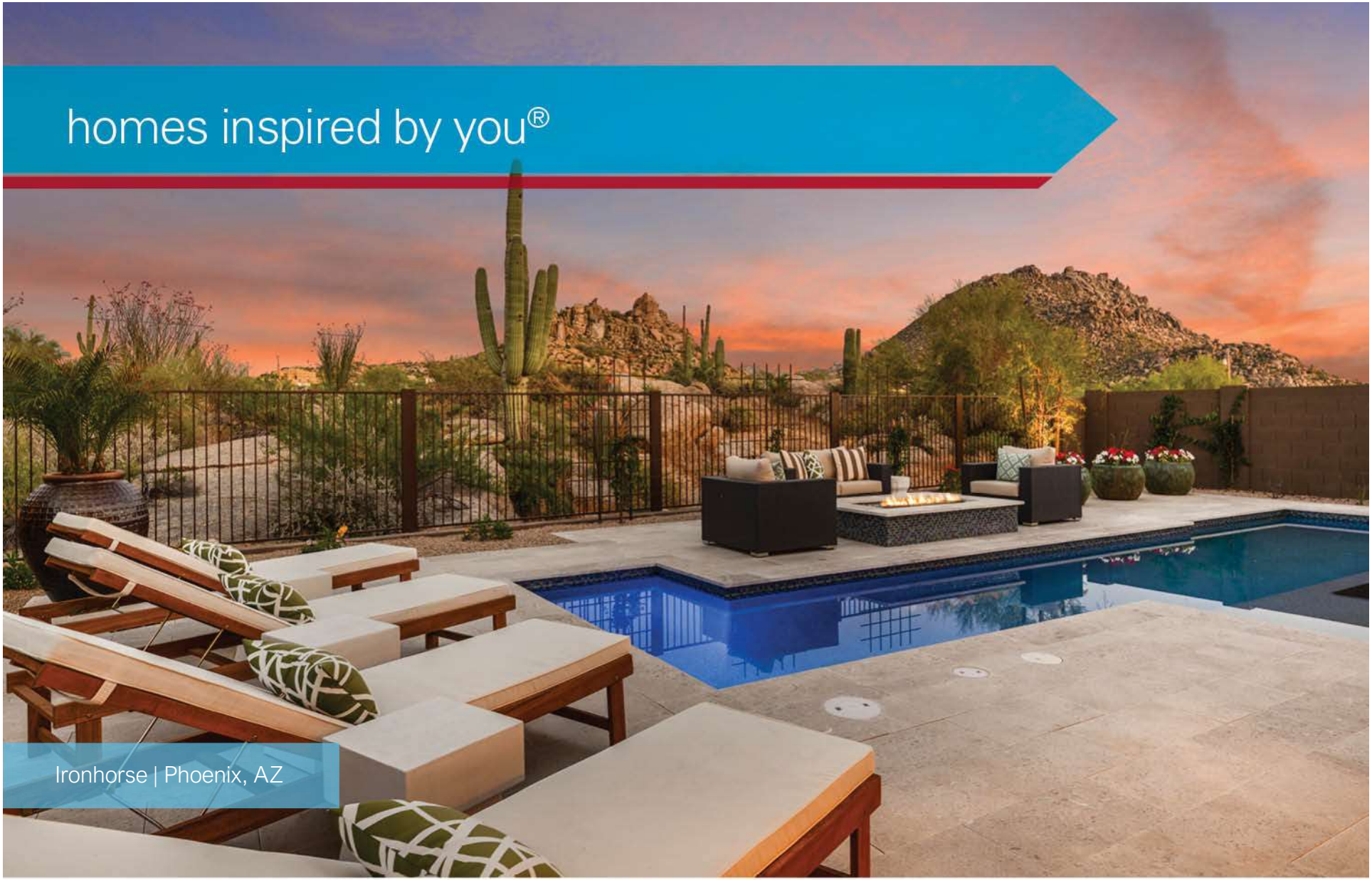


TaylorMorrison

SECOND QUARTER REPORT 2020

DISCLAIMER

The statements made by representatives of the Company during the course of this presentation that are not historical facts are forward-looking statements. Although the Company believes that the assumptions underlying these statements are reasonable, individuals considering such statements for any purpose are cautioned that such forward-looking statements are inherently uncertain and necessarily involve risks that may affect the Company's business prospects and performance, causing actual results to differ from those discussed during the presentation. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements included in the Company's reports filed with the Securities and Exchange Commission (SEC), including risks related to the scope and scale of the recent COVID-19 (coronavirus) outbreak and resulting pandemic.

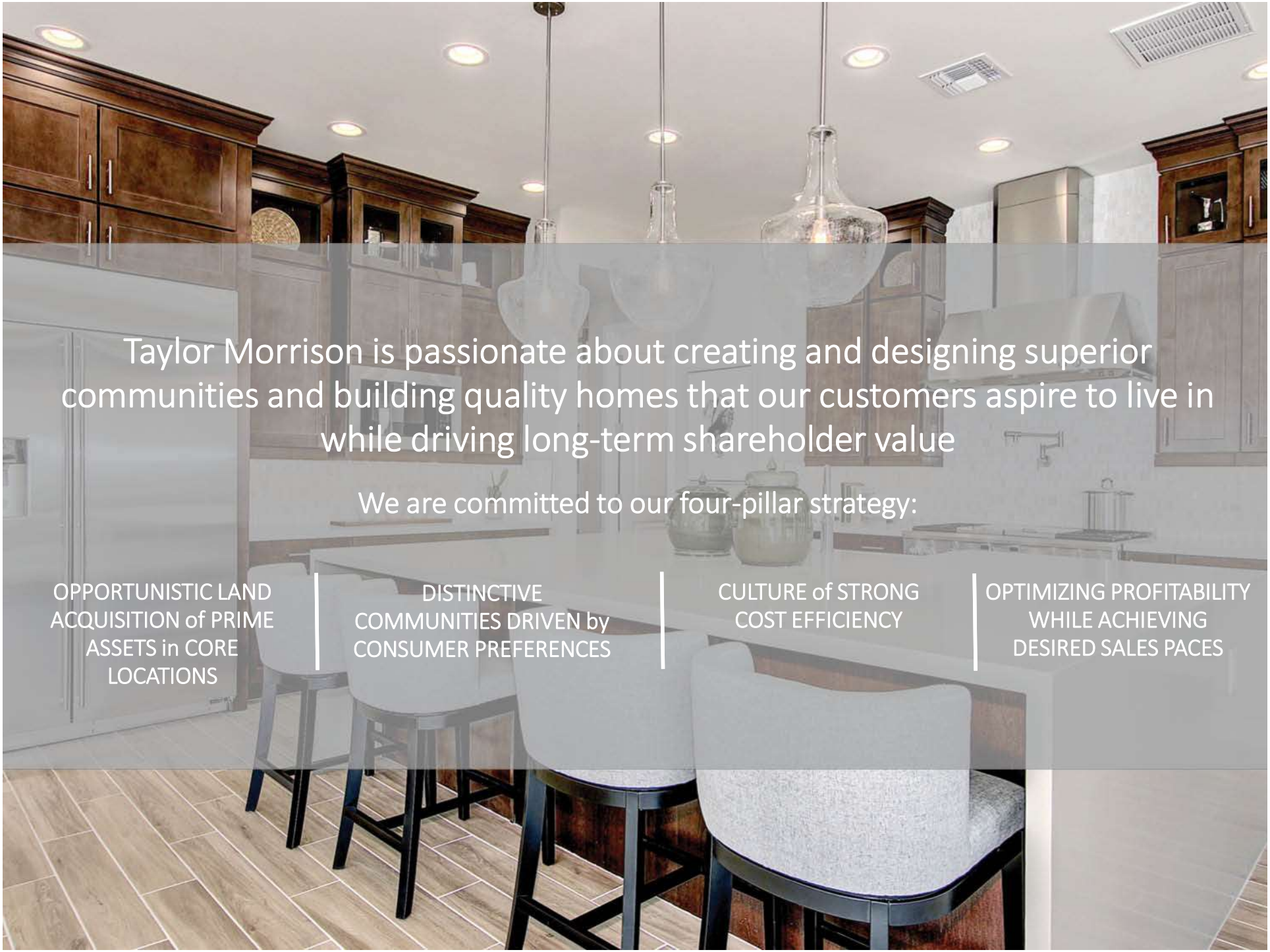
Any forward-looking statements made are subject to risks and uncertainties, many of which are beyond management's control. These risks include the risks described in the Company's reports filed with the SEC. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, the Company's actual results and plans could differ materially from those expressed in any forward-looking statements.

Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. These forward-looking statements are made only as of the date hereof. The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information or future events. The information in this presentation should be considered together with all information included in the Company's reports filed with the SEC, including the "Risk Factors" described therein.

COMPANY OVERVIEW



Ivy Oak | Dublin, CA



Taylor Morrison is passionate about creating and designing superior communities and building quality homes that our customers aspire to live in while driving long-term shareholder value

We are committed to our four-pillar strategy:

OPPORTUNISTIC LAND ACQUISITION of PRIME ASSETS in CORE LOCATIONS

DISTINCTIVE COMMUNITIES DRIVEN by CONSUMER PREFERENCES

CULTURE of STRONG COST EFFICIENCY

OPTIMIZING PROFITABILITY WHILE ACHIEVING DESIRED SALES PACES

A LEADING BUILDER AND DEVELOPER

2013

- $722M IPO, Largest homebuilding IPO in NYSE history
- Acquisition of Darling Homes in Houston and Dallas markets

2015

- Sale of Canadian operations
- Expansion into Atlanta market through acquisition of JEH homes
- Expansion into Charlotte, Raleigh and Chicago markets through acquisition of three divisions from Orleans Homes

2016

- Further expansion and price point diversification in Atlanta through acquisition of Acadia homes
- Awarded America's Most Trusted® Homebuilder

Operations in 20 U.S. markets

$3.6B total revenue

2017

- Public float increased to 70% from 25% through private equity sponsors divesture of 51.5M shares
- Awarded America's Most Trusted® Homebuilder
- Sheryl Palmer named Chairman effective May 31

2018

- Acquisition of AV Homes completed October 2nd
- Sponsors sell remaining ownership, public float 100%
- Awarded America's Most Trusted® Homebuilder

Operations in 21 U.S. markets

$4.2B total revenue

2019

- $950 of senior notes issued in two transactions to refinance existing senior notes
- Awarded America's Most Trusted® Homebuilder
- Selected for Bloomberg's Gender-Equality Index
- Named Fortune Magazine as one of the "World's Most Admired Companies"

Operations in 21 U.S. markets

$4.8B total revenue

2020

- Awarded America's Most Trusted® Homebuilder
- Acquisition of William Lyon Homes closed on February 6th
- $500M senior notes issuance to refinance a portion of acquired WLH debt

COVID-19 RESPONSE

- **Expanded Support, Benefits for Team Members**
  - Initiated daily COVID-19 Taskforce meetings comprised of senior corporate and field leaders driving key business decisions
  - Additional funds added to internal Care Fund; added PTO days for those directly impacted by COVID-19
  - Communication serving as cornerstone of crisis management strategy; including daily TM Huddle and weekly touchpoints
- **Serving Customers Virtually**
  - Range of virtual options for appointments offered from online home tours and design center selections, to hosting scheduled walkthroughs and contract writing
  - 'Curbside closings' offered nationwide
- **Other Mitigating Measures**
  - Named executives + substantially all senior members of corporate and field operations have reduced their base salaries by 25 percent deferring payment through the duration of the COVID-19 restrictions
  - Board of directors deferred cash retainer for second quarter
  - Limiting all non-essential cash expenditures

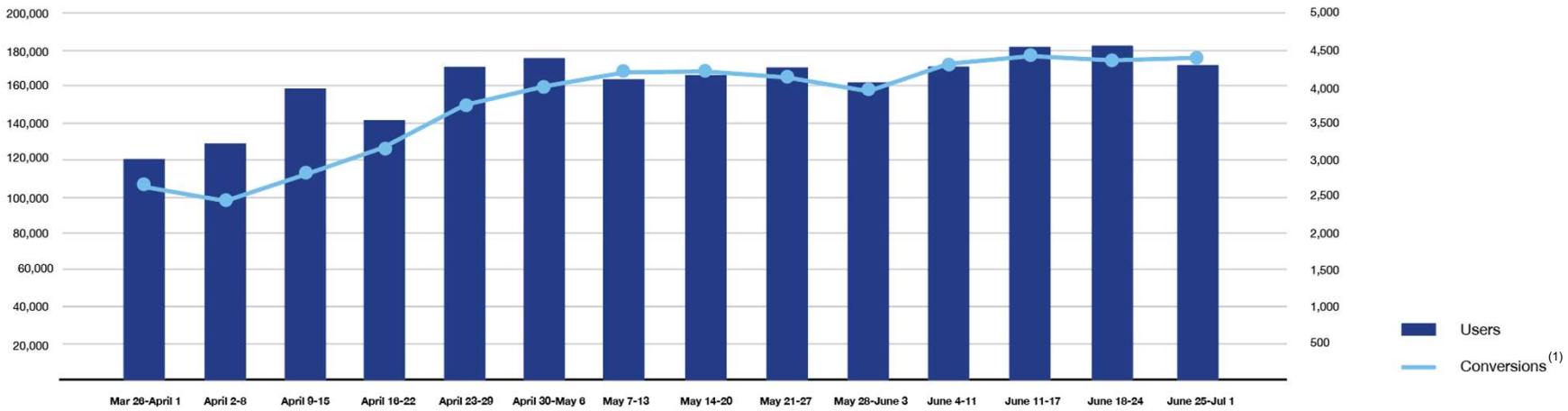




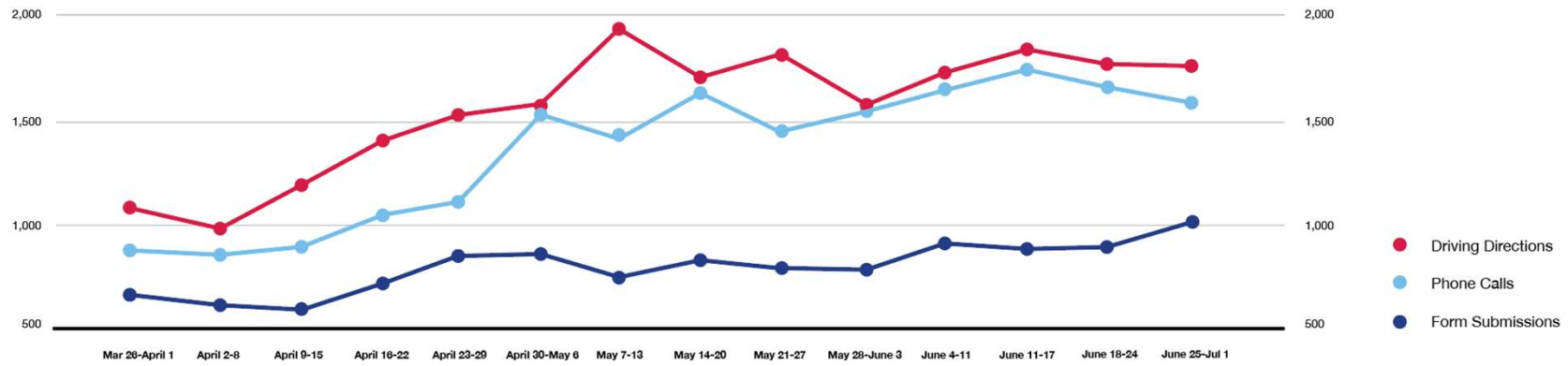


WEBSITE TRAFFIC AND CONVERSIONS ALSO IMPROVING

TRAFFIC/CONVERSIONS OVER TIME(1)



OTHER TRAFFIC TRENDS

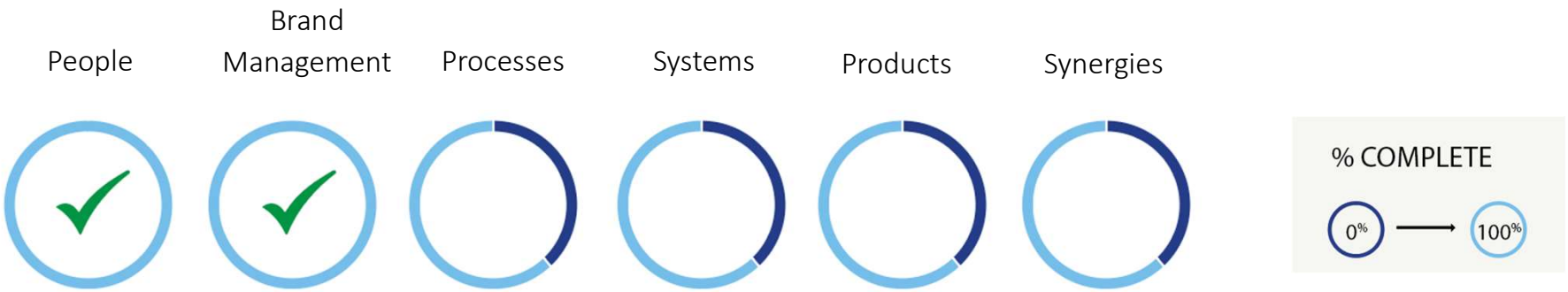


(1) Conversions based on website traffic leading to driving directions, phone calls, or form submissions.

WILLIAM LYON INTEGRATION UPDATE

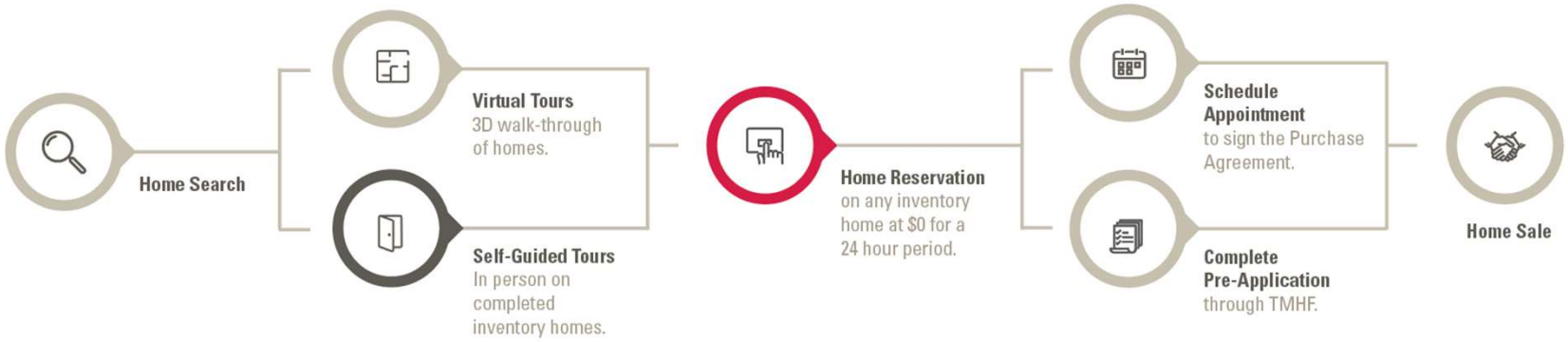
Taylor Morrison's extensive planning and successful M&A track record have paid dividends, as the company hit the ground running in February post-closing to efficiently integrate the companies despite COVID-19 disruption

- Teams fully integrated and benefitting from daily communications via TM Huddle
- Expediting processed and systems conversions
- Virtual training aiding integration
- Remain confident in delivering $80 million in synergies by 2021
- Ahead of plan in deleveraging, now expect to be in the low-to-mid 40% range by year end
- William Lyon closings have exceeded underwriting expectations to date, despite challenging backdrop
- Virtual training benefiting integration



ONLINE SHOPPING ENHANCEMENTS AND RESULTS

Changing the home shopping and buying experience, without ever stepping foot in a model or sales center.



8,000+

Online appointments booked in Q2

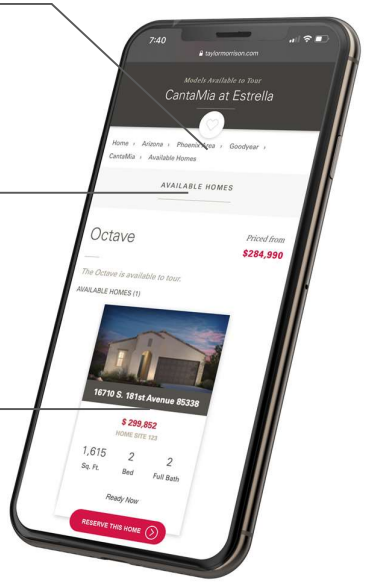
6,000+

Leads in Q2 from Olivia (ChatBot)

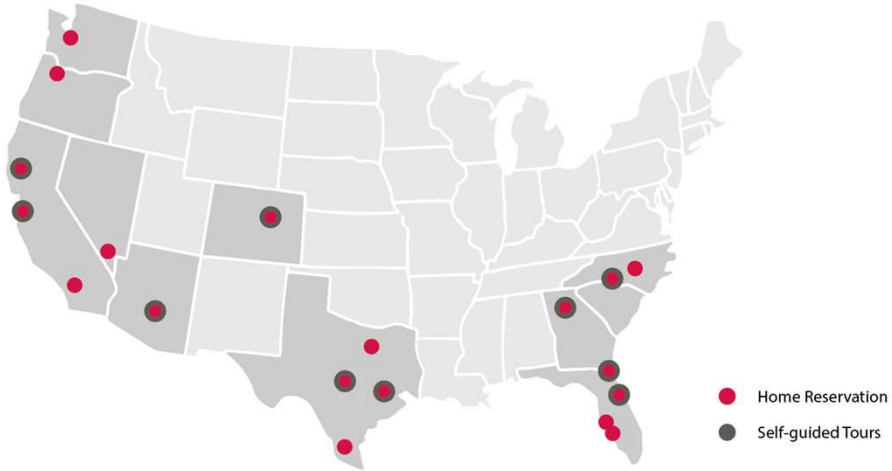
In Q2, the new online features contributed to

14%

of net sales



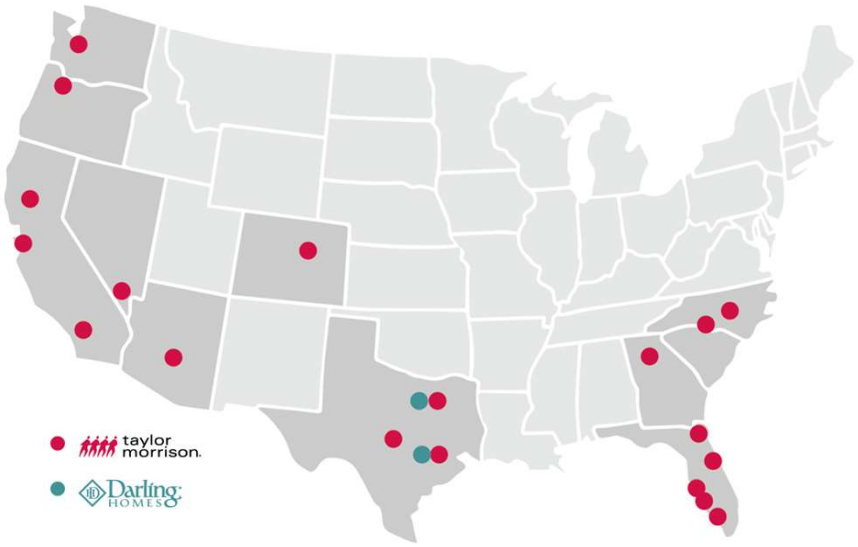
Self-guided tours and online home reservations live across the country in July.



COMPANY SNAPSHOT AND KEY HIGHLIGHTS

OPERATING MARKETS

- 23 markets in eleven states
- Includes eight of the top ten markets based on YTD starts



Q2 2020 HIGHLIGHTS

SALES PER OUTLET

2.8

SALES ORDERS

3,453

AVG. COMMUNITIES

411

HOME CLOSINGS

3,212

TOTAL REVENUE

$1.53
BILLION

PORTFOLIO OF BRANDS

taylor morrison
Homes Inspired by You

taylor morrison
HOME FUNDING
Finance Inspired by You

INSPIRED
TITLE SERVICES

Darling HOMES

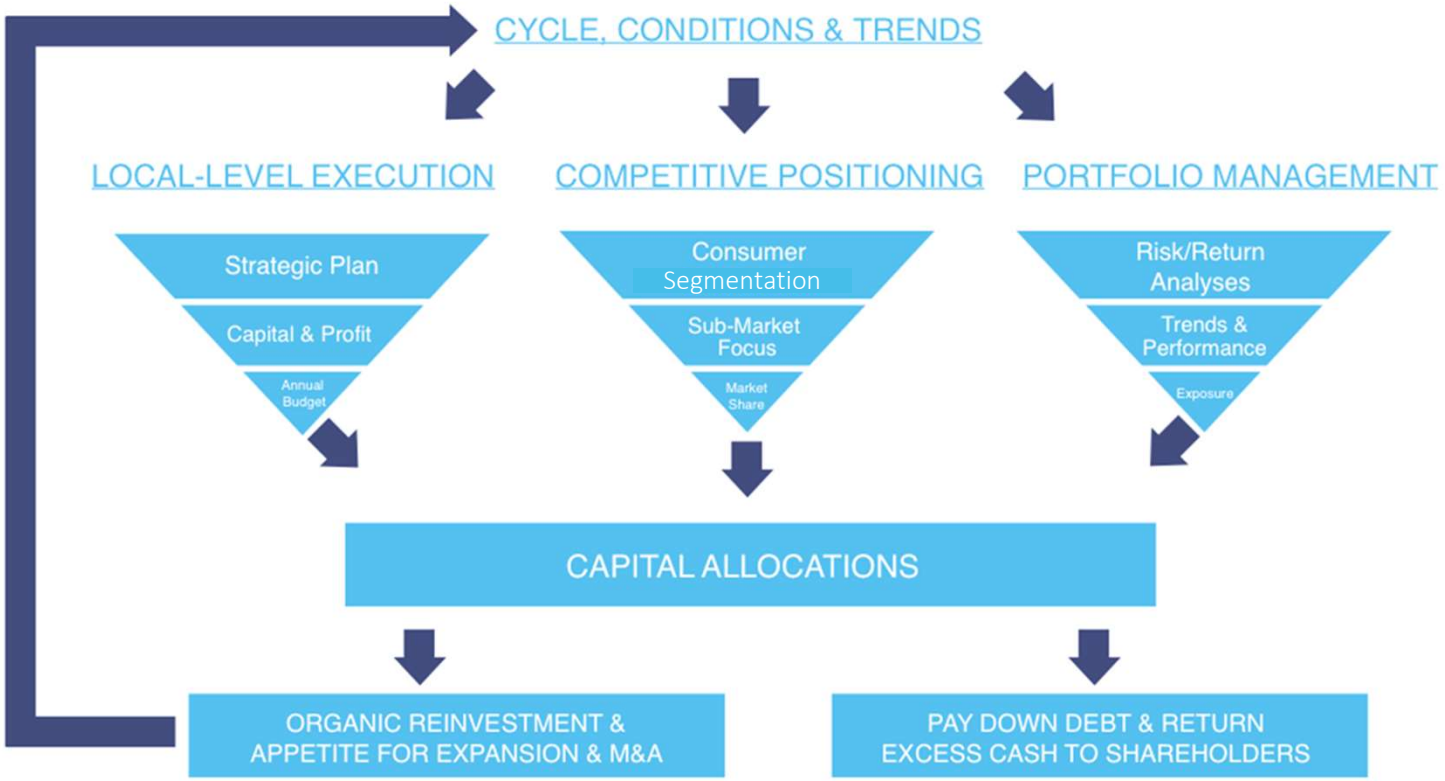
LAND PORTOLIO MANAGEMENT

ADHERENCE TO METHODICAL PORTFOLIO PERSPECTIVE

- Local market strategic plans
- Strategic entitled land positions to support future growth

- Maintain/grow market relevance
- Finished lots available for near term homebuilding operations

- Company level portfolio analyses
- Focus on prospective markets & strategic alternatives

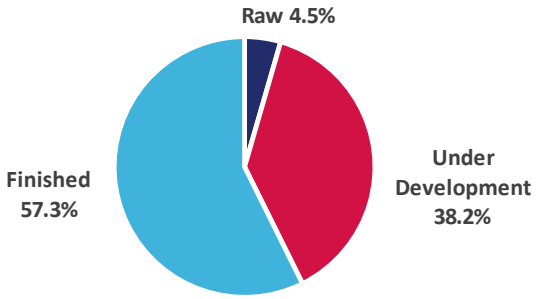


LAND PORTFOLIO

- Homebuilding Lot supply and deal structure opportunistically managed through full-cycle
- Approximately 67,000 homebuilding lots owned or controlled, representing 4.9 years of supply of which 3.5 years were owned at quarter-end
- Focused on land primarily for 2022 deliveries and beyond
  - Allows selective and balanced approach in land acquisitions

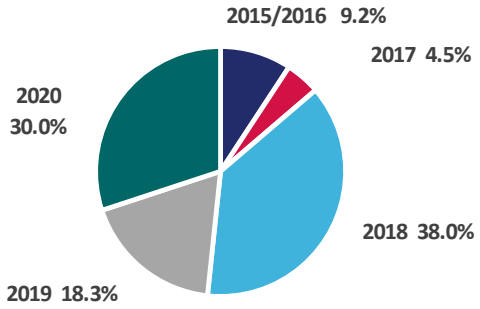
BOOK VALUE OF LAND BY STATUS

($ in inventory)

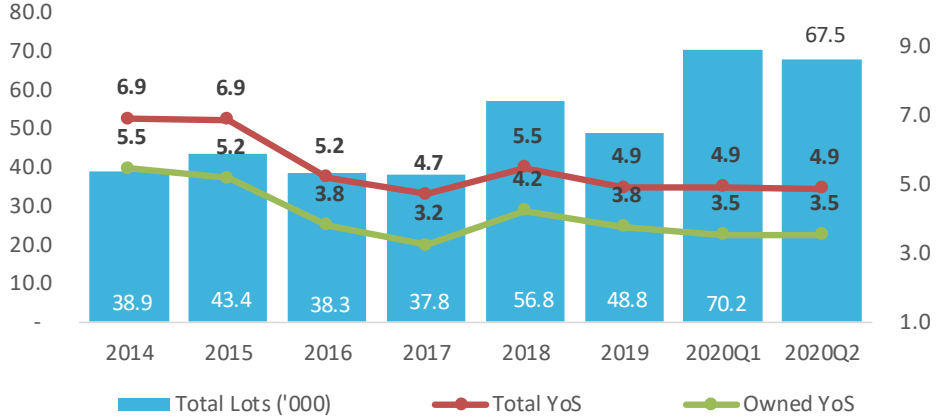


PORTFOLIO VINTAGE

(# of lots)



TOTAL HOMEBUILDING LOTS & YEARS OF SUPPLY



Q2 2020 HOMEBUILDING LOT INVENTORY

	Lots Owned	Lots Controlled	Total Lots	Total Years Supply	Owned Years Supply
East	18,573	4,376	22,949	4.8	3.9
Central	12,224	7,459	19,683	4.7	2.9
West	18,099	6,740	24,839	5.0	3.7
Total	48,896	18,575	67,471	4.9	3.5

CONSUMER-CENTRICITY

HOME SALES BY PRICE POINT & PRODUCT TYPE

Distinctive communities and floor plans driven by consumer preferences

	ENTRY LEVEL	1ST MOVE-UP	2ND MOVE-UP	55+ / ACTIVE LIFESTYLE	URBAN INFILL
Q2 2020 % OF SALES	27%	48%	11%	13%	2%
FY 2019 % OF SALES	28%	45%	13%	14%	1%

taylor morrison
Homes Inspired by You







Darling HOMES





CONSUMER-CENTRIC LIFESTYLE BUILDER

- Core locations where supply and demand characteristics assist in mitigating risk of market ebbs and flows
- Research-based approach to underwriting and consumer segmentation
- Developer of master plan communities with lifestyle component
  - Community amenities – fitness centers, facilitated lifestyle with classes and activities, wellness centers, golf, restaurants





"AMERICA'S MOST TRUSTED® NATIONAL HOME BUILDER"

- 5th consecutive year Taylor Morrison has been recognized as America's Most Trusted® Home Builder by Lifestory Research
- Based on opinions of 30,000+ home shoppers actively looking for a new home in the top housing markets in the U.S.
  - Recognizes brand awareness, perceptions of quality, product satisfaction and experience and opinions of trust

Lifestory Research 2016 America's Most Trusted® National Home Builder

Rank	National Home Builder
1	Taylor Morrison
2	John Wieland Homes
3	Ashton Woods
4	Toll Brothers
5	Shea Homes

Lifestory Research 2017 America's Most Trusted® National Home Builder

Rank	National Home Builder
1	Taylor Morrison
2	Richmond American
3	K. Hovnanian
4	Toll Brothers
5	Shea Homes

Lifestory Research 2018 America's Most Trusted® National Home Builder

Rank	National Home Builder
1	Taylor Morrison
2	Toll Brothers
3	William Lyon Homes
4	Richmond American
5	TriPointe Homes

Lifestory Research 2019 America's Most Trusted® National Home Builder

Rank	National Home Builder
1	Taylor Morrison
2	William Lyon Homes
3	Toll Brothers
4	Woodside Homes
5	Brookfield Homes

Lifestory Research 2020 America's Most Trusted® National Home Builder

Rank	National Home Builder
1	Taylor Morrison
2	Toll Brothers
3	William Lyon Homes
4	Woodside Homes
5	Shea Homes

55+ & ACTIVE LIFESTYLE COMMUNITY PORTFOLIO

- Boutique, hyper-local 55+ and Active Lifestyle communities – less capital intensive than more traditional competitors
- Discretionary buyer – outspends traditional buyers on options, upgrades and lot premiums

Florida

- Esplanade at Highland Ranch
- Esplanade at Hacienda Lakes
- Esplanade Golf & Country Club of Naples
- Esplanade at Artisan Lakes
- Bellacina by Casey Key, An Esplanade Community
- Esplanade Golf & Country Club at Lakewood Ranch
- Esplanade at Starkey Ranch
- Esplanade of Tampa
- Esplanade on Palmer Ranch
- Solivita
- Vitalia at Tradition
- Esplanade at Azario Lakewood Ranch
- Esplanade at Wiregrass Ranch
- Esplanade at the Heights
- Esplanade by the Islands (coming soon)
- Esplanade at Skye Ranch (coming soon)
- Esplanade at Tradition (coming soon)

Texas

- Bonterra at Woodforest
- Bonterra at Cross Creek
- Heritage at Vizcaya
- Waterford Point at the Tribute
- Sweetwater at Light Farms

Arizona

- Victory at Verrado
- CantaMia
- Encore at Eastmark
- Ovation at Meridian
- Blue Sky at Tonto Verde

North Carolina

- Creekside at Bethpage
- Bridgeberry (Landings Collection)
- Homestead at Honeycutt Farm
- San Marino
- Huntley

Washington

- Ovation at Oak Tree

California

- Venture at the Collective

Colorado

- Skyestone

TAYLOR MORRISON HOME FUNDING

TMHF PLATFORM

- Prequalification of all our buyers prior to acceptance of contract
- Provides valuable pipeline management and mitigation of risk in backlog
- Integrated mortgage, sales and construction process to facilitate ease in closing
- Able Ready Own - a qualification improvement program used to increase purchasing power
  - As of Q2 2020, there have been 2,542 graduates of the program since inception with an average credit score improvement of 43 points
  - The highest score improvement was 183 points, and the average time enrolled is 77 days

ABLE. READY. OWN.

Q2 CREDIT WORTHINESS OF CUSTOMERS

750 AVERAGE FICO

$359K AVERAGE LOAN AMOUNT

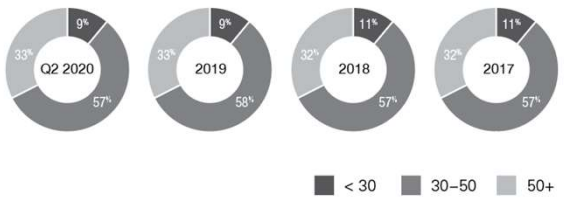
80% LTV

81% MORTGAGE CAPTURE

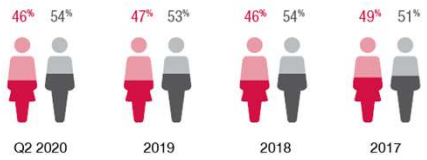
COMMITED TO ESG PERFORMANCE & TRANSPARENCY

WORKFORCE DIVERSITY

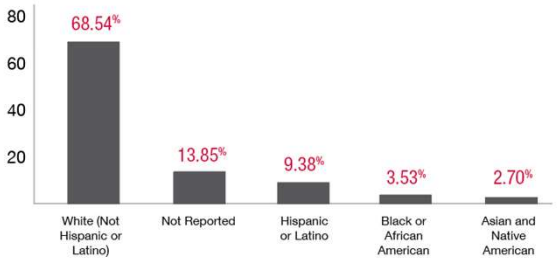
Age



Gender



Race (Q2 2020)



OUR TEAM MEMBERS & COMMUNITY

THE TaylorMorrison FOUNDATION

HomeAid America

460 team members volunteered

1,550 hours in 2019



glassdoor 2020 BEST PLACES TO WORK

FORTUNE WORLD'S MOST ADMIRED COMPANIES 2020

Lifestory Research AMERICA'S MOST TRUSTED National Home Builder 2016 - 2020

2020 Bloomberg Gender-Equality Index

RESPONSIBLE GOVERNANCE

Gender Diversity

44% Women

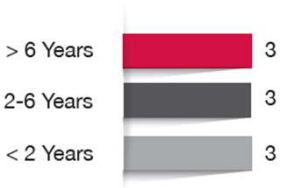


Age Diversity

Age Range: 46 - 71

58 Average Age of Directors

Board Tenure



RESPONSIBLE LAND PLANNING & STEWARDSHIP

INVESTMENT REVIEW

Taylor Morrison Built

2,850

homes to ENERGY STAR® and LEED standards in 2019

16

net zero homes

Diverted **845,000** cubic yards from landfill (**49%** recycling rate)

18,000

ENERGY STAR® appliances

5,400

homes with smart/ learning thermostats

STRATEGIC ENVIRONMENTAL PARTNER

In the first year of our NWF partnerships

15

Certified Open Spaces

1,111

Acres of Certified Wildlife Habitat™

In 2019, we delivered

3,078

lots and homes on redevelopment sites, transforming them into vibrant neighborhoods and improving the housing supply

In 10 participating divisions,

76%

of installed water fixtures certified to EPA WaterSense® specifications

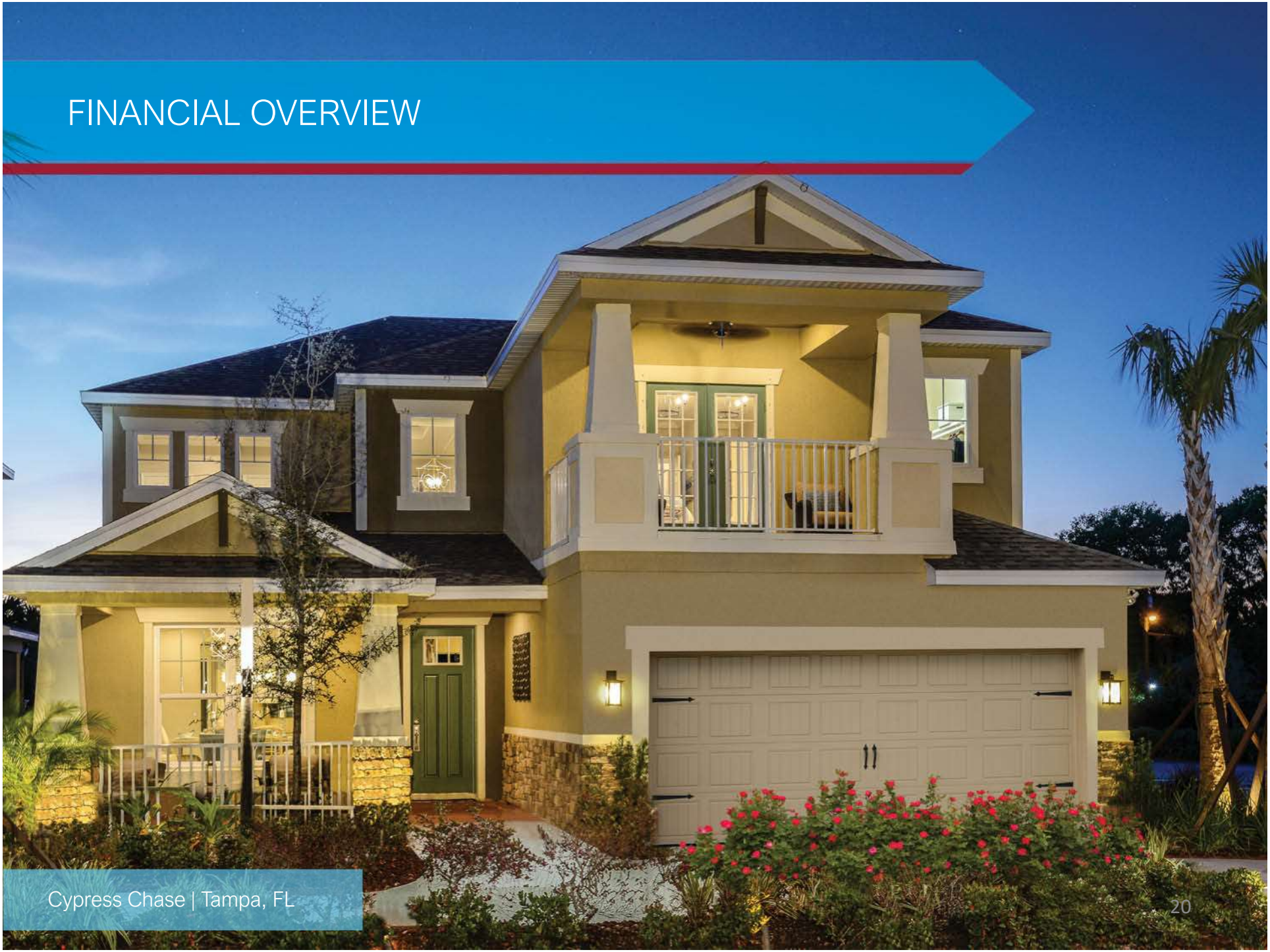
LONG-TERM COMMUNITY VALUE



Inspiring Continued Resident Investment

- Core locations in key markets
- Habitat preservation and restoration
- Community outreach and education
- HOA Habitat Management Plans

FINANCIAL OVERVIEW



Cypress Chase | Tampa, FL

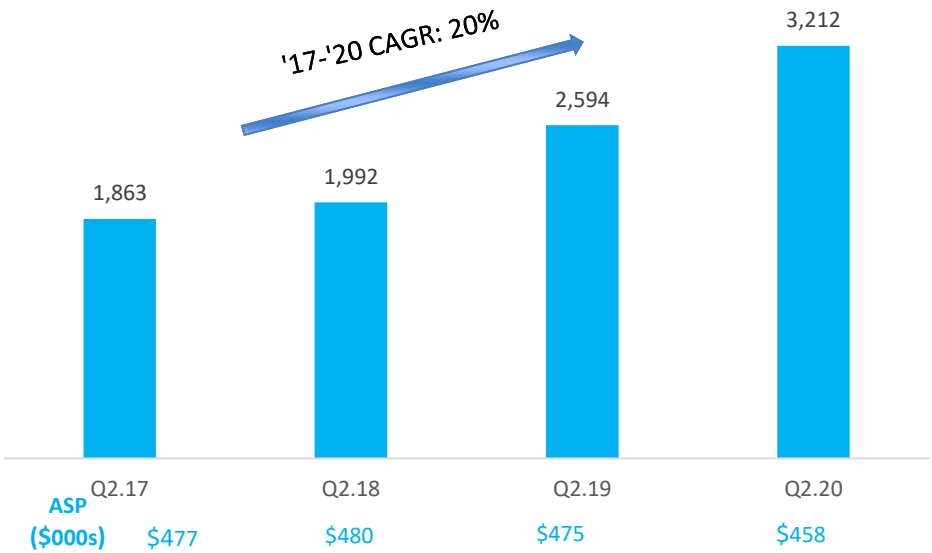
Q2 2020 RESULTS

	Q2 2020	Q2 2019	YoY Growth
Operating Statistics			
Average Active Selling Communities	411	357	15%
Net Sales Orders	3,453	2,810	23%
Sales per Community per Month	2.8	2.6	8%
Cancellations	18.6%	12.0%	657bps
Closings	3,212	2,594	24%
ASP of Homes Closed	$458	$475	-4%
Backlog - Units	6,805	5,051	35%
Backlog - $mm	$3,226	$2,453	32%
Financial Statistics ($ in millions except EPS)			
Home Closings Revenue	$1,471	$1,232	19%
Total Revenue	$1,527	$1,265	21%
Home Closings Gross Margin	15.4%	18.0%	-260bps
Adjusted Home Closings Gross Margin*	17.6%	18.0%	-40bps
SG&A % of Home Closings Revenue	9.9%	10.1%	-20bps
Net Income	$66	$82	-20%
Adjusted Net Income*	$104	$85	22%
Earnings per share	$0.50	$0.76	-34%
Adjusted Earnings per share*	$0.80	$0.79	1%

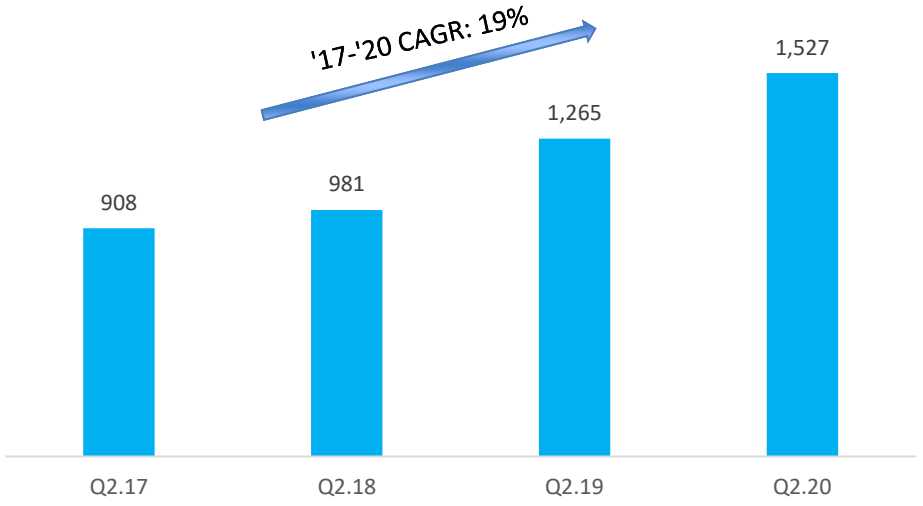
* Adjusted for expenses related to the acquisitions and Q219 debt refinance

OPERATING RESULTS

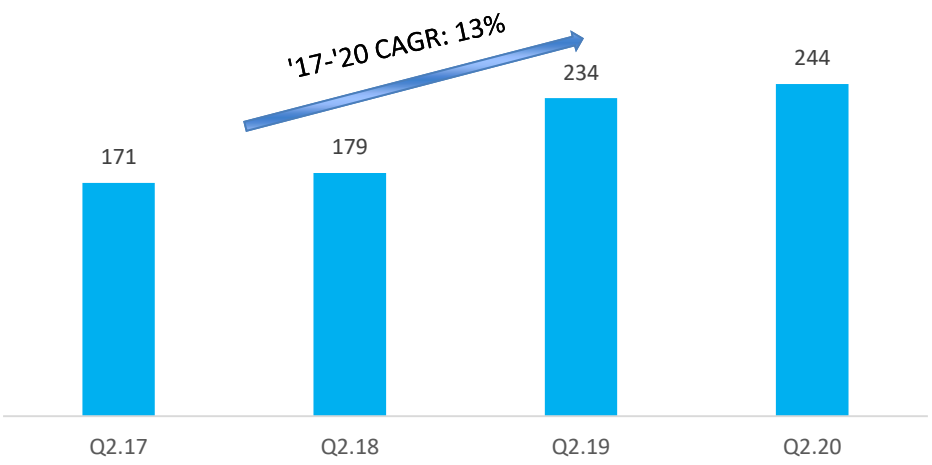
CLOSINGS



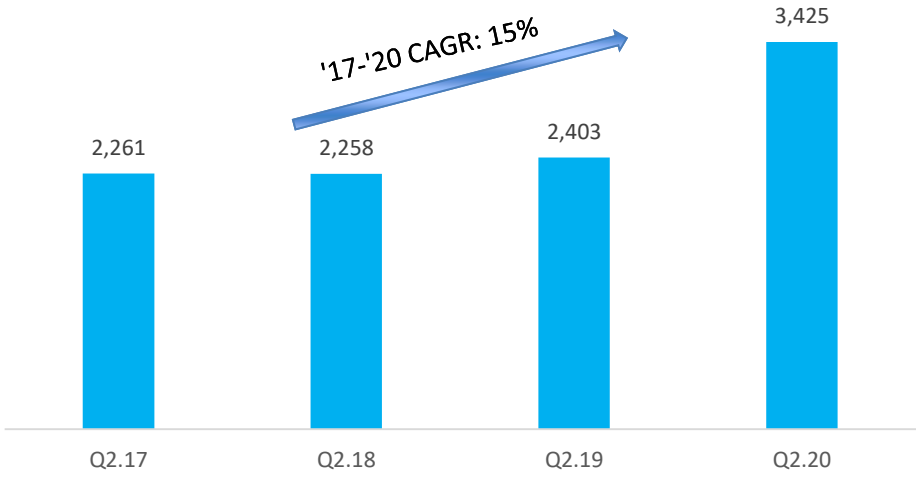
TOTAL REVENUE ($MM)



GROSS PROFIT ($MM)



TOTAL STOCKHOLDERS' EQUITY ($MM)

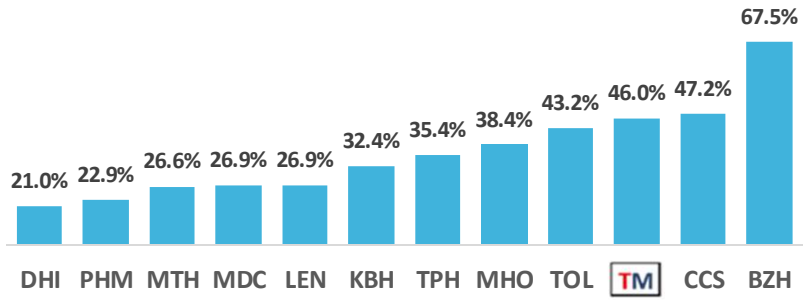


STRONG BALANCE SHEET (6/30/20)

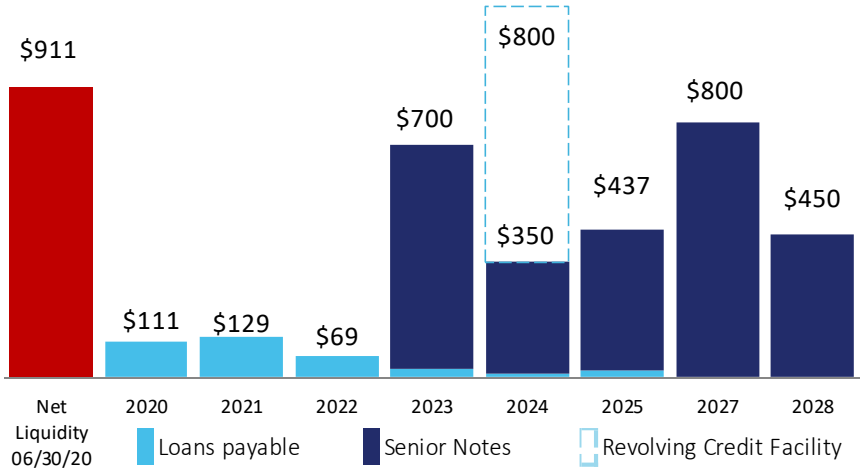
- Balance sheet remains strong
- Net debt / total book cap of 46.0%
- Significant liquidity of $911 million at 6/30/2020
  - $675 million unrestricted cash
  - $236 million availability under credit facility
- No senior notes maturing before 2023
- $2.7 billion of debt with interest rates between 5.625% - 6.625%

NET DEBT TO CAPITALIZATION RATIO

(as of most recent reported period)

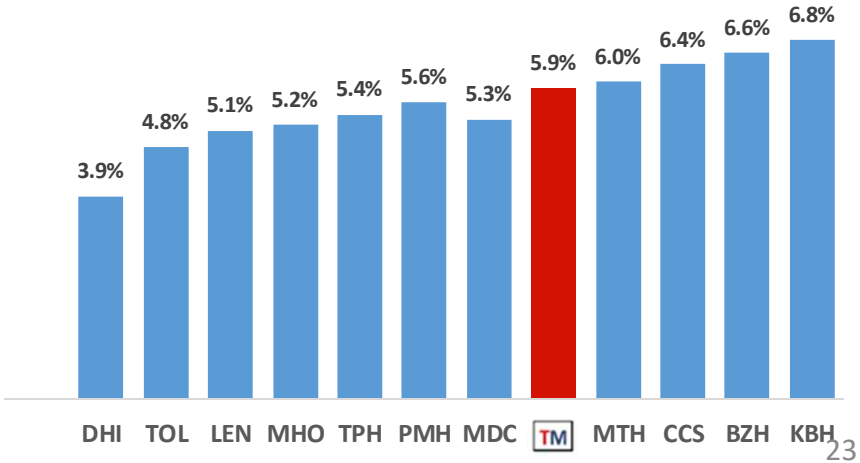


SIGNIFICANT DEBT MATURITY RUNWAY



ATTRACTIVE COST OF DEBT

(as of most recent reported period)



Note: This slide does not reflect the July 2020 bond offering, which was a part of the WLH debt refinancing effort.

CAPITAL ALLOCATION STRATEGY

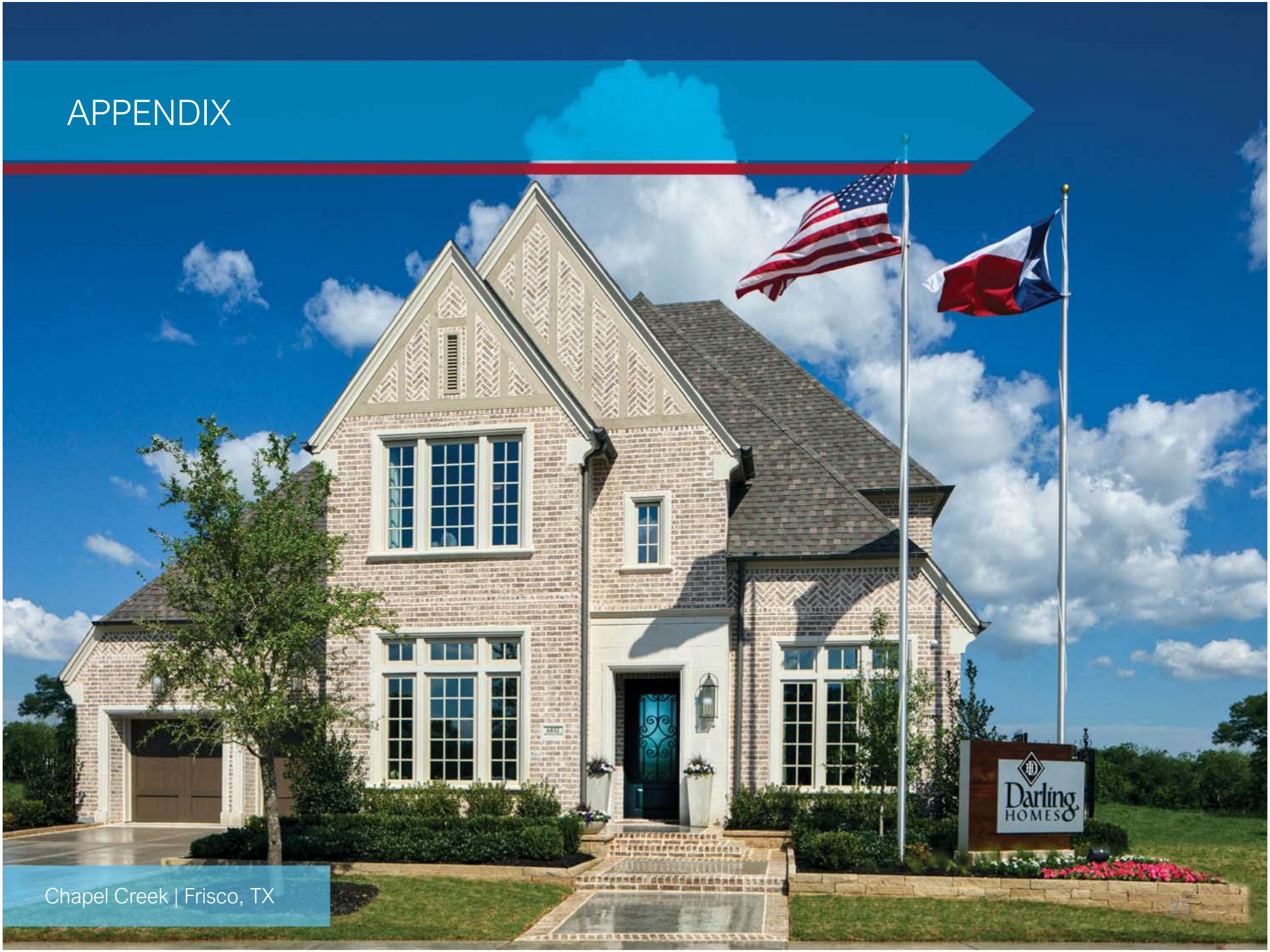
We maintain a disciplined approach to capital allocation

MAINTAIN STRONG LIQUIDITY	Targeted leverage under 50% - Above 50% on a short term basis for the right M&A transaction Significant capacity on $800M revolver

CAPITAL DEPLOYMENT PHILOSOPHY

REINVEST IN THE BUSINESS	Disciplined due diligence and research process for targeting and underwriting land acquisitions in existing markets and organically entering new markets
EVALUATE M&A OPPORTUNITIES	Increase diversification through accretive transactions in new markets
EVALUATE LEVERAGE	Use of excess cash to opportunistically refinance or pay down debt
RETURN EXCESS CASH TO SHAREHOLDERS	Almost $635M of share repurchases since the beginning of 2015

APPENDIX



Chapel Creek | Frisco, TX

HISTORICAL DATA BY SEGMENT

	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020
Avg. Active Selling Communities:													
East	130	124	121	109	177	134	173	161	153	152	159	144	153
Central	117	115	124	118	131	121	140	137	135	124	134	134	132
West	50	49	52	48	58	52	59	59	58	57	58	100	126
TMHC	**297**	**288**	**297**	**275**	**366**	**307**	**372**	**357**	**346**	**333**	**351**	**378**	**411**
Net Sales Orders:													
East	3,766	1,000	894	710	867	3,471	1,135	1,315	1,161	1,282	4,893	1,361	1,176
Central	2,391	755	832	617	493	2,697	801	820	759	639	3,019	906	1,003
West	2,240	688	616	495	433	2,232	679	675	620	631	2,605	1,199	1,274
TMHC	**8,397**	**2,443**	**2,342**	**1,822**	**1,793**	**8,400**	**2,615**	**2,810**	**2,540**	**2,552**	**10,517**	**3,466**	**3,453**
Homes Closed:													
East	3,473	700	875	953	1,533	4,061	854	1,180	1,029	1,652	4,715	985	1,097
Central	2,298	434	617	594	735	2,380	545	746	653	840	2,784	819	1,059
West	2,261	413	500	568	838	2,319	539	668	614	644	2,465	957	1,056
TMHC	**8,032**	**1,547**	**1,992**	**2,115**	**3,106**	**8,760**	**1,938**	**2,594**	**2,296**	**3,136**	**9,964**	**2,761**	**3,212**
Home Closings Revenue ($ in MM's):													
East	$1,378	$284	$356	$393	$610	$1,643	$348	$476	$434	$653	$1,912	$396	$467
Central	$1,102	$213	$294	$273	$346	$1,126	$253	$362	$310	$403	$1,327	$373	$474
West	$1,319	$235	$306	$348	$456	$1,346	$299	$394	$329	$362	$1,384	$496	$530
TMHC	**$3,799**	**$733**	**$957**	**$1,014**	**$1,412**	**$4,115**	**$900**	**$1,232**	**$1,073**	**$1,418**	**$4,623**	**$1,265**	**$1,471**
Home Closings Gross Margin:													
East	20.6%	18.4%	18.2%	18.0%	15.0%	17.0%	17.1%	16.0%	17.1%	16.0%	16.5%	15.6%	16.7%
Central	18.4%	18.9%	17.8%	17.0%	5.2%	14.0%	16.4%	17.1%	18.2%	6.4%	14.0%	17.1%	17.6%
West	16.7%	19.3%	17.9%	21.3%	20.5%	19.9%	21.1%	21.4%	20.8%	19.6%	20.7%	13.9%	12.3%
TMHC	**18.6%**	**18.8%**	**18.0%**	**18.9%**	**14.4%**	**17.1%**	**18.2%**	**18.0%**	**18.5%**	**14.2%**	**17.0%**	**15.4%**	**15.4%**
Sales Order Backlog:													
East	1,513	1,813	1,832	1,589	1,638	1,638	1,919	2,054	2,186	1,816	1,816	2,193	2,271
Central	1,051	1,372	1,587	1,610	1,420	1,420	1,676	1,750	1,856	1,655	1,655	2,167	2,111
West	932	1,207	1,323	1,250	1,100	1,100	1,240	1,247	1,253	1,240	1,240	2,205	2,423
TMHC	**3,496**	**4,392**	**4,742**	**4,449**	**4,158**	**4,158**	**4,835**	**5,051**	**5,295**	**4,711**	**4,711**	**6,565**	**6,805**
Backlog Value ($ in MM's):													
East	$635	$781	$825	$755	$725	$725	$849	$907	$935	$791	$791	$957	$975
Central	$533	$676	$779	$814	$732	$732	$850	$886	$937	$839	$839	$1,042	$1,006
West	$535	$728	$820	$771	$623	$623	$694	$660	$662	$644	$644	$1,132	$1,245
TMHC	**$1,702**	**$2,185**	**$2,424**	**$2,340**	**$2,080**	**$2,080**	**$2,392**	**$2,453**	**$2,535**	**$2,275**	**$2,275**	**$3,132**	**$3,226**