



2022

M.D.C. Holdings, Inc.  
May 2022

**INVESTOR PRESENTATION**



# Forward Looking Statements



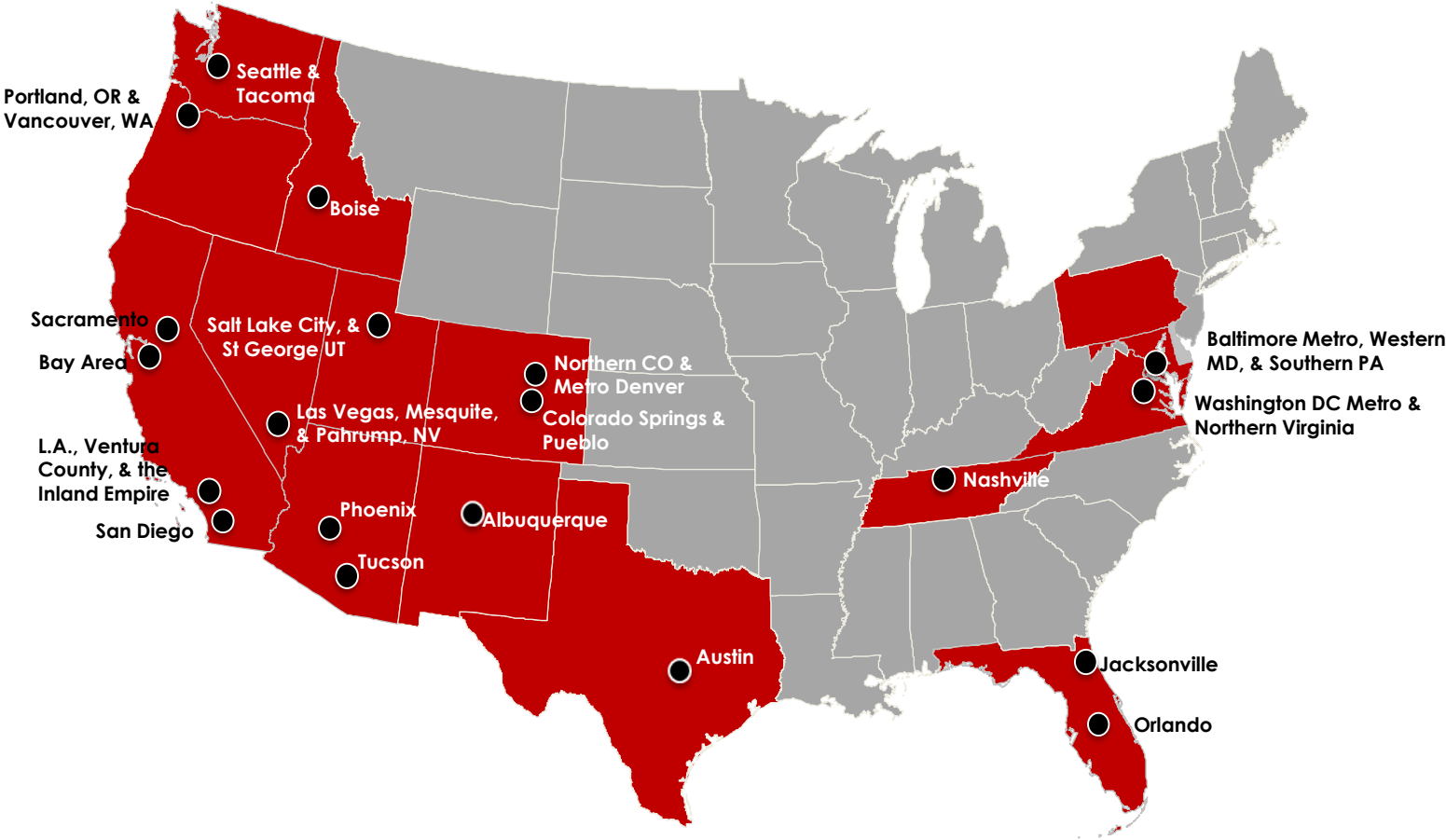
Certain statements in this presentation, including statements regarding our business, financial condition, results of operation, cash flows, strategies and prospects, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of MDC to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among other things, (1) general economic conditions, including the impact of the COVID-19 pandemic, changes in consumer confidence, inflation or deflation and employment levels; (2) changes in business conditions experienced by MDC, including restrictions on business activities resulting from the COVID-19 pandemic, cancellation rates, net home orders, gross margins from home sales, land and home values and subdivision counts; (3) changes in interest rates, mortgage lending programs and the availability of credit; (4) changes in the market value of MDC's investments in marketable securities; (5) uncertainty in the mortgage lending industry, including repurchase requirements associated with HomeAmerican Mortgage Corporation's sale of mortgage loans (6) the relative stability of debt and equity markets; (7) competition; (8) the availability and cost of land and other raw materials used by MDC in its homebuilding operations; (9) the availability and cost of performance bonds and insurance covering risks associated with our business; (10) shortages and the cost of labor; (11) weather related slowdowns and natural disasters; (12) slow growth initiatives; (13) building moratoria; (14) governmental regulation, including orders addressing the COVID-19 pandemic, the interpretation of tax, labor and environmental laws; (15) terrorist acts and other acts of war; (16) changes in energy prices; and (17) other factors over which MDC has little or no control. Additional information about the risks and uncertainties applicable to MDC's business is contained in MDC's Form 10-Q for the quarter ended March 31, 2022.

All forward-looking statements made in this presentation are made as of the date hereof, and the risk that actual results will differ materially from expectations expressed in this presentation will increase with the passage of time. The Company undertakes no duty to update any forward-looking statements, whether as a result of new information, future events or otherwise. However, any further disclosures made on related subjects in our subsequent filings, releases or presentations should be consulted.

# Company Overview



Founded in 1972, M.D.C. Holdings, Inc. is one of the leading homebuilders in the United States. Through our Richmond American Homes subsidiaries, we've helped over 220,000 buyers move into new, quality homes across the country.



	AZ	CA	NV	OR	WA	CO	UT	FL	Mid-Atl	Total
LTM Deliveries	1,626	2,340	1,018	261	454	2,184	522	1,132	500	10,037
% of Total	16.2%	23.3%	10.1%	2.6%	4.5%	21.8%	5.2%	11.3%	5.0%	
LTM ASP ('000s)	\$ 411	\$ 620	\$ 487	\$ 583	\$ 634	\$ 604	\$ 494	\$ 347	\$ 551	\$ 528

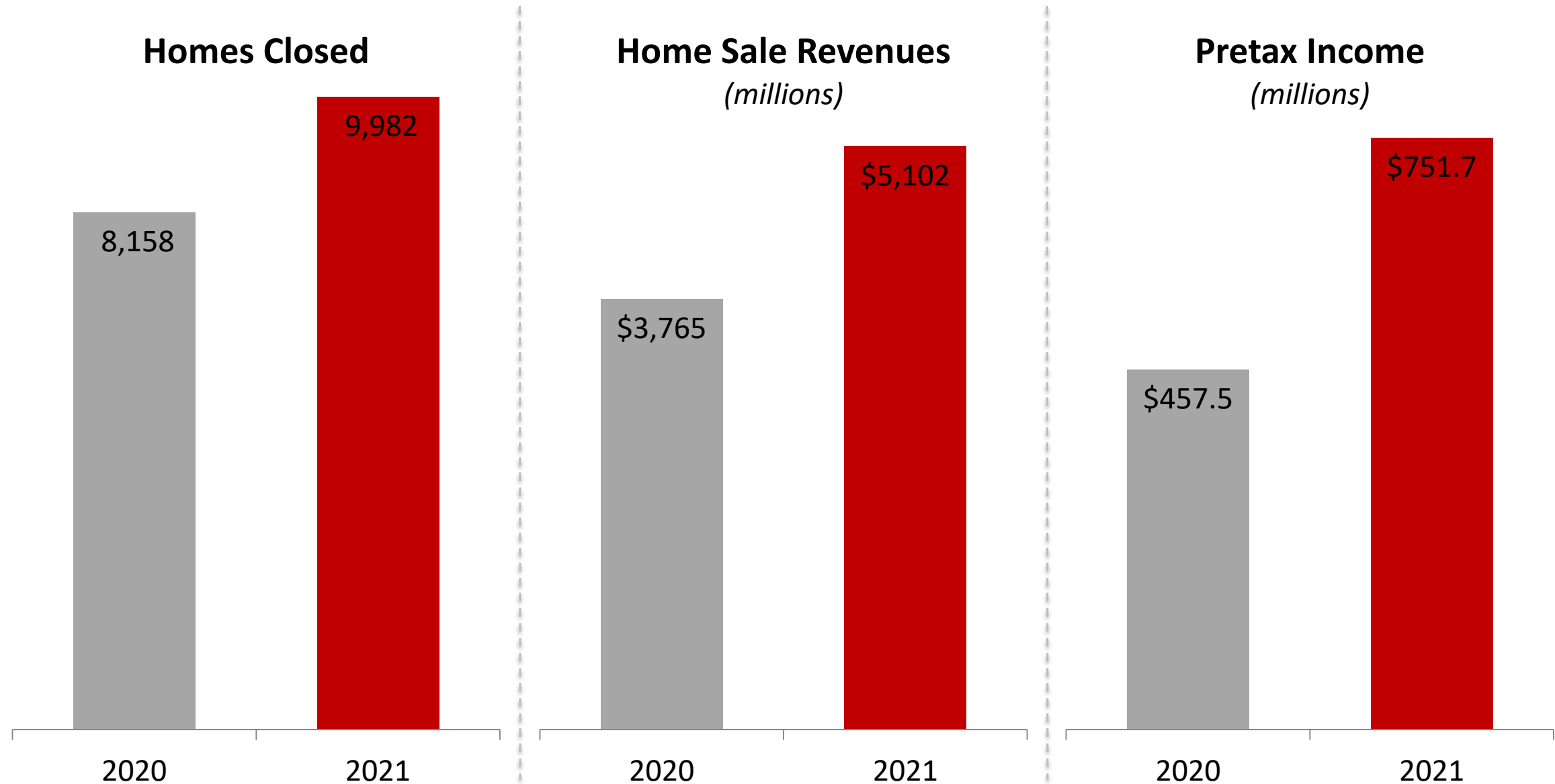
Data as of March 31, 2022

# Recent Financial Highlights

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# 2021 Full-Year Results



*Record home sale revenues helped drive impressive bottom line growth in 2021*

# Quarterly Results – Q1 2022

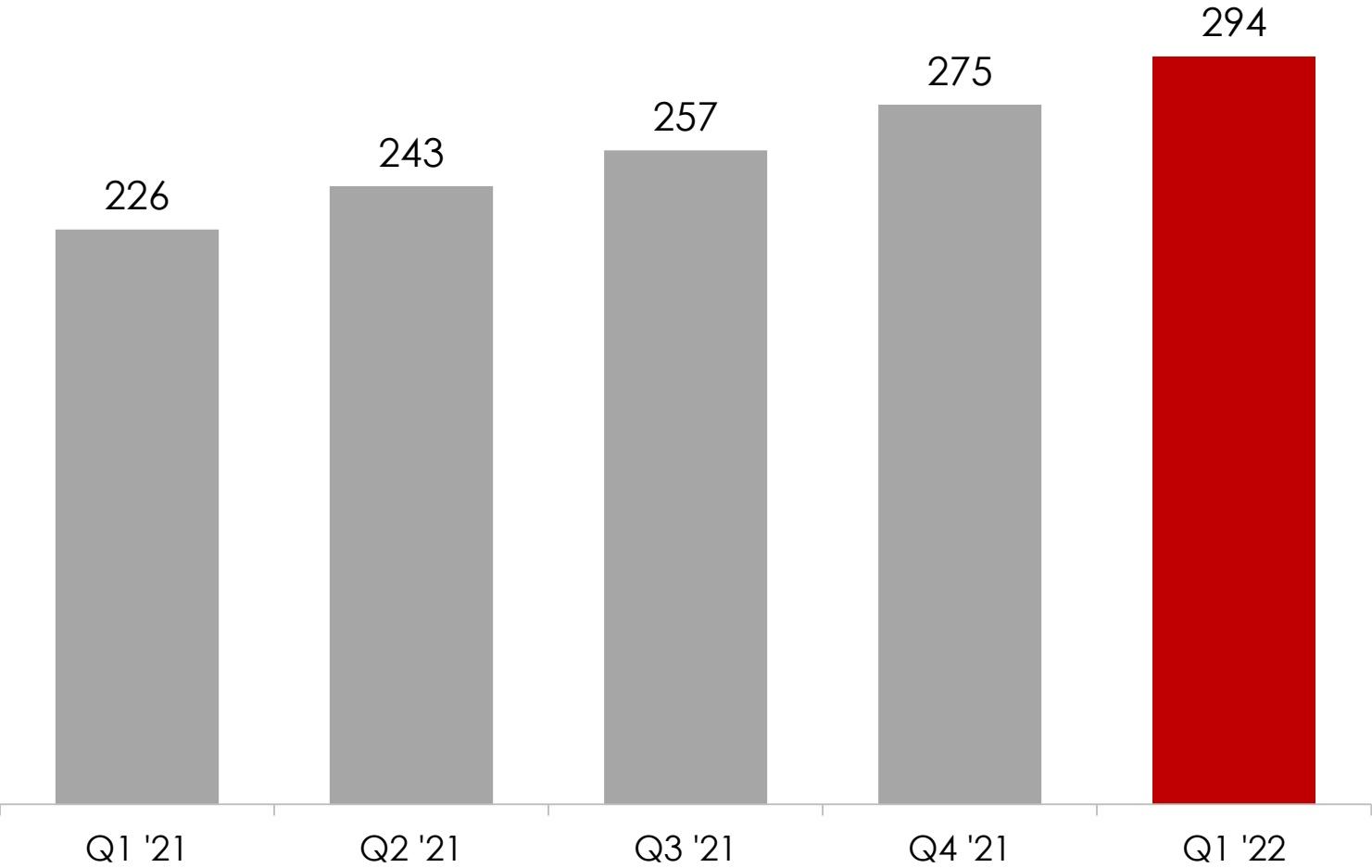
(\$ in millions)	Q1 2022	Q1 2021	% Change
Homes Closed	2,233	2,178	3%
Homes Sales Revenue	\$1,240.5	\$1,041.9	19%
Homebuilding Pretax Income	\$188.5	\$113.5	66%
Financial Services Pretax Income	\$13.4	\$30.8	57%
Net Income	\$148.4	\$110.7	34%
Gross Margin	25.7%	21.9%	380 bps
Homes Sold	3,151	3,209	2%
Sales Absorption Pace	5.42	5.64	4%
Average Active Subdivisions	195	190	3%
Backlog Units	8,558	7,686	11%
Backlog Dollar Value	\$4,947.8	\$3,927.3	26%

*Continued growth fueled by margin expansion and healthy demand; cycle times continue to be the primary limiting factor*





# Sale to Close Cycle Times \*





# Competitive Advantage and Strategic Focus

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# The MDC Difference



## How MDC is Different

### BUILT FOR SUCCESS THROUGH THE HOUSING CYCLE

- ✓ Strong balance sheet
- ✓ 2-3 years land supply
- ✓ Limited amount of speculative inventory
- ✓ Industry leading dividend



## Why It Matters

We're focused on homebuilding, not land speculation, which positions us to withstand, and ultimately benefit from, downturns.

Allows us to reward shareholders with an industry leading dividend, which has remained consistent / increased each year since 1994.

### DIVERSE PRODUCT MIX WITH A CONTINUED FOCUS ON THE AFFORDABLE SEGMENT

- ✓ Appeal to a number of buyer demographics
- ✓ Benefitting from the millennial homebuying wave
- ✓ Moving down in price without sacrificing quality or design elements



Allows us to have faster cycle times, increase our absorption pace and improve our gross margin through better pricing power.

Attracts both new homebuyers and move down buyers focused on affordability.

Unique products help differentiate us from peers.

### BUILD TO ORDER MODEL

- ✓ Allows for personalization
- ✓ Differentiates us in the market as more builders move to a spec strategy
- ✓ "Build-to-order" strategy limits risk vs. speculative building of unsold homes by peer group



Allows us to manage the customer experience from end-to-end.

Personalization leads to higher margin sales. We've proven we can generate order rates above peer group average without the use of specs.

Model is consistent with our risk conscious operating philosophy.





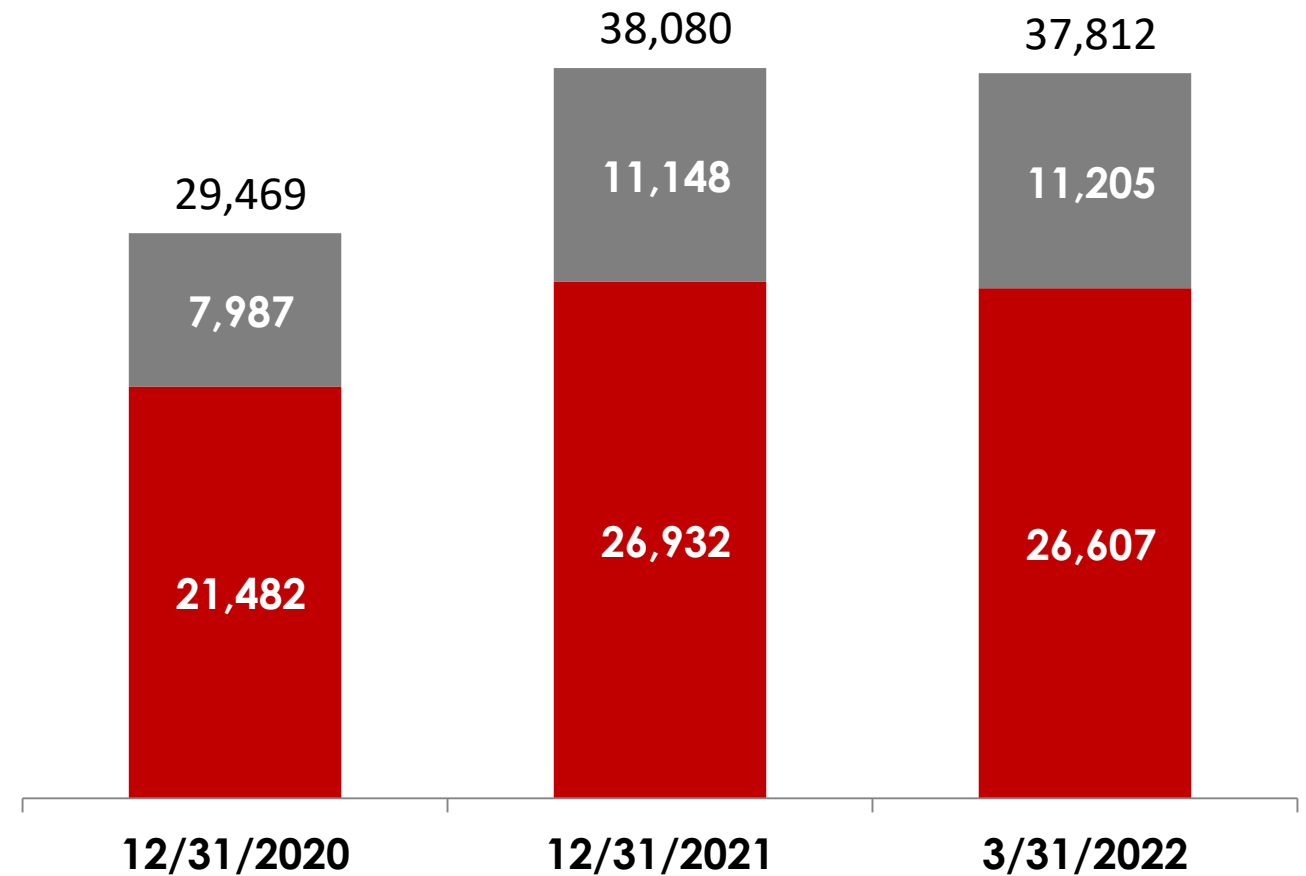
# Built for Success Through the Housing Cycle

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# Land Strategy

- Target 2-3 year land supply
- Carefully managed to reduce exposure to industry cycles
- Total lot count of 37,812 as of 3/31/2022, an increase of 18% year-over-year

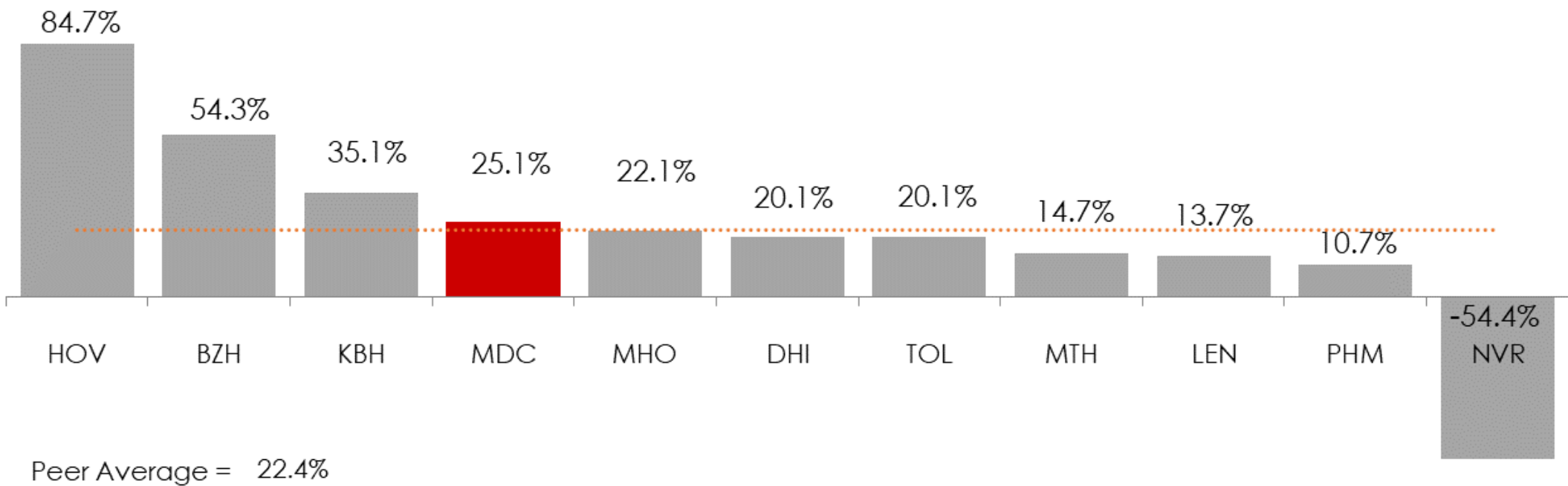


# Strong Balance Sheet



MDC's transparent balance sheet and disciplined operating principles are uniquely designed to balance risk and reward

## Net Debt to Capital \*





# Access to Capital Markets



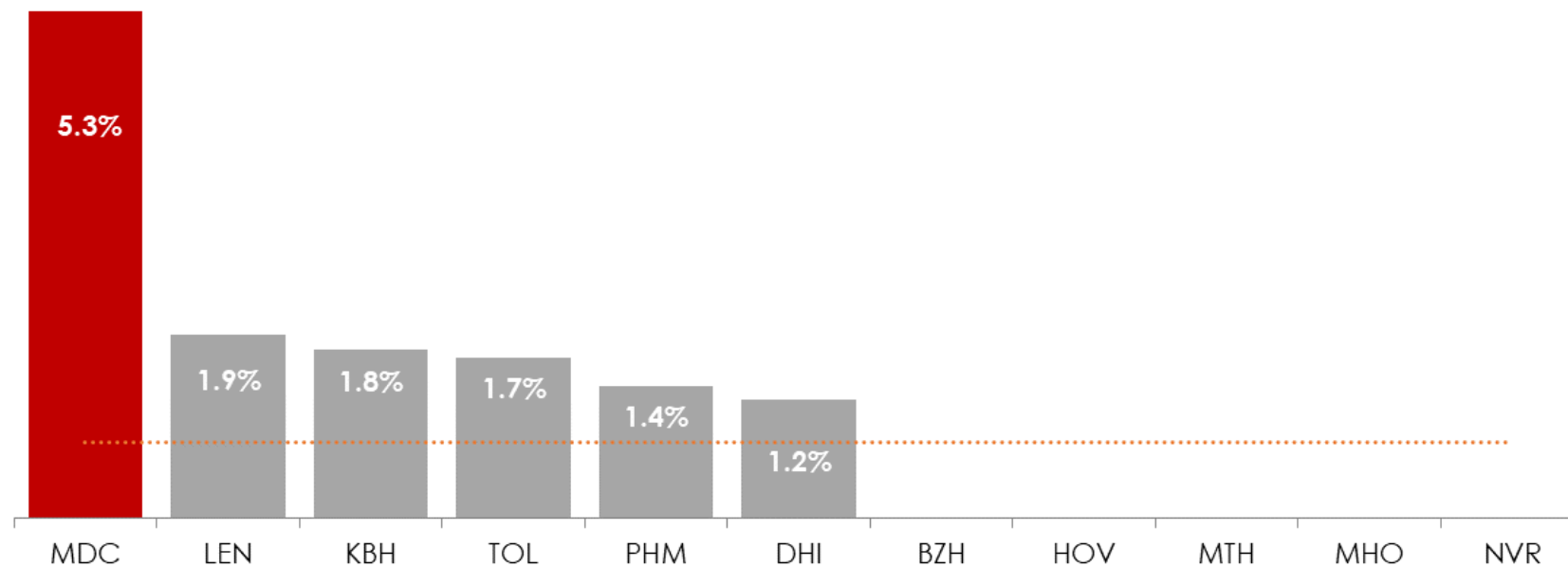
Senior/Corporate Credit Ratings		
Fitch Inc.	BBB-	Stable
S&P Global	BBB-	Stable
Moody's	Ba1	Stable

Credit ratings among the industry's best, further demonstrating our disciplined approach and strong financial position

# Industry Leading Dividend Yield



Cash dividend uninterrupted since 1994, with a 25% year-over-year increase in April 2022.



Peer Average = 0.8%

Quarterly cash dividend of \$0.50 (\$2.00 annualized) declared in April 2022





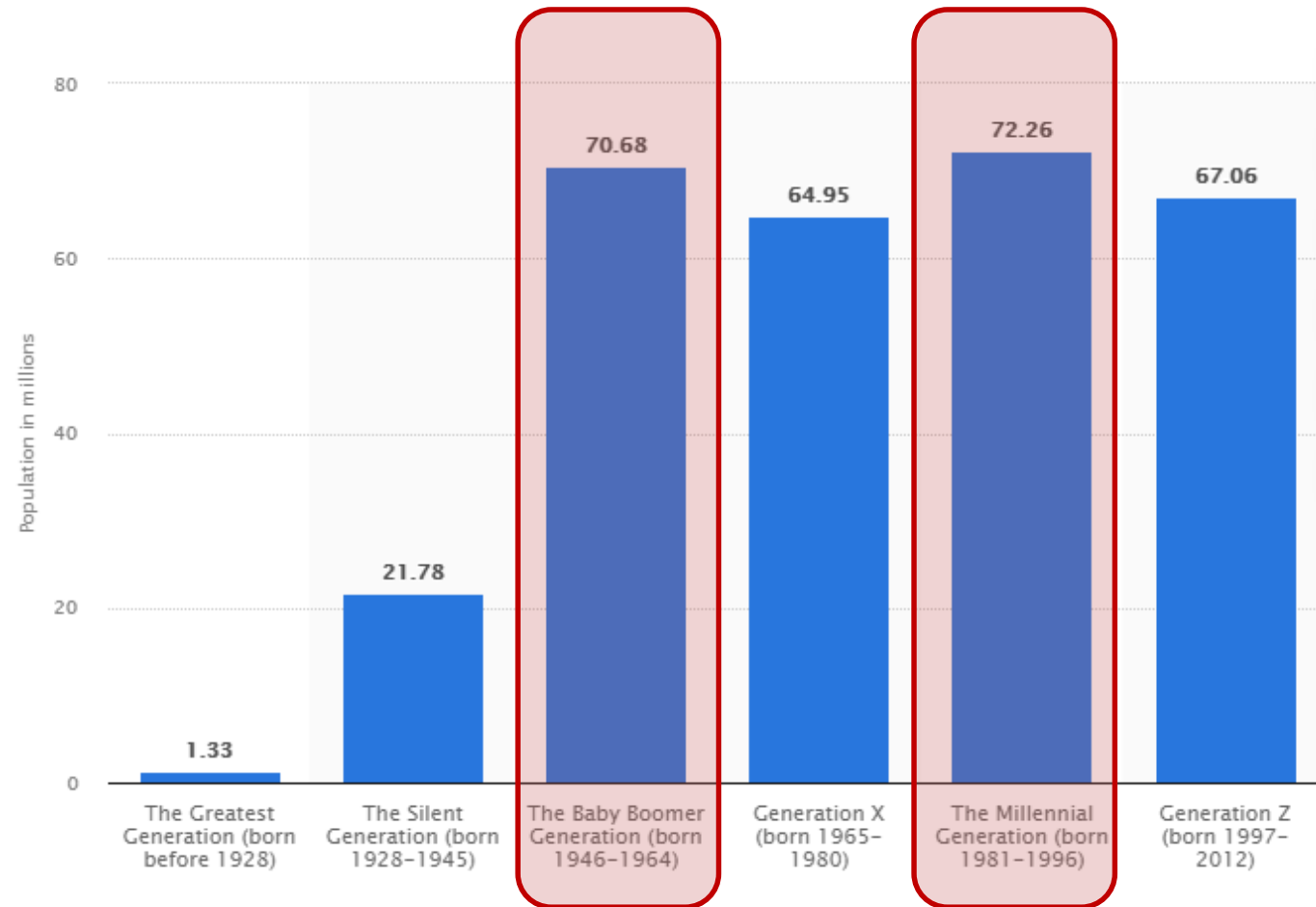
# Diverse Product Mix with a Focus on Affordability

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# MDC's Affordable Product Approach

- Smaller floor plans
- Value-engineered but still high-quality construction
- Offering as build-to-order
- Higher quality structural features included
- Faster growth rate than traditional product
- Appeals to multiple generations, in particular: baby boomers and millennials

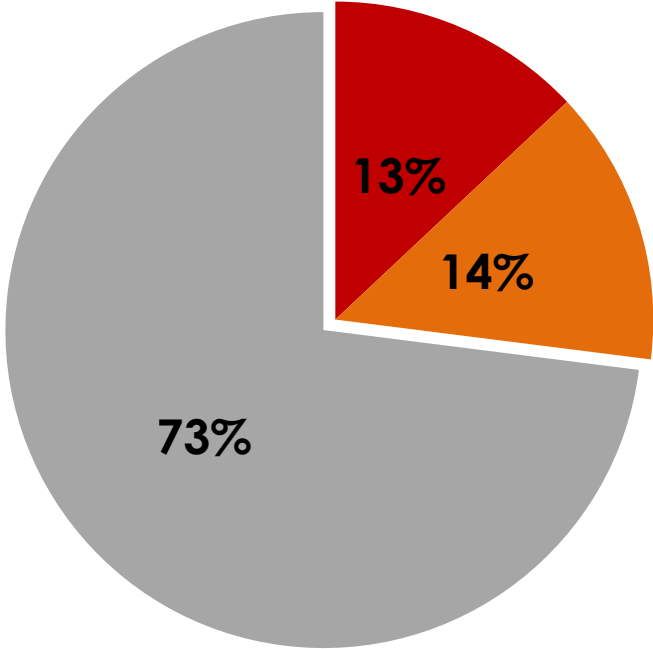
## U.S. Population by Generation





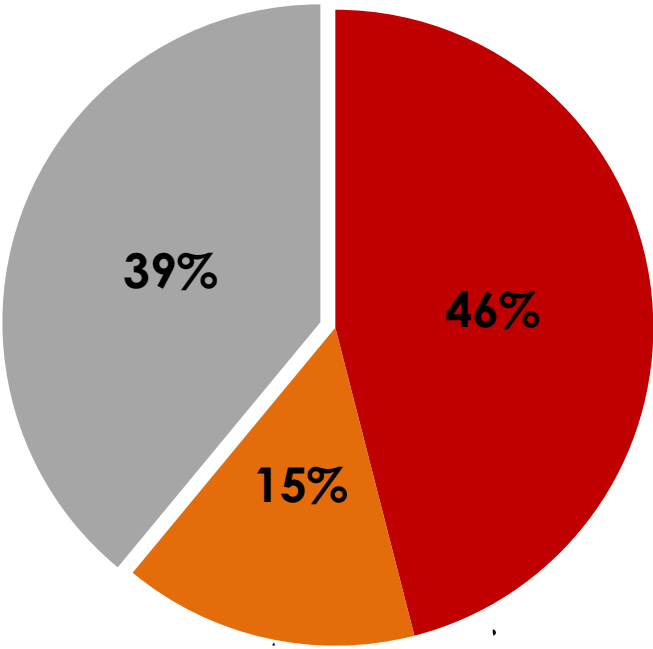
# Product Mix

2017 Closings



- Seasons
- Other Affordable
- Traditional Single Family Detached

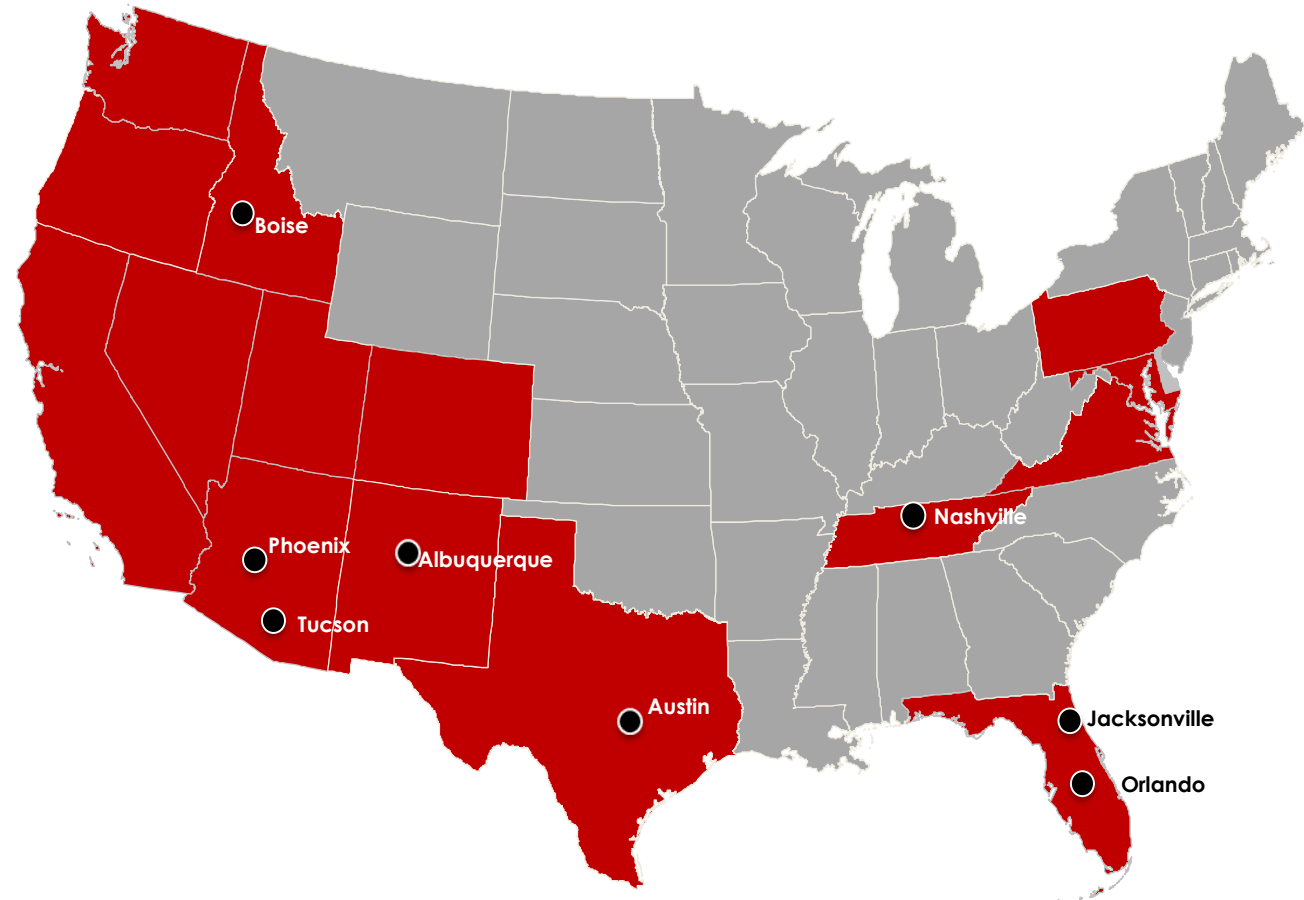
2021 Closings



# Continued Growth in Affordable Markets

We have seen continued growth within two of our most affordable markets, Arizona and Florida. Closings in these two markets have grown by 98% and 132% since 2017.

Additionally, our entrance into new markets over the past year (Albuquerque, Austin, Boise and Nashville) have further increased our footprint in more affordable markets.



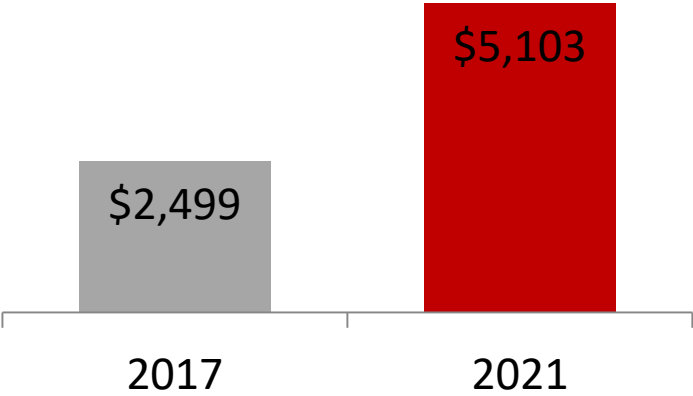
Market	Closings		
	2017	2021	% Increase
Arizona	821	1,628	98%
Florida	433	1,003	132%



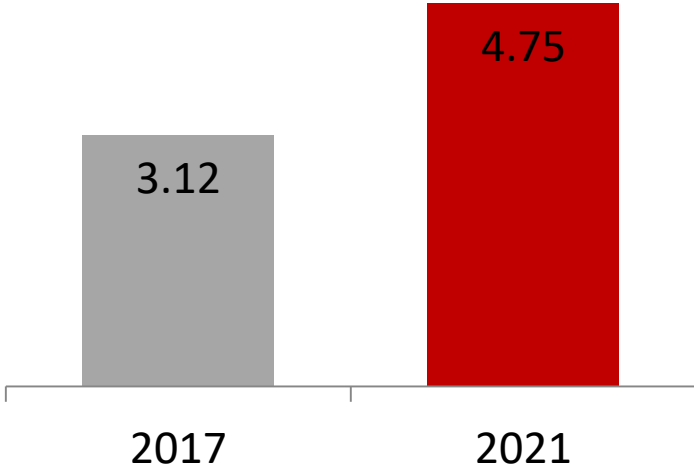


# Benefits of our Focus on Affordability

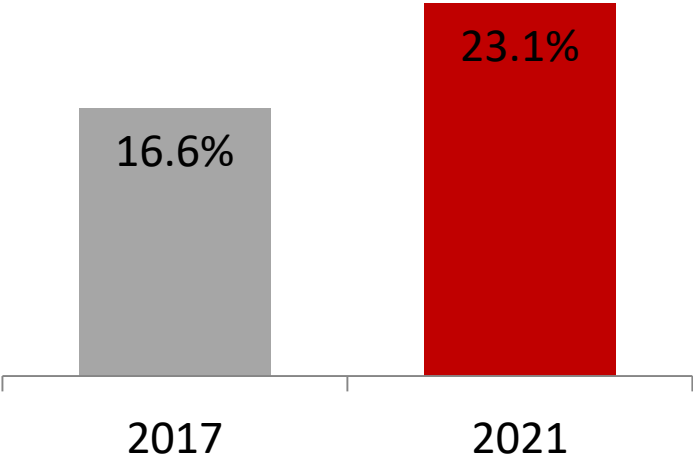
Home Sale Revenues  
*(in millions)*



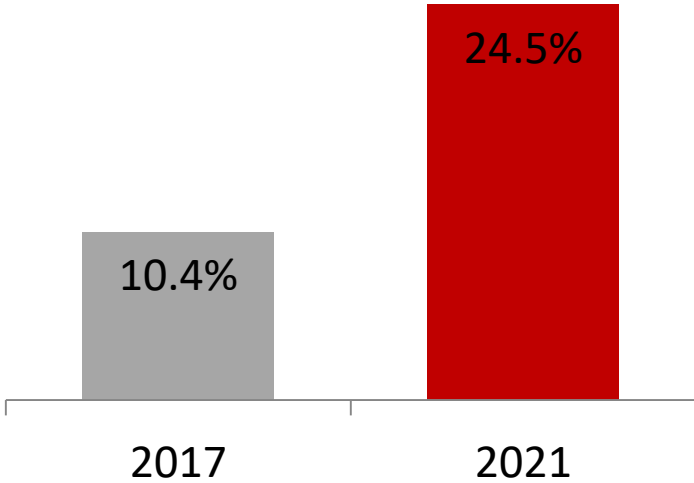
Absorption Pace



Gross Margin



Return on Equity



# Product Spotlight





# Product Spotlight



**ULTRAGARAGE™**  
BY RICHMOND AMERICAN



RICHMOND AMERICAN  
**urban**  
COLLECTION™



# Build-to-Order Model

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# MDC's Distinct Build-to-Order Model



- Distinct Build-to-Order Strategy is a key differentiator for MDC
- Ability to select a lot, plan and options helps create an end-to-end “customer experience”
- In-house merchandising and marketing teams highlight design through model home presentation
- Strategy aligns with disciplined operating principles by limiting speculative inventory and exposure to industry cycles



# End-to-End Customer Experience

End-to-end customer experience creates multiple consumer touch points and drives incremental revenue through Home Gallery Design Studios, as well as our homebuyer financial service businesses highlighted below:

- HomeAmerican Mortgage Corporation
  - Originates mortgage loans for our homebuyers
- American Home Title and Escrow Company
  - Provides title agency services to our homebuyers and homebuilding subsidiaries
- American Home Insurance Agency, Inc.
  - Provides third-party insurance products to homebuyers







# HOME GALLERY™

BY RICHMOND AMERICAN

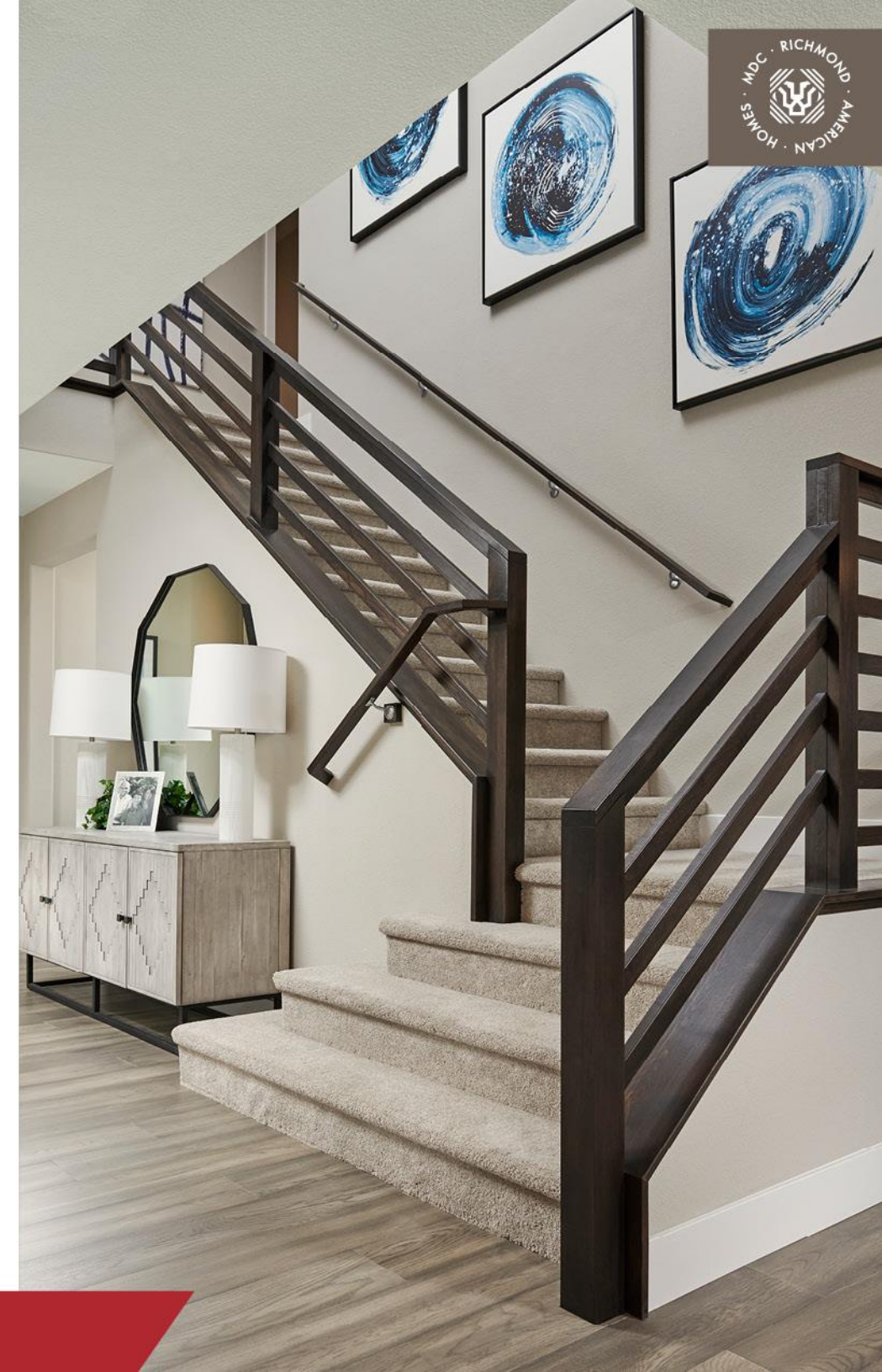


- Hundreds of fixture and finish options
- Step-by-step design assistance
- Higher margin products help drive higher gross margin from home sales
- Comprise approximately 7% of home sales revenue (with approximately another 7% of home sales revenue from structural options)\*
- Ability to analyze customer preferences and quickly adjust pricing based on customer demand



# Financial Service Businesses

- Highly profitable complementary homebuyer services
- Over \$152 million in revenues and \$92 million in pretax income in 2021
- Homebuyer capture rate of approximately 65% for HomeAmerican Mortgage Corporation in 2021
- Recurring income streams generated by American Home Insurance Agency





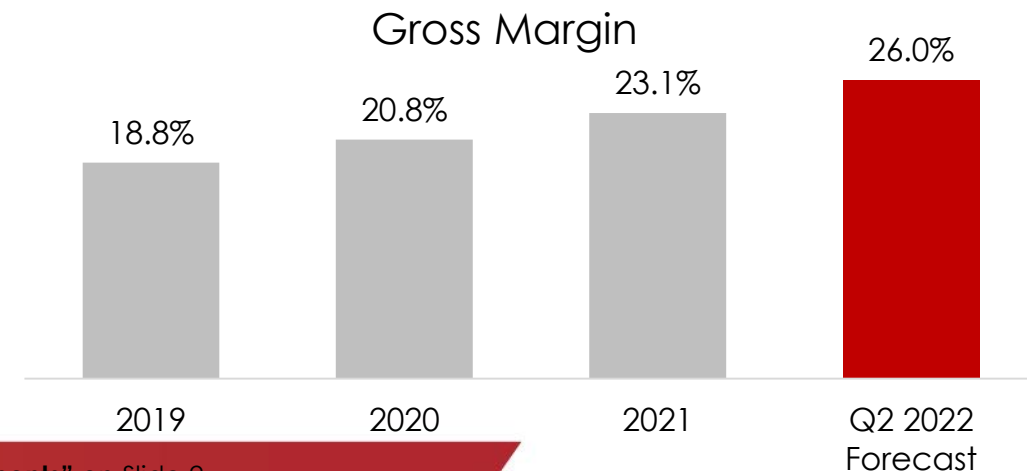
# Outlook & Other Selected Information

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## 2022 Outlook & Other Selected Information<sup>1,2</sup>

- Home deliveries for the 2022 Second quarter between 2,400 and 2,600
  - Average selling price for 2022 second quarter unit deliveries of approximately \$560,000 and \$570,000
  - Projected gross margin from home sales for the 2022 second quarter exceeding 26.0% (excluding impairments or warranty adjustments)
  - Projected full year 2022 home deliveries between 10,500 and 11,000
- Lots controlled of 37,812 at March 31, 2022, up 18% year-over-year
- Recently announced acquisition of substantially all of the homebuilding assets of The Jones Company of Tennessee, L.L.C. (“Jones”) is expected to close near the end of the second quarter of 2022
  - Expected to add approximately 10 selling communities, 1,700 controlled lots and 150 units to backlog





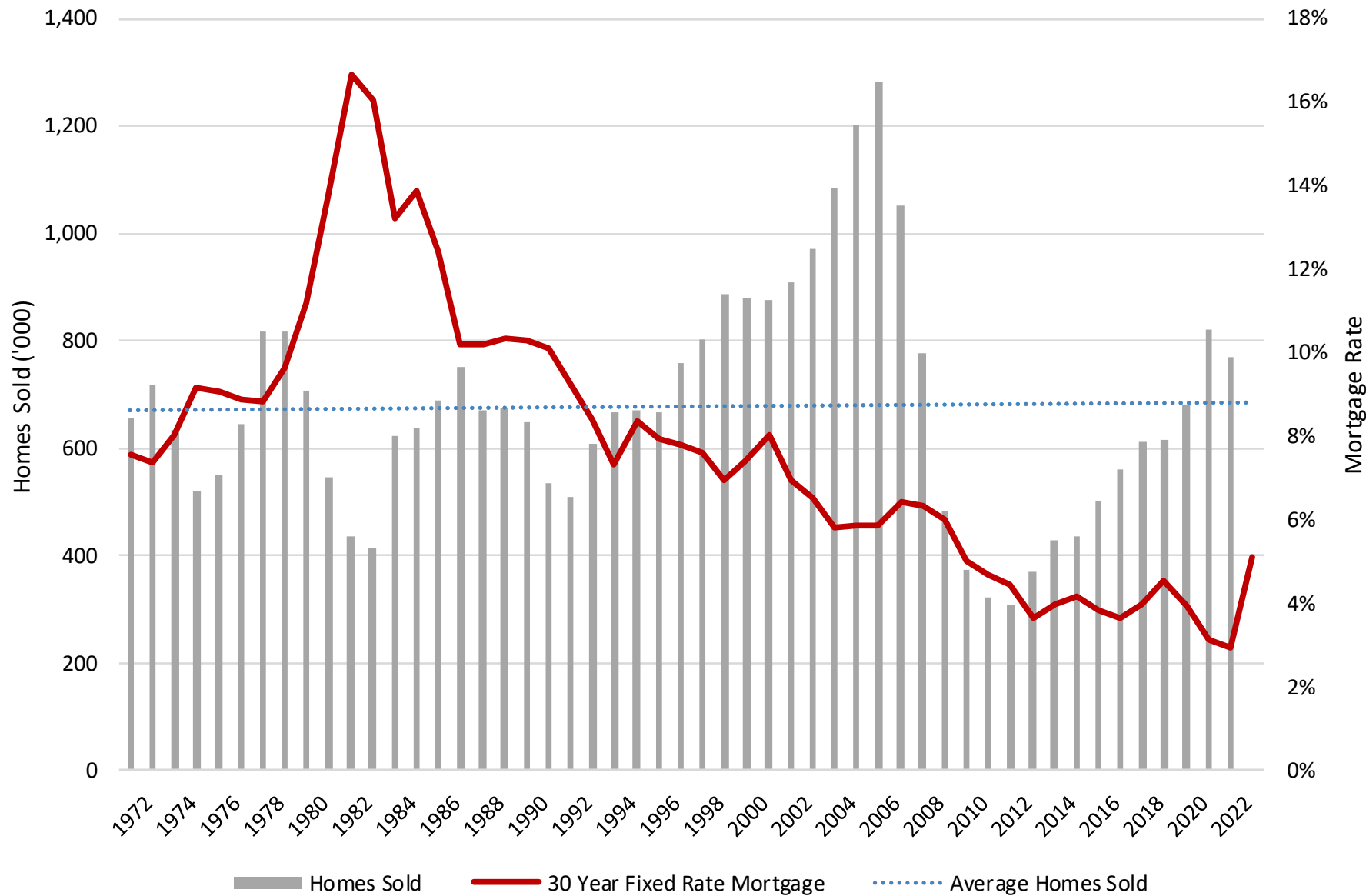
# Significant Demand Drivers\*



- Rise in remote work options
- Focus on suburban home ownership
- Limited new and existing home inventory (housing inventory at the end of March 2021 amounted to 950,000 units)\*\*
- Buyer demographics – millennials buying for first time, baby boomers downsizing and relocating
- Unemployment rates among homebuyer customer base lower than rest of country



# New Home Sales vs. Interest Rates



- New home sales remained below the long-term average from 2007-2019
- Construction of new housing in the past 20 years fell short of long-term historical levels \*
- Significant growth opportunity for the homebuilding industry to capitalize on the shortage



# Appendix – Company Leaders

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# MDC Senior Executives



**Larry A. Mizel** *Founder/Executive Chairman*

Mr. Mizel provides leadership and judgment, while advancing the long-term interests of the company's shareholders. As founder, and one of the most experienced leaders in the homebuilding industry, his knowledge and foresight provide invaluable guidance.



**David D. Mandarich** *President/CEO/Director*

A skilled and experienced leader in the homebuilding industry, Mr. Mandarich has been with the company since 1977. He provides seasoned judgment, industry knowledge and a keen understanding of the company's homebuilding business and operations.



# MDC Senior Executives



**Robert N. Martin**

*Senior Vice President & CFO*

Mr. Martin started his career in public accounting with Arthur Andersen LLP. Since 2002, he has served a variety of leadership roles at MDC, with direct oversight over the company's accounting, finance, tax, investor relations, information technology, treasury and planning and analysis functions.



**Rebecca B. Givens**

*Senior Vice President & General Counsel*

Ms. Givens was a partner at a Denver-area law firm, then joined MDC as a real estate attorney for eight years. She then served as general counsel for Spectrum Retirement Communities for nearly 20 years. In 2020, Ms. Givens returned for a second tenure with the company and was elected Senior Vice President and General Counsel in October 2020.



**David Viger**

*Chief Operating Officer,  
Richmond American Homes*

Mr. Viger has a 16-year tenure at Richmond American Homes, serving in many capacities. He started as an Assistant Superintendent and climbed the ranks to become a Regional Division President before taking on his current role. A retired lieutenant in the Navy, David earned a B.S. from the U.S. Naval Academy and previously played for the NFL.



**Krista Montgomery**

*Sr. Vice President & Chief  
Human Resources Officer*

Ms. Montgomery assumed the role of Senior Vice President and Chief Human Resources Officer in March 2022 after serving the Company for 17 years in a variety of leadership roles, including Vice President of Human Resources. Ms. Montgomery previously held human resources positions at Qwest Communications (now CenturyLink) and Vercuity.

# Corporate/National Leadership



*Increasingly diverse senior leadership team with an average of 15 years experience at the Company*



**Bryan Blum**  
*Vice President, Real Estate Legal*  
*Tenure: 7 years*



**Stacy Givens**  
*Vice President, Finance & Business Operations*  
*Tenure: 9 years*



**David Kenyon**  
*Vice President, Division Accounting*  
*Tenure: 10 years*



**Tracie Major**  
*Vice President, Corporate Accounting*  
*Tenure: 19 years*



**Ben Clarke**  
*Vice President, National Home Gallery, Options & Customer Experience*  
*Tenure: 17 years*



**Andrew Harris**  
*Senior Vice President, National Construction*  
*Tenure: 26 years*



**Derek Kimmerle**  
*Vice President, Corporate Controller*  
*Tenure: 5 years*



**Ron Milzer**  
*Vice President, Real Estate Legal*  
*Tenure: 23 years*



**Joe Fretz**  
*Vice President, Corporate Counsel & Secretary*  
*Tenure: 20 years*



**Lud Jones**  
*Vice President, Treasurer*  
*Tenure: 36 years*



**Debbi Kovacs**  
*Director of Risk Management*  
*Tenure: 26 years*



**Dawn Huth**  
*Senior Vice President, National Finance*  
*Tenure: 14 years*



# Corporate/National Leadership



**Joe Morrissey**  
*Vice President, Tax*  
*Tenure: 2 years*



**Heidi Sheldon**  
*Vice President,  
National  
Merchandising*  
*Tenure: 22 years*



**Christy Ross**  
*Vice President,  
National Marketing*  
*Tenure: 12 years*



**Jamie Sporrer**  
*Vice President,  
Internal Audit*  
*Tenure: 17 years*



**Scott Rust**  
*Vice President, IT  
Operations*  
*Tenure: 10 years*



**Rick Thomas**  
*Vice President – Real  
Estate*  
*Tenure: 1 year*

# Other Homebuilding Leadership



**Greg Shaia**  
*Regional President,  
Northern California,  
Sacramento, Southern  
California, Riverside*  
*Tenure: 4 years*



**Jack Gallagher**  
*Regional  
President, Mid-  
Atlantic, Orlando,  
and Jacksonville*  
*Tenure: 18 years*



**Paul Peterson**  
*Regional President,  
Utah, Boise,  
Washington, and  
Oregon*  
*Tenure: 7 years*



**Michael IlesCremieux**  
*Senior Division  
President, Phoenix  
West, Phoenix East,  
and Tucson*  
*Tenure: 6 years*



# Other Financial Services Leadership



**Justin Flake**  
*President*  
*HomeAmerican*  
*Mortgage Corporation*  
*Tenure: 6 months*



**Stephen McQueen**  
*Senior Vice*  
*President, Finance*  
*HomeAmerican*  
*Mortgage Corporation*  
*Tenure: 9 years*



**Jennifer Prom**  
*Chief Compliance*  
*Officer, Mortgage*  
*Counsel*  
*HomeAmerican*  
*Mortgage Corporation*  
*Tenure: 5 years*



**Jamie Pruett**  
*Vice President,*  
*American Home*  
*Insurance Company*  
*Tenure: 6 months*



**Pat Rice**  
*President*  
*American Home Title*  
*& Escrow Company*  
*Tenure: 23 years*





# Appendix – Reconciliation of Non-GAAP Financial Measures

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# Reconciliation of Non-GAAP Financial Measures



“Net debt” and “net capital” are non-GAAP financial measures, and should not be considered in isolation or as an alternative to performance measures prescribed by GAAP. The table below reconciles “net debt” and “net capital” to debt and capital as calculated based on GAAP. We believe the ratio of net debt to net capital, also known as “net debt-to-capital” is meaningful to investors as management uses the ratio in understanding the leverage employed in our operations and as an indicator of our ability to obtain external financing. Furthermore, we utilize this information for comparative purposes within our industry.

	March 31, 2022	December 31, 2021	March 31, 2021
	(Dollars in thousands)		
Senior notes, net	\$ 1,481,976	\$ 1,481,781	\$ 1,384,475
Revolving credit facility	10,000	10,000	10,000
Homebuilding GAAP debt	1,491,976	1,491,781	1,394,475
Stockholders' equity	2,711,082	2,597,146	2,214,872
Total GAAP capital	4,203,058	4,088,927	3,609,347
<b>GAAP debt to capital ratio</b>	<b>35.5 %</b>	<b>36.5 %</b>	<b>38.6 %</b>
Homebuilding GAAP debt less:			
Homebuilding cash and cash equivalents	(474,447)	(485,839)	(678,194)
Financial services cash and cash equivalents	(107,503)	(104,821)	(81,100)
Net debt	910,026	901,121	635,181
Stockholders' equity	2,711,082	2,597,146	2,214,872
Total net capital	\$ 3,621,108	\$ 3,498,267	\$ 2,850,053
<b>Net debt to capital ratio</b>	<b>25.1 %</b>	<b>25.8 %</b>	<b>22.3 %</b>





# Appendix – Environmental, Social & Corporate Governance

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# Environmental, Social & Corporate Governance



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) HIGHLIGHTS

### Environmental Initiatives

- Every Richmond American home comes standard with energy efficient features that help cut down on energy usage.
- In 2021, our average HERS rating improved by 7% to 51, 79 percent more energy efficient than a typical resale home.
- Goal of decreasing our average HERS rating to 50 or less by 2025. Longer term, we are evaluating the implementation of a net-zero ready home strategy.
- Expanded our solar offerings, previously limited to California and Colorado, to all our regions.
- Sought to manage our largest GHG emission source identified in our 2019 & 2020 GHG inventories, embodied carbon, by engaging our supply chain to obtain product-specific embodied carbon data.

### Social Initiatives

- Committed to fostering and promoting a diverse and inclusive work environment.
- Continued to promote a gender and ethnically diverse employee base; current employee base comprises 28% non-white employees and 45% female employees; 42% of employees in a position of manager and above are female.
- Competitive benefits package including medical coverage, paid time off and 401(k) match.
- The Company has donated nearly \$13 million to the MDC/Richmond American Homes Foundation in the last five years.
- Continued to offer sustainable, more affordably priced homes to homebuyers. In 2021, 61% of the new homes we delivered were from one of our more affordable homes series. Since 2017, we have increased the number of more affordable homes delivered by nearly 300%.

### Governance Initiatives

- Engaged and experienced Board of Directors actively participate in 12 regular meetings per year. Our non-management directors have an average tenure of 12.5 years.
- Our Code of Conduct training takes place for all employees at the time of hire, as well as for all employees and directors on an annual basis. Topics covered include business ethics, conflicts of interest and appropriate standards of workplace conduct.
- Focus on succession planning, including recent promotions of an increasingly diverse senior leadership team.
- Formal procedure in place for confidential reporting of any suspected violations of law.
- Prioritized a diverse management team and Board that fosters a foundation of integrity and ethical company culture, highlighted by our third consecutive appointment of a diverse candidate.



# Appendix – Product Spotlight Details

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# Product Spotlight: Seasons™ Collection



## Target buyer

- Buyers seeking affordable homes with all the best options
- Suburban locations offer affordability & easy access to employment centers

## Floor plan overview

- 85+ ranch & two-story floor plans
- Approx. 1,130 to 3,040 sq. ft.
- 2 to 6 bedrooms

## Collection features

- Open layouts with 9' main-floor ceilings
- Center-meet sliding doors & optional covered patios
- Low monthly payments
- Move-in package helps buyers set up their new home

## Driver of MDC's growth

- Launched in 2016, Seasons made up 11% of net orders in 2017 and has grown to 52% of net orders in 2021
- Shows Richmond American's ability to capture a growing market for affordable homes



# Product Spotlight: Cityscape™ Collection

CITYSCAPE™  
COLLECTION

## Target buyer

- Buyers seeking urban lifestyle near employment/shopping
- Typically infill locations

## Floor plan overview

- 4 three-story floor plans
- Rooftop decks included on many designs
- Approx. 1,710 to 1,800 sq. ft.
- 2 to 3 bedrooms

## Collection features

- Low maintenance
- Attached 2-car garages
- Infill sites with prime locations
- Vertical living with rooftop decks and main-floor balconies
- Contemporary finishes available

## Positioning MDC for growth

- First sold in 2016
- Contemporary design appeals to multiple consumer groups
- Drives affordability to infill areas through increased density





# Product Spotlight: UltraGarage™

ULTRAGARAGE®

## Target buyer

- Buyers in the need of additional storage space for RVs, boats and other recreational vehicles in suburban locations

## Floor plan overview

- 9 ranch & two-story floor plans
- Approx. 2,100 to 2,950 sq. ft.
- 3 to 5 bedrooms

## Collection features

- Buyers have 24/7/365 access to their RV, boat, ATVs or other vehicles with an attached garage that is accessible from the main house or smaller garage
- Product eliminates potential offsite storage fees for buyers by providing private indoor parking, protected from wind, hail and unnecessary UV damage

## Positioning MDC for growth

- Launched in 2019 in AZ markets and since expanded to CO, FL, NV, CA and WA
- Shows Richmond American's ability to reach buyers with unique requirements and personalize to their needs





# Product Spotlight: Urban Collection™

urban  
COLLECTION™

## Target buyer

- Buyers seeking affordable homes with all the best options
- Mix of suburban and infill locations offer affordability & easy access to employment centers

## Floor plan overview

- 2 floor plans; Boston & Chicago
- Two-story paired homes
- Approx. 1,260 to 1,520 sq. ft.
- 2 to 3 bedrooms

## Collection features

- Low maintenance
- Open floor plans
- Covered outdoor living spaces included
- Contemporary curb appeal
- Contemporary finishes available

## Positioning MDC for growth

- First sold in 2019
- Contemporary design appeals to multiple consumer groups
- Shows Richmond American's ability to capture a growing market for affordable homes

