



## 2019 Third Quarter Results

Maracay™ – Pardee Homes® – Quadrant Homes® – Trendmaker® Homes – TRI Pointe Homes® – Winchester® Homes

# Forward Looking Statements

Various statements contained in this presentation, including those that express a belief, expectation or intention, as well as those that are not statements of historical fact, are forward-looking statements. These forward-looking statements may include, but are not limited to, statements regarding our strategy, projections and estimates concerning the timing and success of specific projects and our future production, land and lot sales, operational and financial results, including our estimates for growth, financial condition, sales prices, prospects, and capital spending. Forward-looking statements in this presentation are generally accompanied by words such as “estimate,” “project,” “predict,” “believe,” “expect,” “intend,” “anticipate,” “potential,” “plan,” “goal,” “target,” “guidance,” “outlook,” “will,” “future,” “strategy,” or other words that convey future events or outcomes. Forward-looking statements in this presentation speak only as of the date of this presentation, and we disclaim any obligation to update these statements unless required by law, and we caution you not to rely on them unduly. These forward-looking statements are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. The following factors, among others, may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements: the effect of general economic conditions, including employment rates, housing starts, interest rate levels, availability of financing for home mortgages and strength of the U.S. dollar; market demand for our products, which is related to the strength of the various U.S. business segments and U.S. and international economic conditions; levels of competition; the successful execution of our internal performance plans, including any restructuring and cost reduction initiatives; global economic conditions; raw material prices; oil and other energy prices; the effect of weather, including the re-occurrence of drought conditions in California; the risk of loss from earthquakes, volcanoes, fires, floods, droughts, windstorms, hurricanes, pest infestations and other natural disasters, and the risk of delays, reduced consumer demand, and shortages and price increases in labor or materials associated with such natural disasters; transportation costs; federal and state tax policies; the effect of land use, environment and other governmental regulations; legal proceedings or disputes and the adequacy of reserves; risks relating to any unforeseen changes to or effects on liabilities, future capital expenditures, revenues, expenses, earnings, synergies, indebtedness, financial condition, losses and future prospects; changes in accounting principles; risks related to unauthorized access to our computer systems, theft of our customers’ confidential information or other forms of cyber-attack; and additional factors discussed under the sections captioned “Risk Factors” included in our annual and quarterly reports filed with the Securities and Exchange Commission. The foregoing list is not exhaustive. New risk factors may emerge from time to time and it is not possible for management to predict all such risk factors or to assess the impact of such risk factors on our business. This presentation includes certain non-GAAP financial metrics, including adjusted homebuilding gross margin, and net debt-to-net capital. These non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. Please refer to the Supplemental Data and Reconciliation section of this presentation for a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable financial measures prepared in accordance with GAAP. Winchester is a registered trademark and is used with permission.

# Management Team



## Thomas Mitchell

### President & COO

- Over 30 years of real estate and homebuilding experience
- Former EVP and Southern California Regional President at William Lyon Homes



## Douglas Bauer

### Chief Executive Officer

- Over 30 years of real estate and homebuilding experience
- Former President and COO of William Lyon Homes



## Michael Grubbs

### Chief Financial Officer

- Over 30 years of real estate and homebuilding experience
- Former SVP / CFO of William Lyon Homes

Working together for over 25 years, TRI Pointe senior management has significant experience running a large, geographically diverse, growth-oriented public homebuilder. Deep managerial talent at each operating division with key local relationships supports dynamic tailored growth strategies.

# A Family of Regional Homebuilders

**TRI POINTE®**  
G R O U P



Market: Seattle Metro Area  
LTM Orders: 245  
LTM Deliveries: 285  
LTM HS Revenue: \$276,486  
LTM ASP: \$970  
Lots Owned or Controlled: 1,427



Markets: Los Angeles, Inland Empire, San Diego, Las Vegas  
LTM Orders: 1,660  
LTM Deliveries: 1,605  
LTM HS Revenue: \$1,002,986  
LTM ASP: \$625  
Lots Owned or Controlled: 13,927



Markets: Orange County, Los Angeles, San Diego, San Francisco Bay Area, Sacramento, Denver, Charlotte, Raleigh  
LTM Orders: 1,060  
LTM Deliveries: 1,236  
LTM HS Revenue: \$882,310  
LTM ASP: \$714  
Lots Owned or Controlled: 5,189



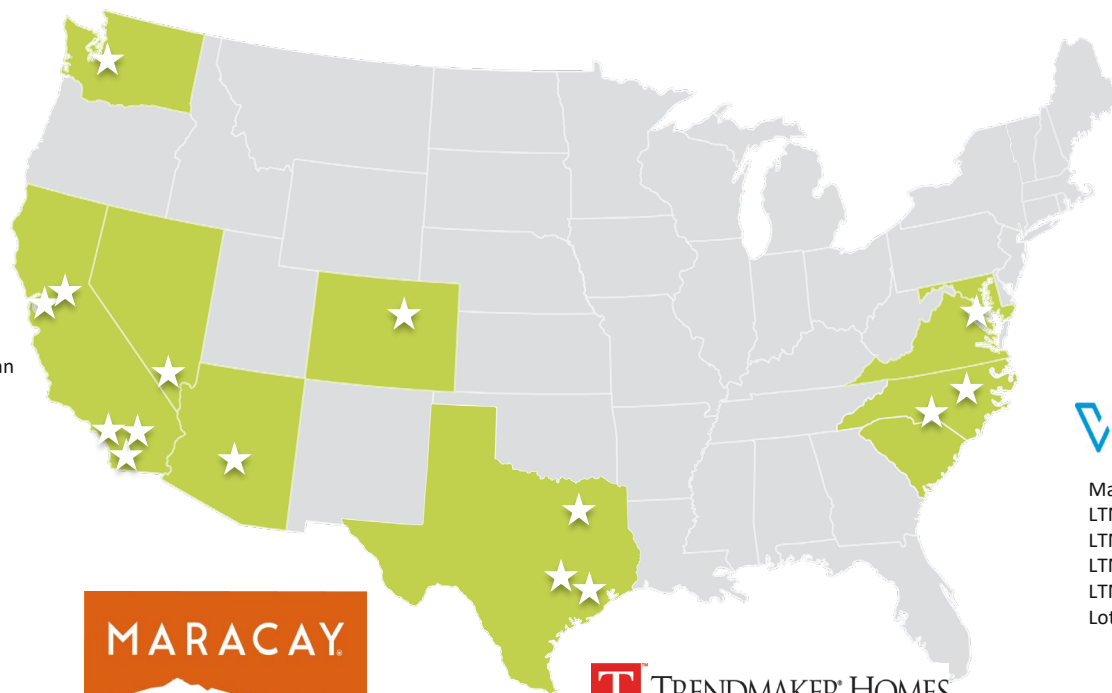
Markets: Phoenix  
LTM Orders: 661  
LTM Deliveries: 473  
LTM HS Revenue: \$247,261  
LTM ASP: \$523  
Lots Owned or Controlled: 3,490



Markets: Houston, Austin, Dallas-Fort Worth  
LTM Orders: 828  
LTM Deliveries: 849  
LTM HS Revenue: \$401,530  
LTM ASP: \$473  
Lots Owned or Controlled: 3,143



Markets: Washington DC Metro Area  
LTM Orders: 461  
LTM Deliveries: 405  
LTM HS Revenue: \$241,488  
LTM ASP: \$596  
Lots Owned or Controlled: 1,580



Data As of September 30, 2019  
Note: Dollars in thousands

**LTM Orders: 4,915**

**LTM Home Sales ("HS") Revenue: \$3,052,061**

**Lots Owned or Controlled: 28,756**

**LTM Deliveries: 4,853**

**LTM Average Sales Price ("ASP"): \$629**

# 2019 Third Quarter Highlights



# 2019 Third Quarter Highlights

- Absorption rate of 2.9 new home orders per community per month
- New home deliveries down 1% to 1,187 with an average sales price of \$629,000
- Backlog units <sup>(1)</sup> up 10% to 2,312 homes and backlog dollar value <sup>(1)</sup> up 4% to \$1.5 billion
- Home sales revenue down 3% to \$746 million
- Homebuilding gross margin increased 130 basis points to 22.6%. Adjusted homebuilding gross margin increased 130 basis points to 25.3%.
- SG&A expense increased 90 basis points to 11.6% of home sales revenue
- Net income of \$63 million, or \$0.44 per diluted share, vs. \$64 million, or \$0.43 per diluted share
- Repurchased 3.0 million shares for an aggregate dollar amount of \$41.7 million

Metric	3Q19	3Q18	% Change
<b>Orders</b>	1,291	1,035	25%
<b>Deliveries</b>	1,187	1,205	-1%
<b>ASP of Home Deliveries (\$mm)</b>	\$629	\$640	-2%
<b>Backlog (units) <sup>(1)</sup></b>	2,312	2,101	10%
<b>Backlog (dollar value) (\$mm) <sup>(1)</sup></b>	\$1,491	\$1,431	4%
<b>Home Sales Revenue (\$mm)</b>	\$746	\$772	-3%
<b>HB Gross Margin</b>	22.6%	21.3%	+130 bps
<b>Adjusted HB Gross Margin <sup>(2)</sup></b>	25.3%	24.0%	+130 bps
<b>SG&amp;A Expense (% of Home Sales Revenue)</b>	11.6%	10.7%	+90 bps
<b>Income Before Income Taxes (\$mm)</b>	\$85	\$84	1%
<b>Net Income (\$mm)</b>	\$63	\$64	-2%
<b>EPS (Diluted)</b>	\$0.44	\$0.43	2%

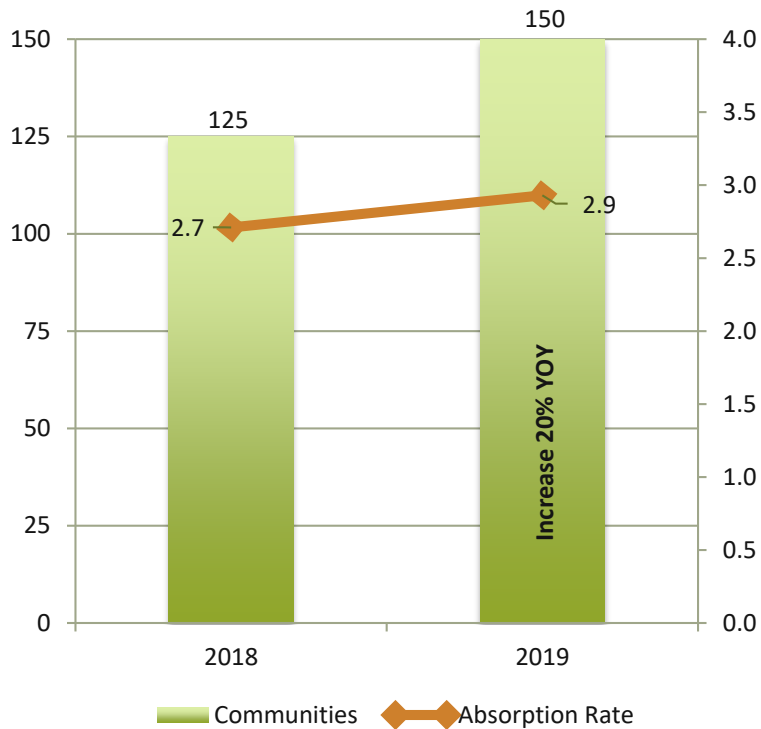
(1) Backlog units and dollar value figures are as of September 30, 2019 and 2018, respectively

(2) See "Reconciliation of Non-GAAP Measures" in the appendix of this presentation

# Active Selling Communities and Absorption Rate Q3 2019 Results

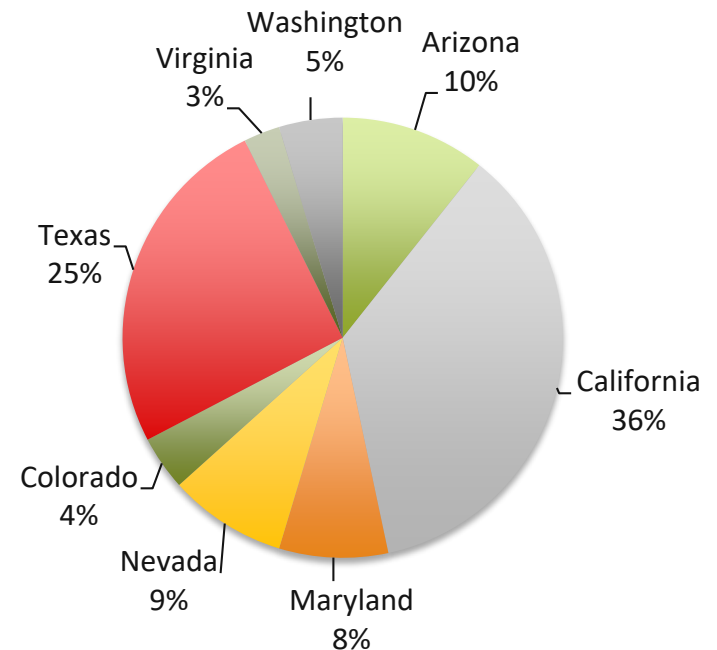
## Active Selling Communities and Absorption Rate

*As of and for the quarters ended September 30, 2018 and 2019*



## Active Selling Communities by State

*As of September 30, 2019*

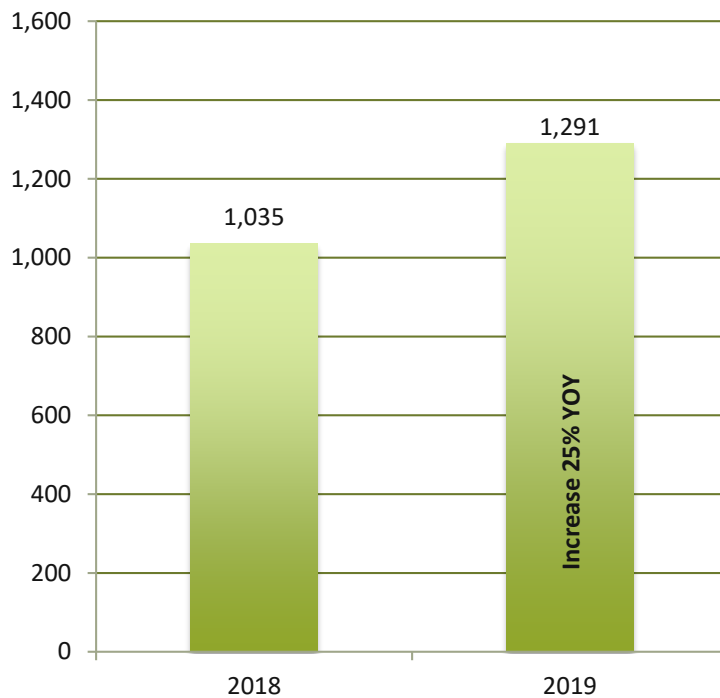


Opened 15 new communities and closed 11 communities in Q3 2019

# New Home Orders – Q3 2019 Results

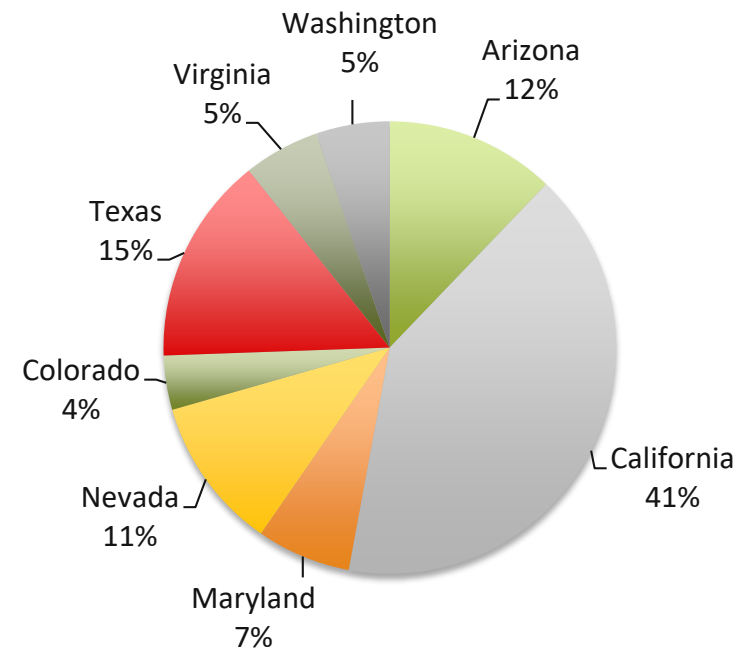
## New Home Orders

*For the quarters ended September 30, 2018 and 2019*



## New Home Orders by State

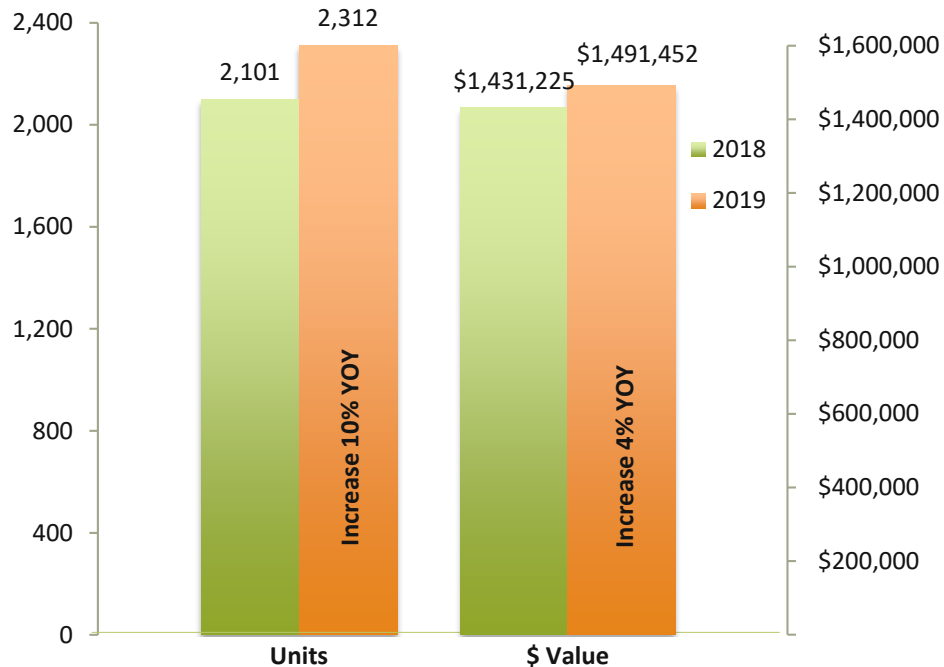
*For the quarter ended September 30, 2019*



# Backlog – Units and Dollar Value – Q3 2019 Results

## Backlog – Units and Dollar Value

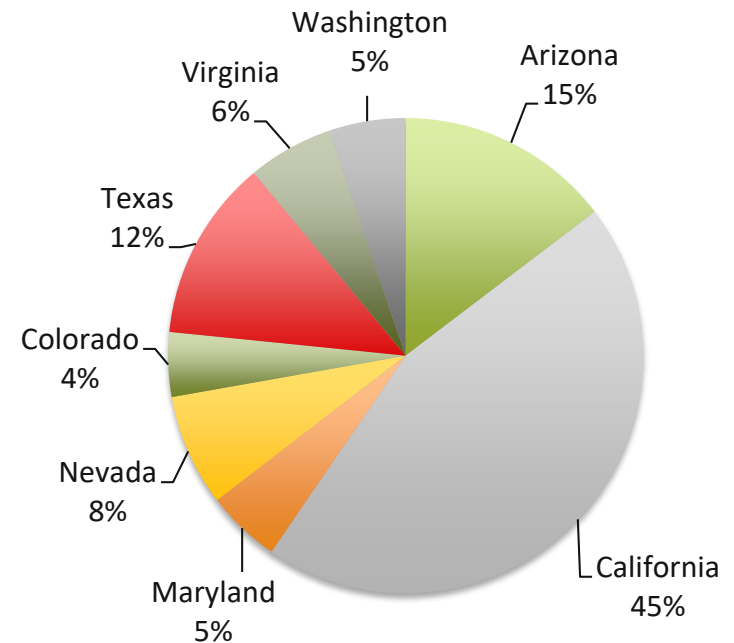
*As of September 30, 2018 and 2019 (dollars in thousands)*



\$681K   \$645K  
Average Sales Price  
in Backlog

## Backlog Dollar Value by State

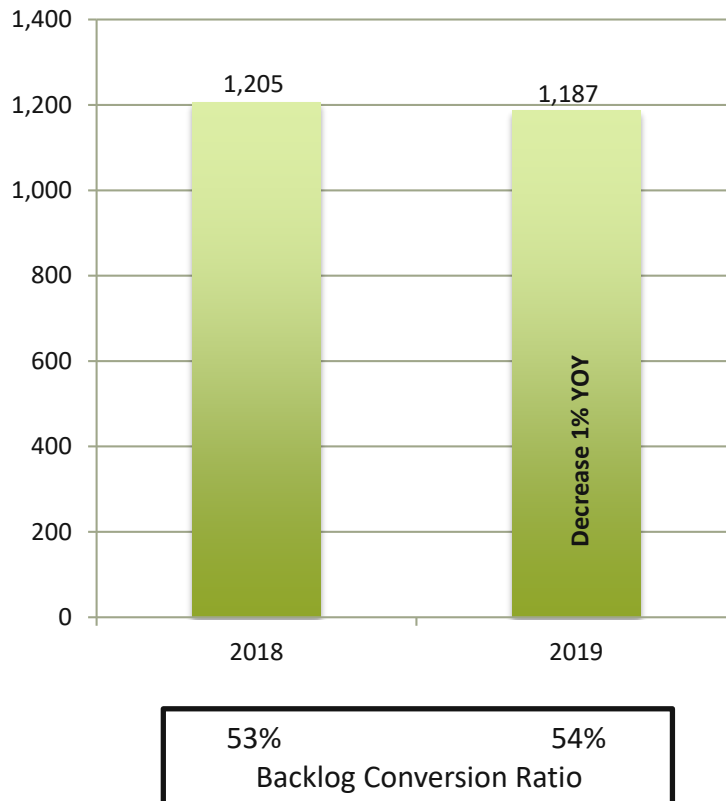
*As of September 30, 2019*



# New Home Deliveries – Q3 2019 Results

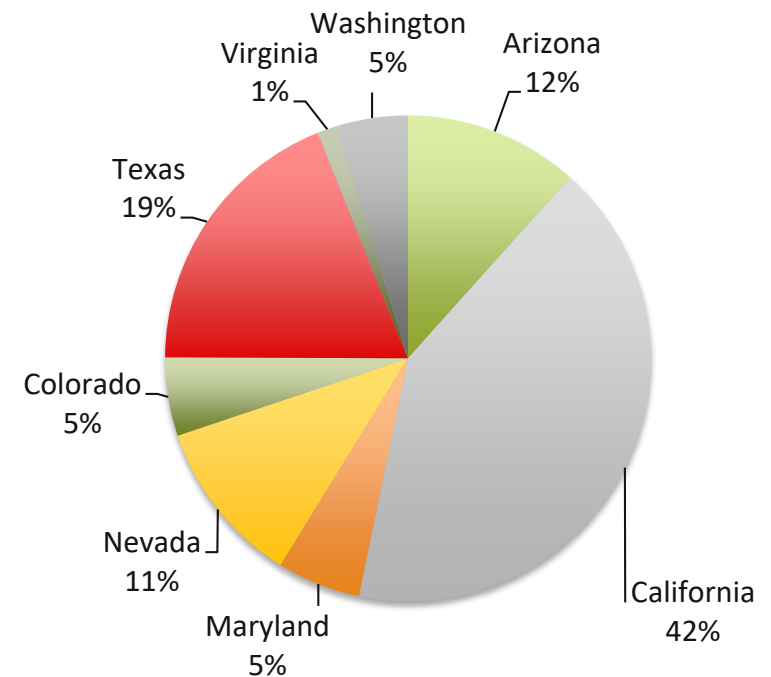
## New Home Deliveries

*As of and for the quarters ended September 30, 2018 and 2019*



## New Home Deliveries by State

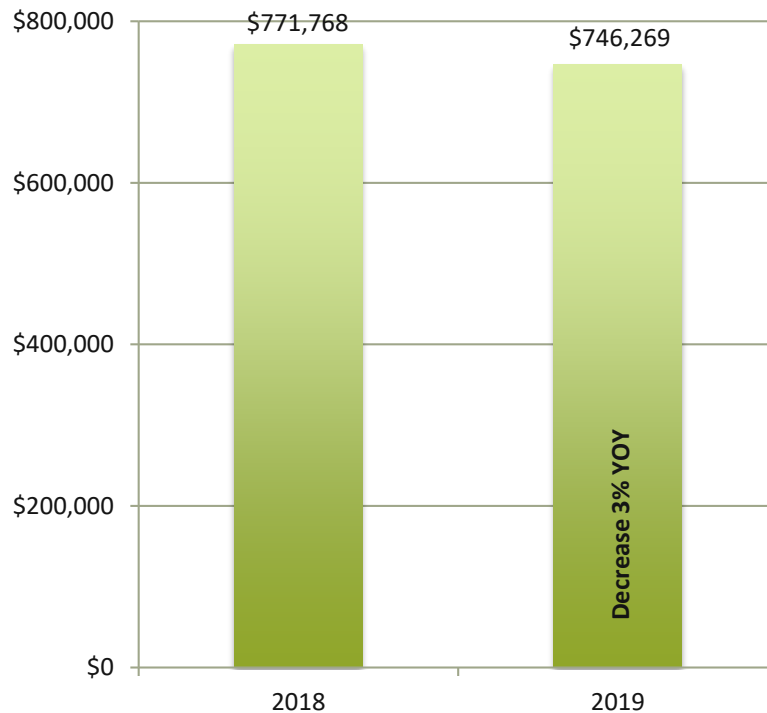
*For the quarter ended September 30, 2019*



# Home Sales Revenue – Q3 2019 Results

## Home Sales Revenue

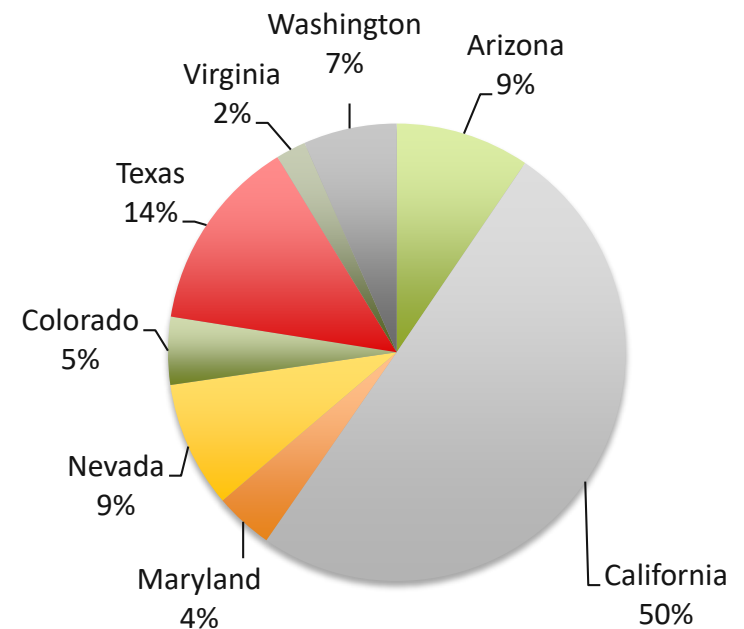
*For the quarters ended September 30, 2018 and 2019 (dollars in thousands)*



\$640K	\$629K
Average Sales Price of Deliveries	

## Home Sales Revenue by State

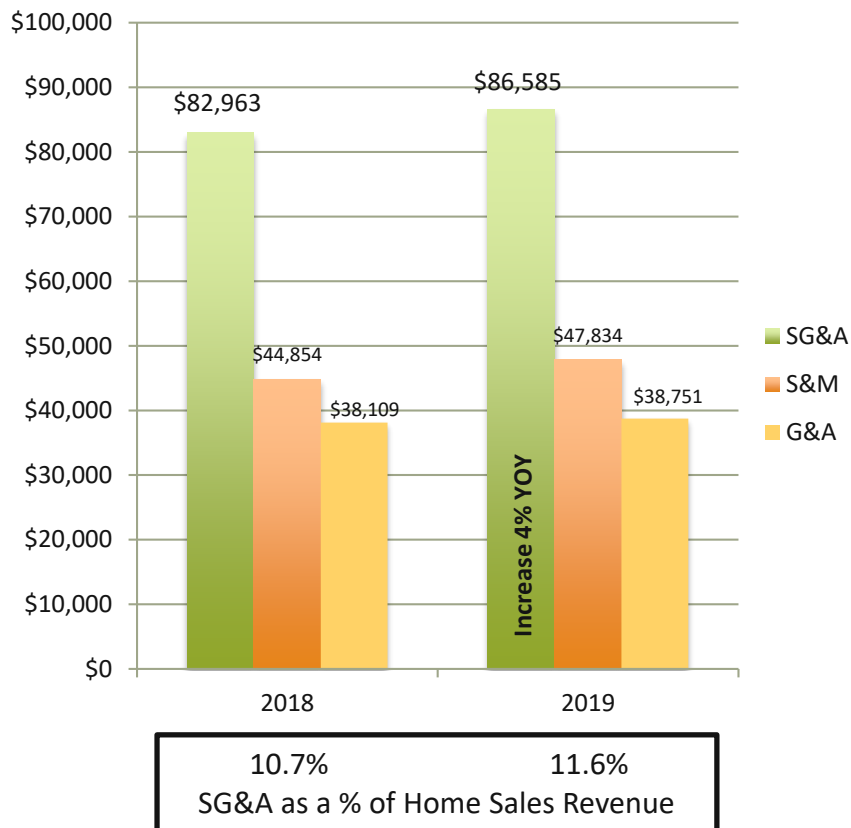
*For the quarter ended September 30, 2019*



# SG&A Expenses, Income before Taxes and Net Income – Q3 2019 Results

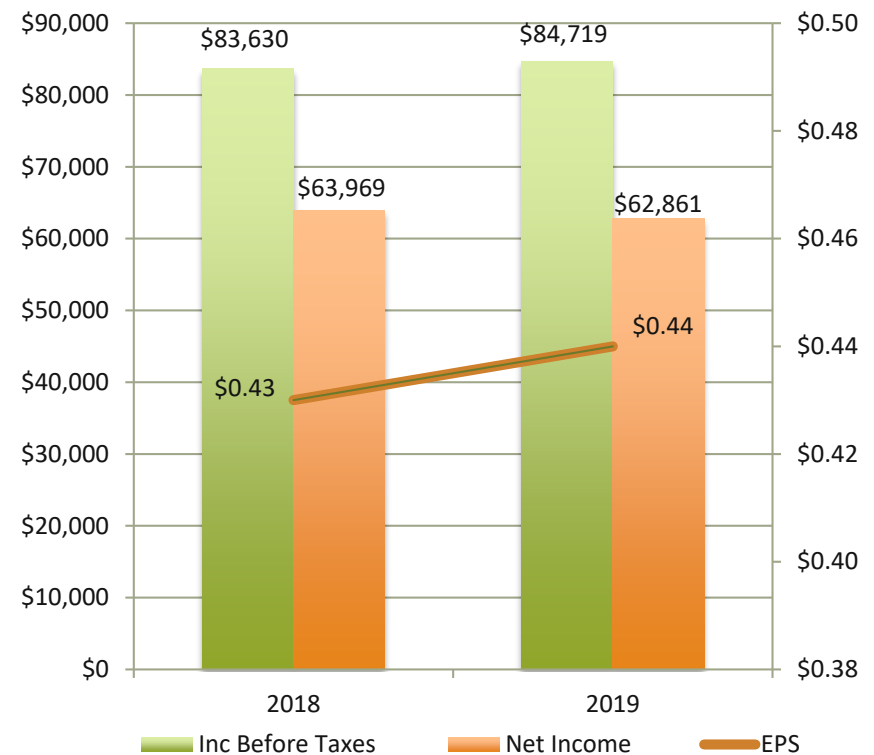
## Selling, General and Administrative Expenses

For the quarters ended September 30, 2018 and 2019 (dollars in thousands)



## Income before Taxes, Net Income available to Common Stockholders and EPS (Diluted)

For the quarters ended September 30, 2018 and 2019 (dollars in thousands except EPS)



## Orders, Deliveries and Absorption Rate year over year comparisons for the Third Quarter 2019 by Segment

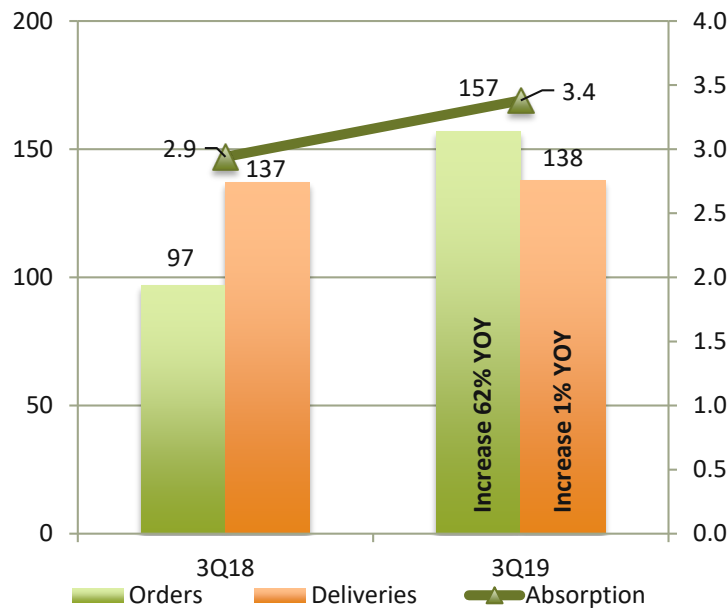
(Includes breakout by state for Pardee Homes and  
TRI Pointe Homes brands)



# MARACAY

## Orders, Deliveries and Absorption Rate

For the quarters ended September 30, 2018 and 2019

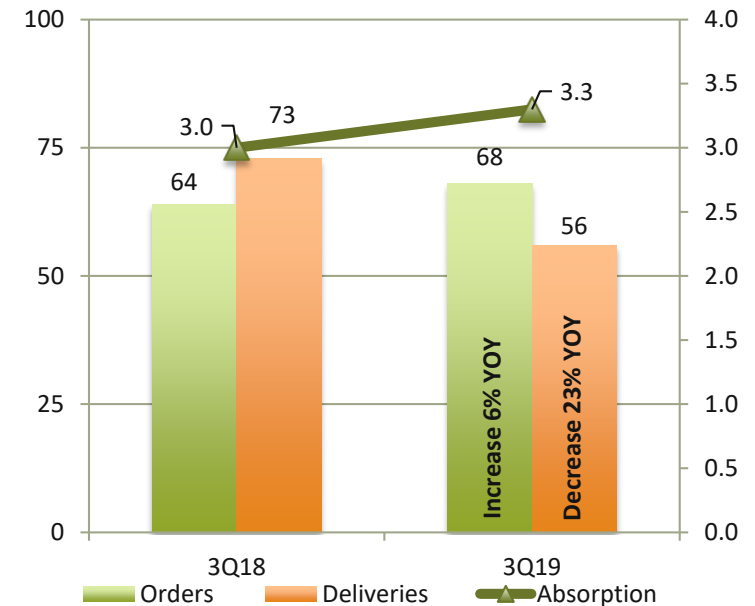


3Q18	3Q19
\$487K	\$513K
Average Sales Price of Deliveries	

# QUADRANT HOMES

## Orders, Deliveries and Absorption Rate

For the quarters ended September 30, 2018 and 2019

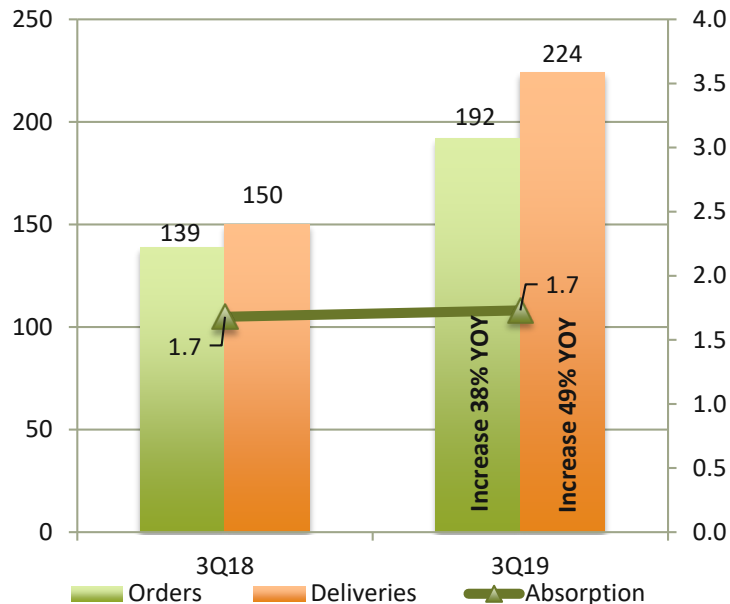


3Q18	3Q19
\$898K	\$880K
Average Sales Price of Deliveries	



## Orders, Deliveries and Absorption Rate

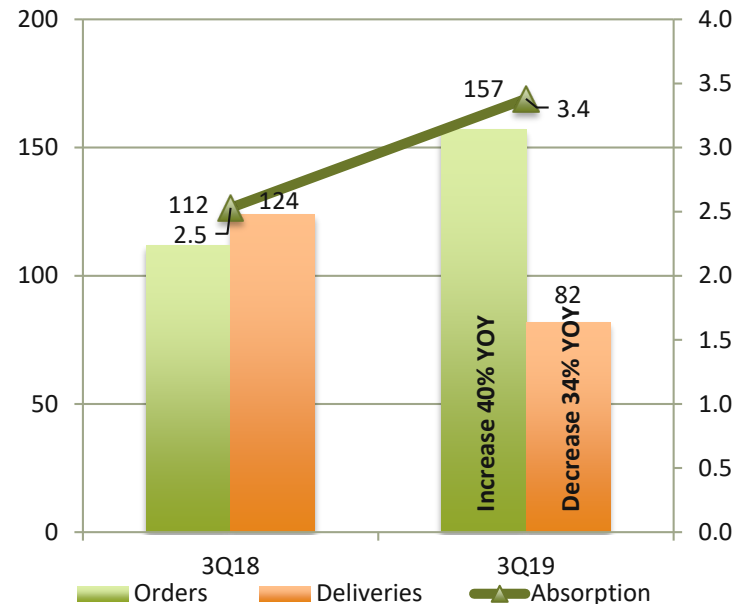
For the quarters ended September 30, 2018 and 2019



3Q18	3Q19
\$516K	\$459K
Average Sales Price of Deliveries	

## Orders, Deliveries and Absorption Rate

For the quarters ended September 30, 2018 and 2019

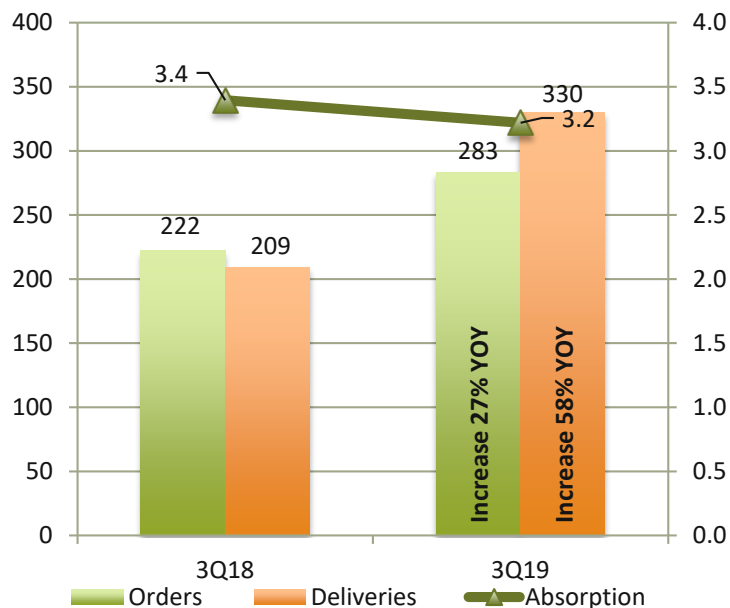


3Q18	3Q19
\$590K	\$569K
Average Sales Price of Deliveries	



## Orders, Deliveries and Absorption Rate

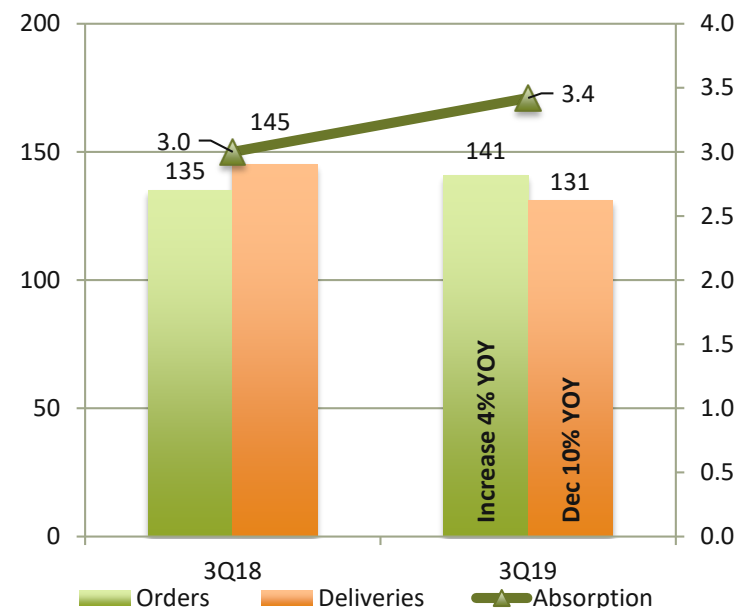
For the quarters ended September 30, 2018 and 2019



<b>3Q18</b>	<b>3Q19</b>
\$678K	\$773K
Average Sales Price of Deliveries	

## Orders, Deliveries and Absorption Rate

For the quarters ended September 30, 2018 and 2019

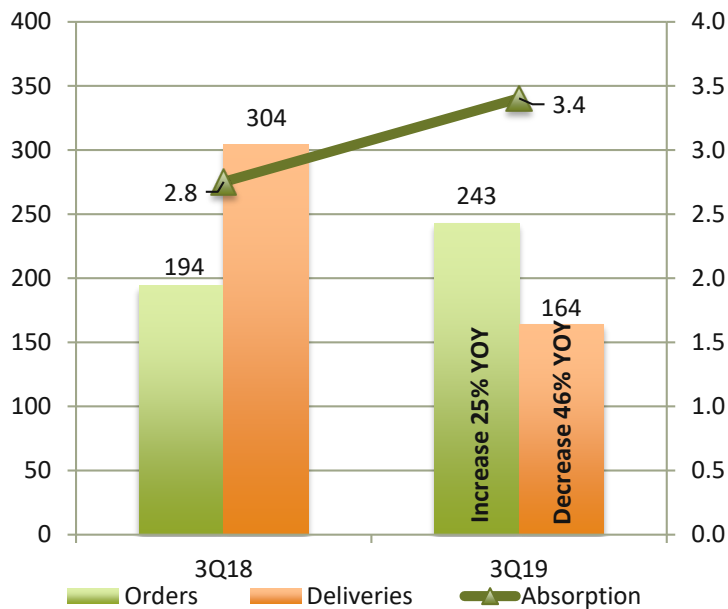


<b>3Q18</b>	<b>3Q19</b>
\$571K	\$509K
Average Sales Price of Deliveries	



## Orders, Deliveries and Absorption Rate

For the quarters ended September 30, 2018 and 2019

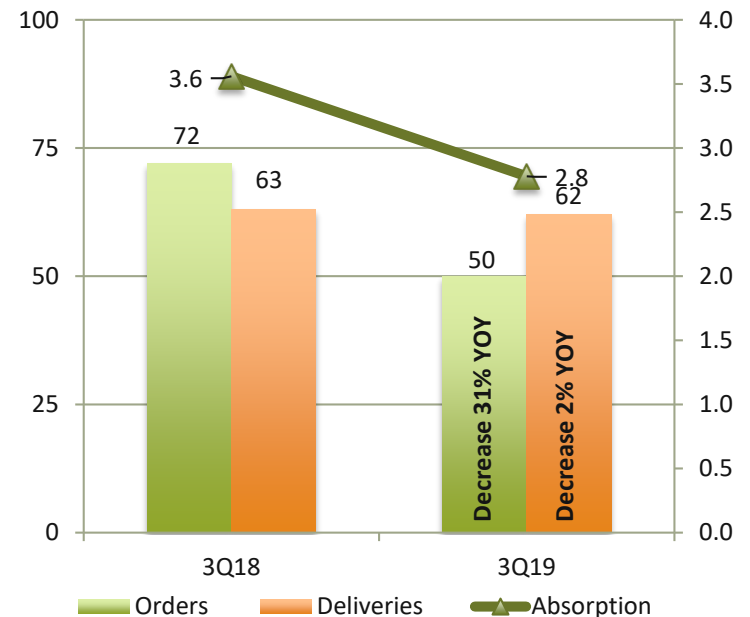


3Q18	3Q19
\$746K	\$726K
Average Sales Price of Deliveries	



## Orders, Deliveries and Absorption Rate

For the quarters ended September 30, 2018 and 2019



3Q18	3Q19
\$598K	\$576K
Average Sales Price of Deliveries	

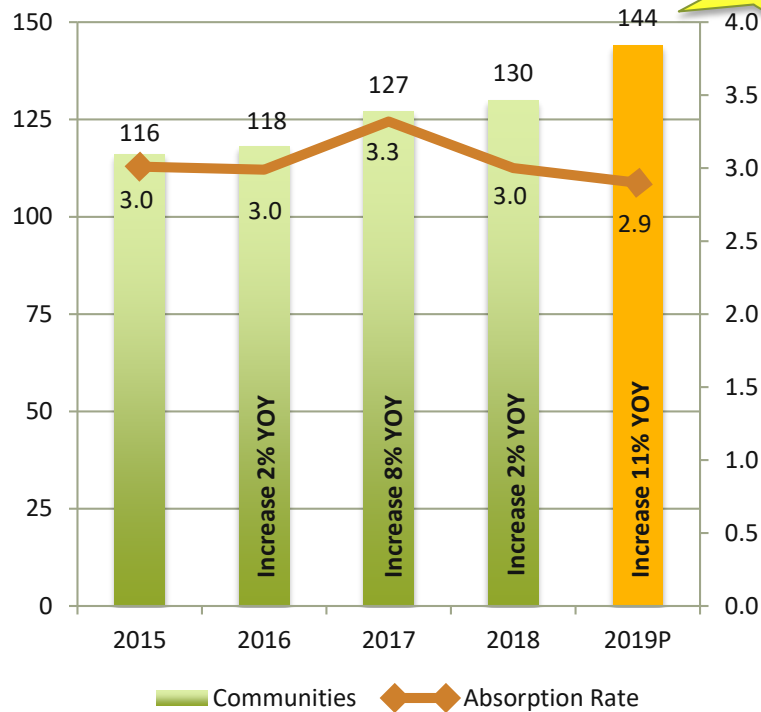
# 2015–2018 Historical Results with 2019 Guidance Ranges



# Average Selling Communities and Absorption Rate

## Average Selling Communities and Absorption Rate

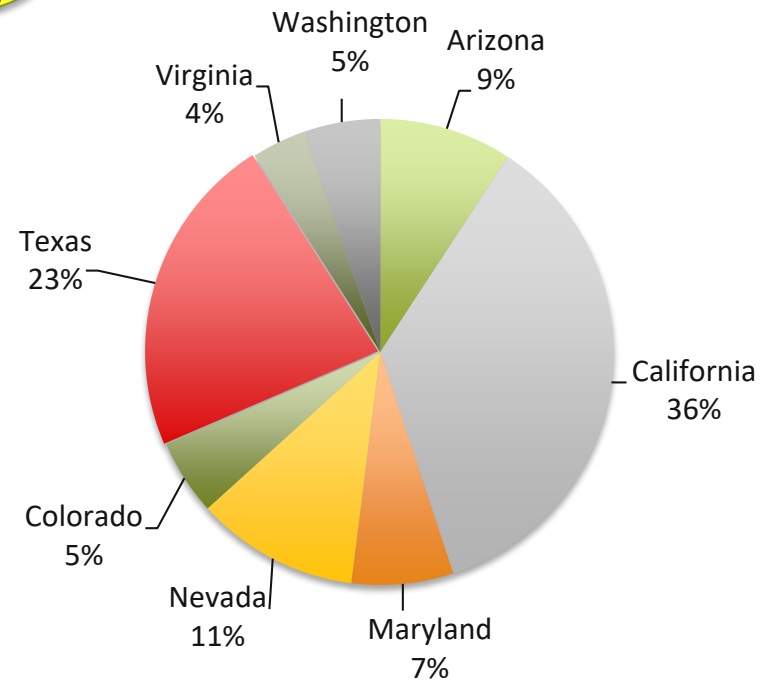
As of and for the years ended December 31, 2015 through 2018 and 2019 projections



Expect to open over 60 new communities in 2020

## Average Selling Communities by State

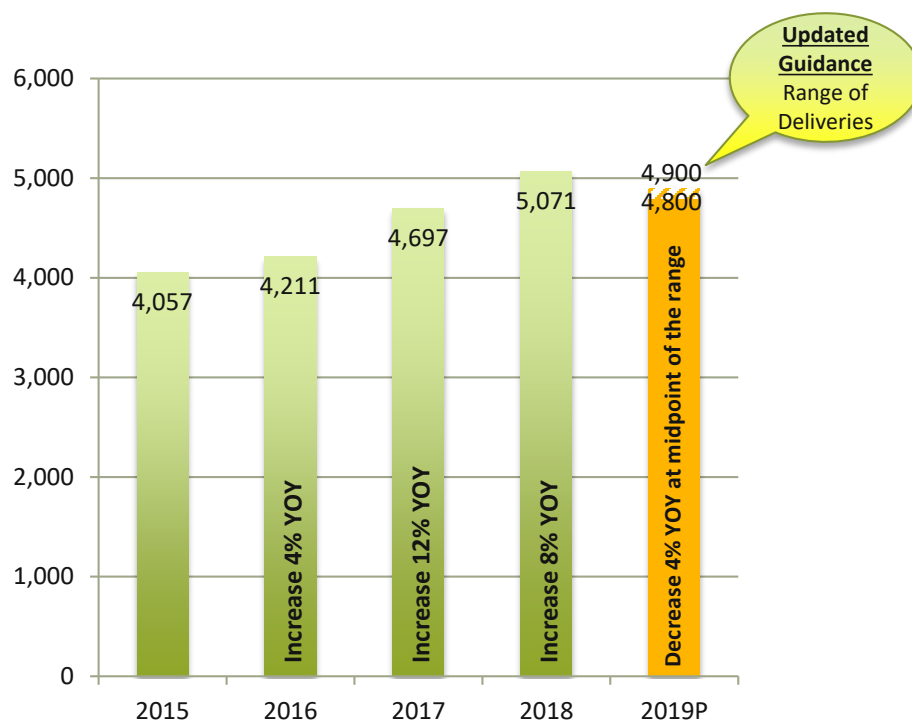
For the year ended December 31, 2018



# New Home Deliveries

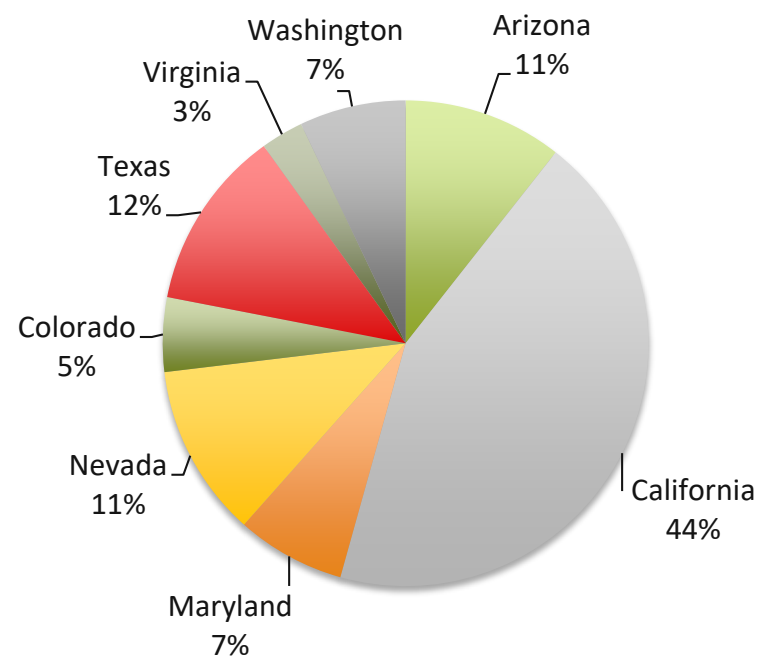
## New Home Deliveries

For the years ended December 31, 2015 through 2018 and 2019 projections



## New Home Deliveries by State

For the year ended December 31, 2018

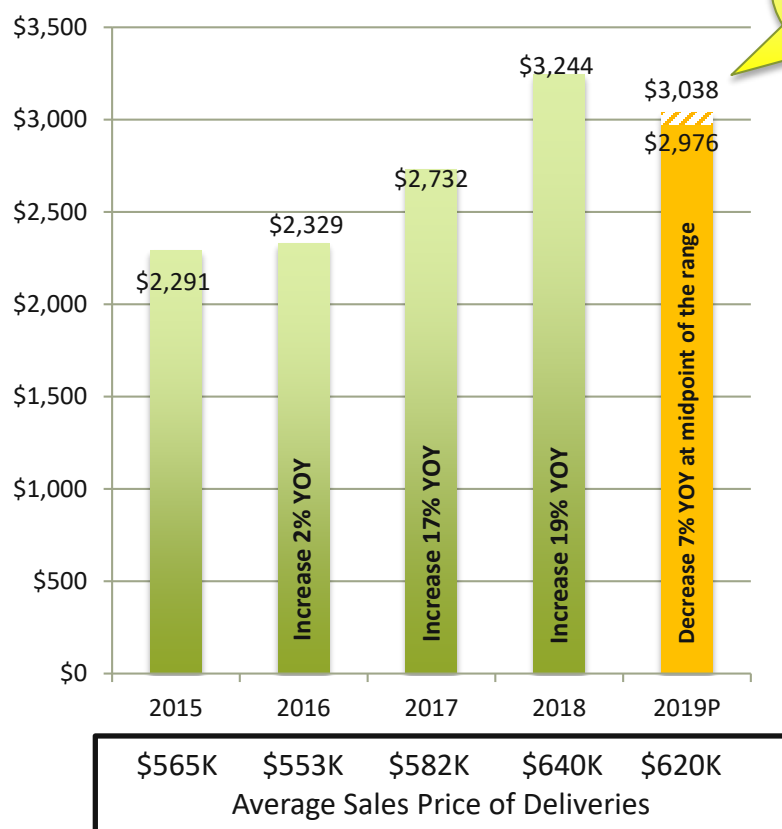


See "Forward Looking Statements" on page 2 of the presentation

# Home Sales Revenue

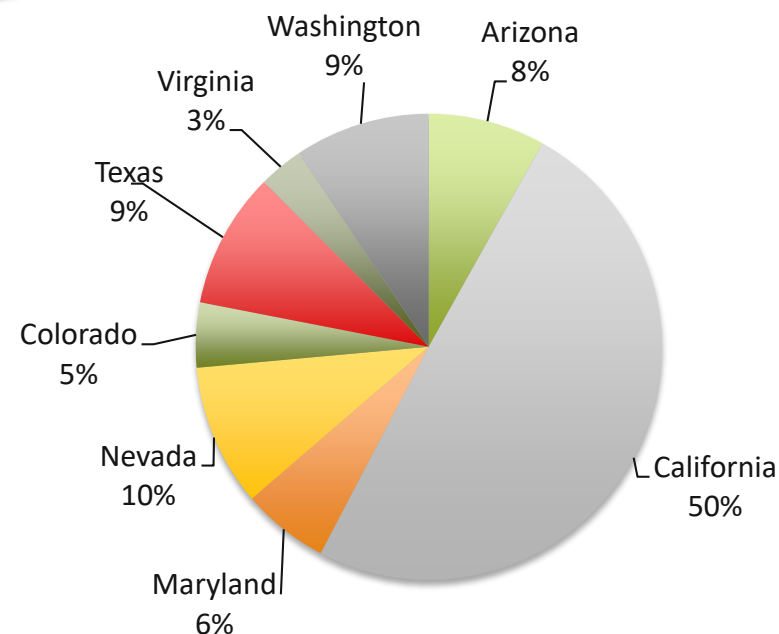
## Home Sales Revenue

For the years ended December 31, 2015 through 2018 and 2019 projections  
(dollars in millions)



## Home Sales Revenue by State

For the year ended December 31, 2018

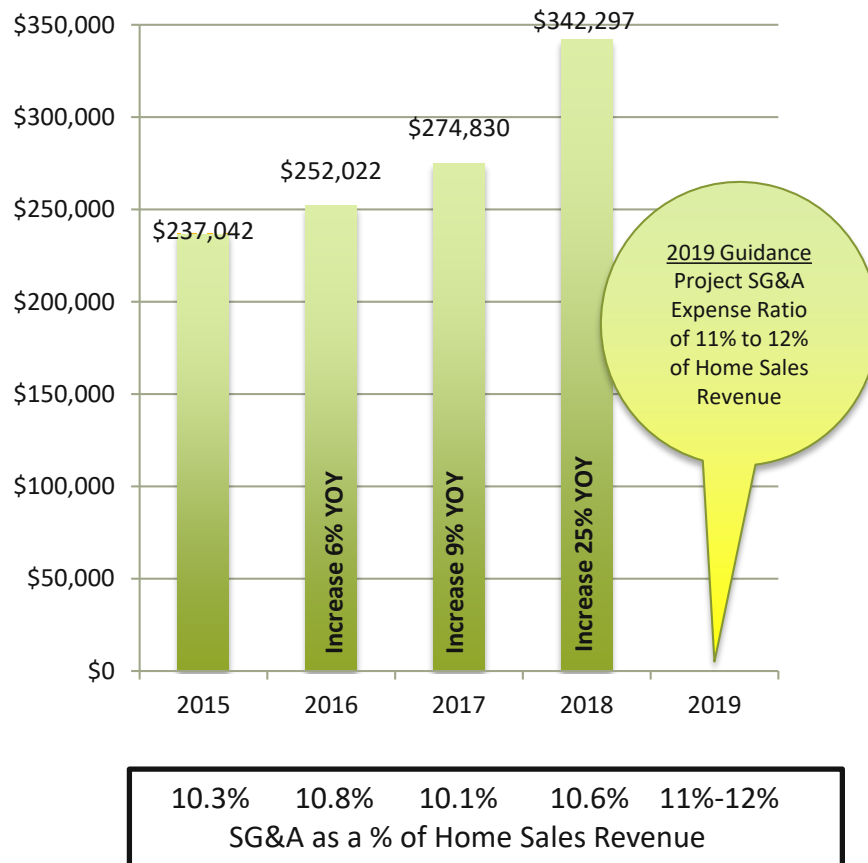


See "Forward Looking Statements" on page 2 of the presentation

# SG&A Expenses, Income before Taxes and Net Income

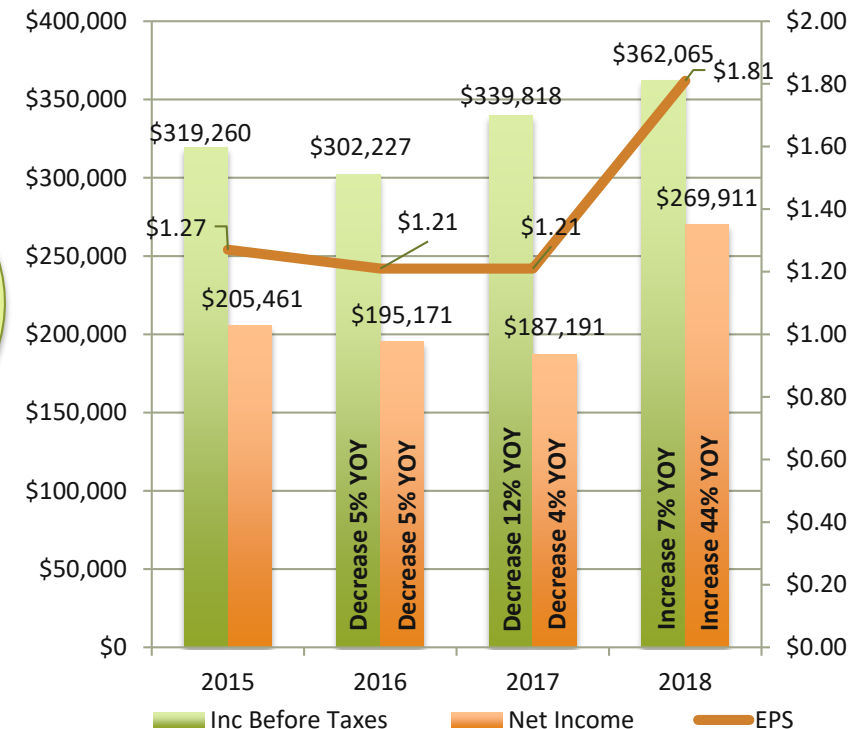
## Selling, General and Administrative Expenses

For the years ended December 31, 2015 through 2018 (dollars in thousands)



## Income before Taxes, Net Income available to Common Stockholders and EPS (Diluted)

For the full years ended December 31, 2015 through 2018 (dollars in thousands except EPS)



For the years ended December 31, 2017 and 2018, adjusted net income available to common stockholders was \$220.6 million or \$1.42 per diluted share and \$283.6 million or \$1.90 per diluted share, respectively (1)

(1) See "Reconciliation of Non-GAAP Measures" in the appendix of this presentation  
See "Forward Looking Statements" on page 2 of the presentation



## 2019 Fourth Quarter and Full Year Outlook



## Fourth Quarter 2019 Outlook

- Expect to open 2 new communities and close out of 12, resulting in 140 active selling communities as of December 31, 2019
- Anticipate delivering 73% to 77% of the 2,312 homes in backlog as of September 30, 2019 at an average sales price of \$620,000
- Anticipate homebuilding gross margin for the fourth quarter to be in a range of 20.5% to 21.5%
- Anticipate SG&A expense ratio for the fourth quarter to be in a range of 9.2% to 9.6% of home sales revenue
- Anticipate effective tax rate to be in a range of 25% to 26%

## Full Year 2019 Outlook

- Anticipate delivering between 4,800 and 4,900 homes at an average sales price of \$620,000
- Anticipate homebuilding gross margin for the full year to be in a range of 19% to 20%
- Anticipate SG&A expense ratio for the full year to be in a range of 11% to 12% of home sales revenue
- Anticipate effective tax rate to be in a range of 25% to 26%

Land Supply

Orders by Month

Debt



# Significant Land Supply to Fuel Growth

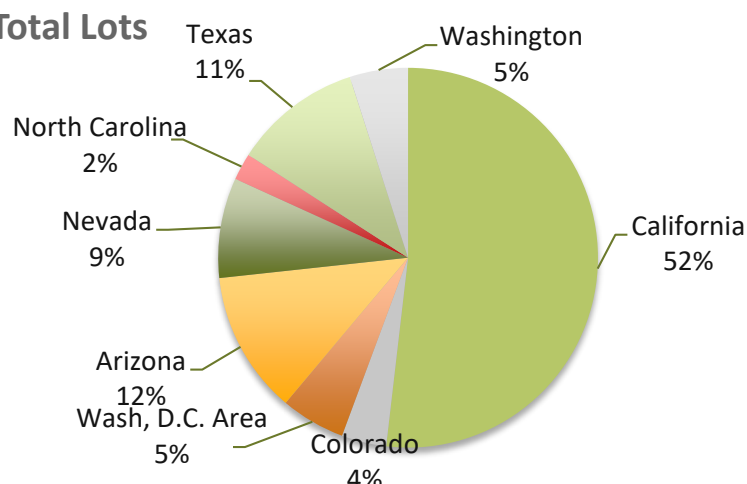
## Combined Lot Position

As of September 30, 2019

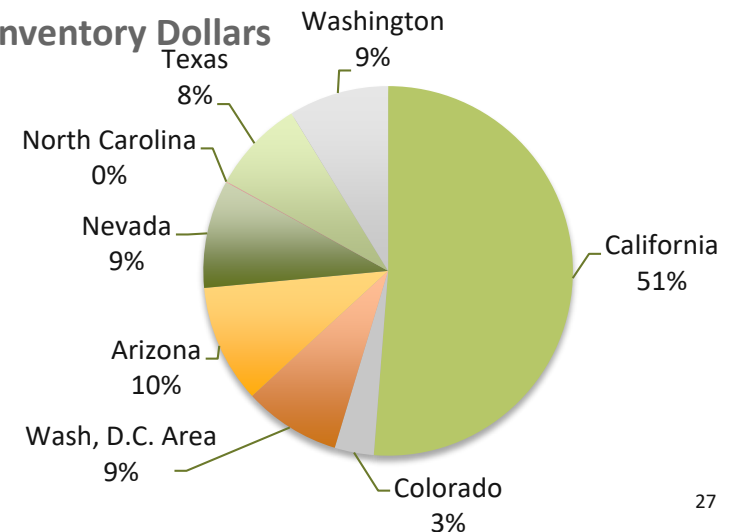
Note: Dollars in thousands

Market	Owned	Controlled (1)	Total Lots	% Owned	Inventory Dollars	LTM Deliveries	Implied years of Supply (2)
California	13,573	1,335	14,908	91%	\$1,714,177	2,018	7.4
Colorado	832	264	1,096	76%	\$114,613	284	3.9
Washington, D.C. Area	1,188	392	1,580	75%	\$284,555	405	3.9
Arizona	2,095	1,395	3,490	60%	\$346,337	473	7.4
Nevada	2,157	296	2,453	88%	\$316,404	539	4.6
North Carolina	23	636	659	3%	\$1,953	-	-
Texas	2,131	1,012	3,143	68%	\$274,130	849	3.7
Washington	1,029	398	1,427	72%	\$293,221	285	5.0
<b>Total</b>	<b>23,028</b>	<b>5,728</b>	<b>28,756</b>	<b>80%</b>	<b>\$3,245,390</b>	<b>4,853</b>	<b>5.9</b>

### Total Lots



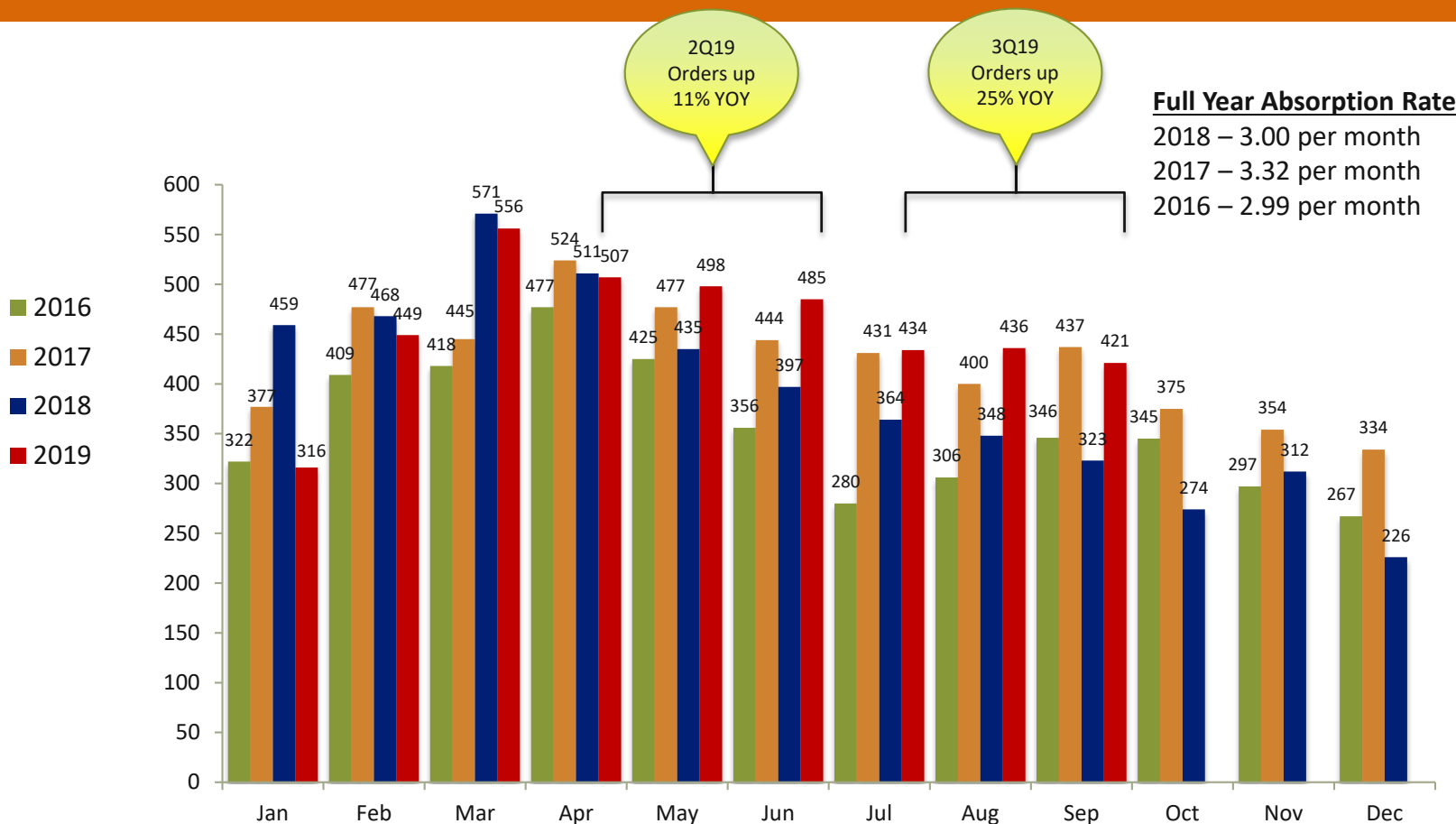
### Inventory Dollars



(1) Lots controlled include lots that are under land option contracts or purchase contracts

(2) Based on last twelve months' deliveries as of September 30, 2019

# New Home Orders – Historical by Month



## Full Year Absorption Rate:

2018 – 3.00 per month

2017 – 3.32 per month

2016 – 2.99 per month

2019 -	2.15	3.00	3.74	3.51	3.41	3.29	2.96	2.97	2.84			
2018 -	3.54	3.63	4.38	3.91	3.32	3.04	2.83	2.74	2.56	2.21	2.45	1.63
2017 -	3.03	3.74	3.53	4.26	3.77	3.40	3.29	3.07	3.40	2.95	2.80	2.61
2016 -	2.98	3.57	3.45	3.89	3.60	3.06	2.41	2.59	2.84	2.83	2.43	2.16

Absorption Rate = Orders per Month per Community

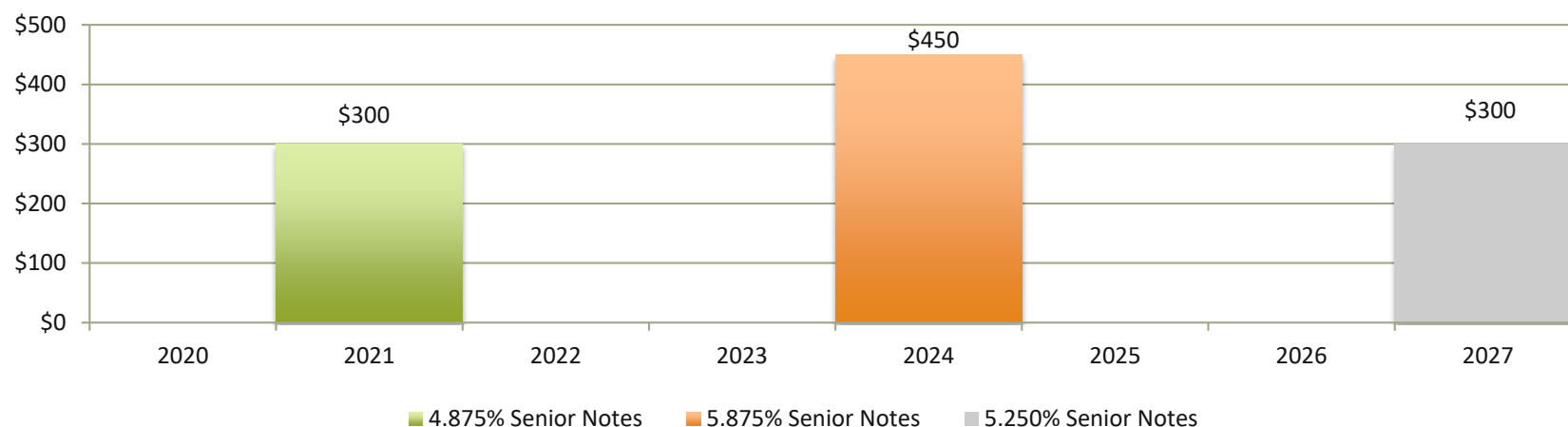
# Selected Balance Sheet Metrics

## Selected Balance Sheet Metrics

\$ in thousands	9/30/2019	12/31/2018
Cash and cash equivalents	\$ 130,262	\$ 277,696
Real estate inventories	\$ 3,345,390	\$ 3,216,059
Total debt	\$ 1,433,058	\$ 1,410,804
Total Stockholders' equity	\$ 2,111,685	\$ 2,056,924
Ratio of debt-to-capital	40.4%	40.7%
Ratio of net debt-to-net capital <sup>(1)</sup>	38.2%	35.5%

- During the quarter, the Company did not draw or pay down any funds from its existing \$600 million unsecured revolving credit facility.

## Senior Note Debt Maturities (in millions)



<sup>(1)</sup> See "Reconciliation of Non-GAAP Measures" in the appendix of this presentation

## Supplemental Data and Reconciliation



# Reconciliation of Non-GAAP Financial Measures (unaudited)

In this presentation, we utilize certain financial measures that are non-GAAP financial measures as defined by the Securities and Exchange Commission. We present these measures because we believe they and similar measures are useful to management and investors in evaluating the Company's operating performance and financing structure. We also believe these measures facilitate the comparison of our operating performance and financing structure with other companies in our industry. Because these measures are not calculated in accordance with Generally Accepted Accounting Principles ("GAAP"), they may not be comparable to other similarly titled measures of other companies and should not be considered in isolation or as a substitute for, or superior to, financial measures prepared in accordance with GAAP.

The following table reconciles homebuilding gross margin percentage, as reported and prepared in accordance with GAAP, to the non-GAAP measure adjusted homebuilding gross margin percentage. We believe this information is meaningful as it isolates the impact that leverage has on homebuilding gross margin and permits investors to make better comparisons with our competitors, who adjust gross margins in a similar fashion.

	Three Months Ended September 30,			
	2019	%	2018	%
	(dollars in thousands)			
Home sales revenue	\$ 746,269	100.0%	\$ 771,768	100.0%
Cost of home sales	577,627	77.4%	607,053	78.7%
Homebuilding gross margin	168,642	22.6%	164,715	21.3%
Add: interest in cost of home sales	19,240	2.6%	20,128	2.6%
Add: impairments and lot option abandonments	1,029	0.1%	568	0.1%
Adjusted homebuilding gross margin	\$ 188,911	25.3%	\$ 185,411	24.0%
Homebuilding gross margin percentage	22.6%		21.3%	
Adjusted homebuilding gross margin percentage	25.3%		24.0%	

# Reconciliation of Non-GAAP Financial Measures (cont'd)(unaudited)

The following table reconciles the Company's ratio of debt-to-capital to the ratio of net debt-to-net capital. We believe that the ratio of net debt-to-net capital is a relevant financial measure for management and investors to understand the leverage employed in our operations and as an indicator of the Company's ability to obtain financing.

	September 30, 2019	December 31, 2018
Loans payable	\$ 400,000	\$ —
Senior notes	1,033,058	1,410,804
Total debt	1,433,058	1,410,804
Stockholders' equity	2,111,685	2,056,924
Total capital	\$ 3,544,743	\$ 3,467,728
Ratio of debt-to-capital <sup>(1)</sup>	40.4%	40.7%
Total debt	\$ 1,433,058	\$ 1,410,804
Less: Cash and cash equivalents	(130,262)	(277,696)
Net debt	1,302,796	1,133,108
Stockholders' equity	2,111,685	2,056,924
Net capital	\$ 3,414,481	\$ 3,190,032
Ratio of net debt-to-net capital <sup>(2)</sup>	38.2%	35.5%

<sup>(1)</sup> The ratio of debt-to-capital is computed as the quotient obtained by dividing total debt by the sum of total debt plus stockholders' equity.

<sup>(2)</sup> The ratio of net debt-to-net capital is computed as the quotient obtained by dividing net debt (which is total debt less cash and cash equivalents) by the sum of net debt plus stockholders' equity.

# Reconciliation of Non-GAAP Financial Measures (cont'd)(unaudited)

The following tables contain information about our operating results reflecting certain adjustments to income before income taxes, (provision) benefit for income taxes, net income, net income available to common stockholders and earnings per share (diluted). We believe reflecting these adjustments is useful to investors in understanding our recurring operations by eliminating the varying effects of certain non-routine events, and may be helpful in comparing the Company to other homebuilders to the extent they provide similar information.

	Three Months Ended December 31, 2018			Year Ended December 31, 2018		
	As Reported	Adjustments	Adjusted	As Reported	Adjustments	Adjusted
(in thousands, except per share amounts)						
<b>Income before income taxes</b>	136,079	18,186 <sup>(1)</sup>	154,265	362,065	18,186 <sup>(1)</sup>	380,251
Provision for income taxes	(35,095)	(4,692) <sup>(2)</sup>	(39,787)	(90,552)	(4,547) <sup>(2)</sup>	(95,099)
Net income	100,984	13,494	114,478	271,513	13,639	285,152
Net income attributable to noncontrolling interests	(1,602)	—	(1,602)	(1,602)	—	(1,602)
Net income available to common stockholders	<u>\$ 99,382</u>	<u>\$ 13,494</u>	<u>\$ 112,876</u>	<u>\$ 269,911</u>	<u>\$ 13,639</u>	<u>\$ 283,550</u>
Earnings per share						
Diluted	\$ 0.70		\$ 0.79	\$ 1.81		\$ 1.90
Weighted average shares outstanding						
Diluted	142,674		142,674	149,005		149,005
Effective tax rate	25.8%		25.8%	25.0%		25.0%

<sup>(1)</sup> Includes a \$17.5 million charge related to a legal settlement and \$686,000 of transaction expenses incurred in conjunction with our acquisition of a Dallas, Texas based homebuilder.

<sup>(2)</sup> Includes tax provision impact related to adjusted income before income taxes.

# Reconciliation of Non-GAAP Financial Measures (cont'd)(unaudited)

The following tables contain information about our operating results reflecting certain adjustments to income before income taxes, (provision) benefit for income taxes, net income, net income available to common stockholders and earnings per share (diluted). We believe reflecting these adjustments is useful to investors in understanding our recurring operations by eliminating the varying effects of certain non-routine events, and may be helpful in comparing the Company to other homebuilders to the extent they provide similar information.

	Three Months Ended December 31, 2017			Year Ended December 31, 2017		
	As Reported	Adjustments	Adjusted	As Reported	Adjustments	Adjusted
(in thousands, except per share amounts)						
<b>Income before income taxes</b>	156,685	13,182 <sup>(1)</sup>	169,867	339,818	13,182 <sup>(1)</sup>	353,000
(Provision) benefit for income taxes	(82,443)	20,201 <sup>(2)</sup>	(62,242)	(152,267)	20,201 <sup>(2)</sup>	(132,066)
<b>Net income</b>	<b>74,242</b>	<b>33,383</b>	<b>107,625</b>	<b>187,551</b>	<b>33,383</b>	<b>220,934</b>
Net income attributable to noncontrolling interests	(222)	—	(222)	(360)	—	(360)
<b>Net income available to common stockholders</b>	<b>\$ 74,020</b>	<b>\$ 33,383</b>	<b>\$ 107,403</b>	<b>\$ 187,191</b>	<b>\$ 33,383</b>	<b>\$ 220,574</b>
Earnings per share						
Diluted	\$ 0.49		\$ 0.70	\$ 1.21		\$ 1.42
Weighted average shares outstanding						
Diluted	152,568		152,568	155,085		155,085
Effective tax rate	52.6%		36.6%	44.8%		37.4%

<sup>(1)</sup> Includes a charge related to the impairment of an investment in an unconsolidated entity.

<sup>(2)</sup> Includes a tax charge related to the re-measurement of the Company's net deferred tax assets as a result of the Tax Cuts and Jobs Act enacted in the fourth quarter of 2017, net of the impact of the charge related to the impairment of an investment in an unconsolidated entity.