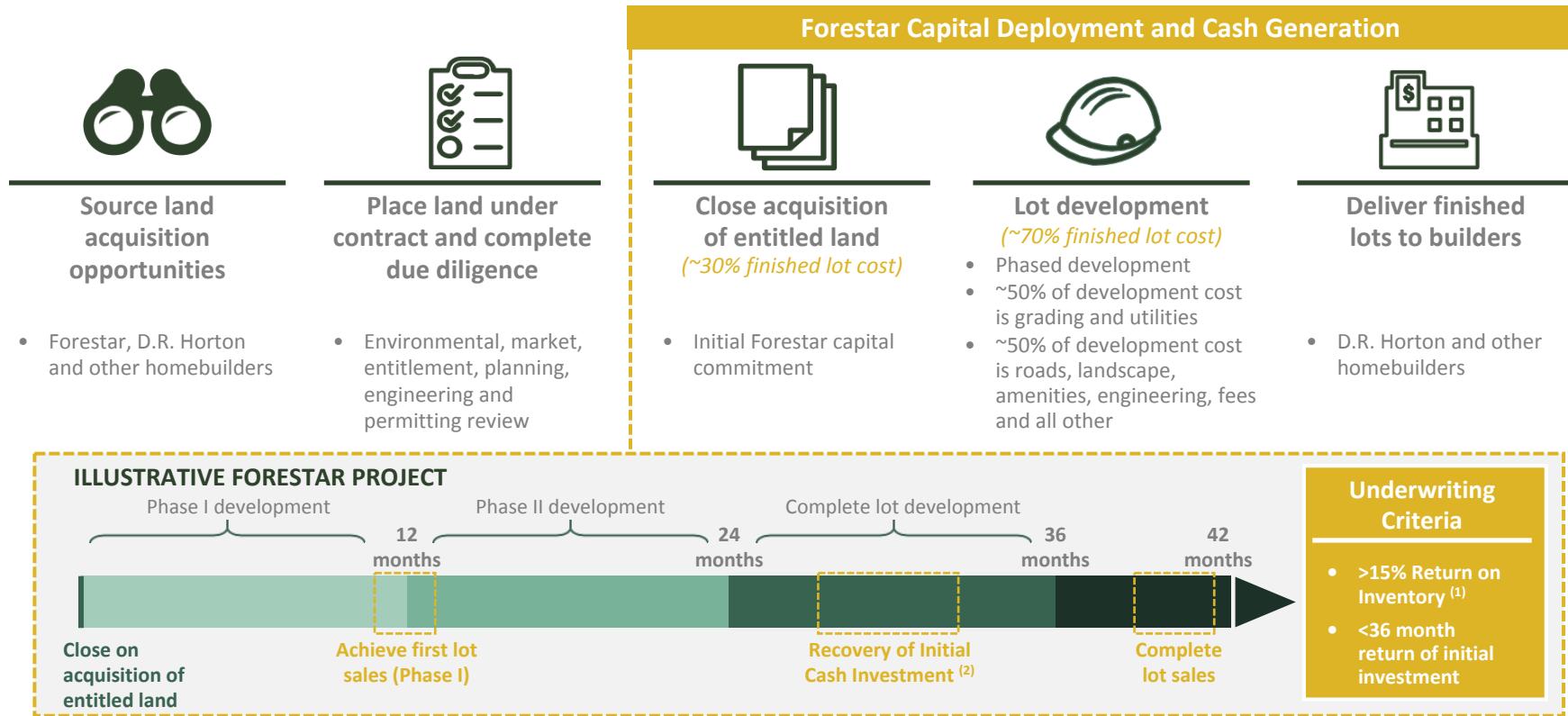
### Debt Maturity Profile



# APPENDIX

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# BUSINESS OVERVIEW



(1) Return on inventory is calculated as pre-tax income divided by average inventory over the life of a project

(2) Includes land purchase price and development costs for first phase of lots



# FORESTAR SUPPLIES THE FIRST INPUT TO BUILDING A HOME

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## Key Components to Building a Home:

- **Finished Lot (~20-30% of ASP)**
- Concrete
- Lumber
- Roofing materials
- Siding / Brick
- Windows
- Insulation
- HVAC / Plumbing / Electrical
- Cabinets / Flooring / Paint
- Appliances



Note: ASP refers to the average sales price of a home

# STOCKHOLDER'S AGREEMENT

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- FOR Board of Directors must include at least three independent directors (currently has five)
- As long as DHI owns at least 20% of FOR's outstanding equity:
  - DHI has the right to designate individuals to FOR's Board based on DHI's ownership percentage
  - DHI has the right to designate the Executive Chairman of FOR
- Requires an investment committee of FOR officers to approve new lot development and banking projects
- As long as DHI owns at least 35% of FOR's outstanding voting shares, FOR must obtain DHI consent in order to:
  - Issue equity
  - Incur, assume, refinance or guarantee debt that would increase FOR's gross leverage to greater than 40%
  - Select, terminate, remove or change compensation arrangements for the Executive Chairman, CEO, CFO and other key senior management
  - Make an acquisition or investment greater than \$45.8 million

# SHARED SERVICES AGREEMENT

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- Shared Services Agreement between FOR and DHI defines the terms under which DHI may provide administrative, compliance, operational and procurement services to FOR
- Scope and cost of services provided to FOR are mutually agreed upon by FOR and DHI management teams and are adjusted periodically as necessary
- Services provided currently include:
  - Finance and Treasury
  - Information Technology
  - Internal Audit
  - Investor Relations
  - Human Resources, Payroll and Employee Benefits
- FOR also contracts with DHI for lot development services in projects owned by FOR in geographic markets where FOR has not yet established development teams and capabilities
  - FOR pays DHI a fixed fee for each lot developed, which is mutually agreed upon for each project

# INCOME STATEMENT

	3 MONTHS ENDED	
	12/31/25	12/31/24
<b>Residential lots sold:</b>		
Development projects	1,900	2,291
Lot banking projects	44	42
Average sales price per lot <sup>(1)</sup>	\$ 121,000	\$ 105,500
<b>Revenues<sup>(2)</sup></b>	<b>\$ 273.0</b>	<b>\$ 250.4</b>
Gross profit	55.0	55.0
Selling, general and administrative expense	36.5	36.0
Equity in earnings of unconsolidated ventures	—	(0.6)
Interest and other income	(2.3)	(2.3)
<b>Income before income taxes</b>	<b>\$ 20.8</b>	<b>\$ 21.9</b>
Income tax expense	5.4	5.4
<b>Net income</b>	<b>\$ 15.4</b>	<b>\$ 16.5</b>
<b>Net income per diluted share</b>	<b>\$ 0.30</b>	<b>\$ 0.32</b>

\$ in millions except per share data and average sales price per lot

Unaudited

1) Excludes any impact from change in contract liabilities

2) Revenues include \$37.8 million and \$3.0 million in tract sales and other revenue for the three months ended December 31, 2025 and 2024, respectively.

# ADJUSTED EBITDA RECONCILIATION

## Reconciliation of Adjusted Non-GAAP Financial Measures to their GAAP equivalents

	3 MONTHS ENDED			12 MONTHS ENDED		
	12/31/25	12/31/24		12/31/25	12/31/24	
<b>Net income</b>	\$ 15.4	\$ 16.5		\$ 166.9	\$ 181.8	
Income tax expense	5.4	5.4		51.3	59.1	
Interest charged to cost of sales	4.3	3.5		31.5	25.5	
Depreciation and amortization	0.9	0.8		3.7	3.0	
Equity in earnings of unconsolidated ventures	—	(0.6)		—	(0.6)	
Interest and other income	(2.3)	(2.3)		(6.3)	(15.8)	
<b>EBITDA</b>	\$ 23.8	\$ 23.3		\$ 247.1	\$ 253.0	
Stock based compensation	3.1	2.6		7.9	7.1	
Gain on sale of assets	—	—		(4.5)	(9.5)	
Loss on extinguishment of debt	—	—		1.2	—	
<b>Adjusted EBITDA</b>	\$ 26.9	\$ 26.0		\$ 251.7	\$ 250.6	
<i>Adjusted EBITDA Margin</i>	9.9%	10.4%		14.9%	17.2%	

\$ in millions  
Unaudited

# BALANCE SHEET

	12/31/25	9/30/25	12/31/24
<b>Cash and cash equivalents</b>	\$ 211.7	\$ 379.2	\$ 132.0
Real estate	2,850.5	2,645.1	2,736.8
Other assets	114.4	112.7	91.8
<b>Total assets</b>	<b>\$ 3,176.6</b>	<b>\$ 3,137.0</b>	<b>\$ 2,960.6</b>
Debt	\$ 793.2	\$ 802.7	\$ 806.8
Accrued development costs	131.6	131.8	131.4
Earnest money on sales contracts	210.0	193.3	206.7
Other liabilities	167.4	154.1	135.0
Deferred tax liability, net	87.4	86.2	66.6
<b>Stockholders' equity</b>	<b>1,786.0</b>	<b>1,767.9</b>	<b>1,613.1</b>
Noncontrolling interests	1.0	1.0	1.0
<b>Total equity</b>	<b>1,787.0</b>	<b>1,768.9</b>	<b>1,614.1</b>
<b>Total liabilities and equity</b>	<b>\$ 3,176.6</b>	<b>\$ 3,137.0</b>	<b>\$ 2,960.6</b>
<b>Net debt to total capital<sup>(1)</sup></b>	<b>24.6 %</b>	<b>19.3 %</b>	<b>29.5 %</b>
<b>Debt to total capital<sup>(1)</sup></b>	<b>30.8 %</b>	<b>31.2 %</b>	<b>33.3 %</b>

\$ in millions

Unaudited

(1) Debt to capital is calculated as debt divided by stockholders' equity plus debt; net debt to capital is calculated as debt net of unrestricted cash divided by debt net of unrestricted cash plus stockholders' equity