

Investor Presentation

First Quarter 2021

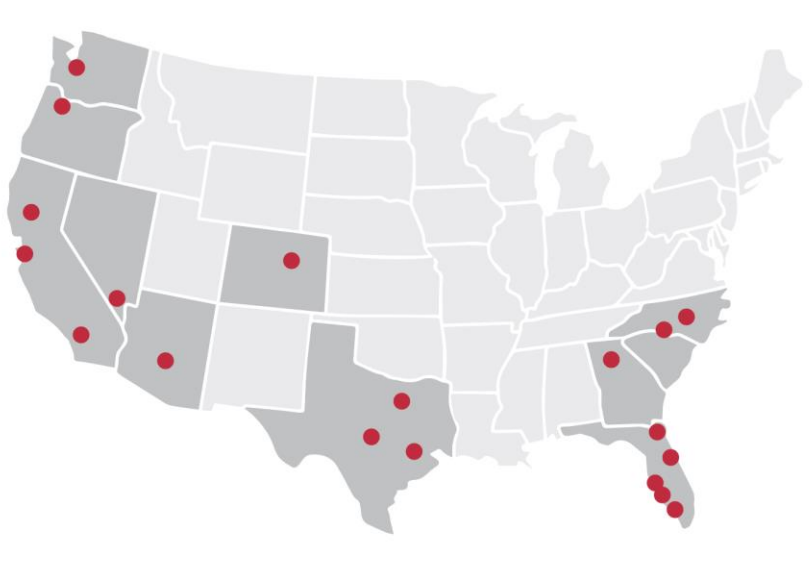
TaylorMorrison

About Taylor Morrison

Headquartered in Scottsdale, Arizona, Taylor Morrison is a leading homebuilder and developer. We serve a broad array of consumers from coast to coast, including first-time, move-up, luxury and active lifestyle homebuyers, with high-quality homes across a wide range of price points.

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

With a rich history and legacy spanning 100 years, our company is rooted in strong values and backed by a solid reputation—one that has earned us the coveted distinction of 'America's Most Trusted Home Builder' for the past six years.



West
Bay Area
Las Vegas
Phoenix
Portland
Sacramento
Seattle
Southern California

Central
Denver
Austin
Dallas-Fort Worth
Houston

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

The Making of the Fifth Largest Homebuilder

2015
Sold Canadian operations

Acquired JEH Homes (Atlanta) and three divisions of Orleans Homes (Charlotte, Raleigh and Chicago)

2016
Acquired Acadia Homes (Atlanta)

2018
Became a fully floated public company following the exit of our former private equity owners

Acquired AV Homes (**NASDAQ: AVHI**), adding scale to AZ, TX and Carolinas markets and entrance into Jacksonville

2020
Acquired William Lyon Homes (**NYSE: WLH**) in February, creating fifth largest national homebuilder with entrance into WA, OR and NV

Named Builder Magazine's 2020 Builder of the Year by Hanley Wood | Meyers Research

Sold Chicago operations

Added to the S&P MidCap 400 Index











2013
$722mm IPO was the largest in NYSE history in homebuilding (**NYSE: TMHC**)

Acquired Darling Homes (Houston and Dallas)

2017
Increased public float to 70% from 25% through private equity sponsors' divestiture of 51.1mm shares

Sheryl Palmer named Chairman of the Board

2019
Entered exclusive partnership with Christopher Todd Communities—marking our entrance into the build-to-rent market

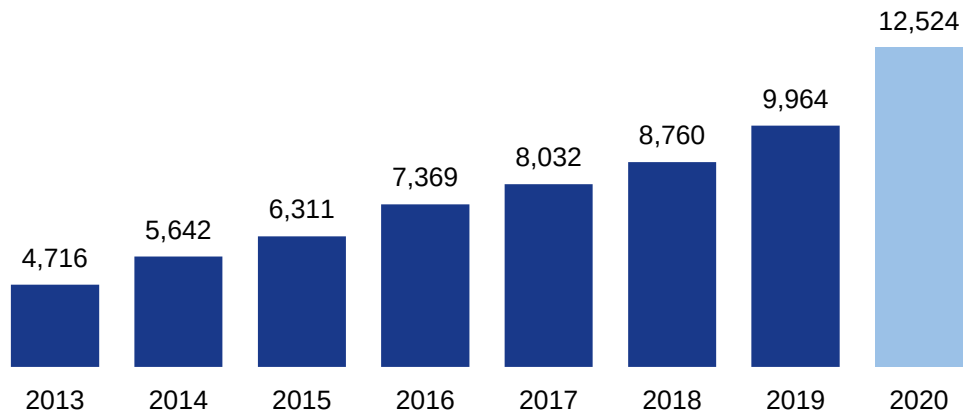
Published inaugural Annual ESG Report and formed partnership with the National Wildlife Federation

2021
Awarded America's Most Trust Builder by Lifestory Research for sixth consecutive year

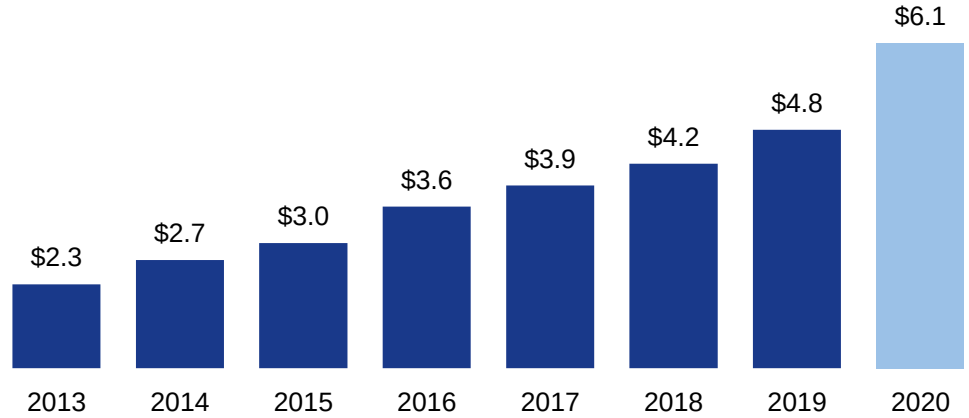
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Significant Growth Evident Across Key Metrics

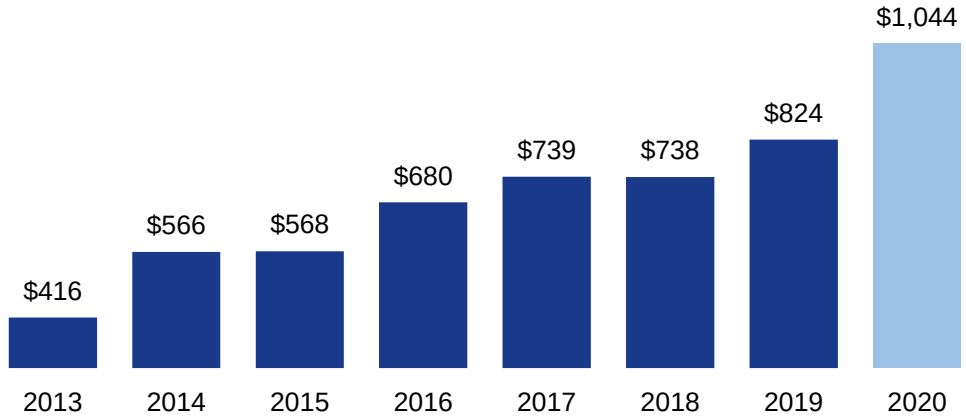
Home Closings



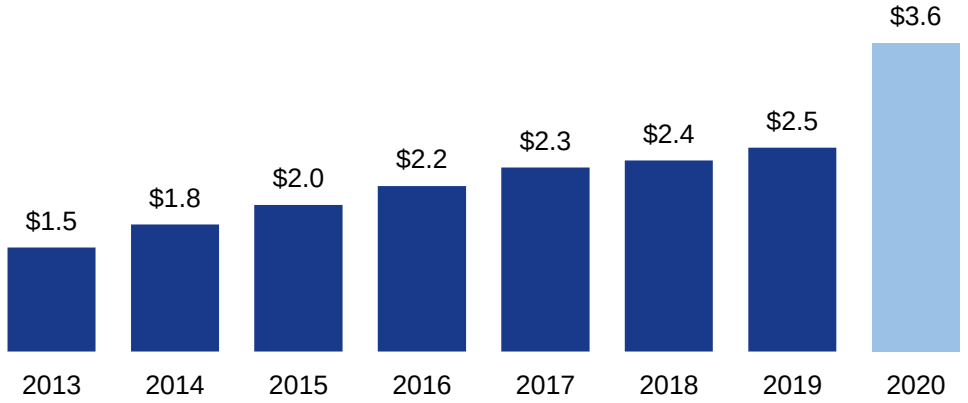
Total Revenue ($ in Billions)



Gross Profit ($ in Millions)



Stockholders' Equity ($ in Billions)



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With Platform in Place, Well Positioned for Value Creation

Balanced National Footprint in Strong Housing Markets

Critical Local Operating Scale

Deep and Diversified Product and Price Point Mix

Experienced Team and Effective Operating Structure

Platform Achieved

Sharpened Focus on Operational Effectiveness

Optimized Production Processes

Consumer-Centric Technological Innovation

Balance Sheet Efficiency

Return-Accretive Land Investments

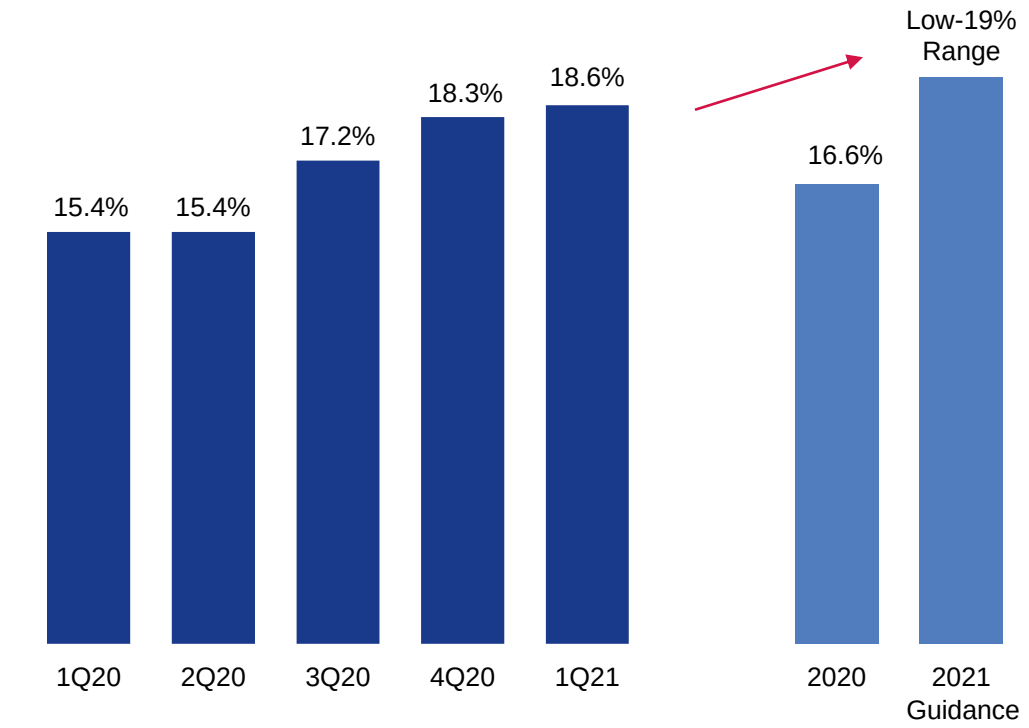
Expanding Build-to-Rent Business

Value Creation Strategies

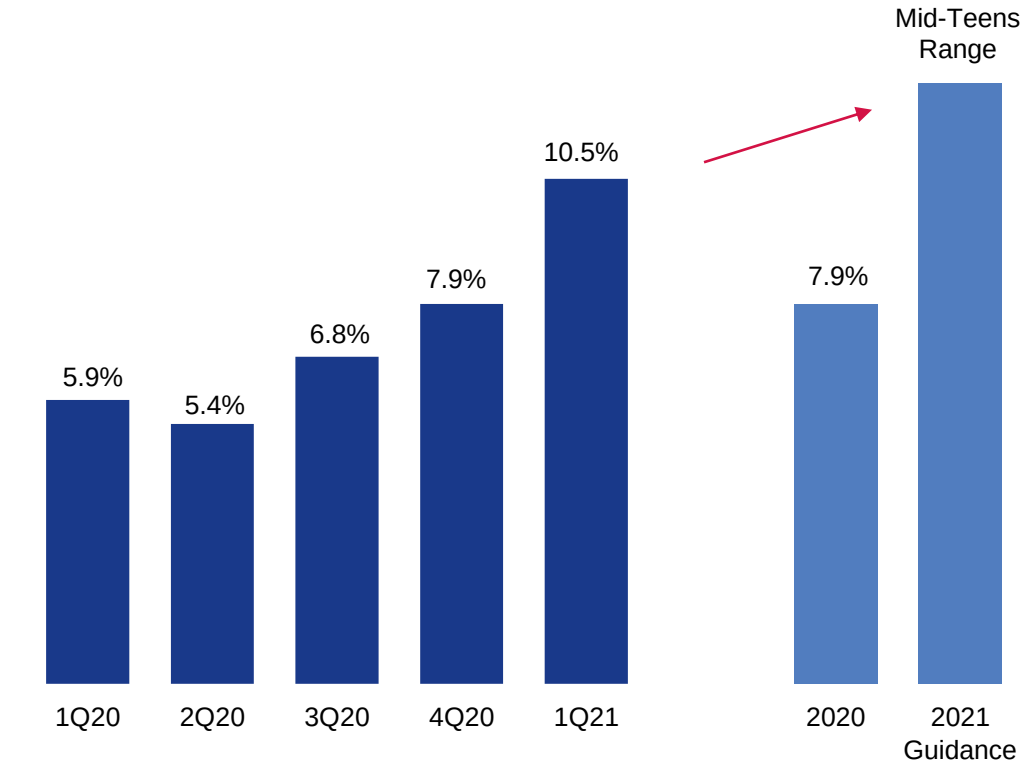
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At an Inflection Point in Improving Return Trajectory

Home Closings Gross Margin



Return on Equity



Note: 2020 includes impact from acquisition of William Lyon Homes.
ROE calculated as trailing twelve-month net income divided by average stockholder's equity in the current and prior-year period.

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Key Opportunities to Achieve Targeted Returns

Operational Effectiveness

Margin Enhancement
- Maximize Procurement Capabilities
- Plan and Option Rationalization
- Strategic Pricing Optimization
- Planned Production Paces

Overhead Leverage
- Scale Benefits
- Technological Innovation
- Centralization of Key Functions

Asset Efficiency
- Optimized Production Processes
- Spec Home Inventory Management
- Land-Lighter Balance Sheet

Capital Efficiency

Return-Accretive Land Investments
- Expand Controlled Lot Share to 40%
- Target Lower Duration Land Positions
- Maintain Disciplined Underwriting Process
- Further Enhance Existing Local Scale

Balance Sheet Efficiency
- Further Reduce Leverage Assumed in M&A
- Pursue Asset-Light Investment Strategies
- Opportunistic Share Repurchases

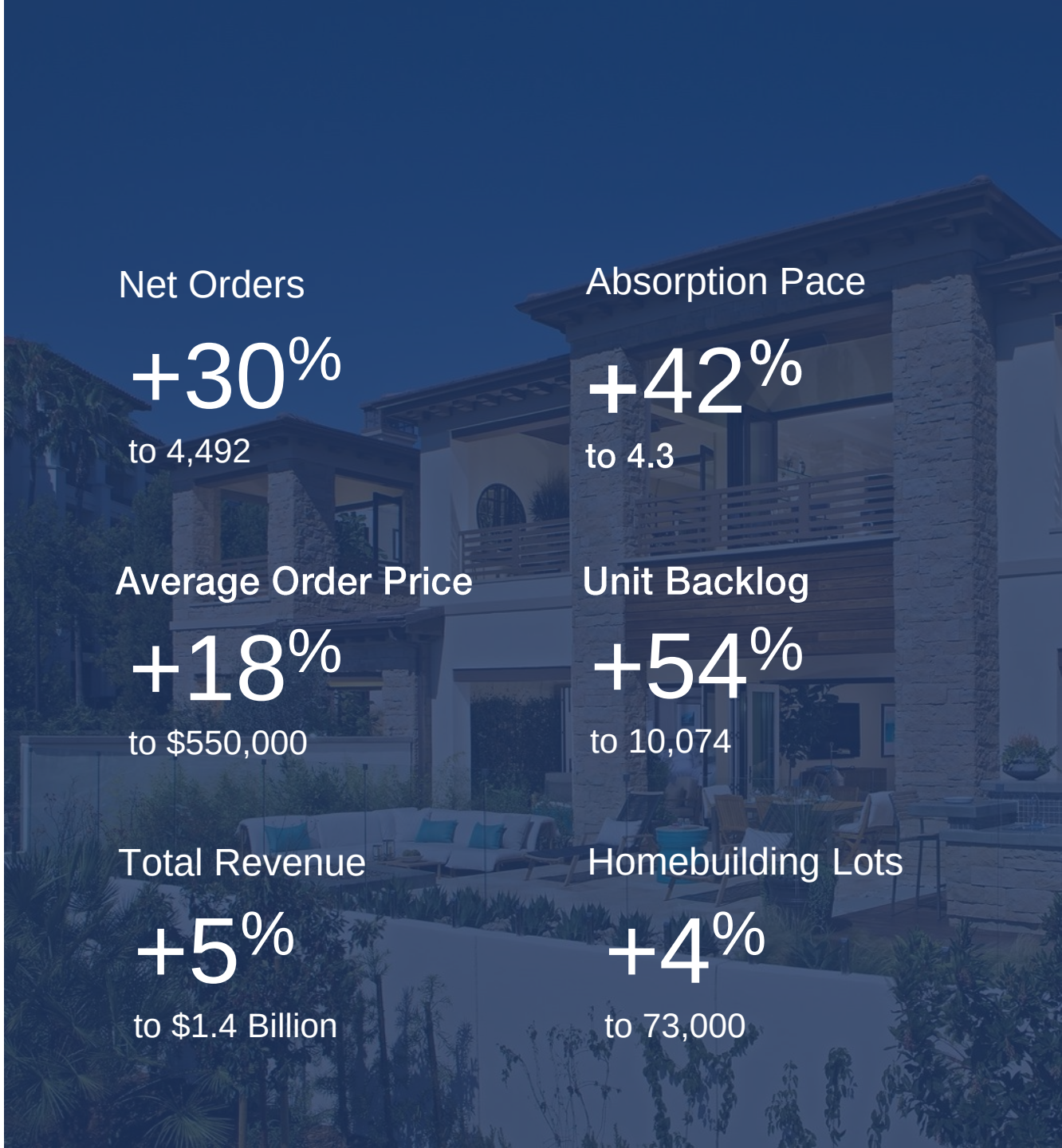
Strong Cash Flow Generation
- Enables Investment in Growth
- Smart Allocation Enhances Return Profile

Management's Outlook for Select Financial Metrics

	Second Quarter 2021	Full Year 2021
Average Active Community Count	Approximately 330	Approximately 330
Home Closings	3,200-3,400	14,500-15,000
GAAP Home Closings Gross Margin	Mid-18 Percent Range	Low-19 Percent Range
SG&A % of Home Closings Revenue	Not Provided	Mid-9 Percent Range
Effective Tax Rate	~23 Percent	~23 Percent
Diluted Share Count	~130 Million	~130 Million
Land & Development Spend	Not Provided	~$2 Billion

Q1 2021 Highlights

- Monthly absorption pace increased 42 percent to 4.3 sales per community, a company high.
- Broad-based sales strength driven across all consumer groups, led by active adult homebuyers.
- Managing sales via pricing and limited releases to align with production and maximize margin opportunity.
- Balancing pace and price to optimize returns and maintain affordability, especially in entry-level communities.
- Operational priorities are aligned to enhance profitability and returns by fully realizing operational advantages of scale, market depth and product offerings.
- Remain on track to reduce net debt-to-capital ratio to the low-30 percent range by year-end.



Net Orders

+30%

to 4,492

Absorption Pace

+42%

to 4.3

Average Order Price

+18%

to $550,000

Unit Backlog

+54%

to 10,074

Total Revenue

+5%

to $1.4 Billion

Homebuilding Lots

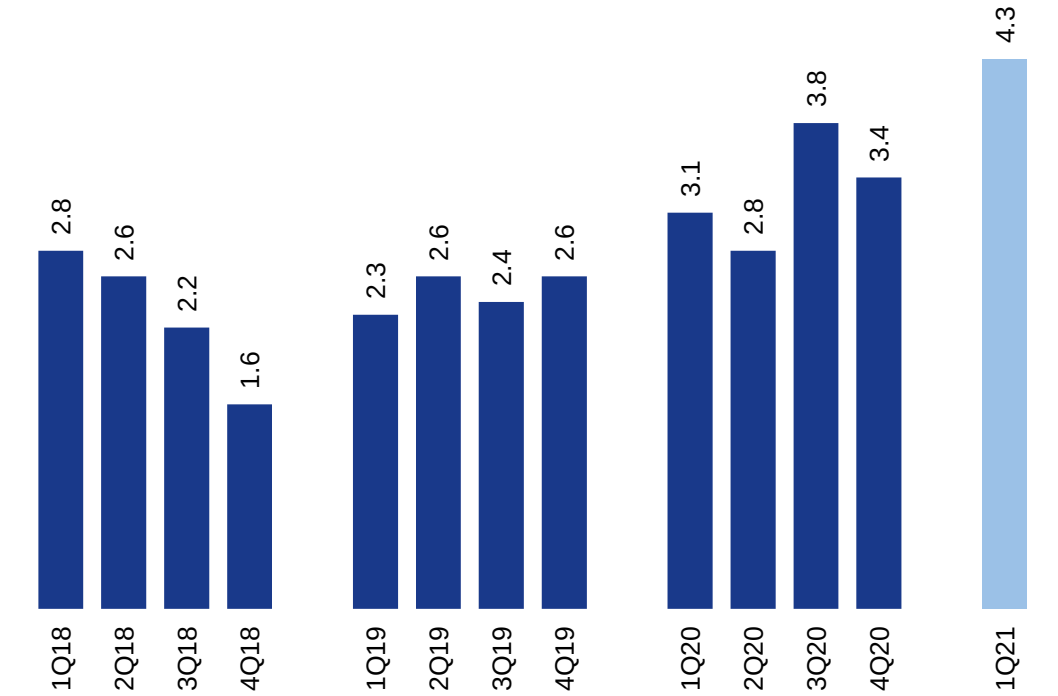
+4%

to 73,000

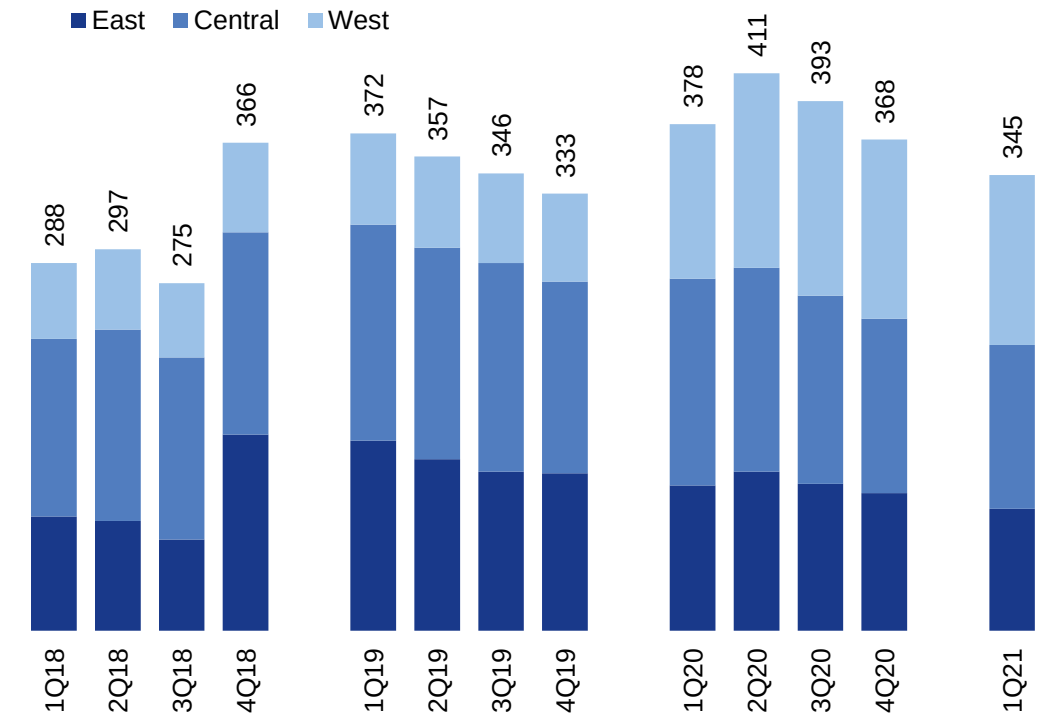
Note: Comparisons to the prior-year quarter, unless noted.

First Quarter Sales Pace Reaches an All-Time High

Monthly Absorption Pace per Community



Average Community Count



Net Sales Orders
+30% to 4,492

Absorption Pace
+42% to 4.3

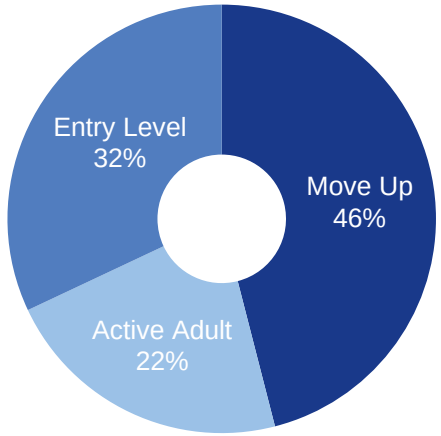
Unit Backlog
+54% to 10,074

Note: Comparisons to the prior-year quarter.

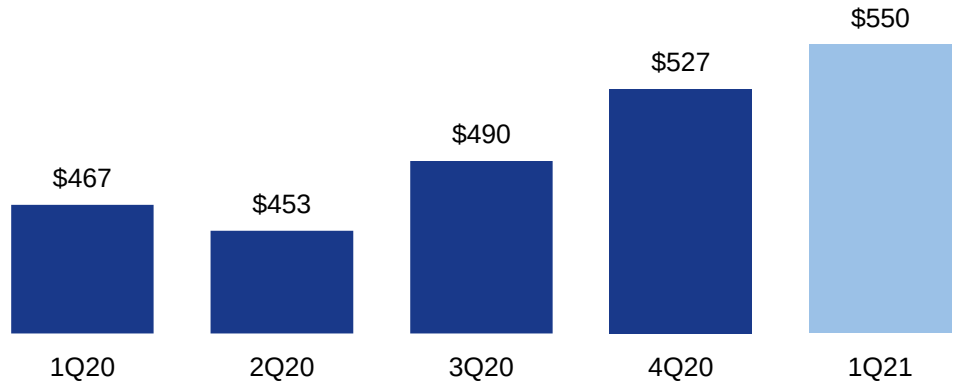
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Diverse Product Portfolio Serves All Major Buyer Groups

Mix of 1Q21 Net Sales Orders by Consumer Type



Average Net Sales Order Price (in Thousands)







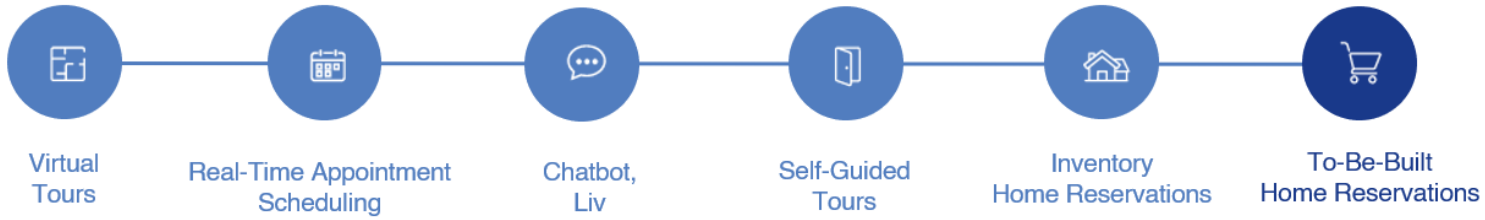


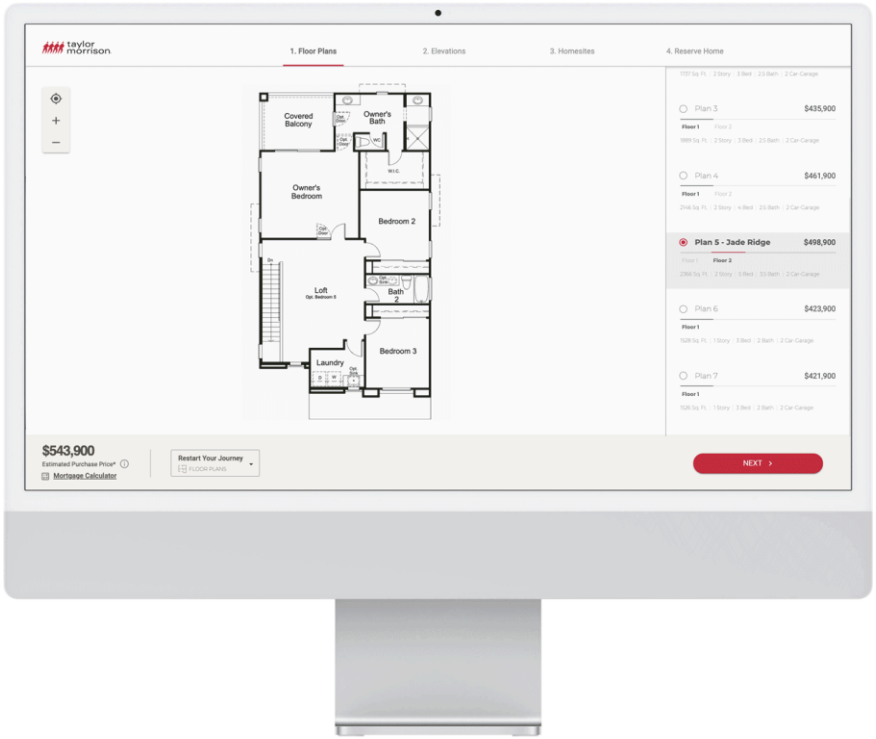




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Digital Innovation Driving Enhanced Efficiency





The Latest Addition to our Virtual Sales Tools

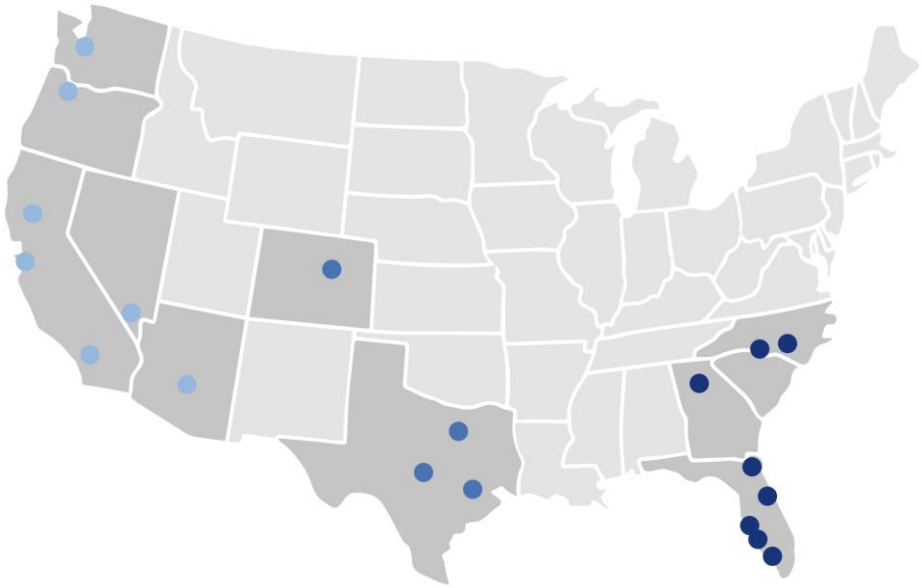
To-Be-Built Home Reservations

We recently expanded our innovative suite of virtual sales tools with the launch of our to-be-built reservation system. With this industry-first tool, our customers can now configure and reserve a to-be-built home in select communities entirely online by selecting their homesite, floor plan and elevation. These tools drive increased efficiency, lower real estate broker commissions and an enhanced customer experience.

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Balanced Footprint with Deep Local Market Share

Homebuilding operations in many of the most attractive housing markets across 11 states in the U.S.



Mix as of Q1 2021	West	Central	East
Closings	38%	24%	37%
Closings Revenue	44%	23%	33%
Average Closing Price	$554,000	$463,000	$424,000
Lot Supply	39%	32%	30%

Top 5 Market Share — **11 Markets**

Top 10 Market Share — **5 Markets**

Top 15 Market Share — **3 Markets**

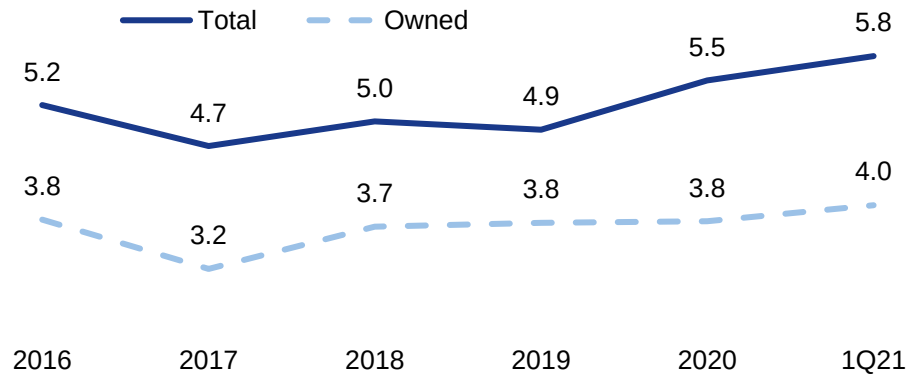
Note: Zonda / Hanley Wood homebuilder rankings based on closings in 2020; markets are only counted once across market share categories; totals many not sum due to rounding.

Disciplined Approach to Land Portfolio Management

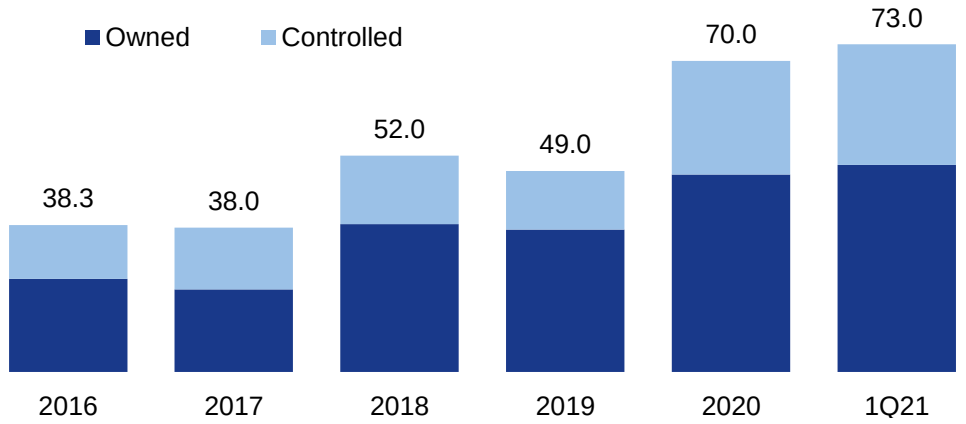
Q1 2021 Highlights

- Invested $552 million in land acquisition and development
  - Targeting $2.0 billion in 2021
  - Current land approvals expected to impact closings in 2023 and beyond
- Approximately 73,000 total lots owned and controlled
  - 5.8 years of total supply
  - 4.0 years of owned supply
- 32 percent of total lots controlled
  - Up from 28 percent a year ago
  - Targeting 40 percent controlled within two years

Years of Homebuilding Lots Based on Trailing-Twelve Month Pro-Forma Closings



Homebuilding Lots Owned and Controlled (Units in Thousands)



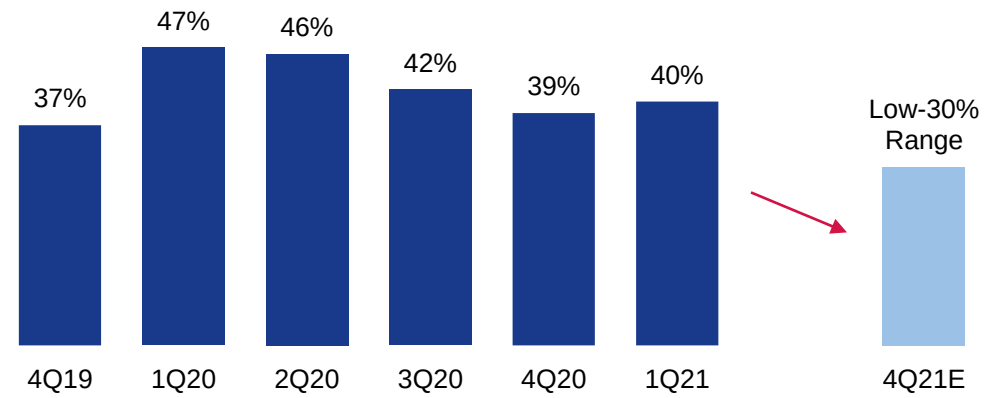
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Cash Flow Expected to Drive Further Deleveraging

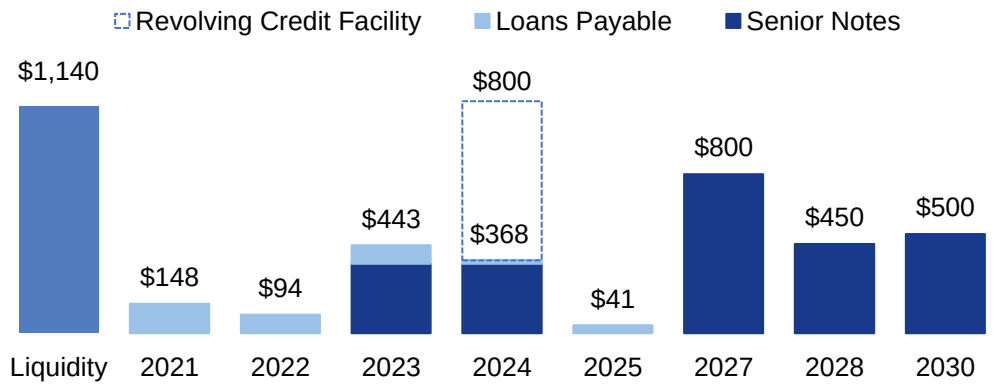
Q1 2021 Highlights

- Net debt-to-capital ratio expected to decline to the low-30 percent range by the end of 2021
  - Further reduction anticipated in 2022
  - Net debt-to-capital increased in 1Q20 due to acquisition of William Lyon Homes; faster-than-expected reduction achieved to date
- $1.1 billion total available liquidity
  - $393 million unrestricted cash
  - $748 million undrawn credit facility
- Repurchased 1.4 million of shares outstanding for $38 million at an average share price of $26.54 in 1Q21
- 5.8% average interest rate on $2.5 billion of senior notes

Net Debt-to-Capital Ratio Expected to Fall to Low-30% Range by Year End



Liquidity Summary as of 3/31/2021 – No Senior Note Maturities Until 2023



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Capital Allocation Priorities Aim to Drive Long-Term Value

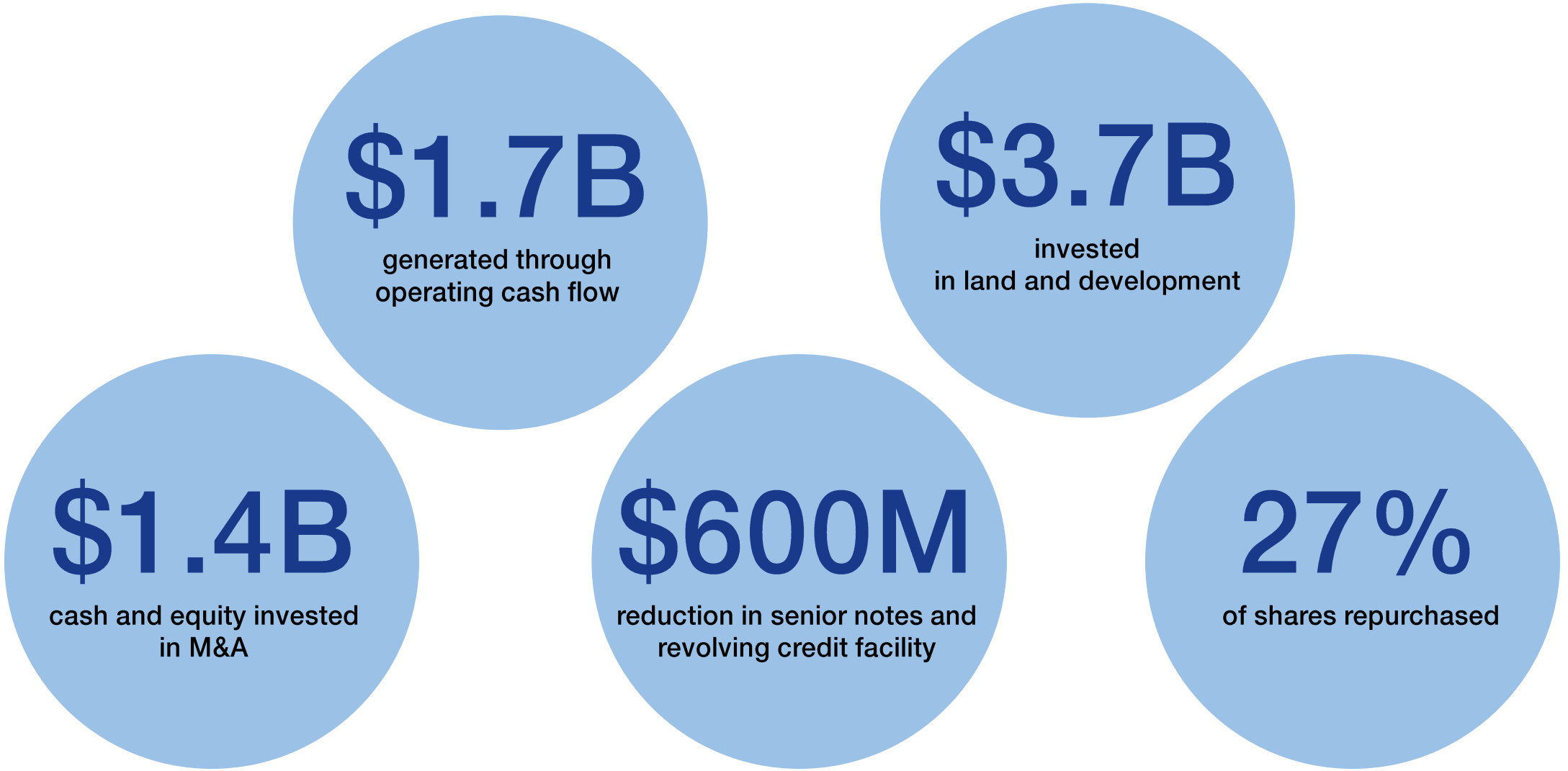
MAINTAIN STRONG LIQUIDITY	$1.1 billion in available liquidity

CAPITAL DEPLOYMENT PHILOSOPHY

REINVEST IN THE BUSINESS	Disciplined due diligence for investments in core homebuilding operations and growing build-to-rent business to enhance existing scale
BALANCE SHEET STEWARDSHIP	Opportunistically manage balance sheet to achieve a targeted leverage ratio in-line with peers
RETURN EXCESS CASH TO SHAREHOLDERS	Since 2015, spent nearly $690M to repurchase 30% of shares outstanding
EVALUATE M&A OPPORTUNITIES	Increase scale and diversification through accretive transactions

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A Snapshot of the Last Three Year's Capital Deployment



Note: Data reflects aggregate annual totals from 2018, 2019 and 2020.

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Financial Services

Q1 2021 Highlights

Borrower Snapshot

- 750 Average FICO Score
- 80% Average LTV Ratio
- $380,000 Loan Amount
- 40% First-Time Homebuyers

Unit Product Mix

- 79% Conventional
- 20% Government
- 1% Jumbo

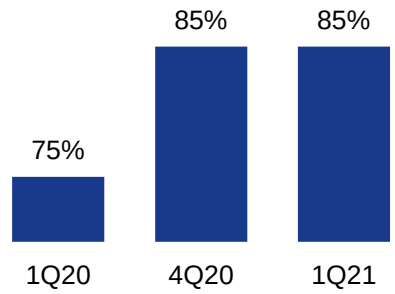
Suite of Services

- 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

- $44 Million Revenue
- $20 Million Gross Profit
- 45.5% 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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Committed to ESG Performance and Transparency

People First

2,700+
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

41 percent
women executive leadership team

Nearly 50
team members accessed the TM Care Fund over the last 3 years

Building for the Future

5th
largest homebuilder in the U.S.

100 percent
of our new homes now offer TM LiveWell upgraded products

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

30,400+
ENERGY STAR® certified appliances installed

63
Average HERS® index score

4,075
homes and lots delivered on redevelopment or infill sites, transforming them into vibrant neighborhoods

Transparency and Accountability

6 Years
America's Most Trusted® Homebuilder award

31,700+
hours of employee training

100 percent
of employees certified to our health and safety standards

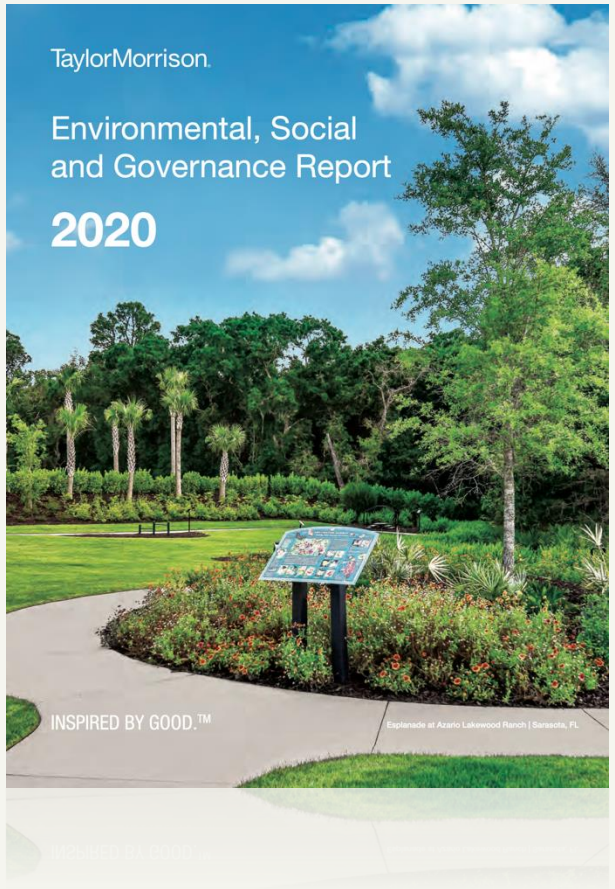
100 percent
of employees and contractors certified to our code of ethics

8 of 9
Board members are independent

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

Note: Data as of 2020.

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[Explore our Third Annual ESG Report Here]

Recognition for Our ESG Practices

FORTUNE WORLD'S MOST ADMIRED COMPANIES 2020

glassdoor 2020 BEST PLACES TO WORK

★★★★★ Lifestory Research® AMERICA'S MOST TRUSTED® National Home Builder 2016 - 2021

2020 Bloomberg Gender-Equality Index

2020 Builder OF THE YEAR

HEARTHSTONE

Appendix

Historical Operating Data by Region

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021
Average Active Selling Communities																
East	124	121	109	177	134	173	161	153	152	159	144	153	145	139	145	129
Central	115	124	118	131	121	140	137	135	124	134	134	132	122	113	124	106
West	49	52	48	58	52	59	59	58	57	58	100	126	126	116	117	110
TMHC	288	297	275	366	307	372	357	346	333	351	378	411	393	368	386	345
Net Sales Orders																
East	1,000	894	710	867	3,471	1,135	1,315	1,161	1,282	4,893	1,361	1,176	1,548	1,384	5,469	1,777
Central	755	832	617	493	2,697	801	820	759	639	3,019	906	1,003	1,133	824	3,866	1,072
West	688	616	495	433	2,232	679	675	620	631	2,605	1,199	1,274	1,744	1,516	5,733	1,643
TMHC	2,443	2,342	1,822	1,793	8,400	2,615	2,810	2,540	2,552	10,517	3,466	3,453	4,425	3,724	15,068	4,492
Homes Closed																
East	700	875	953	1,533	4,061	854	1,180	1,029	1,652	4,715	985	1,097	1,216	1,152	4,450	1,052
Central	434	617	594	735	2,380	545	746	653	840	2,784	819	1,059	913	757	3,548	691
West	413	500	568	838	2,319	539	668	614	644	2,465	957	1,056	1,340	1,173	4,526	1,078
TMHC	1,547	1,992	2,115	3,106	8,760	1,938	2,594	2,296	3,136	9,964	2,761	3,212	3,469	3,082	12,524	2,821
Home Closings Revenue ($'s in Millions)																
East	$284	$356	$393	$610	$1,643	$348	$476	$434	$653	$1,912	$396	$467	$499	$494	$1,857	$446
Central	$213	$294	$273	$346	$1,126	$253	$362	$310	$403	$1,327	$373	$474	$424	$349	$1,619	$320
West	$235	$306	$348	$456	$1,346	$299	$394	$329	$362	$1,384	$496	$530	$718	$644	$2,388	$597
TMHC	$733	$957	$1,014	$1,412	$4,115	$900	$1,232	$1,073	$1,418	$4,623	$1,265	$1,471	$1,641	$1,487	$5,864	$1,363
Home Closings Gross Margin																
East	18.4%	18.2%	18.0%	15.0%	17.0%	17.1%	16.0%	17.1%	16.0%	16.5%	15.6%	16.7%	17.8%	18.3%	17.2%	18.8%
Central	18.9%	17.8%	17.0%	5.2%	14.0%	16.4%	17.1%	18.2%	6.4%	14.0%	17.1%	17.6%	20.4%	20.6%	18.9%	20.2%
West	19.3%	17.9%	21.3%	20.5%	19.9%	21.1%	21.4%	20.8%	19.6%	20.7%	13.9%	12.3%	14.9%	17.1%	14.7%	17.5%
TMHC	18.8%	18.0%	18.9%	14.4%	17.1%	18.2%	18.0%	18.5%	14.2%	17.0%	15.4%	15.4%	17.2%	18.3%	16.6%	18.6%
Sales Order Backlog																
East	1,813	1,832	1,589	1,638	1,638	1,919	2,054	2,186	1,816	1,816	2,193	2,271	2,603	2,835	2,835	3,560
Central	1,372	1,587	1,610	1,420	1,420	1,676	1,750	1,856	1,655	1,655	2,167	2,111	2,331	2,398	2,398	2,779
West	1,207	1,323	1,250	1,100	1,100	1,240	1,247	1,253	1,240	1,240	2,205	2,423	2,827	3,170	3,170	3,735
TMHC	4,392	4,742	4,449	4,158	4,158	4,835	5,051	5,295	4,711	4,711	6,565	6,805	7,761	8,403	8,403	10,074
Backlog Value ($'s in Millions)																
East	$781	$825	$755	$725	$725	$849	$907	$935	$791	$791	$957	$975	$1,158	$1,320	$1,320	$1,753
Central	$676	$779	$814	$732	$732	$850	$886	$937	$839	$839	$1,042	$1,006	$1,120	$1,200	$1,200	$1,463
West	$728	$820	$771	$623	$623	$694	$660	$662	$644	$644	$1,132	$1,245	$1,474	$1,707	$1,707	$2,120
TMHC	$2,185	$2,424	$2,340	$2,080	$2,080	$2,392	$2,453	$2,535	$2,275	$2,275	$3,132	$3,226	$3,752	$4,227	$4,227	$5,337

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Reconciliation of Non-GAAP Measures

Net Homebuilding Debt to Capitalization Ratio Reconciliation

($ in thousands)	As of March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Total Debt	$ 3,025,587	$ 2,928,395	$ 3,180,072	$ 3,769,740	$ 3,700,368	$ 1,940,772
Less amortized debt issuance premiums, net	2,354	2,365	2,526	23,832	25,187	(14,992)
Less mortgage warehouse borrowings	180,833	127,289	109,593	149,784	154,109	123,233
Total homebuilding debt	$ 2,842,400	$ 2,798,741	$ 3,067,953	$ 3,596,124	$ 3,521,072	$ 1,832,531
Less cash and cash equivalents	392,500	532,843	547,916	674,685	507,761	326,437
Net homebuilding debt	$ 2,449,900	$ 2,265,898	$ 2,520,037	$ 2,921,439	$ 3,013,311	$ 1,506,094
Total equity	3,655,564	3,593,750	3,542,135	3,424,740	3,423,041	2,545,710
Total capitalization	$ 6,105,464	$ 5,859,648	$ 6,062,172	$ 6,346,179	$ 6,436,352	$ 4,051,804
Net homebuilding debt to capitalization ratio	40.1%	38.7%	41.6%	46.0%	46.8%	37.2%

In addition to the results reported in accordance with accounting principles generally accepted in the United States ("GAAP"), we have provided information in this Investor 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 costs/premiums 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 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.

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.

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 recent COVID-19 (coronavirus) outbreak and resulting 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; 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.