

REFINITIV

DELTA REPORT

10-Q

TMHC - TAYLOR MORRISON HOME CORP
10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	2103
CHANGES	124
DELETIONS	1442
ADDITIONS	537

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **September 30, 2023**

March 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: **001-35873**

TAYLOR MORRISON HOME CORPORATION

CORPORATION

(Exact name of registrant as specified in its Charter)

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Delaware

Delaware

83-2026677

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2026677

(I.R.S. Employer
Identification No.)

4900 N. Scottsdale Road, Suite 2000

Scottsdale, Arizona

Arizona

(Address of principal executive offices)

(480)

(480) 840-8100

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.00001 par value	TMHC	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of October 25, 2023	
	April 30, 2024	
Common stock, \$0.00001 par value	105,764,423	1
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TAYLOR MORRISON HOME CORPORATION

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TAYLOR MORRISON HOME CORPORATION 10-Q

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ITEM 1. FINANCIAL STATEMENTS

PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

TAYLOR MORRISON HOME CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, unaudited)

	September 30, 2023	December 31, 2022
Assets		
Cash and cash equivalents	\$ 613,811	\$ 724,488
Restricted cash	765	2,147
Total cash, cash equivalents, and restricted cash	614,576	726,635
Real estate inventory:		
Owned inventory	5,479,987	5,346,905
Consolidated real estate not owned	423	23,971
Total real estate inventory	5,480,410	5,370,876
Land deposits	206,258	263,356
Mortgage loans held for sale	241,749	346,364
Lease right of use assets	76,463	90,446
Prepaid expenses and other assets, net	305,581	265,392
Other receivables, net	188,723	191,504
Investments in unconsolidated entities	329,634	282,900
Deferred tax assets, net	67,656	67,656
Property and equipment, net	262,671	202,398
Goodwill	663,197	663,197
Total assets	\$ 8,436,918	\$ 8,470,724
Liabilities		
Accounts payable	\$ 272,830	\$ 269,761
Accrued expenses and other liabilities	487,262	490,253
Lease liabilities	86,401	100,174
Customer deposits	380,544	412,092
Estimated development liabilities	42,271	43,753
Senior notes, net	1,468,255	1,816,303
Loans payable and other borrowings	332,177	361,486

Revolving credit facility borrowings		—		—
Mortgage warehouse borrowings		191,645		306,072
Liabilities attributable to consolidated real estate not owned		423		23,971
Total liabilities	\$	3,261,808	\$	3,823,865
COMMITMENTS AND CONTINGENCIES (Note 13)				
Stockholders' equity				
Total stockholders' equity		5,175,110		4,646,859
Total liabilities and stockholders' equity	\$	8,436,918	\$	8,470,724

		March 31, 2024	December 31, 2023
Assets			
Cash and cash equivalents	\$	554,287	\$ 798,568
Restricted cash		3,105	8,531
Total cash		557,392	807,099
Real estate inventory:			
Owned inventory		5,841,924	5,473,828
Consolidated real estate not owned		143,429	71,618
Total real estate inventory		5,985,353	5,545,446
Land deposits		199,043	203,217
Mortgage loans held for sale		216,633	193,344
Lease right of use assets		72,900	75,203
Prepaid expenses and other assets, net		287,507	290,925
Other receivables, net		189,771	184,518
Investments in unconsolidated entities		369,982	346,192
Deferred tax assets, net		67,825	67,825
Property and equipment, net		300,740	295,121
Goodwill		663,197	663,197
Total assets	\$	8,910,343	\$ 8,672,087
Liabilities			
Accounts payable	\$	276,093	\$ 263,481
Accrued expenses and other liabilities		459,095	549,074
Lease liabilities		81,138	84,999
Income taxes payable		45,848	—
Customer deposits		357,657	326,087
Estimated development liabilities		27,416	27,440
Senior notes, net		1,469,135	1,468,695
Loans payable and other borrowings		441,190	394,943
Revolving credit facility borrowings		—	—
Mortgage warehouse borrowings		183,174	153,464
Liabilities attributable to consolidated real estate not owned		143,429	71,618
Total liabilities	\$	3,484,175	\$ 3,339,801
COMMITMENTS AND CONTINGENCIES (Note 13)			
Stockholders' equity			
Total stockholders' equity		5,426,168	5,332,286
Total liabilities and stockholders' equity	\$	8,910,343	\$ 8,672,087

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements

TAYLOR MORRISON HOME CORPORATION 10-Q

TAYLOR MORRISON HOME CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts, unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Home closings revenue, net	\$ 1,611,883	\$ 1,983,775	\$ 5,221,225	\$ 5,511,204
Land closings revenue	14,291	14,225	31,439	66,651
Financial services revenue	40,045	27,749	117,108	98,419
Amenity and other revenue	9,326	8,895	28,194	56,517
Total revenue	1,675,545	2,034,644	5,397,966	5,732,791
Cost of home closings	1,238,999	1,438,164	3,980,749	4,084,748
Cost of land closings	13,572	11,571	30,620	50,139
Financial services expenses	23,128	20,395	70,618	66,092
Amenity and other expenses	8,128	6,574	25,010	39,264
Total cost of revenue	1,283,827	1,476,704	4,106,997	4,240,243
Gross margin	391,718	557,940	1,290,969	1,492,548
Sales, commissions and other marketing costs	98,797	94,692	304,591	279,950
General and administrative expenses	68,994	52,357	205,904	189,905
Net (income)/loss from unconsolidated entities	(1,934)	1,180	(7,049)	2,986
Interest (income)/expense, net	(5,782)	4,382	(12,013)	13,823
Other expense/(income), net	2,968	5,751	6,683	(4,720)
Loss/(gain) on extinguishment of debt, net	269	(71)	269	(13,542)
Income before income taxes	228,406	399,649	792,584	1,024,146
Income tax provision	57,960	90,418	196,005	243,300
Net income before allocation to non-controlling interests	170,446	309,231	596,579	780,846
Net loss/(income) attributable to non-controlling interests	245	548	(235)	(3,377)
Net income available to Taylor Morrison Home Corporation	\$ 170,691	\$ 309,779	\$ 596,344	\$ 777,469
Earnings per common share				
Basic	\$ 1.57	\$ 2.75	\$ 5.48	\$ 6.63
Diluted	\$ 1.54	\$ 2.72	\$ 5.40	\$ 6.56
Weighted average number of shares of common stock:				
Basic	108,837	112,701	108,827	117,242
Diluted	110,622	113,780	110,536	118,438

	Three Months Ended	
	March 31,	
	2024	2023
Home closings revenue, net	\$ 1,636,255	\$ 1,612,595
Land closings revenue	7,225	4,520
Financial services revenue	46,959	35,149
Amenity and other revenue	9,313	9,593
Total revenue	1,699,752	1,661,857
Cost of home closings	1,243,209	1,227,513
Cost of land closings	5,202	4,345
Financial services expenses	25,143	22,148

Amenity and other expenses	9,353	8,285
Total cost of revenue	1,282,907	1,262,291
Gross margin	416,845	399,566
Sales, commissions and other marketing costs	102,600	92,760
General and administrative expenses	67,564	66,261
Net income from unconsolidated entities	(2,751)	(1,929)
Interest income, net	(43)	(1,111)
Other expense/(income), net	595	(4,834)
Income before income taxes	248,880	248,419
Income tax provision	57,719	57,191
Net income before allocation to non-controlling interests	191,161	191,228
Net income attributable to non-controlling interests	(891)	(177)
Net income	\$ 190,270	\$ 191,051
Earnings per common share:		
Basic	\$ 1.79	\$ 1.76
Diluted	\$ 1.75	\$ 1.74
Weighted average number of shares of common stock:		
Basic	106,457	108,429
Diluted	108,564	110,053

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements

TAYLOR MORRISON HOME CORPORATION 10-Q

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ITEM 1. FINANCIAL STATEMENTS

TAYLOR MORRISON HOME CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands, except share data, unaudited)

For the three months ended **September 30, 2023** **March 31, 2024**

	Common Stock		Additional	Treasury Stock		Stockholders' Equity			
			Paid-in			Accumulated			
	Shares	Amount	Amount	Shares	Amount	Retained Earnings	Other	Non-controlling Interest	Total Stockholders' Equity
							Comprehensiv		
							e Income		
Balance – June 30, 2023	109,443,784	\$ 1	\$ 3,051,377	51,506,248	\$ (1,140,706)	\$ 3,167,268	\$ 359	\$ 17,014	\$ 5,095,313
Net income	—	—	—	—	—	170,691	—	(245)	170,446
Exercise of stock options and issuance of restricted stock units, net ⁽¹⁾	164,510	—	3,649	—	—	—	—	—	3,649
Repurchase of common stock	(2,169,657)	—	—	2,169,657	(100,000)	—	—	—	(100,000)
Stock compensation expense	—	—	5,702	—	—	—	—	—	5,702
Balance – September 30, 2023	107,438,637	\$ 1	\$ 3,060,728	53,675,905	\$ (1,240,706)	\$ 3,337,959	\$ 359	\$ 16,769	\$ 5,175,110
	Common Stock		Additional	Treasury Stock		Stockholders' Equity			
	Shares	Amount	Paid-in Capital	Shares	Amount	Retained Earnings	Other Comprehensive Income	Non-controlling Interest	Total Stockholders' Equity

	Common Stock		Additional Paid-in Capital	Treasury Stock		Stockholders' Equity			
						Accumulated Other Comprehensive Income		Non- Controlling Interests	Total Stockholders' Equity
	Shares	Amount	Amount	Shares	Amount	Retained Earnings			
Balance – December 31, 2023	106,917,636	\$ 1	\$ 3,068,597	54,211,879	\$ (1,265,097)	\$ 3,510,544	\$ 896	\$ 17,345	\$ 5,332,286
Net income	—	—	—	—	—	190,270	—	891	191,161
Exercise of stock options and issuance of restricted stock units, net ⁽¹⁾	633,766	—	(10,856)	—	—	—	—	—	(10,856)
Repurchase of common stock	(1,491,485)	—	—	1,491,485	(91,649)	—	—	—	(91,649)
Stock compensation expense	—	—	5,483	—	—	—	—	—	5,483
Distributions to non-controlling interests of consolidated joint ventures	—	—	—	—	—	—	—	(257)	(257)
Balance – March 31, 2024	106,059,917	\$ 1	\$ 3,063,224	55,703,364	\$ (1,356,746)	\$ 3,700,814	\$ 896	\$ 17,979	\$ 5,426,168

⁽¹⁾Dollar amount includes \$3,754.0 million of stock options exercised netted with the value of shares withheld for taxes on the issuance of restricted stock units.

For the three months ended September 30, 2022 March 31, 2023

	Common Stock		Additional Paid-in Capital	Treasury Stock		Stockholders' Equity			
						Accumulated Other Comprehensive Income		Non- controlling Interest	Total Stockholders' Equity
	Shares	Amount	Amount	Shares	Amount	Retained Earnings			
Balance – June 30, 2022	113,640,725	\$ 1	\$ 3,008,619	45,556,244	\$ (991,276)	\$ 2,156,505	\$ 689	\$ 19,357	4,193,895
Net income	—	—	—	—	—	309,779	—	(548)	309,231
Exercise of stock options and issuance of restricted stock units, net ⁽¹⁾	80,708	—	1,512	—	—	—	—	—	1,512
Repurchase of common stock	(4,213,256)	—	—	4,213,256	(104,999)	—	—	—	(104,999)
Stock compensation expense	—	—	5,333	—	—	—	—	—	5,333
Distributions to non-controlling interests of consolidated joint ventures	—	—	—	—	—	—	—	(1,515)	(1,515)
Changes in non-controlling interests of consolidated joint ventures	—	—	—	—	—	—	—	9	9
Balance – September 30, 2022	109,508,177	\$ 1	\$ 3,015,464	49,769,500	\$ (1,096,275)	\$ 2,466,284	\$ 689	\$ 17,303	\$ 4,403,466

	Common Stock		Additional Paid-in Capital	Treasury Stock		Stockholders' Equity			
						Accumulated Other Comprehensive Income		Non- Controlling Interests	Total Stockholders' Equity
	Shares	Amount	Amount	Shares	Amount	Retained Earnings			
Balance – December 31, 2022	107,995,262	\$ 1	\$ 3,025,489	51,396,923	\$ (1,137,138)	\$ 2,741,615	\$ 359	\$ 16,533	4,646,859
Net income	—	—	—	—	—	191,051	—	177	191,228
Exercise of stock options and issuance of restricted stock units, net ⁽¹⁾	1,148,175	—	4,493	—	—	—	—	—	4,493
Repurchase of common stock	(109,325)	—	—	109,325	(3,568)	—	—	—	(3,568)
Stock compensation expense	—	—	7,533	—	—	—	—	—	7,533
Changes in non-controlling interests of consolidated joint ventures	—	—	—	—	—	—	—	1	1
Balance – March 31, 2023	109,034,112	\$ 1	\$ 3,037,515	51,506,248	\$ (1,140,706)	\$ 2,932,666	\$ 359	\$ 16,711	\$ 4,846,546

⁽¹⁾Dollar amount includes \$1,5513.5 million of stock options exercised netted with the value of shares withheld for taxes on the issuance of restricted stock units.

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ITEM 1. FINANCIAL STATEMENTS

For the nine months ended September 30, 2023

			Additional						
			Paid-in						
			Capital	Treasury Stock		Stockholders' Equity			
						Accumulated			
						Other			
						Retained	Comprehensiv	Non-	Total
	Shares	Amount	Amount	Shares	Amount	Earnings	e	controlling	Stockholders'
							Income	Interest	Equity
Balance – December 31, 2022	107,995,262	\$ 1	\$ 3,025,489	51,396,923	\$ (1,137,138)	\$ 2,741,615	\$ 359	\$ 16,533	\$ 4,646,859
Net income	—	—	—	—	—	596,344	—	235	596,579
Exercise of stock options and issuance of restricted stock units, net ⁽¹⁾	1,722,357	—	16,733	—	—	—	—	—	16,733
Repurchase of common stock	(2,278,982)	—	—	2,278,982	(103,568)	—	—	—	(103,568)
Stock compensation expense	—	—	18,506	—	—	—	—	—	18,506
Changes in non-controlling interests of consolidated joint ventures	—	—	—	—	—	—	—	1	1
Balance – September 30, 2023	107,438,637	\$ 1	\$ 3,060,728	53,675,905	\$ (1,240,706)	\$ 3,337,959	\$ 359	\$ 16,769	\$ 5,175,110

(a)

Dollar amount includes \$26.1 million of stock options exercised netted with the value of shares withheld for taxes on the issuance of restricted stock units.

For the nine months ended September 30, 2022

			Additional						
			Paid-in						
	Common Stock		Capital	Treasury Stock		Stockholders' Equity			
						Accumulated			
						Other			
						Retained	Comprehensiv	Non-	Total
	Shares	Amount	Amount	Shares	Amount	Earnings	e	controlling	Stockholders'
							Income	Interest	Equity
Balance – December 31, 2021	121,833,649	\$ 1	\$ 2,997,211	36,828,559	\$ (760,863)	\$ 1,688,815	\$ 689	\$ 45,129	\$ 3,970,982
Net income	—	—	—	—	—	777,469	—	3,377	780,846
Exercise of stock options and issuance of restricted stock units, net ⁽¹⁾	615,469	—	779	—	—	—	—	—	779
Repurchase of common stock	(12,940,941)	—	—	12,940,941	(335,412)	—	—	—	(335,412)
Stock compensation expense	—	—	17,474	—	—	—	—	—	17,474
Distributions to non-controlling interests of consolidated joint ventures	—	—	—	—	—	—	—	(30,443)	(30,443)
Changes in non-controlling interests of consolidated joint ventures	—	—	—	—	—	—	—	(760)	(760)
Balance – September 30, 2022	109,508,177	\$ 1	\$ 3,015,464	49,769,500	\$ (1,096,275)	\$ 2,466,284	\$ 689	\$ 17,303	\$ 4,403,466

(a)

Dollar amount includes \$4.4 million of stock options exercised netted with the value of shares withheld for taxes on the issuance of restricted stock units.

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements

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TAYLOR MORRISON HOME CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands, unaudited)

	Nine Months Ended September 30,	
	2023	2022
Cash Flows from Operating Activities		
Net income before allocation to non-controlling interests	\$ 596,579	\$ 780,846
Adjustments to reconcile net income to net cash provided by operating activities:		
Net (income)/loss from unconsolidated entities	(7,049)	2,986
Stock compensation expense	18,506	17,474
Loss/(gain) on extinguishment of debt, net	269	(13,542)
Gain on land transfers	—	(14,508)
Distributions of earnings from unconsolidated entities	7,377	5,318
Depreciation and amortization	23,717	25,448
Operating lease expense	19,271	20,543
Debt issuance costs amortization	2,574	1,574
Change in Urban Form assets due to sale	—	11,675
Inventory impairments	11,791	—
Changes in operating assets and liabilities:		
Real estate inventory and land deposits	(87,776)	(610,346)
Mortgage loans held for sale, prepaid expenses and other assets	24,081	245,633
Customer deposits	(31,548)	41,707
Accounts payable, accrued expenses and other liabilities	(27,231)	(82,578)
Income taxes payable	—	27,757
Net cash provided by operating activities	550,561	459,987
Cash Flows from Investing Activities:		
Purchase of property and equipment	(47,042)	(22,478)
Distributions of capital from unconsolidated entities	733	95,517
Investments of capital into unconsolidated entities	(47,795)	(91,846)
Net cash used in investing activities	(94,104)	(18,807)
Cash Flows from Financing Activities		
Increase in loans payable and other borrowings	2,426	33,495
Repayments on loans payable and other borrowings	(18,367)	(50,761)
Borrowings on revolving credit facilities	—	182,548
Repayments on revolving credit facilities	—	(214,077)
Borrowings on mortgage warehouse facilities	2,203,261	1,783,748
Repayments on mortgage warehouse facilities	(2,317,688)	(2,051,300)
Repayments on senior notes	(350,000)	(264,935)
Proceeds from stock option exercises and issuance of restricted stock units, net	16,733	779
Payment of principal portion of finance lease	(1,313)	(1,340)
Repurchase of common stock, net	(103,568)	(335,412)
Cash and distributions to non-controlling interests of consolidated joint ventures, net	—	(30,443)
Net cash used in financing activities	(568,516)	(947,698)
Net Increase/Decrease in Cash and Cash Equivalents and Restricted Cash	\$ (112,059)	\$ (506,518)
Cash, Cash Equivalents, and Restricted Cash — Beginning of period	726,635	836,340

Cash, Cash Equivalents, and Restricted Cash — End of period	\$	614,576	\$	329,822
Supplemental Cash Flow Information				
Income tax payments	\$	(154,267)	\$	(176,683)
Supplemental Non-Cash Investing and Financing Activities:				
Change in loans payable issued to sellers in connection with land purchase contracts	\$	126,903	\$	184,458
Change in inventory not owned	\$	(23,548)	\$	(581)
Investments of land in unconsolidated joint ventures, net	\$	—	\$	146,649

	Three Months Ended March 31,	
	2024	2023
Cash Flows from Operating Activities		
Net income before allocation to non-controlling interests	\$ 191,161	\$ 191,228
Adjustments to reconcile net income to net cash (used in)/provided by operating activities:		
Net income from unconsolidated entities	(2,751)	(1,929)
Stock compensation expense	5,483	7,533
Distributions of earnings from unconsolidated entities	2,897	847
Depreciation and amortization	10,250	7,087
Operating lease expense	5,903	7,144
Debt issuance costs amortization	741	868
Changes in operating assets and liabilities:		
Real estate inventory and land deposits	(363,923)	51,596
Mortgage loans held for sale, prepaid expenses and other assets	(35,783)	190,202
Customer deposits	31,570	1,993
Accounts payable, accrued expenses and other liabilities	(22,133)	(112,097)
Income taxes payable	45,848	2,977
Net cash (used in)/provided by operating activities	\$ (130,737)	\$ 347,449
Cash Flows from Investing Activities:		
Purchase of property and equipment	(9,111)	(13,807)
Distributions of capital from unconsolidated entities	—	350
Investments of capital into unconsolidated entities	(23,936)	(11,123)
Net cash used in investing activities	\$ (33,047)	\$ (24,580)
Cash Flows from Financing Activities		
Increase in loans payable and other borrowings	—	2,425
Repayments on loans payable and other borrowings	(11,544)	(7,377)
Borrowings on mortgage warehouse facilities	713,090	634,404
Repayments on mortgage warehouse facilities	(683,380)	(794,142)
Changes in stock option exercises and issuance of restricted stock units, net	(10,856)	4,493
Payment of principal portion of finance lease	(1,327)	(1,305)
Repurchase of common stock, net	(91,649)	(3,568)
Cash and distributions to non-controlling interests of consolidated joint ventures	(257)	—
Net cash used in financing activities	\$ (85,923)	\$ (165,070)
Net Decrease/Increase in Cash and Cash Equivalents and Restricted Cash	\$ (249,707)	\$ 157,799
Cash, Cash Equivalents, and Restricted Cash — Beginning of period	807,099	726,635
Cash, Cash Equivalents, and Restricted Cash — End of period	\$ 557,392	\$ 884,434
Supplemental Cash Flow Information		
Income tax refunds	\$ 120	\$ 1,943
Supplemental Non-Cash Investing and Financing Activities:		
Change in loans payable issued to sellers in connection with land purchase contracts	\$ 100,453	\$ 39,865
Change in inventory not owned	\$ 71,811	\$ (21,676)

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements

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TAYLOR MORRISON HOME CORPORATION

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BUSINESS

Description of the Business — Taylor Morrison Home Corporation (“TMHC”), through its subsidiaries (together with TMHC referred to herein as “we,” “our,” “the Company” and “us”), owns and operates a residential homebuilding business and is a land developer. We operate in the states of Arizona, California, Colorado, Florida, Georgia, Nevada, North and South Carolina, Oregon, Texas, and Washington. We provide an assortment of homes across a wide range of price points to appeal to an array of consumer groups. We design, build and sell single and multi-family detached and attached homes in traditionally high growth markets for entry level, move-up, and resort-lifestyle resort-lifestyle buyers. We are the general contractors for all real estate projects and retain engage subcontractors for home construction and land development. Our homebuilding segments operate under our various brand names including Taylor Morrison, Darling Homes Collection by Taylor Morrison, and Esplanade. We also have a “Build-to-Rent” homebuilding business which operates under the Yardly brand name. In addition, we develop and construct multi-use properties consisting of commercial space, retail, and multi-family properties under the Urban Form brand. We also have operations which provide financial services to customers through our wholly owned mortgage subsidiary, Taylor Morrison Home Funding, INC (“TMHF”), title services through our wholly owned title services subsidiary, Inspired Title Services, LLC (“Inspired Title”), and homeowner’s insurance policies through our wholly owned insurance agency, Taylor Morrison Insurance Services, LLC (“TMIS”). Our business is organized into multiple homebuilding operating components, and a financial services component, all of which are managed as four reportable segments: East, Central, West, and Financial Services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Consolidation — The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with the Consolidated Financial Statements and accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 (the “Annual Report”). Certain prior year amounts have been reclassified to conform to current year presentation. In the opinion of management, the accompanying unaudited Condensed Consolidated Financial Statements consolidated financial statements include all normal and recurring adjustments that are considered necessary for the fair presentation of our results for the interim periods presented. Results for interim periods are not necessarily indicative of results to be expected for a full fiscal year.

Joint Ventures - We consolidate certain joint ventures in accordance with Accounting Standards Codification (“ASC”) Topic 810, *Consolidation*. The income from the percentage of the joint venture not owned by us is presented as “Net income attributable to non-controlling interests” on the unaudited Condensed Consolidated Statement consolidated statement of Operations. operations. The equity from the percentage of the joint ventures not owned by us is presented as “Non-controlling interests” on the unaudited Condensed Consolidated Statement consolidated statement of Stockholders’ Equity. stockholders’ equity. The balance of Non-Controlling non-controlling interests will fluctuate from period to period as a result of activities within the respective joint ventures which may include the allocation of income or losses and distributions or contributions associated with the partners within the joint venture.

Use of Estimates — The preparation of financial statements in accordance with GAAP requires us to make estimates and assumptions that affect the amounts reported in the unaudited Condensed Consolidated Financial Statements consolidated financial statements and these accompanying notes. Significant estimates include real estate development costs to complete, valuation of real estate, valuation of acquired assets, goodwill, valuation of goodwill, valuation of estimated development liabilities, valuation of equity awards, valuation allowance on deferred tax assets, and reserves for warranty and self-insured risks. Actual results could differ from those estimates.

Real Estate Inventory — Inventory consists of raw land, land under development, homes under construction, completed homes, and model homes, all of which are stated at cost. In addition to direct carrying costs, we also capitalize interest, real estate taxes, and related development costs that benefit the entire community, such as field construction supervision and related direct overhead. Home vertical construction costs are accumulated and charged to Cost of home closings at the time of home closing using the specific identification method. Land acquisition, development, interest, and real estate taxes are allocated to homes and units generally using the relative sales value method. Generally, all overhead costs relating to purchasing, vertical construction, of a home, and construction utilities are considered overhead costs and allocated on a per unit basis. These costs are capitalized to inventory from the point development begins to the point construction is completed. Changes in estimated costs to be incurred in a community are generally allocated to the remaining lots on a prospective basis.

The life cycle of a typical community generally ranges from two to five years, commencing with the acquisition of unentitled or entitled land, continuing through the land development phase and concluding with the sale, construction and delivery of homes. Actual

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community duration will vary based on the size of the community, the sales absorption rate and whether we purchased the property as raw land or as finished lots.

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We capitalize qualifying interest costs to inventory during the development and construction periods. Capitalized interest is charged to Cost of home closings when the related inventory is charged to Cost of home closings.

We assess the recoverability of our inventory in accordance with the provisions of ASC Topic 360, *Property, Plant, and Equipment*. We review our real estate inventory for indicators of impairment on a community-level basis during each reporting period. If indicators of impairment are present for a community, an undiscounted cash flow analysis is generally prepared in order to determine if the carrying value of the assets in that community exceeds the estimated undiscounted cash flows. Generally, if the carrying value of the assets exceeds their estimated undiscounted cash flows, the assets are potentially impaired, requiring a fair value analysis. Our determination of fair value is primarily based on a discounted cash flow model which includes projections and estimates relating to sales prices, construction costs, sales pace, and other factors. However, fair value can be determined through other methods, such as appraisals, contractual purchase offers, and other third party opinions of value. Changes in these expectations may lead to a change in the outcome of our impairment analysis, and actual results may also differ from our assumptions. For the three and nine months ended September 30, 2023, we recorded \$11.8 million of inventory March 31, 2024 and 2023, no impairment relating to one of our communities in our West reporting segment. For the three and nine months ended September 30, 2022, we recorded charges were recorded no inventory impairment to our real estate inventory. Impairments are recorded to Cost of home closings or Cost of land closings on the Consolidated Statement of Operations.

In certain cases, we may elect to cease development and/or marketing of an existing community if we believe the economic performance of the community would be maximized by deferring development for a period of time to allow for market conditions to improve. We refer to such communities as long-term strategic assets. The decision may be based on financial and/or operational metrics as determined by us. For those communities that have been temporarily closed or development has been discontinued, we do not allocate interest or other costs to the community's inventory until activity resumes. Such costs are expensed as incurred. In addition, if we decide to cease development, we will evaluate the project for impairment and then cease future development and marketing activity until such a time when we believe that market conditions have improved and economic performance can be maximized. Our assessment of the carrying value of our long-term strategic assets typically includes estimates of future performance, including the timing of when development will recommence, the type of product to be offered, and the margin to be realized. In the future, some of these inactive communities may be re-opened while others may be sold. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we had no inactive projects.

In the ordinary course of business, we enter into various option agreements to acquire lots in staged takeaways which may require a significant cash deposit. We are not legally obligated to purchase the balance of the lots, but would forfeit any existing deposits and could be subject to financial and other penalties if the lots are not purchased. Real estate not owned under these agreements is reflected in Consolidated real estate not owned with a corresponding liability in Liabilities attributable to consolidated real estate not owned in the unaudited Condensed Consolidated Balance Sheets.

long-term strategic assets.

Land held for sale — In some locations where we act as a developer, we occasionally purchase land that includes commercially zoned parcels or areas designated for school or government use, which we typically sell to commercial developers or municipalities, as applicable. We also sell residential lots or land parcels to manage our land and lot supply on larger tracts of land. Land is considered held for sale once management intends to actively sell a parcel within the next 12 months or the parcel is under contract to sell. it meets all criteria in accordance with ASC 360 *Property, Plant and Equipment*. Land held for sale is recorded at the lower of cost or fair value less costs to sell. In determining the value of land held for sale, we consider recent offers received, prices for land in recent comparable sales transactions, and other factors. We record For the three months ended March 31, 2024 and 2023, we had no material fair value adjustments for land held for sale within Cost of land closings on the unaudited Condensed Consolidated Statements of Operations, sale.

Land banking arrangements — We have land purchase agreements with various land sellers. As a method of acquiring land in staged takeaways, while limiting risk and minimizing the immediate use of funds from our available cash or other financing sources, we may transfer our right under certain specific performance agreements to entities owned by third parties ("land banking arrangements"). These entities use equity contributions from their owners and/or incur debt to finance the acquisition and development of the land. We incur interest expense on these arrangements. Interest is based on remaining lots to be purchased and is capitalized for the percentage of lots in each project actively under development, with the remainder expensed and included in Interest income, net on the Condensed consolidated statements of operations. The entities grant us an option to acquire lots in staged takeaways. In consideration for this option, we make a non-significant and non-refundable cash deposit. We are not legally obligated to purchase the balance of the lots, but would forfeit any existing deposits and could be subject to financial and other penalties if the lots were not purchased. We do not have an ownership interest in these entities or title to their assets and do not guarantee their liabilities. As such, these entities are not consolidated. These land banking arrangements help us manage the financial and market risk associated with land holdings which are not included in the unaudited Condensed Consolidated Balance Sheets, consolidated balance sheets.

Investments in Consolidated and Unconsolidated Entities

Consolidated Entities — In the ordinary course of business, we enter into land purchase contracts, lot option contracts and land banking arrangements in order to procure land or lots for the construction of homes. Such contracts enable us to control significant lot positions with a minimal initial capital investment and substantially reduce the risk associated with land ownership and development. In accordance with ASC Topic 810, *Consolidation*, when we enter into agreements to acquire land or lots and pay a non-refundable

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deposit, we evaluate if a Variable Interest Entity ("VIE") should be created if we are deemed to have provided subordinated financial support that will absorb some or all of an entity's expected losses if they occur. If we are the primary beneficiary of the VIE, we consolidate the VIE and reflect such assets and liabilities as Consolidated real estate not owned and Liabilities attributable to consolidated real estate not owned, respectively, in the unaudited Condensed Consolidated Balance Sheets, consolidated balance sheets.

Unconsolidated Joint Ventures — We use the equity method of accounting for entities which we exercise significant influence but do not have a controlling interest over the operating and financial policies of the investee. For unconsolidated entities in which we function as the managing member, we have evaluated the rights held by our joint venture partners and

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determined that the partners have substantive participating rights that preclude the presumption of control. Our share of net earnings or losses is included in Net income/loss income from unconsolidated entities on the unaudited Condensed Consolidated Statement consolidated statements of Operations operations when earned and distributions are credited against our Investments in unconsolidated entities on the unaudited Condensed Consolidated Balance Sheets consolidated balance sheets when received.

We evaluate our investments in unconsolidated entities for indicators of impairment semi-annually. A series of operating losses of an investee or other factors may indicate that a decrease in value of our investment in the unconsolidated entity has occurred which is other-than-temporary. The amount of impairment recognized, if any, is the excess of the investment's carrying amount over its estimated fair value. Additionally, we consider various qualitative factors to determine if a decrease in the value of the investment is other-than-temporary. These factors include age of the venture, stage in its life cycle, intent and ability for us to recover our investment in the entity, financial condition and long-term prospects of the entity, short-term liquidity needs of the unconsolidated entity, trends in the general economic environment of the land, entitlement status of the land held by the unconsolidated entity, overall projected returns on investment, defaults under contracts with third parties (including bank debt), recoverability of the investment through future cash flows and relationships among the entity's partners. If we believe that the decline in the fair value of the investment is temporary, then no impairment is recorded. We recorded a \$3.5 million no impairment charge charges related to an investment the investments in one of our unconsolidated entities for the nine months ended September 30, 2022. No such charges were recorded for the three months ended September 30, 2022 or March 31, 2024 and 2023.

Treasury Stock — We account for treasury stock, including the three and nine months ended September 30, 2023, shares repurchased as part of our Accelerated Share Repurchase program ("ASR"), in accordance with ASC Topic 505-30.

Equity—Treasury Stock. Repurchased shares are reflected as a reduction in stockholders' equity. Refer to Note 10 - Stockholders' Equity for additional discussion regarding the ASR.

Revenue Recognition — Revenue is recognized in accordance with ASC Topic 606, *Revenue from Contracts with Customers* ("Topic 606"). The standard's core principle requires an entity to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services.

Home and land closings revenue

Under Topic 606, the following steps are applied to determine home closings revenue and land closings revenue recognition: (1) identify the contract(s) with our customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the performance obligation(s) are satisfied. Our home sales transactions, have one contract, with one performance obligation, with each customer to build and deliver the home purchased (or develop and deliver land). Based on the application of the five steps, the following summarizes the timing and manner of the recognition of home and land sales closings revenue:

- Revenue from closings of residential real estate is recognized when the buyer has made the required minimum down payment, obtained necessary financing, the risks and rewards of ownership are transferred to the buyer, and we have no continuing involvement with the property, which is generally upon the close of escrow. Revenue is reported net of any discounts and incentives.
- Revenue from land sales is recognized when a significant down payment is received, title passes and collectability of the receivable, if any, is reasonably assured, and we have no continuing involvement with the property, which is generally upon the close of escrow.

Amenity and other revenue

We own and operate certain amenities such as golf courses, clubhouses, and fitness centers, which require us to provide club members with access to the facilities in exchange for the payment of club dues. We collect club dues and other fees from club members, which are invoiced on a monthly basis. Revenue from our golf club operations is also included in amenity and other revenue. Amenity and other revenue also includes revenue from the sale of assets from our Urban Form operations and Build-to-Rent operations.

Financial services revenue

Mortgage operations and hedging activity related to financial services are not within the scope of Topic 606. Loan origination fees (including title fees, points, and closing costs) are recognized at the time the related real estate transactions are completed, which is usually upon the close of escrow. Generally, loans TMHF originates are sold to third party investors within a short period of time, on a

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non-recourse basis. Gains and losses from the sale of mortgages are recognized in accordance with ASC Topic 860-20, *Sales of Financial Assets*. TMHF does not have continuing involvement with the transferred assets; therefore, we derecognize the mortgage loans at time of sale, and based on the difference between the selling price and carrying value of the related loans upon sale, record recording a gain/loss on sale in the period of sale. Also included in Financial services revenue/expenses are is the realized and unrealized gains and losses from hedging instruments. ASC Topic 815-25, *Derivatives and Hedging*, requires that all hedging instruments be recognized as assets or liabilities on

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the balance sheet at their fair value. We do not meet the criteria for hedge accounting; therefore, we account for these instruments as free-standing derivatives, with changes in fair value recognized in Financial services revenue/expenses on the statement statements of operations in the period in which they occur.

Recently Issued Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which is intended to improve reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 requires all public entities to report segment information in accordance with Topic 280. The guidance will be effective for the annual reporting period ending December 31, 2024 but entities may early adopt. We are currently evaluating the effect of adopting the new guidance on our consolidated financial statements and related disclosures.

3. EARNINGS PER SHARE

Basic earnings per common share is computed by dividing net income available to TMHC by the weighted average number of shares of Common Stock (as defined in Note 10) outstanding during the period. Diluted earnings per share gives effect to the potential dilution that could occur if all outstanding dilutive equity awards to issue shares of Common Stock were exercised or settled.

The following is a summary of the components of basic and diluted earnings per share (in thousands, except per share amounts):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
<u>Numerator:</u>				
Net income available to TMHC	\$ 170,691	\$ 309,779	\$ 596,344	\$ 777,469
<u>Denominator:</u>				
Weighted average shares – basic	108,837	112,701	108,827	117,242
Restricted stock units	940	629	895	659
Stock Options	845	450	814	537
Weighted average shares – diluted	110,622	113,780	110,536	118,438
<u>Earnings per common share – basic:</u>				
Net income available to Taylor Morrison Home Corporation	\$ 1.57	\$ 2.75	\$ 5.48	\$ 6.63
<u>Earnings per common share – diluted:</u>				
Net income available to Taylor Morrison Home Corporation	\$ 1.54	\$ 2.72	\$ 5.40	\$ 6.56

	Three Months Ended	
	March 31,	
	2024	2023
<u>Numerator:</u>		
Net income	\$ 190,270	\$ 191,051
<u>Denominator:</u>		
Weighted average shares – basic	106,457	108,429
Restricted stock units	1,112	913
Stock Options	995	711
Weighted average shares – diluted	108,564	110,053
<u>Earnings per common share – basic:</u>		
Net income	\$ 1.79	\$ 1.76
<u>Earnings per common share – diluted:</u>		

Net income	\$	1.75	\$	1.74
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The above calculations of weighted average shares - diluted exclude 353,947138,521 and 282,124664,145 of anti-dilutive stock options and unvested performance and non-performance restricted stock units ("RSUs" ("RSUs") for the three and nine months ended September 30, 2023, respectively, March 31, 2024 and 1,560,9342023, respectively.

In addition, 155,757 shares relating to our ASR (refer to Note 10 - Stockholders' Equity) were also anti-dilutive and 1,470,941 of anti-dilutive stock options and RSUs excluded from the above for the three and nine months ended September 30, 2022, respectively.

March 31, 2024. There were no ASR transactions in 2023.

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4. REAL ESTATE INVENTORY AND LAND DEPOSITS

Inventory consists of the following (in thousands):

	As of	
	September 30,	December 31,
	2023	2022
Real estate developed and under development	\$ 3,758,671	\$ 3,607,227
Real estate held for development or held for sale ⁽¹⁾	46,528	43,314
Total owned	3,805,199	3,650,541
Operating communities ⁽²⁾	1,487,591	1,506,241
Capitalized interest	187,197	190,123
Total owned inventory	5,479,987	5,346,905
Consolidated real estate not owned	423	23,971
Total real estate inventory	\$ 5,480,410	\$ 5,370,876

following:

(Dollars in thousands)	As of	
	March 31,	December 31,
	2024	2023
Real estate developed and under development	\$ 4,076,312	\$ 3,855,534
Real estate held for development or held for sale ⁽¹⁾	46,312	29,317
Total land inventory	4,122,624	3,884,851
Operating communities ⁽²⁾	1,542,078	1,414,528
Capitalized interest	177,222	174,449
Total owned inventory	5,841,924	5,473,828
Consolidated real estate not owned	143,429	71,618
Total real estate inventory	\$ 5,985,353	\$ 5,545,446

⁽¹⁾Real estate held for development or held for sale includes properties which are not in active production.

⁽²⁾Operating communities consist of all vertical construction costs relating to homes in progress and completed homes.

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The development status of our land inventory is as follows (dollars in thousands):

	As of	
	September 30, 2023	December 31, 2022

	Owned Lots	Book Value of Land Developed and Under Development	Owned Lots	Book Value of Land Developed and Under Development
Homebuilding owned lots				
Undeveloped	15,204	\$ 483,845	14,985	\$ 522,594
Under development	8,281	943,792	10,716	1,106,751
Finished	19,423	2,375,673	18,366	2,018,062
Total homebuilding owned lots	42,908	3,803,310	44,067	3,647,407
Other assets ⁽¹⁾	—	1,889	—	3,134
Total owned lots	42,908	\$ 3,805,199	44,067	\$ 3,650,541

⁽¹⁾ The remaining book value of land and development relates to parcels of commercial assets which are excluded from the homebuilding owned lots presented in the table.

Undeveloped lots are those where no phase specific development work has commenced. Under development lots include land where phase specific development has commenced. Finished lots are fully developed. This classification allows for multi-phase or master planned communities to be presented in more than one lot status based on their development.

We have land option purchase contracts, land banking arrangements and other controlled lot agreements. We do not have title to the properties, and the property owner and its creditors generally only have recourse against us in the form of retaining any non-refundable deposits. We are also not legally obligated to purchase the balance of the lots. Deposits related to these lots are capitalized when paid and classified as Land deposits until the associated property is purchased. The table below presents a

A summary of our owned and controlled lots for the following periods (dollars is as follows:

(Dollars in thousands)	As of	
	March 31, 2024	December 31, 2023
Owned lots:		
Undeveloped	13,321	13,418
Under development	9,708	8,848
Finished	12,177	11,811
Total owned lots	35,206	34,077
Controlled lots:		
Land option purchase contracts	8,145	8,621
Land banking arrangements	5,995	5,818
Other controlled lots ⁽¹⁾	24,836	23,846
Total controlled lots	38,976	38,285
Total owned and controlled lots	74,182	72,362
Homes in inventory	8,578	7,867

⁽¹⁾ Other controlled lots include single transaction take-downs and lots from our portion of unconsolidated JVs.

Lots which have started vertical construction have been excluded from total owned lots. Controlled lots represent lots in thousands):

	As of					
	September 30, 2023			December 31, 2022		
	Controlled Lots	Purchase Price	Land Deposits ⁽¹⁾	Controlled Lots	Purchase Price	Land Deposits ⁽¹⁾
Homebuilding controlled lots						
Land option purchase contracts	7,971	\$ 691,072	\$ 44,704	6,582	\$ 428,612	\$ 47,678
Land banking arrangements	6,199	877,021	135,821	7,369	1,057,065	156,653
Other controlled lots	17,299	1,119,355	22,962	16,891	956,712	50,218
Total controlled lots	31,469	\$ 2,687,448	\$ 203,487	30,842	\$ 2,442,389	\$ 254,549

⁽¹⁾ Land deposits are non-refundable and represent exposure to loss related to our contracts with third parties, unconsolidated entities, and which we have a contractual right, generally through an option contract or land banking arrangements. In addition, at September 30, 2023 and December 31, 2022 we had refundable deposits of \$2.8 million and \$8.8 million respectively, arrangement as well as paid a land deposit to a seller for

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Capitalized

Interest — Interest capitalized, incurred and amortized is as follows (in thousands):

Three Month	Nine Month
-------------	------------

Three Months Ended March 31,	
2024	2023
\$174,449	\$190,123

⁽¹⁾Excludes Interest (income)/expense, income, net on the unaudited Condensed Consolidated Statement of Operations operations as such amounts are not capitalizable.

an underlying real estate asset. Homes in inventory include any lots with vertical construction.

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5. INVESTMENTS IN CONSOLIDATED AND UNCONSOLIDATED ENTITIES

Unconsolidated Entities

We have investments in a number of joint ventures with third parties. These entities are generally involved in real estate development, homebuilding, Build-to-Rent, and/or mortgage lending activities. The primary activity of the real estate development joint ventures is development and sale of lots to joint venture partners and/or unrelated builders. Our share of the joint venture profit relating to lots we purchase from the joint ventures is deferred until homes are delivered by us and title passes to a homebuyer.

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ITEM 1. FINANCIAL STATEMENTS

Summarized, unaudited condensed combined financial information of unconsolidated entities that are accounted for by the equity method are as follows (in thousands):

	As of	
	September 30, 2023	December 31, 2022
Assets:		
Real estate inventory	\$ 895,627	\$ 749,942
Other assets	161,331	146,770
Total assets	\$ 1,056,958	\$ 896,712
Liabilities and owners' equity:		
Debt	\$ 286,941	\$ 238,263
Other liabilities	40,086	31,824
Total liabilities	\$ 327,027	\$ 270,087
Owners' equity:		
TMHC	\$ 329,634	\$ 282,900

Others					400,297	343,725
Total owners' equity					\$ 729,931	\$ 626,625
Total liabilities and owners' equity					\$ 1,056,958	\$ 896,712
	Three Months Ended		Nine Months Ended			
	September 30,		September 30,			
	2023	2022	2023	2022		
Revenues	\$ 44,010	\$ 25,495	\$ 95,647	\$ 150,062		
Costs and expenses	(37,810)	(27,310)	(76,575)	(145,238)		
Net income/(loss) from unconsolidated entities	\$ 6,200	\$ (1,815)	\$ 19,072	\$ 4,824		
TMHC's share in net income/(loss) of unconsolidated entities	\$ 1,934	\$ (1,180)	\$ 7,049	\$ (2,986)		
Distributions to TMHC from unconsolidated entities	\$ 2,226	\$ 10,006	\$ 8,110	\$ 100,835		

		As of	
		March 31, 2024	December 31, 2023
Assets:			
Real estate inventory	\$	1,011,378	\$ 952,223
Other assets		242,828	182,517
Total assets	\$	1,254,206	\$ 1,134,740
Liabilities and owners' equity:			
Debt	\$	369,954	\$ 317,224
Other liabilities		63,622	50,739
Total liabilities	\$	433,576	\$ 367,963
Owners' equity:			
TMHC	\$	369,982	\$ 346,192
Others		450,648	420,585
Total owners' equity	\$	820,630	\$ 766,777
Total liabilities and owners' equity	\$	1,254,206	\$ 1,134,740

		Three Months Ended	
		March 31,	
		2024	2023
Revenues	\$	73,767	\$ 19,536
Costs and expenses		(66,643)	(14,699)
Net income from unconsolidated entities	\$	7,124	\$ 4,837
TMHC's share in net income of unconsolidated entities	\$	2,751	\$ 1,929
Distributions to TMHC from unconsolidated entities	\$	2,897	\$ 1,197

Consolidated Entities

We have several joint ventures for the purpose of real estate development and homebuilding activities, which we have determined to be VIEs. As the managing member, we oversee the daily operations and have the power to direct the activities of the VIEs, or joint ventures. For this specific subset of joint ventures, based upon the allocation of income and loss per the applicable joint venture agreements and certain performance guarantees, we have potentially significant exposure to the risks and rewards of the joint ventures. Therefore, we are the primary beneficiary of these joint venture VIEs, and the entities are consolidated.

As of September 30, 2023 March 31, 2024, the assets of the consolidated joint ventures totaled \$278.0 million, \$266.8 million, of which \$27.9 million \$35.9 million was cash and cash equivalents, \$78.7 million \$66.7 million was owned real estate inventory, and \$122.0 million \$120.8 million was fixed assets property and equipment, net (primarily related to Urban Form). The majority of the fixed asset property and equipment, net balance which was classified as held for sale as of December 31, 2022, was reclassified as is held for investment during the second quarter as of 2023. March 31, 2024. As of December 31, 2022 December 31, 2023, the assets of the consolidated joint ventures totaled \$277.6 million, \$265.2 million, of which \$38.9 million \$29.8 million was cash and cash equivalents, \$72.0 million \$70.2 million was owned real estate inventory, and \$123.2 million \$121.3 million was fixed assets property and equipment, net. The liabilities of the consolidated joint ventures totaled \$149.0 million \$124.1 million and \$155.5 million \$133.8 million as of September 30, 2023

TAYLOR MORRISON HOME CORPORATION 10-Q

ITEM 1. FINANCIAL STATEMENTS

March 31, 2024 and December 31, 2022 December 31, 2023, respectively, and were primarily comprised of loans payable and other borrowings, accounts payable and accrued expenses and other liabilities.

6. ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses and other liabilities consist of the following (in thousands):

	As of September 30, 2023	As of December 31, 2022
Real estate development costs to complete	\$ 43,838	\$ 53,155
Compensation and employee benefits	119,193	112,294
Self-insurance and warranty reserves	170,236	161,675
Interest payable	24,645	37,434
Property and sales taxes payable	35,000	30,046
Other accruals	94,350	95,649
Total accrued expenses and other liabilities	\$ 487,262	\$ 490,253

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	As of March 31, 2024	As of December 31, 2023
Real estate development costs to complete	\$ 45,723	\$ 46,114
Compensation and employee benefits	77,393	149,095
Self-insurance and warranty reserves	186,948	184,448
Interest payable	26,039	31,042
Property and sales taxes payable	29,442	30,887
Other accruals	93,550	107,488
Total accrued expenses and other liabilities	\$ 459,095	\$ 549,074

Self-Insurance and Warranty Reserves – We accrue for the expected costs associated with our limited warranty, deductibles and self-insured exposure under our various insurance policies within Beneva Indemnity Company ("Beneva"), a wholly owned subsidiary. A summary of the changes in reserves are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
		Three Months Ended March 31,		
		Three Months Ended March 31,		
		Three Months Ended March 31,		
	2024			
	2024			
	2024			
Reserve - beginning of period				
Reserve - beginning of period				
Reserve - beginning of period	\$ 160,326	\$ 137,491	\$ 161,675	\$ 141,839
Additions to reserves	28,076	2,514	67,411	34,917
Additions to reserves				
Additions to reserves				
Cost of claims incurred				
Cost of claims incurred				
Cost of claims incurred	(18,795)	(3,541)	(62,622)	(43,743)
Changes in estimates to pre-existing reserves	629	3,527	3,772	6,978
Changes in estimates to pre-existing reserves				
Changes in estimates to pre-existing reserves				
Reserve - end of period	\$ 170,236	\$ 139,991	\$ 170,236	\$ 139,991

Reserve - end of period

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ITEM 1. FINANCIAL STATEMENTS

Total debt consists of the following (in thousands):

	As of					
	September 30, 2023			December 31, 2022		
	Unamortized Debt Issuance			Unamortized Debt Issuance		
	(Costs)/	Carrying		(Costs)/	Carrying	
	Principal	Premium	Value	Principal	Premium	Value
5.625% Senior Notes due 2024 ⁽¹⁾	—	—	—	350,000	(628)	349,372
5.875% Senior Notes due 2027	500,000	(2,867)	497,133	500,000	(3,459)	496,541
6.625% Senior Notes due 2027 ⁽²⁾	27,070	1,094	28,164	27,070	1,310	28,380
5.75% Senior Notes due 2028	450,000	(2,709)	447,291	450,000	(3,183)	446,817
5.125% Senior Notes due 2030	500,000	(4,333)	495,667	500,000	(4,807)	495,193
Senior Notes subtotal	\$ 1,477,070	\$ (8,815)	\$ 1,468,255	\$ 1,827,070	\$ (10,767)	\$ 1,816,303
Loans payable and other borrowings	332,177	—	332,177	361,486	—	361,486
\$1 Billion Revolving Credit Facility ⁽³⁾⁽⁴⁾	—	—	—	—	—	—
\$100 Million Revolving Credit Facility ⁽³⁾⁽⁴⁾	—	—	—	—	—	—
Mortgage warehouse borrowings	191,645	—	191,645	306,072	—	306,072
Total debt	\$ 2,000,892	\$ (8,815)	\$ 1,992,077	\$ 2,494,628	\$ (10,767)	\$ 2,483,861

	As of					
	March 31, 2024			December 31, 2023		
	Unamortized			Unamortized		
	Debt Issuance (Costs)/			Debt Issuance (Costs)/		
	Premium			Premium		
	Principal		Carrying Value	Principal		Carrying Value
5.875% Senior Notes due 2027	500,000	(2,476)	497,524	500,000	(2,672)	497,328
6.625% Senior Notes due 2027	27,070	950	28,020	27,070	1,022	28,092
5.75% Senior Notes due 2028	450,000	(2,394)	447,606	450,000	(2,551)	447,449
5.125% Senior Notes due 2030	500,000	(4,015)	495,985	500,000	(4,174)	495,826
Senior Notes subtotal	\$ 1,477,070	\$ (7,935)	\$ 1,469,135	\$ 1,477,070	\$ (8,375)	\$ 1,468,695
Loans payable and other borrowings	441,190	—	441,190	394,943	—	394,943
\$1 Billion Revolving Credit Facility ⁽¹⁾⁽²⁾	—	—	—	—	—	—
\$100 Million Revolving Credit Facility ⁽¹⁾⁽²⁾	—	—	—	—	—	—
Mortgage warehouse borrowings	183,174	—	183,174	153,464	—	153,464
Total debt	\$ 2,101,434	\$ (7,935)	\$ 2,093,499	\$ 2,025,477	\$ (8,375)	\$ 2,017,102

(3) Unamortized debt issuance costs are included in the Prepaid expenses and other assets, net on the Condensed Consolidated Balance Sheets.

consolidated balance sheets.

(4) (2) The \$1\$1 Billion Revolving Credit Facility Agreement together with the \$100\$100 Million Revolving Credit Facility Agreement, the "Revolving Credit Facilities".

Debt Instruments

Excluding the debt instruments discussed below, the terms governing all other debt instruments listed in the table above have not substantially changed from the year ended December 31, 2022 December 31, 2023. For information regarding such instruments, refer to Note 8 - Debt to the Consolidated Financial Statements in our Annual Report. As of September 30, 2023 March 31, 2024, we were in compliance with all of the covenants in the debt instruments listed in the table above.

5.625% Senior Notes due 2024

Our 2024 Senior Notes were redeemed in full on September 1, 2023 using cash on hand at a price equal to 100%, plus the accrued and unpaid interest up to, but excluding, the redemption date. As a result of the redemption of the 2024 Senior Notes, we recorded a net loss on extinguishment of debt of

\$0.3 million for the three months ended September 30, 2023 to Loss/(gain) on extinguishment of debt, net, on the Condensed Consolidated Statement of Operations, which included the write-off of net unamortized deferred financing fees.

\$1 Billion Revolving Credit Facility

Our \$1\$1 Billion Revolving Credit Facility has a maturity date of March 11, 2027March 11, 2027. We had no outstanding borrowings under our \$1 \$1 Billion Revolving Credit Facility as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we had \$3.1 million \$2.7 million and \$3.8 million, \$2.9 million, respectively, of unamortized debt issuance costs relating to our \$1\$1 Billion Revolving Credit Facility, which are included in Prepaid expenses and other assets, net, on the unaudited Condensed Consolidated Balance Sheets. consolidated balance sheets. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we had \$70.4 million \$59.9 million and \$69.2 million,

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\$61.2 million, respectively, of utilized letters of credit, resulting in \$929.6 million \$940.1 million and \$930.8 million, \$938.8 million, respectively, of availability under the \$1\$1 Billion Revolving Credit Facility.

The \$1 Billion Revolving Credit Facility contains certain "springing" financial covenants, requiring us and our subsidiaries to comply with a maximum debt to capitalization ratio of not more than 0.60 to 1.00 and a minimum consolidated tangible net worth level, currently of at least \$3.2 billion. The financial covenants would be in effect for any fiscal quarter during which any (a) loans under the \$1 Billion Revolving Credit Facility are outstanding during the last day of such fiscal quarter or on more than five separate days during such fiscal quarter or (b) undrawn letters of credit (except to the extent cash collateralized) issued under the \$1 Billion Revolving Credit Facility in an aggregate amount greater than \$40.0 million or unreimbursed letters of credit issued under the \$1 Billion Revolving Credit Facility are outstanding on the last day of such fiscal quarter or for more than five consecutive days during such fiscal quarter. For purposes of determining compliance with the financial covenants for any fiscal quarter, the \$1 Billion Revolving Credit Facility provides that we may exercise an equity cure by issuing certain permitted securities for cash or otherwise recording cash contributions to our capital that will, upon the contribution of such cash, be included in the calculation of consolidated tangible net worth and consolidated total capitalization. The equity cure right is exercisable up to twice in any period of four consecutive fiscal quarters and up to five times overall.

The \$1 Billion Revolving Credit Facility contains certain restrictive covenants including limitations on incurrence of liens, the payment of dividends and other distributions, asset dispositions and investments in entities that are not guarantors, limitations on prepayment of subordinated indebtedness and limitations on fundamental changes. The \$1 Billion Revolving Credit Facility contains customary events of default, subject to applicable grace periods, including for nonpayment of principal, interest or other amounts, violation of covenants (including financial covenants, subject to the exercise of an equity cure), incorrectness of representations and warranties in any material respect, cross default and cross acceleration, bankruptcy, material monetary judgments, ERISA events with material adverse effect, actual or asserted invalidity of material guarantees and change of control.

As of September 30, 2023 March 31, 2024, we were in compliance with all of the covenants under the \$1\$1 Billion Revolving Credit Facility.

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Mortgage Warehouse Borrowings

The following is a summary of our mortgage warehouse borrowings (in thousands):

As of September 30, 2023					
Facility	Amount Drawn	Facility Amount	Interest Rate	Expiration Date	Collateral ⁽¹⁾
Warehouse A	\$ 39,294	\$ 60,000	Daily SOFR + 1.70%	on Demand	Mortgage Loans
Warehouse B ⁽²⁾	—	—	N/A	N/A	N/A

Warehouse C	51,990	100,000	Term SOFR + 1.65%	on Demand	Mortgage Loans & Pledged Cash
Warehouse D	42,938	100,000	Daily SOFR + 1.50%	September 4, 2024	Mortgage Loans
Warehouse E	57,423	100,000	Term SOFR + 1.60%	on Demand	Mortgage Loans
Total	\$ 191,645	\$ 360,000			

As of December 31, 2022

Facility	Amount Drawn	Facility Amount	Interest Rate	Expiration Date	Collateral ⁽¹⁾
Warehouse A	\$ 29,066	\$ 60,000	Daily SOFR + 1.70%	on Demand	Mortgage Loans
Warehouse B	94,258	150,000	BSBY 1M + 1.65%	on Demand	Mortgage Loans
Warehouse C	53,607	75,000	Term SOFR + 1.65%	on Demand	Mortgage Loans & Pledged Cash
Warehouse D	83,259	140,000	Daily SOFR + 1.50%	September 6, 2023	Mortgage Loans
Warehouse E	45,882	70,000	Term SOFR + 1.60%	on Demand	Mortgage Loans
Total	\$ 306,072	\$ 495,000			

As of March 31, 2024

Facility	Amount Drawn	Facility Amount	Interest Rate ⁽²⁾	Expiration Date	Collateral ⁽¹⁾
Warehouse A	\$ —	\$ 60,000	Term SOFR + 1.70%	on Demand	Mortgage Loans
Warehouse C	59,603	100,000	Term SOFR + 1.50%	on Demand	Mortgage Loans
Warehouse D	60,511	100,000	Daily SOFR + 1.50%	September 4, 2024	Mortgage Loans
Warehouse E	63,060	100,000	Term SOFR + 1.60%	on Demand	Mortgage Loans
Total	\$ 183,174	\$ 360,000			

As of December 31, 2023

Facility	Amount Drawn	Facility Amount	Interest Rate ⁽²⁾	Expiration Date	Collateral ⁽¹⁾
Warehouse A	\$ 13,477	\$ 60,000	Term SOFR + 1.70%	on Demand	Mortgage Loans
Warehouse C	25,567	100,000	Term SOFR + 1.65%	on Demand	Mortgage Loans
Warehouse D	56,745	100,000	Daily SOFR + 1.50%	September 4, 2024	Mortgage Loans
Warehouse E	57,675	100,000	Term SOFR + 1.60%	on Demand	Mortgage Loans
Total	\$ 153,464	\$ 360,000			

⁽¹⁾ The mortgage warehouse borrowings outstanding as of September 30, 2023, March 31, 2024 and December 31, 2022, December 31, 2023 were collateralized by \$241.7 million, \$216.6 million and \$346.4 million, \$193.3 million, respectively, of mortgage loans held for sale, which comprise the balance of mortgage loans held for sale, and approximately \$ sale 0.8 million and \$2.1 million, respectively, of restricted cash on our unaudited Condensed Consolidated Balance Sheets.

⁽²⁾ Beginning October 1, 2023, the lender for Warehouse B discontinued providing mortgage warehouse facility financings to the industry in general. We terminated the facility on August 17, 2023. The facility amounts for Warehouses D and E were expanded to offset the loss of liquidity from Warehouse B.

Secured Overnight Financing Rate ("SOFR")

Loans Payable and Other Borrowings

Loans payable and other borrowings as of September 30, 2023, March 31, 2024 and December 31, 2022, December 31, 2023 consist of project-level debt due to various land sellers and financial institutions for specific projects, communities. Project-level debt is generally secured by the land that was acquired and the principal payments generally coincide with corresponding project lot closings or a principal reduction schedule. Loans payable bear interest at rates that ranged from 0% 0% to 9% 10% and 0% 0% to 8% 9% at each of September 30, 2023, March 31, 2024 and December 31, 2022, December 31, 2023, respectively. We impute interest for loans with no stated interest rates.

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8. FAIR VALUE DISCLOSURES

ASC Topic 820 provides a framework for measuring fair value under GAAP, expands disclosures about fair value measurements, and establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of the fair value hierarchy are summarized as follows:

Level 1 — Fair value is based on quoted prices for identical assets or liabilities in active markets.

Level 2 — Fair value is determined using quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets or liabilities in markets that are not active or are directly or indirectly observable.

Level 3 — Fair value is determined using one or more significant inputs that are unobservable in active markets at the measurement date, such as a pricing model, discounted cash flow, or similar technique.

The fair value of our mortgage loans held for sale is derived from negotiated rates with partner lending institutions. Derivative assets and liabilities include interest rate lock commitments ("IRLCs") and mortgage backed securities ("MBS"). The fair value of IRLCs is based on the value of the underlying mortgage loans, quoted MBS prices and the probability that the mortgage loan will fund within the terms of the IRLCs. We estimate the fair value of the forward sales commitments based on quoted MBS prices. The fair value of our mortgage warehouse borrowings, loans payable and other borrowings, and the borrowings under our Revolving Credit Facilities approximate carrying value due to their short term nature and variable interest rate terms. The fair value of our Senior Notes senior notes is derived from quoted market prices by independent dealers in markets that are not active. The fair value of our Equity Security Investment in a public company is based upon quoted prices for identical assets in an active market. There were no changes to or transfers between the levels of the fair value hierarchy for any of our financial instruments as of September 30, 2023 March 31, 2024, when compared to December 31, 2022 December 31, 2023.

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The carrying value and fair value of our financial instruments are as follows:

(Dollars in thousands)	Level in Fair Value Hierarchy	September 30, 2023		December 31, 2022	
		Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Description:					
Mortgage loans held for sale	2	\$ 241,749	\$ 241,749	\$ 346,364	\$ 346,364
IRLCs	3	(5,408)	(5,408)	2,386	2,386
MBSs	2	7,125	7,125	1,090	1,090
Mortgage warehouse borrowings	2	191,645	191,645	306,072	306,072
Loans payable and other borrowings	2	332,177	332,177	361,486	361,486
5.625% Senior Notes due 2024 (1)(2)	2	—	—	349,372	347,375
5.875% Senior Notes due 2027 (2)	2	497,133	473,860	496,541	480,060
6.625% Senior Notes due 2027 (2)	2	28,164	24,972	28,380	26,123
5.75% Senior Notes due 2028 (2)	2	447,291	419,589	446,817	421,358
5.125% Senior Notes due 2030 (2)	2	495,667	437,940	495,193	434,330
Equity Security	1	460	460	460	460

(Dollars in thousands)	Level in Fair Value Hierarchy	March 31, 2024		December 31, 2023	
		Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Description:					
Mortgage loans held for sale	2	\$ 216,633	\$ 216,633	\$ 193,344	\$ 193,344
IRLCs	3	(795)	(795)	1,489	1,489
MBSs	2	(2,039)	(2,039)	(5,055)	(5,055)
Mortgage warehouse borrowings	2	183,174	183,174	153,464	153,464
Loans payable and other borrowings	2	441,190	441,190	394,943	394,943
5.875% Senior Notes due 2027 (1)	2	497,524	498,790	497,328	502,500
6.625% Senior Notes due 2027 (1)	2	28,020	26,393	28,092	26,529
5.75% Senior Notes due 2028 (1)	2	447,606	446,103	447,449	451,571
5.125% Senior Notes due 2030 (1)	2	495,985	475,805	495,826	483,690

(1) On September 1, 2023, the 2024 Senior Notes were redeemed in full.

Carrying Fair value 9. The effective tax There were no 10. CapitalThe Company's Stock On On March 5, The following table The value for measurementsINCOME rate for the three unrecognized STOCKHOLDERS'Stock authorized capital RepurchaseDecember 2024, using summarizes share Con and nine months tax benefits as the Program the the

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At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the aggregate unrecognized value of all outstanding stock-based compensation awards was approximately \$32.9 million \$45.2 million and \$27.1 million, \$26.5 million, respectively.

12. OPERATING AND REPORTING SEGMENTS

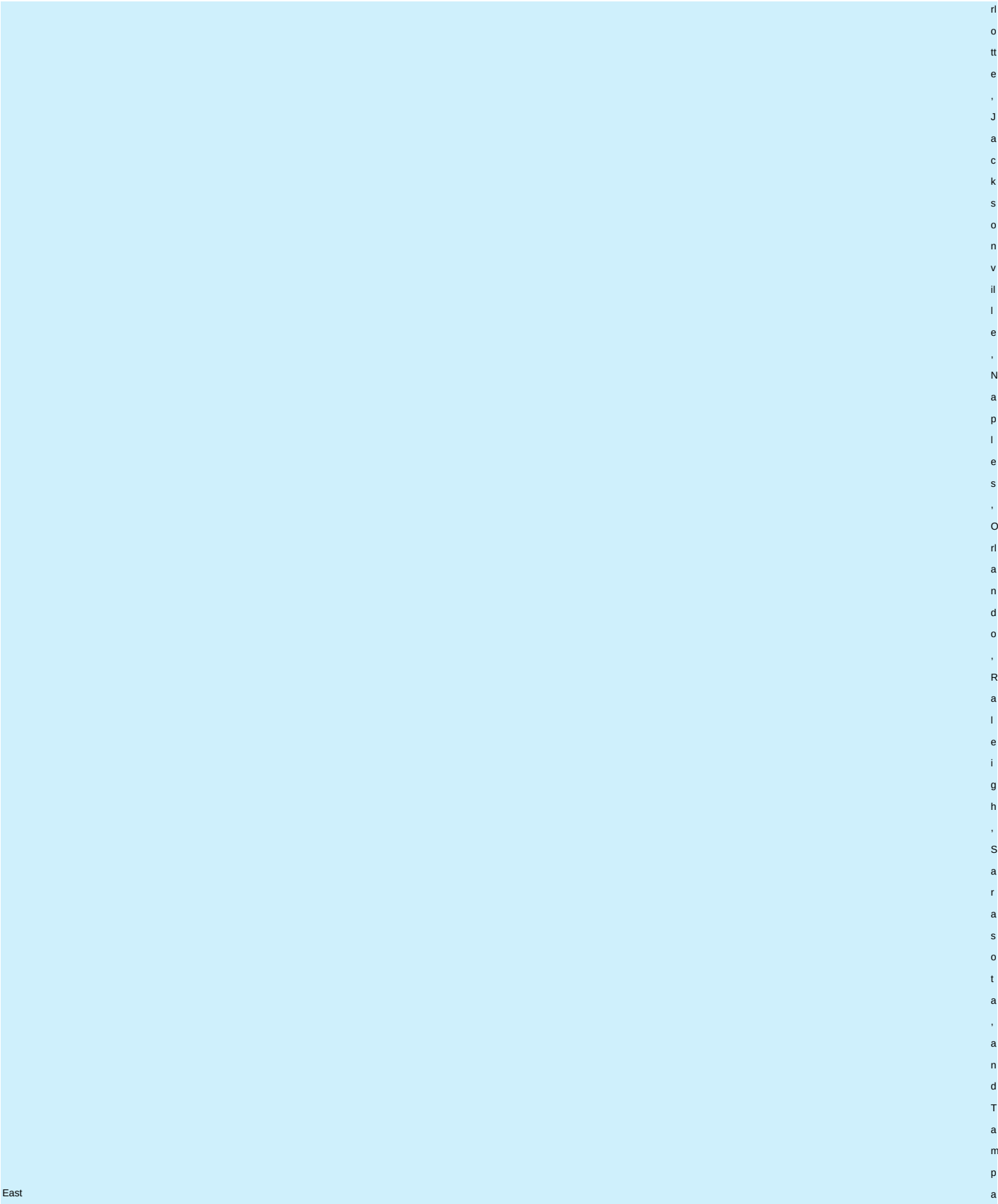
We have multiple homebuilding operating components which are engaged in the business of acquiring and developing land, constructing homes, marketing and selling homes, and providing warranty and customer service. We aggregate our homebuilding operating components into three reporting segments, East, Central, and West, based on similar long-term economic characteristics. The activity from our Build-to-Rent and Urban Form operations are included in our Corporate segment. We also have a Financial Services reporting segment. We have no inter-segment sales as all sales are to external customers.

TAYLOR MORRISON HOME CORPORATION 10-Q

ITEM 1. FINANCIAL STATEMENTS

Our reporting segments are as follows:

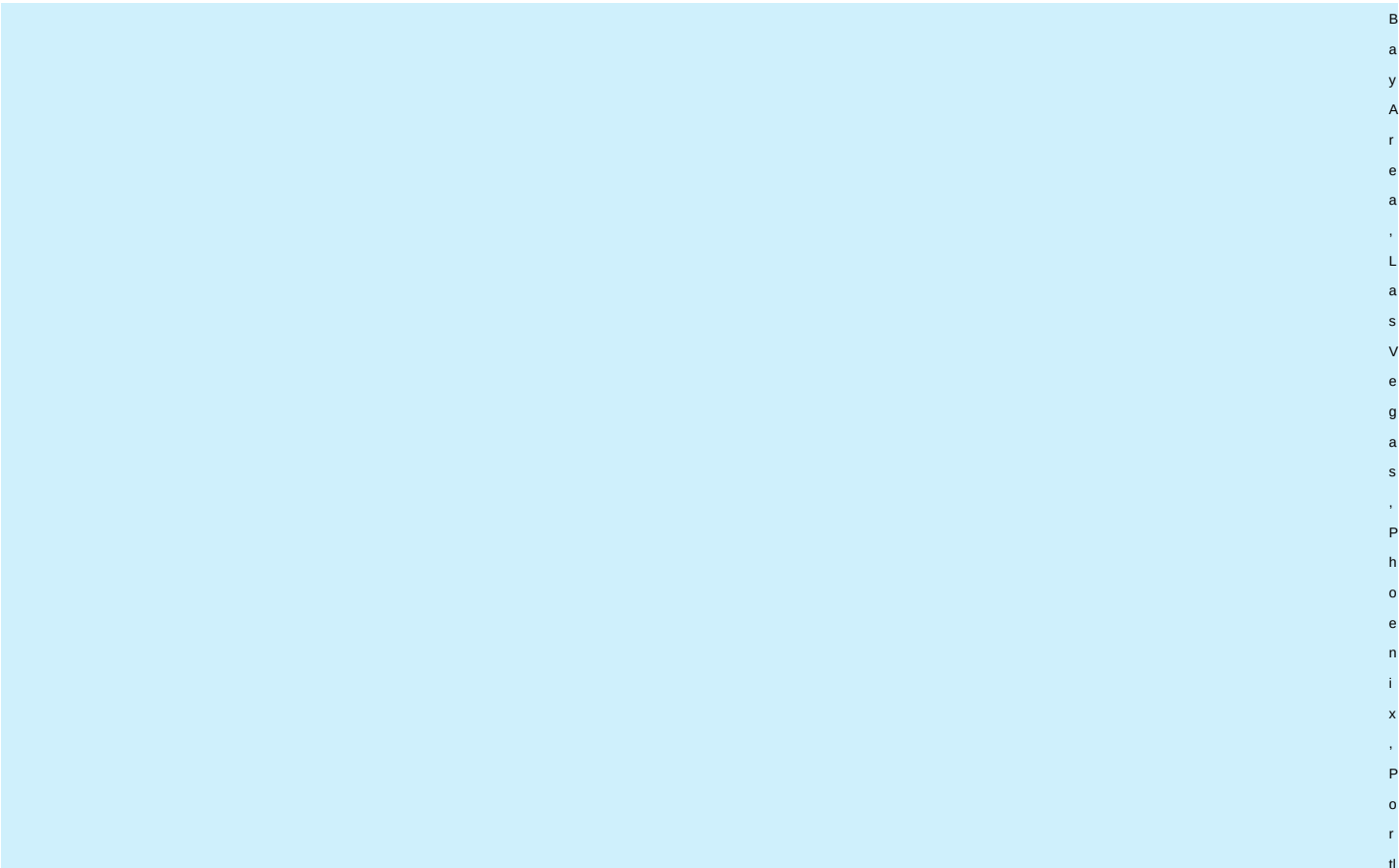
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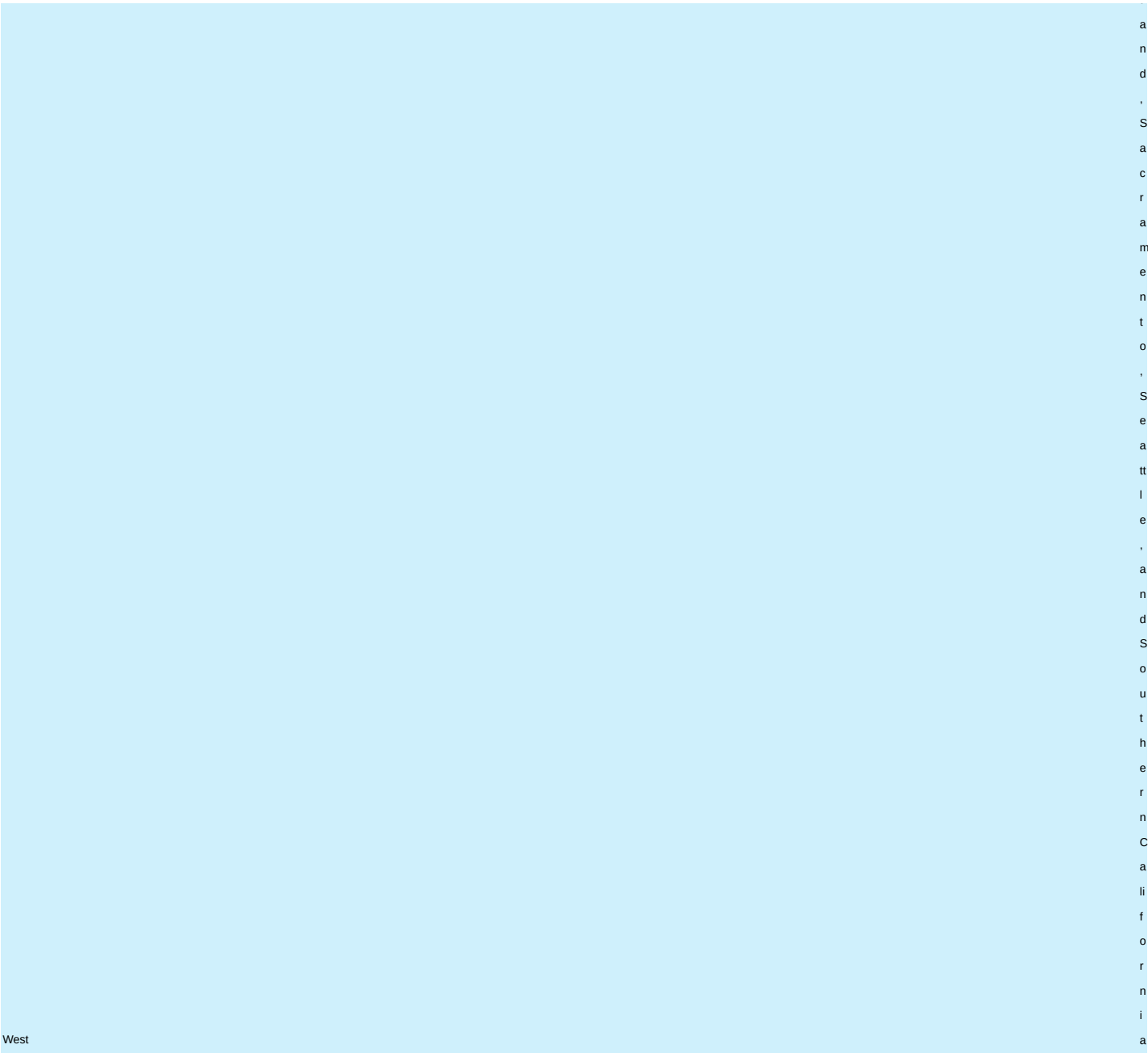


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Financial Services

Operating results for each segment may not be indicative of the results for such segment had it been an independent, stand-alone entity. Segment information is as follows (in thousands):

Three Months Ended September 30, 2023						
	East	Central	West	Financial Services	Corporate and Unallocated ⁽¹⁾	Total
Total revenue	\$ 582,557	\$ 433,610	\$ 615,817	\$ 40,045	\$ 3,516	\$ 1,675,545
Gross margin	158,096	109,481	106,103	16,917	1,121	391,718
Selling, general and administrative expenses	(42,957)	(37,712)	(45,442)	91	(41,771)	(167,791)
Net (loss)/income from unconsolidated entities	—	(81)	341	1,671	3	1,934
Interest and other (expense)/income, net ⁽²⁾	(425)	(2,380)	(2,929)	—	8,548	2,814
Loss on extinguishment of debt, net	—	—	—	—	(269)	(269)
Income/(loss) before income taxes	\$ 114,714	\$ 69,308	\$ 58,073	\$ 18,679	\$ (32,368)	\$ 228,406

Three Months Ended March 31, 2024						
	East	Central	West	Financial Services	Corporate and Unallocated ⁽¹⁾	Total
Total revenue	\$ 547,311	\$ 478,490	\$ 622,829	\$ 46,959	\$ 4,163	\$ 1,699,752
Gross margin	145,888	124,231	123,664	21,816	1,246	416,845
Selling ⁽²⁾ , general and administrative expenses	(46,201)	(39,393)	(44,748)	—	(39,822)	(170,164)
Net (loss)/income from unconsolidated entities	—	(41)	(26)	2,897	(79)	2,751
Interest and other (expense)/income, net ⁽³⁾	(827)	(2,415)	(3,518)	730	5,478	(552)
Income/(loss) before income taxes	\$ 98,860	\$ 82,382	\$ 75,372	\$ 25,443	\$ (33,177)	\$ 248,880

⁽¹⁾Includes the activity from our Build-To-Rent and Urban Form operations.

⁽²⁾Includes sales, commissions, and other marketing costs.

⁽³⁾Interest and other (expense)/income, net includes pre-acquisition write-offs of on terminated projects.

Three Months Ended March 31, 2023						
	East	Central	West	Financial Services	Corporate and Unallocated ⁽¹⁾	Total
Total revenue	\$ 610,813	\$ 465,011	\$ 547,906	\$ 35,149	\$ 2,978	\$ 1,661,857
Gross margin	165,707	111,313	108,627	13,001	918	399,566
Selling ⁽²⁾ , general and administrative expenses	(43,047)	(36,956)	(40,484)	—	(38,534)	(159,021)
Net (loss)/income from unconsolidated entities	—	(82)	(235)	2,275	(29)	1,929
Interest and other (expense)/income, net ⁽³⁾	(1,212)	(1,341)	3,779	—	4,719	5,945
Income/(loss) before income taxes	\$ 121,448	\$ 72,934	\$ 71,687	\$ 15,276	\$ (32,926)	\$ 248,419

Three Months Ended September 30, 2022						
	East	Central	West	Financial Services	Corporate and Unallocated ⁽¹⁾	Total
Total revenue	\$ 649,058	\$ 522,846	\$ 831,409	\$ 27,749	\$ 3,582	\$ 2,034,644
Gross margin	176,015	141,076	231,100	7,354	2,395	557,940
Selling, general and administrative expenses	(42,126)	(32,589)	(39,193)	—	(33,141)	(147,049)

Net (loss)/income from unconsolidated entities	—	(86)	(899)	546	(741)	(1,180)
Interest and other (expense)/income, net ⁽²⁾	(4,180)	(1,325)	(4,065)	—	(563)	(10,133)
Gain on extinguishment of debt, net	—	—	—	—	71	71
Income/(loss) before income taxes	<u>\$ 129,709</u>	<u>\$ 107,076</u>	<u>\$ 186,943</u>	<u>\$ 7,900</u>	<u>\$ (31,979)</u>	<u>\$ 399,649</u>

⁽¹⁾Includes the activity from our Build-To-Rent and Urban Form operations.

⁽²⁾Includes sales, commissions, and other marketing costs.

⁽³⁾Interest and other (expense)/income, net includes pre-acquisition write-offs of on terminated projects.

As of March 31, 2024						
	East	Central	West	Financial Services	Corporate and Unallocated ⁽¹⁾	Total
Real estate inventory and land deposits	\$ 2,172,523	\$ 1,205,995	\$ 2,805,878	\$ —	\$ —	\$ 6,184,396
Investments in unconsolidated entities	63,628	132,007	98,491	5,483	70,373	369,982
Other assets	164,058	221,082	596,523	320,556	1,053,746	2,355,965
Total assets	<u>\$ 2,400,209</u>	<u>\$ 1,559,084</u>	<u>\$ 3,500,892</u>	<u>\$ 326,039</u>	<u>\$ 1,124,119</u>	<u>\$ 8,910,343</u>

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ITEM 1. FINANCIAL STATEMENTS

Nine Months Ended September 30, 2023						
	East	Central	West	Financial Services	Corporate and Unallocated ⁽¹⁾	Total
Total revenue	\$ 1,933,434	\$ 1,521,829	\$ 1,815,980	\$ 117,108	\$ 9,615	\$ 5,397,966
Gross margin	526,968	381,279	333,843	46,490	2,389	1,290,969
Selling, general and administrative expenses	(133,908)	(120,058)	(133,027)	—	(123,502)	(510,495)
Net (loss)/income from unconsolidated entities	—	(63)	(67)	7,205	(26)	7,049
Interest and other (expense)/income, net ⁽²⁾	(2,773)	(5,241)	(2,157)	—	15,501	5,330
Loss on extinguishment of debt, net	—	—	—	—	(269)	(269)
Income/(loss) before income taxes	<u>\$ 390,287</u>	<u>\$ 255,917</u>	<u>\$ 198,592</u>	<u>\$ 53,695</u>	<u>\$ (105,907)</u>	<u>\$ 792,584</u>

⁽¹⁾Includes the activity from our Build-To-Rent and Urban Form operations.

⁽²⁾Interest and other (expense)/income, net includes pre-acquisition write-offs of terminated projects.

Nine Months Ended September 30, 2022						
	East	Central	West	Financial Services	Corporate and Unallocated ⁽¹⁾	Total
Total revenue	\$ 1,810,041	\$ 1,351,093	\$ 2,433,893	\$ 98,419	\$ 39,345	\$ 5,732,791
Gross margin	476,241	332,440	635,318	32,327	16,222	1,492,548
Selling, general and administrative expenses	(127,041)	(95,527)	(125,086)	—	(122,201)	(469,855)
Net (loss)/income from unconsolidated entities	—	(40)	(7,004)	4,799	(741)	(2,986)
Interest and other income/(expense), net ⁽²⁾	5,498	(4,262)	(9,734)	—	(605)	(9,103)
Gain on extinguishment of debt, net	—	—	—	—	13,542	13,542
Income/(loss) before income taxes	<u>\$ 354,698</u>	<u>\$ 232,611</u>	<u>\$ 493,494</u>	<u>\$ 37,126</u>	<u>\$ (93,783)</u>	<u>\$ 1,024,146</u>

⁽¹⁾Includes the activity from our Build-To-Rent and Urban Form operations.

⁽²⁾Interest and other income/(expense), net includes pre-acquisition write-offs of terminated projects.

As of September 30, 2023						
	East	Central	West	Financial Services	Corporate and Unallocated ⁽¹⁾	Total

Real estate inventory and land deposits	\$	1,942,255	\$	1,157,825	\$	2,586,588	\$	—	\$	—	\$	5,686,668
Investments in unconsolidated entities		56,652		121,549		86,047		5,283		60,103		329,634
Other assets		158,361		233,570		595,521		339,649		1,093,515		2,420,616
Total assets	\$	2,157,268	\$	1,512,944	\$	3,268,156	\$	344,932	\$	1,153,618	\$	8,436,918

(A) Includes the assets from our Build-To-Rent and Urban Form operations.

TAYLOR MORRISON HOME CORPORATION
ITEM 1. FINANCIAL STATEMENTS
10-Q

As of December 31, 2023						
	East	Central	West	Financial Services	Corporate and Unallocated ⁽¹⁾	Total
Real estate inventory and land deposits	\$1,909,084	\$1,181,014	\$2,658,565	\$ —	\$ —	\$5,748,663
Investments in unconsolidated entities	63,628	125,610	88,219	5,483	63,252	346,192
Other assets	177,739	214,685	616,210	298,451	1,270,147	2,577,232
Total assets	\$2,150,451	\$1,521,309	\$3,362,994	\$303,934	\$ 1,333,399	\$8,672,087

13. COMMITMENTS AND CONTINGENCIES

Letters of Credit and Surety Bonds — We are committed, under various letters of credit and surety bonds, to perform certain development and construction activities and provide certain guarantees in the normal course of business. Outstanding letters of credit and surety bonds under these arrangements totaled **\$1.3 billion** **\$1.3 billion** as of **September 30, 2023** **March 31, 2024** and **\$1.2 billion** as of **December 31, 2022** **December 31, 2023**. Although significant development and construction activities have been completed related to these site improvements, the bonds are generally not released until all development and construction activities are completed. We do not believe that it is probable that any outstanding bonds as of **September 30, 2023** **March 31, 2024** will be drawn upon.

Purchase Commitments — We are subject to the usual obligations associated with entering into contracts (including land option contracts and land banking arrangements) for the purchase, development, and sale of real estate in the routine conduct of our business. We have a number of land purchase option contracts and land banking agreements, generally through cash deposits, for the right to purchase land or lots at a future point in time with predetermined terms. We do not have title to the property and the property

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TAYLOR MORRISON HOME CORPORATION 10-Q

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ITEM 1. FINANCIAL STATEMENTS

owner and its creditors generally have no recourse. Our obligations with respect to such contracts are generally limited to the forfeiture of the related non-refundable cash deposits. The aggregate purchase price for land under these contracts was **\$1.6 billion** **\$1.5 billion** at **September 30, 2023** **March 31, 2024** and **\$1.5 billion** at **December 31, 2022** **December 31, 2023**.

Legal Proceedings — We are involved in various litigation and legal claims in the normal course of business, including actions brought on behalf of various classes of claimants. We are also subject to a variety of local, state, and federal laws and regulations related to land development activities, house construction standards, sales practices, mortgage lending operations, employment practices, and protection of the environment. As a result, we are subject to periodic examination or inquiry by various governmental agencies that administer these laws and regulations.

We establish liabilities for legal claims and regulatory matters when such matters are both probable of occurring and any potential loss can be reasonably estimated. At **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, our legal accruals were **\$19.1 million** **\$23.2 million** and **\$20.6 million**, **\$26.2 million**, respectively. We accrue for such matters based on the facts and circumstances specific to each matter and revise these estimates as the matters evolve. In such cases, there may exist an exposure to loss in excess of any amounts currently accrued. Predicting the ultimate resolution of the pending matters, the related timing, or the eventual loss associated with these matters is inherently difficult. Accordingly, the liability arising from the ultimate resolution of any matter may exceed the estimate reflected in the **recorded reserves** **accrued liabilities** relating to such matter. While the outcome of such contingencies cannot be predicted with certainty, we do not believe that the resolution of such matters will have a material adverse impact on our results of operations, financial position, or cash flows.

On April 26, 2017, a class action complaint was filed in the Circuit Court of the Tenth Judicial Circuit in and for Polk County, Florida by Norman Gundel, William Mann, and Brenda Taylor against Avatar Properties, Inc. (an acquired AV Homes entity) ("**Avatar**"), generally alleging that our collection of club membership fees in connection with the use of one of our amenities in our East homebuilding segment violates various laws relating to homeowner associations and other Florida-specific laws (the "**Solivita litigation**"). The class action complaint **seeks** **sought** an injunction to prohibit future collection of club membership fees. On November 2, 2021, the trial court determined that the club membership fees were improper and that plaintiffs were entitled to **\$35.0 million** **\$35.0 million** in fee reimbursements. We appealed the court's ruling to the Sixth District Court of Appeal on November 29, 2021, and **on the plaintiffs agreed to continue to pay club membership fees pending the outcome of the appeal**. On June 23, 2023 the District Court affirmed the trial court judgment in a split decision, with three separate opinions. Recognizing the potential "far-reaching effects on homeowners associations throughout the State," the District Court certified a question of great public importance to the Florida Supreme Court. **We have since** **Court**, **and we** filed a notice to invoke the discretionary review of the Florida Supreme Court.

On November 2, 2023, the Florida Supreme Court declined to exercise jurisdiction.

Following the Florida Supreme Court's decision, we paid **\$64.7 million** to the plaintiffs during the quarter ended December 31, 2023, which included the amount of the trial court's judgment, club membership fees received during the pendency of our appeal, pre-judgment interest and post-judgment interest. We expect to incur additional costs with respect to the plaintiff's legal fees and costs; however, such amount cannot be reasonably estimated. Plaintiffs have agreed also asserted claims for additional pre-judgment interest, for which we believe we have substantial defenses. Hearings on the plaintiff's pre-judgment interest and legal fees have been scheduled for the third quarter of 2024.

TAYLOR MORRISON HOME CORPORATION 10-Q

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After reviewing our amenity arrangements in our Florida communities to continue determine whether such arrangements might subject the Company to liability in light of the outcome of the Solivita litigation described above, we identified one additional community with similar claims. On August 13, 2020, Slade Chelbian, a resident of our Bellalago community in Kissimmee, Florida, filed a purported class action suit against Avatar, AV Homes, Inc. and Taylor Morrison Home Corporation in the Circuit Court of the Ninth Circuit in and for Osceola County, Florida, generally alleging that Avatar cannot earn profits from community members for use of club amenities where membership in the club is mandatory for all residents and failure to pay club membership fees could result in the foreclosure of their homes by Avatar. On February 25, 2022, the court stayed the action pending the outcome resolution of the Solivita litigation. Following the resolution of the Solivita appeal, the court held a case management conference wherein the court scheduled a class certification hearing for the fourth quarter of 2024, but no class has been certified to the Florida Supreme Court. We believe, based on our assessment and the opinion of external legal counsel, that the trial and District Court's legal interpretation constitutes legal error and the courts incorrectly ruled on this matter. In accordance with ASC Topic 450, Contingencies, we evaluated the range of loss and the likelihood of each potential amount of loss within the range.

date. While the ultimate outcome and the costs associated with litigation are inherently uncertain and difficult to predict, we have recorded an accrual for our estimated liability for this matter, which is reflected in evaluating the potential outcomes, we believe the more likely outcome is that we win the appeal to the Florida Supreme Court. This belief is based on our review legal accruals as of the legal merit of the judgment and the opinions of the trial and District Courts, as well as the opinion of external legal counsel. Accordingly, in assessing the range of possible loss, we believe the more likely outcome is that we win on appeal to the Florida Supreme Court and will have zero liability. March 31, 2024.

Leases — Our leases primarily consist of office space, construction trailers, model home leasebacks, a ground lease, equipment, and storage units. We assess each of these contracts to determine whether the arrangement contains a lease as defined by ASC 842, Leases. Lease obligations were \$86.4 million \$81.1 million and \$100.2 million \$85.0 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. We recorded lease expense of approximately \$5.8 million and \$19.3 million \$5.9 million for the three and nine months ended September 30, 2023 March 31, 2024, and \$6.9 million and \$20.5 million \$7.1 million for the three and nine months ended September 30, 2022 March 31, 2023, within General and administrative expenses on our unaudited Condensed Consolidated Statement consolidated statements of Operations operations..

14. MORTGAGE HEDGING ACTIVITIES

The following summarizes derivative instrument assets (liabilities) as of the periods presented:

(Dollars in thousands)	As of			
	September 30, 2023		December 31, 2022	
	Fair Value	Notional Amount ⁽¹⁾	Fair Value	Notional Amount ⁽¹⁾
IRLCs	\$ (5,408)	\$ 332,421	\$ 2,386	\$ 375,030
MBSs	7,125	479,000	1,090	504,000
Total	\$ 1,717		\$ 3,476	

(Dollars in thousands)	As of			
	March 31, 2024		December 31, 2023	
	Fair Value	Notional Amount ⁽¹⁾	Fair Value	Notional Amount ⁽¹⁾
IRLCs	(795)	\$ 271,291	\$ 1,489	\$ 219,129
MBSs	(2,039)	481,000	(5,055)	285,000
Total	(2,834)		(3,566)	

⁽¹⁾The notional amounts in the table above include mandatory and best effort mortgages that have been locked and approved.

TAYLOR MORRISON HOME CORPORATION 10-Q

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ITEM 1. FINANCIAL STATEMENTS

Total commitments to originate loans approximated \$359.9 million \$291.8 million and \$419.6 million \$242.6 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. This amount represents the commitments to originate loans that have been locked and approved by underwriting. The notional amounts in the table above includes mandatory and best effort loans that have been locked and approved by underwriting.

We have exposure to credit loss in the event of contractual non-performance by our trading counterparties in derivative instruments that we use in our rate risk management activities. We manage this credit risk by selecting only counterparties that we believe to be financially strong, spreading the risk among multiple counterparties, placing contractual limits on the amount of unsecured credit extended to any single counterparty, and entering into netting agreements with counterparties as appropriate. Commitments to originate loans do not necessarily reflect future cash requirements as some commitments are expected to expire without being drawn upon.

TAYLOR MORRISON HOME CORPORATION 10-Q

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For purposes of this "Management's Discussion and Analysis of Financial Condition and Results of Operations," the terms "the Company," "we," "us," or "our" refer to Taylor Morrison Home Corporation ("TMHC") and its subsidiaries. The Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with our unaudited condensed consolidated financial statements included elsewhere in this quarterly report.

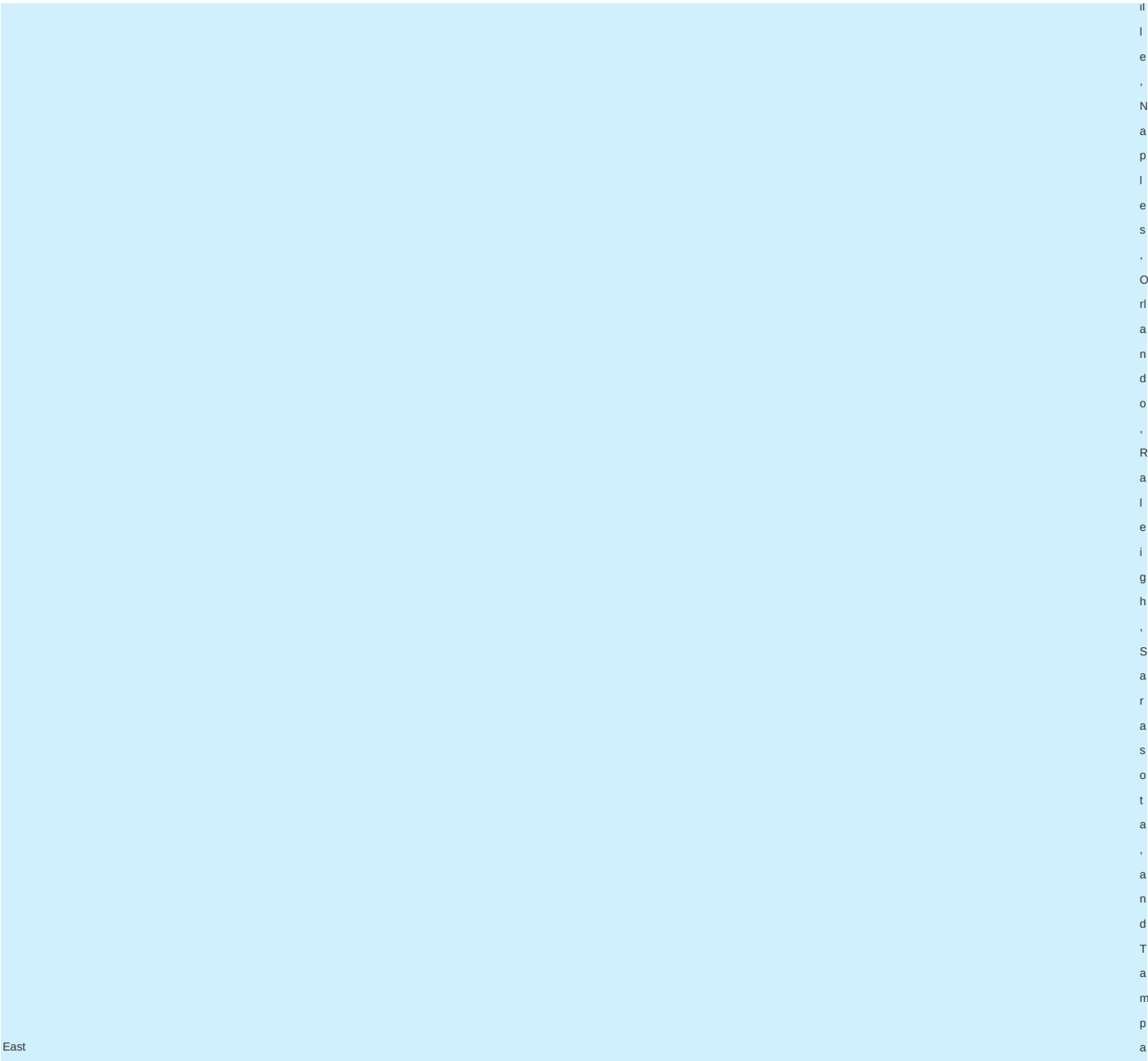
Forward-Looking Statements

This quarterly report includes certain forward-looking statements within the meaning of the federal securities laws regarding, among other things, our intentions, plans, beliefs, expectations or predictions of future events, which are considered forward-looking statements. You should not place undue reliance on those statements because they are subject to numerous uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. Forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business and operations strategy. These statements often include words such as "may," "will," "should," "believe," "expect," "anticipate," "intend," "plan," "estimate," "can," "could," "might," "project" or similar expressions. These statements are based upon assumptions that we have made in light of our experience in the industry, as well as our perceptions of historical trends, current conditions, expected future developments and other factors that we believe are appropriate under the circumstances. As you read this quarterly report, you should understand that these statements are not guarantees of performance or results. They involve known and unknown risks, uncertainties and assumptions, including those described under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023** ("Annual Report") and in our subsequent filings with the U.S. Securities and Exchange Commission (the "SEC"). Although we believe that these forward-looking statements are based upon reasonable assumptions and currently available information, you should be aware that many factors, including those described under the heading "Risk Factors" in the Annual Report and in our subsequent filings with the SEC, could affect our actual financial results or results of operations and could cause actual results to differ materially from those in the forward-looking statements.

Our forward-looking statements made herein are made only as of the date of this quarterly report. We expressly disclaim any intent, obligation or undertaking to update or revise any forward-looking statements made herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based, except as required by applicable law.

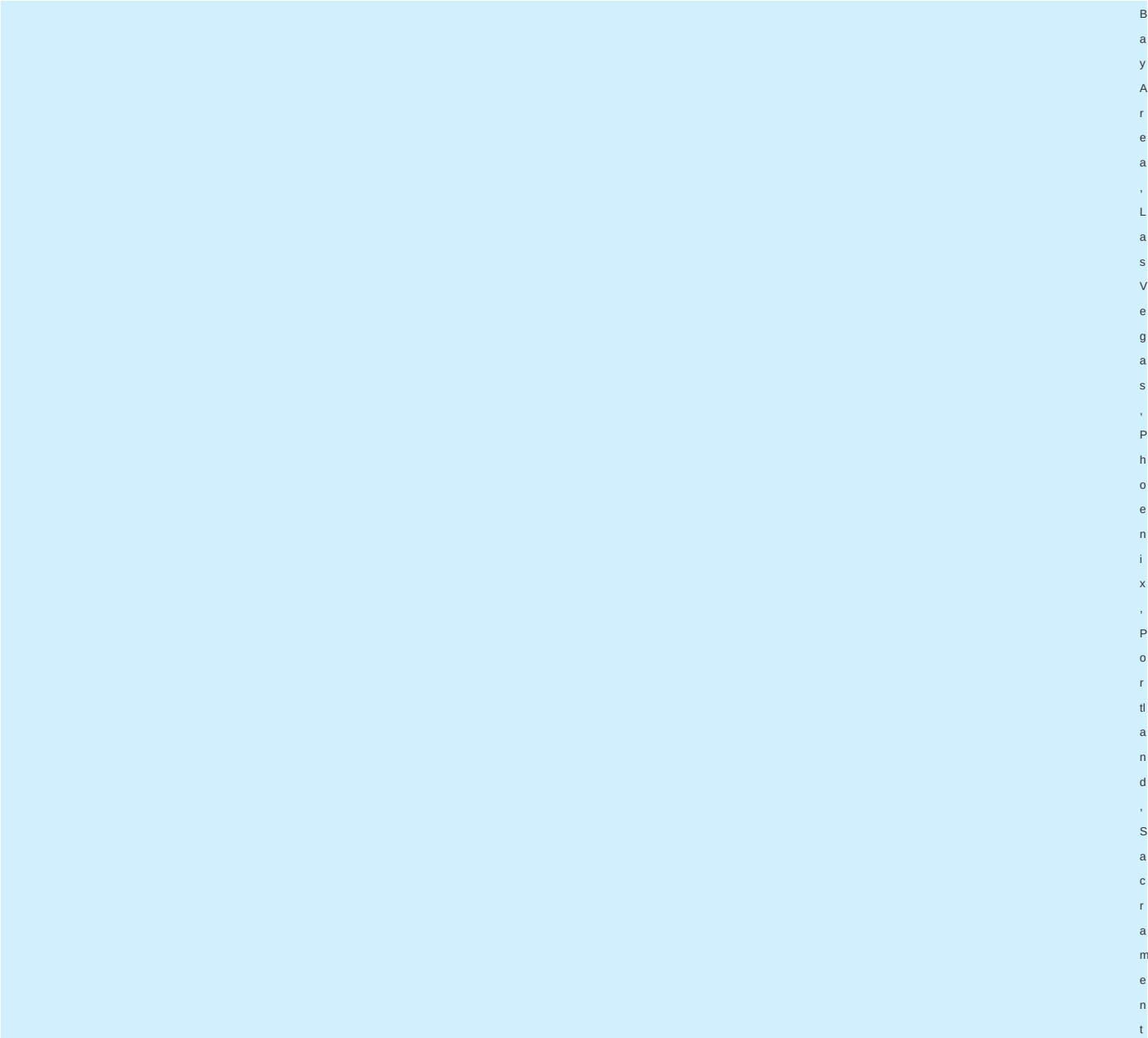
Business Overview

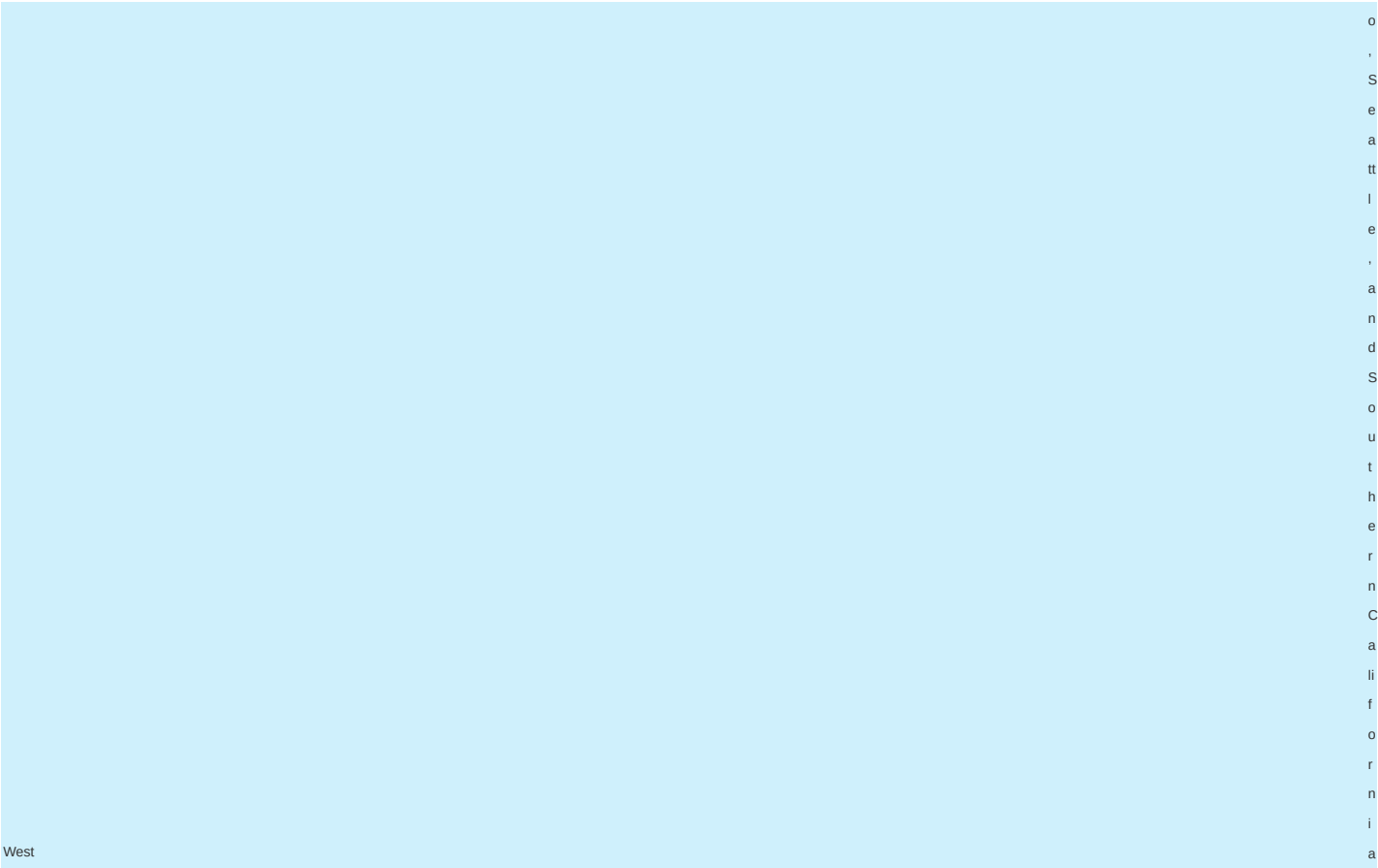
Our principal business is residential homebuilding and the development of lifestyle communities with operations across 11 states. We provide an assortment of homes across a wide range of price points to appeal to an array of consumer groups. We design, build and sell single and multi-family detached and attached homes in traditionally high growth markets for entry level, move-up, and resort-lifestyle buyers. We operate under various brand names including Taylor Morrison, Darling Homes Collection by Taylor Morrison, and Esplanade. We also have a "Build-to-Rent" homebuilding business which operates under the Yardly brand name. In addition, we develop and construct multi-use properties consisting of commercial space, retail, and multi-family properties under the Urban Form brand name. We also have operations which provide financial services to customers through our wholly owned mortgage subsidiary, TMHF, title services through our wholly owned title services subsidiary, Inspired Title, and homeowner's insurance policies through our wholly owned insurance agency, TMIS. **As of September 30, 2023, our** **Our** business is organized into multiple homebuilding operating components, and a financial services component, all of which are managed as four reportable segments: East, Central, West and Financial Services, as follows:



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Financial Services

As of September 30, 2023 March 31, 2024, we employed approximately 2,700 2,900 full-time equivalent persons. Of these, approximately 2,300 2,500 were engaged in corporate and homebuilding operations, and the remaining approximately 400 were engaged in financial services.

Factors Affecting Comparability

Recent Developments

On April 29, 2024, using cash on hand, we acquired the assets of Results

For the three months ended September 30, 2023 we recognized \$11.8 million in inventory impairment. Impairments are recorded Pyatt Builders, a privately-held Indianapolis based homebuilder, including access to Cost of home closings on the unaudited Condensed Consolidated Statement of Operations. For the three and nine months ended September 30, 2022, no inventory impairment was incurred.

approximately 1,500 homebuilding lots. The entrance into Indianapolis further diversifies
TAYLOR MORRISON HOME CORPORATION 10-Q

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ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three

our geographic footprint and nine months ended September 30, 2023 we recognized a \$0.3 million net loss on extinguishment of debt relating to will be incorporated into our redemption Central region. The fair value of the 2024Senior Notes. For assets acquired will be determined during the three quarter ended June 30, 2024 and nine months ended September 30, 2022, we recognized a \$0.1 million and \$13.5 million net gain on extinguishment of debt relating to reflected in our partial redemption of our 6.625% Senior Notes due 2027. Such losses and gains are included in Loss/(gain) on extinguishment of debt, net on our unaudited Condensed Consolidated Statements of Operations.

balance sheet at that time.

For the three and nine months ended September 30, 2022, we recognized a \$0.8 million and \$14.5 million gain on land transfers relating to our unconsolidated joint ventures which is included in Other expense/(income), net on the unaudited Condensed Consolidated Statements of Operations. No such gains were recognized in the current year.

Third First Quarter 2023 2024 Highlights (all comparisons are of the current quarter to the prior year quarter, unless otherwise indicated):

- Net sales orders increased 29% to 3,686, driven by a monthly absorption pace of 3.7 per community versus 2.9 a year ago
- Home closings revenue of \$1.6 billion, driven by 2,639 2,731 home closings at an average price of \$611,000.

\$599,000

- GAAP Home closings gross margin of 23.1% and 23.9% excluding inventory impairment.24.0%
- Net sales orders of 2,592, driven by a monthly absorption pace of 2.7 per community versus 2.1 a year ago.

74,000 74,182 homebuilding lots owned and controlled, at quarter end, representing 6.1 6.5 years of total supply, of which 3.5 3.1 years was owned.

owned

- Repurchased 1.5 million common shares for \$92 million
- Homebuilding debt-to-capitalization debt to capitalization of 25.9% 26.1% on a gross basis and 18.8% 20.1% net of \$614 million \$554 million of unrestricted cash. Total liquidity was \$1.6 billion.

cash

- Credit rating upgraded by S&P Global to BB+ from BB with a Stable outlook. Total liquidity of \$1.6 billion

Book value per share increased 21% year over year to \$46.78.

Results of Operations

The following table sets forth our results of operations for the periods presented:

(Dollars in thousands)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Statements of Operations Data:				
Home closings revenue, net	\$ 1,611,883	\$ 1,983,775	\$ 5,221,225	\$ 5,511,204
Land closings revenue	14,291	14,225	31,439	66,651
Financial services revenue	40,045	27,749	117,108	98,419
Amenity and other revenue	9,326	8,895	28,194	56,517
Total revenue	1,675,545	2,034,644	5,397,966	5,732,791
Cost of home closings	1,238,999	1,438,164	3,980,749	4,084,748
Cost of land closings	13,572	11,571	30,620	50,139
Financial services expenses	23,128	20,395	70,618	66,092
Amenity and other expenses	8,128	6,574	25,010	39,264
Total cost of revenue	1,283,827	1,476,704	4,106,997	4,240,243

Gross margin	391,718	557,940	1,290,969	1,492,548
Sales, commissions and other marketing costs	98,797	94,692	304,591	279,950
General and administrative expenses	68,994	52,357	205,904	189,905
Net (income)/loss from unconsolidated entities	(1,934)	1,180	(7,049)	2,986
Interest (income)/expense, net	(5,782)	4,382	(12,013)	13,823
Other expense/(income), net	2,968	5,751	6,683	(4,720)
Loss/(gain) on extinguishment of debt, net	269	(71)	269	(13,542)
Income before income taxes	228,406	399,649	792,584	1,024,146
Income tax provision	57,960	90,418	196,005	243,300
Net income before allocation to non-controlling interests	170,446	309,231	596,579	780,846
Net income attributable to non-controlling interests	245	548	(235)	(3,377)
Net income available to Taylor Morrison Home Corporation	\$ 170,691	\$ 309,779	\$ 596,344	\$ 777,469
Home closings gross margin	23.1 %	27.5 %	23.8 %	25.9 %
Sales, commissions and other marketing costs as a percentage of home closings revenue, net	6.1 %	4.8 %	5.8 %	5.1 %
General and administrative expenses as a percentage of home closings revenue, net	4.3 %	2.6 %	3.9 %	3.4 %

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Dollars in thousands)	Three Months Ended	
	March 31,	
	2024	2023
Statements of Operations Data:		
Home closings revenue, net	\$ 1,636,255	\$ 1,612,595
Land closings revenue	7,225	4,520
Financial services revenue	46,959	35,149
Amenity and other revenue	9,313	9,593
Total revenue	1,699,752	1,661,857
Cost of home closings	1,243,209	1,227,513
Cost of land closings	5,202	4,345
Financial services expenses	25,143	22,148
Amenity and other expenses	9,353	8,285
Total cost of revenue	1,282,907	1,262,291
Gross margin	416,845	399,566
Sales, commissions and other marketing costs	102,600	92,760
General and administrative expenses	67,564	66,261
Net income from unconsolidated entities	(2,751)	(1,929)
Interest income, net	(43)	(1,111)
Other expense/(income), net	595	(4,834)
Income before income taxes	248,880	248,419
Income tax provision	57,719	57,191
Net income before allocation to non-controlling interests	191,161	191,228
Net income attributable to non-controlling interests	(891)	(177)
Net income	\$ 190,270	\$ 191,051
Home closings gross margin	24.0 %	23.9 %
Sales, commissions and other marketing costs as a percentage of home closings revenue, net	6.3 %	5.8 %
General and administrative expenses as a percentage of home closings revenue, net	4.1 %	4.1 %

Non-GAAP Measures

In addition to the results reported in accordance with GAAP, we generally provide our investors with supplemental information relating to: (i) adjusted net income and adjusted earnings per common share, (ii) adjusted income before income taxes and related margin, (iii) adjusted home closings gross margin; (iv) EBITDA and adjusted EBITDA and (v) net homebuilding debt to capitalization ratio.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Adjusted net income, adjusted earnings per common share and adjusted income before income taxes and related margin are non-GAAP financial measures that reflect the net income/(loss) available to the Company, excluding to the extent applicable in a given period, the impact of inventory impairment charges, impairment of investment in unconsolidated entities, pre-acquisition abandonment charges, gains/losses gain/loss on land transfers to joint ventures and extinguishment of debt, net, and legal settlements the Company deems not to be in the ordinary course of business and in the case of adjusted net income and adjusted earnings per common share, the tax impact due to such items.

EBITDA and Adjusted EBITDA are non-GAAP financial measures that measure performance by adjusting net income before allocation to non-controlling interests to exclude, as applicable, interest expense/(income), net, amortization of capitalized interest, income taxes, depreciation and amortization (EBITDA), and non-cash compensation expense, if any, inventory impairment charges, impairment of investment investments in unconsolidated entities, pre-acquisition abandonment charges, gains/losses gain/loss on land transfers to joint ventures, and extinguishment of debt, net, net, and legal settlements that the Company deems not to be in the ordinary course of business, in each case, as applicable in a given period.

Net homebuilding debt to capitalization ratio is a non-GAAP financial measure we calculate by dividing (i) total debt, plus unamortized debt issuance cost/(premium), net, and less mortgage warehouse borrowings, net of unrestricted cash and cash equivalents ("net homebuilding debt"), by (ii) total capitalization (the sum of net homebuilding debt and total stockholders' equity). Adjusted home closings gross margin is a non-GAAP financial measure based on GAAP home closings gross margin (which is inclusive of capitalized interest), excluding inventory impairment charges.

Management uses these non-GAAP financial measures to evaluate our performance on a consolidated basis, as well as the performance of our regions, and to set targets for performance-based compensation. We also use the ratio of net homebuilding debt to total capitalization as an indicator of overall leverage and to evaluate our performance against other companies in the homebuilding industry. In the future, we may include additional adjustments in the above-described non-GAAP financial measures to the extent we deem them appropriate and useful to management and investors.

We believe that adjusted net income, adjusted earnings per common share, adjusted income before income taxes and related margin, as well as EBITDA and adjusted EBITDA are useful for investors in order to allow them to evaluate our operations without the effects of various items we do not believe are characteristic of our ongoing operations or performance and also because such metrics assist both investors and management in analyzing and benchmarking the performance and value of our business. Adjusted EBITDA also provides an indicator of general economic performance that is not affected by fluctuations in interest rates or effective tax rates, levels of depreciation or amortization, or unusual items. 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. We believe that adjusted home closings gross margin is useful to investors because it allows investors to evaluate the performance of our homebuilding operations without the varying effects of items or transactions we do not believe are characteristic of our ongoing operations or performance.

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.

A reconciliation of

Because the company did not experience any material adjustments applicable to (i) adjusted net income and adjusted earnings per common share, share; (ii) adjusted income before income taxes and related margin, margin; or (iii) adjusted home closings gross margin (iv) during the periods presented that would cause such measures to differ from the comparable GAAP measures, such measures have not been separately presented herein.

A reconciliation of (i) EBITDA and adjusted EBITDA and (v) (ii) net homebuilding debt to capitalization ratio to the comparable GAAP measures is presented below.

Adjusted Net Income and Adjusted Earnings Per Common Share

(Dollars in thousands, except per share data)	Three Months Ended September 30,	
	2023	2022
Net income available to TMHC	\$ 170,691	\$ 309,779
Inventory impairments	11,791	—
Gain on land transfers to joint ventures	—	(808)
Loss/(gain) on extinguishment of debt, net	269	(71)
Tax impact due to above non-GAAP reconciling items	(3,060)	205
Adjusted net income	\$ 179,691	\$ 309,105
Basic weighted average number of shares	108,837	112,701
Adjusted earnings per common share - Basic	\$ 1.65	\$ 2.74
Diluted weighted average number of shares	110,622	113,780
Adjusted earnings per common share - Diluted	\$ 1.62	\$ 2.72

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Adjusted Income Before Income Taxes and Related Margin

<i>(Dollars in thousands)</i>	Three Months Ended September 30,	
	2023	2022
Income before income taxes	\$ 228,406	\$ 399,649
Inventory impairments	11,791	—
Gain on land transfers to joint ventures	—	(808)
Loss/(gain) on extinguishment of debt, net	269	(71)
Adjusted income before income taxes	\$ 240,466	\$ 398,770
Total revenue	\$ 1,675,545	\$ 2,034,644
Income before income taxes margin	13.6 %	19.6 %
Adjusted income before income taxes margin	14.4 %	19.6 %

Adjusted Home Closings Gross Margin

<i>(Dollars in thousands)</i>	Three Months Ended September 30,	
	2023	2022
Home closings revenue	\$ 1,611,883	\$ 1,983,775
Cost of home closings	\$ 1,238,999	\$ 1,438,164
Home closings gross margin	\$ 372,884	\$ 545,611
Inventory impairments	11,791	—
Adjusted home closings gross margin	\$ 384,675	\$ 545,611
Home closings gross margin as a percentage of home closings revenue	23.1 %	27.5 %
Adjusted home closings gross margin as a percentage of home closings revenue	23.9 %	27.5 %

EBITDA and Adjusted EBITDA Reconciliation

<i>(Dollars in thousands)</i>	Three Months Ended September 30,	
	2023	2022
Net income before allocation to non-controlling interests	\$ 170,446	\$ 309,231
Interest (income)/expense, net	(5,782)	4,382
Amortization of capitalized interest	32,377	33,774
Income tax provision	57,960	90,418
Depreciation and amortization	2,728	1,484
EBITDA	\$ 257,729	\$ 439,289
Non-cash compensation expense	5,702	5,333
Inventory impairments	11,791	—
Gain on land transfers to joint ventures	—	(808)
Loss/(gain) on extinguishment of debt, net	269	(71)
Adjusted EBITDA	\$ 275,491	\$ 443,743
Total revenue	\$ 1,675,545	\$ 2,034,644
Net income before allocation to non-controlling interests as a percentage of total revenue	10.2 %	15.2 %
EBITDA as a percentage of total revenue	15.4 %	21.6 %
Adjusted EBITDA as a percentage of total revenue	16.4 %	21.8 %

<i>(Dollars in thousands)</i>	Three Months Ended March 31,	
	2024	2023
Net income before allocation to non-controlling interests	\$ 191,161	\$ 191,228
Interest income, net	(43)	(1,111)

Amortization of capitalized interest		23,625		27,649
Income tax provision		57,719		57,191
Depreciation and amortization		3,138		1,790
EBITDA	\$	275,600	\$	276,747
Non-cash compensation expense		5,483		7,533
Adjusted EBITDA	\$	281,083	\$	284,280
Total revenue	\$	1,699,752	\$	1,661,857
Net income before allocation to non-controlling interests as a percentage of total revenue		11.2 %		11.5 %
EBITDA as a percentage of total revenue		16.2 %		16.7 %
Adjusted EBITDA as a percentage of total revenue		16.5 %		17.1 %

Net Homebuilding Debt to Capitalization Ratio Reconciliation

(Dollars in thousands)	As of		
	March 31, 2024	December 31, 2023	March 31, 2023
Total debt	\$ 2,093,499	\$ 2,017,102	\$ 2,301,878
Plus: unamortized debt issuance cost, net	7,935	8,375	10,193
Less: mortgage warehouse borrowings	(183,174)	(153,464)	(146,334)
Total homebuilding debt	\$ 1,918,260	\$ 1,872,013	\$ 2,165,737
Total stockholders' equity	5,426,168	5,332,286	4,846,546
Total capitalization	\$ 7,344,428	\$ 7,204,299	\$ 7,012,283
Total homebuilding debt to capitalization ratio	26.1 %	26.0 %	30.9 %
Total homebuilding debt	1,918,260	1,872,013	2,165,737
Less: cash and cash equivalents	(554,287)	(798,568)	(877,717)
Net homebuilding debt	\$ 1,363,973	\$ 1,073,445	\$ 1,288,020
Total stockholders' equity	\$ 5,426,168	\$ 5,332,286	\$ 4,846,546
Total capitalization	\$ 6,790,141	\$ 6,405,731	\$ 6,134,566
Net homebuilding debt to capitalization ratio	20.1 %	16.8 %	21.0 %

Three months ended March 31, 2024 compared to three months ended March 31, 2023

Ending Active Selling Communities

	As of March 31,		Change
	2024	2023	
East	113	106	6.6 %
Central	93	98	(5.1)%
West	125	120	4.2 %
Total	331	324	2.2 %

The total ending active selling communities increased by seven outlets at March 31, 2024 when compared to March 31, 2023. The increase is primarily due to the timing of community openings, which were partially offset by community close-outs.

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Net Homebuilding Debt to Capitalization Ratio Reconciliation

(Dollars in thousands)	As of	As of	As of
	September 30, 2023	June 30, 2023	September 30, 2022
Total debt	\$ 1,992,077	\$ 2,393,571	\$ 2,729,924
Plus: unamortized debt issuance cost, net	8,815	9,613	11,242
Less: mortgage warehouse borrowings	\$ (191,645)	(249,898)	(146,335)

Total homebuilding debt	\$	1,809,247	\$	2,153,286	\$	2,594,831
Total equity		5,175,110		5,095,313		4,403,466
Total capitalization	\$	6,984,357	\$	7,248,599	\$	6,998,297
Total homebuilding debt to capitalization ratio		25.9 %		29.7 %		37.1 %
Total homebuilding debt	\$	1,809,247	\$	2,153,286	\$	2,594,831
Less: cash and cash equivalents		(613,811)		(1,227,264)		(329,244)
Net homebuilding debt	\$	1,195,436	\$	926,022	\$	2,265,587
Total equity		5,175,110		5,095,313		4,403,466
Total capitalization	\$	6,370,546	\$	6,021,335	\$	6,669,053
Net homebuilding debt to capitalization ratio		18.8 %		15.4 %		34.0 %

Three and nine months ended September 30, 2023 compared to three and nine months ended September 30, 2022

Demand for housing has fluctuated the last several years partially as a result of macro economic conditions relating to inflation, increasing mortgage interest rates, and industry constraints relating to labor and supply shortages. We believe these events had a series of impacts on us including affordability constraints for some consumers and reduced overall consumer confidence which led to an increase in cancellation rates and reduced sales during the prior year. To mitigate these impacts we began to adjust pricing, primarily by offering finance incentives, as well as home discounts and other pricing reductions during the second half of 2022. These pricing adjustments and incentives helped drive an increase in sales orders and a gradual normalization in cancellations beginning in 2023. However, the recent increase in mortgage interest rates during the three months ended September 30, 2023 began to negatively impact our net sales orders in the latter half of the quarter. Operational information related to each period is presented below.

Ending Active Selling Communities

	As of September 30,		Change
	2023	2022	
East	107	118	(9.3)%
Central	94	105	(10.5)%
West	124	103	20.4 %
Total	325	326	(0.3)%

The total ending active selling communities decreased by one at September 30, 2023 compared to September 30, 2022. The increase in the West was due to several master planned community openings, which was offset by community closeouts in the East and Central regions.

Net Sales Orders

(Dollars in thousands)	Three Months Ended September 30,								
	Net Sales Orders ⁽¹⁾			Sales Value ⁽¹⁾			Average Selling Price		
	2023	2022	Change	2023	2022	Change	2023	2022	Change
East	940	1,041	(9.7)%	\$ 559,524	\$ 640,093	(12.6)%	\$ 595	\$ 615	(3.3)%
Central	641	450	42.4 %	374,224	267,681	39.8 %	584	595	(1.8)%
West	1,011	578	74.9 %	680,666	372,223	82.9 %	673	644	4.5 %
Total	2,592	2,069	25.3 %	\$ 1,614,414	\$ 1,279,997	26.1 %	\$ 623	\$ 619	0.6 %

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(Dollars in thousands)	Nine Months Ended September 30,								
	Net Sales Orders ⁽¹⁾			Sales Value ⁽¹⁾			Average Selling Price		
	2023	2022	Change	2023	2022	Change	2023	2022	Change
East	3,066	3,189	(3.9)%	\$ 1,786,988	\$ 1,976,798	(9.6)%	\$ 583	\$ 620	(6.0)%
Central	2,123	1,979	7.3 %	1,248,196	1,294,106	(3.5)%	588	654	(10.1)%
West	3,280	2,509	30.7 %	2,219,056	1,878,886	18.1 %	677	749	(9.6)%
Total	8,469	7,677	10.3 %	\$ 5,254,240	\$ 5,149,790	2.0 %	\$ 620	\$ 671	(7.6)%

(Dollars in thousands)	Three Months Ended March 31,								
	Net Sales Orders ⁽¹⁾			Sales Value ⁽¹⁾			Average Selling Price		
	2024	2023	Change	2024	2023	Change	2024	2023	Change
East	1,295	1,079	20.0 %	\$ 776,861	\$ 644,519	20.5 %	\$ 600	\$ 597	0.5 %
Central	904	674	34.1 %	478,419	384,830	24.3 %	529	571	(7.4) %
West	1,487	1,101	35.1 %	984,483	756,344	30.2 %	662	687	(3.6) %
Total	3,686	2,854	29.2 %	\$ 2,239,763	\$ 1,785,693	25.4 %	\$ 608	\$ 626	(2.9) %

⁽¹⁾Net sales orders and sales value represent the number and dollar value, respectively, of new sales contracts executed with customers, net of cancellations.

Net sales orders and sales value increased 25.3% 29.2% and 25.4% for the three months ended September 30, 2023 and 10.3% for the nine months ended September 30, 2023 March 31, 2024, compared to the same periods period in the prior year, respectively. Beginning The increases were primarily the result of strong sales in third quarter of 2022, certain, larger communities and fewer cancellations across all segments which we believe is as a result of improved buyer confidence, coupled with stabilizing interest rates. We continue to offer our net sales were negatively impacted by the change in economic conditions buyers various incentives, discounts, and home buyer apprehensions due to rising mortgage interest rates and inflationary pressures. However, as both mortgage rates and inflationary pressures were relatively stable in the first half of the year along with our offering of pricing incentives or discounts, net sales improved. In addition, lower cancellation rates for the three months ended September 30, 2023 compared to the same quarter in the prior year financing programs which further contributed to the increase in net sales orders. However, during the three months ended September 30, 2023, mortgage interest rates increased again and our net sales orders began to slow during the second half of the quarter. Average selling prices remained relatively flat decreased by 2.9% for three months ended September 30, 2023 March 31, 2024, but decreased for the nine months ended September 30, 2023 compared to the same periods period in the prior year as a result of an increase in our pricing incentives and/or discounts in certain markets.

Sales Order Cancellations

	Cancellation Rate ⁽¹⁾			
	Three Months Ended September			
	30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
East	8.0 %	9.2 %	8.2 %	7.3 %
Central	14.9 %	22.5 %	16.3 %	12.8 %
West	12.1 %	20.2 %	13.1 %	12.7 %
Total Company	11.4 %	15.6 %	12.3 %	10.6 %

	Cancellation Rate ⁽¹⁾	
	Three Months Ended March 31,	
	2024	2023
East	5.8 %	9.3 %
Central	8.6 %	18.0 %
West	7.1 %	15.8 %
Total Company	7.0 %	14.0 %

⁽¹⁾Cancellation rate represents the number of canceled sales orders divided by gross sales orders.

The total company cancellation rate decreased for the three months ended September 30, 2023 March 31, 2024, but increased for the nine months ended September 30, 2023 compared to the same periods in the prior year. Our cancellations began increasing during the third quarter of 2022 which we believe was due to increasing mortgage interest rates and buyer apprehensions given the elevated macroeconomic uncertainty and affordability constraints for some consumers. As mortgage interest rates have stabilized we believe buyers' confidence has improved and we experienced a decrease in our cancellations for the quarter as compared to the same period in the prior year.

We believe the decrease in cancellations is due to improved buyer confidence as a result of stabilizing macro economic factors such as mortgage interest rates and inflation.

Sales Order Backlog

(Dollars in thousands)	As of September 30,								
	Sold Homes in Backlog ⁽¹⁾			Sales Value			Average Selling Price		
	2023	2022	Change	2023	2022	Change	2023	2022	Change
East	2,421	3,256	(25.6) %	\$ 1,613,188	\$ 2,121,673	(24.0) %	\$ 666	\$ 652	2.1 %
Central	1,464	2,489	(41.2) %	960,269	1,694,111	(43.3) %	656	681	(3.7) %
West	2,233	2,196	1.7 %	1,523,545	1,579,937	(3.6) %	682	719	(5.1) %
Total	6,118	7,941	(23.0) %	\$ 4,097,002	\$ 5,395,721	(24.1) %	\$ 670	\$ 679	(1.3) %

(Dollars in thousands)	Three Months Ended March 31,								
	Sold Homes in Backlog ⁽¹⁾			Sales Value			Average Selling Price		
	2024	2023	Change	2024	2023	Change	2024	2023	Change

East	2,433	2,658	(8.5)%	\$ 1,715,398	\$ 1,775,970	(3.4)%	\$ 705	\$ 668	5.5 %
Central	1,371	1,660	(17.4)%	870,550	1,132,928	(23.2)%	635	682	(6.9)%
West	2,440	1,949	25.2 %	1,662,190	1,328,187	25.1 %	681	681	— %
Total	6,244	6,267	(0.4)%	\$ 4,248,138	\$ 4,237,085	0.3 %	680	676	0.6 %

(1) Sales order backlog represents homes under contract for which revenue has not yet been recognized at the end of the period (including homes sold but not yet started). Some of the contracts in our sales order backlog are subject to contingencies including mortgage loan approval and buyers selling their existing homes, which can result in cancellations.

Total sold homes in backlog and total sales value decreased by 23.0% and 24.1% remained relatively flat at September 30, 2023 March 31, 2024 compared to September 30, 2022, respectively. March 31, 2023. The sold homes decrease in units in the East is primarily due to unique bulk sale transactions to investors during the first quarter of the prior year that were in backlog at September 30, 2022 reflected the strong selling market from 2021 and first half of 2022 along with extended cycle times. March 31, 2023. The sold homes decrease in backlog at September 30, 2023 reflected home closings outpacing net sales orders for units in the trailing twelve months Central region is primarily as a result of improved faster cycle times.

Home Closings Revenue

times and an increase in the number of homes closed in the three months ended March 31, 2024, compared to the same period in the prior year. The increase in backlog units in the West is due to an improvement in the cancellation rate and more active selling communities, partially offset by an increase in the number of homes closed in the three months ended March 31, 2024, compared to the same period in the prior year.

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Three Months Ended September 30,									
(Dollars in thousands)	Homes Closed			Home Closings Revenue, Net			Average Selling Price		
	2023	2022	Change	2023	2022	Change	2023	2022	Change
East	996	1,118	(10.9)%	\$ 572,971	\$ 638,270	(10.2)%	\$ 575	\$ 571	0.7 %
Central	709	835	(15.1)%	423,396	522,247	(18.9)%	597	625	(4.5)%
West	934	1,097	(14.9)%	615,516	823,258	(25.2)%	659	750	(12.1)%
Total	2,639	3,050	(13.5)%	\$ 1,611,883	\$ 1,983,775	(18.7)%	\$ 611	\$ 650	(6.0)%
Nine Months Ended September 30,									
(Dollars in thousands)	Homes Closed			Home Closings Revenue, Net			Average Selling Price		
	2023	2022	Change	2023	2022	Change	2023	2022	Change
East	3,228	3,152	2.4 %	\$ 1,906,862	\$ 1,757,444	8.5 %	\$ 591	\$ 558	5.9 %
Central	2,376	2,277	4.3 %	1,499,420	1,347,828	11.2 %	631	592	6.6 %
West	2,701	3,421	(21.0)%	1,814,943	2,405,932	(24.6)%	672	703	(4.4)%
Total	8,305	8,850	(6.2)%	\$ 5,221,225	\$ 5,511,204	(5.3)%	\$ 629	\$ 623	1.0 %

The

Home Closings Revenue

Three Months Ended March 31,									
(Dollars in thousands)	Homes Closed			Home Closings Revenue, Net			Average Selling Price		
	2024	2023	Change	2024	2023	Change	2024	2023	Change
East	933	1,004	(7.1)%	\$ 541,730	\$ 601,611	(10.0)%	\$ 581	\$ 599	(3.0) %
Central	832	731	13.8 %	472,032	463,394	1.9 %	567	634	(10.6) %
West	966	806	19.9 %	622,493	547,590	13.7 %	644	679	(5.2) %
Total	2,731	2,541	7.5 %	\$ 1,636,255	\$ 1,612,595	1.5 %	599	635	(5.7) %

Home closings revenue, net increased by 1.5% as a result of a 7.5% increase in the number of homes closed, and home closings revenue, net decreased partially offset by 13.5% and 18.7% a 5.7% decrease in average selling price for the three months ended September 30, 2023 March 31, 2024, and 6.2% and 5.3% for the nine months ended September 30, 2023 compared to the same periods in the prior year, respectively. The decreases are primarily driven by slower starts and fewer net sales orders period in the prior year. The decreases for the nine months ended September 30, 2023 were partially offset by increases increase in the East and Central regions which experienced longer number of homes closed is primarily due to improved cycle times during 2022, moving closings across various markets. In addition, the number of quick-move-in homes which sold and closed within the same quarter was higher in the first quarter of the current year compared to the first half of 2023. Several markets in these regions also experienced market appreciation same period in the prior year which increased the year. The decrease in average selling price and is as a result of home closings revenue, net.

mix in addition to higher incentives for the three months ended March 31, 2024, compared to the same period in the prior year.

Land Closings Revenue

Three Months Ended September 30,			
(Dollars in thousands)	2023	2022	Change
East	\$ 4,077	\$ 5,732	\$ (1,655)
Central	10,214	599	9,615
West	—	7,894	(7,894)
Total	\$ 14,291	\$ 14,225	\$ 66

Nine Months Ended September 30,			
(Dollars in thousands)	2023	2022	Change
East	\$ 9,030	\$ 36,482	\$ (27,452)
Central	22,409	3,265	19,144
West	—	26,904	(26,904)
Total	\$ 31,439	\$ 66,651	\$ (35,212)

Three Months Ended March 31,			
(Dollars in thousands)	2024	2023	Change
East	\$ 767	\$ 2,903	\$ (2,136)
Central	6,458	1,617	4,841
West	—	—	—
Total	\$ 7,225	\$ 4,520	\$ 2,705

We generally purchase land and lots with the intent to build and sell homes. However, in some locations where we act as a developer, we occasionally purchase land that includes commercially zoned parcels or areas designated for school or government use, which we typically sell to commercial developers or municipalities, as applicable. We also sell residential lots or land parcels to manage our land and lot supply on larger tracts of land. Land and lot sales occur at various intervals and varying degrees of profitability. Therefore, the revenue and gross margin from land closings will fluctuate from period to period, depending upon market opportunities and our land management strategy. Land closings revenue for the three months ended March 31, 2024 and 2023 was mainly due to lot sales in our Texas markets within our Central region. The prior year had also included lots sales in certain large land transactions, which were not experienced during 2023. The land Florida markets within our East region.

Home Closings Gross Margin

Three Months Ended March 31,								
(Dollars in thousands)	East		Central		West		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023
Home closings revenue, net	\$ 541,730	\$ 601,611	\$ 472,032	\$ 463,394	\$ 622,493	\$ 547,590	\$ 1,636,255	\$ 1,612,595
Cost of home closings	395,328	436,446	349,161	352,229	498,720	438,838	1,243,209	1,227,513
Home closings gross margin	\$ 146,402	\$ 165,165	\$ 122,871	\$ 111,165	\$ 123,773	\$ 108,752	\$ 393,046	\$ 385,082
Home closings gross margin								
%	27.0 %	27.5 %	26.0 %	24.0 %	19.9 %	19.9 %	24.0 %	23.9 %

Consolidated home closings revenue gross margin increased 10 basis points to 24.0% for the three months ended March 31, 2024, compared to 23.9% in the comparable prior year period. The East for region decreased by 50 basis points as a result of closing product mix and an increase in the nine months ended September 30, 2022 was amount of pricing incentives. The 200 basis point increase in the Central region is primarily due to the sale closing product mix which included more closings in certain larger communities with higher gross margins. The West region remained flat due to mix of certain commercial assets as well as the sale of residential lots more homes closed in our Florida market. The land communities with lower home closings revenue gross margin in the West for the nine months ended September 30, 2022 was due current year compared to the sale of a certain project in our Oregon market. prior year which was offset by lower pricing incentives.

Amenity and Other Revenue

Three Months Ended September 30,			
(Dollars in thousands)	2023	2022	Change
East	\$ 5,509	\$ 5,056	\$ 453
Central	—	—	—
West	301	257	44

Corporate		3,516		3,582	(66)
Total	\$	9,326	\$	8,895	\$ 431

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(Dollars in thousands)	Nine Months Ended September 30,		
	2023	2022	Change
East	\$ 17,542	\$ 16,115	\$ 1,427
Central	—	—	—
West	1,037	1,057	(20)
Corporate	9,615	39,345	(29,730)
Total	\$ 28,194	\$ 56,517	\$ (28,323)

Several of our communities operate amenities such as golf courses, club houses, and fitness centers. We provide club members access to the amenity facilities and other services in exchange for club dues and fees. Our Corporate region also includes the activity relating to our Build-To-Rent and Urban Form operations. The amenity and other revenue in Corporate for the nine months ended September 30, 2022 is due to the sale of an asset relating to our Urban Form operations.

Home Closings Gross Margin

(Dollars in thousands)	Three Months Ended September 30,							
	East		Central		West		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022
Home closings revenue, net	\$ 572,971	\$ 638,270	\$ 423,396	\$ 522,247	\$ 615,516	\$ 823,258	\$ 1,611,883	\$ 1,983,775
Cost of home closings	414,752	460,137	314,978	381,181	509,269	596,846	1,238,999	1,438,164
Home closings gross margin	\$ 158,219	\$ 178,133	\$ 108,418	\$ 141,066	\$ 106,247	\$ 226,412	\$ 372,884	\$ 545,611
Home closings gross margin %	27.6 %	27.9 %	25.6 %	27.0 %	17.3 %	27.5 %	23.1 %	27.5 %

(Dollars in thousands)	Nine Months Ended September 30,							
	East		Central		West		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022
Home closings revenue, net	\$ 1,906,862	\$ 1,757,444	\$ 1,499,420	\$ 1,347,828	\$ 1,814,943	\$ 2,405,932	\$ 5,221,225	\$ 5,511,204
Cost of home closings	1,379,990	1,287,670	1,120,006	1,016,006	1,480,753	1,781,072	3,980,749	4,084,748
Home closings gross margin	\$ 526,872	\$ 469,774	\$ 379,414	\$ 331,822	\$ 334,190	\$ 624,860	\$ 1,240,476	\$ 1,426,456
Home closings gross margin %	27.6 %	26.7 %	25.3 %	24.6 %	18.4 %	26.0 %	23.8 %	25.9 %

Consolidated home closings gross margin decreased to 23.1% from 27.5% for the three months ended September 30, 2023, compared to the same period in the prior year and decreased to 23.8% from 25.9% for the nine months ended September 30, 2023 compared to the same period in the prior year. The decreases in home closings gross margin for the three months ended September 30, 2023 compared to the same period in the prior year is primarily as a result of pricing incentives and discounts in all of our segments. In addition, one community in our West region was impacted by inventory impairment as a result of a change in scope directly related to recently changing municipality requirements. Adjusting for inventory impairment, the West's home closings gross margin was 19.2% and consolidated was 23.9% for the three months ended September 30, 2023.

The increases in home closings gross margin in the East and Central regions for the nine months ended September 30, 2023 compared to the same periods in the prior year are as a result of price appreciation in several of the markets at the time the homes were sold (late 2021 and 2022). The decrease in home closings gross margin in our West region for the nine months ended September 30, 2023 compared to the same period in the prior year is a result of the pricing incentives and discounts which were above the company average for the first half of the current year as well as the inventory impairment noted above. Adjusting for such impairment, the West's home closings gross margin was 19.1% and consolidated was 24.0% for the nine months ended September 30, 2023.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Financial Services

The following is a summary for the periods presented of our financial services income before income taxes as well as supplemental data:

(Dollars in thousands)	Three Months Ended			Nine Months Ended		
	September 30,			September 30,		
	2023	2022	Change	2023	2022	Change
Mortgage services revenue	\$ 31,089	\$ 18,291	70.0 %	\$ 87,637	\$ 71,792	22.1 %
Title services and other revenues	8,956	9,458	(5.3) %	29,471	26,627	10.7 %
Total financial services revenue	40,045	27,749	44.3 %	117,108	98,419	19.0 %
Financial services net income from unconsolidated entities	1,671	546	206.0 %	7,205	4,799	50.1 %
Total revenue	41,716	28,295	47.4 %	124,313	103,218	20.4 %
Financial services expenses	23,128	20,395	13.4 %	70,618	66,092	6.8 %
Financial services income before income taxes	\$ 18,588	\$ 7,900	135.3 %	\$ 53,695	\$ 37,126	44.6 %
<u>Total originations:</u>						
Number of Loans	1,742	1,551	12.3 %	5,291	4,728	11.9 %
Principal	\$ 813,929	\$ 701,323	16.1 %	\$ 2,500,799	\$ 2,108,122	18.6 %
	Three Months Ended			Nine Months Ended		
	September 30,			September 30,		
	2023	2022		2023	2022	
Supplemental data:						
Average FICO score		753			754	
<u>Funded origination breakdown:</u>						
Government (FHA,VA,USDA)		20 %		18 %	18 %	17 %
Other agency		76 %		75 %	77 %	77 %
Total agency		96 %		93 %	95 %	94 %
Non-agency		4 %		7 %	5 %	6 %
Total funded originations		100 %		100 %	100 %	100 %

	Three Months Ended		
	March 31,		
	2024	2023	Change
(Dollars in thousands)			
Mortgage services revenue	\$ 37,272	\$ 25,603	45.6 %
Title services and other revenues	9,687	9,546	1.5 %
Total financial services revenue	46,959	35,149	33.6 %
Financial services net income from unconsolidated entities	2,897	2,275	27.3 %
Total revenue	49,856	37,424	33.2 %
Financial services expenses	25,143	22,148	13.5 %
Financial services income before income taxes	\$ 24,713	\$ 15,276	61.8 %
Total originations:			
Number of Loans	1,896	1,531	23.8 %
Principal	\$ 876,572	\$ 718,279	22.0 %

	Three Months Ended	
	March 31,	
	2024	2023
Supplemental data:		
Average FICO score		751
Funded origination breakdown:		
Government (FHA,VA,USDA)		21.9 %
Other agency		75.3 %
Total agency		97.2 %
Non-agency		2.8 %
Total funded originations		100.0 %

Total financial services revenue increased by 44.3% and 19.0% 33.6% for the three and nine months ended September 30, 2023 March 31, 2024 compared to the same periods period in the prior year, respectively, year. The increases are primarily due to increase in total financial services revenue was a result of an increase in mortgage originations the average amount borrowed per loan, as well

as and the revenue earned on the sale of loans.

Sales, Commissions and Other Marketing Costs

Sales, commissions and other marketing costs, as a percentage of home closings revenue, net, increased to 6.1% 6.3% from 4.8% and to 5.8% from 5.1% for the three and nine months ended September 30, 2023 March 31, 2024 compared to the same periods period in the prior year. The increase was primarily due to an increase in external commissions costs and increased advertising costs in an effort to generate maintain sales traffic, along with a decrease in home closings revenue, net.

traffic.

General and Administrative Expenses

General and administrative expenses as a percentage of home closings revenue, net, increased to 4.3% from 2.6% and to 3.9% from 3.4% remained flat for the three and nine months ended September 30, 2023 March 31, 2024 compared to the same periods period in the prior year. The increase was primarily due year as a result of our continuous efforts to the decrease in home closings revenue, net, along with an increase in payroll related expenses.

maintain stable operating costs.

Net (Income)/Loss Income from Unconsolidated Entities

Net income from unconsolidated entities was \$1.9 million \$2.8 million and \$7.0 million \$1.9 million for the three and nine months ended September 30, 2023, respectively, while net loss from unconsolidated entities was \$1.2 million March 31, 2024 and \$3.0 million for the three and nine months ended September 30, 2022, 2023, respectively. Our joint ventures relating to our financial services segment experienced an increase in income for the three and nine months ended September 30, 2023 March 31, 2024 compared to the same period in the prior year. In addition,

Interest Income, Net

Interest income, net was \$43.0 thousand and \$1.1 million for the nine three months ended September 30, 2022 included impairment charges for one March 31, 2024 and 2023, respectively. Interest income, net includes interest earned on cash balances offset by interest incurred but not capitalized on our debt relating to land banking arrangements. The decrease in interest income, net was primarily due to an increase in the amount of our unconsolidated joint ventures.

non-capitalizable interest expense relating to such land banking arrangements.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Interest

Other Expense/(Income)/Expense, Net

Interest income,

Other expense/(income), net was \$5.8 million and \$12.0 million \$0.6 million of expense for the three and nine months ended September 30, 2023, respectively, March 31, 2024 and interest expense, net was \$4.4 million and \$13.8 million for the three and nine months ended September 30, 2022 . The net interest \$4.8 million of income for the three and nine months ended September 30, 2023 was primarily due to higher cash balances and an increase in the interest rates earned on such balances.

Other Expense/(Income), Net

Other expense, net was \$3.0 million and \$6.7 million for the three and nine months ended September 30, 2023, respectively, and March 31, 2023. The other expense, net was \$5.8 million and other income, net was \$4.7 million for the three and nine months ended September 30, 2022, respectively. The net expense in the current year period was primarily related to an increase in self-insurance reserves for the first three quarters of the year. For the three months ended September 30, 2022, net other expense was largely related to the write off of pre-acquisition costs during the period. For the nine months ended September 30, 2022, net costs. The other income, was net in the prior year period primarily related to gains a recovery on land transferred at fair value a previously written-off deposit as part of investments in two joint ventures with third parties.

Loss/(Gain) on Extinguishment of Debt, Net

Loss on extinguishment of debt, net was \$0.3 million for the three and nine months ended September 30, 2023, while gain on extinguishment of debt, net was \$0.1 million and \$13.5 million for the three and nine months ended September 30, 2022. The loss for the three and nine months ended September 30, 2023 was due to the redemption of our 2024 Senior Notes in September 2023. This gain for the three and nine months ended September 30, 2022 was due to the tender offer and purchase of our 6.625% Senior Notes due 2027 in June 2022, which we completed in July of 2022.

well as other income earned from non-core operations.

Income Tax Provision

The effective tax rate for the three and nine months ended September 30, 2023 March 31, 2024 was 25.4% and 24.7% 23.2%, respectively, compared to 22.6% and 23.8%, respectively, 23.0% for the same periods period in 2022.

2023. For the three and nine months ended September 30, 2023 and 2022, March 31, 2024, the effective tax rate differed from the U.S. federal statutory income tax rate primarily due to state income taxes, non-deductible executive compensation, excess tax benefits related to state income taxes, excess tax benefits related to stock-based compensation, and special deductions and credits related to

Substantially all of our cash currently on deposit with other major financial institutions exceeds insured limits. We limit exposure relating to our short-term financial instruments by diversifying these financial instruments among various counterparties, which consist of major financial institutions. Generally, deposits may be redeemed on demand and are maintained with financial institutions with reputable credit.

The table below summarizes our total cash and liquidity as of the dates indicated (in thousands):

(Dollars in thousands)	As of	
	September 30, 2023	December 31, 2022
Total cash and cash equivalents, excluding restricted cash	\$ 613,811	\$ 724,488
\$1 Billion Revolving Credit Facility availability	1,000,000	1,000,000
\$100 Million Revolving Credit Facility availability	100,000	100,000
Letters of credit outstanding	(70,426)	(69,249)
Revolving Credit Facilities availability	1,029,574	1,030,751
Total liquidity	\$ 1,643,385	\$ 1,755,239

(Dollars in thousands)	As of	
	March 31, 2024	December 31, 2023
Total cash, excluding restricted cash	\$ 554,287	\$ 798,568
\$1 Billion Revolving Credit Facility availability	1,000,000	1,000,000
\$100 Million Revolving Credit Facility availability	100,000	100,000
Letters of credit outstanding	(59,894)	(61,181)
Revolving Credit Facilities availability	1,040,106	1,038,819
Total liquidity	\$ 1,594,393	\$ 1,837,387

We believe we have adequate capital resources from cash generated from operations and sufficient access to external financing sources under our Revolving Credit Facilities to conduct our operations for the next twelve months. Beyond the next twelve months, our primary demand for funds will be for payments of our long-term debt as it becomes due, land purchases, lot development, home and amenity construction, long-term capital investments, investments in our joint ventures, payments of ongoing operating expenses, and repurchases of common stock. We believe we will generate sufficient cash from our operations to meet the demands for such payments, however we may also access the capital markets to obtain additional liquidity through debt and equity offerings or refinance debt to secure capital for such long-term

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

demands. As part of our operations, we may also from time to time purchase our outstanding debt or equity through open market purchases, privately negotiated transactions or otherwise. Purchases or retirement of debt and/or purchases or equity, if any, will depend on prevailing market conditions, liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Cash Flow Activities

Operating Cash Flow Activities

Our net cash used in operating activities was \$130.7 million for the three months ended March 31, 2024, compared to net cash provided by operating activities was \$550.6 million of \$347.4 million for the nine three months ended September 30, 2023, compared to \$460.0 million for the nine months ended September 30, 2022 March 31, 2023. The increase change in cash provided by used in operating activities is primarily driven by a significant decrease due to an increase spend in spend on real estate inventory and land deposits during as well as our mortgage loans held for sale. For the nine three months ended September 30, 2023 compared to the same period in the prior year partially offset by reduced cash provided by mortgages March 31, 2024, our mortgage loans held for sale and lower net income balance increased, while for the three months ended March 31, 2023, our mortgage loans held for sale balance decreased, resulting in the current year.

a cash inflow.

Investing Cash Flow Activities

Net cash used in investing activities was \$94.1 million \$33.0 million for the nine three months ended September 30, 2023 March 31, 2024, compared to \$18.8 million \$24.6 million for the nine three months ended September 30, 2022 March 31, 2023. The increase in cash used in investing activities was primarily due to a net investment of \$47.1 million an increase in investments of capital into unconsolidated entities in the nine months ended September 30, 2023 compared to a net distribution of \$3.7 million of capital from unconsolidated entities in the prior year period.

entities.

Financing Cash Flow Activities

Net cash used in financing activities was \$568.5 million \$85.9 million for the nine three months ended September 30, 2023 March 31, 2024, compared to \$947.7 million \$165.1 million for the nine three months ended September 30, 2022 March 31, 2023. The decrease in cash used in financing activities was primarily due to lower net repayments on our mortgage warehouse facilities loans payable and other which had net borrowings senior notes and mortgage warehouse facilities in the first quarter of 2024 compared to net repayments during the nine same period in the prior year. This was

partially offset by higher repurchases of common stock, including our accelerated share repurchase program, during the three months ended September 30, 2023 March 31, 2024 compared to the same period in the prior year as well as significantly lower repurchases of Common Stock during the nine months ended September 30, 2023 compared to the same period in the prior year.

Debt Instruments

For information regarding our debt instruments, including the terms governing our senior notes and our Revolving Credit Facilities, see Note 7 - Debt to the Unaudited Condensed Consolidated Financial Statements consolidated financial statements included in this quarterly report.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Off-Balance Sheet Arrangements as of September 30, 2023

March 31, 2024

Investments in Land Development and Homebuilding Joint Ventures or Unconsolidated Entities

We participate in strategic land development and homebuilding joint ventures with related and unrelated third parties. Our participation with these entities, in some instances, enables us to acquire land to which we could not otherwise obtain access, or could not obtain access on terms that are as favorable. Our partners in these joint ventures historically have been land owners/developers, other homebuilders, and financial or strategic partners. Joint ventures with land owners/developers have given us access to sites owned or controlled by our partners. Joint ventures with other homebuilders have provided us with the ability to bid jointly with our partners for large or expensive land parcels. Joint ventures with financial partners have allowed us to combine our homebuilding expertise with access to our partners' capital.

In certain of our unconsolidated joint ventures, the joint ventures enter into loan agreements, whereby we or one of our subsidiaries will provide the joint venture lenders with customary guarantees, including completion, indemnity and environmental guarantees subject to usual non-recourse terms.

For the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023, total cash contributions to investments of capital into unconsolidated joint ventures were \$47.8 million \$23.9 million and \$91.8 million \$11.1 million, respectively.

Land Option Contracts and Land Banking Agreements

We are subject to the usual obligations associated with entering into contracts (including land option contracts and land banking arrangements) for the purchase, development, and sale of real estate in our routine business. We have a number of land purchase option contracts and land banking agreements, generally through cash deposits, for the right to purchase land or lots at a future point in time with predetermined terms. We do not have title to the property and the creditors of the property owner generally have no recourse to the Company. Our exposure obligations with respect to such contracts are generally limited to the forfeiture of the related non-refundable cash deposits and/or letters of credit provided to obtain the options. The aggregate purchase price for land under these contracts was \$1.6 billion at September 30, 2023 and \$1.5 billion at December 31, 2022 March 31, 2024 and December 31, 2023.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Seasonality

Our business is seasonal. We have historically experienced, and in the future expect to continue to experience, variability in our results on a quarterly basis. We generally have more homes under construction, close more homes and have greater revenues and operating income in the third and fourth quarters of the year. Therefore, although new home contracts are obtained throughout the year, a higher portion of our home closings occur during the third and fourth calendar quarters. Our revenue therefore may fluctuate significantly on a quarterly basis, and we must maintain sufficient liquidity to meet short-term operating requirements. Factors expected to contribute to these fluctuations include:

- the timing of the introduction and start of construction of new projects;
- the timing of sales;
- the timing of construction;
- the mix of homes closed;

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- mix of homes closed;
- construction timetables;
- the cost and availability of materials and labor; and
- weather conditions in the markets in which we build.

As a result of seasonal activity, our quarterly results of operations and financial position are not necessarily representative of the results we expect for the full year.

Inflation

We and the homebuilding industry in general may be adversely affected during periods of high inflation, primarily because of higher land, financing, labor and construction material costs. In addition, higher mortgage interest rates can significantly affect the affordability of mortgage financing to prospective homebuyers. We attempt to pass through to our customers buyers increases in our costs through increased sales prices. However, during periods of soft housing market conditions, we may not be able to offset our cost increases with higher selling prices.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Critical Accounting Policies and Estimates

There have been no significant changes to our critical accounting policies and estimates during the nine three months ended September 30, 2023 March 31, 2024 compared to those disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report.

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Our operations are interest rate sensitive. We monitor our exposure to changes in interest rates and incur both fixed rate and variable rate debt. At September 30, 2023 March 31, 2024, approximately 90% 91% of our debt was fixed rate and 10% 9% was variable rate. None of our market sensitive instruments were entered into for trading purposes. For fixed rate debt, changes in interest rates generally affect the fair value of the debt instrument, but not our earnings or cash flows. Conversely, for variable rate debt, changes in interest rates generally do not impact the fair value of the debt instrument but may affect our future earnings and cash flows, and may also impact our variable rate borrowing costs, which principally relate to any borrowings under our Revolving Credit Facilities and to borrowings by TMHF under its various mortgage warehouse facilities. As of September 30, 2023 March 31, 2024, we had no outstanding borrowings under our Revolving Credit Facilities. We had

approximately \$1.0 billion of additional availability for borrowings under the Revolving Credit Facilities including \$129.6 million \$140.1 million of additional availability for letters of credit under our \$1 Billion Revolving Credit Facility as of September 30, 2023 March 31, 2024 (giving effect to \$70.4 million \$59.9 million of letters of credit outstanding as of such date).

The London Interbank Offered Rate ("LIBOR") was historically the primary basis for determining interest payments on borrowings under each of our

Our mortgage warehouse facilities and our Revolving Credit Facilities. ICE Benchmark Administration ("IBA") no longer publishes the Overnight, 1, 3, 6 and 12 month US Dollar LIBOR. The Alternative Reference Rates Committee, which was convened by the Federal Reserve Board and the New York Federal Reserve, has identified the Secured Overnight Financing Rate ("SOFR") as the recommended risk-free alternative rate for US Dollar LIBOR. In response to the planned discontinuation of LIBOR, our warehouse facilities agreements for facilities A, C, D, and E as well as our Revolving Credit Facilities have been restructured to begin using use SOFR as the basis for determining interest rates. At this time, it is not possible to predict the full effect that the discontinuance of LIBOR, or the establishment of alternative reference rates such as SOFR, will have on us or our borrowing costs. SOFR is a relatively new reference rate and its composition and characteristics are not the same as LIBOR. Given the limited history of this rate and potential volatility as compared to other benchmark or market rates, the future performance of this rate cannot be predicted based on historical performance. The consequences of using SOFR could include an increase in the cost of our variable rate indebtedness.

We are required to offer to purchase all of our outstanding senior unsecured notes, as described in Note 7- 8 - Debt to the Unaudited Condensed Consolidated Financial Statements included in this quarterly report, our Annual Report, at 101% of their aggregate principal amount plus accrued and unpaid interest upon the occurrence of specified change of control events. Other than in those circumstances, we do not have an obligation to prepay fixed rate debt prior to maturity and, as a result, we would not expect interest rate risk and changes in fair value to have a significant impact on our cash flows related to our fixed rate debt until such time as we are required to refinance, repurchase or repay such debt.

The following table sets forth principal payments by scheduled maturity and effective weighted average interest rates and estimated fair value of our debt obligations as of September 30, 2023 March 31, 2024. The interest rate for our variable rate debt represents the interest rate on our mortgage warehouse facilities. Because the mortgage warehouse facilities are secured by certain mortgage loans held for sale which are typically sold within approximately 20 - 30 days, its outstanding balance is included as a variable rate maturity in the most current period presented.

(In millions, except percentage data)	Expected Maturity Date							Fair Value
	2023	2024	2025	2026	2027	Thereafter	Total	
Fixed Rate Debt	\$ 54.1	\$ 141.7	\$ 75.7	\$ 44.6	\$ 543.1	\$ 950.0	\$ 1,809.2	\$ 1,688.5
Weighted average interest rate ⁽¹⁾	3.0 %	3.0 %	3.0 %	3.0 %	5.5 %	5.6 %	5.1 %	
Variable Rate Debt ⁽²⁾	\$ 191.6	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 191.6	\$ 191.6
Weighted average interest rate	6.9 %	—	—	—	—	—	6.9 %	

(In millions, except percentage data)	Expected Maturity Date							Fair Value
	2024	2025	2026	2027	2028	Thereafter	Total	
Fixed Rate Debt	\$ 176.3	\$ 132.3	\$ 84.7	\$ 562.7	\$ 458.1	\$ 504.2	\$ 1,918.3	\$1,888.3
Weighted average interest rate ⁽¹⁾	3.6 %	3.6 %	3.6 %	5.5 %	5.6 %	5.6 %	5.1 %	
Variable Rate Debt ⁽²⁾	\$ 183.2	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 183.2	\$183.2
Weighted average interest rate	6.9 %	— %	— %	— %	— %	— %	6.9 %	

⁽¹⁾Represents the coupon rate of interest on the full principal amount of the debt.
⁽²⁾Based upon the amount of variable rate debt outstanding at September 30, 2023 March 31, 2024, and holding the variable rate debt balance constant, each 1% increase in interest rates would increase the interest incurred by us by approximately \$1.9 million \$1.8 million per year.

ITEM 4. CONTROLS AND PROCEDURES

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of the end of the period covered by this quarterly report, we carried out an evaluation, under the supervision and with the participation of our principal executive officer, principal financial officer and principal accounting officer, of the effectiveness of the design and operation of the Company's our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), amended. Based on this evaluation, as of September 30, 2023 March 31, 2024 our principal executive officer, principal financial officer and principal accounting officer concluded that our disclosure controls and procedures were effective in alerting them in a timely manner to material information required to be disclosed in our periodic and other reports filed with the SEC.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting during the quarter ended September 30, 2023 March 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The information required with respect to this item can be found in Note 13 - Commitments and Contingencies under "Legal Proceedings" in the Notes to the Unaudited Condensed Consolidated Financial Statements included in this quarterly report.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors set forth in Part I, Item 1A of our Annual Report. These risk factors may materially affect our business, financial condition or results of operations. You should carefully consider the risk factors set forth in our Annual Report and the other information set forth elsewhere in this quarterly report. You should be aware that these risk factors and other information may not describe every risk facing our Company.

TAYLOR MORRISON HOME CORPORATION 10-Q

PART II — OTHER INFORMATION

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS AND ISSUER PURCHASES OF EQUITY SECURITIES

On May 31, 2022 December 15, 2023, we announced that our Board of Directors had authorized the repurchase of up to \$500.0 million \$500.0 million of the Company's Common Stock through December 31, 2023 December 31, 2025. As of September 30, 2023 March 31, 2024, we had approximately \$175.6 million \$402.8 million of available capacity remaining under the repurchase program. Repurchases of the Company's Common Stock under the program will occur from time to time, if at all, in open market purchases, privately negotiated transactions or other transactions. The table below sets forth information regarding repurchases by the Company of its Common Stock during the three months ended September 30, 2023.

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs (in thousands)
July 1 to July 31, 2023	—	\$ —	—	\$ 275,570
August 1 to August 31, 2023	1,032,911	46.52	1,032,911	227,523
September 1 to September 30, 2023	1,136,746	45.70	1,136,746	175,570
Total	2,169,657		2,169,657	

Any transactions. The stock repurchase program is subject to prevailing market conditions and other considerations, including our liquidity, the terms of our debt instruments, statutory legal requirements, planned land investment and development spending, acquisition and other investment opportunities and ongoing capital requirements. The program does not require us the Company to repurchase any specific number of shares of Common Stock, and the program may be suspended, extended, modified or discontinued at any time. The table below sets forth information regarding repurchases by the Company of its Common Stock during the three months ended March 31, 2024.

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs (in thousands)
January 1 to January 31, 2024	461,801	51.78	461,801	\$ 470,578
February 1 to February 29, 2024	166,829	52.62	166,829	461,799
March 1 to March 31, 2024 ⁽¹⁾	862,855	56.74	862,855	402,840
Total	1,491,485	54.74	1,491,485	\$ 402,840

In March 2024, the Company entered into an accelerated share repurchase agreement (the “ASR Agreement”) in which the Company paid a third-party financial institution \$50 million and received an initial delivery of 705,343 shares of Common Stock, representing 80% of the transaction value based on the Company’s closing share price on March 5, 2024. The total number of shares that the Company will ultimately repurchase under the ASR Agreement and the average purchase price per share will be determined based on the volume-weighted average price of the Common Stock during the term of the ASR Agreement, less a discount and subject to adjustments pursuant to the terms and conditions of the ASR Agreement. Final settlement of the ASR Agreement is expected to occur no later than the third quarter of 2024.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

On March 15, 2024, Lyon Shareholder 2012, LLC and the William Harwell Lyon Separate Property Trust dated 07/28/2000 adopted a trading plan intended to satisfy the affirmative defense of Rule 10b5-1(c) of the Securities Exchange Act of 1934. William H. Lyon, a member of our Board of Directors, is manager of Lyon Shareholder 2012, LLC and trustee of the William Harwell Lyon Separate Property Trust dated 07/28/2000. Such trading plan provides for an aggregate sale of up to 2,735,000 shares of the Common Stock, less shares of Common Stock sold under prior 10b5-1 trading plans previously adopted by such entities, between June 14, 2024 and June 3, 2025.

During the three months ended March 31, 2024 none of the Company’s other directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

TAYLOR MORRISON HOME CORPORATION 10-Q

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PART II — OTHER INFORMATION

ITEM 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS

On April 24, 2024, [Louis Steffens](#), our Executive Vice President of [Contents](#)

Strategic and Operational Initiatives and Former Chief Financial Officer, informed the Company of his decision to retire from the Company effective April 30, 2024.

TAYLOR MORRISON HOME CORPORATION 10-Q

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ITEM 6. EXHIBITS

ITEM 6. EXHIBITS

Exhibit No.	Description
Exhibit No.	Description
3.1	Amended and Restated Certificate

	of Incorporation in (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 30, 2019).
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3.2	Amended and Restated By-laws (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on March 7, 2023).
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10.1*†	Amended and Restated Employment Agreement, dated July 24, 2023, between Taylor Morrison, Inc. and Curt VanHyfte
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31.1*	Certification of Sheryl D. Palmer, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of
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	2002.
31.2*	Certification of Curt VanHyfte., Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Sheryl D. Palmer., Chief Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Curt VanHyfte., Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	<p>Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document</p>

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101.SCH*		Inline XBRL Taxonomy Extension Schema Document. Documen t With Embedde d Linkbase Documen ts
101.CAL*		Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*		Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*		Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	
1	Cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024, formatted in inline XBRL (and	
0	contained in Exhibit 101).	
4		

* Filed herewith

** Furnished herewith

† Management contract or compensatory plan in which directors and/or executive officers are eligible to participate.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them other than for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

TAYLOR MORRISON HOME CORPORATION 10-Q

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.
authorized.

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DATE: October 25, 2023 April 30, 2024

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TAYLOR MORRISON HOME CORPORATION 10-Q

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CEO CERTIFICATION

Execution Copy

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

PURSUANT TO SECTION 302 OF THE

This Amended and Restated Employment Agreement (the "Agreement") entered into on July 24, 2023 (the "Effective Date"), is made by and between Curt VanHyfte (the "Executive") and Taylor Morrison, Inc., a Delaware corporation (the "Company").
I, Sheryl D. Palmer, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarterly period ended September 30, 2023 March 31, 2024 of Taylor Morrison Home Corporation;

A. It is the desire of the Company to assure itself of the continued services of the Executive by continuing to engage the Executive to perform services under the terms hereof. 36

B. The Executive desires to continue to provide services to the Company and to Taylor Morrison Home Corporation, a Delaware corporation and the indirect parent of the Company (including any successor parent, TMHC) on the terms herein provided.

C. The Executive and the Company are parties to that certain Employment Agreement, dated November 30, 2021, as amended as of August 1, 2022 (the "Prior Agreement").

D. This Agreement is intended to supersede any prior agreements or understandings, whether formal or informal, between the Executive and the Company or any of its Affiliates (as defined below), including the Prior Agreement.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below, the parties hereto agree as follows:

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

1. **Certain Definitions:**

(a) "Accountants" shall have the meaning set forth in Section 11(b).

(b) "Accrued Obligations" shall have the meaning set forth in Section 5(a).

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(c) "Action" shall have the meaning set forth in Section 9.

(d) "Affiliate" shall have meaning ascribed thereto in the Equity Plan.

(e) "Agreement" shall have the meaning set forth in the preamble hereto.

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(g) "Annual Bonus" shall have the meaning set forth in Section 3(b).

(h) "Board" shall mean the Board of Directors of TMHC.

c) Even if the Company shall have a cause to terminate the Executive's employment pursuant to Section 4(a)(ii)-(vi) hereunder upon (i) a material breach by the Executive of this Agreement, any award agreement executed by the Executive and issued under the Equity Plan or any policy of the Company or its Affiliates; provided, that, the Company shall permit the Executive up to fifteen

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(15) days after notice from the Company to cure such breach if reasonably susceptible to cure; (ii) the Executive's gross negligence or willful misconduct, which is injurious to the Company or any of its Affiliates, provided, that, the Company shall permit the Executive up to fifteen (15) days after notice from the Company to cure such breach if reasonably susceptible to cure; or (iii) the Executive's conviction of, or guilty plea (or plea of *nolo contendere*) or confession to, a felony or other crime involving dishonesty, fraud, breach of any fiduciary obligation to the Board or any equity holder of TMHC, or unethical business conduct.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(k) "Change in Control" shall have the meaning set forth in the Equity Plan.

(l) "Code" shall mean the Internal Revenue Code of 1986, as amended.

a) All information shall, except as otherwise provided in Sections 6 and 7, have the meaning set forth in the preamble hereto.

(n) "Confidential Information" shall have the meaning set forth in Section 7(a).

(o) "Date of Termination" shall mean (i) if the Executive's employment is terminated by the Executive's death, the date of the Executive's death, or (ii) if the Executive's employment is terminated pursuant to Section 4(a)(ii)-(vi), the date specified or otherwise effective pursuant to Section 4(b).

(p) "Disability" shall mean the disability of the Executive caused by any physical or mental injury, illness or incapacity as a result of which the Executive has been unable to effectively perform the essential functions of the Executive's duties for a continuous period of at least one hundred eighty (180) days. If any question shall arise as to whether a Disability exists, the Executive may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company to determine whether a Disability exists and such determination shall for the purposes of the Agreement be conclusive of the issue. If such question shall arise and the Executive shall fail to submit to such medical examination, the Company's determination of the issue shall be binding on the Executive.

By:

(q) "Effective Date" shall have the meaning set forth in the preamble hereto.

(r) "Equity Plan" shall mean the Taylor Morrison Home Corporation 2013 Omnibus Equity Award Plan, as amended from time to time, or any successor plan thereto.

(s) "Excise Tax" shall have the meaning set forth in Section 11(a).

(t) "Executive" shall have the meaning set forth in the preamble hereto.

(u) "Full Payment" shall have the meaning set forth in Section 11(a).

(v) The Executive shall have "Good Reason" to resign from employment pursuant to Section 4(a)(v) in the event that any of the following actions are taken by the Company or any of its Affiliates without the Executive's consent: (i) any material diminution in the nature or status of the Executive's title, duties, responsibilities or authority, including by reason of the Executive's no longer being the most senior employee responsible for oversight of the finances of a publicly traded company following a Change in Control, (ii) any material diminution in the Executive's Annual Base Salary or Target Bonus, other than a decrease in base salary or bonus opportunity that applies to a similarly situated class of employees of the Company or its Affiliates, (iii) a material breach of the Company's obligations under this Agreement, or (iv) a change of the Executive's principal place of employment to a location more than fifty (50) miles from its present location (which change increases the Executive's one-way commute); provided, however, that none of the events described in the foregoing clauses shall constitute Good Reason unless the Executive has notified the Company in writing describing the events that constitute Good Reason within ninety (90) days following the first occurrence of such events and then only if the Company fails to cure such events within thirty (30) days after the Company's receipt of such written notice, and the Executive shall have terminated the Executive's employment with the Company promptly following the expiration of such cure period.

(w) "Inventions" shall have the meaning set forth in Section 7(c).

(x) "Notice of Termination" shall have the meaning set forth in Section 4(b).

(y) "Person" shall mean an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

(z) "Proprietary Rights" shall have the meaning set forth in Section 7(c).

(aa) "Reduced Payment" shall have the meaning set forth in Section 11(a).

(bb) "Section 409A" shall have the meaning set forth in Section 10(a).

(cc) "Severance Payments" shall have the meaning set forth in Section 5(b)(i).

(dd) "Severance Period" shall have the meaning set forth in Section 5(b)(i).

(ee) "Target Bonus" shall have the meaning set forth in Section 3(b).

(ff) "Term" shall have the meaning set forth in Section 2(b).

(gg) "TMHC" shall have the meaning set forth in the preamble hereto.

(hh) "Transaction Payment" shall have the meaning set forth in Section 11(a).

2. Employment.

(a) **In General.** The Company shall continue to employ the Executive, and the Executive shall continue in the employ of the Company, for the period set forth in Section 2(b), in the position set forth in Section 2(c), and upon the other terms and conditions herein provided.

(b) **Term of Employment.** The term of employment (the "Term") under this Agreement shall be for the period beginning on the Effective Date and ending on the Date of Termination.

(c) **Position and Duties.**

(i) **Position.** During the Term, the Executive shall serve as Executive Vice President and Chief Financial Officer of the Company and TMHC, with duties, responsibilities and authority customary for such position and as may be reasonably assigned by the Board or the Chief Executive Officer of TMHC from time to time. Such duties, responsibilities and authority may include services for one or more subsidiaries or Affiliates of the Company. The Executive shall report to the Chief Executive Officer of TMHC. The Executive agrees to observe and comply with the Company's and its Affiliates' rules and policies as adopted from time to time. The Executive shall devote the Executive's full business time, skill, attention and best efforts to the performance of the Executive's duties hereunder; provided, however, that the Executive shall be entitled to manage the Executive's personal, financial and legal affairs, or reasonably engage in charitable endeavors, so long as such activities do not interfere with the Executive's performance of the Executive's duties and responsibilities to the Company and its Affiliates as provided hereunder, are not in conflict with the business interests of the Company or its Affiliates and do not otherwise compete with the business of the Company or its Affiliates. For the

avoidance of doubt, except as specifically provided in this Section 2(c), during the Term, the Executive shall not be permitted to become engaged in or render services for any Person other than the Company and its Affiliates without the consent of the Board.

(ii) **Principal Office.** During the Term, the principal place of the Executive's employment shall be the Company's corporate headquarters in Scottsdale, Arizona. The Executive shall perform the Executive's duties and responsibilities to the Company at such principal place of employment and at such other location(s) to which the Company may reasonably require the Executive to travel for Company business purposes.

3. **Compensation and Related Matters.**

(a) **Annual Base Salary.** During the Term, the Executive shall receive a base salary at a rate of five hundred fifty thousand dollars (\$550,000) per annum, which shall be paid in accordance with the customary payroll practices of the Company, subject to review and adjustment in accordance with the Company's or TMHC's compensation policies and practices, overall financial condition and other business factors (the "**Annual Base Salary**"). As soon as practicable following the Effective Date, the Company shall make a lump sum cash payment to the Executive equal to the additional base salary amounts that the Executive would have received if the Annual Base Salary rate provided under this Agreement had been in effect since May 1, 2023.

(b) **Annual Bonus.** With respect to each calendar year that ends during the Term, the Executive shall be eligible to receive an annual cash bonus (the "**Annual Bonus**") under TMHC's annual bonus program, with a target Annual Bonus amount equal to one hundred fifty percent (150%) of the Annual Base Salary (the "**Target Bonus**"). The Executive's actual Annual Bonus for a given year, if any, shall be determined by the Board (or a subcommittee thereof) on the basis of the Executive's, the Company's and/or TMHC's attainment of objective financial and/or other

subjective or objective criteria established by the Board (or a subcommittee thereof). Each such Annual Bonus shall be payable at such time and in such manner that annual bonuses are paid to other senior executives of the Company after results have been determined for the calendar year to which the Annual Bonus, if any, relates. Notwithstanding the foregoing, except as expressly provided in Section 5 hereof, no Annual Bonus shall be payable with respect to any calendar year unless the Executive remains continuously employed with the Company through the date of payment of such Annual Bonus.

(c) **Benefits.** During the Term, the Executive shall be entitled to participate in the employee benefit plans, programs and arrangements of the Company now (or, to the extent determined by the Company, hereafter) in effect, subject to and in accordance with their terms, including pension benefits and medical and welfare benefits, as such benefit plans, programs or arrangements may be amended or terminated from time to time in accordance with their terms.

(d) **Vacation, Sick Leave and Holidays.** During the Term, the Executive shall be entitled to paid vacation, paid sick leave and paid holidays in accordance with applicable laws and the Company's policies in force from time to time.

(e) **Equity.**

(i) **Eligibility.** During the Term, the Executive shall be eligible to receive equity-based compensation awards under the Equity Plan from time to time, as determined by the Board (or a subcommittee thereof) in its sole discretion.

(ii) **Vesting of Performance-Based Equity Awards.** Notwithstanding anything to the contrary contained in the Equity Plan or any award agreement issued thereunder:

(A) **Change in Control.** Upon a Change in Control, the performance period (or term of similar meaning) applicable to any equity-based compensation awarded to the Executive under the Equity Plan that vests in whole or in part upon the achievement of one or more performance goals ("**Performance Awards**"), whether granted prior to, on or after the date hereof, shall end on the date of the Change in Control, and the Executive shall be eligible to vest in all such Performance Awards on the last date of the service period applicable to each such Performance Award (the "**Vesting Date**"), with all applicable performance goals deemed achieved at the "target" level, subject to the Executive's continued employment through such Vesting Date; provided, however, that if the Executive is terminated without Cause pursuant to Section 4(a)(iv) or resigns with Good Reason pursuant to Section 4(a)(v), in each case at any time (x) following the execution of a definitive agreement with a third party that, if consummated, would result in a Change in Control, but before such transaction is consummated (and subject to such consummation), **EXHIBIT 31.2** within twenty-four (24) months following a Change in Control (y) or (y), as applicable, a "**CIC Qualifying Termination**", then the Executive shall remain eligible to vest in such Performance Awards as described in this sentence, but the Vesting Date shall occur on the date of such CIC Qualifying Termination (or, if later, the date of such Change in Control). For the avoidance of doubt, the Vesting Date shall be deemed to be the **SARBANES – OXLEY ACT OF 2002**

I, Curt VanHyfte, certify that:

Determination Date (or term of similar instrument) September 30, 2023 March 31, 2024 not in the applicable award agreement(s) pursuant to which such Performance Awards were granted under the Equity Plan.

(B) Death or Disability. If the Executive's employment is terminated due to the Executive's death or Disability prior to the vesting of any then-outstanding Performance Awards, whether granted prior to, on or after the date hereof, the Executive or the

Executives' performance shall remain eligible for a post-award protected portion of each such Performance Award based on a fraction, which was made not misleading with respect to the period covered by this report, of the applicable performance period (or term of similar meaning) at

the numerator of which is the number of completed months in the applicable performance period (or term of similar meaning) at the time of such termination and the denominator of which is the number of months in the applicable performance period, multiplied by the number of shares of common stock which are finally determined to be earned and subject to the Performance Award following the completion of the performance period. The portion of each Performance Award eligible to vest shall be based on actual results for the applicable performance period and shall be determined in accordance with the terms of the applicable

On actual results for the applicable performance period and shall be determined in accordance with the terms of the applicable award agreement(s) pursuant to which such Performance Awards were granted under the Equity Plan. Such Performance Awards shall vest under the terms of the applicable award agreement as if the Executive had remained in service through the applicable vesting date and performance certification date for each such Performance Award.

(iii) Vesting of Time-Based Equity Awards. Notwithstanding anything to the contrary contained in the Equity Plan or any award thereunder, I and I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(A) **Change in Control.** If the Executive is terminated in a CIC Qualifying Termination, then the Executive shall vest in full in any equity-based compensation awarded to the Executive under the Equity Plan (other than Performance Awards), whether granted prior to, on or after the date hereof, on the date of such CIC Qualifying Termination (or, if later, the date of the applicable Change in Control).

disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to [REDACTED] including its consolidated financial statements, is properly recorded, processed, summarized and reported, so that the financial statements and related disclosures comply with the requirements of the Securities Exchange Act of 1934, then the [REDACTED] shall be deemed to be the "certifying officer" of the Registrant for purposes of this section.

(B) **Death or Disability.** If the Executive's employment is terminated due to the Executive's death or Disability, then the Executive shall vest in full in any equity-based compensation awarded to the Executive under the Equity Plan (other than Performance Awards), whether granted prior to, on or after the date hereof, as of the relevant Date of Termination.

During the Term, the Company shall reimburse the Executive for all reasonable travel and other business expenses incurred in the performance of the Executive's duties to the Company, in accordance with the Company's expense reimbursement policies and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

Additional Compensation. Except as otherwise provided herein, the Executive shall not be entitled to any additional compensation for

effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

The Executive's employment hereunder may be terminated by the Company or the Executive, as applicable, without any breach of under the following circumstances:

report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal year end if the registrant is not required to file annual reports); or

(i) Death. The Executive's employment hereunder shall terminate upon the Executive's death.

(ii) **Disability.** If the Executive has incurred a Disability, the Company may give the Executive written notice of its intention to ~~terminate the Executive's employment~~ terminate the Executive's employment ~~and, even if the Executive's employment with the Company shall terminate effective on the date of the notice, the Executive shall not be entitled to any severance pay or other compensation payable by the Company or its subsidiaries or its affiliates or the subsidiaries or affiliates of any of them (or persons performing the equivalent functions).~~ after receipt of such notice by the Executive and the date specified in such notice; provided, that within the thirty (30) day period after such notice, the Executive shall not have returned to full-time performance of the Executive's duties hereunder.

(iii) **Termination with Cause.** The Company may terminate the Executive's employment with Cause.

(7) **Termination without Cause.** The Company may terminate the Executive's employment without Cause, affect the registrant's ability

(v) Resignation with Good Reason. The Executive may resign from the Executive's employment with Good Reason.

(vi) **Resignation without Good Reason.** The Executive may resign from the Executive's employment without Good Reason sixty (60) days' advance written notice to the Board.

her or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Termination. Any termination of the Executive's employment by the Company or by the Executive under this Section 4 (other than termination pursuant to Section 4(a)(i)) shall be communicated by a written notice to the other party hereto (i) indicating the specific termination

provision in this Agreement relied upon, (ii) except with respect to a termination pursuant to Section 4(a)(iv) or (vi), setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) Specifying a Date of Termination as provided herein (a "Notice of Termination"). If the Company delivers a Notice of Termination under Section 4(a)(ii), April 30, 2024f Termination shall be at least thirty (30) days following the date of such notice; provided, however, that such notice need not specify a Date of Termination, in which case the Date of Termination shall be determined pursuant to Section 4(a)(ii). If the Company delivers a Notice of Termination Under Section 4(a)(iii) or 4(a)(iv), the Date of Termination shall be, in the Company's sole discretion, the date on which the Executive receives such notice or any subsequent date selected by the Company. If the Executive delivers a Notice of Termination under Section 4(a)(v), the Date of Termination shall be at least thirty (30) days following the date of such notice; provided, however, that the Company may, in its sole discretion, accelerate the Date of

Termination to any date that occurs following the Company's receipt of such notice, without changing the characterization of such termination as voluntary, even if such date is prior to the date specified in such notice and without having to pay any compensation or benefits for the balance of such notice period. The failure by the Company or the Executive to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Cause or Good Reason shall not waive any right of the Company or the Executive hereunder or preclude the Company or the Executive from asserting such fact or circumstance in enforcing the Company's or the Executive's rights hereunder.

(c) Termination of All Positions. Upon termination of the Executive's employment for any reason, the Executive agrees to resign, as of the Date of Termination or such other date requested by the Company, from all positions on the Board and all committees thereof (and, if applicable, from the board of directors or similar governing bodies (and all committees thereof) of all other Affiliates of the Company) and from all other positions and offices that the Executive then holds with the Company and its subsidiaries and Affiliates. The Executive agrees to promptly execute such documents as the Company, in its sole discretion, shall reasonably deem necessary to effect such resignations.

5. Company Obligations upon Termination of Employment.

(a) In General. Subject to Section 10(b), upon termination of the Executive's employment for any reason, the obligations of the Company to pay or provide the Executive with compensation and benefits under Section 3 shall cease, and the Company shall have no further obligations to provide compensation or benefits to the Executive hereunder, except the Executive (or the Executive's estate) shall be entitled to receive (i) any amount of the Executive's Annual Base Salary earned through the Date of Termination not theretofore paid, (ii) any amount arising from the Executive's participation in, or benefits under, any employee benefit plans, programs or arrangements under Section 3(c) (other than severance plans, programs or arrangements) or the Equity Plan (subject to the terms and conditions of the Equity Plan and any applicable award agreement thereunder, as modified by Section 3(e)(ii) or (iii) herein), which amounts shall be payable in accordance with the terms and conditions of such employee benefit plans, programs or arrangements including, where applicable, any death and disability benefits, (iii) any accrued vacation pay owed to the Executive pursuant to Section 3(d), (iv) any expenses owed to the Executive under Section 3(f), and (v) subject to the Executive's (or the Executive's estate's) satisfaction of the Release Requirement (as defined below), any Annual Bonus for the year prior to the year in which the Date of Termination occurred that was earned but not yet paid (the "Accrued Obligations"). Notwithstanding anything to the contrary, upon a termination with Cause or a resignation without Good Reason, the Accrued Obligations shall not include the amount set forth in clause (v) of the preceding sentence.

(b) Termination without Cause or Resignation with Good Reason. Subject to Section 10(b) and subject to the Executive's continued compliance with the covenants contained in Sections 6 and 7, if the Company terminates the Executive's employment without Cause pursuant to Section 4(a)(iv) or if the Executive resigns from employment with Good Reason pursuant to Section 4(a)(v), the Company shall, in addition to the Accrued Obligations:

(i) pay to the Executive an aggregate amount equal to the product of (A) one and a half (1.5) and (B) the sum of the Annual Base Salary and the higher of (1) the Target Bonus and (2) the average of the Annual Bonuses paid in or payable in respect of (whichever results in the higher average) the three (3) completed calendar years that precede the Date of Termination, in equal installments in accordance with the Company's customary payroll practices during the eighteen (18)-month period (the "Severance Period") beginning on the Date of Termination and ending on the earlier to occur of (A) the expiration of the Severance Period and (B) the first date that the Executive violates any covenant contained in Section 6 and 7 (the "Severance Payments"); provided, however, that if such termination is a CIC Qualifying Termination, then (x) the aggregate Severance Payments shall instead be equal to the product of (A) two (2.0) and (B) the sum of the Annual Base Salary and the higher of (1) the Target Bonus and (2) the average of the Annual Bonuses paid in or payable in respect of (whichever results in the higher average) the three (3) completed calendar years that precede the Date of Termination, and (y) such Severance Payments shall instead be payable in a single lump sum on the Company's first regular payroll date that follows the sixtieth (60th) day following the Date of Termination;

(ii) subject to the Executive's timely election of (and continued eligibility for) continued health coverage pursuant to the federal law known as "COBRA," the Company shall pay, during the twelve (12)-month period following the Date of Termination (or until the Executive becomes eligible for comparable coverage under the health plans of a successor employer, if earlier) (the "COBRA Period"), the applicable COBRA

premiums for the Executive and any eligible dependents who participated in the Company's health plan as of immediately prior to the Date of Termination; provided, that in the event the Company would be subject to any excise tax under Section 4980D of the Code or other penalty or liability pursuant to the provisions of the Patient Protection and Affordable Care Act of 2010 (as amended from time to time) or other applicable law (or to the extent such COBRA subsidy is not permitted under the terms of the applicable benefit plan or applicable law), and in lieu of providing the COBRA subsidy described above, the Company shall instead pay to the Executive a fully taxable monthly cash payment in an amount such that, after payment by the Executive of all taxes on such payment, the Executive retains an amount equal to the applicable COBRA premiums for such month (or the last month in which COBRA coverage was available to the Executive), with such monthly payment being made on the last day of each month for the remainder of the COBRA Period. For the avoidance of doubt, the Executive's health benefit coverage from the Company during the COBRA Period shall run concurrent with the health continuation coverage period mandated by Section 4980B of the Code;

(iii) pay the Executive a prorated portion of the Annual Bonus payable with respect to the calendar year in which such termination occurs, determined on a daily basis, based solely on the actual level of achievement of the applicable performance goals for such year and payable if and when annual bonuses are paid to other senior executives of the Company with respect to such year; and

(iv) provide the Executive with up to twelve (12) months of outplacement assistance through the Company's then-current outplacement vendor (or, if no such vendor exists, through an outplacement vendor of the Company's choice); and

(v) if such termination is a CIC Qualifying Termination, then the Company shall pay the Executive a prorated portion of the annual profit sharing program bonus payable with respect

to the calendar year in which such termination occurs, determined on a daily basis, based solely on the actual level of achievement of the applicable performance goals for such year, and payable if and when annual profit sharing program bonuses are paid to other senior executives of the Company with respect to such year;

provided, however, that notwithstanding the foregoing, (A) the amounts payable to the Executive under this Section 5(b) shall be contingent upon and subject to the Executive's execution and non-revocation of a general waiver and release of claims agreement (the "Release") in the Company's customary form attached hereto as Exhibit A (and the expiration of any applicable revocation period), on or prior to the sixtieth (60th) day following the Date of Termination (the "Release Requirement"); and (B) any installment payments pursuant to this Section 5(b) shall commence on the first payroll period following the effective date of such Release, and the initial installment shall include a lump-sum payment of all amounts accrued under this Section 5(b) from the Date of Termination through the date of such initial payment.

(c) Survival. The expiration or termination of the Term shall not impair the rights or obligations of any party hereto, which shall have accrued prior to such expiration or termination.

(d) No Other Severance. The Executive expressly acknowledges that any severance payments and benefits under this Section 5 are in lieu of any other payments or benefits that the Executive may otherwise be eligible to receive under any Company plan, policy or program providing for severance, separation pay or salary continuation payments or benefits.

6. Non-Competition; Non-Solicitation; Non-Hire.

(a) Survival of Restrictive Covenants Agreement. Notwithstanding anything to the contrary set forth herein, the Restrictive Covenants Agreement, by and between the Company and the Executive, dated as of February 10, 2020, shall survive and remain in full force and effect following the Effective Date, and is incorporated by reference as though fully set forth herein.

(b) Non-Solicitation of Customers and Suppliers. The Executive agrees that the Company's relationships with its customers and suppliers are solely the assets and property of the Company, and therefore the Executive agrees that at any time during the Executive's employment and for a period of two (2) years following termination of the Executive's employment with the Company for any reason, the Executive shall not directly or through others solicit or attempt to solicit any of the Company's customers and/or suppliers for the purpose of providing products or services competitive to those offered by the Company. This restriction applies only to those customers and/or suppliers with whom the Executive had material contact on behalf of the Company. "Material contact" means: (i) direct personal contact with a supplier or customer for the purpose of, respectively, purchasing real estate, materials or services for use by the Company or selling the Company's real estate, products or services to customers or (ii) any direct supervision of direct personal contacts other employees of the Company may have with suppliers and/or customers. For purposes of this Section 6(b), the terms "customer" and "supplier" shall also include prospective customers and suppliers of the Company.

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

(c) Non-Solicitation of Employees. The Executive agrees that the Company has invested substantial time and effort in assembling and training its present staff of personnel. Accordingly, the Executive agrees that at any time during the Executive's employment and for a period of two (2) years following termination of the Executive's employment with the Company, the Executive will not directly or indirectly induce or

in connection with the Quarterly Report on Form 10-Q of Refinitiv for the period ending September 30, 2023, March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"). I, Sheryl D. Palmer, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, under the best of my knowledge:

(1) (d) Company Defined. As used in this Section 6, the term "Company" shall include the Company and any direct or indirect subsidiaries and Affiliates thereof and any successors thereto.

The Report presents, in all material respects, the financial condition and results of operations of the Company.

7. Non-Disclosure of Confidential Information; Non-Disparagement; Intellectual Property.

(a) Non-Disclosure of Confidential Information; Return of Property.

(i) Confidential Information. Except as required in the faithful performance of the Executive's duties hereunder, during the Term and in perpetuity thereafter, the Executive shall maintain in confidence and shall not directly, indirectly or otherwise, use, disseminate, disclose or publish, or use for the Executive's benefit or the benefit of any Person, any confidential or proprietary information or trade secrets of or relating to the Company or any of its Affiliates, including, without limitation, information with respect to the Company's or any of its Affiliates' operations, protocols, processes, products, inventions, business practices, finances, principals, vendors, suppliers, customers, potential customers, marketing methods, costs, prices, contractual relationships, regulatory status, compensation paid to employees or other terms of employment ("Confidential Information"). or deliver to any Person any document, record, notebook, computer program or similar repository of or containing any such Confidential Information, provided, that the Executive's good faith performance of the Executive's duties and responsibilities for the Company and its Affiliates during employment shall not be deemed a breach of this Section 7(a). Upon the Executive's termination of employment for any reason, the Executive shall promptly deliver to the Company all correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents or any other documents concerning the Company's or any of its Affiliates' Confidential Information, customers, business plans, marketing strategies, products or processes. The Executive may respond to a lawful and valid subpoena or other legal process but shall give the Company the notice thereof, shall, as much in advance of the return date as possible, make available to the Company and its counsel the documents and other information sought and shall assist such counsel in resisting or otherwise responding to such process.

(ii) Permissible Disclosure of Confidential Information. Notwithstanding anything to the contrary contained herein, nothing in this Agreement shall prohibit the Executive from reporting possible violations of federal law or regulation to or otherwise cooperating with or providing information requested by any governmental agency or entity, including, but not limited to, the Department of Justice, the Securities and Exchange Commission, the Congress and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. The Executive does not need the prior authorization of the

Company to make any such reports or disclosures and the Executive is not required to notify the Company that the Executive has made such reports or disclosures.

(b) Non-Disparagement. The Executive shall not, at any time during the Executive's employment and following the Executive's termination of employment for any reason, make statements or representations, or otherwise communicate, directly or indirectly, in writing, orally, or otherwise, or take any action which may, directly or indirectly, disparage or be damaging to the Company, its subsidiaries or Affiliates or their respective officers, directors, employees, advisors, businesses or reputations. Notwithstanding the foregoing, nothing in this Agreement shall preclude the Executive from making truthful statements that are required by applicable law, regulation or legal process.

(c) Intellectual Property Rights.

(i) Inventions and Proprietary Rights. The Executive agrees that the results and proceeds of the Executive's services for the Company or its subsidiaries or Affiliates (including, but not limited to, any trade secrets, products, services, processes, know-how, designs, developments, innovations, analyses, drawings, reports, techniques, formulas, methods, developmental or experimental work, improvements, discoveries, inventions, ideas, source and object codes, programs, matters of a literary, musical, dramatic or otherwise creative nature, writings and other works of authorship) resulting from services performed while an employee of the Company and any works in progress, whether or not patentable or registrable under copyright or similar statutes, that were made, developed, conceived or reduced to practice or learned by the Executive, either alone or jointly with others (collectively, "Inventions"), shall be works-made-for-hire and the Company (or, if applicable or as directed by the Company, any of its subsidiaries or Affiliates) shall be deemed the sole owner throughout the universe of any and all trade secret, patent, copyright and other intellectual property rights (collectively, "Proprietary Rights") of whatsoever nature therein, whether or not now or hereafter known, existing, contemplated, recognized or developed, with the right to use the same in perpetuity in any manner the Company determines in its sole discretion, without any further payment to the Executive whatsoever. If, for any reason, any of such results and proceeds shall not legally be a work-made-for-hire and/or there are any Proprietary Rights which do not accrue to the Company (or, as the case may be, any of its subsidiaries or Affiliates) under the immediately preceding sentence, then the Executive hereby irrevocably assigns and agrees to assign any and all of the Executive's right, title and interest thereto, including, without limitation, any and all Proprietary Rights of whatsoever nature therein, whether or not now or hereafter known, existing, contemplated, recognized or developed, to the Company (or, if applicable or as directed by the Company, any of its subsidiaries or Affiliates), and the Company or such subsidiaries or Affiliates shall have the right to use the same in perpetuity throughout the universe in any manner

determined by the Company or such subsidiaries or Affiliates without any further payment to the Executive whatsoever. As to any Invention that the Executive is required to assign, the Executive shall promptly and fully disclose to the Company all information known to the Executive concerning such Invention. The Executive hereby waives and quitclaims to the Company any and all claims, of any nature whatsoever, that the Executive now or may hereafter have for infringement of any Proprietary Rights assigned hereunder to the Company.

(ii) **Executive Assistance.** The Executive agrees that, from time to time, as may be requested by the Company and at the Company's sole cost and expense, the Executive shall do any and all things that the Company may reasonably deem useful or desirable to establish or document the Company's exclusive ownership throughout the United States of America or any other country of any and all Proprietary Rights in any such Inventions, including, without limitation, the execution of appropriate copyright and/or patent applications or assignments. To the extent the Executive has any Proprietary Rights in the Inventions that cannot be assigned in the manner described above, the Executive unconditionally and irrevocably waives the enforcement of such Proprietary Rights. This Section 7(c) is subject to and shall not be deemed to limit, restrict or constitute any waiver by the Company of any Proprietary Rights of ownership to which the Company may be entitled by operation of law by virtue of the Executive's employment with the Company. The Executive further agrees that, from time to time, as may be requested by the Company and at the Company's sole cost and expense, the Executive shall assist the Company in every proper and lawful way to obtain and from time to time enforce Proprietary Rights relating to Inventions in any and all countries. To this end, the Executive shall execute, verify and deliver such documents and perform such other acts (including appearances as a witness) as the Company may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining and enforcing such Proprietary Rights and the assignment thereof. In addition, the Executive shall execute, verify and deliver assignments of such Proprietary Rights to the Company or its designees. The Executive's obligation to assist the Company with respect to Proprietary Rights relating to such Inventions in any and all countries shall continue beyond the termination of the Executive's employment with the Company.

(iii) **Permissible Disclosure of Trade Secrets.** Notwithstanding anything to the contrary contained herein, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made: (A) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If the Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Executive may disclose the Company's trade secrets to the Executive's attorney and use the trade secret information in the court proceeding if the Executive: (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order.

(d) **Company Defined.** As used in this Section 7, the term "Company" shall include the Company and any direct or indirect subsidiaries and Affiliates thereof and any successors thereto.

8. **Indemnification.** The Executive shall be entitled to indemnification in accordance with the terms of that certain Indemnification Agreement, by and among TMHC and the Executive, dated as of the Effective Date, which is incorporated by reference as though fully set forth herein.

9. **Cooperation.** The Executive agrees that during and after the Executive's employment with the Company, the Executive shall assist the Company and its Affiliates in the defense of any claims or potential claims that may be made or threatened to be made against the Company or any of its Affiliates in any action, suit or proceeding, whether civil, criminal, administrative, investigative or otherwise, that are not adverse to the Executive (each, an "Action"), and shall assist the

Company and its Affiliates in the prosecution of any claims that may be made by the Company or any of its Affiliates in any Action, to the extent that such claims may relate to the Executive's employment or the period of the Executive's employment by the Company and its Affiliates. The Executive agrees, unless precluded by law, to promptly inform the Company if the Executive is asked to participate (or otherwise become involved) in any such Action. The Executive also agrees, unless precluded by law, to promptly inform the Company if the Executive is asked to assist in any investigation (whether governmental or otherwise) of the Company or any of its Affiliates (or their actions) to the extent that such investigation may relate to the Executive's employment or the period of the Executive's employment by the Company, regardless of whether a lawsuit has then been filed against the Company or any of its Affiliates with respect to such investigation. The Company or one of its Affiliates shall reimburse the Executive for all of the Executive's reasonable out-of-pocket expenses associated with such cooperation following the Executive's Date of Termination; provided, that any such cooperation occurring after the termination of the Executive's employment shall be scheduled to the extent reasonably practicable so as not to unreasonably interfere with the Executive's business or personal affairs.

10. **Section 409A of the Code.**

(a) **General.** The parties hereto acknowledge and agree that, to the extent applicable, this Agreement shall be interpreted in accordance with, and incorporate the terms and conditions required by, Section 409A of the Code and the Department of Treasury Regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date ("Section 409A"). Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines that any amounts

payable hereunder will be taxable currently to the Executive under Section 409A(a)(1)(A) of the Code and related Department of Treasury guidance, the Company and the Executive shall cooperate in good faith to (i) adopt such amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, that they mutually determine to be necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement, to preserve the economic benefits of this Agreement and to avoid less favorable accounting or tax consequences for the Company, and/or (ii) take such other actions as mutually determined to be necessary or appropriate to exempt the amounts payable hereunder from Section 409A or to comply with the requirements of Section 409A and thereby avoid the application of penalty taxes thereunder; provided, however, that this Section 10(a) does not create an obligation on the part of the Company to modify this Agreement and does not guarantee that the amounts payable hereunder will not be subject to interest or penalties under Section 409A, and in no event whatsoever shall the Company or any of its Affiliates be liable for any additional non-penalty taxes that may be imposed on the Executive as a result of Section 409A or any damages for failing to comply with Section 409A.

18 U.S.C. SECTION 1350,

(b) Special Rules. Notwithstanding any provision to the contrary in this Agreement: (i) no amount shall be payable pursuant to Section 5 unless the termination of the Executive's employment constitutes a "separation from service" within the meaning of Section 1.409A-1(h) of the Department of Treasury Regulations; (ii) if the Executive is deemed at the time of the Executive's separation from service to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent that delayed commencement of the Executive's termination benefits to which the Executive is entitled under this Agreement (after taking into account all exclusions applicable to such termination benefits under Section 409A), including, without limitation, any portion of the additional compensation awarded pursuant to Section 5, is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, such October 25, 2023; Executive's termination benefits shall not be provided to the Executive prior to the earlier of (A) the expiration of the six (6)-month period April 30, 2024 from the date of the Executive's "separation from service" with the Company (as such term is defined in the Department of Treasury Regulations issued under Section 409A) and (B) the date of the Executive's death; provided, that upon the earlier of such dates, all payments deferred pursuant to this Section 10(b)(i) shall be paid to the Executive in a lump sum, and any remaining payments due under this Agreement shall be paid as otherwise provided herein; (iii) the determination of whether the Executive is a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code as of the time of the Executive's separation from service shall be made by the Company in accordance with the terms of Section 409A and applicable guidance thereunder (including, without limitation, Section 1.409A-1(i) of the Department of Treasury Regulations and any successor provision thereto); (iv) for purposes of Section 409A, the Executive's right to receive installment payments pursuant to Section 5 shall be treated as a right to receive a series of separate and distinct payments; and (v) to the extent that any reimbursement of expenses or in-kind benefits constitutes "deferred compensation" under Section 409A, (A) such reimbursement or benefit shall be provided no later than December 31 of the year following the year in which the expense was incurred, (B) the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, (C) the amount of any in-kind benefits provided in one year shall not affect the amount of in-kind benefits provided in any other year and (D) the right to any benefits or reimbursements or in-kind benefits may not be liquidated or exchanged for any other benefit. Neither the Executive nor any of the Executive's creditors or beneficiaries shall have the right to subject any "deferred compensation" under Section 409A payable under this Agreement to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A, any "deferred compensation" under Section 409A payable to the Executive or for the Executive's benefit may not be reduced by, or offset against, any amount owing by the Executive to the Company or any of its Affiliates.

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

11. Section 280G of the Code.
(a) If there is a change of ownership or effective control or change in the ownership of a substantial portion of the assets of a corporation (within the meaning of Section 280G of the Code) (a "280G Change in Control") and any payment or benefit (including payments and benefits pursuant to this Agreement) that the Executive would receive from the Company, TMHC or otherwise ("Transaction Payment") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Company shall cause to be determined, before any amounts of the Transaction Payment are paid to the Executive, which of the following two alternative forms of payment would result in the Executive's receipt, on an after-tax basis, of the greater amount of the Transaction Payment notwithstanding that all or some portion of the Transaction Payment may be subject to the Excise Tax: (A) payment in full of the entire amount of the Transaction Payment (a "Full Payment"), or (B) payment of only a part of the Transaction Payment so that the Executive receives the largest payment possible without the imposition of the Excise Tax (a "Reduced Payment"). For purposes of determining whether to make a Full Payment or a Reduced Payment, the Company shall cause to be taken into account all applicable federal, state and local income and employment taxes and the Excise Tax (all computed at the highest applicable marginal rate, net of the maximum reduction in federal income taxes which could be obtained from a deduction of such state and local taxes). If a Reduced Payment is made, the reduction in payments and/or benefits will occur in the following order: (1) first, reduction of cash payments, in reverse order of scheduled payment date (or if necessary, to zero), (2) then, reduction of non-cash and non-equity benefits provided to the Executive, on a pro rata basis (or if necessary, to zero) and (3) then, cancellation of the acceleration of vesting of equity award compensation in the reverse order of the date of grant of the Executive's equity awards.

(b) Unless the Executive and the Company otherwise agree in writing, any determination required under this section shall be made in writing by the Company's independent public accountants (the "Accountants"), whose determination shall be conclusive and binding upon the Executive and the Company for all purposes. For purposes of making the calculations required by this section, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Accountants shall provide written supporting calculations, or the Accountants and the Executive may agree in writing that the Company or the Executive or both may make a determination under this section based on the information provided to the Accountants. Any Accountants may request for any information or other documents made a determination based on the information provided to the Accountants. REPORT USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

12. **Assignment and Successors.** The Company may assign its rights and obligations under this Agreement to any of its Affiliates, and shall require any successor to all or substantially all the assets of the Company, by merger or otherwise, to assume this Agreement in the same manner and to the same extent that the Company would have been required to perform it if no such succession had taken place. The Company may assign or encumber this Agreement and its rights hereunder as security for indebtedness of the Company and its Affiliates. The Executive may not assign the Executive's rights or obligations under this Agreement to any individual or entity. This Agreement shall be binding upon and inure to the benefit of the Company and the Executive and their respective successors, assigns, personnel, legal representatives, executors, administrators, heirs, distributees, devisees and legatees, as applicable. In the event of the Executive's death following a termination of the Executive's employment, all unpaid amounts otherwise due the Executive (including under Section 5) shall be paid to the Executive's estate.

13. **Governing Law.** This Agreement shall be governed, construed, interpreted and enforced in accordance with the substantive laws of the State of Arizona, without reference to the principles of conflicts of law of Arizona or any other jurisdiction, and where applicable, the laws of the United States.

14. **Validity.** The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

15. **Notices.** Any notice, request, claim, demand, document and other communication hereunder to any party hereto shall be effective upon receipt (or refusal of receipt) and shall be in writing and

delivered personally or sent by nationally recognized overnight courier, or certified or registered mail, postage prepaid, to the following address (or at any other address as any party hereto shall have specified by notice in writing to the other party hereto):

(a) If to the Company:

Taylor Morrison, Inc.
4900 N. Scottsdale Road
Suite 2000
Scottsdale, AZ 85251
Attention: General Counsel

(b) If to the Executive, at the Executive's most recent address on the payroll records of the Company.

16. **Counterparts.** This Agreement may be executed in several counterparts (including by facsimile transmission or electronic image scan (PDF)), each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

17. **Entire Agreement.** The terms of this Agreement (together with any other agreements and instruments contemplated hereby or referred to herein) is intended by the parties hereto to be the final expression of their agreement with respect to the employment of the Executive by the Company and may not be contradicted by evidence of any prior or contemporaneous agreement (including, without limitation, the Prior Agreement). The parties hereto further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative or other legal proceeding to vary the terms of this Agreement.

18. **Amendments; Waivers.** This Agreement may not be modified, amended or terminated except by an instrument in writing signed by the Executive and a duly authorized officer of Company (other than the Executive) that expressly identifies the amended provision of this Agreement. By an instrument in writing similarly executed and similarly identifying the waived compliance, the Executive or a duly authorized officer of the Company may waive compliance by the other party or parties with any provision of this Agreement that such other party was or is obligated to comply with or perform; provided, however, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure to comply or perform. No failure to exercise and no delay in exercising any right, remedy or power hereunder shall preclude any other or further exercise of any other right, remedy or power provided herein or by law or in equity.

19. **No Inconsistent Actions.** The parties hereto shall not voluntarily undertake or fail to undertake any action or course of action inconsistent with the provisions or essential intent of this Agreement. Furthermore, it is the intent of the parties hereto to act in a fair and reasonable manner with

respect to the interpretation and application of the provisions of this Agreement.

20. **Construction.** This Agreement shall be deemed drafted equally by both of the parties hereto. Its language shall be construed as a whole and according to its fair meaning. Any presumption or principle that the language is to be construed against any party shall not apply. The headings in

this Agreement are only for convenience and are not intended to affect construction or interpretation. Any references to paragraphs, subparagraphs, sections or subsections are to those parts of this Agreement, unless the context clearly indicates to the contrary. Also, unless the context clearly indicates to the contrary: (a) the plural includes the singular, and the singular includes the plural; (b) "and" and "or" are each used both conjunctively and disjunctively; (c) "any," "all," "each," or "every" means "any and all," and "each and every"; (d) "includes" and "including" are each "without limitation"; and (e) "herein," "hereof," "hereunder," and other similar compounds of the word "here" refer to the entire Agreement and not to any particular paragraph, subparagraph, section or subsection.

21. **Dispute Resolution.** The parties understand and agree that except as otherwise expressly provided in this Agreement, any claim of any nature whatsoever, including those arising out of or connected with the Executive's employment with the Company, including but not limited to wrongful termination, breach of contract, defamation, and claims of discrimination (including age, disability, sex, religion, national origin, race, color, etc.), harassment or retaliation whether under federal, state or local laws, regulations, or Executive Orders, common law, or in equity, shall be decided by submission to final and binding arbitration in Scottsdale, Arizona. The arbitrator shall be a retired or former state or federal court judge. The parties further agree that the performance of the Executive's duties as contemplated by this Agreement involves commerce. This arbitration provision shall be governed by the Federal Arbitration Act. The arbitrator shall apply the law (including applicable filing limitations periods and exhaustion of administrative remedies) to the same extent and with same force and effect as would an Arizona court or a federal court sitting in Arizona. The arbitration shall be pursuant to rules and procedures adopted by the Company, and failing such adoption, the Federal Rules of Civil Procedure. Judgment shall be final upon the award rendered by the arbitrator and may be entered in any court having jurisdiction thereof, and each of the parties shall be responsible for its respective legal fees and expenses. The parties further understand and agree that actions seeking temporary injunctions are hereby excluded from arbitration and, therefore, may be sought in a court of appropriate jurisdiction without resort to arbitration, even though resolution of the underlying claim must be submitted to arbitration.

EACH PARTY HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY SUIT, ACTION OR OTHER PROCEEDING INSTITUTED BY OR AGAINST SUCH PARTY IN RESPECT OF ITS RIGHTS OR OBLIGATIONS HEREUNDER.

22. **Enforcement.** If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable, this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision were never a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

23. **Withholding.** The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local and foreign withholding and other taxes and charges that

the Company is required to withhold. The Company shall be entitled to rely on an opinion of counsel if any questions as to the amount or requirement of withholding shall arise.

24. **Employee Representations.** The Executive represents, warrants and covenants that (a) the Executive has read and understands this Agreement, is fully aware of its legal effect, has not acted in reliance upon any representations or promises made by the Company other than those contained in writing herein and has entered into this Agreement freely based on the Executive's own judgment, (b) the Executive has the full right, authority and capacity to enter into this Agreement and perform the Executive's obligations hereunder, (c) the Executive is not bound by any agreement that conflicts with or prevents or restricts the full performance of the Executive's duties and obligations to the Company hereunder during or after the Term and (d) the execution and delivery of this Agreement shall not result in any breach or violation of, or a default under, any existing obligation, commitment or agreement to which the Executive is subject.

[signature page follows]

The parties have executed this Agreement as of the date first written above.

TAYLOR MORRISON, INC.

By: /s/Sheryl Palmer
Name: Sheryl Palmer
Title: CEO

CURT VANHYFTE

By: /s/Curt VanHyfte
Name: Curt VanHyfte

[Signature Page to Taylor Morrison Amended and Restated Employment Agreement]

EXHIBIT A

Form of Release of Claims

This Release of Claims is provided by me, the undersigned, pursuant to the Amended and Restated Employment Agreement between me and Taylor Morrison, Inc., dated as of July 24, 2023 (the "Employment Agreement"). All capitalized terms used in this Release of Claims, but not defined herein, shall have the meaning ascribed to those terms in the Employment Agreement.

1. In consideration of the pay and benefits to be provided to me in connection with the termination of my employment, as set forth in Section 5(a)(v) [and (b)] of the Employment Agreement (the "Severance Payments"), which are conditioned upon my signing (and not revoking) this Release of Claims and to which I am not otherwise entitled, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, I, on my own behalf and on behalf of my heirs, executors, beneficiaries and personal representatives, successors and assigns, and all others connected with or claiming through me (collectively, the "Releasors"), hereby release and forever discharge the Company and TMHC, and their subsidiaries and other Affiliates and all of their respective past, present and future officers, directors, shareholders, parents, employees, agents, general and limited partners, members, managers, joint venturers, trustees, employee benefit plans and their administrators and fiduciaries, representatives, agents, predecessors, successors and assigns, and all others connected with any of them, both individually and in their official capacities (collectively, the "Released Parties"), from any and all causes of action, rights and claims, of any nature or type, known or unknown, fixed or contingent, in law or in equity, which I have had in the past, now have, or might now have, through the date of my signing of this Release of Claims, including, but not limited to, any such causes of action, rights or claims in any way resulting from, arising out of or connected with my employment by or other relationship with the Released Parties or the termination of that employment and/or relationship or pursuant to any federal, state or local law, regulation or other requirement (including, without limitation, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act ("ADEA," a law which prohibits discrimination on the basis of age), the Older Workers Benefit Protection Act, the National Labor Relations Act, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1990, the Employee Retirement Income Security Act of 1974, the Family and Medical Leave Act, the Worker Adjustment Retraining and Notification Act and similar state laws, the Equal Pay Act, the Fair Labor Standards Act, the Securities Act of 1933, the Securities Exchange Act of 1934, the Sarbanes-Oxley Act of 2002, the Arizona Wage Act, the Arizona Equal Pay Act, the Arizona Employment Protection Act, the Arizona Civil Rights Act, the Arizona Occupational Health and Safety Act, the Arizona Right to Work Act, the Arizona Drug Testing of Employees Act, the Arizona Medical Marijuana Act, the Arizona criminal code, the Americans with Disabilities Act, and any other federal, state and local laws relating to discrimination on the basis of age, sex or other protected class, express or implied breach of contract, wrongful discharge, defamation, intentional infliction of emotional distress, and any related claims for attorneys' fees and costs, each as amended from time to time); provided, that

nothing herein shall release any claim arising after the effective date of the termination of my employment.

Excluded from the scope of this Release of Claims are: (i) any rights of indemnification or contribution that I have pursuant to Section 8 of the Employment Agreement, the articles of incorporation or by-laws of the Company, TMHC or any of their subsidiaries, (ii) any right I have to the Severance Payments, (iii) vested rights to benefits under employee benefit plans of the Company, TMHC or their subsidiaries and (iv) rights that cannot be released as a matter of law (collectively, "Unreleased Claims").

2. I acknowledge and agree that this Release of Claims may be pleaded as a full defense to any action, suit, arbitration or other proceeding covered by the terms hereof which is or may be initiated by any of the Releasors.

3. I acknowledge that neither I nor any of the Releasors has filed any complaint, charge, claim or proceeding against any of the Released Parties before any local, state, federal or foreign agency, court, arbitrator, mediator, arbitration or mediation panel or other body (each individually, a "Proceeding"). I represent that I am not aware of any basis on which such a Proceeding could reasonably be instituted, except as I have expressly disclosed to the Company in writing. I (i) acknowledge that I shall not initiate or cause to be initiated on my behalf, and shall not participate in, any Proceeding (except with respect to an Unreleased Claim), except as required by law, and (ii) waive any right that I may have to benefit in any manner from any relief (whether monetary or otherwise) arising out of any Proceeding, including any Proceeding conducted by the Equal Employment Opportunity Commission ("EEOC"). Further, I understand that, by executing this Release of Claims, I shall be limiting the availability of certain

remedies that I may have against the Company and limiting also my ability to pursue certain claims against the Released Parties. Notwithstanding the above, nothing in Section 1 of this Release of Claims shall prevent me from (a) initiating or causing to be initiated on my behalf any complaint, charge, claim or proceeding against the Company before any local, state or federal agency, court or other body challenging the validity of the waiver of my claims under ADEA contained in Section 1 of this Release of Claims (but no other portion of such waiver), or (b) initiating or participating in an investigation or proceeding conducted by the EEOC.

4. I represent and warrant that I have returned to the Company any and all Confidential Information and other property of the Company and its Affiliates that I had in my possession, custody or control on the date my employment with the Company terminated and that I have retained no such property. Without limiting the foregoing, I also represent and warrant that I have retained no copy of any such documents, materials or information.

5. In signing this Release of Claims, I acknowledge that I have had a reasonable amount of time to consider the terms of this Release of Claims and that I am signing this Release of Claims voluntarily and with a full understanding of its terms. I acknowledge my understanding that I may not sign this Release of Claims prior to the termination of my employment, but that I may consider the terms of this Release of Claims for up to [twenty-one (21)][forty-five (45)] days (or such longer period as the Company may specify in order to render this Release of Claims fully effective) from the date I receive this Release of Claims. I also acknowledge that I am advised by the Company,

TMHC and their Affiliates to seek the advice of an attorney prior to signing this Release of Claims and that I have, in fact, consulted with an attorney prior to signing this Release of Claims; that I have had sufficient time to consider this Release of Claims and to consult with an attorney, if I wished to do so, or to consult with any other person of my choosing before signing; and that I am signing this Release of Claims voluntarily and with a full understanding of its terms.

6. I further acknowledge that, in signing this Release of Claims, I have not relied on any promises or representations, express or implied, that are not set forth expressly herein. I understand that I may revoke this Release of Claims at any time within seven (7) days of the date of my signing by written notice to the Company in accordance with Section 15 of the Employment Agreement and that neither the Company nor any other person is obligated to provide any of the Severance Payments to me until eight (8) days have passed since my signing of this Release of Claims without my having revoked this Release of Claims. If I revoke this Release of Claims, I shall be deemed not to have accepted the terms of this Release of Claims, and no action shall be required of any of the Released Parties under any section of this Release of Claims.

7. I acknowledge and agree that I continue to be bound by the provisions of Sections 6, 7, and 9 of the Employment Agreement, which shall survive my termination of employment with the Company and remain in full force and effect in accordance with their terms. On the date of my termination, the Company hereby agrees to use reasonable efforts to advise its executive officers not to make any statements or representations, or otherwise communicate, directly or indirectly, in writing, orally, or otherwise, regarding me that are disparaging or damaging to my reputation.

8. This Release of Claims does not constitute an admission of liability or wrongdoing of any kind by the Company or me.

9. In accordance with Section 4(c) of the Employment Agreement, I hereby resign from all positions on the Board and all committees thereof (and, if applicable, from the board of directors or similar governing bodies (and all committees thereof) of all other Affiliates of the Company) and from all other positions and offices that I hold with the Company and its subsidiaries and Affiliates. I agree to promptly execute such further documents as the Company, in its sole discretion, shall reasonably deem necessary to effect the foregoing.

10. The provisions of this Release of Claims shall be binding upon my heirs, executors, administrators, legal representatives and assigns. A failure of any of the Released Parties to insist on strict compliance with any provision of this Release of Claims shall not be deemed a waiver of such provision or any other provision hereof. If any provision of this Release of Claims is determined to be so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable, and in the event that any provision is determined to be entirely unenforceable, such provision shall be deemed severable, such that all other provisions of this Release of Claims shall remain valid and binding upon me. For the avoidance of doubt, each of the Released Parties shall be a third-party beneficiary to this Release of Claims and shall be entitled to enforce this Release of Claims in accordance with its terms.

11. With respect to the matters herein stated as the subject of release, I do hereby waive and relinquish any and all rights which I may have under the laws of the State of Arizona.

12. This Release of Claims shall be governed, construed, interpreted and enforced in accordance with the substantive laws of the State of Arizona, without reference to the principles of conflicts of law of Arizona or any other jurisdiction, and where applicable, the laws of the United States.

* * * * *

Intending to be legally bound, I have signed this Release of Claims as of the date written below.

Signature: _____

(not to be executed until termination of employment)

Name (please print): _____

Date Signed: _____

Acknowledged:

TAYLOR MORRISON, INC.

By: _____

Name:

Title:

EXHIBIT 31.1