Q4 2022 Earnings Results Presentation

March 7, 2023

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DISCLAIMER

Forward-Looking Statements

Certain statements in this presentation may constitute "forward-looking statements" within the meaning of the federal securities laws, including, but not limited to, our expectations for future financial performance, business strategies or expectations for our business, including as they relate to anticipated effects of the business combination pursuant to that Agreement and Plan of Merger (the "Merger Agreement") by and among Landsea Homes Corporation (formerly LF Capital Acquisition Corp. or "LF Capital" and now the "Company" or "Landsea Homes"), a Delaware corporation, LFCA Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of LF Capital, Landsea Holdings Corporation, a Delaware corporation ("Landsea Holdings"), and Landsea Homes Incorporated, a Delaware corporation and wholly-owned subsidiary of Landsea Holdings, dated as of August 31, 2020 (the "Business Combination"). These statements constitute projections, forecasts and forward-looking statements, and are not guarantees of performance. Landsea Homes cautions that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Words such as "may," "can," "should," "will," "estimate," "plan," "project," "forecast," "intend," "expect," "anticipate," "believe," "seek," "target," "look" or similar expressions may identify forward-looking statements. Specifically, forward-looking statements may include statements relating to: the benefits of the Business Combination and the acquisition of Vintage Estate Homes (the "Acquisition"); the future financial performance of the Company; changes in the market for Landsea Homes' products and services; and other expansion plans and opportunities.

These forward-looking statements are based on information available as of the date of this presentation and our management's current expectations, forecasts and assumptions, and involve a number of judgments, risks and uncertainties that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements.

These risks and uncertainties include, but not are limited to, the risk factors described by Landsea Homes in its filings with the Securities and Exchange Commission ("SEC"). These risk factors and those identified elsewhere in this press release, among others, could cause actual results to differ materially from historical performance and include, but are not limited to: the ability to recognize the anticipated benefits of the Business Combination and the Acquisition, which may be affected by, among other things, competition, the ability to integrate the combined business and the acquired business, and the ability of the combined business and the acquired business to grow and manage growth profitably; costs related to the Business Combination; the ability to maintain the listing of Landsea Homes' securities on Nasdaq; the outcome of any legal proceedings that may be instituted against the Company; changes in applicable laws or regulations; the inability to launch new Landsea Homes products or services or to profitably expand into new markets; the possibility that Landsea Homes may be adversely affected by other economic, business, and/or competitive factors; and other risks and uncertainties indicated in Landsea Homes' SEC reports or documents filed or to be filed with the SEC by Landsea Homes.

Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date, and you should not place undue reliance on these forward-looking statements in deciding whether to invest in our securities. We do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Non-GAAP Financial Measures

This presentation contains certain financial measures that are not calculated in accordance with accounting principles generally accepted in the United States ("GAAP"). Any non-GAAP financial measures and other non-GAAP financial information used in this presentation are in addition to, and should not be considered superior to, or a substitute for, financial measures prepared in accordance with GAAP. Non-GAAP financial measures and other non-GAAP financial information is subject to significant inherent limitations. The non-GAAP financial measures Landsea Homes uses in this presentation include net debt to net capital, adjusted home sales gross margin, adjusted net income, EBITDA and adjusted EBITDA.

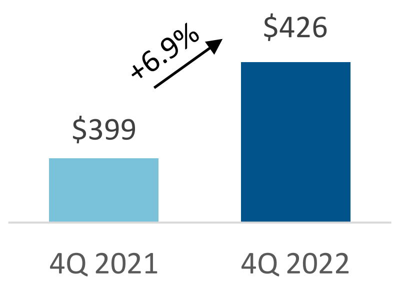
We believe that the disclosure of these non-GAAP financial measures presents additional information which, when read in conjunction with our consolidated financial statements prepared in accordance with GAAP, facilitates the analysis of our results of operations. These non-GAAP financial measures are not based on any comprehensive or standard set of accounting rules or principles. Accordingly, the calculation of our non-GAAP financial measures may differ from the definitions of non-GAAP financial measures other companies may use with the same or similar names. This limits, to some extent, the usefulness of this information for comparison purposes. Non-GAAP financial measures have limitations in that they do not reflect all of the amounts associated with our financial results as determined in accordance with GAAP. This information should only be used to evaluate our financial results in conjunction with the corresponding GAAP information. Accordingly, we qualify our use of non-GAAP financial measures whenever non-GAAP financial measures are presented. A reconciliation of the non-GAAP financial measures used in this presentation to the most directly comparable GAAP measures is provided in the Appendix to this presentation.

Q4 2022 FINANCIAL SUMMARY

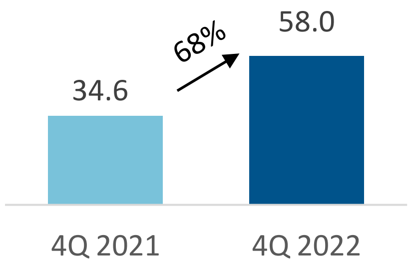
Q4 2022 vs. Q4 2021

- Total revenue was $426.0M, including $8.5M from lot sales and other vs. $398.5M
- New home deliveries were 703 with a dollar value of $417.5M and an average sales price $594,000. This compares to 534 homes with a dollar value of $333.1M and average sales price $624,000
- Net new home orders were 88 homes with a dollar value of $57.5M, an average sales price of $653,000. This compares to 440 homes with a dollar value of $313.1M, an average sales price of $712,000
- The average number of selling communities increased to 58.0 vs. 34.6
- Total homes in backlog decreased 33% to 670 homes with a dollar value of $380.9M and an average sales price of $569k compared to 998 homes with a dollar value of $586.2M and an average sales price of $587,000
- Total lots owned and controlled increased 33% to 11,593 from 8,740. Of those lots 54% are controlled and 46% are owned.
- Home sales gross margin as a percentage of revenue decreased 250 basis points to 19% from 21.5%
- Adjusted net income attributable to Landsea Homes was $33.3M vs. $36.8M
- Adjusted EBITDA was $53.9M vs. $57.9M
- Diluted EPS is $0.62 and adjusted diluted EPS is $0.81

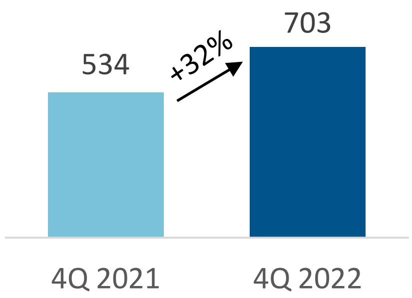
Total Revenue ($m)



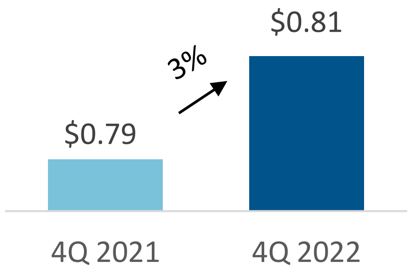
Average Selling Communities



Home Deliveries ($m)



Adjusted EPS (diluted)

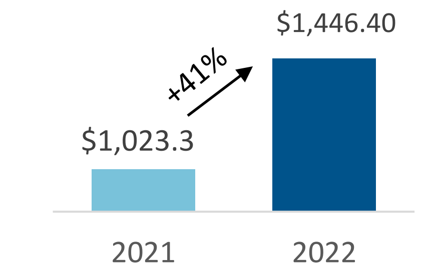


2022 FINANCIAL SUMMARY

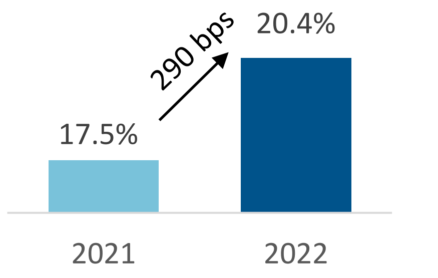
2022 vs. 2021

- Total revenue was $1,446.4M, including $53.7M from lot sales and other vs. $1,023.3M
- New home deliveries were 2,370 with a dollar value of $1,392.8M and an average sales price $588,000. This compares to 1,640 homes with a dollar value of $936.4M and average sales price $571,000
- Net new home orders were 1,520 homes with a dollar value of $959.6M, an average sales price of $631,000. This compares to 1,471 homes with a dollar value of $963.4M, an average sales price of $655,000
- Monthly absorption rate was 2.4 sales per active community vs. 3.8
- The average number of selling communities increased to 52.7 vs. 32.0
- Total homes in backlog decreased 33% to 670 homes with a dollar value of $380.9M and an average sales price of $569k compared to 998 homes with a dollar value of $586.2M and an average sales price of $587,000
- Total lots owned and controlled increased 33% to 11,593 from 8,740. Of those lots 54% are controlled and 46% are owned.
- Home sales gross margin as a percentage of revenue increased 290 basis points to 20.4% from 17.5%
- Adjusted net income attributable to Landsea Homes was $123.3M vs. $66.8M
- Adjusted EBITDA was $208.0M vs. $117.9M
- Diluted EPS is $1.70 and adjusted diluted EPS is $2.85

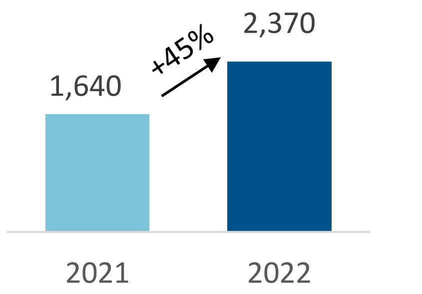
Total Revenue ($m)



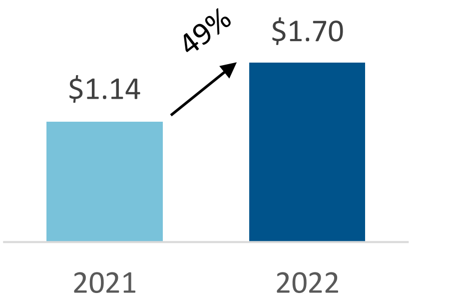
Home Sales Gross Margin (%)



Home Deliveries ($m)



EPS (Diluted)

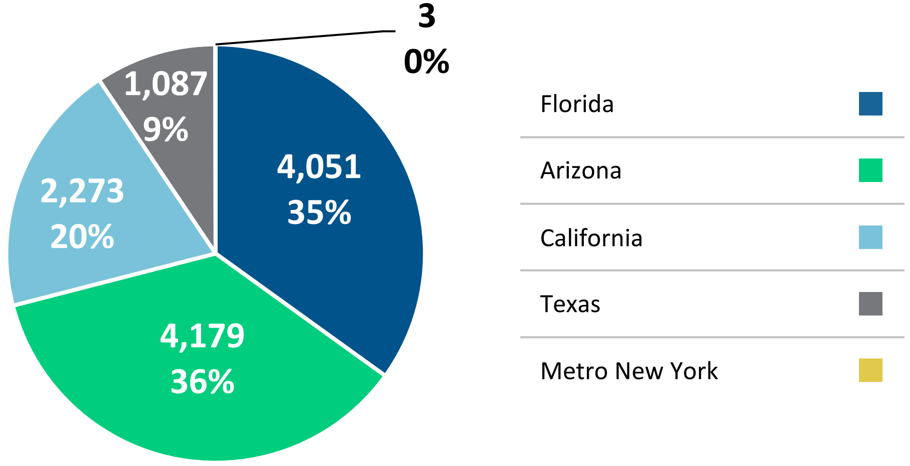


QUALITY LOT POSITION GROWTH

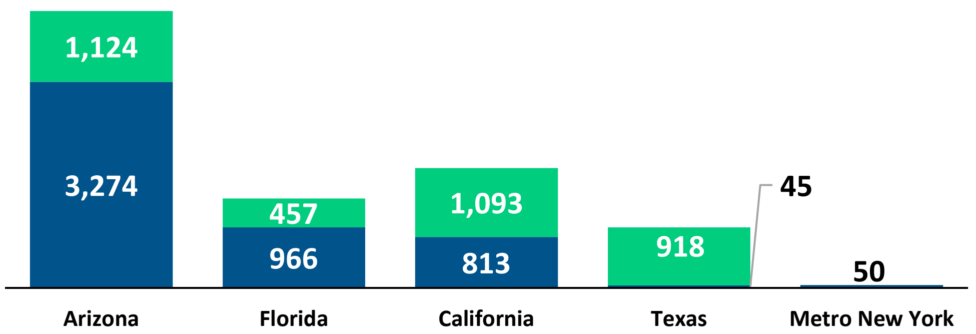
OPTIMAL MIX OF LOT INVENTORY

- We have the right lots in the right places
- Our asset-light model supports strong cash flow generation with current owned and controlled lots representing 4.9 years of overall supply[(1)]
- We strategically acquire developed lots that are accretive to our portfolio and keep cash on our balance sheet
- We currently own about 46% of our total lot inventory as of December 31, 2022

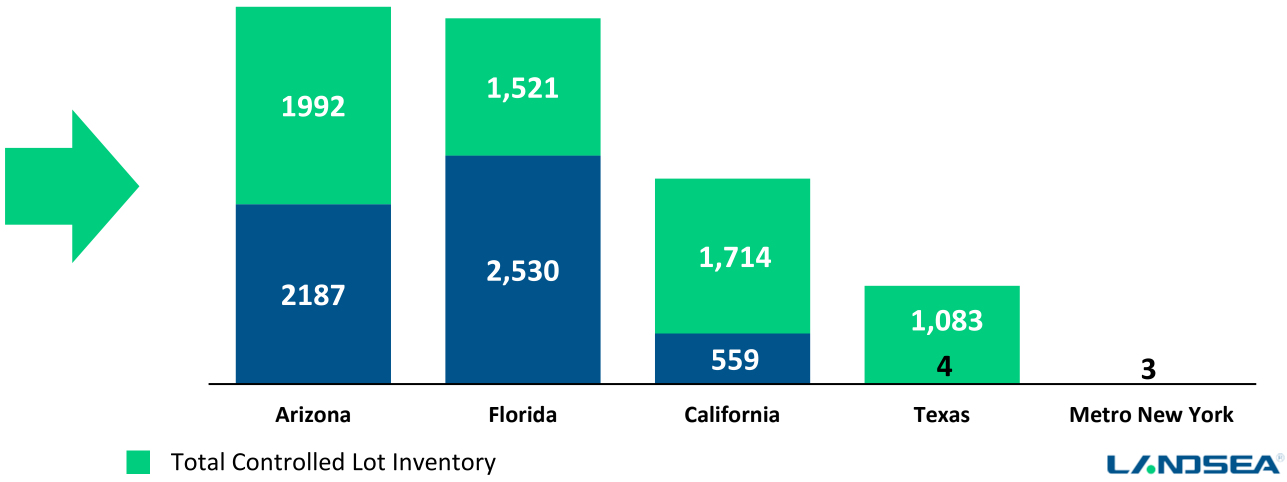
Overall Lot Position by Region as of December 31, 2022



Lot Position by Region as of December 31, 2021



Lot Position by Region as of December 31, 2022

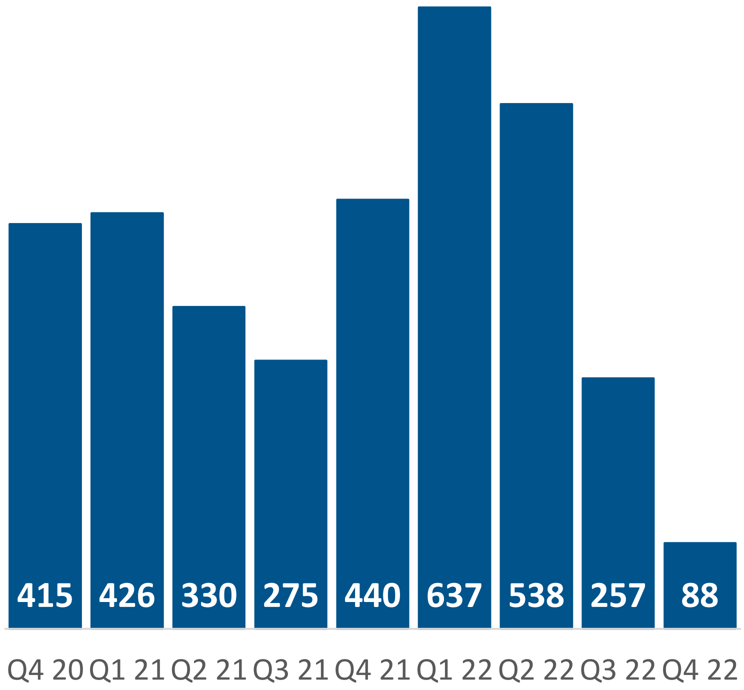


(1) Years of overall supply represent owned and controlled lots divided by the number of closings in the last twelve months

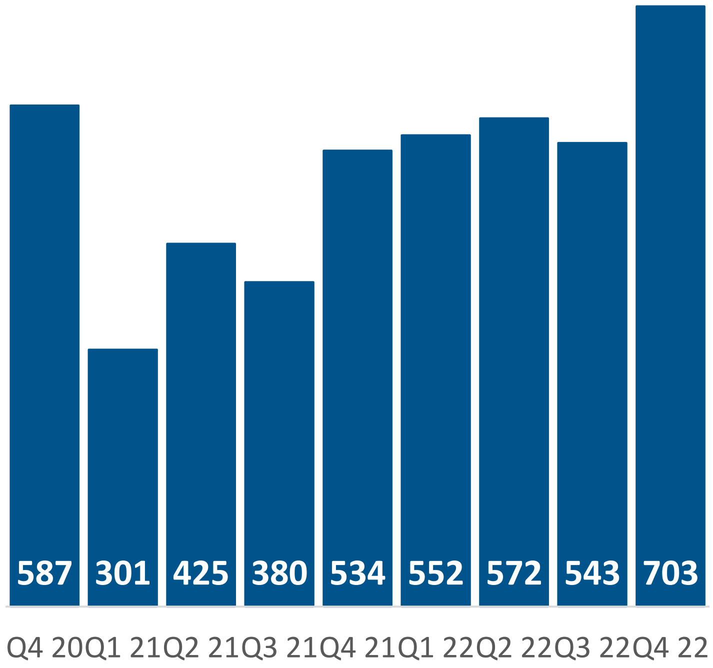
KEY OPERATING METRICS

Operating Metrics by Quarter

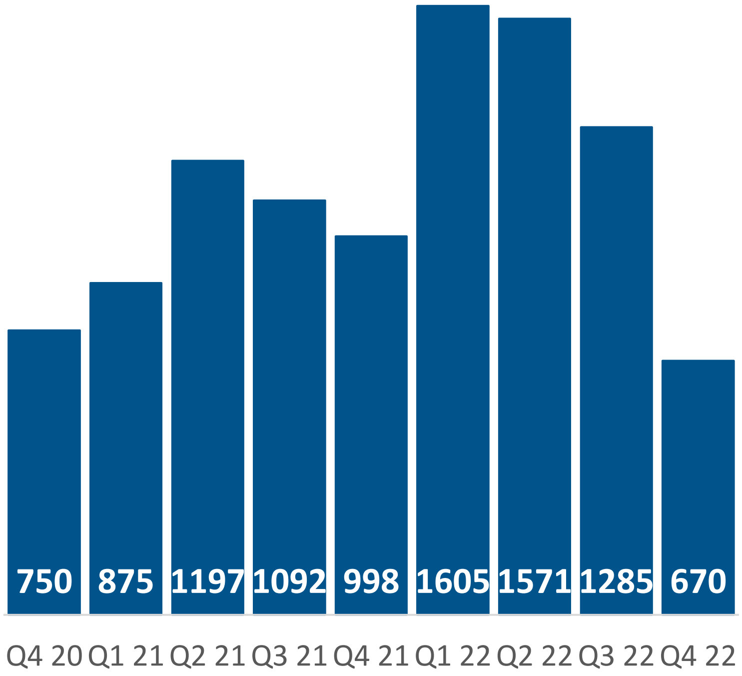
New Home Orders (Units)



Home Deliveries (Units)



Backlog (Units)



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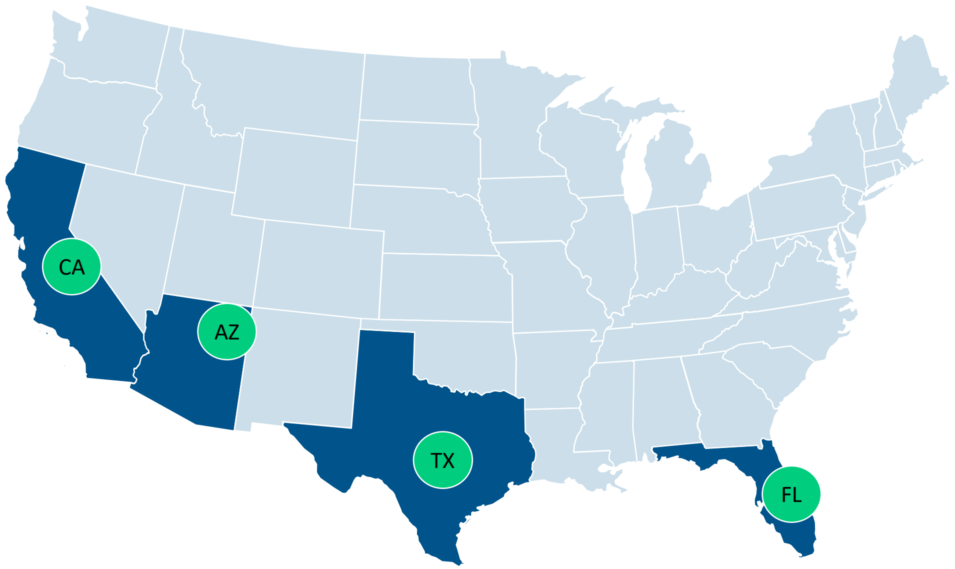
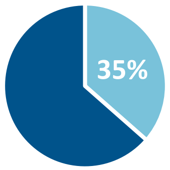
DIVERSIFIED NATIONAL FOOTPRINT



California

- Markets:
  - San Francisco Bay Area
  - Inland Empire
  - Orange County
- Lots Owned or Controlled: 2,273 (75% Controlled)
- ASP $879k

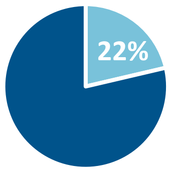
% of 2022 Revenue



Arizona

- Markets:
  - Phoenix Metro Area
- Lots Owned or Controlled: 4,179 (49% Controlled)
- ASP $448k

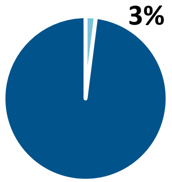
% of 2022 Revenue



Texas

- Markets:
  - Austin
  - San Antonio Metro Area
- Lots Owned or Controlled: 1,087 (99% Controlled)
- ASP $974k

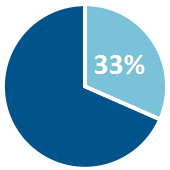
% of 2022 Revenue



Florida

- Markets:
  - Orlando Metro Area
  - Melbourne
- Lots Owned or Controlled: 4,051 (38% Controlled)
- ASP $428k

% of 2022 Revenue



HIGH PERFORMANCE HOMES

High Performance Homes Program

The High Performance Homes program provides homebuyers with a four-tiered approach that includes home automation, *sustainability*, energy savings and healthy lifestyle

Designed to provide a superior living environment, the program is aimed at:

- Enhancing a home's comfort
- Improving indoor air quality
- Delivering home automation solutions through a strategic partnership with a leading technology company
- Reducing energy costs
- Lessening the consumption of the Earth's precious resources

HPH®
High Performance Homes

Features of High Performance Homes

Home Automation
Live the Connected Life

- Meshnet wireless internet
- Apple TV included®

Sustainability
To Live Lightly on the Land

- Construction material waste reduced (plaster, drywall, plumbing)
- Architecturally designed to provide a lighter environmental imprint

Energy Savings
Modern Living Made Smarter

- Enhanced insulation
- Tankless water heater
- LED & ENERGY STAR® features to use less energy

Healthy Lifestyle
For Your Well-Being

- Introduced Healthy Lifestyle features in 2021
- REME HALO® whole home and building air purifier
- Low volatile organic compounds (VOC) paint

APPENDIX

Reconciliations Of Adjusted Metrics

(Non-GAAP)

In this presentation, we include certain non-GAAP financial measures, including net debt to total capital, adjusted home sales gross margin, adjusted net income, EBITDA and adjusted EBITDA. These non-GAAP financial measures are presented to provide investors additional insights to facilitate the analysis of our results of operations. These non-GAAP financial measures are not in accordance with, or an alternative for, GAAP and may be different from non-GAAP financial measures used by other companies. In addition, these non-GAAP financial measures are not based on any comprehensive or standard set of accounting rules or principles. Accordingly, the calculation of our non-GAAP financial measures may differ from the definitions of non-GAAP financial measures other companies may use with the same or similar names. This limits, to some extent, the usefulness of this information for comparison purposes. Non-GAAP financial measures have limitations in that they do not reflect all of the amounts associated with our financial results as determined in accordance with GAAP. This information should only be used to evaluate our financial results in conjunction with the corresponding GAAP information. Accordingly, we qualify our use of non-GAAP financial measures whenever non-GAAP financial measures are presented.

NET DEBT TO TOTAL CAPITAL

	December 31, 2022	December 31, 2021
	(dollars in thousands)	
Total notes and other debts payable, net	$505,422	$461,117
Total equity	710,319	621,397
Total capital	$1,215,741	$1,082,514
Ratio of debt to capital	41.6%	42.6%
Total notes and other debts payable, net	$505,422	$461,117
Less: cash, cash equivalents, and restricted cash	123,634	343,253
Less: cash held in escrow	17,101	4,079
Net debt	364,687	113,785
Total capital	$1,215,741	$1,082,514
Ratio of net debt to total capital	30.0%	10.5%

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Reconciliations Of Adjusted Metrics

CONT'D (Non-GAAP)

ADJUSTED HOME SALES GROSS MARGIN

	Three Months Ended December 31,			
	2022	**%**	**2021**	**%**
	(dollars in thousands)			
Home sales revenue	$417,481	100.0%	$333,119	100.0%
Cost of home sales	337,984	81.0%	261,398	78.5%
Home sales gross margin	79,497	19.0%	71,721	21.5%
Add: Interest in cost of home sales	8,968	2.1%	7,777	2.3%
Add: Inventory impairments	—	— %	—	— %
Adjusted home sales gross margin excluding interest and inventory impairments (1)	88,465	21.2%	79,498	23.9%
Add: Purchase price accounting for acquired inventory	9,250	2.2%	3,619	1.1%
Adjusted home sales gross margin excluding interest, inventory impairments, and purchase price accounting for acquired inventory (1)	$97,715	23.4%	$83,117	25.0%

(1) This non-GAAP financial measure should not be used as a substitute for the Company's operating results in accordance with GAAP. An analysis of any non-GAAP financial measure should be used in conjunction with results presented in accordance with GAAP. We believe this non-GAAP measure is meaningful because it provides insight into the impact that financing arrangements and acquisitions have on our homebuilding gross margin and allows for comparability of our gross margins to competitors that present similar information.

Reconciliations Of Adjusted Metrics

CONT'D (Non-GAAP)

ADJUSTED HOME SALES GROSS MARGIN

	Year Ended December 31,			
	2022	%	2021	%
	(dollars in thousands)			
Home sales revenue	$1,392,750	100.0%	$936,400	100.0%
Cost of home sales	1,108,204	79.6%	772,575	82.5%
Home sales gross margin	284,546	20.4%	163,825	17.5%
Add: Interest in cost of home sales	40,192	2.9%	33,328	3.6%
Add: Inventory impairments	—	— %	—	— %
Adjusted home sales gross margin excluding interest and inventory impairments (1)	324,738	23.3%	197,153	21.1%
Add: Purchase price accounting for acquired inventory	50,412	3.6%	14,588	1.6%
Adjusted home sales gross margin excluding interest, inventory impairments, and purchase price accounting for acquired inventory (1)	$375,150	26.9%	$211,741	22.6%

(1) This non-GAAP financial measure should not be used as a substitute for the Company's operating results in accordance with GAAP. An analysis of any non-GAAP financial measure should be used in conjunction with results presented in accordance with GAAP. We believe this non-GAAP measure is meaningful because it provides insight into the impact that financing arrangements and acquisitions have on our homebuilding gross margin and allows for comparability of our gross margins to competitors that present similar information.

Reconciliations Of Adjusted Metrics

CONT'D (Non-GAAP)

ADJUSTED NET INCOME

	Three Months Ended December 31,	
	2022	2021
	(dollars in thousands)	
Net income attributable to Landsea Homes Corporation	$25,581	$38,399
Previously capitalized related party interest included in cost of sales	1,299	1,857
Equity in net income of unconsolidated joint ventures	(10)	(448)
Purchase price accounting for acquired inventory	9,250	3,619
Gain on remeasurement of warrant liability	—	(5,335)
Total adjustments	10,539	(307)
Tax-effected adjustments [1]	7,726	(1,633)
Adjusted net income attributable to Landsea Homes Corporation	$33,307	$36,766

(1) Our tax-effected adjustments are based on our federal rate and a blended state rate adjusted for certain discrete items.

Reconciliations Of Adjusted Metrics

CONT'D (Non-GAAP)

ADJUSTED NET INCOME

	Year Ended December 31,	
	2022	2021
	(dollars in thousands)	
Net income attributable to Landsea Homes Corporation	$73,551	$52,786
Previously capitalized related party interest included in cost of sales	5,130	11,670
Equity in net income of unconsolidated joint ventures	(149)	(1,262)
Purchase price accounting for acquired inventory	50,412	14,588
Merger related transaction costs	—	2,656
Loss (gain) on debt extinguishment or forgiveness	2,496	(4,266)
Loss (gain) on remeasurement of warrant liability	7,315	(2,090)
Total adjustments	65,204	21,296
Tax-effected adjustments [(1)]	49,755	14,004
Adjusted net income attributable to Landsea Homes Corporation	$123,306	$66,790

(1) Our tax-effected adjustments are based on our federal rate and a blended state rate adjusted for certain discrete items.

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Reconciliations Of Adjusted Metrics

CONT'D (Non-GAAP)

EBITDA AND ADJUSTED EBITDA

	Three Months Ended December 31,	
	2022	2021
	(dollars in thousands)	
Net income	$26,469	$38,389
Provision for income taxes	7,940	10,835
Interest in cost of sales	9,152	7,861
Interest relieved to equity in net income of unconsolidated joint ventures	—	211
Depreciation and amortization expense	1,104	2,153
EBITDA	44,665	59,449
Purchase price accounting for acquired inventory	9,250	3,619
Transaction costs	—	821
Equity in net income of unconsolidated joint ventures, net of interest	(10)	(659)
Gain on remeasurement of warrant liability	—	(5,335)
Adjusted EBITDA	$53,905	$57,895

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RECONCILIATIONS OF ADJUSTED METRICS

CONT'D (Non-GAAP)

EBITDA AND ADJUSTED EBITDA

	Year Ended December 31,	
	2022	2021
	(dollars in thousands)	
Net income	$75,665	$52,735
Provision for income taxes	25,400	13,995
Interest in cost of sales	40,428	33,509
Interest relieved to equity in net income of unconsolidated joint ventures	70	1,267
Interest expense	—	32
Depreciation and amortization expense	5,549	5,393
EBITDA	147,112	106,931
Purchase price accounting for acquired inventory	50,412	14,588
Transaction costs	883	5,313
Equity in net income of unconsolidated joint ventures, net of interest	(219)	(2,529)
Loss (gain) on debt extinguishment or forgiveness	2,496	(4,266)
Loss (gain) on remeasurement of warrant liability	7,315	(2,090)
Adjusted EBITDA	$207,999	$117,947

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