

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 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) February 17, 2022



**Tri Pointe Homes, Inc.**  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation)

1-35796  
(Commission  
File Number)

61-1763235  
(IRS Employer  
Identification No.)

940 Southwood Blvd, Suite 200  
Incline Village, Nevada 89451  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (775) 413-1030

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:

- 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 \$0.01 per share | TPH               | 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 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 February 17, 2022, Tri Pointe Homes, Inc., a Delaware corporation (the “Company”), announced in a press release its financial results for the quarter ended December 31, 2021 and full year 2021. A copy of the Company’s press release announcing these financial results is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information furnished pursuant to this Item 2.02, including the exhibits attached hereto, shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (“Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into any filings under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth in such filing. In addition, the press release furnished as an exhibit to this report includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995.

## **Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

[99.1](#) Press Release dated February 17, 2022

104 Cover Page Interactive Data File, formatted in Inline XBRL

**SIGNATURES**

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

Tri Pointe Homes, Inc.

Date: February 17, 2022

By: /s/ Glenn J. Keeler

Glenn J. Keeler,  
Chief Financial Officer



**TRI POINTE HOMES, INC. REPORTS 2021 FOURTH QUARTER AND FULL YEAR RESULTS AND ANNOUNCES \$250 MILLION INCREASE TO ITS STOCK REPURCHASE PROGRAM**

**Fourth Quarter Highlights**

- Diluted Earnings Per Share of \$1.33, Up 45% Year-Over-Year-**
- Pre-tax Margin of 16.2%-**
- Backlog Dollar Value of \$2.2 Billion, up 17% Year-Over-Year-**
- Return on Average Equity of 20.3%\*-**

INCLINE VILLAGE, Nev., February 17, 2022 / Business Wire / – Tri Pointe Homes, Inc. (the “Company”) (NYSE: TPH) today announced results for the fourth quarter ended December 31, 2021 and full year 2021. The Company also announced that its Board of Directors has authorized the repurchase of up to an additional \$250 million of common stock under its existing stock repurchase program (“Repurchase Program”), increasing the aggregate authorization under the Repurchase Program from \$500 million to \$750 million.

“Tri Pointe Homes had a record-breaking 2021 in terms of profitability and a company-best return on average equity of 20.3%,” said Doug Bauer, Chief Executive Officer of Tri Pointe Homes. “We ended the year on a high note, generating fourth quarter earnings of \$1.33 per diluted share, a 45% year-over-year improvement. We also met or exceeded our previously stated guidance for key operational metrics for the quarter due in large part to the excellent job that our team members’ did navigating the supply chain challenges that persist in our industry.”

“The factors that contributed to our fourth quarter success continue to provide momentum, including demand for new homes that has outstripped supply across our markets. We continue to see motivated buyers across our geographic footprint, driven in part by strong demographics and an overall change in attitude towards home ownership brought on by the pandemic, both of which we believe are long-term shifts. We believe that these persisting trends, combined with the limited supply of existing home inventory available for sale, make for a promising outlook for our industry.”

Bauer concluded, “Tri Pointe Homes is poised to build on the record-breaking success we experienced in 2021. We had 50% more lots under control at the end of 2021 than we did in the prior-year, which should provide us with a strong runway for future growth. In addition, our strong balance sheet and sizable backlog give us a favorable market position going forward, making me extremely optimistic about the future of Tri Pointe Homes.”

**Results and Operational Data for Fourth Quarter 2021 and Comparisons to Fourth Quarter 2020**

- Net income was \$147.4 million, or \$1.33 per diluted share, compared to \$115.1 million, or \$0.92 per diluted share
- Home sales revenue for the quarter was \$1.2 billion, an increase of 15%
  - New home deliveries of 1,885 homes compared to 1,633 homes, an increase of 15%
  - Average sales price of homes delivered of \$637,000 compared to \$640,000
- Homebuilding gross margin percentage of 24.4% compared to 23.2%, an increase of 120 basis points, which includes \$20.1 million of impairments and lot option abandonments
  - Excluding interest, impairments and lot option abandonments, adjusted homebuilding gross margin percentage was 28.1%\*\*
- Selling, general and administrative (“SG&A”) expense as a percentage of homes sales revenue of 8.5% compared to 9.9%, a decrease of 140 basis points
- Net new home orders of 1,424 compared to 1,409, an increase of 1%
- Active selling communities averaged 110.5 compared to 117.5, a decrease of 6%
  - Net new home orders per average selling community increased by 1% to 12.9 orders (4.3 monthly) compared to 12.0 orders (4.0 monthly)
  - Cancellation rate of 9% compared to 10%
- Backlog units at quarter end of 3,158 homes compared to 2,964, an increase of 7%



- Dollar value of backlog at quarter end of \$2.2 billion compared to \$1.9 billion, an increase of 17%
- Average sales price in backlog at quarter end of \$710,000 compared to \$647,000, an increase of 10%
- Ratios of debt-to-capital and net debt-to-net capital of 35.3% and 21.1%\*\* , respectively, as of December 31, 2021
- Repurchased 2,762,900 shares of common stock at an average price of \$22.64 for an aggregate dollar amount of \$62.6 million in the three months ended December 31, 2021
- Ended fourth quarter of 2021 with total liquidity of \$1.3 billion, including cash of \$681.5 million and \$601.1 million of availability under the Company's unsecured revolving credit facility
- \* Return on average equity is calculated as net income for the trailing twelve months divided by average stockholders' equity for the trailing five quarters
- \*\* See "Reconciliation of Non-GAAP Financial Measures"

### Results and Operational Data for Full Year 2021 and Comparisons to Full Year 2020

- Net income was \$469.3 million, or \$4.12 per diluted share, compared to \$282.2 million, or \$2.17 per diluted share
- Home sales revenue of \$4.0 billion compared to \$3.2 billion, an increase of 22%
  - New home deliveries of 6,188 homes compared to 5,123 homes, an increase of 21%
  - Average sales price of homes delivered of \$639,000 compared to \$631,000, an increase of 1%
- Homebuilding gross margin percentage of 24.9% compared to 22.0%, an increase of 290 basis points, which includes \$20.8 million of impairments and lot option abandonments
  - Excluding interest, impairments and lot option abandonments, adjusted homebuilding gross margin percentage was 27.9%\*\*
- SG&A expense as a percentage of homes sales revenue of 9.6% compared to 10.8%, a decrease of 120 basis points
- Net new home orders of 6,382 compared to 6,335, an increase of 1%
- Active selling communities averaged 111.8 compared to 133.2, a decrease of 16%
  - Net new home orders per average selling community increased by 20% to 57.1 orders (4.8 monthly) compared to 47.6 orders (4.0 monthly)
  - Cancellation rate of 8% compared to 13%,
- Repurchased 13,063,465 shares of common stock at an average price of \$21.13 for an aggregate dollar amount of \$276.0 million in the full year ended December 31, 2021
- \*\* See "Reconciliation of Non-GAAP Financial Measures"

"Our sales pace for the fourth quarter came in at 4.3 homes per community per month, which is well above seasonal norms for that time of year," said Tri Pointe Homes President and Chief Operating Officer Tom Mitchell. "Demand was consistent company-wide, as each of our regions registered a sales pace above 3.9. We believe this is a testament to the innovative design and broad-based appeal of our homes as well as our strong market positioning. Last year's successful one-brand initiative simplified our marketing processes across our divisions, while amplifying our unified brand across the country. We feel these factors have positioned Tri Pointe for continuing success into 2022 and beyond."

### Outlook

For the first quarter of 2022, the Company anticipates delivering between 900 and 1,100 homes at an average sales price between \$650,000 and \$660,000. The Company expects its homebuilding gross margin percentage to be in the range of 25.0% to 26.0% for the first quarter of 2022 and anticipates its SG&A expense as a percentage of home sales revenue will be in the range of 13.0% to 13.5%. Lastly, the Company expects its effective tax rate for the first quarter of 2022 to be in the range of 25.0% to 26.0%.



For the full year, the Company expects to open between 90 and 100 new communities and end the year with between 150 and 160 active selling communities. In addition, the Company anticipates delivering between 6,500 and 6,800 homes at an average sales price between \$660,000 and \$670,000. The Company expects homebuilding gross margin percentage to be in the range of 25.0% to 26.0% for the full year and anticipates its SG&A expense as a percentage of homes sales revenue will be in the range of 9.7% to 10.2%. Finally, the Company expects its effective tax rate for the full year to be in the range of 25.0% to 26.0%.

### **Stock Repurchase Program**

On February 16, 2022, the Company's Board of Directors approved the repurchase of up to an additional \$250 million of Company common stock pursuant to its Repurchase Program. As of February 16, 2022, the Company had purchased an aggregate of 18,278,907 shares of common stock for approximately \$387.6 million pursuant to the Repurchase Program. Under the Repurchase Program as amended, the Company may repurchase shares of its outstanding common stock with an aggregate value of up to \$750 million through December 31, 2022. Purchases of common stock pursuant to the Repurchase Program may be made in open market transactions effected through a broker-dealer at prevailing market prices, in block trades, or by other means in accordance with federal securities laws, including pursuant to any trading plan that may be adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934, as amended. The Company is not obligated under the Repurchase Program to repurchase any specific number or amount of shares of common stock, and it may modify, suspend or discontinue the program at any time. Company management will determine the timing and amount of repurchase in its discretion based on a variety of factors, such as the market price of the Company's common stock, corporate requirements, general market economic conditions and legal requirements.

### **Earnings Conference Call**

The Company will host a conference call via live webcast for investors and other interested parties beginning at 7:00 a.m. Pacific Time (10:00 a.m. Eastern Time) on Thursday, February 17, 2022. The call will be hosted by Doug Bauer, Chief Executive Officer, Tom Mitchell, President and Chief Operating Officer, and Glenn Keeler, Chief Financial Officer.

Interested parties can listen to the call live and view the related presentation slides on the internet through the Events & Presentations heading in the Investors section of the Company's website at [www.TriPointeHomes.com](http://www.TriPointeHomes.com). Listeners should go to the website at least fifteen minutes prior to the call to download and install any necessary audio software. The call can also be accessed toll free at (877) 407-3982, or (201) 493-6780 for international participants. Participants should ask for the Tri Pointe Homes Fourth Quarter 2021 Earnings Conference Call. Those dialing in should do so at least ten minutes prior to the start of the call. A replay of the call will be available for two weeks following the call toll free at (844) 512-2921, or (412) 317-6671 for international participants, using the reference number 13726044. An archive of the webcast will also be available on the Company's website for a limited time.

### **About Tri Pointe Homes, Inc.**

One of the largest homebuilders in the U.S., Tri Pointe Homes, Inc.<sup>®</sup> (NYSE: TPH) is a publicly traded company and a recognized leader in customer experience, innovative design, and environmentally responsible business practices. The company builds premium homes and communities in 10 states, with deep ties to the communities it serves—some for as long as a century. Tri Pointe Homes combines the financial resources, technology platforms and proven leadership of a national organization with the regional insights, longstanding community connections and agility of empowered local teams. Tri Pointe has won multiple Builder of the Year awards, most recently in 2019, and made Fortune magazine's 2017 100 Fastest-Growing Companies list. Named one of the Best Places to Work by the Orange County Business Journal for four consecutive years, Tri Pointe Homes also became a Great Place to Work-Certified<sup>™</sup> company in 2021. For more information, please visit [TriPointeHomes.com](http://TriPointeHomes.com).

### **Forward-Looking Statements**

*Various statements contained in this press release, including those that express a belief, expectation or intention, as well as those that are not statements of historical fact, are forward-looking statements. These forward-looking statements may include, but are not limited to, statements regarding our strategy, projections and estimates concerning the timing and success of specific projects and our future production, land and lot sales, operational and financial results, including our estimates for growth, financial condition, sales prices, prospects, and capital spending. Forward-looking statements that are included in this press release are generally accompanied by words such as "anticipate," "believe," "could," "estimate," "expect," "future," "goal," "guidance," "intend," "likely," "may," "might," "outlook," "plan," "potential," "predict," "project," "should,"*



*“strategy,” “target,” “will,” “would,” or other words that convey future events or outcomes. The forward-looking statements in this press release speak only as of the date of this press release, and we disclaim any obligation to update these statements unless required by law, and we caution you not to rely on them unduly. These forward-looking statements are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. The following factors, among others, may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements: the effects of the ongoing COVID-19 pandemic, which are highly uncertain and subject to rapid change, cannot be predicted and will depend upon future developments, including the emergence and spread of new strains or variants of COVID-19, the severity and the duration of the outbreak, the duration of existing and future social distancing and shelter-in-place orders, further mitigation strategies taken by applicable government authorities, the availability and acceptance of effective vaccines, adequate testing and treatments and the prevalence of widespread immunity to COVID-19; the impacts on our supply chain, the health of our employees, service providers and trade partners, and the reactions of U.S. and global markets and their effects on consumer confidence and spending; the effects of general economic conditions, including employment rates, housing starts, interest rate levels, availability of financing for home mortgages and strength of the U.S. dollar; market demand for our products, which is related to the strength of the various U.S. business segments and U.S. and international economic conditions; the availability of desirable and reasonably priced land and our ability to control, purchase, hold and develop such parcels; access to adequate capital on acceptable terms; geographic concentration of our operations, particularly within California; levels of competition; the successful execution of our internal performance plans, including restructuring and cost reduction initiatives; the prices and availability of supply chain inputs, including raw materials and labor; oil and other energy prices; the effects of U.S. trade policies, including the imposition of tariffs and duties on homebuilding products and retaliatory measures taken by other countries; the effects of weather, including the occurrence of drought conditions in California; the risk of loss from earthquakes, volcanoes, fires, floods, droughts, windstorms, hurricanes, pest infestations and other natural disasters, and the risk of delays, reduced consumer demand, and shortages and price increases in labor or materials associated with such natural disasters; the risk of loss from acts of war, terrorism, civil unrest or outbreaks of contagious diseases, such as COVID-19; transportation costs; federal and state tax policies; the effects of land use, environment and other governmental laws and regulations; legal proceedings or disputes and the adequacy of reserves; risks relating to any unforeseen changes to or effects on liabilities, future capital expenditures, revenues, expenses, earnings, synergies, indebtedness, financial condition, losses and future prospects; changes in accounting principles; risks related to unauthorized access to our computer systems, theft of our homebuyers’ confidential information or other forms of cyber-attack; and additional factors discussed under the sections captioned “Risk Factors” included in our annual and quarterly reports filed with the Securities and Exchange Commission. The foregoing list is not exhaustive. New risk factors may emerge from time to time and it is not possible for management to predict all such risk factors or to assess the impact of such risk factors on our business.*

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## KEY OPERATIONS AND FINANCIAL DATA

(dollars in thousands)  
(unaudited)

|                                           | Three Months Ended December 31, |                              |               |          | Year Ended December 31, |              |            |          |
|-------------------------------------------|---------------------------------|------------------------------|---------------|----------|-------------------------|--------------|------------|----------|
|                                           | 2021                            | 2020                         | Change        | % Change | 2021                    | 2020         | Change     | % Change |
| <b>Operating Data:</b>                    |                                 |                              |               |          |                         |              |            |          |
| Home sales revenue                        | \$ 1,200,222                    | \$ 1,045,020                 | \$ 155,202    | 15 %     | \$ 3,955,154            | \$ 3,232,836 | \$ 722,318 | 22 %     |
| Homebuilding gross margin                 | \$ 292,580                      | \$ 242,002                   | \$ 50,578     | 21 %     | \$ 982,917              | \$ 712,046   | \$ 270,871 | 38 %     |
| Homebuilding gross margin %               | 24.4 %                          | 23.2 %                       | 1.2 %         |          | 24.9 %                  | 22.0 %       | 2.9 %      |          |
| Adjusted homebuilding gross margin %*     | 28.1 %                          | 26.3 %                       | 1.8 %         |          | 27.9 %                  | 25.0 %       | 2.9 %      |          |
| SG&A expense                              | \$ 102,451                      | \$ 103,155                   | \$ (704)      | (1) %    | \$ 379,377              | \$ 349,414   | \$ 29,963  | 9 %      |
| SG&A expense as a % of home sales revenue | 8.5 %                           | 9.9 %                        | (1.4)%        |          | 9.6 %                   | 10.8 %       | (1.2)%     |          |
| Net income                                | \$ 147,440                      | \$ 115,114                   | \$ 32,326     | 28 %     | \$ 469,267              | \$ 282,207   | \$ 187,060 | 66 %     |
| Adjusted EBITDA*                          | \$ 257,365                      | \$ 203,396                   | \$ 53,969     | 27 %     | \$ 801,310              | \$ 532,915   | \$ 268,395 | 50 %     |
| Interest incurred                         | \$ 24,766                       | \$ 20,450                    | \$ 4,316      | 21 %     | \$ 92,783               | \$ 83,120    | \$ 9,663   | 12 %     |
| Interest in cost of home sales            | \$ 23,991                       | \$ 31,013                    | \$ (7,022)    | (23) %   | \$ 101,176              | \$ 93,131    | \$ 8,045   | 9 %      |
| <b>Other Data:</b>                        |                                 |                              |               |          |                         |              |            |          |
| Net new home orders                       | 1,424                           | 1,409                        | 15            | 1 %      | 6,382                   | 6,355        | 27         | 1 %      |
| New homes delivered                       | 1,885                           | 1,633                        | 252           | 15 %     | 6,188                   | 5,123        | 1,065      | 21 %     |
| Average selling price of homes delivered  | \$ 637                          | \$ 640                       | \$ (3)        | 0 %      | \$ 639                  | \$ 631       | \$ 8       | 1 %      |
| Cancellation rate                         | 9 %                             | 10 %                         | (1)%          |          | 8 %                     | 13 %         | (5)%       |          |
| Average selling communities               | 110.5                           | 117.5                        | (7.0)         | (6) %    | 111.8                   | 133.2        | (21.4)     | (16) %   |
| Selling communities at end of period      | 112                             | 112                          | 0             | 0 %      |                         |              |            |          |
| Backlog (estimated dollar value)          | \$ 2,242,159                    | \$ 1,916,664                 | \$ 325,495    | 17 %     |                         |              |            |          |
| Backlog (homes)                           | 3,158                           | 2,964                        | 194           | 7 %      |                         |              |            |          |
| Average selling price in backlog          | \$ 710                          | \$ 647                       | \$ 63         | 10 %     |                         |              |            |          |
|                                           | <b>December 31,<br/>2021</b>    | <b>December 31,<br/>2020</b> | <b>Change</b> |          |                         |              |            |          |
| <b>Balance Sheet Data:</b>                |                                 |                              |               |          |                         |              |            |          |
| Cash and cash equivalents                 | \$ 681,528                      | \$ 621,295                   | \$ 60,233     |          |                         |              |            |          |
| Real estate inventories                   | \$ 3,054,743                    | \$ 2,910,142                 | \$ 144,601    |          |                         |              |            |          |
| Lots owned or controlled                  | 41,675                          | 35,641                       | 6,034         |          |                         |              |            |          |
| Homes under construction <sup>(1)</sup>   | 3,632                           | 3,044                        | 588           |          |                         |              |            |          |
| Homes completed, unsold                   | 27                              | 68                           | (41)          |          |                         |              |            |          |
| Total debt, net                           | \$ 1,337,723                    | \$ 1,343,001                 | \$ (5,278)    |          |                         |              |            |          |
| Stockholders' equity                      | \$ 2,447,621                    | \$ 2,232,537                 | \$ 215,084    |          |                         |              |            |          |
| Book capitalization                       | \$ 3,785,344                    | \$ 3,575,538                 | \$ 209,806    |          |                         |              |            |          |
| Ratio of debt-to-capital                  | 35.3 %                          | 37.6 %                       | (2.3)%        |          |                         |              |            |          |
| Ratio of net debt-to-net-capital*         | 21.1 %                          | 24.4 %                       | (3.3)%        |          |                         |              |            |          |

<sup>(1)</sup> Homes under construction included 85 and 86 models at December 31, 2021 and December 31, 2020, respectively.

\* See "Reconciliation of Non-GAAP Financial Measures"



**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share amounts)

|                                                                                                                                                                                   | December 31,<br>2021 | December 31,<br>2020 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>Assets</b>                                                                                                                                                                     | (unaudited)          |                      |
| Cash and cash equivalents                                                                                                                                                         | \$ 681,528           | \$ 621,295           |
| Receivables                                                                                                                                                                       | 116,996              | 63,551               |
| Real estate inventories                                                                                                                                                           | 3,054,743            | 2,910,142            |
| Investments in unconsolidated entities                                                                                                                                            | 118,095              | 75,056               |
| Goodwill and other intangible assets, net                                                                                                                                         | 156,603              | 158,529              |
| Deferred tax assets, net                                                                                                                                                          | 57,096               | 47,525               |
| Other assets                                                                                                                                                                      | 151,162              | 145,882              |
| Total assets                                                                                                                                                                      | \$ 4,336,223         | \$ 4,021,980         |
| <b>Liabilities</b>                                                                                                                                                                |                      |                      |
| Accounts payable                                                                                                                                                                  | \$ 84,854            | \$ 79,690            |
| Accrued expenses and other liabilities                                                                                                                                            | 466,013              | 366,740              |
| Loans payable                                                                                                                                                                     | 250,504              | 258,979              |
| Senior notes                                                                                                                                                                      | 1,087,219            | 1,084,022            |
| Total liabilities                                                                                                                                                                 | 1,888,590            | 1,789,431            |
| Commitments and contingencies                                                                                                                                                     |                      |                      |
| <b>Equity</b>                                                                                                                                                                     |                      |                      |
| Stockholders' Equity:                                                                                                                                                             |                      |                      |
| Preferred stock, \$0.01 par value, 50,000,000 shares authorized; no shares issued and outstanding as of December 31, 2021 and December 31, 2020, respectively                     | —                    | —                    |
| Common stock, \$0.01 par value, 500,000,000 shares authorized; 109,644,474 and 121,882,778 shares issued and outstanding at December 31, 2021 and December 31, 2020, respectively | 1,096                | 1,219                |
| Additional paid-in capital                                                                                                                                                        | 91,077               | 345,137              |
| Retained earnings                                                                                                                                                                 | 2,355,448            | 1,886,181            |
| Total stockholders' equity                                                                                                                                                        | 2,447,621            | 2,232,537            |
| Noncontrolling interests                                                                                                                                                          | 12                   | 12                   |
| Total equity                                                                                                                                                                      | 2,447,633            | 2,232,549            |
| Total liabilities and equity                                                                                                                                                      | \$ 4,336,223         | \$ 4,021,980         |



**CONSOLIDATED STATEMENT OF OPERATIONS**  
(in thousands, except share and per share amounts)  
(unaudited)

|                                                    | Three Months Ended December 31, |                | Year Ended December 31, |                |
|----------------------------------------------------|---------------------------------|----------------|-------------------------|----------------|
|                                                    | 2021                            | 2020           | 2021                    | 2020           |
| <b>Homebuilding:</b>                               |                                 |                |                         |                |
| Home sales revenue                                 | \$ 1,200,222                    | \$ 1,045,020   | \$ 3,955,154            | \$ 3,232,836   |
| Land and lot sales revenue                         | 5,496                           | 12,470         | 13,016                  | 15,932         |
| Other operations revenue                           | 650                             | 642            | 2,619                   | 2,542          |
| Total revenues                                     | 1,206,368                       | 1,058,132      | 3,970,789               | 3,251,310      |
| Cost of home sales                                 | 907,642                         | 803,018        | 2,972,237               | 2,520,790      |
| Cost of land and lot sales                         | 5,667                           | 2,653          | 11,585                  | 6,443          |
| Other operations expense                           | 439                             | 624            | 2,550                   | 2,496          |
| Sales and marketing                                | 48,390                          | 50,565         | 179,214                 | 183,110        |
| General and administrative                         | 54,061                          | 52,590         | 200,163                 | 166,304        |
| Restructuring charges                              | —                               | 58             | —                       | 5,661          |
| Homebuilding income from operations                | 190,169                         | 148,624        | 605,040                 | 366,506        |
| Equity in (loss) income of unconsolidated entities | (24)                            | 95             | (96)                    | 162            |
| Other income (expense), net                        | 97                              | 97             | 525                     | (8,978)        |
| Homebuilding income before income taxes            | 190,242                         | 148,816        | 605,469                 | 357,690        |
| <b>Financial Services:</b>                         |                                 |                |                         |                |
| Revenues                                           | 3,644                           | 2,695          | 11,446                  | 9,137          |
| Expenses                                           | 1,782                           | 1,417          | 6,292                   | 5,115          |
| Equity in income of unconsolidated entities        | 4,453                           | 3,904          | 15,039                  | 11,665         |
| Financial services income before income taxes      | 6,315                           | 5,182          | 20,193                  | 15,687         |
| <b>Income before income taxes</b>                  | <b>196,557</b>                  | <b>153,998</b> | <b>625,662</b>          | <b>373,377</b> |
| Provision for income taxes                         | (49,117)                        | (38,884)       | (156,395)               | (91,170)       |
| Net income                                         | \$ 147,440                      | \$ 115,114     | \$ 469,267              | \$ 282,207     |
| <b>Earnings per share</b>                          |                                 |                |                         |                |
| Basic                                              | \$ 1.34                         | \$ 0.93        | \$ 4.16                 | \$ 2.18        |
| Diluted                                            | \$ 1.33                         | \$ 0.92        | \$ 4.12                 | \$ 2.17        |
| <b>Weighted average shares outstanding</b>         |                                 |                |                         |                |
| Basic                                              | 109,911,768                     | 123,944,552    | 112,836,051             | 129,368,964    |
| Diluted                                            | 111,126,846                     | 124,815,177    | 113,809,292             | 129,951,161    |



**MARKET DATA BY REPORTING SEGMENT & STATE**

(dollars in thousands)

(unaudited)

|                | Three Months Ended December 31, |                     |                     |                     | Year Ended December 31, |                     |                     |                     |
|----------------|---------------------------------|---------------------|---------------------|---------------------|-------------------------|---------------------|---------------------|---------------------|
|                | 2021                            |                     | 2020                |                     | 2021                    |                     | 2020                |                     |
|                | New Homes Delivered             | Average Sales Price | New Homes Delivered | Average Sales Price | New Homes Delivered     | Average Sales Price | New Homes Delivered | Average Sales Price |
| Arizona        | 218                             | \$ 703              | 189                 | \$ 601              | 788                     | \$ 677              | 664                 | \$ 553              |
| California     | 745                             | 639                 | 700                 | 687                 | 2,608                   | 664                 | 2,010               | 721                 |
| Nevada         | 146                             | 718                 | 204                 | 602                 | 527                     | 637                 | 525                 | 561                 |
| Washington     | 73                              | 989                 | 116                 | 973                 | 296                     | 986                 | 286                 | 928                 |
| West total     | 1,182                           | 682                 | 1,209               | 687                 | 4,219                   | 686                 | 3,485               | 682                 |
| Colorado       | 77                              | 650                 | 53                  | 597                 | 231                     | 606                 | 219                 | 594                 |
| Texas          | 360                             | 509                 | 212                 | 441                 | 1,081                   | 491                 | 910                 | 459                 |
| Central total  | 437                             | 534                 | 265                 | 472                 | 1,312                   | 512                 | 1,129               | 485                 |
| Maryland       | 120                             | 543                 | 108                 | 523                 | 323                     | 554                 | 336                 | 553                 |
| North Carolina | 32                              | 462                 | 7                   | 363                 | 85                      | 419                 | 7                   | 363                 |
| South Carolina | 18                              | 370                 | 5                   | 325                 | 29                      | 357                 | 5                   | 325                 |
| Virginia       | 96                              | 768                 | 39                  | 747                 | 220                     | 751                 | 161                 | 739                 |
| East total     | 266                             | 603                 | 159                 | 565                 | 657                     | 594                 | 509                 | 607                 |
| Total          | 1,885                           | \$ 637              | 1,633               | \$ 640              | 6,188                   | \$ 639              | 5,123               | \$ 631              |

|                | Three Months Ended December 31, |                             |                     |                             | Year Ended December 31, |                             |                     |                             |
|----------------|---------------------------------|-----------------------------|---------------------|-----------------------------|-------------------------|-----------------------------|---------------------|-----------------------------|
|                | 2021                            |                             | 2020                |                             | 2021                    |                             | 2020                |                             |
|                | Net New Home Orders             | Average Selling Communities | Net New Home Orders | Average Selling Communities | Net New Home Orders     | Average Selling Communities | Net New Home Orders | Average Selling Communities |
| Arizona        | 153                             | 11.7                        | 167                 | 15.8                        | 829                     | 13.8                        | 813                 | 16.9                        |
| California     | 521                             | 40.0                        | 559                 | 40.0                        | 2,386                   | 39.2                        | 2,716               | 48.5                        |
| Nevada         | 149                             | 10.0                        | 111                 | 13.7                        | 717                     | 10.9                        | 524                 | 14.8                        |
| Washington     | 57                              | 5.8                         | 27                  | 5.5                         | 286                     | 5.7                         | 336                 | 7.5                         |
| West total     | 880                             | 67.5                        | 864                 | 75.0                        | 4,218                   | 69.6                        | 4,389               | 87.7                        |
| Colorado       | 71                              | 7.8                         | 64                  | 4.8                         | 289                     | 6.2                         | 245                 | 4.3                         |
| Texas          | 274                             | 21.7                        | 306                 | 26.0                        | 1,219                   | 22.3                        | 1,063               | 29.0                        |
| Central total  | 345                             | 29.5                        | 370                 | 30.8                        | 1,508                   | 28.5                        | 1,308               | 33.3                        |
| Maryland       | 56                              | 4.3                         | 86                  | 6.5                         | 205                     | 5.1                         | 420                 | 8.2                         |
| North Carolina | 78                              | 3.7                         | 19                  | 0.7                         | 169                     | 2.2                         | 19                  | 0.2                         |
| South Carolina | 13                              | 1.0                         | 2                   | 1.0                         | 51                      | 1.3                         | 8                   | 0.3                         |
| Virginia       | 52                              | 4.5                         | 68                  | 3.5                         | 231                     | 5.1                         | 191                 | 3.5                         |
| East total     | 199                             | 13.5                        | 175                 | 11.7                        | 656                     | 13.7                        | 638                 | 12.2                        |
| Total          | 1,424                           | 110.5                       | 1,409               | 117.5                       | 6,382                   | 111.8                       | 6,335               | 133.2                       |



**MARKET DATA BY REPORTING SEGMENT & STATE, continued**

(dollars in thousands)

(unaudited)

|                | As of December 31, 2021 |                      |                     | As of December 31, 2020 |                      |                     |
|----------------|-------------------------|----------------------|---------------------|-------------------------|----------------------|---------------------|
|                | Backlog Units           | Backlog Dollar Value | Average Sales Price | Backlog Units           | Backlog Dollar Value | Average Sales Price |
| Arizona        | 520                     | \$ 401,257           | \$ 772              | 479                     | \$ 324,410           | \$ 677              |
| California     | 1,036                   | 774,901              | 748                 | 1,258                   | 855,261              | 680                 |
| Nevada         | 326                     | 237,712              | 729                 | 136                     | 95,963               | 706                 |
| Washington     | 129                     | 133,317              | 1,033               | 139                     | 139,435              | 1,003               |
| West total     | 2,011                   | 1,547,187            | 769                 | 2,012                   | 1,415,069            | 703                 |
| Colorado       | 184                     | 134,831              | 733                 | 126                     | 71,940               | 571                 |
| Texas          | 636                     | 337,232              | 530                 | 498                     | 232,323              | 467                 |
| Central total  | 820                     | 472,063              | 576                 | 624                     | 304,263              | 488                 |
| Maryland       | 83                      | 59,528               | 717                 | 201                     | 113,828              | 566                 |
| North Carolina | 96                      | 45,380               | 473                 | 12                      | 4,274                | 356                 |
| South Carolina | 25                      | 9,825                | 393                 | 3                       | 840                  | 280                 |
| Virginia       | 123                     | 108,176              | 879                 | 112                     | 78,390               | 700                 |
| East total     | 327                     | 222,909              | 682                 | 328                     | 197,332              | 602                 |
| Total          | 3,158                   | \$ 2,242,159         | \$ 710              | 2,964                   | \$ 1,916,664         | \$ 647              |

|                                  | December 31, 2021 | December 31, 2020 |
|----------------------------------|-------------------|-------------------|
| <b>Lots Owned or Controlled:</b> |                   |                   |
| Arizona                          | 4,607             | 4,128             |
| California                       | 15,091            | 15,040            |
| Nevada                           | 2,161             | 2,639             |
| Washington                       | 1,010             | 964               |
| West total                       | 22,869            | 22,771            |
| Colorado                         | 1,683             | 1,080             |
| Texas                            | 12,297            | 6,985             |
| Central total                    | 13,980            | 8,065             |
| Maryland                         | 573               | 892               |
| North Carolina                   | 3,044             | 2,808             |
| South Carolina                   | 414               | 106               |
| Virginia                         | 795               | 999               |
| East total                       | 4,826             | 4,805             |
| Total                            | 41,675            | 35,641            |

|                                | December 31, 2021 | December 31, 2020 |
|--------------------------------|-------------------|-------------------|
| <b>Lots by Ownership Type:</b> |                   |                   |
| Lots owned                     | 22,136            | 22,620            |
| Lots controlled <sup>(1)</sup> | 19,539            | 13,021            |
| Total                          | 41,675            | 35,641            |

<sup>(1)</sup> As of December 31, 2021 and 2020, lots controlled included lots that were under land option contracts or purchase contracts. As of December 31, 2021 and 2020, lots controlled for Central include 2,950 and 2,083 lots, respectively, and lots controlled for East include 179 lots, which represent our expected share of lots owned by our investments in unconsolidated land development joint ventures.



**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
(unaudited)

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

The following tables reconcile homebuilding gross margin percentage, as reported and prepared in accordance with GAAP, to the non-GAAP financial measure adjusted homebuilding gross margin percentage. We believe this information is meaningful as it isolates the impact that leverage and non-cash impairments and lot option abandonments, as applicable, have on homebuilding gross margin and permits investors to make better comparisons with our competitors, who may adjust gross margins in a similar fashion.

|                                                  | <b>Three Months Ended December 31,</b> |          |              |          |
|--------------------------------------------------|----------------------------------------|----------|--------------|----------|
|                                                  | <b>2021</b>                            | <b>%</b> | <b>2020</b>  | <b>%</b> |
|                                                  | (dollars in thousands)                 |          |              |          |
| Home sales revenue                               | \$ 1,200,222                           | 100.0 %  | \$ 1,045,020 | 100.0 %  |
| Cost of home sales                               | 907,642                                | 75.6 %   | 803,018      | 76.8 %   |
| Homebuilding gross margin                        | 292,580                                | 24.4 %   | 242,002      | 23.2 %   |
| Add: interest in cost of home sales              | 23,991                                 | 2.0 %    | 31,013       | 3.0 %    |
| Add: impairments and lot option abandonments     | 20,125                                 | 1.7 %    | 1,960        | 0.2 %    |
| Adjusted homebuilding gross margin(1)            | \$ 336,696                             | 28.1 %   | \$ 274,975   | 26.4 %   |
| Homebuilding gross margin percentage             | 24.4 %                                 |          | 23.2 %       |          |
| Adjusted homebuilding gross margin percentage(1) | 28.1 %                                 |          | 26.3 %       |          |

|                                                  | <b>Year Ended December 31,</b> |          |              |          |
|--------------------------------------------------|--------------------------------|----------|--------------|----------|
|                                                  | <b>2021</b>                    | <b>%</b> | <b>2020</b>  | <b>%</b> |
|                                                  | (dollars in thousands)         |          |              |          |
| Home sales revenue                               | \$ 3,955,154                   | 100.0 %  | \$ 3,232,836 | 100.0 %  |
| Cost of home sales                               | 2,972,237                      | 75.1 %   | 2,520,790    | 78.0 %   |
| Homebuilding gross margin                        | 982,917                        | 24.9 %   | 712,046      | 22.0 %   |
| Add: interest in cost of home sales              | 101,176                        | 2.6 %    | 93,131       | 2.9 %    |
| Add: impairments and lot option abandonments     | 20,838                         | 0.5 %    | 4,004        | 0.1 %    |
| Adjusted homebuilding gross margin(1)            | \$ 1,104,931                   | 27.9 %   | \$ 809,181   | 25.0 %   |
| Homebuilding gross margin percentage             | 24.9 %                         |          | 22.0 %       |          |
| Adjusted homebuilding gross margin percentage(1) | 27.9 %                         |          | 25.0 %       |          |



**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (continued)**  
(unaudited)

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

|                                                 | December 31, 2021 | December 31, 2020 |
|-------------------------------------------------|-------------------|-------------------|
| Loans payable                                   | \$ 250,504        | \$ 258,979        |
| Senior notes                                    | 1,087,219         | 1,084,022         |
| Total debt                                      | 1,337,723         | 1,343,001         |
| Stockholders' equity                            | 2,447,621         | 2,232,537         |
| Total capital                                   | \$ 3,785,344      | \$ 3,575,538      |
| Ratio of debt-to-capital <sup>(1)</sup>         | 35.3 %            | 37.6 %            |
| Total debt                                      | \$ 1,337,723      | \$ 1,343,001      |
| Less: Cash and cash equivalents                 | (681,528)         | (621,295)         |
| Net debt                                        | 656,195           | 721,706           |
| Stockholders' equity                            | 2,447,621         | 2,232,537         |
| Net capital                                     | \$ 3,103,816      | \$ 2,954,243      |
| Ratio of net debt-to-net capital <sup>(2)</sup> | 21.1 %            | 24.4 %            |

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

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





**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (continued)**  
(unaudited)

The following table calculates the non-GAAP financial measures of EBITDA and Adjusted EBITDA and reconciles those amounts to net income, as reported and prepared in accordance with GAAP. EBITDA means net income before (a) interest expense, (b) expensing of previously capitalized interest included in costs of home sales, (c) income taxes and (d) depreciation and amortization. Adjusted EBITDA means EBITDA before (e) amortization of stock-based compensation, (f) real estate inventory impairments and lot option abandonments, (g) early loan termination costs and (h) restructuring charges. Other companies may calculate EBITDA and Adjusted EBITDA (or similarly titled measures) differently. We believe EBITDA and Adjusted EBITDA are useful measures of the Company's ability to service debt and obtain financing.

|                                                               | Three Months Ended December 31, |                   | Year Ended December 31, |                   |
|---------------------------------------------------------------|---------------------------------|-------------------|-------------------------|-------------------|
|                                                               | 2021                            | 2020              | 2021                    | 2020              |
|                                                               | (in thousands)                  |                   |                         |                   |
| Net income available to common stockholders                   | \$ 147,440                      | \$ 115,114        | \$ 469,267              | \$ 282,207        |
| Interest expense:                                             |                                 |                   |                         |                   |
| Interest incurred                                             | 24,766                          | 20,450            | 92,783                  | 83,120            |
| Interest capitalized                                          | (24,766)                        | (20,450)          | (92,783)                | (83,120)          |
| Amortization of interest in cost of sales                     | 23,991                          | 31,082            | 101,448                 | 93,248            |
| Provision for income taxes                                    | 49,117                          | 38,884            | 156,395                 | 91,170            |
| Depreciation and amortization                                 | 8,323                           | 10,301            | 32,421                  | 29,497            |
| EBITDA                                                        | 228,871                         | 195,381           | 759,531                 | 496,122           |
| Amortization of stock-based compensation                      | 8,369                           | 5,997             | 20,941                  | 16,885            |
| Real estate inventory impairments and lot option abandonments | 20,125                          | 1,960             | 20,838                  | 4,004             |
| Early loan termination costs                                  | —                               | —                 | —                       | 10,243            |
| Restructuring charges                                         | —                               | 58                | —                       | 5,661             |
| Adjusted EBITDA                                               | <u>\$ 257,365</u>               | <u>\$ 203,396</u> | <u>\$ 801,310</u>       | <u>\$ 532,915</u> |