UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): July 8, 2020

Taylor Morrison Home Corporation
(Exact name of registrant as specified in its charter)

Delaware	001-35873	83-2026677
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

4900 N. Scottsdale Road, Suite 2000
Scottsdale, AZ, 85251
(Address of principal executive offices) (Zip Code)

(480)840-8100
(Registrant's Telephone Number, Including Area Code)

NOT APPLICABLE
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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, par value $0.00001 per share	**TMHC**	**New York Stock Exchange**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☐

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. ☐

ITEM 2.02. Results of Operations and Financial Condition.

On July 8, 2020, the Company announced net sales and pace performance for the month of June and certain information about the Company's results of operations and financial condition as of June 30, 2020. A copy of the press release is filed as Exhibit 99.1 hereto and is incorporated by reference herein.

In connection with the Notes Offering (as defined below), Taylor Morrison Home Corporation (the "Company") is disclosing under Item 2.02 the information attached as Exhibit 99.2, which information is incorporated by reference herein. This information, which has not been previously reported, contains certain information about the Company's results of operations and financial condition as of June 30, 2020 and is included in a preliminary offering memorandum that is being disseminated in connection with the Notes Offering.

The Company undertakes no obligation to update, supplement or amend the materials attached hereto as Exhibits 99.1 and 99.2.

The information included in this Item 2.02 in this report on Form 8-K shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

ITEM 8.01. Other Events.

On July 8, 2020, the Company announced the proposed unregistered offering (the "Notes Offering") by its indirect wholly owned subsidiary, Taylor Morrison Communities, Inc. (the "Issuer"), of $400 million aggregate principal amount of senior notes due 2030 (the "Senior Notes"). A copy of the press release is filed as Exhibit 99.3 hereto and is incorporated by reference herein.

In connection with the Notes Offering, the Company is also providing pro forma financial information of the Company, giving effect to the acquisition of William Lyon Homes, for the year ended December 31, 2019 and for the three months ended March 31, 2020 attached hereto as Exhibit 99.4.

In connection with the Notes Offering, we also disclosed the following:

On June 3rd and 4th, 2020, three William Lyon Homes shareholders filed petitions for appraisal in the Delaware Court of Chancery, pursuant to 8 Del. C. § 262, in connection with the merger among the Company, Tower Merger Sub, Inc., and William Lyon Homes. The petitions are captioned, respectively: *BCIM Strategic Value Master Fund, LP, et al. v. William Lyon Homes, Inc.*, C.A. No. 2020-0434; and *Cannon Square, LLC v. William Lyon Homes, Inc.*, C.A. No. 2020-0430-KSJM. The petitioners dissented and did not accept the merger consideration, and they generally alleged that the value of their shares exceeds the consideration they would have received in the merger and seek a judicial determination of the "fair value" of their shares.

On June 29, 2020, we entered into a settlement agreement pursuant to which the petitioners released their claims in exchange for a total cash payment of approximately $70 million. On June 30, 2020, the petitioners and William Lyon Homes filed joint stipulations of dismissal with prejudice in each of the appraisal actions. On July 1, 2020, the Court granted the stipulations of dismissal with prejudice.

This Current Report does not constitute an offer to sell or the solicitation of an offer to buy any security, nor shall there be any offer, solicitation or sale of any security, in any jurisdiction in which such offering, solicitation or sale would be unlawful.

Forward-Looking Statements

Statements contained in or incorporated by reference into this Current Report include "forward-looking statements," including statements regarding preliminary results. These statements are subject to a number of risks, uncertainties and other factors that could cause our actual results, performance, prospects or opportunities, as well as those of the markets we serve or intend to serve, to differ materially from those expressed in, or implied by, these statements. You can identify these statements by the fact that they do not relate to matters of a strictly factual or historical nature and generally discuss or relate to forecasts, estimates or other expectations regarding future events. Generally, the words "believes," "estimates," "plans," "projects," "anticipates," "expects," "intends," "may," "can," "could," "might," "will" or "should" and similar expressions identify forward-looking statements, including statements related to expected operating and performing results, planned transactions, planned objectives of management, net homebuilding debt to capitalization ratio, future developments or conditions in the industries in which we participate and other trends, developments and uncertainties that may affect our business in the future.

Such risks, uncertainties and other factors include, among other things: the scale and scope of the recent COVID-19 (coronavirus) outbreak and resulting pandemic; changes in general and local economic conditions (including as a result of recent extreme weather conditions); slowdowns or severe downturns in the housing market; homebuyers' ability to obtain suitable financing; increases in interest rates, taxes or government fees; shortages in, disruptions of and cost of labor; higher cancellation rates of existing agreements of sale; competition in our industry; any increase in unemployment or underemployment; inflation or deflation; the seasonality of our business; our ability to obtain additional performance, payment and completion surety bonds and letters of credit; significant home warranty and construction defect claims; our reliance on subcontractors; failure to manage land acquisitions, inventory and development and construction processes; availability of land and lots at competitive prices; decreases in the market value of our land inventory; new or changing government regulations and legal challenges; our compliance with environmental laws and regulations regarding climate change; our ability to sell mortgages we originate and claims on loans sold to third parties; governmental regulation applicable to our financial services and title services business; the loss of any of our important commercial relationships; our ability to use deferred tax assets; raw materials and building supply shortages and price fluctuations; our concentration of significant operations in certain geographic areas; risks associated with our unconsolidated joint venture arrangements; information technology failures and data security breaches; costs to engage in and the success of future growth or expansion of our operations or acquisitions or disposals of businesses; costs associated with our defined benefit and defined contribution pension schemes; damages associated with any major health and safety incident; our ownership, leasing or occupation of land and the use of hazardous materials; material losses in excess of insurance limits; existing or future litigation, arbitration or other claims; negative publicity or poor relations with the residents of our communities; failure to recruit, retain and develop highly skilled, competent people; utility and resource shortages or rate fluctuations; constriction of the capital markets; risks related to our substantial debt and the agreements governing such debt, including restrictive covenants contained in such agreements; our ability to access the capital markets; the inherent uncertainty associated with financial or other projections; the risks associated with maintaining effective internal controls over financial reporting; and risks related to the integration of William Lyon Homes and the ability to recognize the anticipated benefits from the combination of Taylor Morrison and William Lyon Homes. In addition, other such risks and uncertainties may be found in our most recent annual report on Form 10-K and our quarterly report on Form 10-Q for the first quarter ended March 31, 2020 filed with the Securities and Exchange Commission (SEC) as such factors may be updated from time to time in our periodic filings with the SEC. We undertake no duty to update any forward-looking statement, whether as a result of new information, future events or changes in our expectations, except as required by applicable law.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

EXHIBIT NO.	DESCRIPTION
99.1	Press Release, dated July 8, 2020
99.2	Recent Developments
99.3	Press Release, dated July 8, 2020
99.4	Unaudited Pro Forma Condensed Combined Statement of Operations for the three months ended March 31, 2020 and for the year ended December 31, 2019, and the related notes thereto, of Taylor Morrison Home Corporation.
104	Cover Page Interactive Data File (embedded with the Inline XBRL document)

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 hereunto duly authorized.

Dated: July 8, 2020

Taylor Morrison Home Corporation

By:	/s/ Darrell C. Sherman
Name:	Darrell C. Sherman
Title:	Executive Vice President, Chief Legal Officer and Secretary

Exhibit 99.1

TaylorMorrison

CONTACT: Investor Relations
Taylor Morrison Home Corporation
(480) 734-2060
investor@taylormorrison.com

Taylor Morrison Announces June Net Sales and Pace Performance, Best Month in Company's History

Homebuilder reports 94 percent increase in monthly net sales orders year-over-year, monthly sales pace of 4.3

SCOTTSDALE, Ariz. (July 8, 2020)—Despite the unique challenges brought on by COVID-19, Taylor Morrison Home Corp. (NYSE: TMHC), the nation's fifth largest homebuilder, announced June 2020 net sales orders and average sales pace per community—the best sales month in the company's history.

The record-breaking performance resulted in the homebuilder finishing June with a 94 percent increase in net sales orders year-over-year for a total of 1,715 and a monthly all-time high sales pace of 4.3. While economic hardships caused by COVID-19 were felt most at the beginning of the quarter, Taylor Morrison finished the second quarter with net sales orders up approximately 23 percent year-over-year and a sales pace of 2.8.

Closings for the quarter came in at 3,212, an increase of approximately 24 percent compared to the same period in 2019. Sales order backlog of homes under contract increased approximately 35 percent to 6,805 homes, with a sales value of $3.2 billion at June 30, 2020 compared to a sales value of $2.5 billion as of June 30, 2019.

"To experience our best sales month in company history amid a pandemic, amid transitioning our business to a virtual environment seemingly overnight, and amid the economic and psychological impact on consumers speaks volumes to not only Taylor Morrison's resiliency, but our customers' resiliency, too," said Taylor Morrison Chairman and CEO Sheryl Palmer. "While nearly all of our sales offices are at some degree of open, we are still operating in a new, more virtual world. Our customers and team members have adapted to more online options beautifully, and I believe that is fully reflected in our financial performance."

The strength in performance was found across the company's portfolio—which includes a broad geographic footprint within 22 top U.S. housing markets across eleven states—as well as across its varying price points and consumer groups. While the homebuilder's active-adult consumer segment experienced a trough in mid-March, momentum has built week-over-week and is trending in the right direction alongside all other major consumer groups. Cancellations with this consumer group generally remained in line with pre-COVID levels allowing for net sales growth year-over-year for the first half of 2020.

Combined with historically low interest rates and limited resale inventory available, Palmer also credits the swift transition to a virtual sales environment and the creation of innovative online tools as being key to the company's record successes. "We're taking our selling capabilities even further by recently unveiling new technology that allows customers to complete self-guided tours of move-in ready homes beyond normal business hours and with the peace of mind that comes from keeping a social distance from others," said Palmer.

“Taylor Morrison is also pushing the virtual boundaries from online home shopping to online home buying with our new online home reservation feature, allowing customers to place a 24-hour hold on move-in ready and under-construction homes while they complete the sales agreement.”

About Taylor Morrison

Taylor Morrison Home Corporation (NYSE: TMHC) is the nation’s fifth largest homebuilder and developer based in Scottsdale, Arizona, that has been recognized as America’s Most Trusted® Home Builder for five years running (2016-2020). Operating under a family of brands including Taylor Morrison, Darling Homes, William Lyon Signature Home and Christopher Todd Communities built by Taylor Morrison, we serve consumer groups coast to coast, from first-time to move-up, luxury and 55-plus buyers. Our unwavering pledge to sustainability, our communities and our team—outlined in the 2019 Environmental, Social and Governance (ESG) Report—extends to designing thoughtful living experiences homeowners can be proud of for generations to come.

For more information about Taylor Morrison, Darling Homes and William Lyon Signature Home, please visit www.taylormorrison.com or www.darlinghomes.com.

Forward-Looking Statements

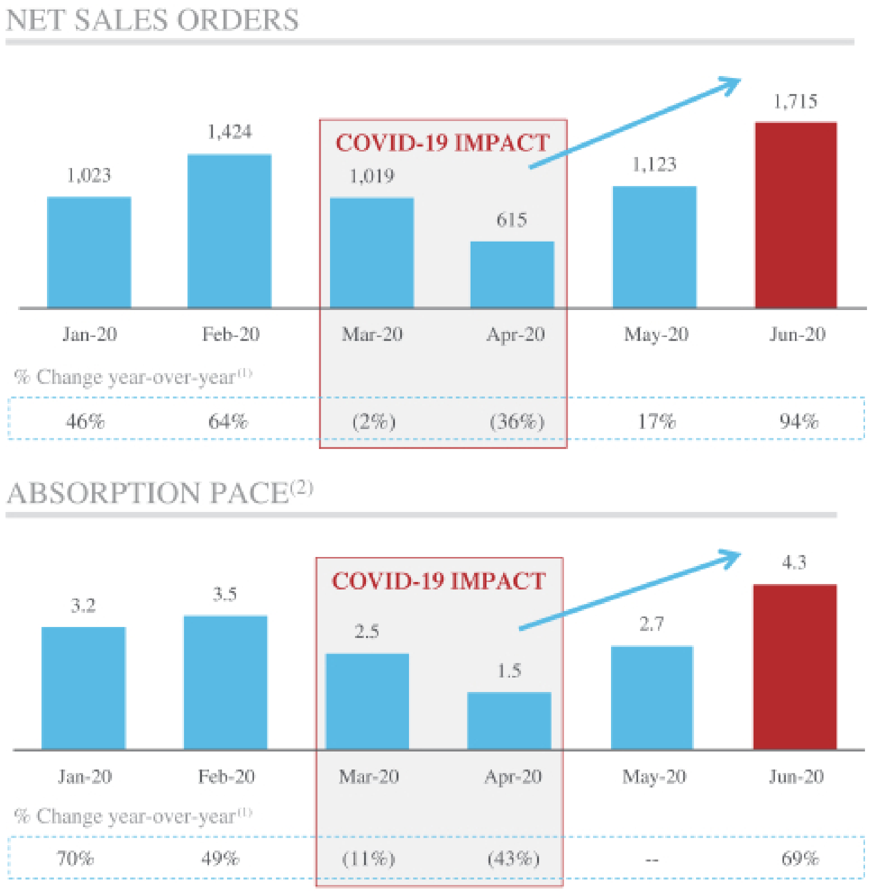
This press release contains forward-looking statements. These statements are subject to a number of risks, uncertainties and other factors that could cause our actual results, performance, prospects or opportunities, as well as those of the markets we serve or intend to serve, to differ materially from those expressed in, or implied by, these statements. You can identify these statements by the fact that they do not relate to matters of a strictly factual or historical nature and generally discuss or relate to forecasts, estimates or other expectations regarding future events. Generally, the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “may,” “can,” “could,” “might,” “will,” “encouraging” and similar expressions identify forward-looking statements, including statements related to expected operating and performing results, planned transactions, planned objectives of management, future developments or conditions in the industries in which we participate and other trends, developments and uncertainties that may affect our business in the future.

Such risks, uncertainties and other factors include, among other things: the scale and scope of the recent COVID-19 (coronavirus) outbreak and resulting pandemic; changes in general and local economic conditions (including as a result of recent extreme weather conditions); slowdowns or severe downturns in the housing market; homebuyers’ ability to obtain suitable financing; increases in interest rates, taxes or government fees; shortages in, disruptions of and cost of labor; higher cancellation rates of existing agreements of sale; competition in our industry; any increase in unemployment or underemployment; inflation or deflation; the seasonality of our business; our ability to obtain additional performance, payment and completion surety bonds and letters of credit; significant home warranty and construction defect claims; our reliance on subcontractors; failure to manage land acquisitions, inventory and development and construction processes; availability of land and lots at competitive prices; decreases in the market value of our land inventory; new or changing government regulations and legal challenges; our compliance with environmental laws and regulations regarding climate change; our ability to sell mortgages we originate and claims on loans sold to third parties; governmental regulation applicable to our financial services and title services business; the loss of any of our important commercial relationships; our ability to use deferred tax assets; raw materials and building supply shortages and price fluctuations; our concentration of significant operations in certain geographic areas; risks associated with our unconsolidated joint venture arrangements; information technology failures and data security breaches; costs to engage in and the success of future growth or expansion of our operations or acquisitions or disposals of businesses; costs associated with our defined benefit and defined contribution pension schemes; damages associated with any major health and safety incident; our ownership, leasing or occupation of land and the use of hazardous materials; material losses in excess of insurance limits; existing or future litigation, arbitration or other claims; negative publicity or poor relations with the residents of our communities; failure to recruit, retain and develop highly skilled, competent people; utility and resource shortages or rate fluctuations; constriction of the capital markets; risks related to our substantial debt and the agreements governing such debt, including restrictive covenants contained in such agreements; our ability to access the capital markets; the inherent uncertainty associated with financial or other projections; the risks associated with maintaining effective internal controls over financial reporting; and risks related to the integration of William Lyon Homes and the ability to recognize the anticipated benefits from the combination of Taylor Morrison and William Lyon Homes. In addition, other such risks and uncertainties may be found in our most recent annual report on Form 10-K and our quarterly report on Form 10-Q for the first quarter ended March 31, 2020 filed with the Securities and Exchange Commission (SEC) as such factors may be updated from time to time in our periodic filings with the SEC. We undertake no duty to update any forward-looking statement, whether as a result of new information, future events or changes in our expectations, except as required by applicable law.

Recent Developments

Preliminary Results for the Quarter Ended June 30, 2020

We expect net sales orders to have increased approximately 23%, to 3,453 in the second quarter of 2020 as compared to 2,810 in the second quarter of 2019. We expect our overall monthly absorption pace to have been 2.8 net sales orders per community in the second quarter of 2020 compared to 2.6 for the second quarter of 2019.



(1) Data includes William Lyon Homes from and after February 6, 2020. Year-over-year percentages determined based on our 2019 results on an actual, not pro forma, basis.

(2) Net sales orders per month per active selling community.

We expect our closings to have increased approximately 24% in the second quarter of 2020 compared to the corresponding period in 2019, to 3,212. We anticipate sales order backlog of homes under contract to have increased approximately 35% to 6,805 homes, with a sales value of $3.2 billion at June 30, 2020 compared to a sales value of $2.5 billion as of June 30, 2019.

The preliminary financial and other data set forth in this section has been prepared by, and is the responsibility of, our management. The foregoing information is preliminary and has not been compiled or examined by our independent auditors nor have our independent auditors performed any procedures with respect to this information or expressed any opinion or any form of assurance on such information. In addition, the foregoing information is subject to revision as we prepare our financial statements and other disclosures as of and for the three months ending June 30, 2020, including all disclosures required by U.S. GAAP. Because we have not completed our normal quarterly closing and review procedures for the three months ending June 30, 2020, and subsequent events may occur that require adjustments to these results, the final results and other disclosures for the three months ending June 30, 2020 may differ, potentially materially, from the foregoing information. In addition, the preliminary financial and other data for any period ending after February 6, 2020 is not directly comparable to the equivalent period in 2019 because of our acquisition of William Lyon Homes, which was consummated on February 6, 2020, among other reasons. The foregoing information should not be viewed as a substitute for full financial statements prepared in accordance with U.S. GAAP or as a measure of performance. See “Cautionary Statement Regarding Forward-Looking Statements.”

Other Information

Subject to prevailing market conditions, the continuing COVID-19 pandemic and other considerations, including our liquidity, planned land investment and development spending, acquisition and other investment opportunities and ongoing capital requirements, our goal is to refinance or repay using cash the remaining 2023 Senior Exchange Notes and 2025 Senior Exchange Notes within the next few months and we expect our net homebuilding debt to capitalization ratio to be in the low-to-mid 40% range by year end (compared to our prior goal of 50% by year end).

As previously reported, on February 6, 2020, we acquired William Lyon Homes, one of the nation's largest homebuilders in the Western United States, expanding our footprint into Washington, Oregon and Nevada and deepening our market share in Colorado, Arizona, Texas and California. We continue to believe the William Lyon Homes the acquisition will deliver $80 million in synergies by 2021.

Exhibit 99.3

TAYLOR MORRISON ANNOUNCES PROPOSED SENIOR UNSECURED NOTES OFFERING

SCOTTSDALE, AZ, July 8, 2020 – Taylor Morrison Home Corporation (NYSE: TMHC)("TMHC") today announced that Taylor Morrison Communities, Inc. (the "Issuer") intends to offer $400.0 million aggregate principal amount of senior notes due 2030 (the "Senior Notes").

The Issuer plans to use the net proceeds of this offering together with cash on hand to redeem approximately $222.4 million aggregate principal amount of its 6.00% Senior Notes due 2023 and approximately $277.6 million aggregate principal amount of its 5.875% Senior Notes due 2025.

The Senior Notes will be unsecured and guaranteed on a senior unsecured basis by the same subsidiaries of TMHC that guarantee, or are obligors of, the Issuer's existing senior unsecured notes.

The Senior Notes will be offered to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and to persons outside of the United States in compliance with Regulation S under the Securities Act. The issuance and sale of the Senior Notes have not been registered under the Securities Act, and the Senior Notes may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

This press release does not constitute an offer to sell or a solicitation of an offer to buy the Senior Notes, nor shall there be any offer, solicitation or sale of any Senior Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Forward-Looking Statements

This press release contains forward-looking statements. You should not place undue reliance on those statements because they are subject to numerous uncertainties and factors relating to TMHC's operations and business environment, all of which are difficult to predict and many of which are beyond TMHC's control.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

On November 5, 2019, Taylor Morrison Home Corporation ("TMHC") entered into an Agreement and Plan of Merger (the "merger agreement") with Tower Merger Sub, Inc., a wholly owned subsidiary of TMHC ("Merger Sub"), and William Lyon Homes. Pursuant to the terms of the merger agreement, on February 6, 2020, Merger Sub merged (the "Merger") with and into William Lyon Homes with William Lyon Homes surviving the Merger as a direct subsidiary of TMHC, and each share of William Lyon Homes common stock was converted into the right to receive consideration consisting of (i) 0.8000 validly issued, fully paid and non-assessable shares of Taylor Morrison common stock (the "Stock Consideration") and (ii) $2.50 in cash (the "Cash Consideration" and together with the Stock Consideration, the "Merger Consideration"). Upon completion of the Merger, the separate corporate existence of Merger Sub ceased, and William Lyon Homes continued as the surviving corporation in the Merger. Following the Merger, through a series of transactions, William Lyon Homes was contributed to Taylor Morrison Communities, Inc.

The unaudited pro forma condensed combined statements of operations for the three months ended March 31, 2020 and for the year ended December 31, 2019 present the historical consolidated statements of operations of TMHC and William Lyon Homes, giving effect to the Merger as if it had been consummated on January 1, 2019, the beginning of the earliest period presented. The unaudited pro forma condensed combined statements of operations do not give effect to the Refinancing Transactions. The fiscal years of TMHC and William Lyon Homes both end on December 31. The results of operations of William Lyon Homes are reflected in the consolidated financial statements of TMHC from and after February 6, 2020.

As of the date of this offering memorandum, TMHC has not completed its fair value measurements with respect to the William Lyon Homes' assets acquired and the William Lyon Homes liabilities assumed. In connection with the preparation of the unaudited pro forma condensed combined statements of operations, TMHC has estimated the fair value of William Lyon Homes' owned inventory, deferred tax assets and total debt based on discussions with management, preliminary analyses, due diligence and information presented in public filings. The valuations necessary to arrive at estimates of the fair value of the William Lyon Homes assets acquired and the William Lyon Homes liabilities assumed are preliminary and subject to completion. All other assets, liabilities, and noncontrolling interest for consolidated entities are presented at carrying value and are also subject to completion of fair value analysis. In addition, there may be additional adjustments necessary to conform William Lyon Homes accounting policies to TMHC's accounting policies. Within 12 months after the completion of the Merger, final valuations will be completed and reflected in TMHC's financial information. There may be differences between these preliminary estimates and the final valuations, and these differences could have a material impact on the accompanying unaudited pro forma condensed combined statements of operations and TMHC's future results of operations and financial position. Accordingly, the preliminary pro forma adjustments have been made solely for the purpose of providing the unaudited pro forma condensed combined statements of operations presented below and are subject to further adjustments.

These unaudited pro forma condensed combined statements of operations have been developed from and should be read in conjunction with (i) the unaudited interim consolidated statements of operations of TMHC contained in its Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, which is incorporated by reference in this offering memorandum, and the unaudited interim consolidated statements of operations of William Lyon Homes included elsewhere in this offering memorandum and (ii) the audited consolidated statements of operations of TMHC contained in its Annual Report on Form 10-K for the year ended December 31, 2019 which is incorporated by reference in this offering memorandum, and the audited consolidated statements of operations of William Lyon Homes included elsewhere in this offering memorandum. The unaudited pro forma condensed combined statements of operations are provided for illustrative purposes only and do not purport to represent what the actual consolidated results of operations of TMHC would have been had the Merger occurred on the dates assumed, nor are they necessarily indicative of the future consolidated results of operations or consolidated financial position of TMHC.

Taylor Morrison Home Corporation
Unaudited Pro Forma Condensed Combined Statement of Operations
For the Three Months Ended March 31, 2020

	Taylor Morrison Condensed Historical	William Lyon Homes Condensed Historical(a)	Pro Forma Merger Adjustments	Pro Forma Combined
Home and land closings revenue, net	$1,287,579	87,098	—	1,374,677
Financial services revenue	28,039	—	—	28,039
Amenity and other revenue	30,081	—	—	30,081
Total revenues	1,345,699	87,098	—	1,432,797
Cost of home and land closings	1,097,635	87,595	(528)(c)	1,184,702
Financial services expenses	20,647	—	—	20,647
Amenity and other expenses	29,661	—	—	29,661
Total cost of revenues	1,147,943	87,595	(528)	1,235,010
Gross margin	197,756	(497)	528	197,787
Sales, general and administrative expenses	136,853	44,619	—	181,472
Equity in income of unconsolidated entities	(2,426)	—	—	(2,426)
Interest income and other expenses, net	5,730	857	—	6,587
Transaction expenses	86,374		(86,374)(d)	—
Income before income taxes	(28,775)	(45,973)	86,902	12,154
Income tax provision	781	(10,618)	12,964(e)	3,127
Net income before allocation to non-controlling interests	(29,556)	(35,355)	73,938	9,027
Net income attributable to non-controlling interests	(1,875)	887	—	(988)
Net income available to Taylor Morrison Home Corporation/William Lyon Homes	$ (31,431)	$ (34,468)	$ 73,938	$ 8,039
Weighted average number of shares of common stock:				
Basic	121,908	N/A	11,735(f)	133,643
Diluted	121,908	N/A	13,027(f)	134,935
Earnings per common share				
Basic	$ (0.26)	$ —	$ —	$ 0.06
Diluted	$ (0.26)	$ —	$ —	$ 0.06

Taylor Morrison Home Corporation
Unaudited Pro Forma Condensed Combined Statement of Operations
For the Year Ended December 31, 2019

	Taylor Morrison Condensed Historical	William Lyon Homes Condensed Historical	Pro Forma Merger Adjustments	Pro Forma Combined
Home and land closings revenue, net	$4,650,565	1,982,221	21,393(b)	6,654,179
Financial services revenue	92,815	—	—	92,815
Amenity and other revenue	18,679	7,566	24,528(b)	50,773
Total revenues	4,762,059	1,989,787	45,921	6,797,767
Cost of home and land closings	3,869,728	1,714,525	15,944(b)	5,600,197
Financial services expenses	51,086	387	—	51,473
Amenity and other expenses	17,155	6,980	18,836(b)	42,971
Total cost of revenues	3,937,969	1,721,892	34,780	5,694,641
Gross margin	824,090	267,895	11,141	1,103,126
Sales, general and administrative expenses	490,271	244,458	—	734,729
Equity in income of unconsolidated entities	(9,509)	(2,598)	—	(12,107)
Interest income and other expenses, net	4,553	(1,812)	4,805(c)	7,546
Transaction expenses	10,697	4,296	86,374(d)	101,367
Loss on extinguishment of debt	5,806	1,433	—	7,239
Income before income taxes	322,272	22,118	(80,038)	264,352
Income tax provision	67,358	1,799	(12,964)(e)	56,193
Net income before allocation to non-controlling interests	254,914	20,319	(67,074)	208,159
Net income attributable to non-controlling interests	(262)	(30,399)	—	(30,661)
Net income available to Taylor Morrison Home Corporation/William Lyon Homes	$ 254,652	$ (10,080)	$ (67,074)	$ 177,498
Weighted average number of shares of common stock:				
Basic	106,997	37,801	(9,138)(g)	135,660
Diluted	108,289	37,801	(7,906)(g)	138,184
Earnings per common share				
Basic	$ 2.38	$ (0.27)	—	$ 1.31
Diluted	$ 2.35	$ (0.27)	—	$ 1.28

Notes to Unaudited Pro Forma Condensed Statements of Operations
for the Year Ended December 31, 2019, the Three Months Ended March 31, 2020
(dollars in thousands, except for per share amounts)

(a)

The William Lyon Condensed Historical amounts presented include activity from January 1, 2020 to February 5, 2020. The acquisition of William Lyon Homes was completed on February 6, 2020 and all historical results from that date on are included in the Taylor Morrison Home Corporation Condensed Historical amounts.

	For the three months ended March 31, 2020	For the twelve months ended December 31, 2019
(b) Adjustments within Total Revenues and Total Cost of Revenues		
Adjustment to Total Revenues		
To reflect a reclassification in order to conform with Taylor Morrison's financial statement presentation, Taylor Morrison reclassified the William Lyon Homes portion of land closings revenue from Interest income and other expenses, net to Home and land closings revenue, net	$ —	$ 21,393
To reflect a reclassification in order to conform with Taylor Morrison's financial statement presentation, Taylor Morrison reclassified the William Lyon Homes portion of apartment and commercial revenue from Interest income and other expenses, net to Amenity and other revenue	$ —	$ 24,528
	$ —	$ 45,921
Adjustment to Total Cost of Revenues		
Adjustment to Cost of home and land closings to reflect the amortization of the capitalized William Lyon Homes senior notes fair value premium resulting from purchase accounting	$ (528)	$ (6,336)
To reflect a reclassification in order to conform with Taylor Morrison's financial statement presentation, Taylor Morrison reclassified the William Lyon Homes portion of costs of land closings from Interest income and other expenses, net to Cost of home and land closings	$ —	$ 22,280
To reflect a reclassification in order to conform with Taylor Morrison's financial statement presentation, Taylor Morrison reclassified the William Lyon Homes portion of costs of apartment and commercial sales from Interest income and other expenses, net to Amenity and other expenses	$ —	$ 18,836
	$ (528)	$ 34,780
Adjustment to Gross Margin	$ 528	$ 11,141

	For the three months ended March 31, 2020	For the twelve months ended December 31, 2019
(c) Adjustments to Interest Income and Other Expenses, Net		
Adjustment to Total Revenues		
To reflect a reclassification in order to conform with Taylor Morrison's financial statement presentation, Taylor Morrison reclassified the William Lyon Homes portion of land closings revenue from Interest income and other expenses, net to Home and land closings revenue, net	$ —	$ 21,393
To reflect a reclassification in order to conform with Taylor Morrison's financial statement presentation, Taylor Morrison reclassified the William Lyon Homes portion of apartment and commercial revenue from Interest income and other expenses, net to Amenity and other revenue	$ —	$ 24,528
	$ —	$ 45,921
Adjustment to Total cost of revenues		
To reflect a reclassification in order to conform with Taylor Morrison's financial statement presentation, Taylor Morrison reclassified the William Lyon Homes portion of costs of land closings from Interest income and other expenses, net to Cost of home and land closings	$ —	$ (22,280)
To reflect a reclassification in order to conform with Taylor Morrison's financial statement presentation, Taylor Morrison reclassified the William Lyon Homes portion of costs of apartment and commercial sales from Interest income and other expenses, net to Amenity and other expenses	$ —	$ (18,836)
	$ —	$ (41,116)
Adjustment to Interest income and other expenses, net to reflect the reclass to gross margin	$ —	$ 4,805

	For the three months ended March 31, 2020	For the twelve months ended December 31, 2019
(d) Adjustments to Transaction Expenses		
To reflect the impact of transaction expenses incurred as if the acquisition of William Lyon Homes had been completed on January 1, 2019.	$ (86,374)	$ 86,374

	For the three months ended March 31, 2020	For the twelve months ended December 31, 2019
(e) Adjustments to Income Tax Provision		
To reflect the impact to the income tax provision for the pro forma adjustments, taking into consideration non-deductible transaction expenses, if applicable. The resulting effective tax rate for the three months ended March 31, 2020 and year ended December 31, 2019 is 25.7% and 21.3%, respectively.	$ 12,964	$ (12,964)

(f) Adjustments to Weighted Average Shares - Three Months Ended March 31, 2020

The TMHC Condensed Historical basic and diluted weighted average share counts as of March 31, 2020 include the impacts of issuing Taylor Morrison Common Stock for the acquisition of William Lyon Homes and the cancellation of William Lyon Homes Common Stock. The William Lyon Homes Condensed Historical basic and diluted weighted average share counts are not applicable as TMHC had already acquired William Lyon Homes. The Pro Forma Combined basic and diluted weighted average share counts as of March 31, 2020 assume the acquisition occurred on January 1, 2019. The Pro forma Merger adjustment balance represents the net increase in weighted average shares outstanding for the acquisition as well as reoccurring equity activity as part of normal course of business.

(g) Adjustments to Weighted Average Shares

To reflect the pro-forma shares outstanding after issuance of Taylor Morrison Common Stock related to the acquisition and cancellation of William Lyon Homes Inc.'s Common Stock.

	For the twelve months ended December 31, 2019
Issuance of Taylor Morrison Common Stock	$ 28,663
Cancellation of William Lyon Homes Common Stock	(37,801)
Basic Weighted Average Number of Shares.	(9,138)
Issuance of Taylor Morrison Common Stock	28,663
Issuance of Taylor Morrison Options, RSU, and Warrants	1,232
Cancellation of William Lyon Homes Common Stock	(37,801)
Diluted Weighted Average Number of Shares	(7,906)

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

1. Basis of Presentation

The unaudited pro forma condensed combined statements of operations have been prepared in accordance with Regulation S-X Article 11 which gives effect to the Merger under Accounting Standards Codification Topic 805, "Business Combinations" using the acquisition method of accounting giving effect to the Merger involving Taylor Morrison and William Lyon Homes, with Taylor Morrison as the accounting acquirer.

The accompanying unaudited pro forma condensed combined financial statements present the pro forma consolidated results of operations of the combined company, based on the historical financial statements of Taylor Morrison and William Lyon Homes, after giving effect to the Merger and adjustments described in the notes thereto, and are intended to reflect the impact of the Merger on Taylor Morrison's condensed consolidated financial statements. The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and is not necessarily indicative of the results of operations of the combined company had the Merger been consummated at January 1, 2019, nor is it necessarily indicative of the results of operations of the combined company in future periods or the future financial position of the combined company.

2. Estimated Merger and Integration Costs

The integration of Taylor Morrison's and William Lyon Homes' operations is still in process. The combined company has and expects to continue to incur costs associated with integrating the operations of Taylor Morrison and William Lyon Homes. The unaudited pro forma condensed combined financial statements do not reflect the costs of any integration activities or benefits that may result from realization of future cost savings from expected operating efficiencies or synergies. Taylor Morrison has incurred Merger-related expenses including system conversion costs, employee retention and severance agreements, communications to customers, and others. To the extent there are costs associated with these actions, the costs are recorded based on the nature and timing of these integration actions. Most acquisition and restructuring costs are recognized separately from a business combination and generally are expensed as incurred. Taylor Morrison currently estimates that combined Merger-related costs will be approximately $130.0 million and expects they will be incurred primarily in the year ending December 31, 2020. For the three months ended March 31, 2020, Taylor Morrison has incurred $86.4 million of transaction related expenses which, for purposes of the pro forma statements are presented in the pro forma statement of operations for the year ended December 31, 2019. The additional estimated costs are not reflected in the accompanying pro forma condensed combined statement of operations for the year ended December 31, 2019 and the three months ended March 31, 2020.