

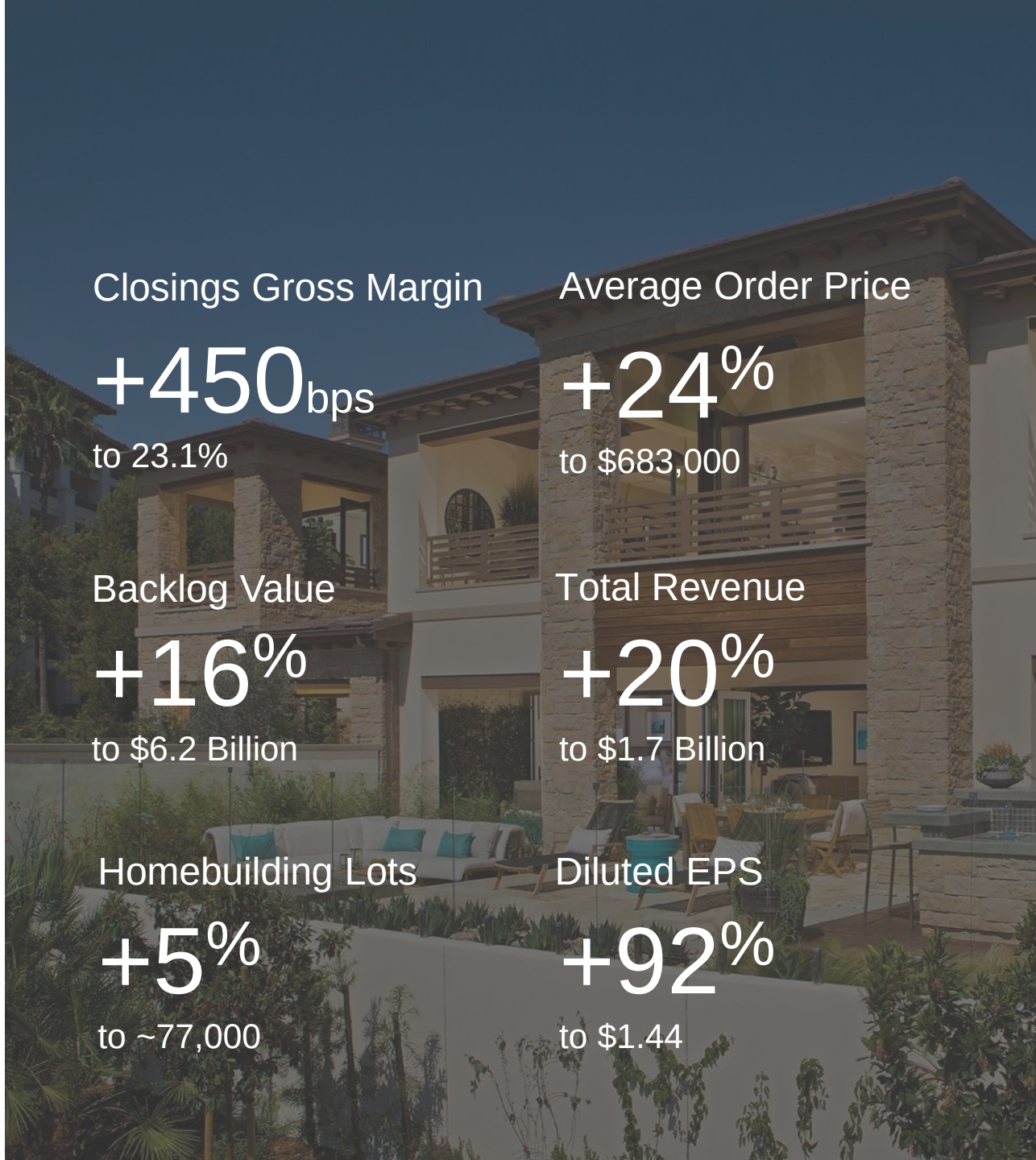
Investor Presentation

First Quarter 2022

TaylorMorrison®

Q1 2022 Highlights

- **Home closings** of 2,768 were above the mid-point of the prior guidance range despite continued supply chain constraints, which intensified during the quarter. Process streamlining, product and option rationalization and close communication is helping to offset these challenges.
- **Home closings gross margin** improved 450 basis points to 23.1% percent in the first quarter, reflecting pricing power, operational enhancements and acquisition synergies.
- **SG&A** as a percentage of home closings revenue declined 120 basis points 9.6%, the lowest first quarter level in the Company's history.
- **Demand** remained healthy across geographies and consumer groups, with outperformance in the move-up and active lifestyle segments, which tend to be less interest rate sensitive.
- The share of homebuilding **controlled lots** increased 700 basis points to 39 percent and is expected to increase to approximately 45% in 2022.
- Repurchased 1.9 million shares outstanding for $58 million.
- **Return on equity** improved nearly 900 basis points to 19.1% and is now expected to improve to the mid-to-high 20% range in 2022.



Closings Gross Margin

+450bps

to 23.1%

Average Order Price

+24%

to $683,000

Backlog Value

+16%

to $6.2 Billion

Total Revenue

+20%

to $1.7 Billion

Homebuilding Lots

+5%

to ~77,000

Diluted EPS

+92%

to $1.44

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

Key Metrics Snapshot

	Q1 2022	Q1 2021	Change
Operating Statistics			
Net Sales Orders	3,054	4,492	-32%
Net Sales Orders Average Sales Price (in Thousands)	$683	$550	24%
Cancellation Rate	6.4%	6.0%	40 bps
Home Closings	2,768	2,821	-2%
Home Closings Average Sales Price (in Thousands)	$594	$483	23%
Backlog Units	9,400	10,074	-7%
Backlog Value	$6,198	$5,337	16%
Income Statement Metrics			
Home Closings Revenue	$1,644	$1,363	21%
Total Revenue	$1,703	$1,418	20%
Home Closings Gross Margin	23.1%	18.6%	450 bps
SG&A % of Home Closings Revenue	9.6%	10.8%	-120 bps
Financial Services Gross Profit	$11	$20	-45%
Net Income	$177	$98	80%
Earnings per Diluted Share	$1.44	$0.75	92%
Balance Sheet Metrics			
Cash and Equivalents	$569	$393	45%
Stockholders' Equity	$4,095	$3,656	12%
Book Value per Diluted Share	$33.38	$27.85	20%
Net Debt-to-Capitalization	35.7%	40.1%	-440 bps

Note: Dollars in Millions, Unless Noted.

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Management's Outlook for Select Financial Metrics

	Second Quarter 2022	Full Year 2022
Ending Active Community Count	310 to 315	Around 350
Home Closings	3,000 to 3,200	14,000 to 15,000
Average Sales Price	Not Provided	At Least $625,000
GAAP Home Closings Gross Margin	Approximately 24%	At Least 24.5%
SG&A % of Home Closings Revenue	Not Provided	Mid-to-High 8% Range
Effective Tax Rate	Approximately 24%	Approximately 24%
Diluted Share Count	Approximately 122 Million	Approximately 122 Million
Homebuilding Land & Development Spend	Not Provided	$2.3 to 2.4 Billion

Note: Outlook issued April 27, 2022.

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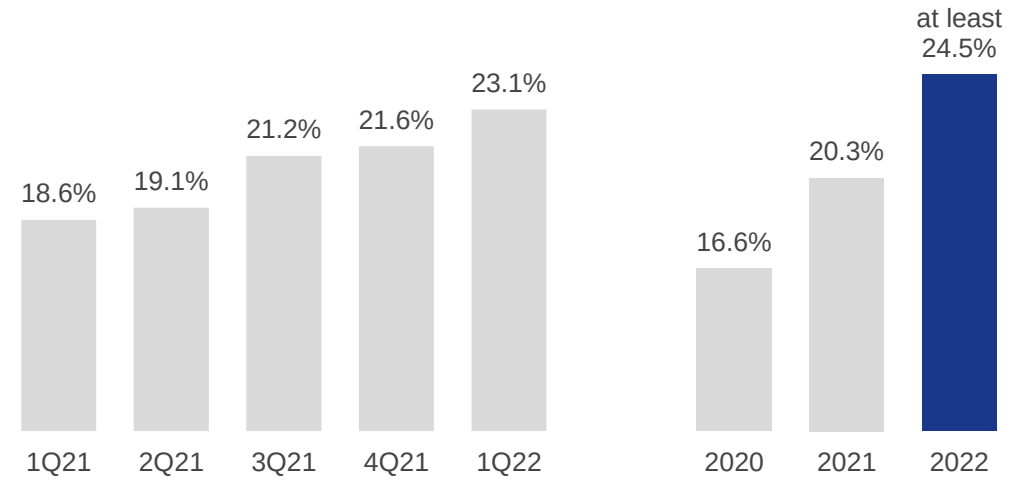
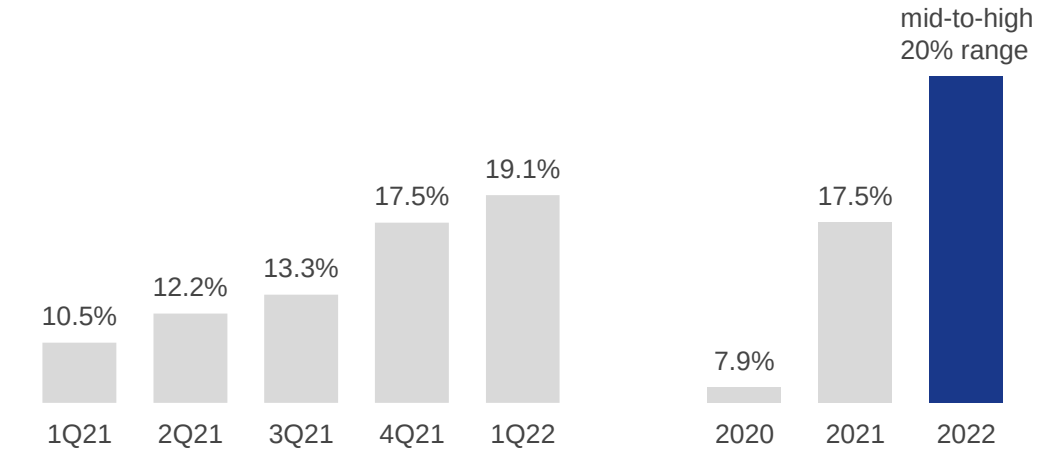
ROE-Driven Focus on Enhanced Operational and Capital Efficiencies

- **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-to-Capital Improvement (Mid-20% Targeted by Year End)
  - Opportunistic Share Repurchases

Home Closings Gross Margin(1)



Return on Equity(1)(2)



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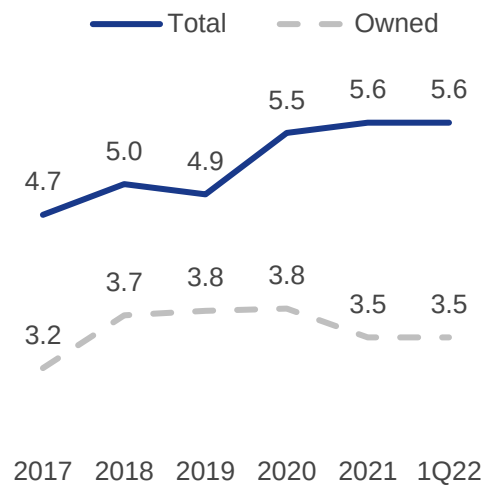
Note: (1) 2020 includes impact from acquisition of William Lyon Homes; (2) ROE equals TTM net income divided by average stockholder's equity in the current and prior-year period.

Robust Land Pipeline Supports Future Growth

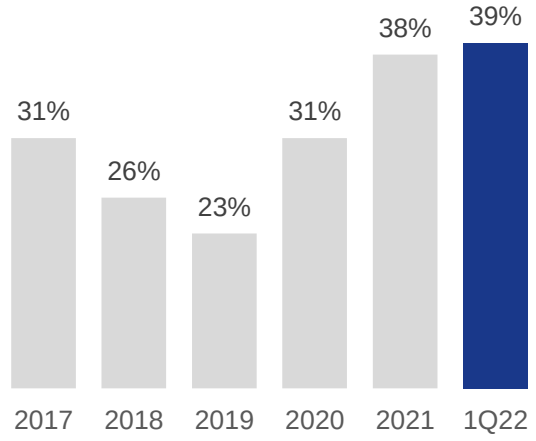
Q1 2022 Highlights

- Disciplined land investment strategy focuses on prime land locations in core submarkets
- Invested $394 million in land acquisition and development, of which just over 50% was development related
  - Targeting $2.3 to 2.4 billion in homebuilding land spend in 2022
  - New land acquisitions targeting closings in 2025 and beyond
- Approximately 77,000 homebuilding lots owned and controlled represents nearly six years of total supply
- 39% of total lots controlled, up 700 basis points year over year
  - Expect to reach approximately 45% in 2022
- Land-lighter balance sheet approach improves capital efficiency, minimizes long-term risk and enhances expected returns

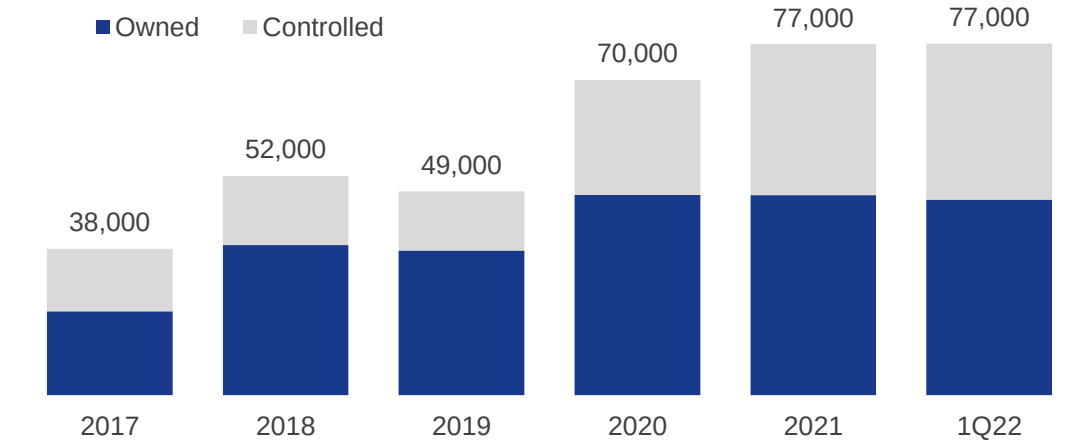
Years of Supply



Controlled Lot Percentage



Homebuilding Lots Owned and Controlled



Note: Decline in controlled percentage in 2018 reflects acquisition of AVHI.

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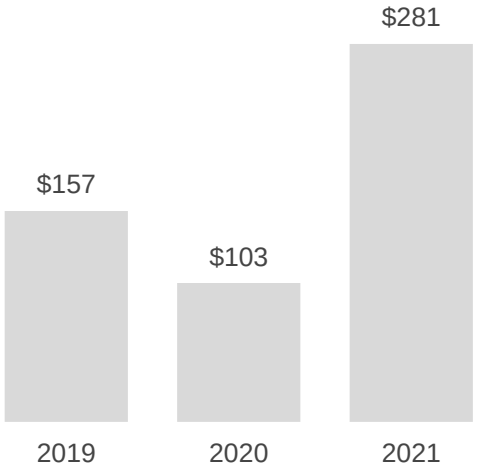
Backed by a Well-Capitalized Balance Sheet

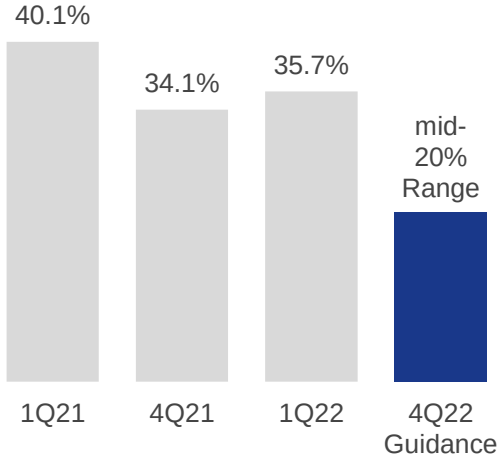
Q1 2022 Highlights

- Net debt-to-capital ratio expected to decline to mid-20% range by the end of 2022
- $1.4 billion total available liquidity
  - $569 million unrestricted cash
  - $847 million revolving credit facility capacity
- Repurchased 1.9 million shares outstanding for $58 million
  - At quarter end, remaining repurchase authorization was $172 million
  - Repurchased 9.9 million shares outstanding, or approximately 8% of beginning shares outstanding, for $281 million in 2021
- 5.8% average interest rate on $2.5 billion of senior notes

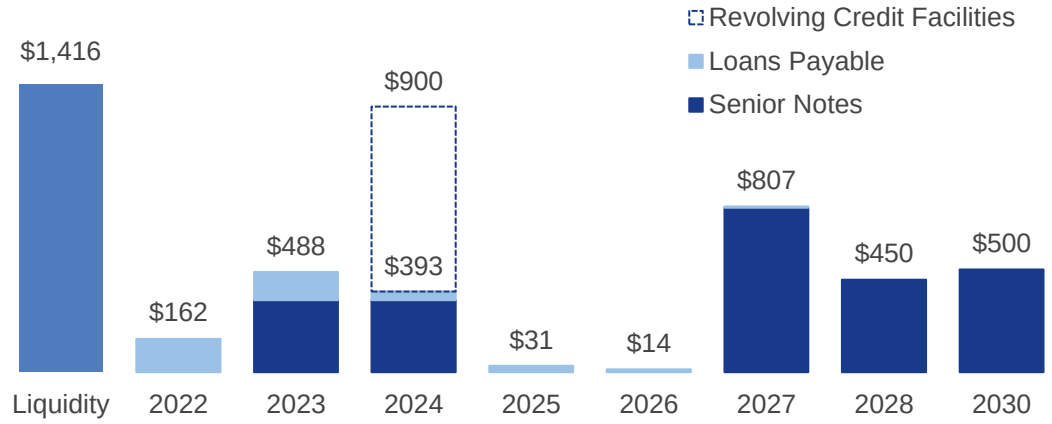
Share Repurchases (in Millions)



Net Debt-to-Capitalization Ratio



Liquidity Summary as of Q1 2022 (in Millions)



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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 45.3 million shares, or 38%, for $988 million

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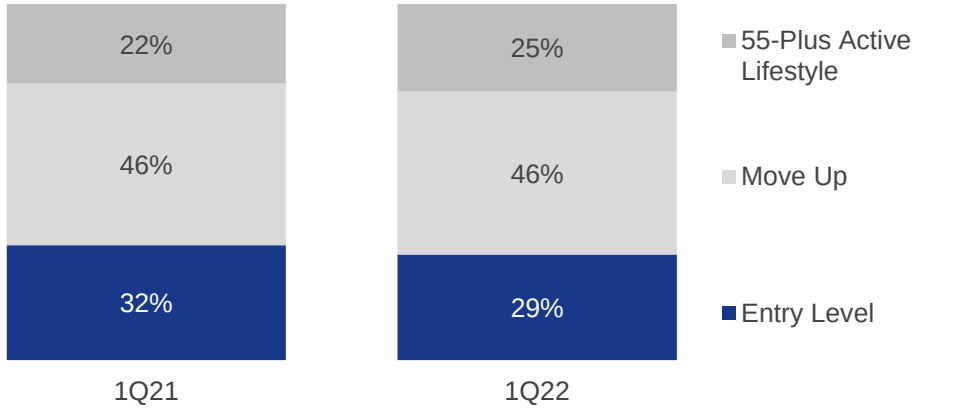
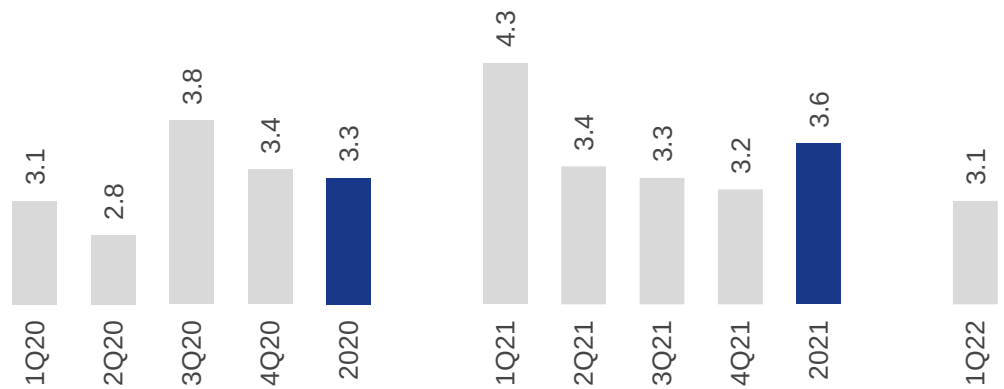
Diverse Product Portfolio Serves All Major Buyer Groups

Net Sales Orders by Consumer Type



Monthly Net Sales Orders per Community













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Local Market Scale Across Coast-to-Coast Footprint

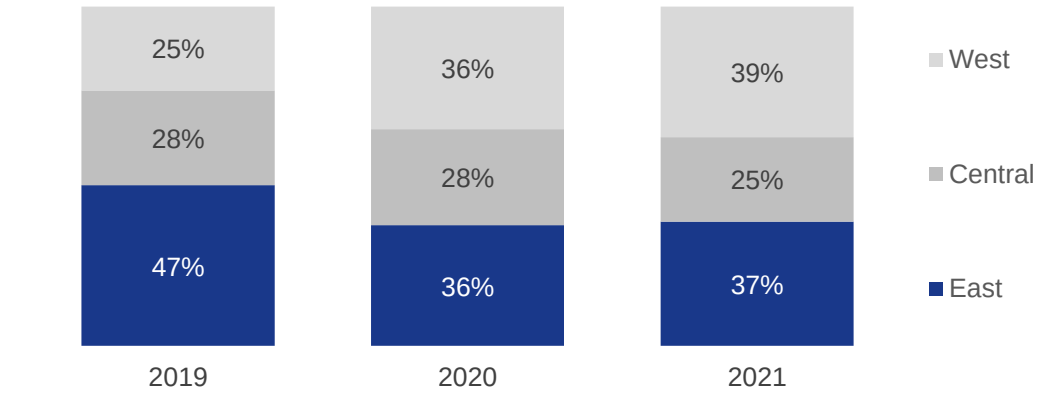
8 Markets

Top 5 Builder

13 Markets

Top 10 Builder

Mix of Home Closings by Region



Financial Services

Q1 2022 Highlights

Borrower Snapshot

- 753 Average FICO Score
- 77% Average LTV Ratio
- $435,000 Loan Amount
- 36% First-Time Homebuyers

Unit Product Mix

- 82% Conventional
- 16% Government
- 2% Jumbo

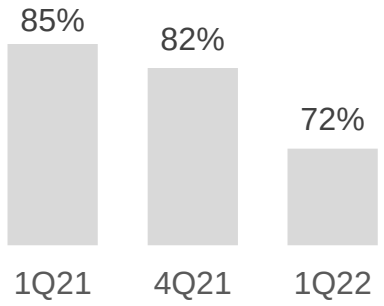
Suite of Services

- 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

- $35 Million Revenue
- $11 Million Gross Profit
- 31.2% 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

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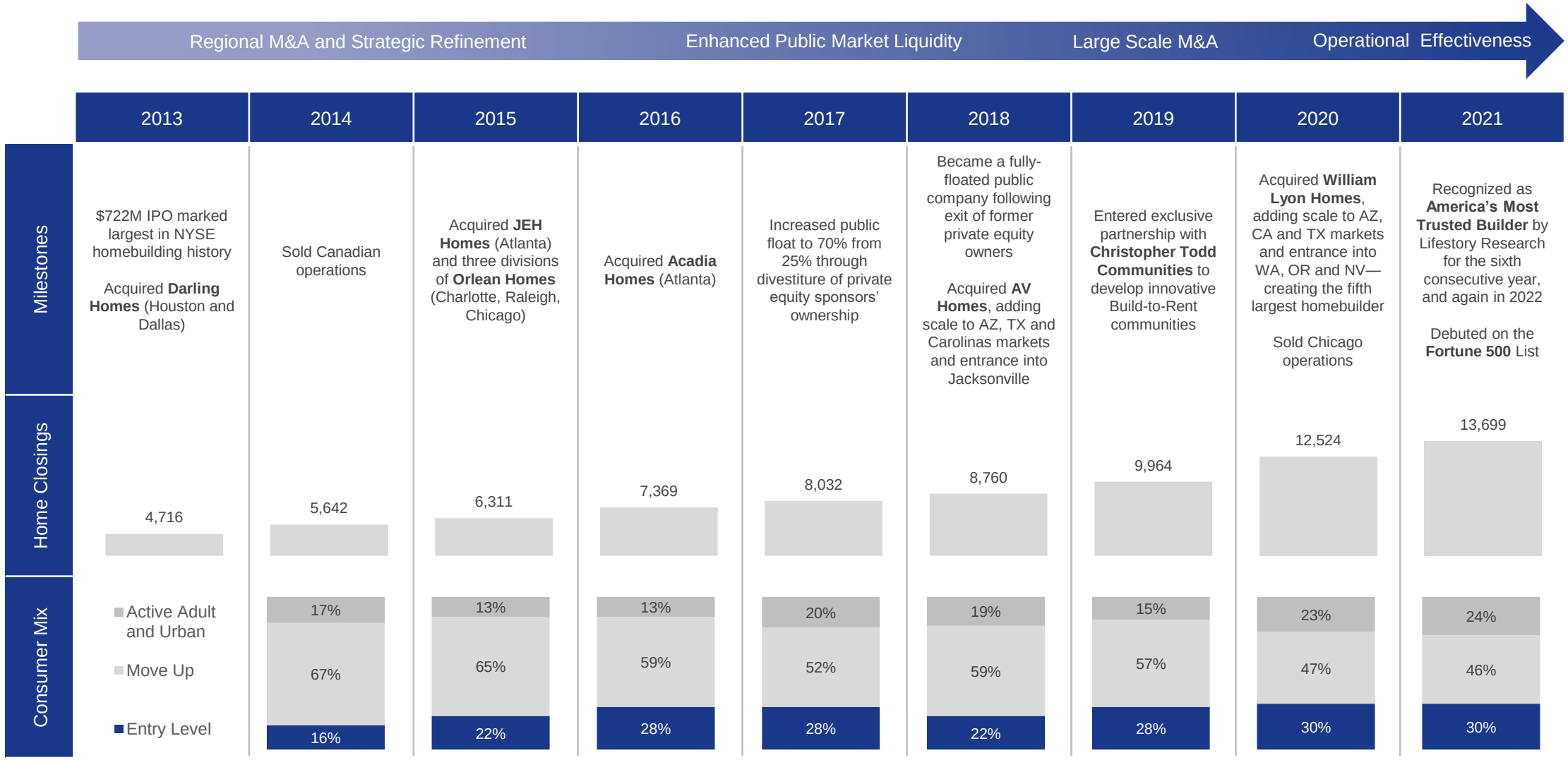
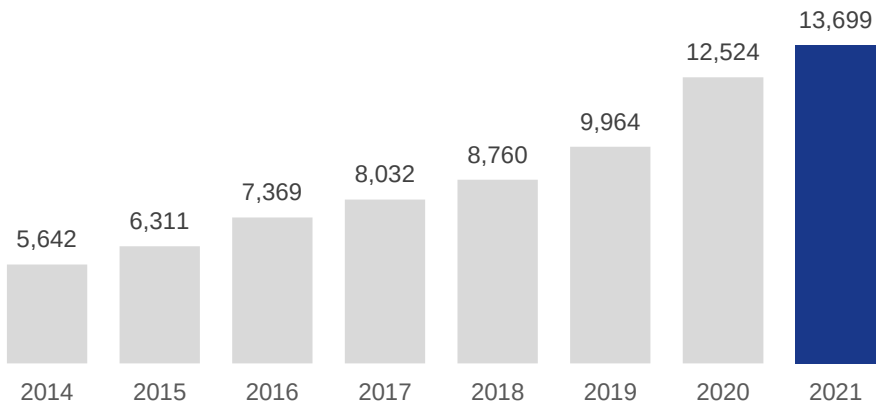
Achieved Scale and Diversification for Long-Term Success



Note: Consumer mix based on net sales orders.

Significant Growth Evident Across Key Metrics

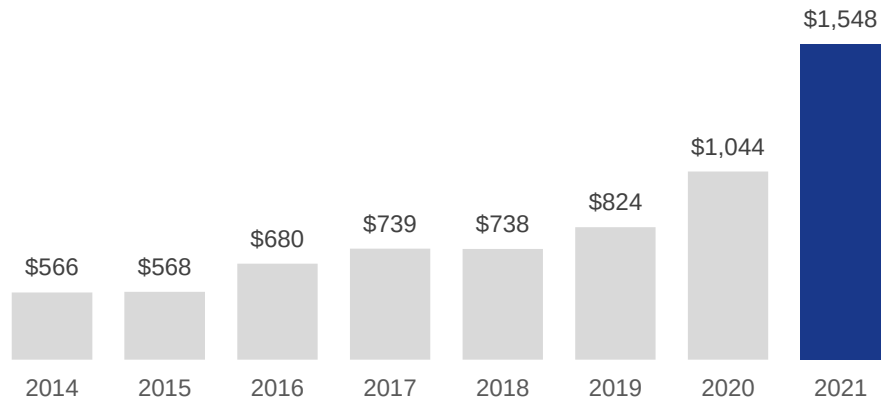
Home Closings



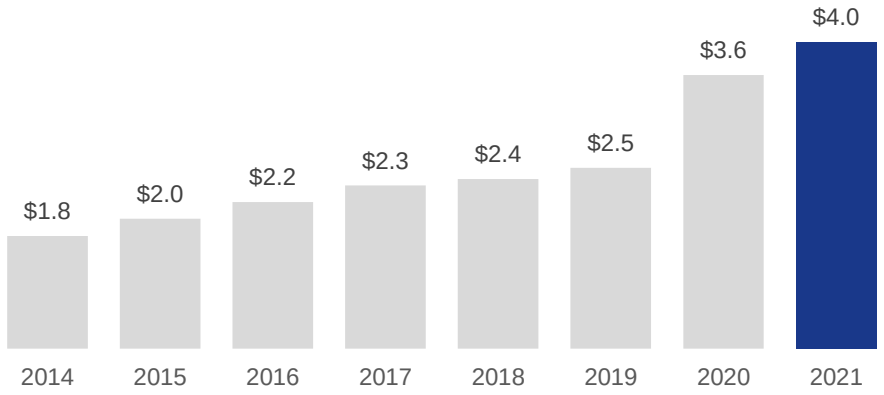
Total Revenue ($ in Billions)



Gross Profit ($ in Millions)



Stockholders' Equity ($ in Billions)



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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, we are 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



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Suite of Digital Tools Enhance Efficiency and Customer Experience





	ChatBot (Liv)	Real-time appointments	Self-guided tours: Online reservations (Quick move-in homes)		Online reservations (To-be-built homes)
	Launched January 2020	Launched March 2020	Launched July 2020		Launched March 2021
Unique individuals	49,497	64,318	2,900	5,735	741
Sales	2,469	4,513	121	909	148
Conversion rate	5%	7%	4%	16%	20%

Note: Results as of March 22, 2022. TBB reservations were introduced in March 2021 with 10 communities and ended the year with 32 participating communities.

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Build-to-Rent Business Addresses Lifestyle Rental Opportunity

- 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.





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Taylor Morrison is Committed to Sustainability Progress







People First

~3,000
team members

40,100+
hours of employee training

46 percent
female team members

63 percent
diverse Board directors

Building for the Future

100 percent
homes built with TM LiveWell® healthy living products

5,048
acres of Certified Wildlife Habitat® safeguarded in partnership with the National Wildlife Federation to date

36,300+
ENERGY STAR® certified appliances installed in 2021

3,748
homes and lots delivered on redevelopment or infill sites

Transparency and Accountability

7 years
America's Most Trusted® Homebuilder (2016-2022)

100 percent
of employees certified to our health and safety standards and code of ethics

8 of 9
independent Board members

10
U.N. Sustainable Development Goals we align with

Note: Data as of 2021 ESG Report.

Appendix

Who We Are

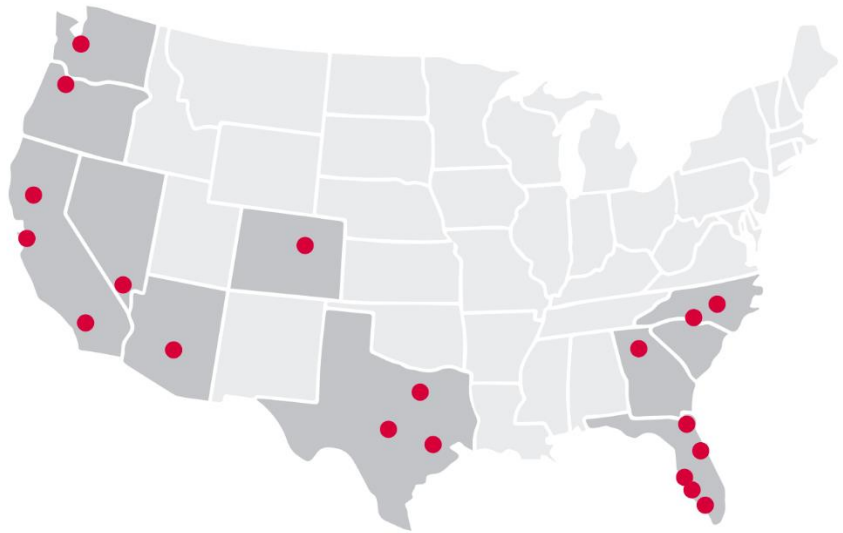
Headquartered in Scottsdale, Arizona, Taylor Morrison is one of the nation's largest homebuilders and developers with operations in many of the highest-growth housing markets across 11 states.

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

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

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Historical Operating Data by Region

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2021	Q1 2022	Q1 2022 vs Q1 2021
Net Sales Orders												
East	1,361	1,176	1,548	1,384	5,469	1,777	1,302	1,279	1,037	5,395	1,027	-42%
Central	906	1,003	1,133	824	3,866	1,072	850	921	957	3,800	887	-17%
West	1,199	1,274	1,744	1,516	5,733	1,643	1,270	1,172	1,130	5,215	1,140	-31%
TMHC	3,466	3,453	4,425	3,724	15,068	4,492	3,422	3,372	3,124	14,410	3,054	-32%
Homes Closed												
East	985	1,097	1,216	1,152	4,450	1,052	1,245	1,167	1,547	5,011	937	-11%
Central	819	1,059	913	757	3,548	691	791	764	1,165	3,411	664	-4%
West	957	1,056	1,340	1,173	4,526	1,078	1,232	1,396	1,571	5,277	1,167	8%
TMHC	2,761	3,212	3,469	3,082	12,524	2,821	3,268	3,327	4,283	13,699	2,768	-2%
Home Closings Revenue												
East	$396	$467	$499	$494	$1,857	$446	$563	$555	$795	$2,359	$506	13%
Central	$373	$474	$424	$349	$1,619	$320	$383	$399	$628	$1,730	$369	15%
West	$496	$530	$718	$644	$2,388	$597	$698	$819	$968	$3,082	$770	29%
TMHC	$1,265	$1,471	$1,641	$1,487	$5,864	$1,363	$1,644	$1,772	$2,391	$7,171	$1,644	21%
Home Closings Gross Margin												
East	15.6%	16.7%	17.8%	18.3%	17.2%	18.8%	20.6%	22.7%	22.7%	21.5%	24.5%	570 bps
Central	17.1%	17.6%	20.4%	20.6%	18.9%	20.2%	18.5%	19.6%	19.9%	19.6%	19.9%	-30 bps
West	13.9%	12.3%	14.9%	17.1%	14.7%	17.5%	18.1%	20.9%	21.7%	19.9%	23.6%	610 bps
TMHC	15.4%	15.4%	17.2%	18.3%	16.6%	18.6%	19.1%	21.2%	21.6%	20.3%	23.1%	450 bps
Sales Order Backlog												
East	2,193	2,271	2,603	2,835	2,835	3,560	3,617	3,729	3,219	3,219	3,309	-7%
Central	2,167	2,111	2,331	2,398	2,398	2,779	2,838	2,995	2,787	2,787	3,010	8%
West	2,205	2,423	2,827	3,170	3,170	3,735	3,773	3,549	3,108	3,108	3,081	-18%
TMHC	6,565	6,805	7,761	8,403	8,403	10,074	10,228	10,273	9,114	9,114	9,400	-7%
Backlog Value												
East	$957	$975	$1,158	$1,320	$1,320	$1,753	$1,903	$2,091	$1,902	$1,902	$2,003	14%
Central	$1,042	$1,006	$1,120	$1,200	$1,200	$1,463	$1,582	$1,760	$1,748	$1,748	$1,963	34%
West	$1,132	$1,245	$1,474	$1,707	$1,707	$2,120	$2,251	$2,273	$2,107	$2,107	$2,233	5%
TMHC	$3,132	$3,226	$3,752	$4,227	$4,227	$5,337	$5,736	$6,124	$5,757	$5,757	$6,198	16%

Note: Dollars in millions, unless noted. Totals may not sum due to rounding.

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Reconciliation of Non-GAAP Measures

Net Homebuilding Debt to Capitalization Ratio Reconciliation

($ in thousands)	March 31, 2022	December 31, 2021	March 31, 2021
Total Debt	$ 3,048,373	$ 3,302,124	$ 3,025,587
Less amortized debt issuance premiums, net	2,311	2,322	2,354
Less mortgage warehouse borrowings	200,662	413,887	180,833
Total homebuilding debt	$ 2,845,400	$ 2,885,915	$ 2,842,400
Less cash and cash equivalents	569,249	832,821	392,500
Net homebuilding debt	$ 2,276,151	$ 2,053,094	$ 2,449,900
Total equity	4,094,798	3,970,982	3,655,564
Total capitalization	$ 6,370,949	$ 6,024,076	$ 6,105,464
Net homebuilding debt to capitalization ratio	35.7%	34.1%	40.1%

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 net homebuilding debt to capitalization ratio. 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). We 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 to the extent we deem them appropriate and useful to management and investors. 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.

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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