



Q4 2021 Results Presentation

March 10, 2022

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HOMES
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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.

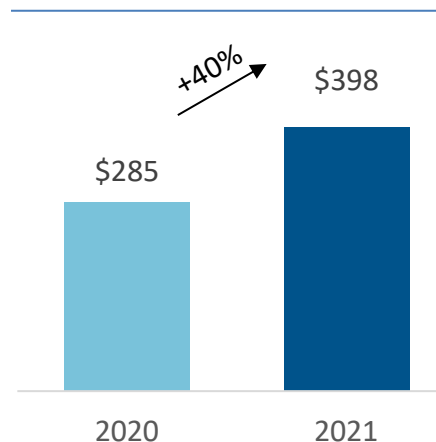
We believe that the disclosure of these non-GAAP financial measures presents additional information which, when read in conjunction with our consolidated financial statements prepared in accordance with GAAP, facilitates the analysis of our results of operations. These non-GAAP financial measures are 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 2021 FINANCIAL SUMMARY

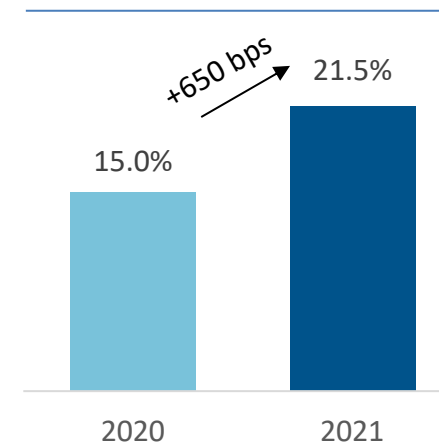
Q4 2021 vs. Q4 2020

- Total revenue was \$398.5M vs. \$284.7M, including \$65.4M from lot sales.
- Net new home orders were 440 homes with a dollar value of \$313.1M, an average sales price of \$712,000. This compares to 415 homes with a dollar value of \$235.4M, an average sales price of \$567,000.
- Monthly absorption rate was 4.2 sales per active community vs. 4.5.
- The average number of selling communities increased to 34.6 vs. 31.0.
- Total homes in backlog increased 33% to 998 homes with a dollar value of \$586.2M and an average sales price of \$587k compared to 750 homes with a dollar value of \$389.3 million and an average sales price of \$519k.
- Total lots owned and controlled increased 31% to 8,740 vs. 6,680.
- Home sales gross margin as a percentage of revenue increased 650 basis points to 21.5% vs. 15.0%.
- Adjusted net income attributable to Landsea Homes was \$36.8M vs. \$19.4M.
- Adjusted EBITDA was \$57.9M vs. \$36.1M.
- Diluted EPS is \$0.83 and adjusted diluted EPS is \$0.79.

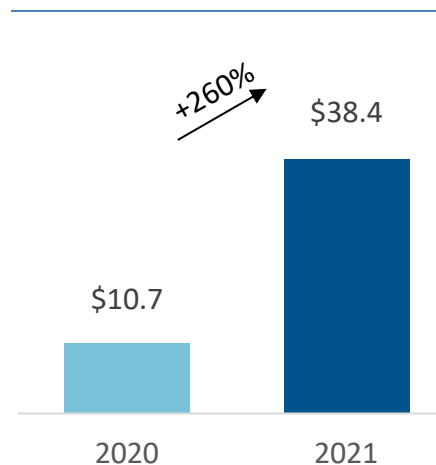
Total Revenue (\$m)



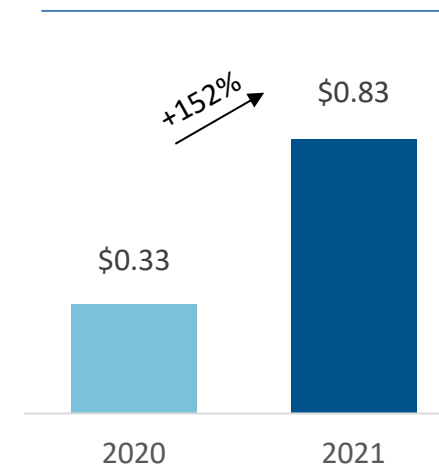
Home Sales Gross Margin (%)



Net Income (\$m)



EPS (Diluted)

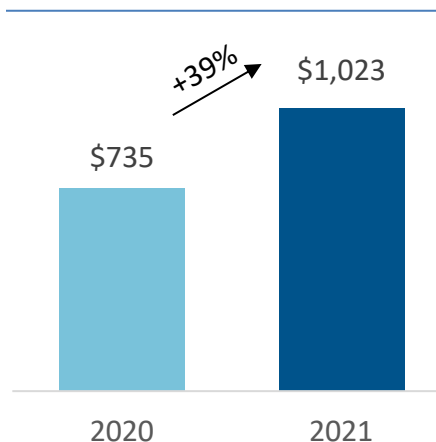


FY 2021 FINANCIAL SUMMARY

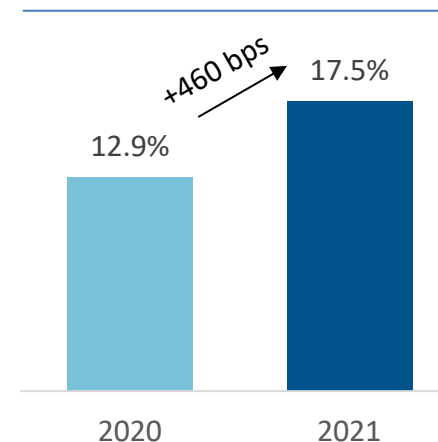
FY 2021 vs. FY 2020

- Total revenue was \$1,023.3M vs. \$734.6M, including \$86.9M from lot sales.
- Net new home orders were 1,471 homes with a dollar value of \$963.4M, an average sales price of \$655,000. This compares to 1,891 homes with a dollar value of \$968.4M, an average sales price of \$512,000.
- Monthly absorption rate was 3.8 sales per active community vs. 5.2.
- The average number of selling communities increased to 32.0 vs. 30.4.
- Total homes in backlog increased 33% to 998 homes with a dollar value of \$586.2M and an average sales price of \$587k compared to 750 homes with a dollar value of \$389.3 million and an average sales price of \$519k.
- Total lots owned and controlled increased 31% to 8,740 vs. 6,680.
- Home sales gross margin as a percentage of revenue increased 460 basis points to 17.5% vs. 12.9%.
- Adjusted net income attributable to Landsea Homes was \$66.8M vs. \$28.0M.
- Adjusted EBITDA was \$117.9M vs. \$65.0M.
- Diluted EPS is \$1.14 and adjusted diluted EPS is \$1.44.

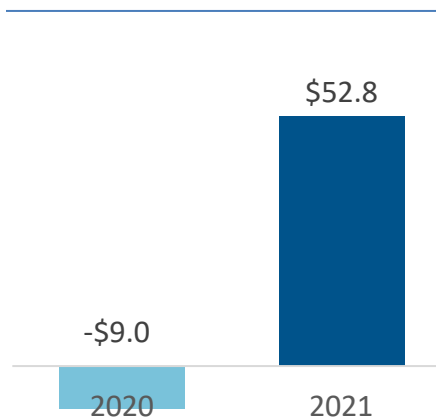
Total Revenue (\$m)



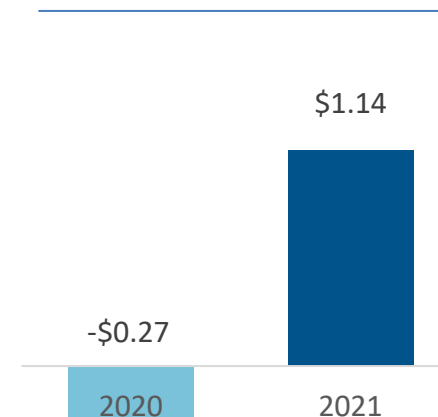
Home Sales Gross Margin (%)



Net Income (\$m)



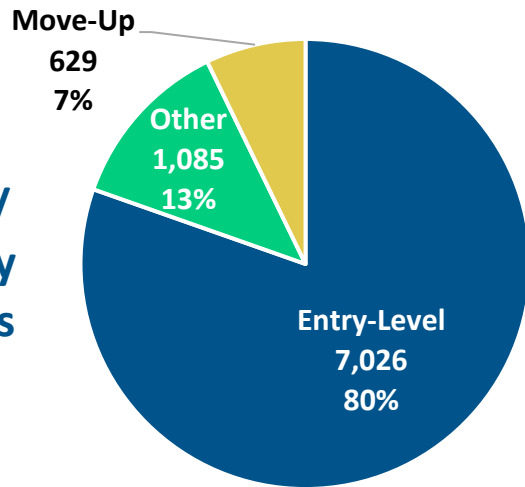
EPS (Diluted)



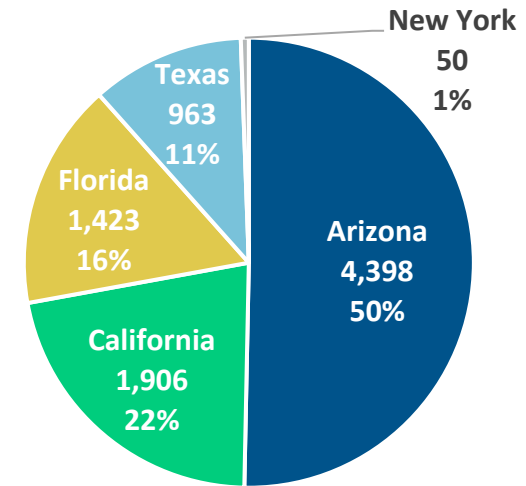
FOCUSED ON ENTRY-LEVEL HOMES IN HIGH-GROWTH GEOGRAPHIES

As of December 31, 2021

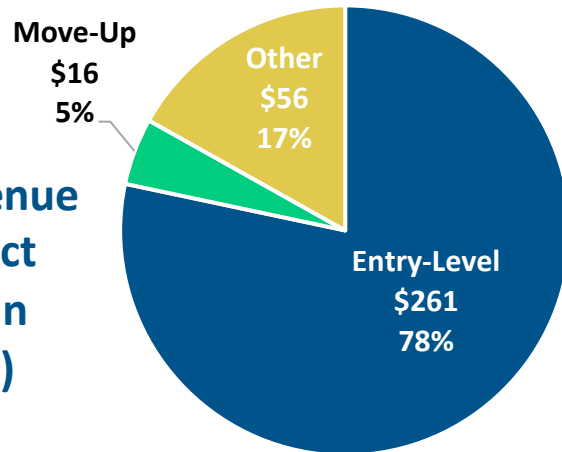
**Lots Owned/
Controlled by
Product Class**



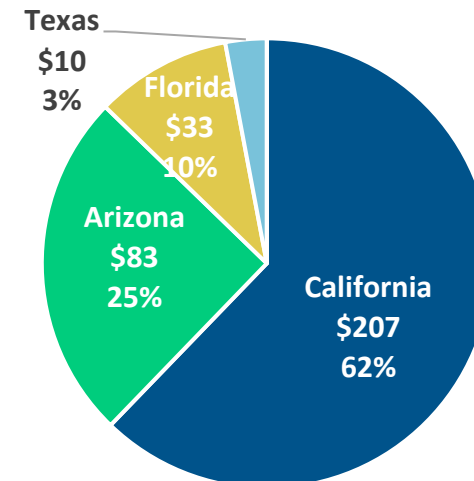
**Supply of Lots
by State**



**Q4 21 Revenue
by Product
Class (\$ in
millions)**



**Q4 21 Revenue
by Geography
(\$ in millions)**

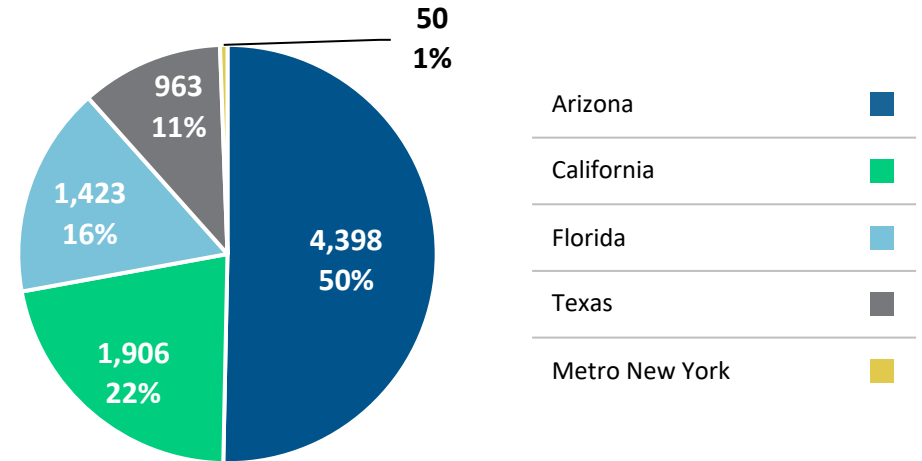


QUALITY LOT POSITION GROWTH

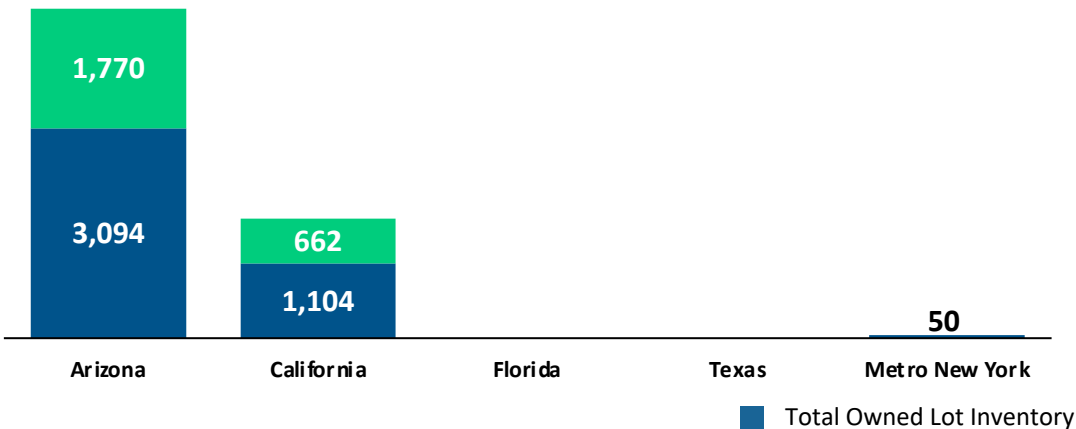
OPTIMAL MIX OF LOT INVENTORY

- 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 5.3 years of overall supply⁽¹⁾
- We strategically acquire developed lots that are accretive to our portfolio and to keep cash on our balance sheet
- We currently own about 59% of our total lot inventory as of December 31, 2021

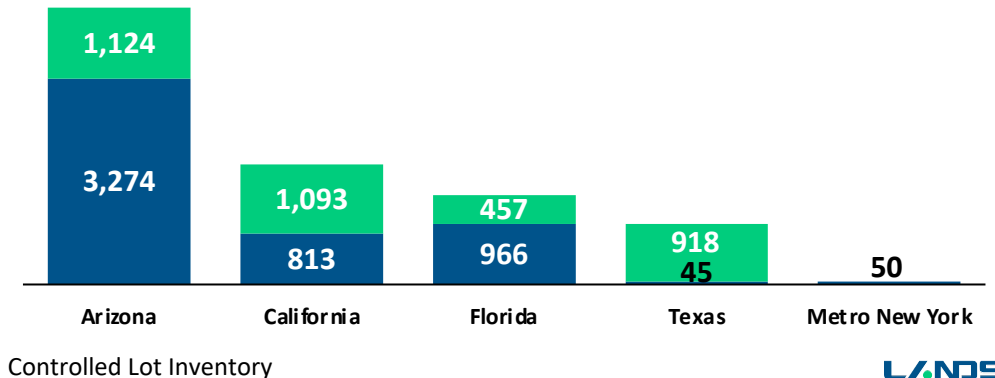
Overall Lot Position by Region as of December 31, 2021



Lot Position by Region as of December 31, 2020



Lot Position by Region as of December 31, 2021

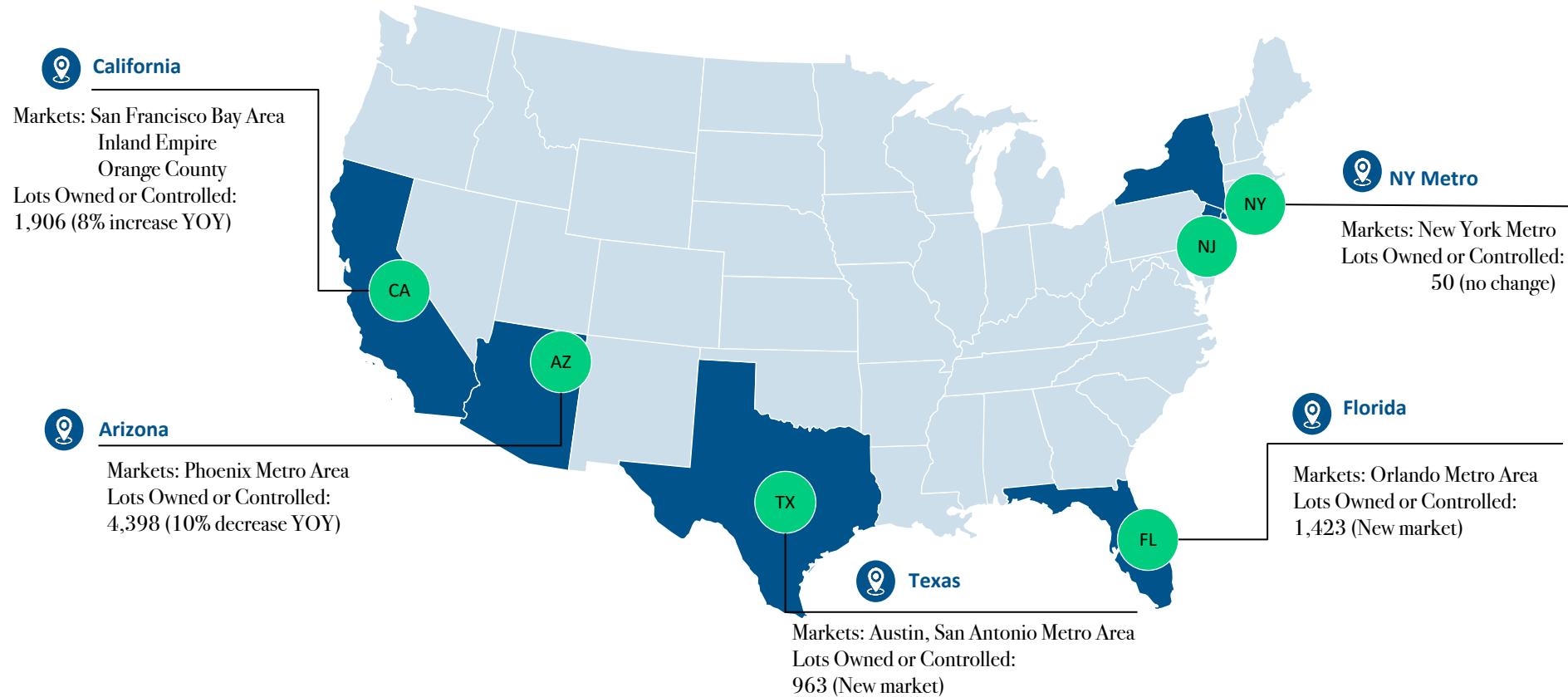


LANDSEA GROWTH STRATEGY

- **Expand community count** in current operating divisions and continue to grow market share
 - *Demonstrated track record of both land and homebuilder acquisitions*
- **Maintain appropriate supply of land** in key markets for future buildout
 - *Landsea achieved an increase of 31% for total lots owned or controlled year-to-date to 8,740 lots*
- Diversification across home offerings with a **focus on entry-level and first move-up homebuyers** in desirable new markets
 - *Create a solid foundation of entry-level homes with select opportunistic infill locations*
 - *Explore geographic expansion opportunities in desirable new markets organically or via M&A*
- Strengthen unique brand position through **product differentiation**
 - *Landsea High Performance Homes are designed to the highest standards in sustainable building technology, home automation, smart security, energy-saving efficiency and health-centric living*



A DIVERSIFIED PORTFOLIO



LTM 12/31/21 Operating Highlights



LEADING THE VIRTUAL SALES PROCESS

Landsea Homes is an industry leader in the use of innovative technology to enhance the experience for future residents

The company provides home shoppers with an immersive online experience using a variety of digital tools:


- Micro Community Videos and Photo Galleries
- 360° Virtual Tours and Interactive Floor Plans
- Interactive Area and Site Maps
- Dedicated Inside Sales Counselors support all division/community web leads, phone calls and on-site appointments

We're here for you
7 days/week


No matter where you are in your home buying journey, Landsea Homes has a team of experts that's ready to assist every step of the way - helping you find your perfect home so you can live where you want, how you want, in a home that fits your lifestyle.

Need An Appointment? Want More Information?
Click To Connect With Our Inside Sales Counselors


SAY HELLO




LAURENNE MILLS
Senior Inside Sales Counselor,
California & Texas




MICHELLE WANG
Inside Sales Counselor,
California



LISA GRANT
Inside Sales Counselor,
Arizona



BARBARA HUGHES
Inside Sales Counselor,
Florida



LISA DALEY
Inside Sales Manager

It's time to
live in your element.

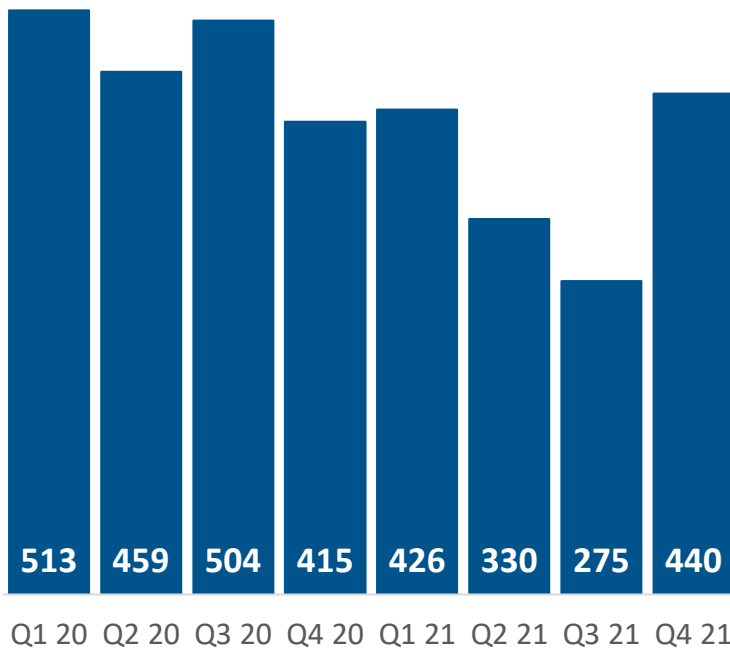
FIND YOUR DREAM HOME



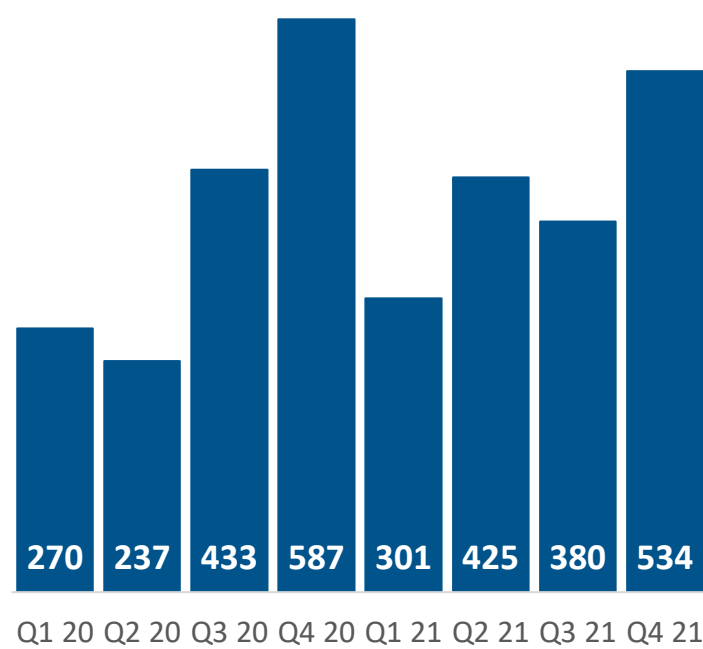
KEY OPERATING METRICS¹

Operating Metrics by Quarter

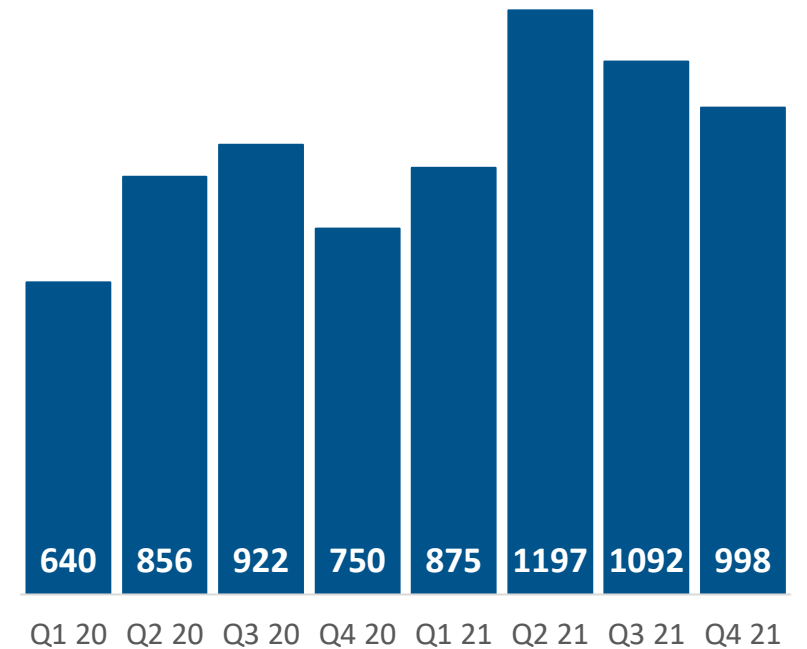
New Home Orders (Units)



Home Deliveries (Units)



Backlog (Units)



2022 OUTLOOK

First Quarter 2022

- New home deliveries anticipated to be in a range of 490 to 520
- Delivery ASPs expected to be in a range of \$460,000 to \$470,000

Full Year 2022

- New home deliveries anticipated to be in a range of 2,700 to 2,900
- Delivery ASPs expected to be in a range of \$500,000 to \$515,000
- Home sales gross margin to be in a range of 20% to 22% on a GAAP basis, or 22% to 24% on an adjusted basis



APPENDIX



RECONCILIATIONS OF ADJUSTED METRICS

(Non-GAAP)

In this presentation, we include certain non-GAAP financial measures, including net debt to net 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 NET CAPITAL

	December 31,	
	2021	2020
	<i>(dollars in thousands)</i>	
Total notes and other debts payable, net	\$ 461,117	\$ 264,809
Total equity	621,397	529,486
Total capital	\$ 1,082,514	\$ 794,295
Ratio of debt to capital	42.6 %	33.3 %
Total notes and other debts payable, net	\$ 461,117	\$ 264,809
Less: cash, cash equivalents and restricted cash	343,253	110,048
Less: cash held in escrow	4,079	11,618
Net debt	113,785	143,143
Total equity	621,397	529,486
Net capital	\$ 735,182	\$ 672,629
Ratio of net debt to net capital	15.5 %	21.3 %

RECONCILIATIONS OF ADJUSTED METRICS

CONT'D (Non-GAAP)

ADJUSTED HOME SALES GROSS MARGIN

	Three Months Ended December 31,			
	2021	%	2020	%
	<i>(dollars in thousands)</i>			
Home sales revenue	\$ 333,119	100.0 %	\$ 284,738	100.0 %
Cost of home sales	261,398	78.5 %	242,124	85.0 %
Home sales gross margin	71,721	21.5 %	42,614	15.0 %
Add: Interest in cost of home sales	7,777	2.3 %	14,348	5.0 %
Add: Inventory impairments	—	— %	—	— %
Adjusted home sales gross margin excluding interest and inventory impairments	79,498	23.9 %	56,962	20.0 %
Add: Purchase price accounting for acquired inventory	3,619	1.1 %	6,024	2.1 %
Adjusted home sales gross margin excluding interest, inventory impairments, and purchase price accounting for acquired inventory	\$ 83,117	25.0 %	\$ 62,986	22.1 %
	Year Ended December 31,			
	<i>(dollars in thousands)</i>			
Home sales revenue	\$ 936,400	100.0 %	\$ 734,608	100.0 %
Cost of home sales	772,575	82.5 %	639,737	87.1 %
Home sales gross margin	163,825	17.5 %	94,871	12.9 %
Add: Interest in cost of home sales	33,328	3.6 %	37,926	5.2 %
Add: Inventory impairments	—	— %	3,413	0.5 %
Adjusted home sales gross margin excluding interest and inventory impairments	197,153	21.1 %	136,210	18.5 %
Add: Purchase price accounting for acquired inventory	14,588	1.6 %	15,519	2.1 %
Adjusted home sales gross margin excluding interest, inventory impairments, and purchase price accounting for acquired inventory	\$ 211,741	22.6 %	\$ 151,729	20.7 %

RECONCILIATIONS OF ADJUSTED METRICS

CONT'D (Non-GAAP)

ADJUSTED NET INCOME

	Three Months Ended December 31,	
	2021	2020
	<i>(dollars in thousands, except share and per share amounts)</i>	
Net income attributable to Landsea Homes Corporation	\$ 38,399	\$ 10,671
Inventory impairments	—	—
Previously capitalized related party interest included in cost of sales	1,857	5,457
Equity in net (income) loss of unconsolidated joint ventures	(448)	189
Purchase price accounting for acquired inventory	3,619	6,024
Merger related transaction costs	—	—
Gain on PPP loan forgiveness	—	—
Gain on remeasurement of warrant liability	(5,335)	—
Total adjustments	(307)	11,670
Tax-effected adjustments ⁽¹⁾	(1,633)	8,689
Adjusted net income attributable to Landsea Homes Corporation	<u>\$ 36,766</u>	<u>\$ 19,360</u>

RECONCILIATIONS OF ADJUSTED METRICS

CONT'D (Non-GAAP)

ADJUSTED NET INCOME

	Year Ended December 31,	
	2021	2020
	<i>(dollars in thousands, except share and per share amounts)</i>	
Net income (loss) attributable to Landsea Homes Corporation	\$ 52,786	\$ (8,951)
Inventory impairments	—	3,413
Previously capitalized related party interest included in cost of sales	11,670	14,110
Equity in net (income) loss of unconsolidated joint ventures	(1,262)	16,418
Purchase price accounting for acquired inventory	14,588	15,519
Merger related transaction costs	2,656	—
Gain on PPP loan forgiveness	(4,266)	—
Gain on remeasurement of warrant liability	(2,090)	—
Total adjustments	21,296	49,460
Tax-effected adjustments ⁽¹⁾	14,004	36,933
Adjusted net income attributable to Landsea Homes Corporation	<u>\$ 66,790</u>	<u>\$ 27,982</u>

RECONCILIATIONS OF ADJUSTED METRICS

CONT'D (Non-GAAP)

EBITDA AND ADJUSTED EBITDA

	Three Months Ended December 31,	
	2021	2020
	<i>(dollars in thousands)</i>	
Net Income	\$ 38,389	\$ 10,658
Provision for income taxes	10,835	3,657
Interest in cost of sales	7,861	14,348
Interest relieved to equity in net income (loss) of unconsolidated joint ventures	211	247
Interest expense	—	4
Depreciation and amortization expense	2,153	896
EBITDA	59,449	29,810
Purchase price accounting in cost of home sales	3,619	6,024
Transaction costs	821	322
Equity in net loss (income) of unconsolidated joint ventures, net of interest	(659)	(58)
Gain on remeasurement of warrant liability	(5,335)	—
Adjusted EBITDA	\$ 57,895	\$ 36,098

RECONCILIATIONS OF ADJUSTED METRICS

CONT'D (Non-GAAP)

EBITDA AND ADJUSTED EBITDA

	Year Ended December 31,	
	2021	2020
	<i>(dollars in thousands)</i>	
Net income (loss)	\$ 52,735	\$ (9,084)
Provision (benefit) for income taxes	13,995	(3,081)
Interest in cost of sales	33,509	37,926
Interest relieved to equity in net income (loss) of unconsolidated joint ventures	1,267	1,162
Interest expense	32	15
Depreciation and amortization expense	5,393	3,580
EBITDA	106,931	30,518
Inventory impairments	—	3,413
Purchase price accounting in cost of home sales	14,588	15,519
Transaction costs	5,313	1,031
Equity in net loss (income) of unconsolidated joint ventures, net of interest	(2,529)	15,256
Gain on PPP loan forgiveness	(4,266)	—
Gain on remeasurement of warrant liability	(2,090)	—
Less: Imputed interest in cost of sales ⁽¹⁾	—	(776)
Adjusted EBITDA	\$ 117,947	\$ 64,961

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