

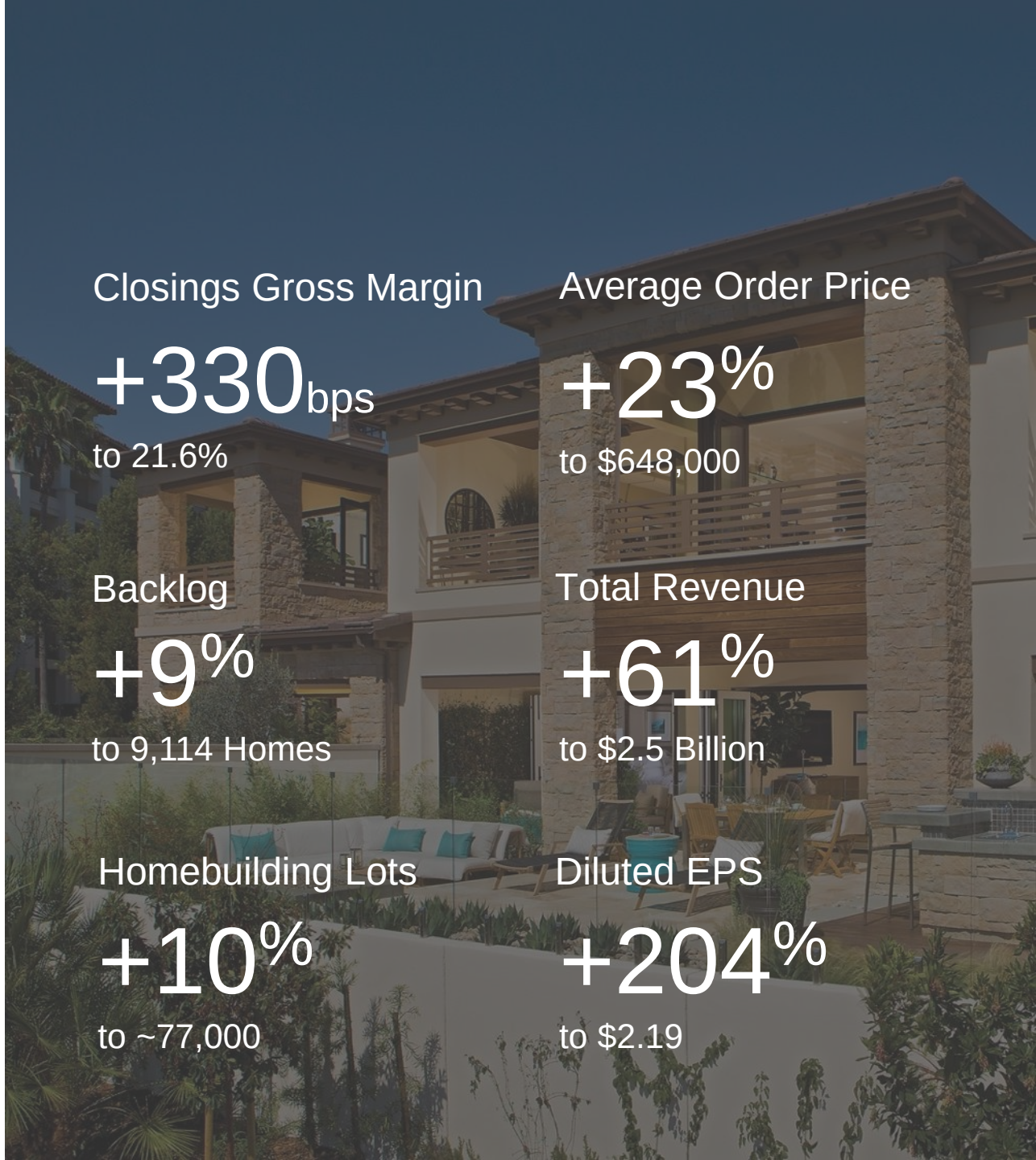
Investor Presentation

Fourth Quarter 2021

TaylorMorrison®

Q4 2021 Highlights

- **Home closings revenue** increased 61% to $2.4 billion, driven by 39% growth in home closings and a 16% increase in average closing price.
- **Home closings gross margin** improved 330 basis points to 21.6% percent in the fourth quarter and 370 basis points to 20.3% in 2021.
- **Demand** was healthy across geographies and consumer groups, with outperformance in the move-up segment, which experienced growth in net sales orders and absorption pace.
- Amid continued strong demand and supply constraints, we continued to meter **sales activity** in 75% of communities to align with production and raised prices in a similar share of communities.
- The share of homebuilding **controlled lots** increased approximately 700 basis points to 38 percent and is expected to increase to approximately 45% in 2022.
- **Return on equity** improved 960 basis points to 17.5% and is now expected to improve to the mid-20% range in 2022.



 Note: Comparisons to the prior-year period, unless noted.

Q4 2021 and Full Year 2021 Snapshot

	Q4 2021	Q4 2020	Change	2021	2020	Change
Operating Statistics						
Net Sales Orders	3,124	3,724	-16%	14,410	15,068	-4%
Net Sales Orders per Community per Month	3.2	3.4	-6%	3.6	3.3	9%
Net Sales Orders Average Sales Price (in Thousands)	$648	$527	23%	$602	$485	24%
Cancellation Rate	8.2%	7.9%	30 bps	6.5%	12.4%	-590 bps
Home Closings	4,283	3,082	39%	13,699	12,524	9%
Home Closings Average Sales Price (in Thousands)	$558	$483	16%	$524	$468	12%
Backlog Units	9,114	8,403	8%	9,114	8,403	8%
Backlog Value	$5,757	$4,227	36%	$5,757	$4,227	36%
Financial Metrics						
Home Closings Revenue	$2,391	$1,487	61%	$7,171	$5,864	22%
Total Revenue	$2,505	$1,558	61%	$7,501	$6,129	22%
Home Closings Gross Margin	21.6%	18.3%	330 bps	20.3%	16.6%	370 bps
SG&A % of Home Closings Revenue	7.8%	9.6%	-180 bps	9.3%	9.8%	-50 bps
Financial Services Pre-Tax Income	$21	$19	8%	$71	$69	4%
Net Income	$273	$94	189%	$663	$243	172%
Adjusted Net Income	$273	$115	137%	$663	$362	83%
Earnings per Diluted Share	$2.19	$0.72	204%	$5.18	$1.88	176%
Adjusted Earnings per Diluted Share	$2.19	$0.87	152%	$5.18	$2.81	84%
Balance Sheet Metrics						
Cash and Equivalents	$833	$533	56%	$833	$533	56%
Stockholders' Equity	$3,971	$3,594	10%	$3,971	$3,594	10%
Book Value per Diluted Share	$31.88	$27.21	17%	-	-	-
Net Debt-to-Capitalization	34.1%	38.7%	-460 bps	34.1%	38.7%	-460 bps

Note: Dollars in Millions, Unless Noted.

TaylorMorrison

Management’s Outlook for Select Financial Metrics

	First Quarter 2022	Full Year 2022
Ending Active Community Count	310 to 315	Around 350
Home Closings	2,600 to 2,900	14,000 to 15,000
Average Sales Price	Not Provided	At Least $600,000
GAAP Home Closings Gross Margin	Approximately 22%	At Least 23.5%
SG&A % of Home Closings Revenue	Not Provided	High-8% Range
Effective Tax Rate	Approximately 25%	Approximately 25%
Diluted Share Count	Approximately 124 Million	Approximately 124 Million
Homebuilding Land & Development Spend	Not Provided	$2.3 to 2.4 Billion

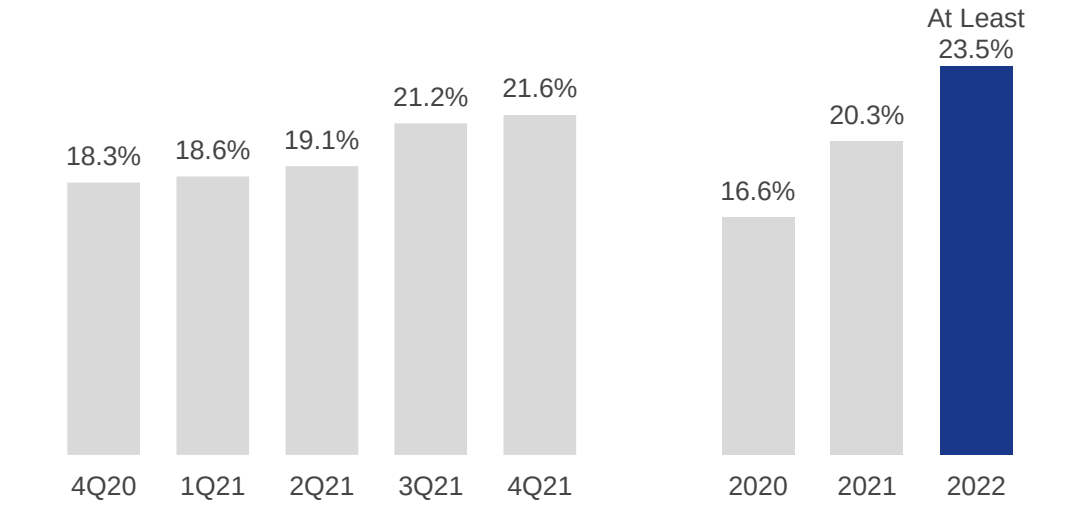
Note: Outlook issued as of Feb. 8, 2022.

TaylorMorrison

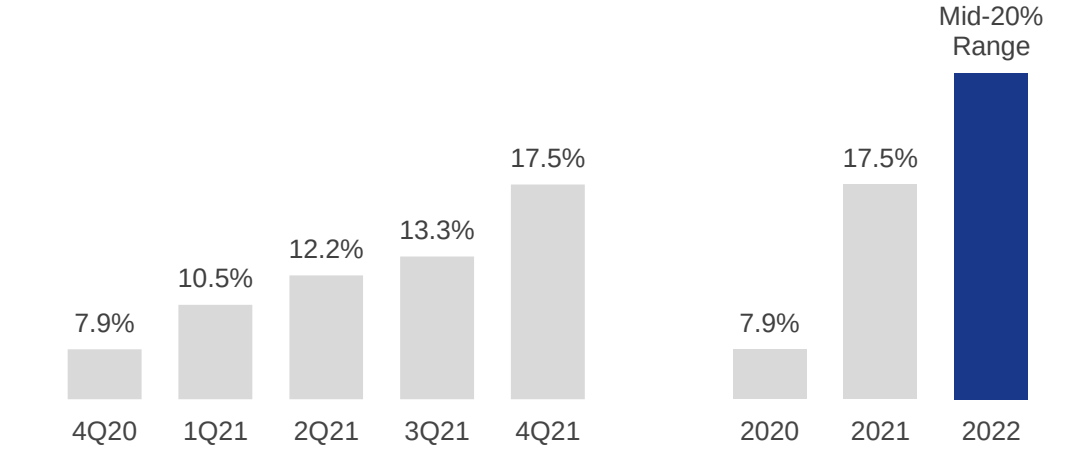
ROE-Driven Focus on Enhanced Operational and Capital Efficiencies

- **Operational Initiatives**
  - Floorplan and Option Rationalization
  - Option Packages versus Design Center Approach
  - Value Engineering
  - Virtual Selling Innovations
  - Spec and Model Home Inventory Management
- **M&A Synergies**
  - Overhead Leverage
  - Cost Advantages with Enhanced Scale, Product Alignment
- **Land-Lighter Balance Sheet**
  - Increasing Share of Lots Controlled (~45% Targeted in 2022)
  - Shorter Land Duration
- **Balanced Capital Allocation**
  - Net Debt Improvement with Potential for Gross Debt Reduction
  - Opportunistic Share Repurchases

Home Closings Gross Margin[(1)]



Return on Equity[(1)(2)]



TaylorMorrison

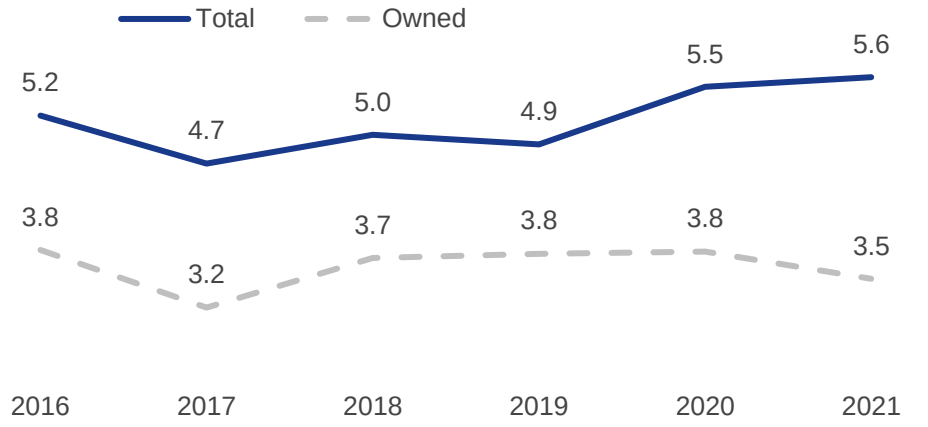
Note: (1) 2020 includes impact from acquisition of William Lyon Homes; (2) ROE equals TTM net income divided by average stockholder's equity in the current and prior-year period.

Land Update

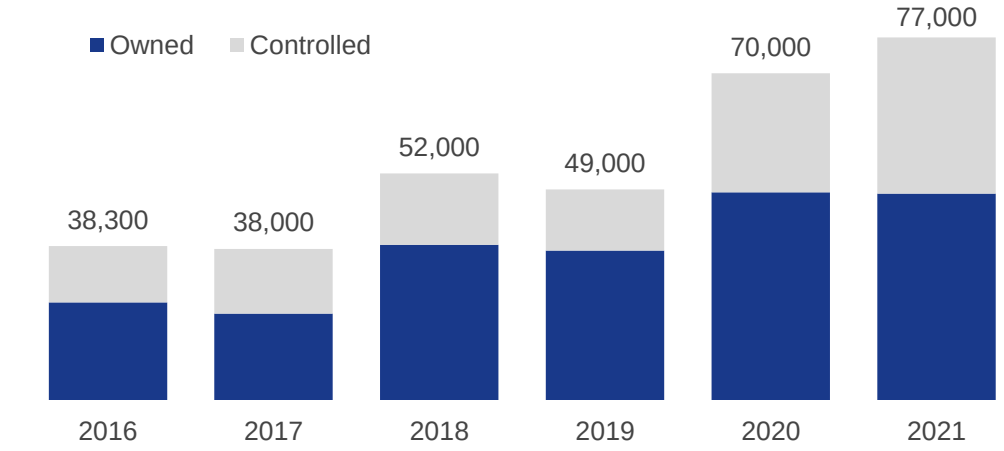
Q4 2021 Highlights

- Invested $2.0 billion in land acquisition and development in 2021
  - Targeting $2.3 to 2.4 billion in homebuilding land acquisition and development spend in 2022
- Approximately 77,000 homebuilding lots owned and controlled
  - Up 10% year over year
- 38% of total lots controlled
  - Up from 31% a year ago
  - Expect to reach approximately 45% in 2022
- Land-lighter balance sheet approach improves capital efficiency, minimizes long-term risk and enhances expected returns

Years of Homebuilding Lots Based on Trailing Twelve-Month Closings



Homebuilding Lots Owned and Controlled



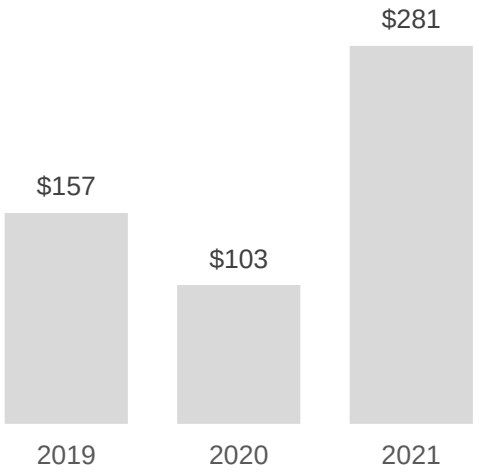
TaylorMorrison

Capital Update

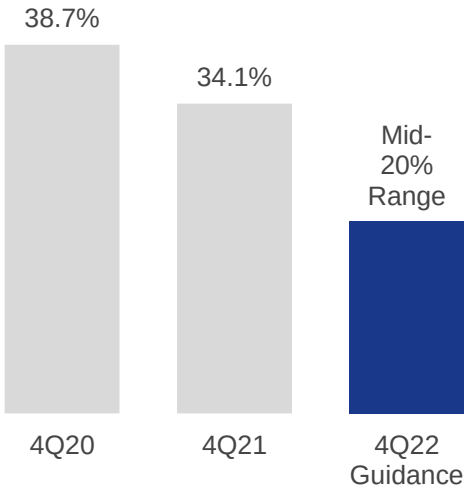
Q4 2021 Highlights

- Net debt-to-capital ratio expected to decline to mid-20% range by the end of 2022
  - Reduced net debt-to-capital ratio to 34.1% in 4Q21 from 38.7% in 4Q20
- $1.6 billion total available liquidity
  - $833 million unrestricted cash
  - $810 million revolving credit facility capacity
- Repurchased 9.9 million shares outstanding, or approximately 8% of beginning shares outstanding, for $281 million in 2021
  - As of year end, remaining repurchase authorization was $230 million
- 5.8% average interest rate on $2.5 billion of senior notes

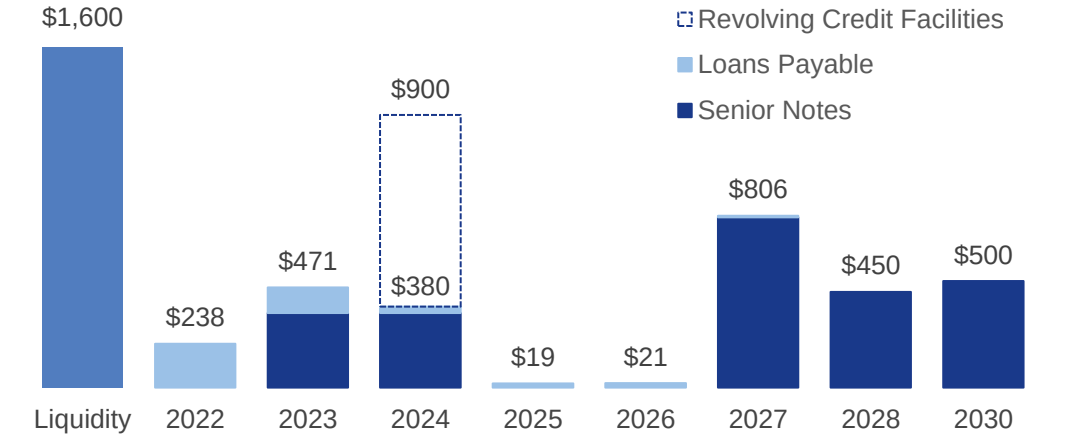
Share Repurchases (in Millions)



Net Debt-to-Capitalization Ratio



Liquidity Summary as of Dec. 31, 2021 (in Millions)



TaylorMorrison

Guided by a Balanced Capital Allocation Philosophy



Allocate Capital for Long-Term Value Creation

We aim to enhance the long-term value of our company by allocating capital with a balanced and disciplined approach to drive profitable growth through a housing cycle



Balance Sheet Stewardship

Manage balance sheet to maintain strong liquidity and reduce leverage to targeted range



Reinvest in the Business

Disciplined due diligence for investments in core homebuilding operations and growing build-to-rent business to support growth



Evaluate Growth Opportunities

Increase scale and diversification through strategic M&A



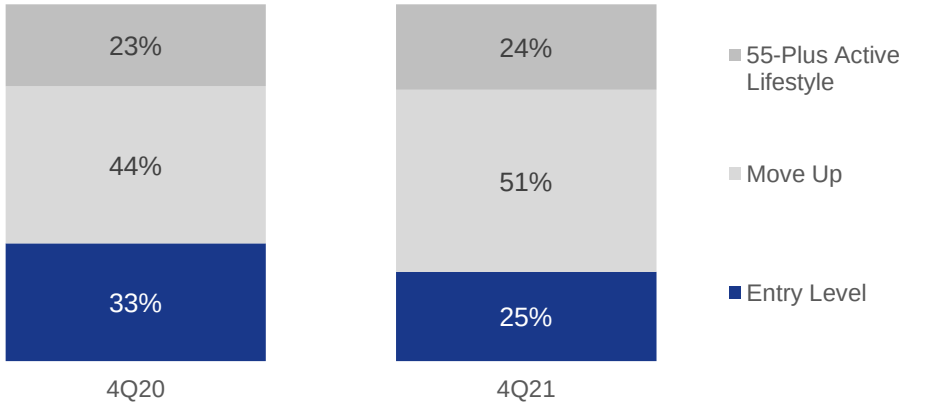
Return Excess Cash to Shareholders

Since 2015, repurchased a total of approximately 43.4 million shares, or 37%, for $930 million, including 9.9 million shares in 2021

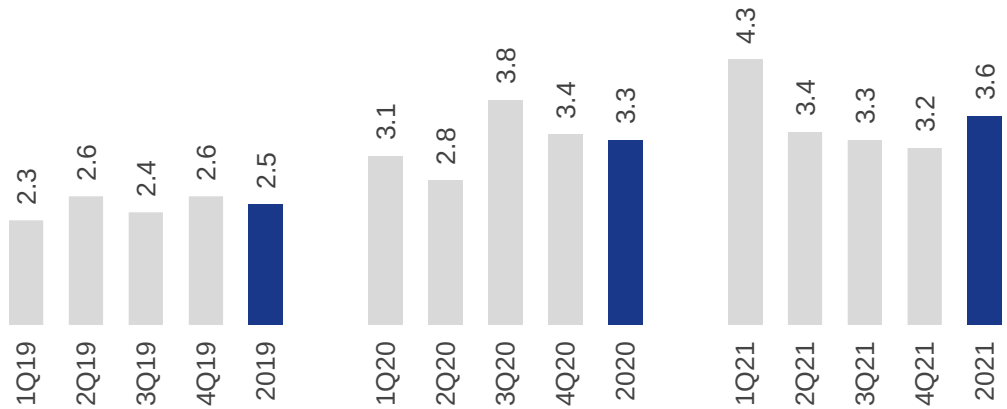
TaylorMorrison

Diverse Product Portfolio Serves All Major Buyer Groups

Net Sales Orders by Consumer Type



Monthly Net Sales Orders per Community













TaylorMorrison



Coast-to-Coast Footprint with Local Market Depth

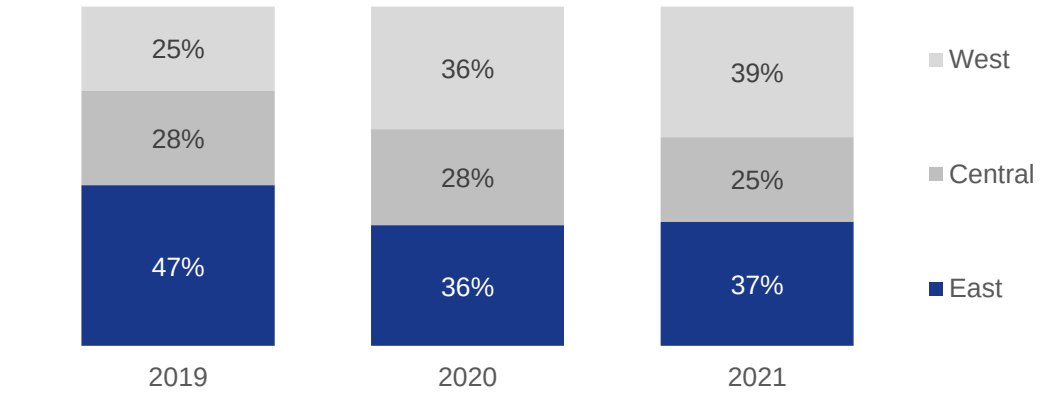
8 Markets

Top 5 Builder

13 Markets

Top 10 Builder

Mix of Home Closings by Region



TaylorMorrison

Financial Services

Q4 2021 Highlights

Borrower Snapshot

- 752 Average FICO Score
- 78% Average LTV Ratio
- $417,000 Loan Amount
- 38% First-Time Homebuyers

Unit Product Mix

- 84% Conventional
- 14% Government
- 2% Jumbo

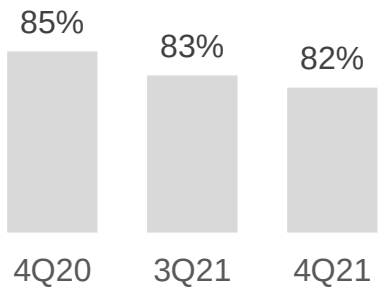
Suite of Services

- Mortgage Lending
- Title Insurance
- Homeowners' Insurance
- Joint Venture Platform

Benefits

- Pre-Qualification of Nearly All Buyers
- Valuable Backlog Management
- Enhanced Customer Experience
- Servicing Platform Flexibility
- Positive Financial Contribution

Capture Rate



Financial Performance

- $45 Million Revenue
- $19 Million Gross Profit
- 43.0% Gross Margin

Dorothy

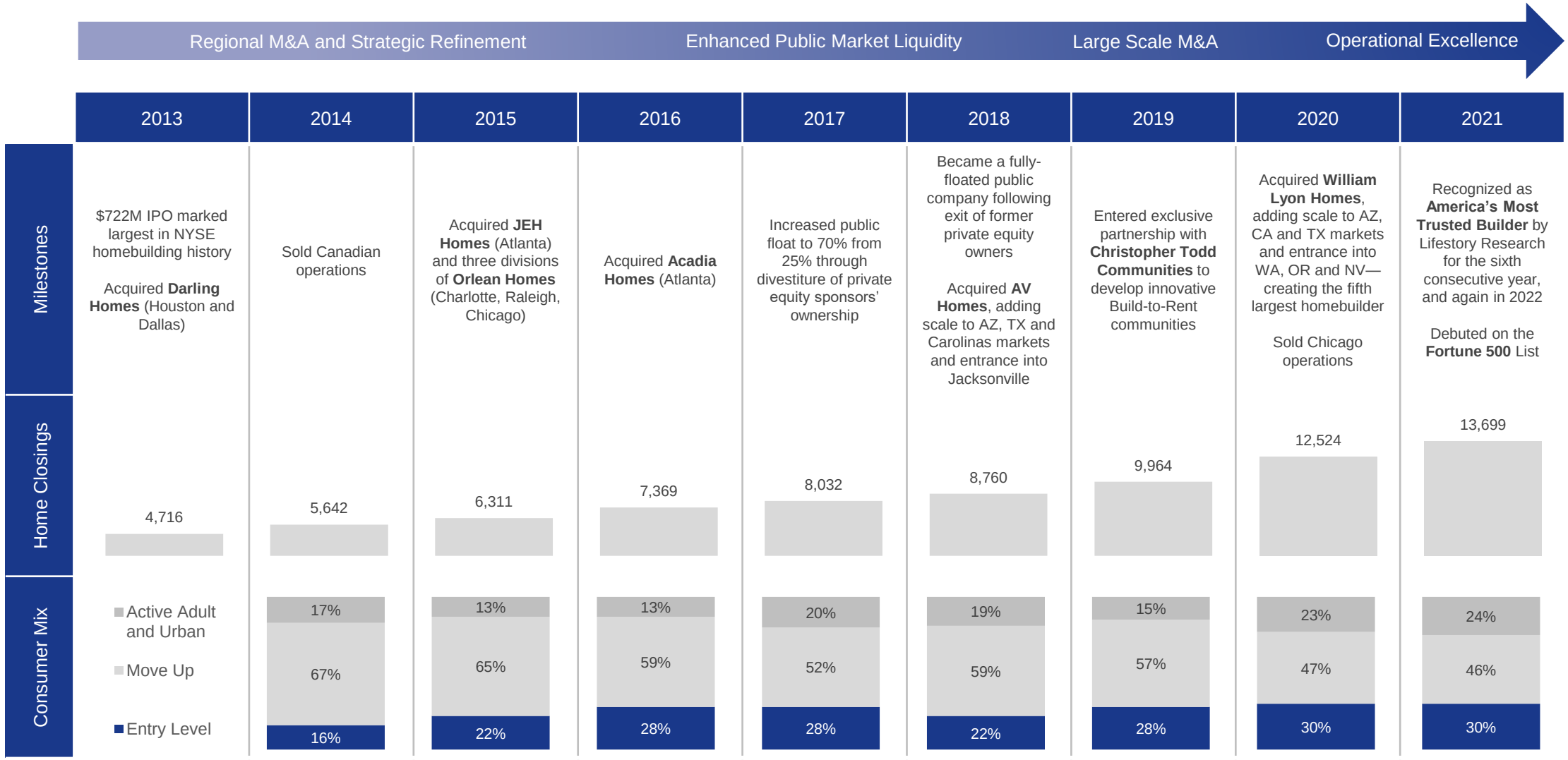
Integrated digital technology simplifies the mortgage process for borrowers and streamlines operations

ARQ
ABLE. READY. OWN.

Borrower qualification-improvement program provides meaningful improvement in credit worthiness and homebuyer education

TaylorMorrison

Achieved Scale and Diversification for Long-Term Success

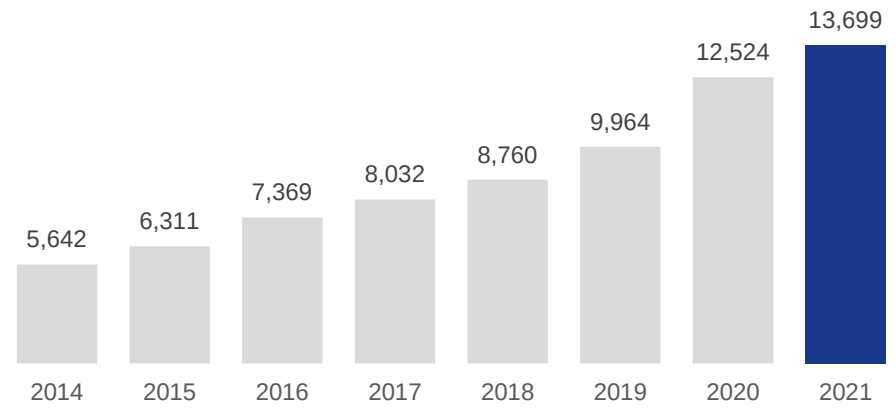


 Note: Consumer mix based on net sales orders.

TaylorMorrison

Significant Growth Evident Across Key Metrics

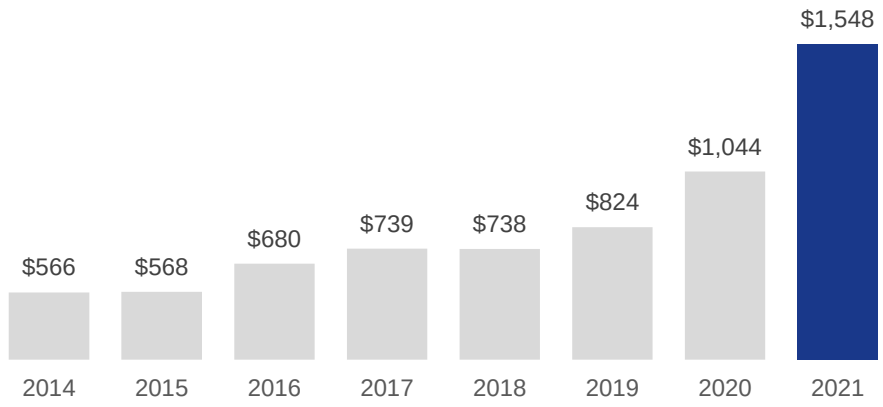
Home Closings



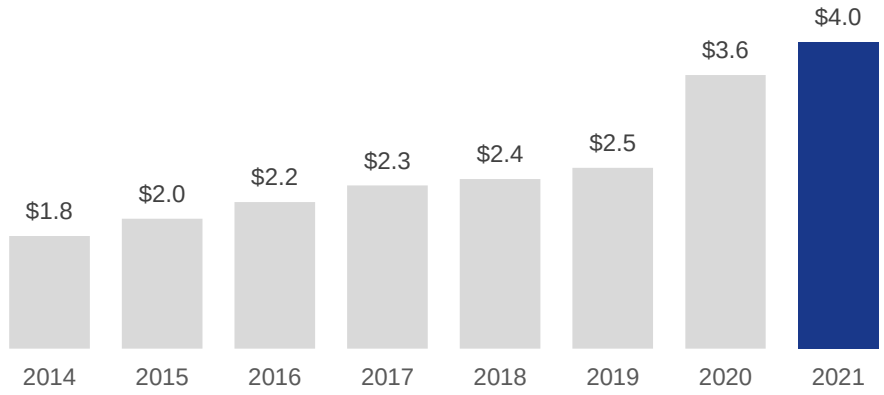
Total Revenue ($ in Billions)



Gross Profit ($ in Millions)



Stockholders' Equity ($ in Billions)



TaylorMorrison

Canvas, our Curated Design Package Approach

- Canvas packages are thoughtfully curated to offer homebuyers an improved, easier design experience than the traditional design center approach
- Package collections—which are available at five budget levels—include features with the highest design appeal at a compelling value
- By streamlining option offerings, Taylor Morrison is better able to manage supplier relationships to ensure timely product availability and cost leverage—driving expected gross margin and cycle time improvement
- Canvas has become the template for all new spec and most model homes, and is expanding to our to-be-built homes, especially in entry-level and first move-up communities



TaylorMorrison

Venture, a First-of-its-Kind Digital Community









Completely Virtual Experience

Begin your journey online

- Explore the interactive site map
- View floor plans, exterior colors, and Canvas design packages preselected for the home
- View available homes
- Take 3D Tours**

Reserve your home using the online reservation tool

Need a mortgage? Pre-apply with Taylor Morrison Home Funding, Inc.*

Work with your Virtual Community Sales Manager through the homebuying process

Virtual + Model Experience

Begin your journey online

- Explore the interactive site map
- View floor plans, exterior colors, and Canvas design packages preselected for the home
- View available homes
- Take 3D Tours**

Schedule a self-guided tour of the model home

- Receive your code to unlock the front door
- Arrive at the model and enjoy

Tour the decorated model home

- Explore the Discovery Den
- Ask Alexa questions
- Interact with touchscreens to learn more
- Scan QR codes throughout the community to see planned homes
- Schedule future tours of completed available homes

Build-to-Rent Operations

- We entered the BTR market in 2019 by way of a strategic relationship with Christopher Todd Communities
- Focused on leveraging core production homebuilder strengths to deliver innovative, single-family rental communities that fill a void in the market and meet growing demand from renters-by-choice
- BTR operations are active in nine of our 19 traditional markets, with additional markets under evaluation for expansion in 2022 and beyond
- Approved land deals represent a portfolio of 4,000+ lots that is expected to double by the end of 2022
- First asset disposition is expected by the end of 2022 once initial community in Phoenix reaches rental stabilization

Christopher Todd COMMUNITIES

Built by TaylorMorrison.





TaylorMorrison.

Committed to Environmental, Social and Governance Values







People First

3,000+
team members

7 of 8
of team members are enthusiastic about working for Taylor Morrison

46 percent
women team members

44 percent
women Board of Directors

Building for the Future

100 percent
homes now offer TM LiveWell® upgraded products

3,700+
acres of protected wildlife habitat certified by the National Wildlife Federation to date

30,400+
ENERGY STAR® certified appliances installed

63
Average HERS® energy efficiency index score

Transparency and Accountability

7 years
America's Most Trusted® Homebuilder (2016-22)

100 percent
of employees certified to our health and safety standards

31,700+
hours of employee training

10
U.N. Sustainable Development Goals that align with our impact

Note: Employee count is as of 12/31/2021; all other metrics are as of 12/31/2020.

Appendix

Who We Are

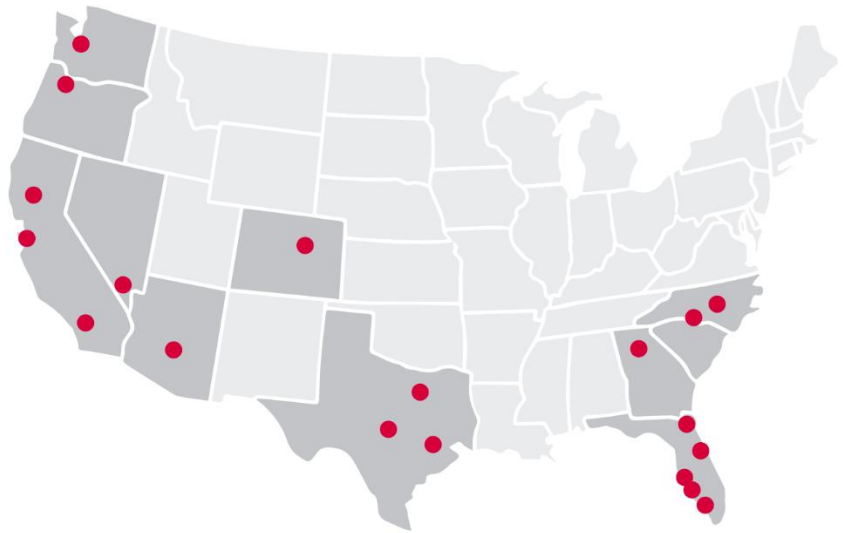
Headquartered in Scottsdale, Arizona, Taylor Morrison is one of the nation's largest homebuilders and developers with operations in many of the highest-growth housing markets across 11 states.

We serve a wide array of homebuyers with our diverse product portfolio, including first-time, move-up, luxury and 55-plus active lifestyle consumers.

Our Financial Services segment provides mortgage financing, title services and homeowners' insurance. We also operate a growing Build-to-Rent business to develop innovative, luxury rental communities.

From 2016-2022, Taylor Morrison has been recognized as America's Most Trusted® Builder by Lifestory Research.

Our strong commitment to sustainability, our communities and our team is highlighted in our latest annual Environmental, Social and Governance (ESG) Report.



West
Bay Area
Portland
Sacramento
Seattle
Southern California

Central
Denver
Las Vegas
Phoenix
Austin
Dallas-Fort Worth
Houston

East
Atlanta
Charlotte
Fort Myers-Naples
Jacksonville
Orlando
Raleigh
Sarasota
Tampa

taylor morrison.
ESPLANADE.
taylor morrison. HOME FUNDING
INSPIRED TITLE SERVICES
Christopher Todd COMMUNITIES
Built by Taylor Morrison

TaylorMorrison.

Historical Operating Data by Region

	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	2021 vs 2020
Average Active Selling Communities												
East	159	144	153	145	139	145	129	126	136	126	129	-11%
Central	134	134	132	122	113	124	106	101	98	102	100	-19%
West	58	100	126	126	116	117	110	105	104	102	105	-10%
TMHC	351	378	411	393	368	386	345	332	338	330	334	-13%
Net Sales Orders												
East	4,893	1,361	1,176	1,548	1,384	5,469	1,777	1,302	1,279	1,037	5,395	-1%
Central	3,019	906	1,003	1,133	824	3,866	1,072	850	921	957	3,800	-2%
West	2,605	1,199	1,274	1,744	1,516	5,733	1,643	1,270	1,172	1,130	5,215	-9%
TMHC	10,517	3,466	3,453	4,425	3,724	15,068	4,492	3,422	3,372	3,124	14,410	-4%
Homes Closed												
East	4,715	985	1,097	1,216	1,152	4,450	1,052	1,245	1,167	1,547	5,011	13%
Central	2,784	819	1,059	913	757	3,548	691	791	764	1,165	3,411	-4%
West	2,465	957	1,056	1,340	1,173	4,526	1,078	1,232	1,396	1,571	5,277	17%
TMHC	9,964	2,761	3,212	3,469	3,082	12,524	2,821	3,268	3,327	4,283	13,699	9%
Home Closings Revenue (in Millions)												
East	$1,912	$396	$467	$499	$494	$1,857	$446	$563	$555	$795	$2,359	27%
Central	$1,327	$373	$474	$424	$349	$1,619	$320	$383	$399	$628	$1,730	7%
West	$1,384	$496	$530	$718	$644	$2,388	$597	$698	$819	$968	$3,082	29%
TMHC	$4,623	$1,265	$1,471	$1,641	$1,487	$5,864	$1,363	$1,644	$1,772	$2,391	$7,171	22%
Home Closings Gross Margin												
East	16.5%	15.6%	16.7%	17.8%	18.3%	17.2%	18.8%	20.6%	22.7%	22.7%	21.5%	430 bps
Central	14.0%	17.1%	17.6%	20.4%	20.6%	18.9%	20.2%	18.5%	19.6%	19.9%	19.6%	70 bps
West	20.7%	13.9%	12.3%	14.9%	17.1%	14.7%	17.5%	18.1%	20.9%	21.7%	19.9%	510 bps
TMHC	17.0%	15.4%	15.4%	17.2%	18.3%	16.6%	18.6%	19.1%	21.2%	21.6%	20.3%	370 bps
Sales Order Backlog												
East	1,816	2,193	2,271	2,603	2,835	2,835	3,560	3,617	3,729	3,219	3,219	14%
Central	1,655	2,167	2,111	2,331	2,398	2,398	2,779	2,838	2,995	2,787	2,787	16%
West	1,240	2,205	2,423	2,827	3,170	3,170	3,735	3,773	3,549	3,108	3,108	-2%
TMHC	4,711	6,565	6,805	7,761	8,403	8,403	10,074	10,228	10,273	9,114	9,114	8%
Backlog Value (in Millions)												
East	$791	$957	$975	$1,158	$1,320	$1,320	$1,753	$1,903	$2,091	$1,902	$1,902	44%
Central	$839	$1,042	$1,006	$1,120	$1,200	$1,200	$1,463	$1,582	$1,760	$1,748	$1,748	46%
West	$644	$1,132	$1,245	$1,474	$1,707	$1,707	$2,120	$2,251	$2,273	$2,107	$2,107	23%
TMHC	$2,275	$3,132	$3,226	$3,752	$4,227	$4,227	$5,337	$5,736	$6,124	$5,757	$5,757	36%

Reconciliation of Non-GAAP Measures

Net Homebuilding Debt to Capitalization Ratio Reconciliation

($ in thousands)	As of December 31, 2021	As of September 30, 2021	As of December 31, 2020
Total Debt	$ 3,302,124	$ 3,221,569	$ 2,928,395
Less amortized debt issuance premiums, net	2,322	2,333	2,365
Less mortgage warehouse borrowings	413,887	235,685	127,289
Total homebuilding debt	**$ 2,885,915**	**$ 2,983,551**	**$ 2,798,741**
Less cash and cash equivalents	832,821	373,407	532,843
Net homebuilding debt	**$ 2,053,094**	**$ 2,610,144**	**$ 2,265,898**
Total equity	3,970,982	3,745,896	3,593,750
Total capitalization	**$ 6,024,076**	**$ 6,356,040**	**$ 5,859,648**
Net homebuilding debt to capitalization ratio	**34.1%**	**41.1%**	**38.7%**

Adjusted Net Income and Adjusted Earnings Per Share

($ in thousands, except per share data)	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020	Twelve Months Ended December 31, 2021	Twelve Months Ended December 31, 2020
Net income available to TMHC	$272,724	$94,419	$663,026	$243,439
Inventory impairment charges	—	9,611	—	9,611
Transaction expenses	—	17,293	—	127,170
Loss on extinguishment of debt, net	—	—	—	10,247
Tax impact due to above non-GAAP reconciling items	—	(6,151)	—	(27,980)
Adjusted net income	$272,724	$115,172	$663,026	$362,487
Basic weighted average shares	122,694	129,891	126,077	127,812
Adjusted earnings per common share - Basic	$2.22	$0.89	$5.26	$2.84
Diluted weighted average shares	124,572	132,052	128,019	129,170
Adjusted earnings per common share - Diluted	$2.19	$0.87	$5.18	$2.81

In addition to the results reported in accordance with accounting principles generally accepted in the United States ("GAAP"), we have provided information in this presentation relating to: (i) adjusted net income and adjusted earnings per share and (ii) net homebuilding debt to capitalization ratio.

Adjusted net income and adjusted earnings per share are non-GAAP financial measures that reflect the net income available to the Company excluding the impact of inventory impairment charges, transaction expenses, loss on extinguishment of debt, net, and the tax impact due to such items. Net homebuilding debt to capitalization ratio is a non-GAAP financial measure we calculate by dividing (i) total debt, less unamortized debt issuance premiums, net, and mortgage warehouse borrowings, net of unrestricted cash and cash equivalents, by (ii) total capitalization (the sum of net homebuilding debt and total stockholders' equity).

Management uses these non-GAAP financial measures to evaluate our performance on a consolidated basis, as well as the performance of our regions, and to set targets for performance-based compensation. We also use the ratio of net homebuilding debt to total capitalization as an indicator of overall leverage and to evaluate our performance against other companies in the homebuilding industry. A reconciliation of our forward-looking net homebuilding debt to capitalization ratio to the most directly comparable GAAP financial measure cannot be provided without unreasonable effort because of the inherent difficulty of accurately forecasting the occurrence and financial impact of the adjusting items necessary for such reconciliation that have not yet occurred, are out of our control, or cannot be reasonably predicted. In the future, we may include additional adjustments in the above-described non-GAAP financial measures to the extent we deem them appropriate and useful to management and investors.

We believe that adjusted net income and adjusted earnings per share are useful for investors in order to allow them to evaluate our operations without the effects of various items we do not believe are characteristic of our ongoing operations or performance and also because such metrics assist both investors and management in analyzing and benchmarking the performance and value of our business. Because we use the ratio of net homebuilding debt to total capitalization to evaluate our performance against other companies in the homebuilding industry, we believe this measure is also relevant and useful to investors for that reason. These non-GAAP financial measures should be considered in addition to, rather than as a substitute for, the comparable U.S. GAAP financial measures of our operating performance or liquidity. Although other companies in the homebuilding industry may report similar information, their definitions may differ. We urge investors to understand the methods used by other companies to calculate similarly-titled non-GAAP financial measures before comparing their measures to ours.

TaylorMorrison

Forward-Looking Statements

This earnings summary includes “forward-looking statements.” These statements are subject to a number of risks, uncertainties and other factors that could cause our actual results, performance, prospects or opportunities, as well as those of the markets we serve or intend to serve, to differ materially from those expressed in, or implied by, these statements. You can identify these statements by the fact that they do not relate to matters of a strictly factual or historical nature and generally discuss or relate to forecasts, estimates or other expectations regarding future events. Generally, the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “may,” “can,” “could,” “might,” “will” and similar expressions identify forward-looking statements, including statements related to expected financial, operating and performance results, planned transactions, planned objectives of management, future developments or conditions in the industries in which we participate and other trends, developments and uncertainties that may affect our business in the future.

Such risks, uncertainties and other factors include, among other things: the scale and scope of the ongoing COVID-19 pandemic; changes in general and local economic conditions; slowdowns or severe downturns in the housing market; homebuyers’ ability to obtain suitable financing; increases in interest rates, taxes or government fees; shortages in, disruptions of and cost of labor; higher cancellation rates of existing agreements of sale; competition in our industry; any increase in unemployment or underemployment; inflation or deflation; the seasonality of our business; the physical impacts of climate change and the increased focus by third-parties on sustainability issues; our ability to obtain additional performance, payment and completion surety bonds and letters of credit; significant home warranty and construction defect claims; our reliance on subcontractors; failure to manage land acquisitions, inventory and development and construction processes; availability of land and lots at competitive prices; decreases in the market value of our land inventory; new or changing government regulations and legal challenges; our compliance with environmental laws and regulations regarding climate change; our ability to sell mortgages we originate and claims on loans sold to third parties; governmental regulation applicable to our financial services and title services business; the loss of any of our important commercial lender relationships; our ability to use deferred tax assets; raw materials and building supply shortages and price fluctuations; our concentration of significant operations in certain geographic areas; risks associated with our unconsolidated joint venture arrangements; information technology failures and data security breaches; costs to engage in and the success of future growth or expansion of our operations or acquisitions or disposals of businesses; costs associated with our defined benefit and defined contribution pension schemes; damages associated with any major health and safety incident; our ownership, leasing or occupation of land and the use of hazardous materials; existing or future litigation, arbitration or other claims; negative publicity or poor relations with the residents of our communities; failure to recruit, retain and develop highly skilled, competent people; utility and resource shortages or rate fluctuations; constriction of the capital markets; risks related to our substantial debt and the agreements governing such debt, including restrictive covenants contained in such agreements; our ability to access the capital markets; the risks associated with maintaining effective internal controls over financial reporting; provisions in our charter and bylaws that may delay or prevent an acquisition by a third party; and our ability to effectively manage our expanded operations.

In addition, other such risks and uncertainties may be found in our most recent annual report on Form 10-K and our quarterly reports on Form 10-Q filed with the Securities and Exchange Commission (SEC) as such factors may be updated from time to time in our periodic filings with the SEC. We undertake no duty to update any forward-looking statement, whether as a result of new information, future events or changes in our expectations, except as required by applicable law.

TaylorMorrison