



M.D.C. Holdings, Inc.
Investor Presentation
November 2019

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 changes in consumer confidence, inflation or deflation and employment levels; (2) changes in business conditions experienced by MDC, including cancellation rates, net home orders, home gross margins, 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 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-K for the year ended December 31, 2018 and Form 10-Q for the quarter ended September 30, 2019. 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 press release 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.



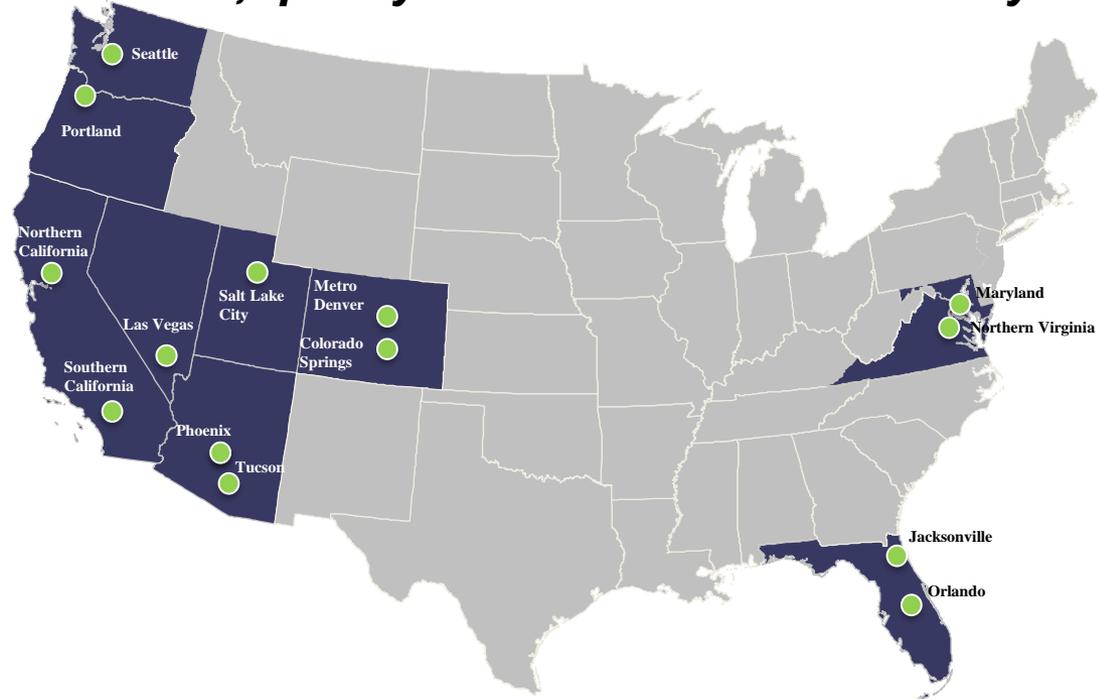
Company Overview

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 200,000 buyers move into new, quality homes across the country.

Homebuilding Operations:



Financial Services Business Units:



| | AZ | CA | NV | WA | CO | UT | FL | Mid-Atl | Total |
|-------------------|--------------|--------------|--------------|-------------|--------------|-------------|--------------|-------------|--------|
| LTM Deliveries | 1,141 | 948 | 965 | 352 | 1,813 | 312 | 681 | 184 | 6,412 |
| <i>% of Total</i> | <i>17.8%</i> | <i>14.8%</i> | <i>15.0%</i> | <i>5.5%</i> | <i>28.3%</i> | <i>4.9%</i> | <i>10.6%</i> | <i>2.9%</i> | |
| LTM ASP ('000s) | \$ 369 | \$ 625 | \$ 408 | \$ 554 | \$ 530 | \$ 418 | \$ 309 | \$ 416 | \$ 466 |

Data as of September 30, 2019

Competitive Advantage and Strategic Focus



The MDC Difference

How MDC is Different

Led By Two of the Industry's Most Senior Veterans

- ✓ CEO/COO with 89 years of combined experience at MDC (ranked #1) vs. 43-year average for peer group



Why it Matters

Decades of experience has created long-term shareholder value by successfully navigating through multiple economic cycles

Industry-Leading Management Ownership

- ✓ CEO/COO beneficial ownership of 25% (ranked #1) of MDC shares vs. 4% average for peer group



Aligns management's interests with our shareholders

Conservative Inventory Strategies Limit Risk

- ✓ Carefully managed land supply designed to reduce exposure to industry cycles
- ✓ "Build-to-order" policy limits risk vs. speculative building of unsold homes by peer group



Inline with Company operating philosophy, emphasizing risk management and financial stability while striving to achieve long-term shareholder value

Credit Profile Among the Best in the Industry

- ✓ Moody's: Ba2 / S&P: BB+ / Fitch: BBB-



Commitment to maintaining a strong financial profile (1) safeguards against inevitable market downturns and (2) provides capital resources for opportunistic investments

Industry-Leading Dividend (ranked #1)

- ✓ Current yield of 3.1% vs. 0.5% average for peer group*
- ✓ Uninterrupted cash dividend since 1994 – *unequaled by any member of the peer group*
- ✓ In the past ten years, Company paid approximately \$500 million in dividends to shareholders
- ✓ Increased annual dividend by 30% in 2018
- ✓ Declared 8% stock dividend in the first quarter of 2019



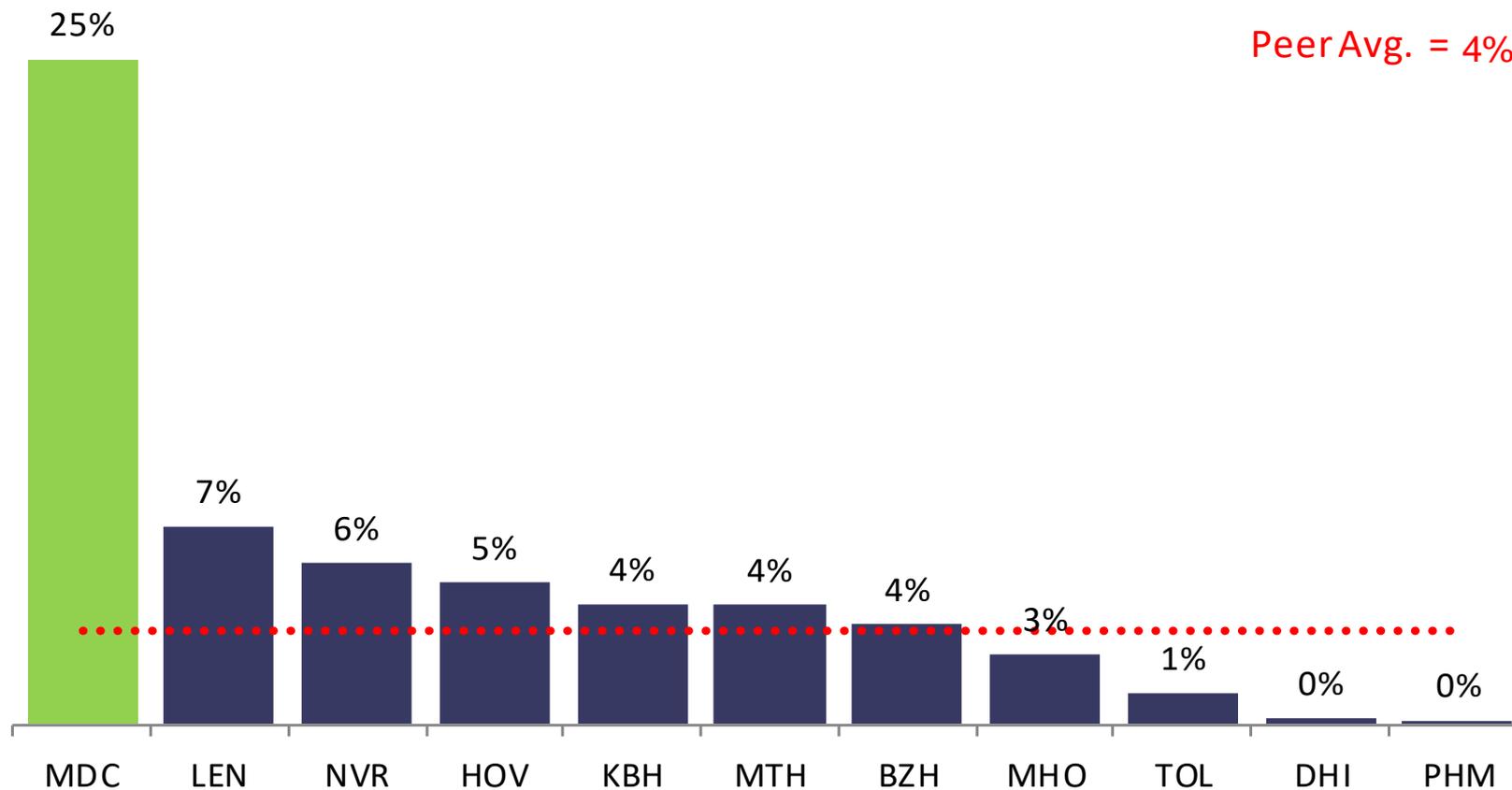
Shows long-term commitment and ability to provide a reliable source of return for our shareholders

* Dividend yield from Yahoo Finance, November 15, 2019

Peer group includes: Beazer Homes (BZH), D.R. Horton (DHI), Hovnanian Enterprises, Inc. (HOV), KB Home (KBH), Lennar (LEN), M/I Homes Inc. (MHO), Meritage Homes Corporation (MTH), NVR, Inc. (NVR), PulteGroup (PHM), and Toll Brothers (TOL).

Insider Ownership Leads Industry

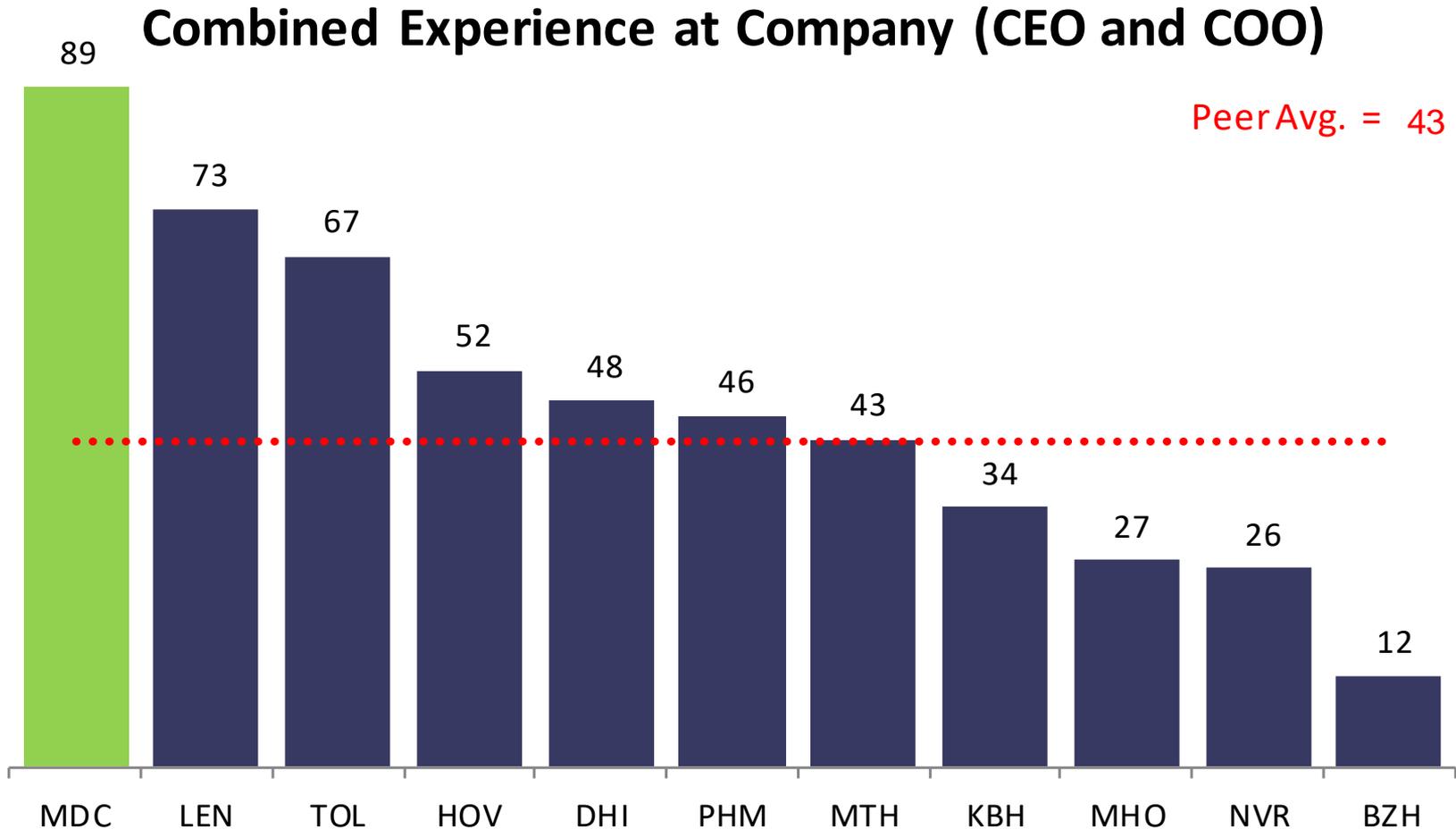
Stock Ownership Percentage (CEO and COO)



Management interest highly aligned with Company stakeholders

Source: 2019 Proxy Statements

Company Tenure Unmatched by Peers



Management experience at the top of the homebuilding industry

Source: 2019 Proxy Statements

Creating a Sustainable Builder Operation Across Cycles

- ✓ Conservative operating philosophy that minimizes land speculation, which improves returns over the entire housing cycle and reduces our risk and exposure to land price volatility
 - No land banking, no joint ventures, and minimal goodwill

- ✓ Generally target 2-3 year land supply
 - Significant portion of owned lots are finished (64% at September 30, 2019) -- minimal additional investment required before start of home construction
 - No “mothballed” communities

- ✓ Focus on presales, with 91% of work-in-process units already sold as of September 30, 2019
 - Approach is becoming more unique for MDC as more homebuilders move to a spec strategy
 - Strong merchandising and Home Gallery™ operations focus on customization niche within production builder environment

- ✓ Strict underwriting criteria and management discipline

All of the above allows us to grow over the long run and retain prudent cash positions in order to weather the cyclicity of the housing industry

MDC's Distinct Build-to-Order Strategy

- ✓ MDC's build-to-order model is increasingly distinct as more builders shift to spec strategy
- ✓ Build-to-order approach is even more distinct in affordable product class (i.e. Seasons)

- Distinctly dedicated to build-to-order (“dirt” starts) strategy
- Limit “speculative” inventory
- Wide array of upgrades available onsite and through Home Gallery™ interior design process
- Focus on strong, “livable” product design demonstrated through strong model presentation
- End-to-end “customer experience”
- In-house merchandising and marketing

**Differentiated
through a
customer-centric
emphasis on
homebuilding
process instead of
speculation**



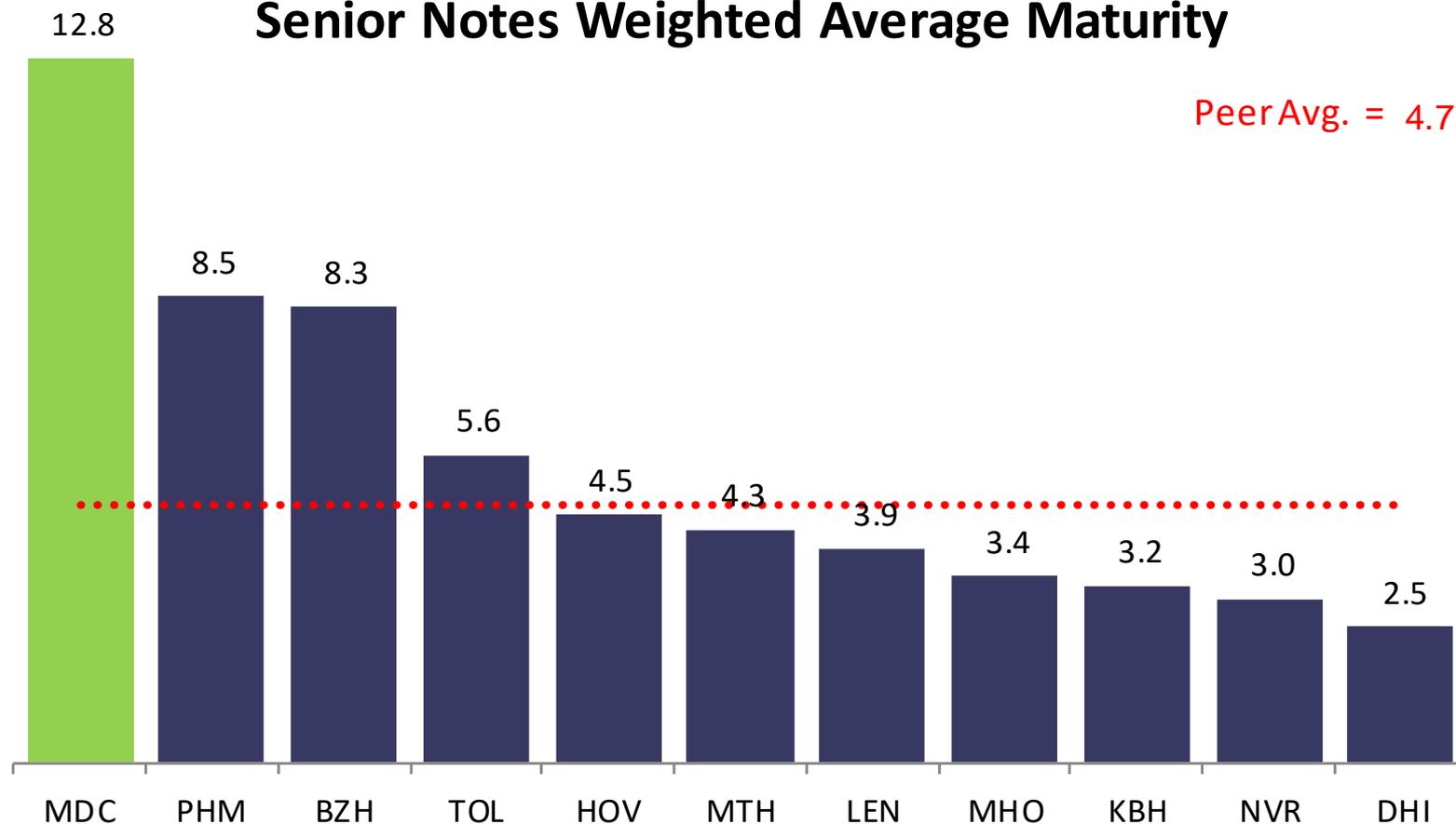
Over **200,000 homes delivered** during 40+ years of homebuilding operations

Specs: Minimal
Goodwill: Minimal
Land Supply: Balanced
Multi-Family: No
Joint Ventures: No

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

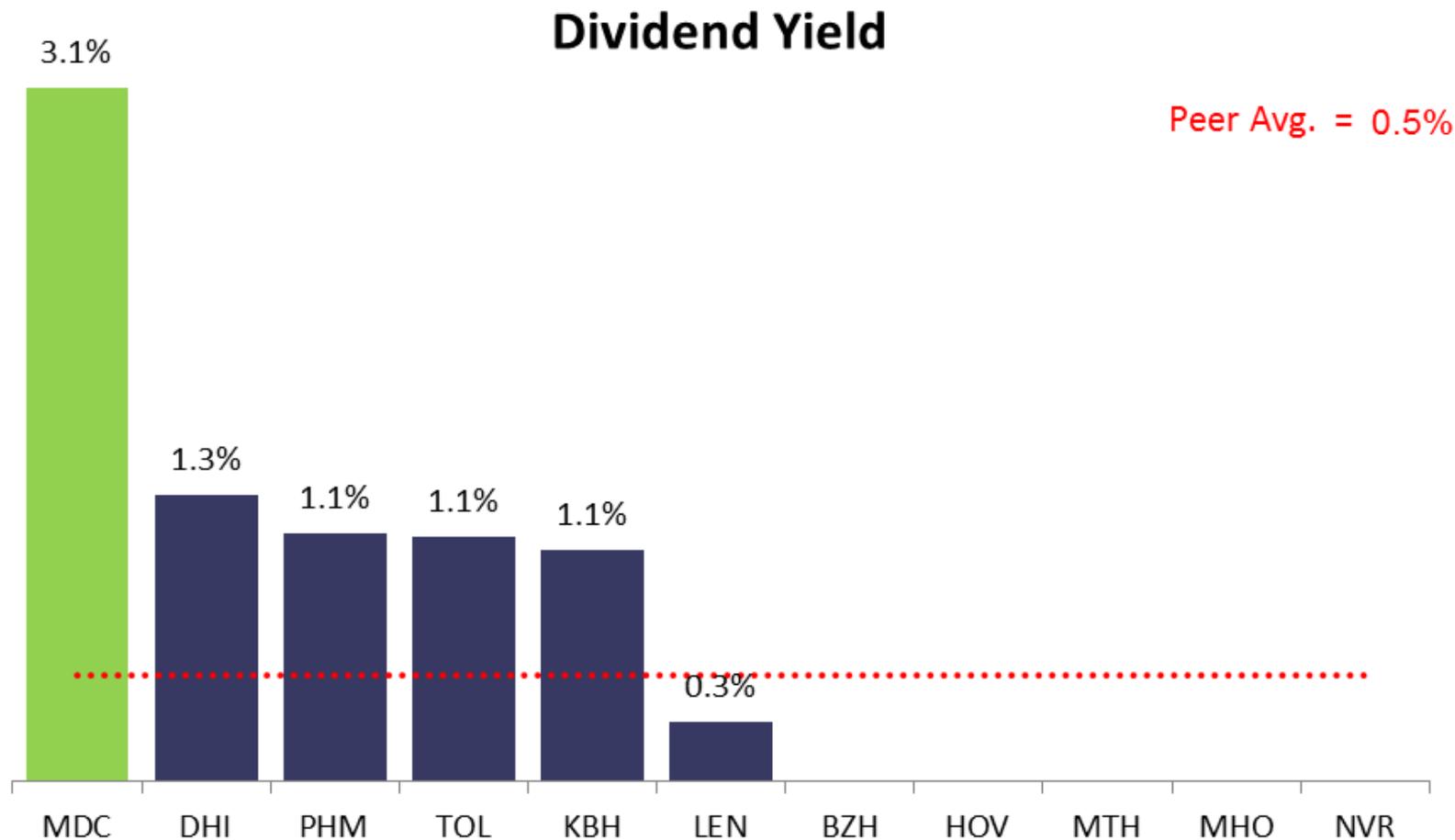
Senior Notes Weighted Average Maturity

Peer Avg. = 4.7



MDC's debt maturity profile is unmatched in the industry

Dividend Yield Leads Industry



Uninterrupted cash dividend since 1994 – **unequaled by any member of the peer group**

Source: Yahoo Finance on 11/15/2019

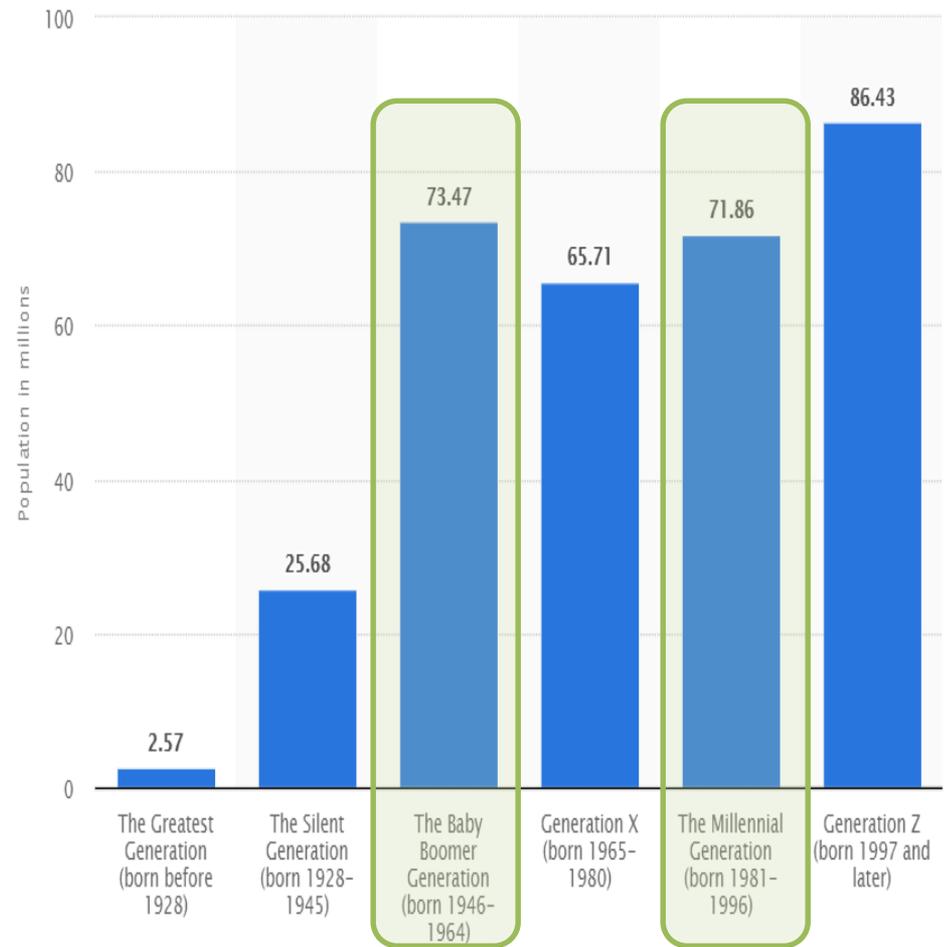
Affordable Product Focus



MDC's Affordable Product Approach

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

U.S. Population by Generation



Source: <https://www.statista.com/statistics/797321/us-population-by-generation>

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

- 54 ranch & two-story floor plans
- ~1,250 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

Positioning MDC for growth

- Launched in 2016, Seasons made up 31% of net orders in Q3 2018 and has grown to 41% of net orders in Q3 2019.
- Shows Richmond American's ability to capture a growing market for affordable homes



Seasons™ Collection: Included Features

9' ceilings
Pearl, Arizona



Center-meet doors
Ruby, Florida



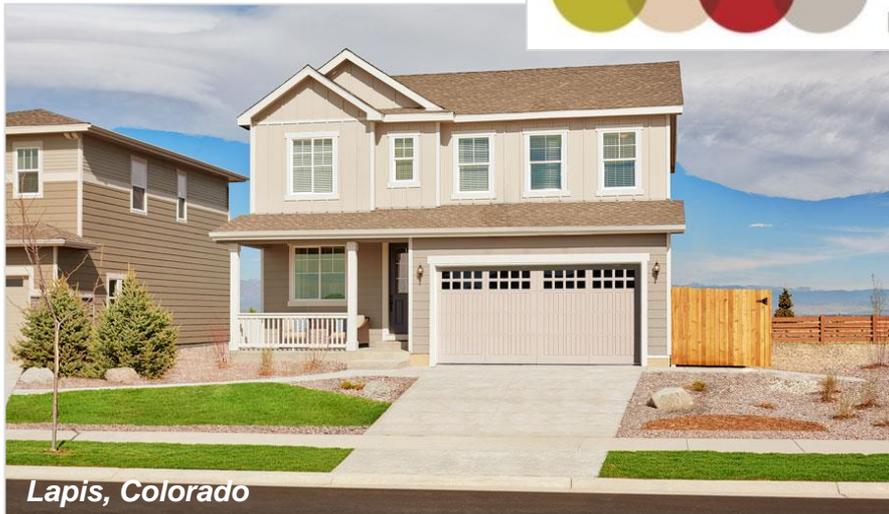
Studies & lofts
Coral, Colorado



Tech centers
Onyx, Arizona

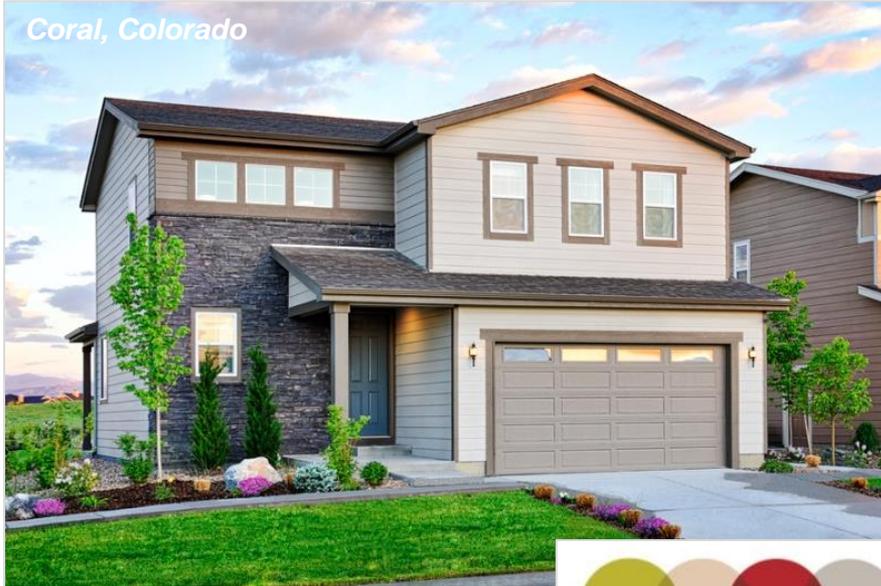


Product Spotlight: Seasons™ Collection

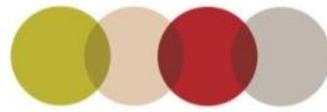


Product Spotlight: Seasons™ Collection

Coral, Colorado



Ruby, Arizona



SEASONS™
By Richmond American

Moonstone, Utah



Lapis, CO



Product Spotlight: 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
- ~1,700 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: Cityscape™ Collection



RICHMOND AMERICAN
CITYSCAPE
COLLECTION



Product Spotlight: Landmark Series

Target buyer

- Move-up buyers seeking versatile plans with smart layouts

Floor plan overview

- Our most popular plans re-engineered to optimize space & lot size
- 11 floor plans
- Approx. 1,810 to 2,930 sq. ft.
- 3 to 5 bedrooms
- Basements in select markets

Collection features

- Large living spaces
- Lofts & studies
- Option to increase bedroom #
- Flexible layouts

Positioning MDC for growth

- Reflects Richmond American's ability to capture first move-up market



LANDMARK
BY RICHMOND AMERICAN

Product Spotlight: Landmark Series

Yorktown, Colorado



Coronado, Arizona



LANDMARK BY RICHMOND AMERICAN

Augusta, Arizona



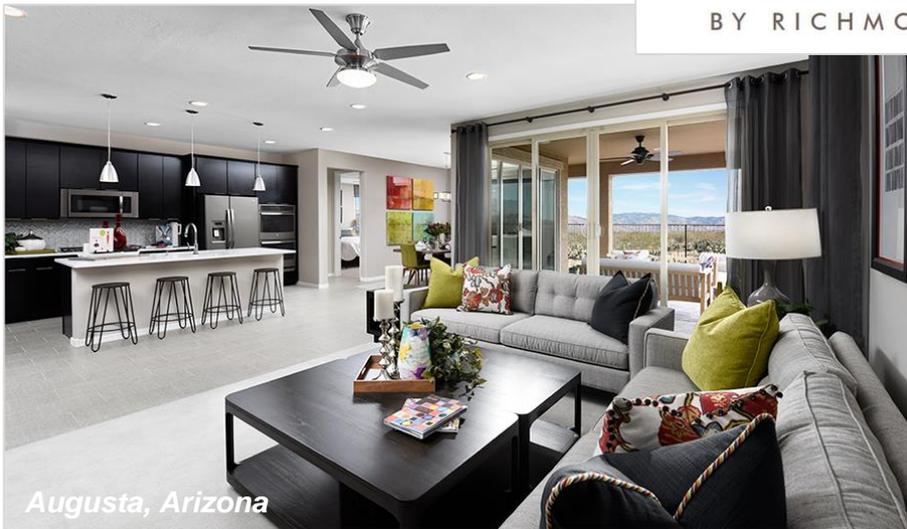
Yorktown, Colorado



Product Spotlight: Landmark Series



LANDMARK BY RICHMOND AMERICAN



Product Spotlight: Urban™ Collection

Target buyer

- Buyers leaving apartments/rentals and entering home ownership

Floor plan overview

- 2 floor plans
- ~1,260 to 1,470 sq. ft.
- 2 to 3 bedrooms

Collection features

- No shared walls – space in between
- 2-car garages
- Contemporary finishes available

Positioning MDC for growth

- Reflects Richmond American's ability to capture growing affordable market buyer

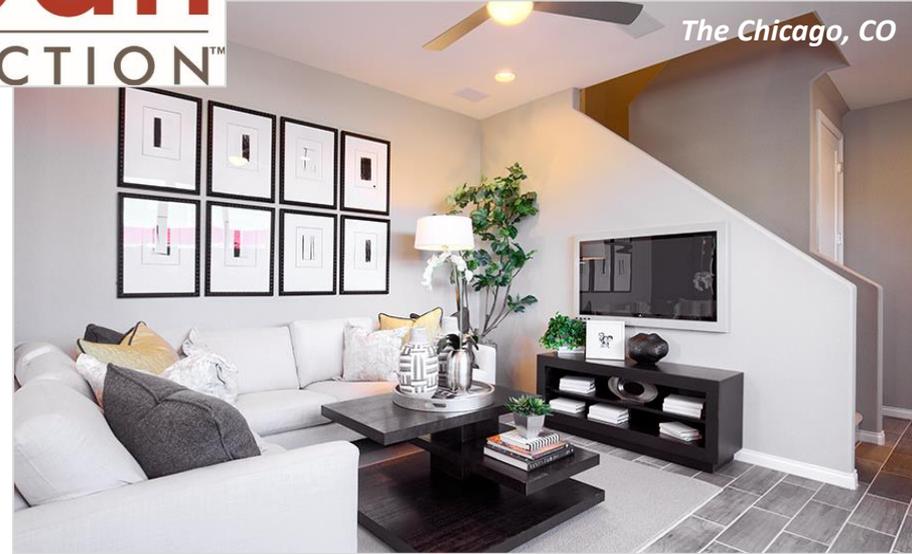


RICHMOND AMERICAN
urban
COLLECTION™

Product Spotlight: Urban™ Collection



RICHMOND AMERICAN
urban
COLLECTION™



Move-Up Product Highlights



Product Spotlight: RV Garage Series

Target buyer

- Move-up buyers seeking convenience of an oversized, attached garage

Floor plan overview

- 6 ranch & two-story plans
- 3 to 5 bedrooms
- Approx. 2,390 to 2,980 sq. ft.
- Basements in select markets

Collection features

- Oversized attached garage for RV, boats and toys
- Large living spaces, lofts & studies
- Basements in select markets

Positioning MDC for growth

- Deepen Richmond American's penetration with this niche segment



Product Spotlight: RV Garage Series

Harris, Colorado



Paulson, Arizona



Harris, Colorado



Pearce, Arizona

Product Spotlight: RV Garage Series



Product Spotlight: Luxury “R” Series

Target buyer

- Move-up buyers seeking high-end finishes and available features

Floor plan overview

- 7 ranch plans
- 3 to 5 bedrooms
- Approx. 3,370 to 4,010 sq. ft.
- Very spacious living areas
- Studies and formal living areas

Collection features

- High-end features available (professional kitchens, wine bar, multi-sliding glass doors, 4- to 5-car garages & pet spa)
- Estate-sized lots
- Many plans offer separate guest suites (attached or detached)

Positioning MDC for growth

- Reaching baby boomers in desert divisions with a high-end, move-up product



Product Spotlight: Luxury “R” Series

Rocco, Nevada



Raven, Nevada



Ryder, Nevada



Raven, Nevada



Product Spotlight: Luxury “R” Series

Raven, Nevada



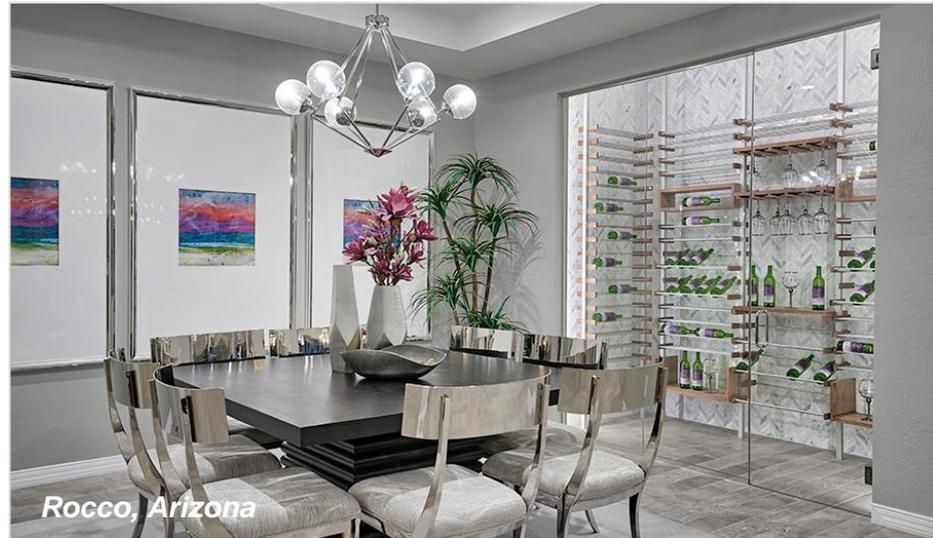
Robert, Arizona



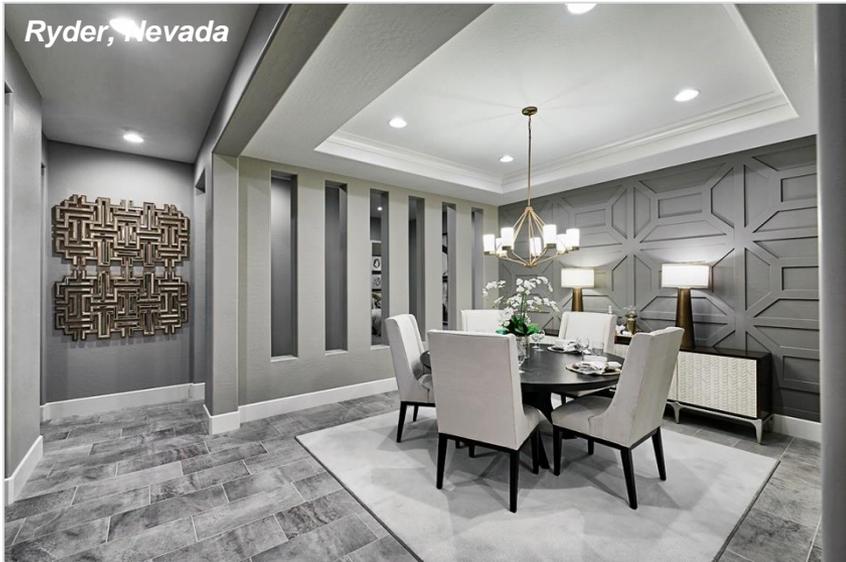
Rocco, Arizona



Rocco, Arizona



Product Spotlight: Luxury "R" Series

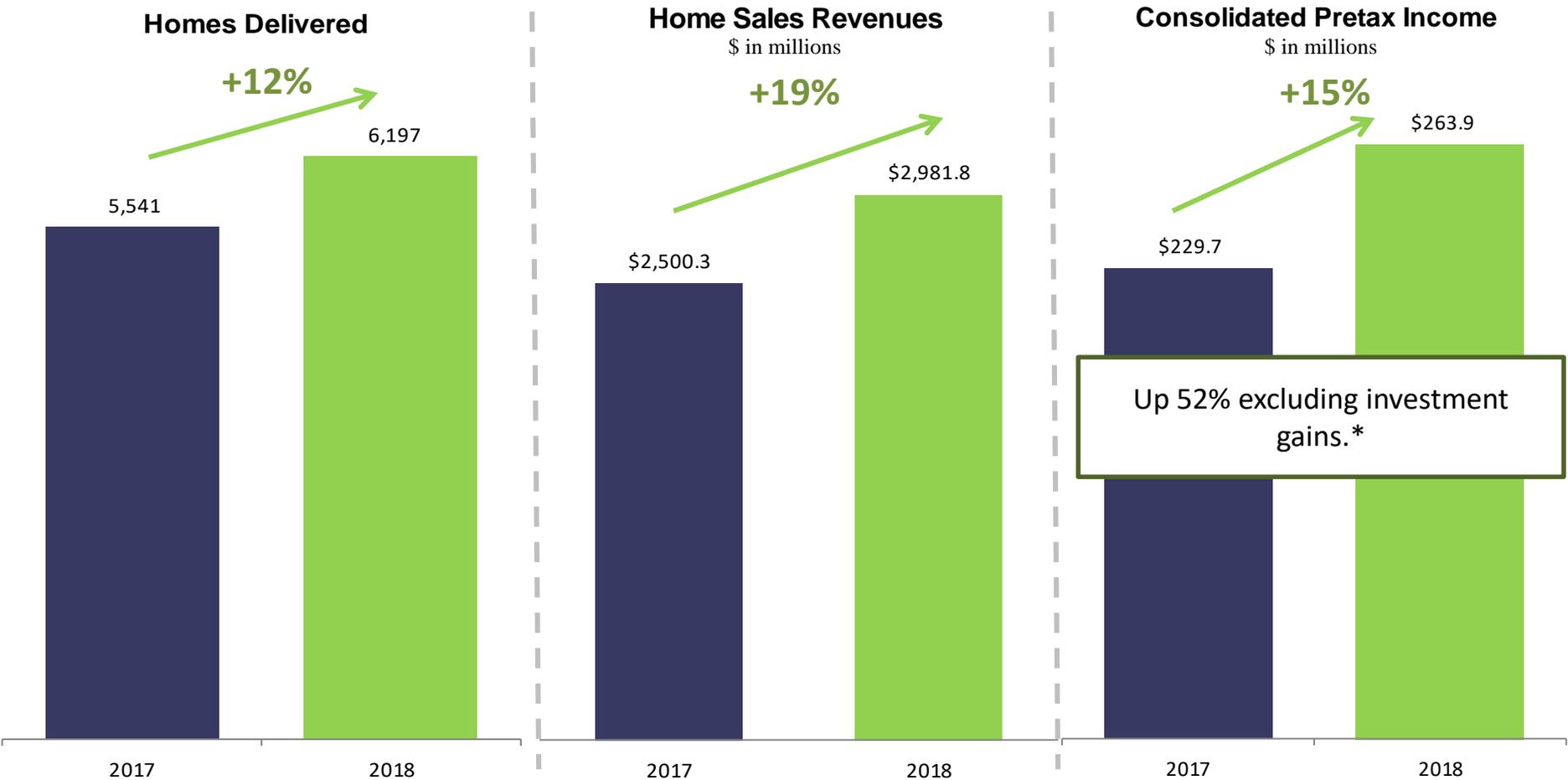


Financial Highlights



MDC
HOLDINGS, INC.

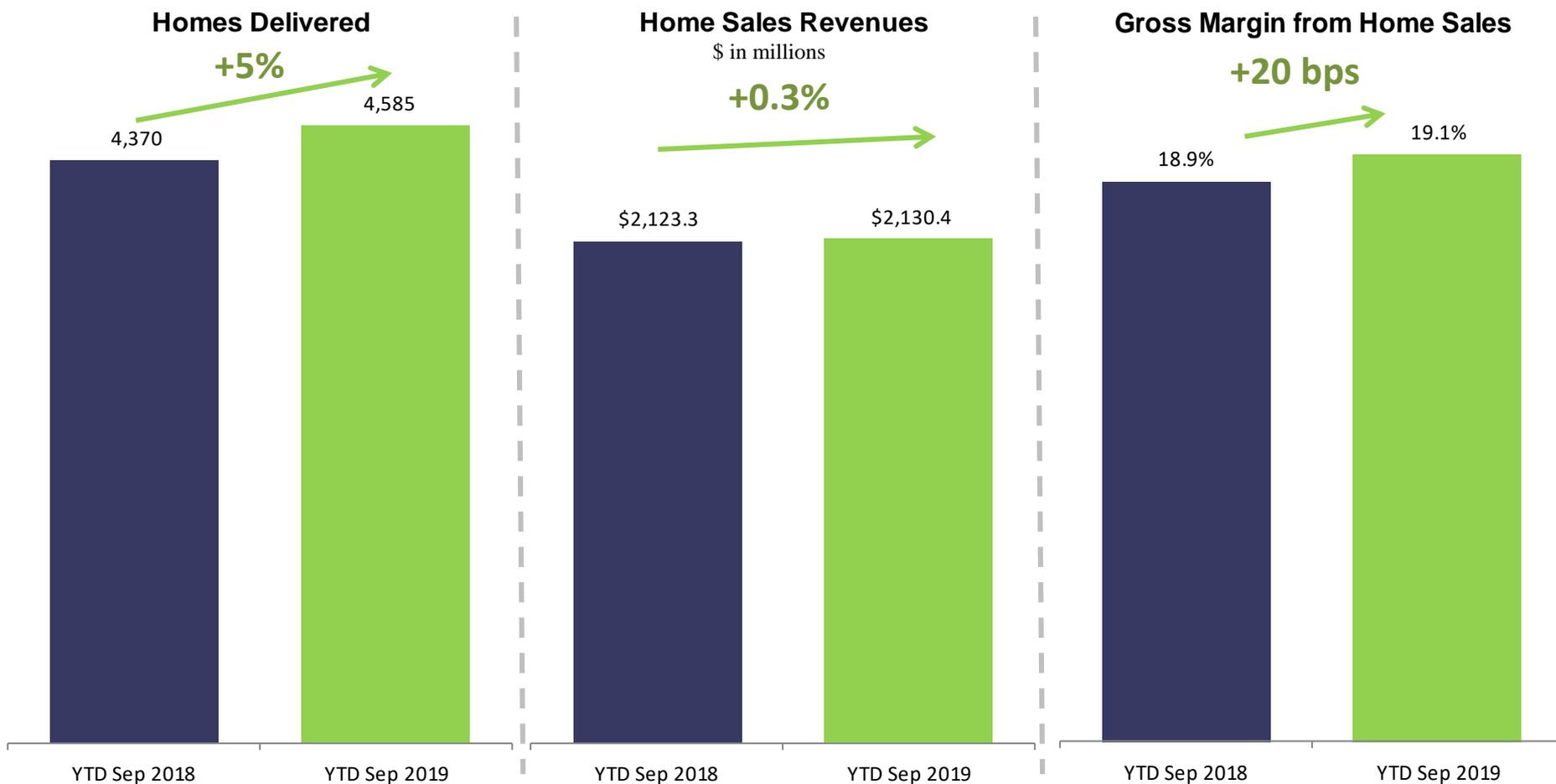
Significant Growth in 2018



In 2018, both home sale revenues and pretax income were at their highest level since 2006

*See appendix for reconciliation of non-GAAP financial measures.

Positive Results Through Q3 2019

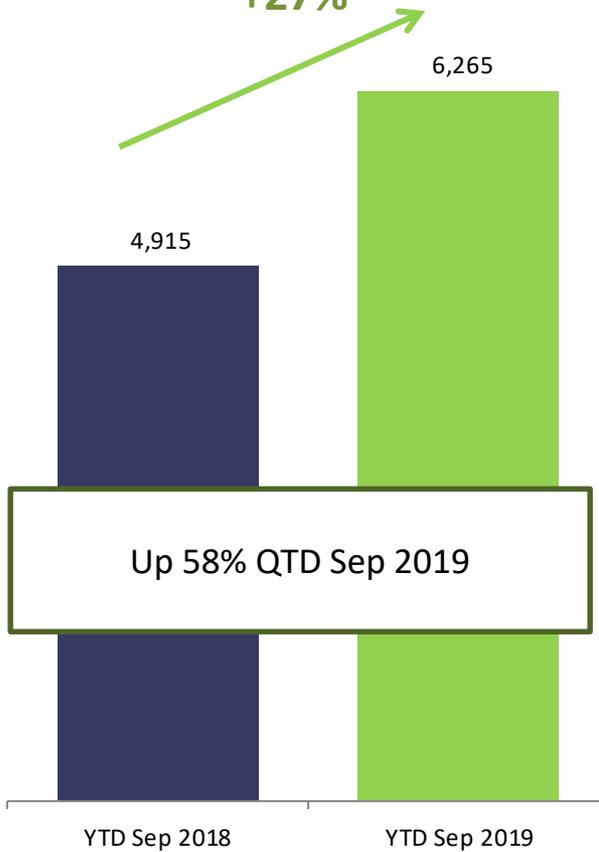


Despite 11% lower backlog dollar value to start the year, results have improved through Q3 2019

Strong Order Activity

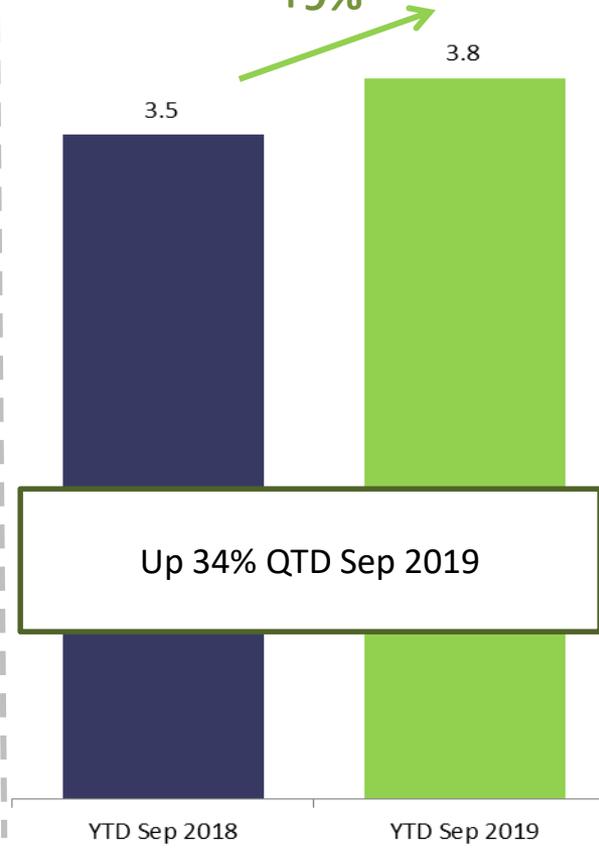
Net Home Orders

+27%



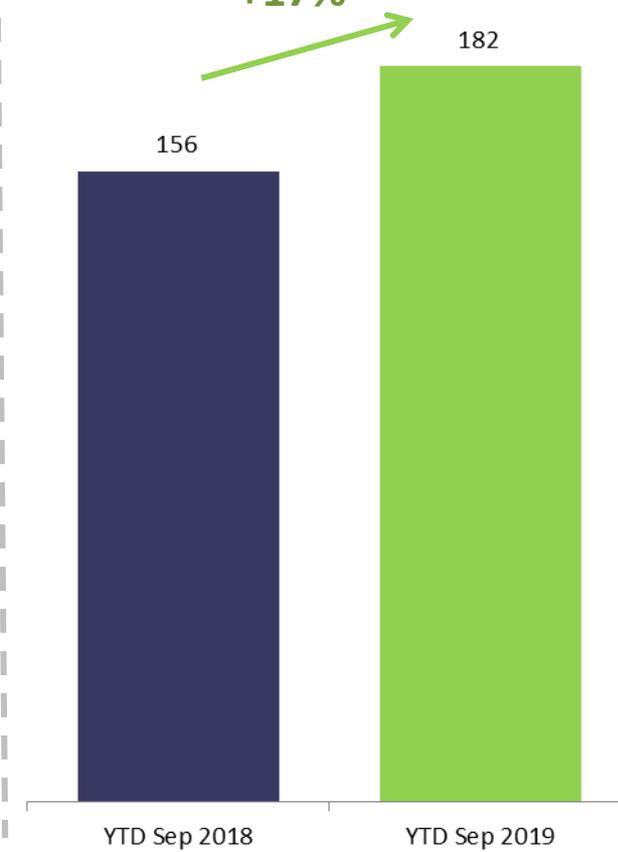
Absorption Rate

+9%



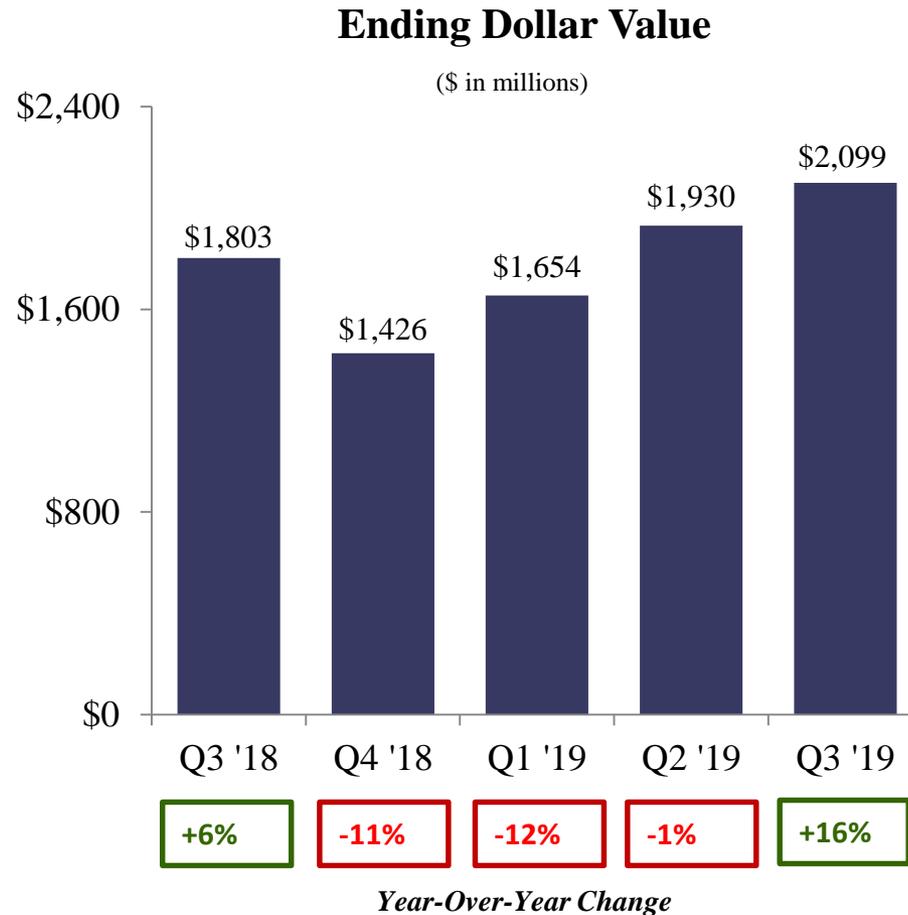
Average Active Communities

+17%



Affordable product focus and favorable economic conditions helped to drive order growth

Backlog Value at its Highest Level Since 2006



Significant growth in backlog sets the stage for top and bottom line growth in coming quarters

Questions?



MDC
HOLDINGS, INC.

Reconciliation of Non-GAAP Financial Measures

“Income before income taxes excluding gain (loss) on investments” is a non-GAAP financial measure, and should not be considered in isolation or as an alternative to performance measures prescribed by GAAP. The table below reconciles “Income before income taxes excluding gain (loss) on investments” to income before income taxes as calculated based on GAAP. We believe this information is relevant and meaningful as it provides our investors and analysts with the impact that gains and losses on investments and inventory impairments have on our income before income taxes and permits investors to make better comparisons with our competitors, who also adjust income before income taxes in a similar fashion.

| | Year Ended | | Change | |
|--|------------------------|------------|-----------|-----|
| | December 31, | | Amount | % |
| | 2018 | 2017 | | |
| | (Dollars in thousands) | | | |
| Income before income taxes | \$ 263,854 | \$ 229,732 | \$ 34,122 | 15% |
| GAAP pre-tax income less: | | | | |
| Realized gain from the sale of metropolitan district bond securities | - | (35,847) | | |
| Net realized gain from sales of marketable securities | - | (18,122) | | |
| Other-than-temporary impairment of marketable securities | - | 286 | | |
| Net loss on marketable equity securities | 3,745 | - | | |
| Adjusted income before income taxes | \$ 267,599 | \$ 176,049 | \$ 91,550 | 52% |