2020

M.D.C. Holdings, Inc.

May 2020

INVESTOR PRESENTATION

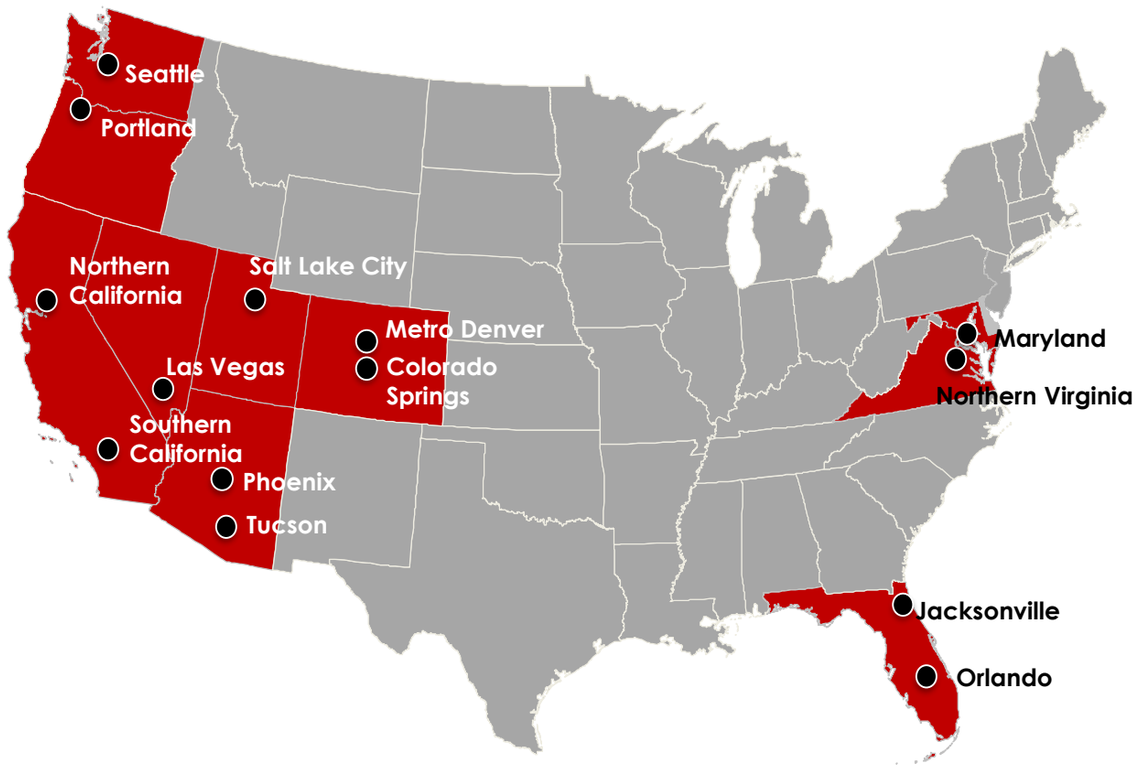
Forward Looking Statements

Certain statements in this release, 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, 2020.

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 210,000 buyers move into new, quality homes across the country.



	AZ	CA	NV	OR	WA	CO	UT	FL	Mid-Atl	Total
LTM Deliveries	1,364	1,007	1,128	49	334	1,864	404	830	183	**7,163**
% of Total	*19.0%*	*14.1%*	*15.7%*	*0.7%*	*4.7%*	*26.0%*	*5.6%*	*11.6%*	*2.6%*	
LTM ASP ('000s)	$ 362	$ 626	$ 425	$ 532	$ 539	$ 524	$ 426	$ 284	$ 374	**$ 456**

Data as of March 31, 2020

Comments on COVID-19

2020 INVESTOR MEETING

Comments on COVID-19

- Significant slowdown in traffic and order activity beginning in mid-March
  - Some improvement in second half of April
- Operational changes
  - Focus on safety for employees, subcontractors and customers
  - Work-from-home arrangements for most employees; generally no travel
  - Virtual processes as needed for key operational activities such as model home tours, Home Gallery appointments and pre-closing walk-throughs (varies by market)
  - Deferring non-urgent warranty work
  - Extensive education on social distancing
- Cash Management
  - Extending closing date of many planned land purchases
  - Modifying timing and phasing of some development activities
  - Reducing operating costs

Financial Position Highlights

- Total liquidity of $1.41 billion at March 31, 2020
  - Total cash and investments of $452.8 million
  - $959.3 million of availability under homebuilding line of credit (total facility size of $1.0 billion; maturity of December 2023)
- No senior note maturities until 2024
- Approximately 90% of our work-in-process inventory balance (excluding models) at the end of March was sold
- Quarterly cash dividend of thirty-three cents ($0.33) per share declared on April 1, 2020, up 10% from prior year

Selected Preliminary April 2020 results

- Net new home orders decreased 53% to 357 vs. 753 in April 2019
  - Gross new home orders decreased 27% to 662 vs. 906 in the prior year
  - Cancellations as a percentage of homes in beginning backlog of 6.6% vs. 4.3% last year

- New home deliveries increased 11% to 523 vs. 470 in April 2019

- Ending backlog units up 18% to 4,487 from 3,817 as of April 30, 2019

Competitive Advantage and Strategic Focus

2020 INVESTOR MEETING

The MDC Difference

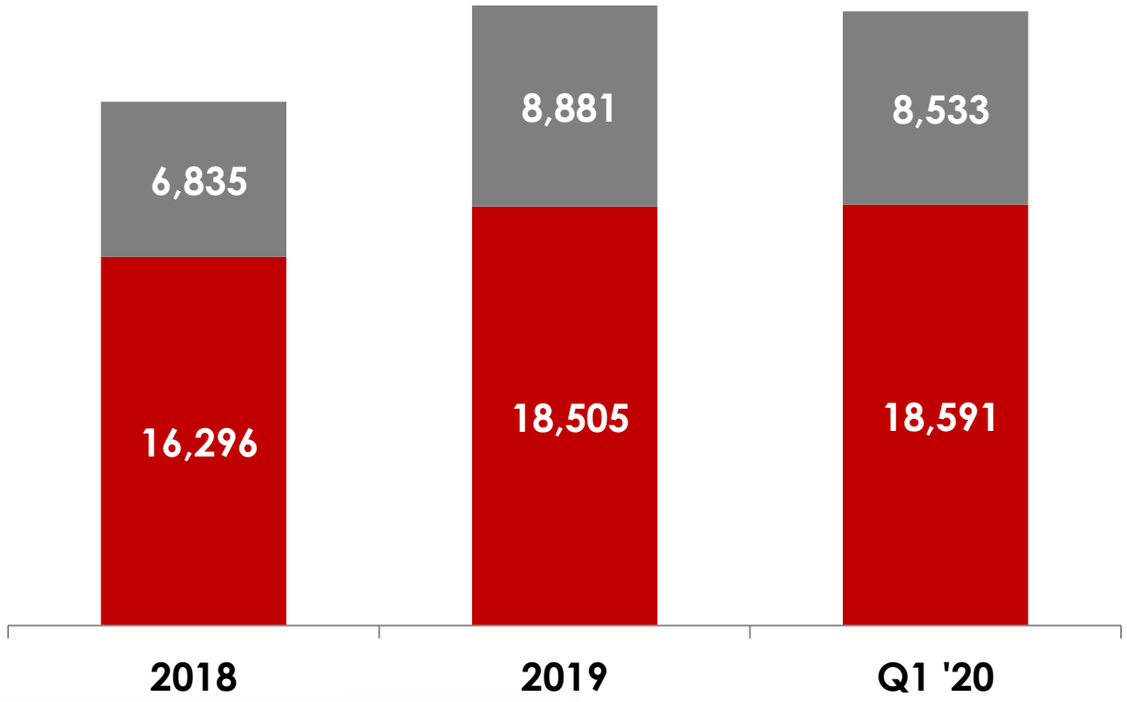
How MDC is Different	Why It Matters
BUILT FOR SUCCESS THROUGH THE HOUSING CYCLE ✓ Strong balance sheet ✓ 2-3 years land supply ✓ Limited amount of speculative inventory ✓ Industry leading dividend	We're focused on homebuilding, not land speculation, which positions us to withstand, and ultimately benefit 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 AN INCREASING 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 customization ✓ 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. Customization 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 averse operating philosophy.

Built for Success Through the Housing Cycle

2020 INVESTOR PRESENTATION

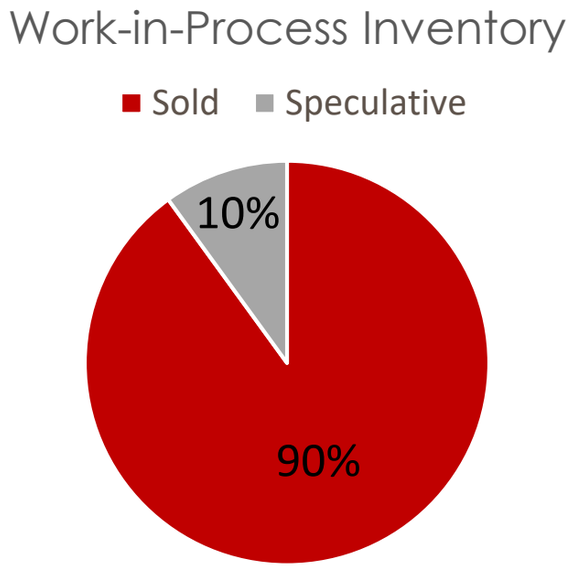
Land Strategy

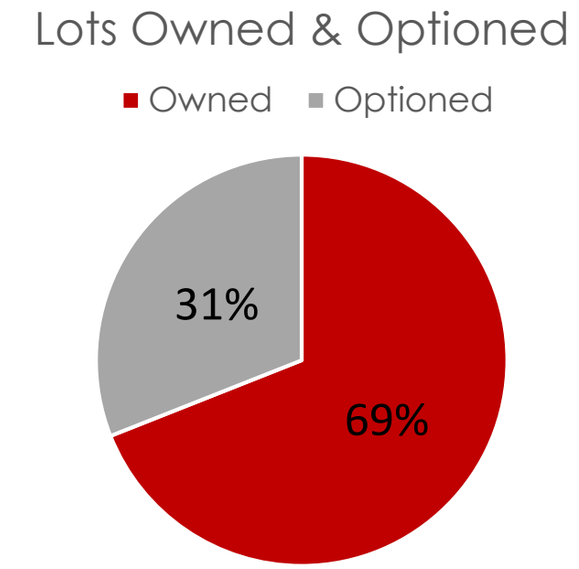
- Target 2-3 year land supply
- Carefully managed to reduce exposure to industry cycles
- Extending closing date of many planned land purchases as a result of COVID-19



Inventory Management

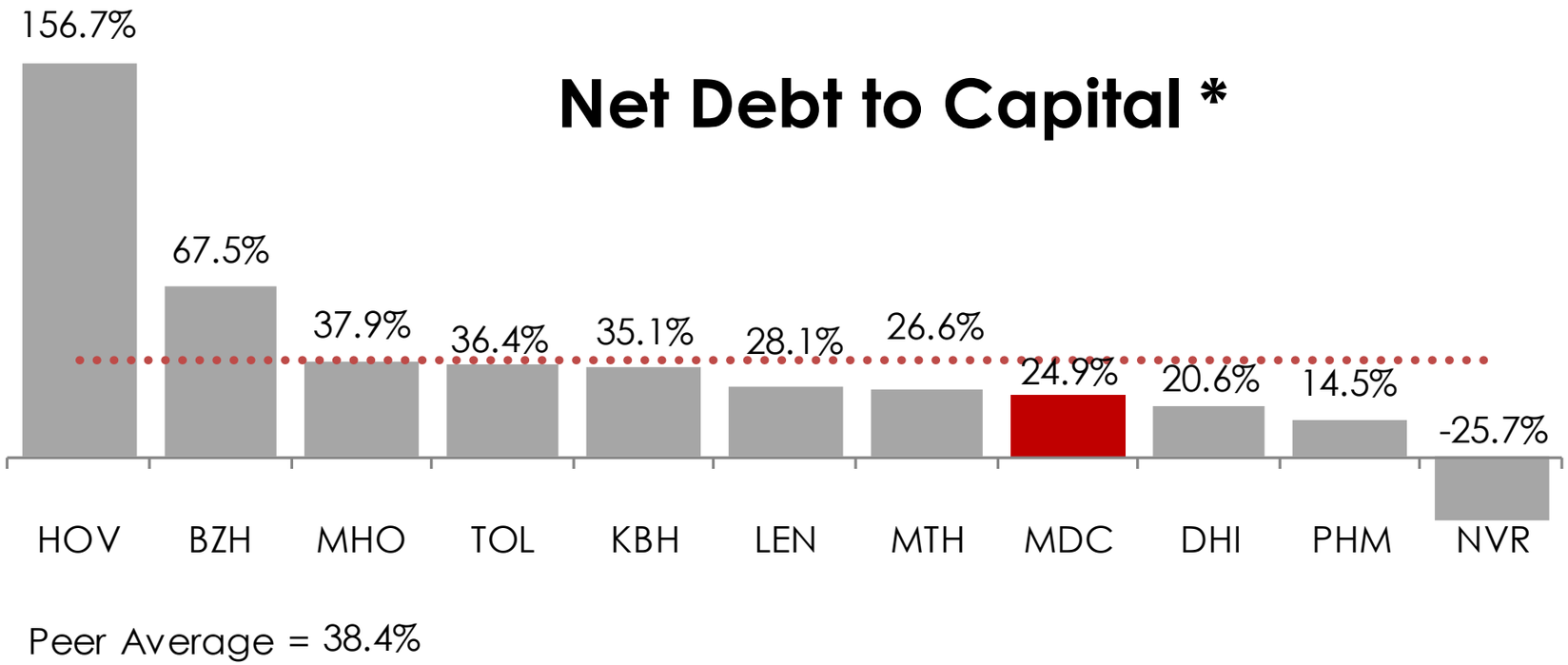
- No land banking or "mothballed" communities
- Minimal speculative inventory
- Approximately 90% of work-in-process units already sold at March 31, 2020
- Significant portion of owned lots are finished, 56% at March 31, 2020
- Over 30% of lots controlled via option





Strong Balance Sheet

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



Source: Most recently published financial statements as of 5/8/2020
* See appendix for reconciliation of non-GAAP measures

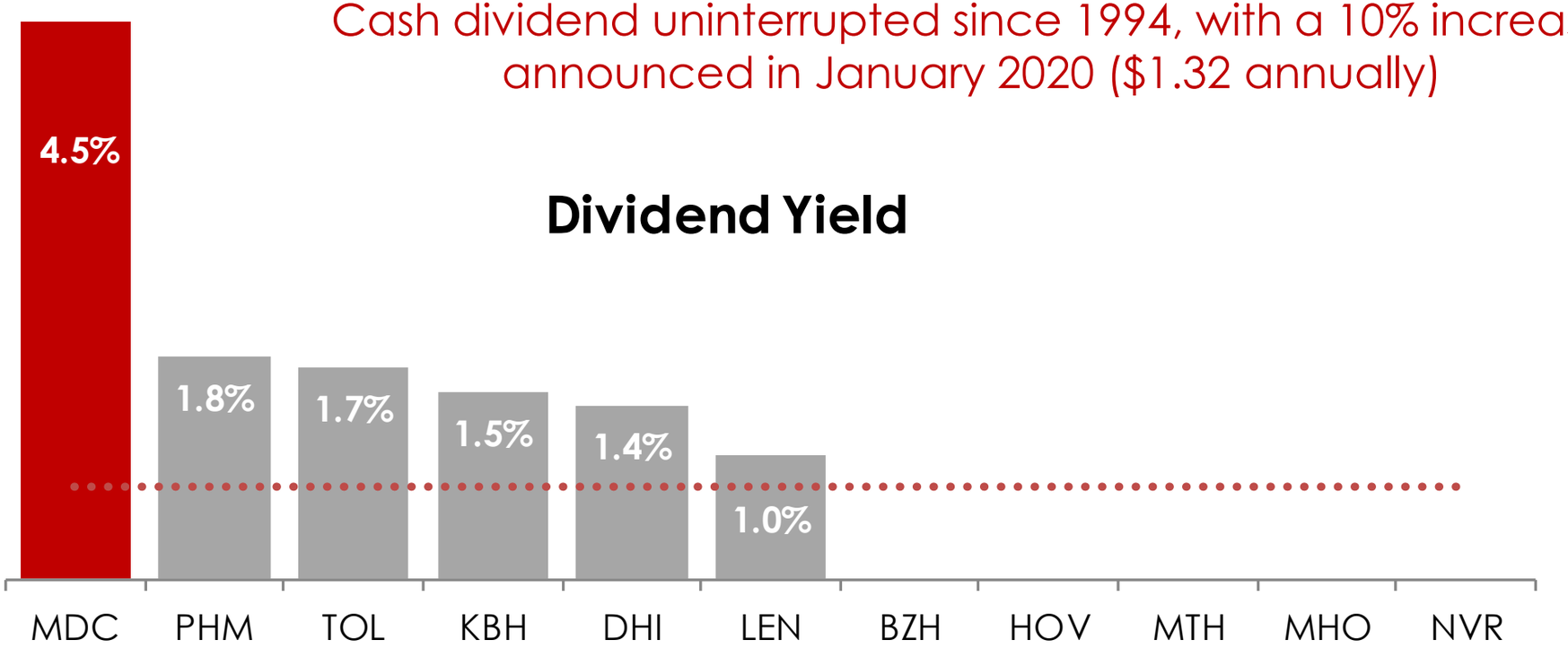
Access to Capital Markets

Senior/Corporate Credit Ratings		
Fitch Inc.	BBB-	Stable
Standard & Poor's	BB+	Stable
Moody's	Ba2	Stable

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

Industry Leading Dividend

Cash dividend uninterrupted since 1994, with a 10% increase announced in January 2020 ($1.32 annually)



Peer Average = 0.7%

Source: Yahoo Finance on 04/30/2020

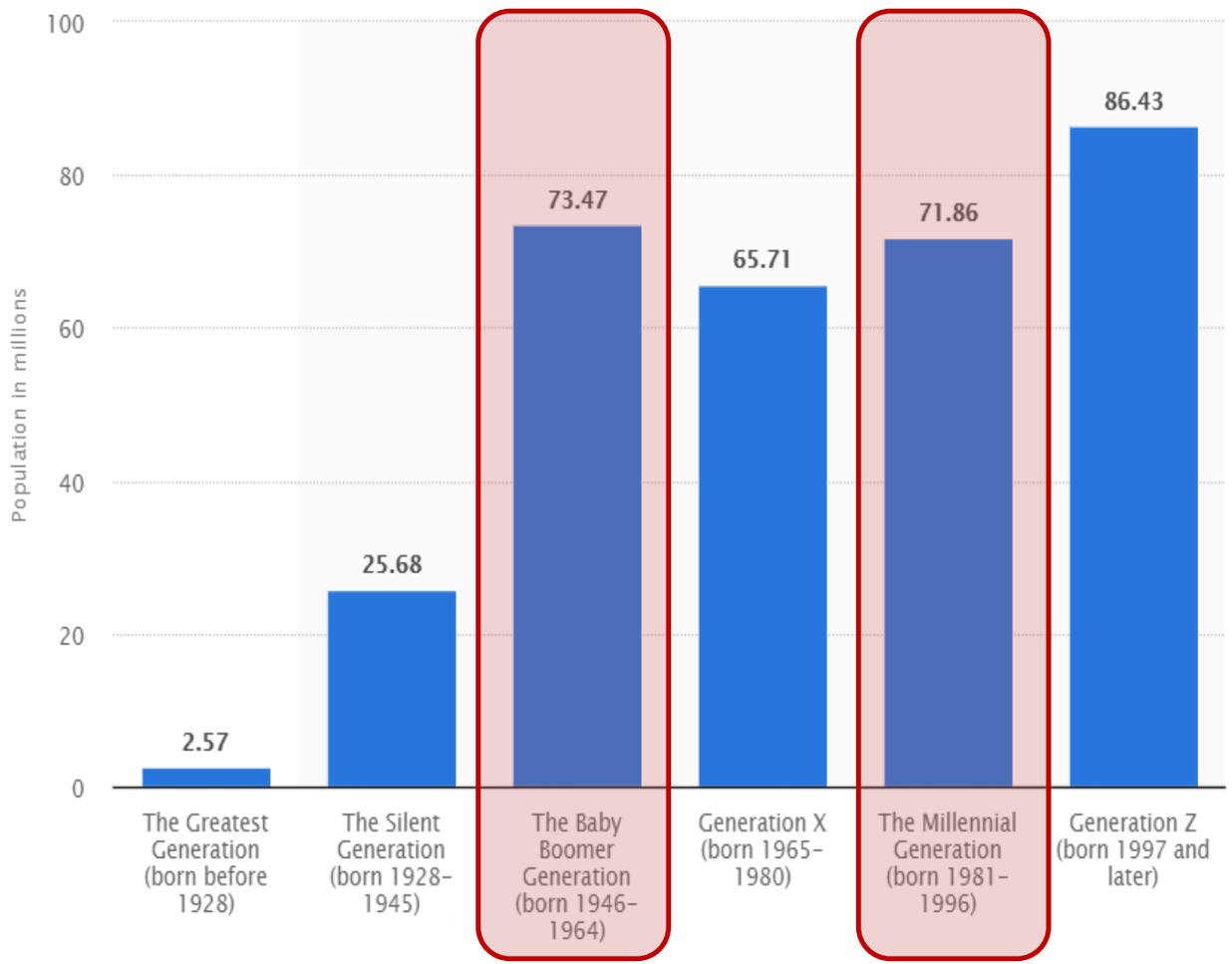
Diverse Product Mix with a Focus on Affordability

2020 INVESTOR MEETING

MDC's Affordable Product Approach

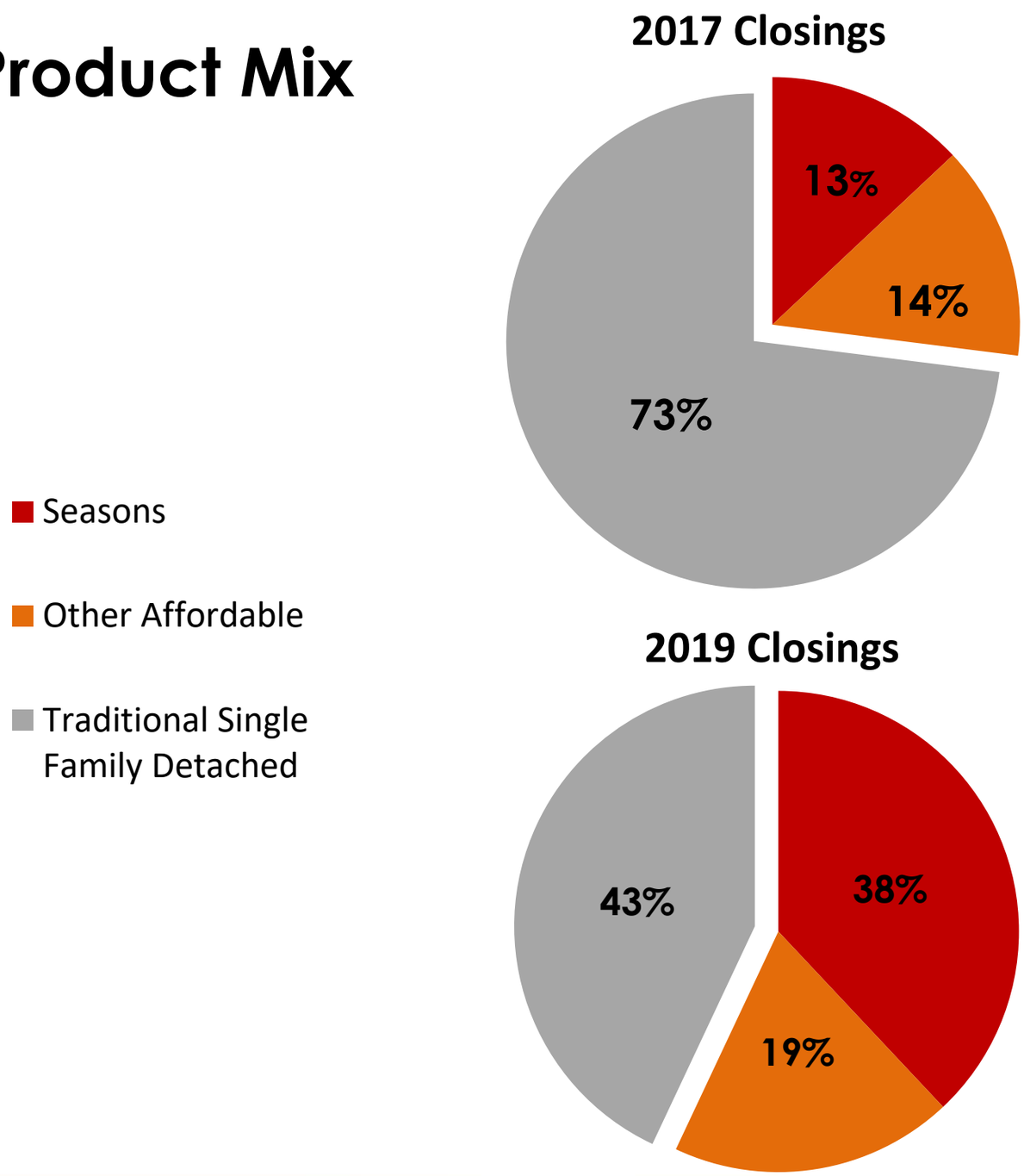
- Smaller floor plans
- Value-engineered but still high-quality construction
- Offering as build-to-order
- Nicer structural features included
- Faster growth rate than traditional product
- Appeals to multiple generations, in particular: Baby Boomer and Millennials

U.S. Population by Generation



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

Product Mix

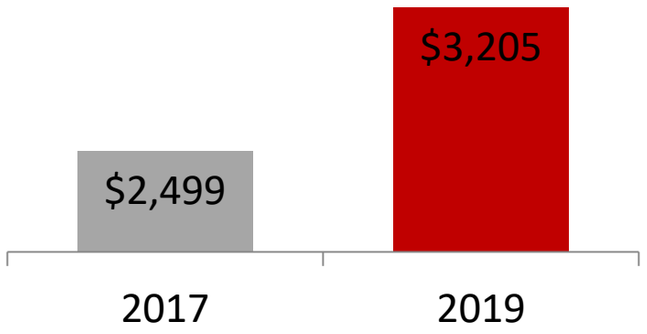

2017 Closings
13%
14%
73%
Seasons
Other Affordable
Traditional Single Family Detached
2019 Closings
43%
38%
19%

SEASONS™
COLLECTION

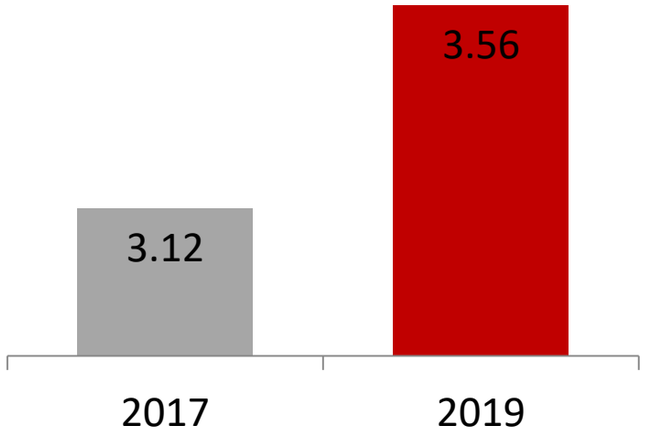
Benefits of our Focus on Affordability

Home Sale Revenues

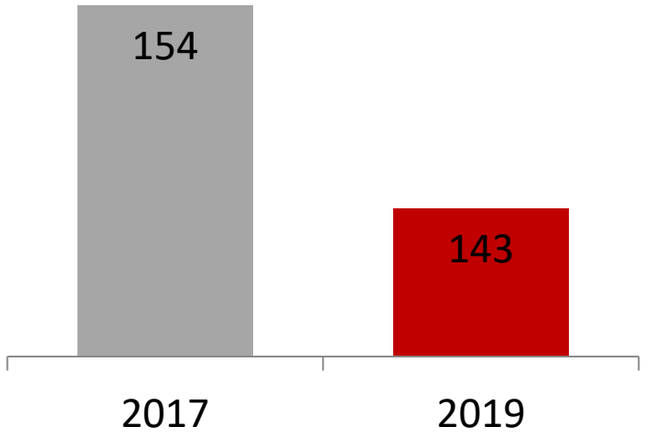
(in millions)



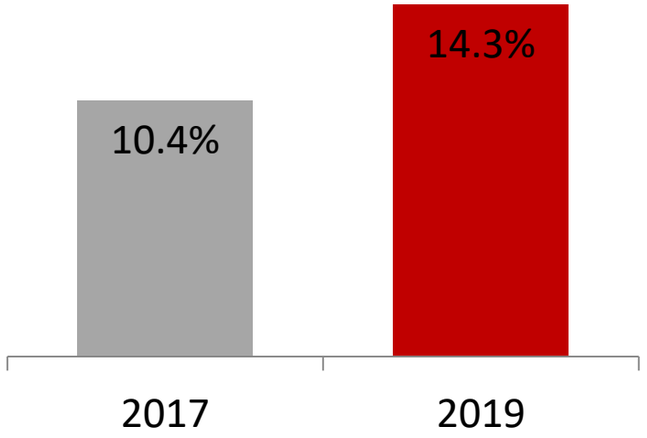
Absorption Pace



Cycle Time



Return on Equity



Product Spotlight

SEASONS™
By Richmond American

RICHMOND AMERICAN
CITYSCAPE™
COLLECTION

Product Spotlight

ULTRAGARAGE™
BY RICHMOND AMERICAN

RICHMOND AMERICAN
urban
COLLECTION™

Product Spotlight: Seasons™ Collection

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
- Approx. 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

Driver of MDC's growth

- Launched in 2016, Seasons made up 30% of net orders in Q1 2019 and has grown to 37% of net orders in Q1 2020
- 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 and WA
- Shows Richmond American's ability to reach buyers with unique requirements and personalize to their needs

Build-to-Order Model

2020 INVESTOR MEETING

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

Homebuyers Want Choices

Most commonly cited reasons for purchasing a new home:

- ***Avoid need for renovations*** or problems with plumbing or electricity ***(38%)***
  - Cited by approximately two-thirds of all Millennials
- ***Ability to choose and customize design features (31%)***
  - Cited more often than any other by Baby Boomers
- Amenities of new home construction communities (21%)

Source: 2019 Home Buyer and Seller Report by NAR

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 8% of home sales revenue
- Ability to analyze customer preferences and quickly adjust pricing based on customer demand

Financial Service Businesses

- Highly profitable complementary homebuyer services
- Over $88 million in revenues and $60 million in pretax income* in 2019
- Nearly 70% homebuyer capture rate for HomeAmerican Mortgage Corporation
- Recurring income streams generated by American Home Insurance Agency

* Includes $11.8 million gain on marketable equity securities

Recent Financial Highlights

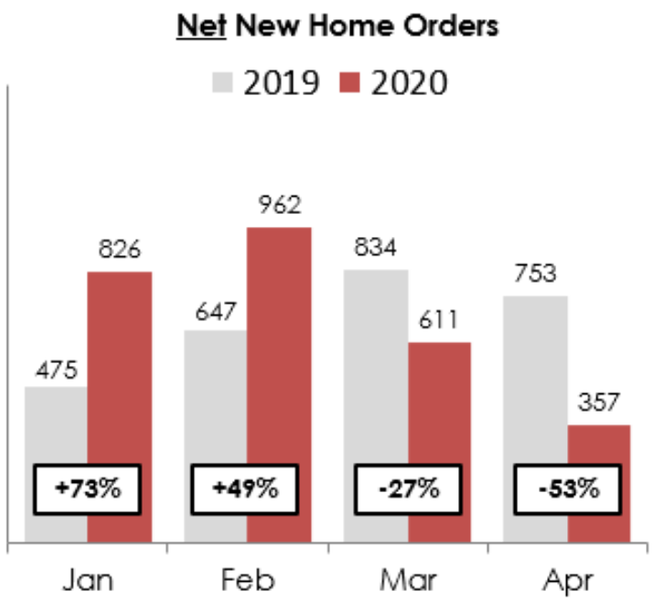
2020 INVESTOR MEETING

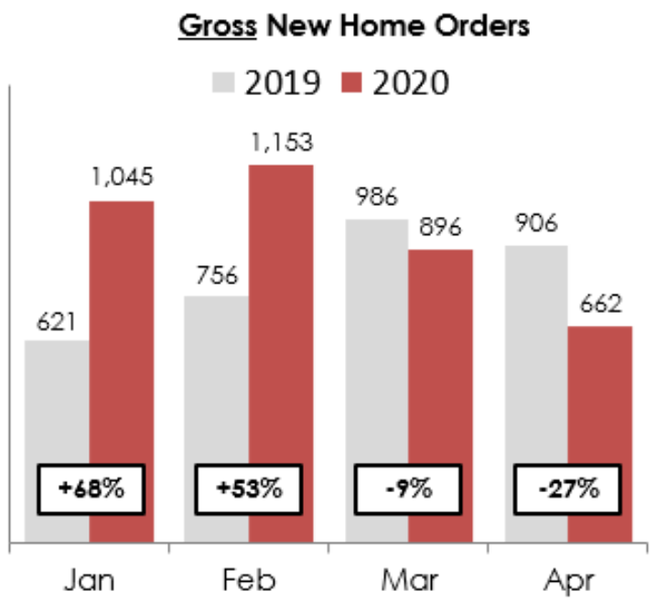
Quarterly Results – Q1 2020

($ in millions)	Q1 2020	Q1 2019	% Change
Homes Closed	1,547	1,358	14%
Homes Sales Revenue	$697.1	$647.3	8%
Homebuilding Pretax Income	$49.7	$41.1	21%
Mortgage Operations Pretax Income	$8.2	$5.0	65%
Other Financial Services Pretax Income/(Loss) *	($9.4)	$9.6	-198%
Net Income	$36.8	$40.6	-9%
Gross Margin	19.9%	18.9%	+100 bps
Homes Sold	2,399	1,956	23%
Sales Absorption Pace	4.3	3.7	16%
Average Active Subdivisions	185	175	6%
Backlog Units	4,653	3,534	32%
Backlog Dollar Value	$2,174.1	$1,654.5	31%

* Includes unrealized losses on equity securities of $13.9 million in Q1 2020 vs unrealized gains of $4.6 million in Q1 2019

New Home Orders (Monthly)





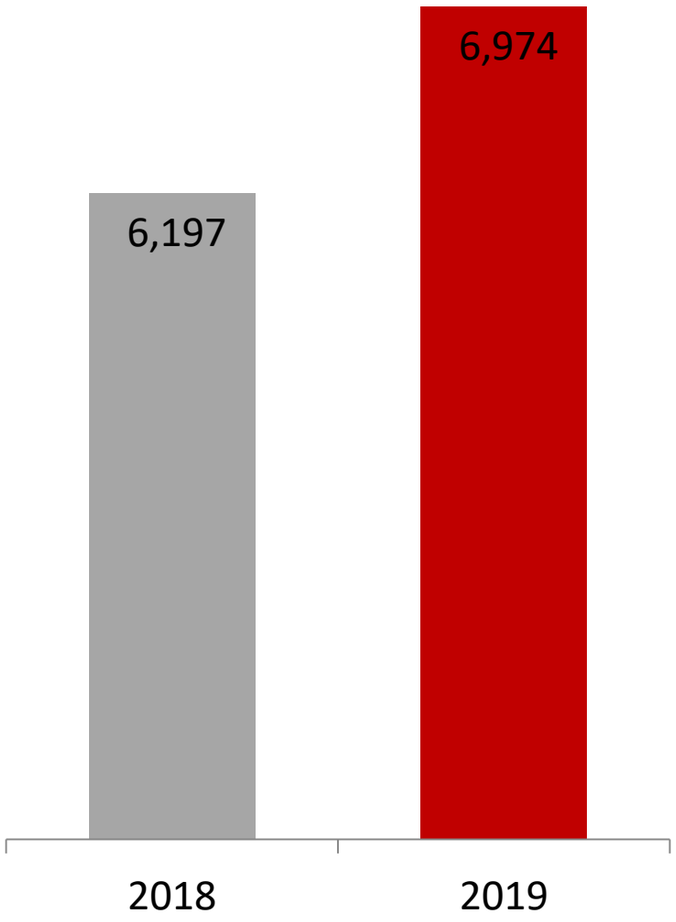
Cancellations (Number / % of Beginning Backlog)

	Jan	Feb	Mar	Apr
2020	219 / 5.8%	191 / 4.5%	285 / 6.0%	305 / 6.6%
2019	146 / 5.0%	109 / 3.5%	152 / 4.5%	153 / 4.3%

April ending unit backlog was up 18% year-over-year to 4,487

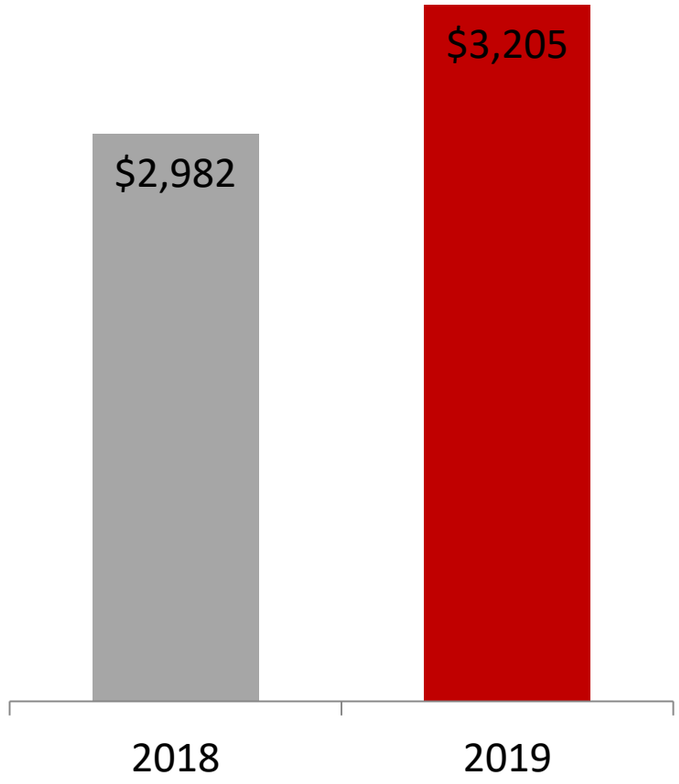
2019 Full-Year Results

Homes Closed



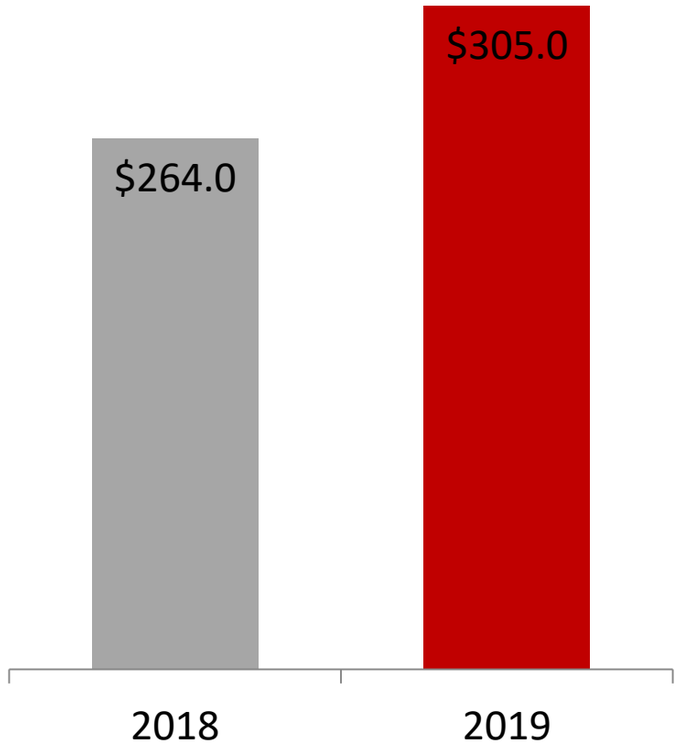
Home Sale Revenues

(millions)



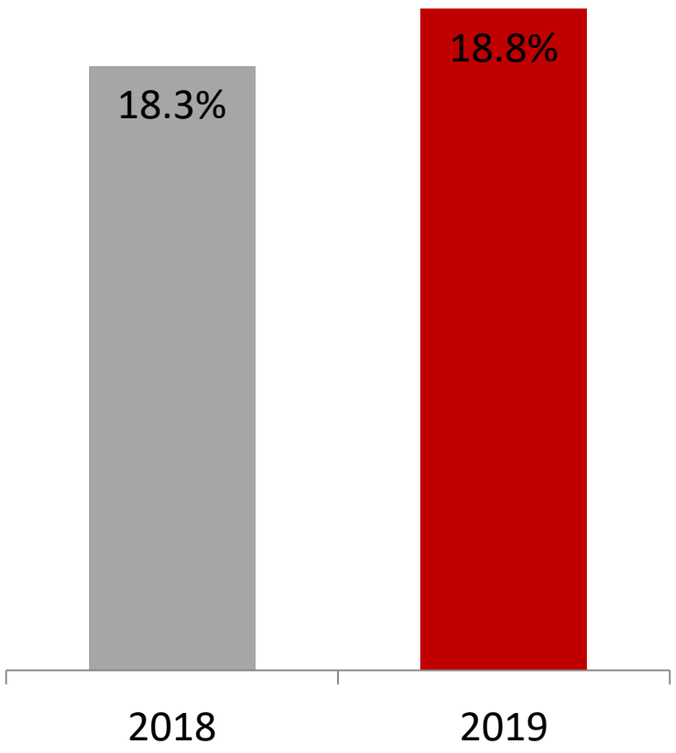
Pretax Income

(millions)

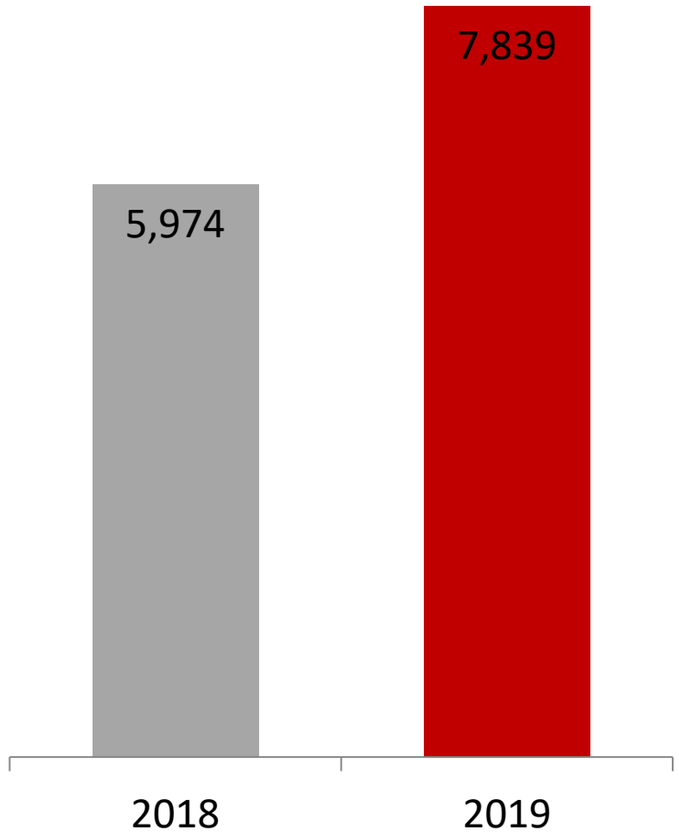


2019 Full-Year Results

Gross Margin from Home Sales

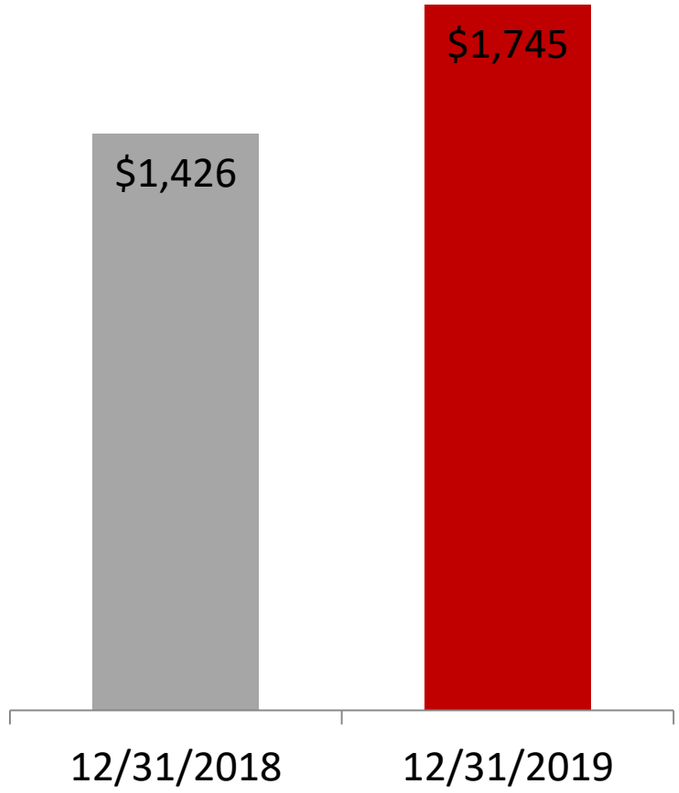


Homes Sold



Backlog Dollar Value

(millions)



Questions?

2020 INVESTOR PRESENTATION

Appendix – Company Leaders

2020 INVESTOR MEETING

MDC Executives

Larry A. Mizel | Founder/CEO/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/COO/Director

A skilled and experienced leader in the homebuilding industry, Mr. Mandarich has 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.

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. He serves on all four of the company's asset management committees, and is an officer, director, or both, of most of the company's subsidiaries.

Michael Touff | Senior Vice President & General Counsel

Mr. Touff was formerly an officer in the law firm of Holmes & Starr, a Professional Corporation. He went on to become an officer of the law firm of Ireland, Stapleton, Pryor & Pascoe, P.C. He has been in his current position since 1999, and is also an officer, director, or both, of several company subsidiaries.

Company Leaders

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

Lud Jones
VICE PRESIDENT, TREASURER
TENURE: 33 YEARS

Anthony Berris
PRESIDENT
HomeAmerican Mortgage Corporation
TENURE: 13 YEARS

Debbi Kovacs
DIRECTOR OF RISK MANAGEMENT
TENURE: 24 YEARS

Stephen McQueen
SENIOR VICE PRESIDENT, FINANCE
HomeAmerican Mortgage Corporation
TENURE: 7 YEARS

David Kenyon
VICE PRESIDENT, DIVISION FINANCE
Richmond American Homes Corporation
TENURE: 7 YEARS

Ron Milzer
VICE PRESIDENT, REAL ESTATE LEGAL
TENURE: 20 YEARS

Company Leaders

Tracie Major
VICE PRESIDENT,
CORPORATE ACCOUNTING
Richmond American Homes Corporation
TENURE: 17 YEARS

Krista Montgomery
VICE PRESIDENT, HUMAN RESOURCES
TENURE: 13 YEARS

Staci Woolsey
VICE PRESIDENT
AND CORPORATE CONTROLLER
TENURE: 1.5 YEARS

Joe Fretz
SECRETARY & CORPORATE COUNSEL
TENURE: 17 YEARS

Bryan Blum
VICE PRESIDENT,
REAL ESTATE LEGAL
TENURE: 5.5 YEARS

Andrew Harris
SENIOR VICE PRESIDENT,
NATIONAL CONSTRUCTION
Richmond American Homes Corporation
TENURE: 24 YEARS

Christy Ross
VICE PRESIDENT,
NATIONAL MARKETING
Richmond American Homes Corporation
TENURE: 10 YEARS

Alan Whitehead
VICE PRESIDENT,
REGIONAL ARCHITECTURE
Richmond American Homes Corporation
TENURE: 25 YEARS

Company Leaders

Ben Clarke
VICE PRESIDENT, NATIONAL HOME GALLERY & OPTIONS
Richmond American Homes Corporation
TENURE: 15 YEARS

Dawn Huth
VICE PRESIDENT, DIVISION FINANCE
Richmond American Homes Corporation
TENURE: 12 YEARS

Pat Rice
PRESIDENT
American Home Title & Escrow Company
TENURE: 20 YEARS

Heidi Sheldon
VICE PRESIDENT, NATIONAL MERCHANDISING
Richmond American Homes Corporation
TENURE: 20 YEARS

Scott Rust
VICE PRESIDENT, IT
TENURE: 8 YEARS

Jamie Sporrer
VICE PRESIDENT, INTERNAL AUDIT
TENURE: 17 YEARS

Company Leaders

Jake Schroeder
VICE PRESIDENT,
REAL ESTATE LEGAL
TENURE: 11 YEARS

Brittany Wall
VICE PRESIDENT,
NATIONAL SALES
Richmond American Homes Corporation
TENURE: 11 YEARS

Todd Baker
SENIOR DIVISION PRESIDENT,
RICHMOND AMERICAN HOMES OF COLORADO INC.
TENURE: 6 YEARS

Jack Gallagher
REGIONAL PRESIDENT,
MARYLAND, VIRGINIA & FLORIDA
Richmond American Homes Corporation
TENURE: 16 YEARS

David Viger
REGIONAL PRESIDENT,
N. CALIFORNIA, UTAH, & ARIZONA
Richmond American Homes Corporation
TENURE: 16 YEARS

Jennifer Prom
CHIEF COMPLIANCE OFFICER,
MORTGAGE COUNSEL
HomeAmerican Mortgage Corporation
TENURE: 3 YEARS

Appendix – Reconciliation of Non-GAAP Financial Measures

2020 INVESTOR MEETING

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 knows 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, 2020	December 31, 2019	March 31, 2019
	(Dollars in thousands)		
Senior notes, net	$ 1,036,900	$ 989,422	$ 988,322
Revolving credit facility	15,000	15,000	15,000
GAAP debt	1,051,900	1,004,422	1,003,322
Stockholders' equity	1,811,077	1,782,485	1,610,706
Total GAAP capital	2,862,977	2,786,907	2,614,028
GAAP debt to capital ratio	36.7%	36.0%	38.4%
GAAP debt less:			
Homebuilding cash and cash equivalents	(386,704)	(424,186)	(416,374)
Financial services cash and cash equivalents	(22,159)	(35,747)	(51,556)
Financial services marketable securities	(43,985)	(56,747)	(45,767)
Net debt	599,052	487,742	489,625
Stockholders' equity	1,811,077	1,782,485	1,610,706
Total net capital	$ 2,410,129	$ 2,270,227	$ 2,100,331
Net debt to capital ratio	24.9%	21.5%	23.3%