



# Q2 2021 Results Presentation

August 6, 2021

**LINDSEA<sup>®</sup>**  
**HOMES**  
*Live in your element<sup>®</sup>*

# 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.

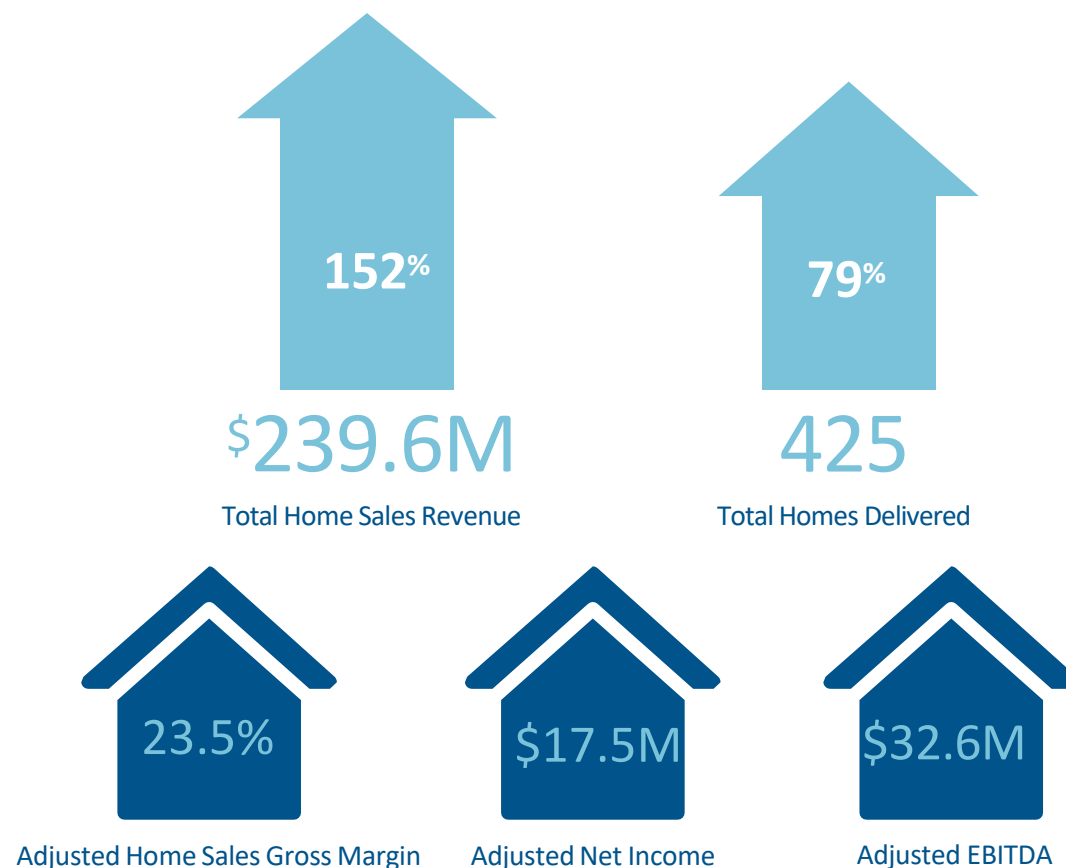
We believe that the disclosure of these non-GAAP financial measures presents additional information which, when read in conjunction with our consolidated financial statements prepared in accordance with GAAP, facilitates the analysis of our results of operations. These non-GAAP financial measures are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

# Q2 2021 FINANCIAL SUMMARY

## Q2 2021 vs. Q2 2020

- Total revenue increased 163% to \$250.3M vs. \$95.1M, including \$10.7M from lot sales.
- Net new home orders were 330 homes with a dollar value of \$207.3M, an average sales price of \$628,000. This compares to 459 homes with a dollar value of \$207.0M, an average sales price of \$451,000.
- Monthly absorption rate was 3.5 sales per active community vs. 4.8.
- The average number of selling communities stayed relatively constant at approximately 30 communities.
- Total homes in backlog increased 40% to 1,197 homes with a dollar value of \$630.2M and an average sales price of \$526k compared to 856 homes with a dollar value of \$376.3 million and an average sales price of \$440k.
- Total lots owned and controlled increased 28% to 8,556 vs. 6,680.
- Adjusted home sales gross margin increased 530bps to 23.5% vs. 18.2%.
- Adjusted net income attributable to Landsea Homes increased to \$17.5M vs. \$(3.8)M.
- Adjusted EBITDA was \$32.6M vs. \$(0.3)M.
- Diluted EPS is \$0.23 and adjusted diluted EPS is \$0.38.

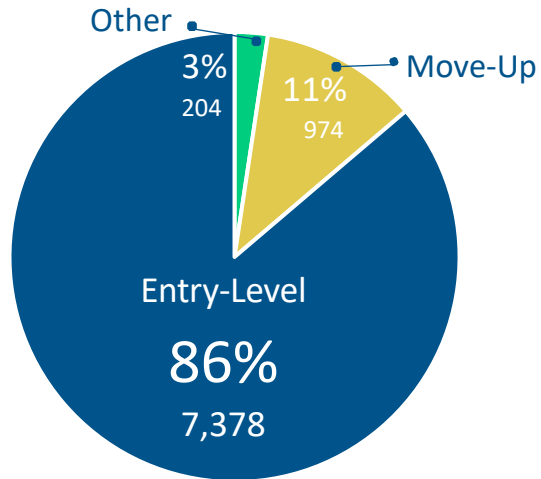
## Second Quarter 2021 Highlights vs. Second Quarter 2020



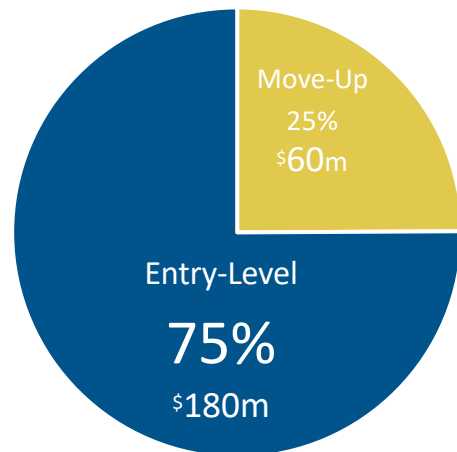
# FOCUSED ON ENTRY-LEVEL HOMES IN HIGH-GROWTH GEOGRAPHIES

As of June 30, 2021

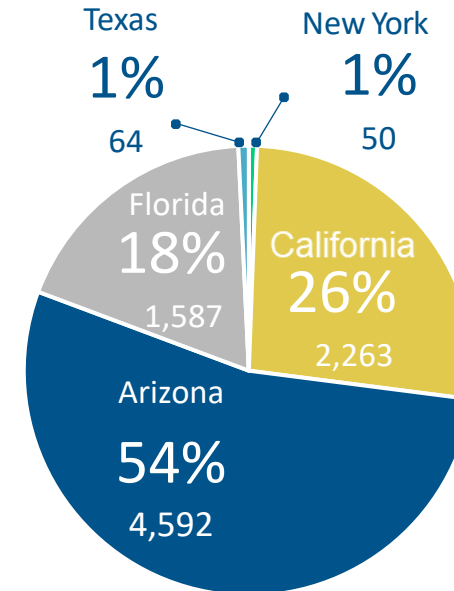
**Lots Owned/  
Controlled by  
Product Class**



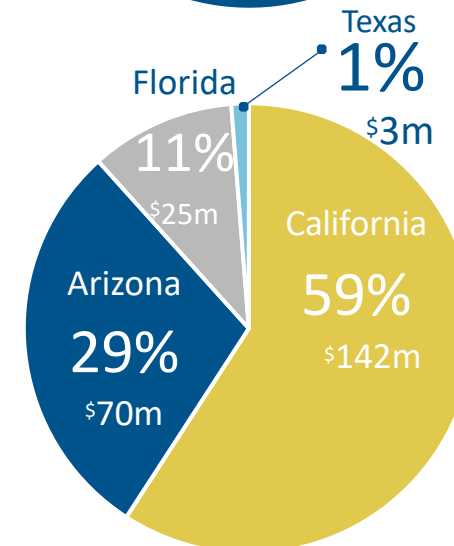
**Q2 21 Revenue  
by Product  
Class**



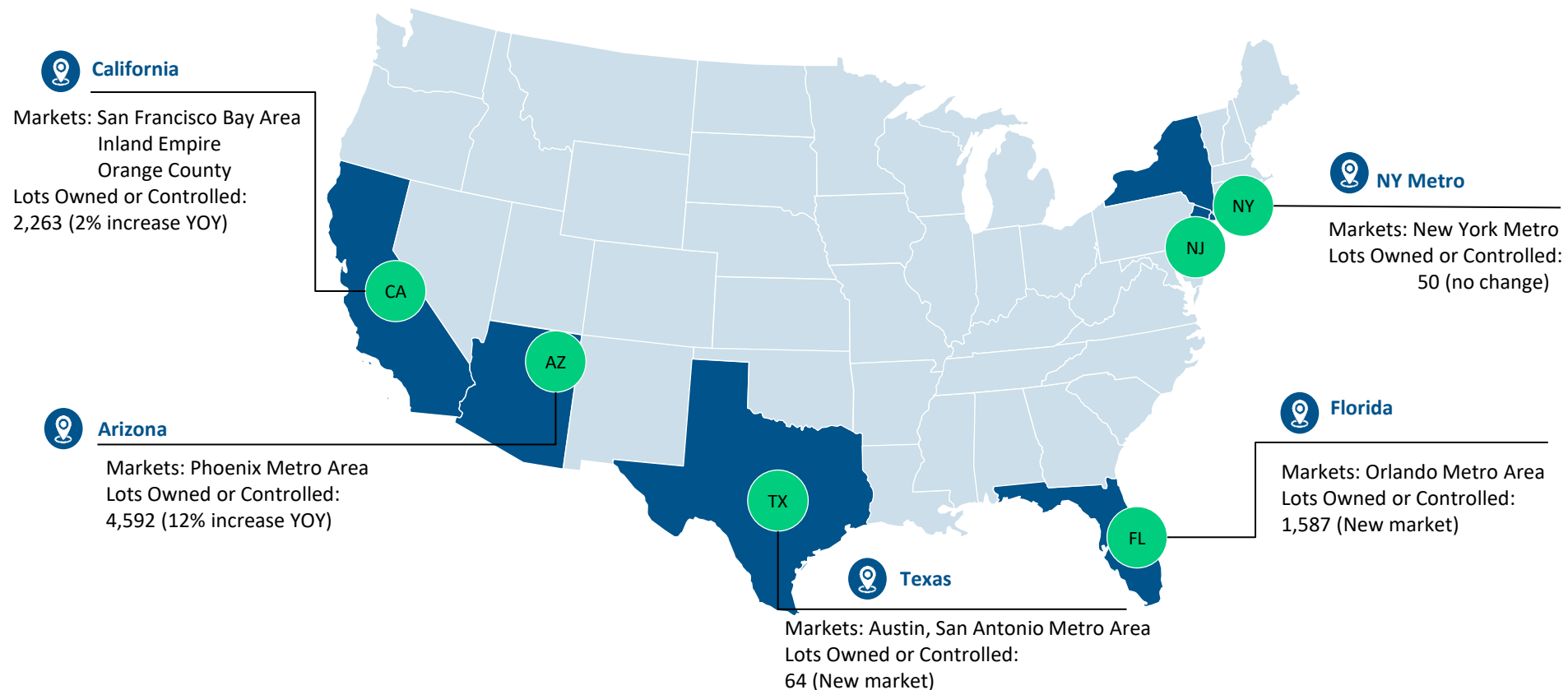
**Supply of Lots  
by State**



**Q2 21 Revenue  
by Geography**



# A DIVERSIFIED PORTFOLIO

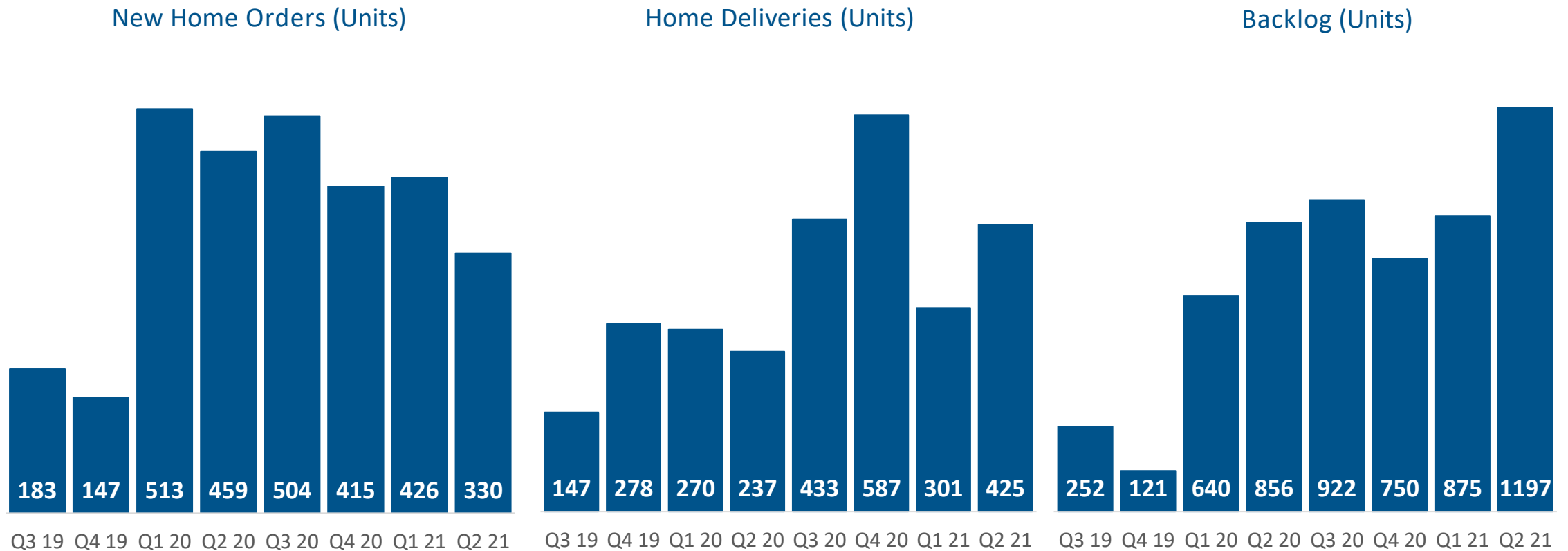


## LTM 6/30/21 Operating Highlights

|                     |                         |                                     |                                 |                                      |                                  |
|---------------------|-------------------------|-------------------------------------|---------------------------------|--------------------------------------|----------------------------------|
| 1,675<br>LTM orders | 1,746<br>LTM deliveries | \$898m<br>LTM home sales<br>revenue | \$514k<br>LTM ASP of deliveries | 29<br>Average selling<br>communities | 8,556<br>Lots owned & controlled |
|---------------------|-------------------------|-------------------------------------|---------------------------------|--------------------------------------|----------------------------------|

# KEY OPERATING METRICS<sup>1</sup>

## Operating Metrics by Quarter



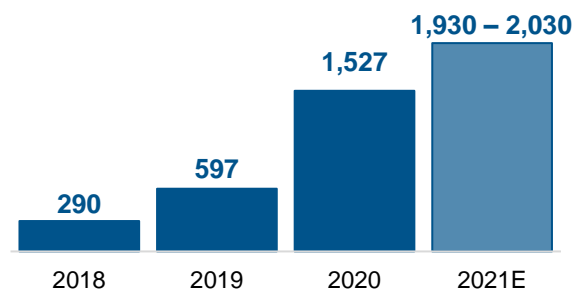
(1) Historicals not pro forma for acquisitions



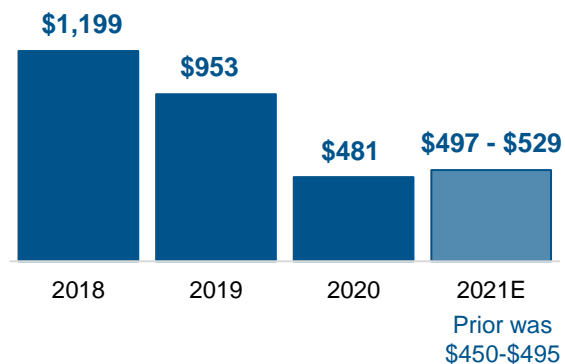
# INCREASED 2021 OUTLOOK<sup>1</sup>

## Strong Backlog of \$630M Anchors Forecast Assumptions

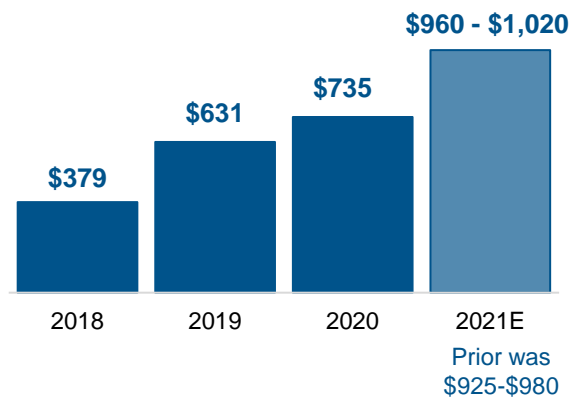
Deliveries (Units)



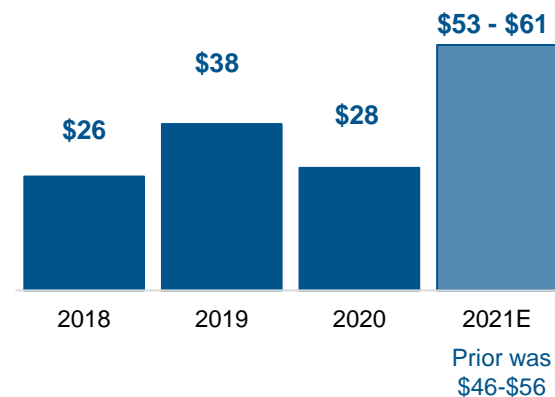
ASP of Deliveries (Thousands)



Revenue (Millions)



Adj. Net Income (Millions)



(1) Assumes higher levels of organic growth, as well as the benefits from the acquisition of Vintage Estate Homes.

# 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 28% for total lots owned or controlled year-to-date to 8,556 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*





# APPENDIX





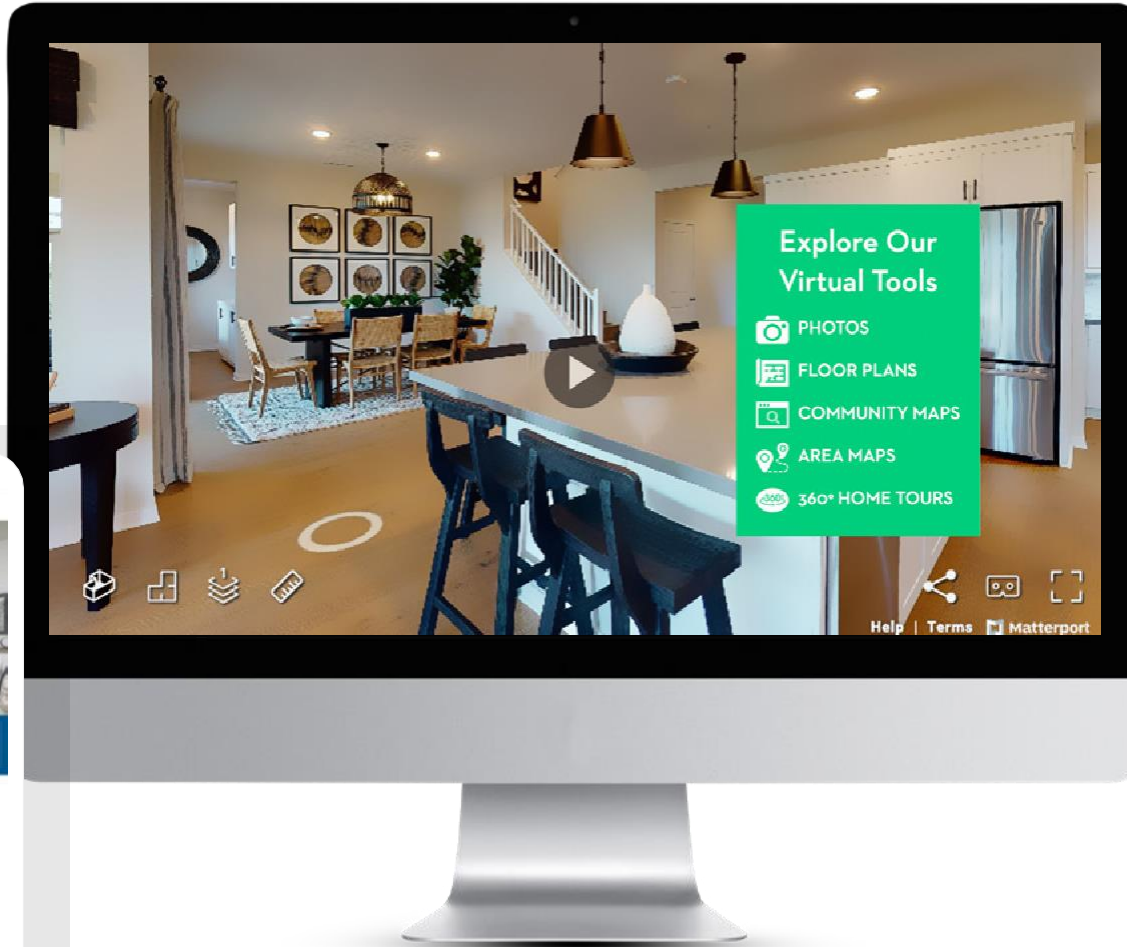
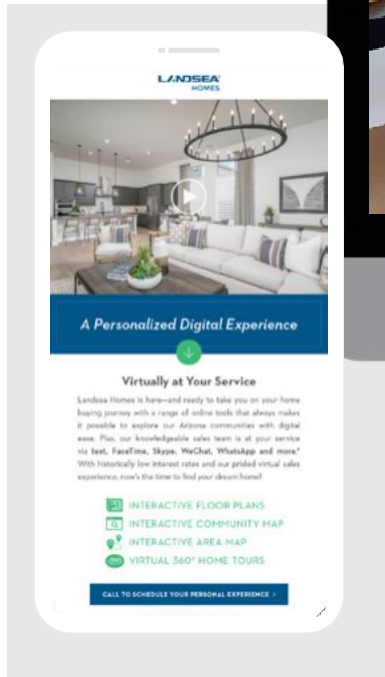
# LEADING THE VIRTUAL SALES PROCESS

Landsea Homes was well positioned to quickly adapt to the current conditions caused by COVID-19 and is an industry leader in the use of innovative technology to maximize the experience for future residents.

Giving home shoppers a “you are here” experience with a variety of online tools:

- Micro Community Videos
- Photo Galleries
- 360° Virtual Tours
- Interactive Floor Plans
- Interactive Area and Site Maps

Dedicated Inside Sales Counselors support all division/ community web leads, phone calls and on-site appointments seven days a week.



LTM 6/30/21

853,843  
Unique Web Users

3,865  
Total On-Site  
Appointments

1,675  
Net Orders

# 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

|  | June 30, 2021                 | December 31, 2020 |
|--|-------------------------------|-------------------|
|  | <i>(dollars in thousands)</i> |                   |
| Total notes and other debts payable, net         | \$ 391,844                    | \$ 264,809        |
| Total equity                                     | 567,541                       | 529,486           |
| Total capital                                    | <u>\$ 959,385</u>             | <u>\$ 794,295</u> |
| Ratio of debt to capital                         | <u>40.8 %</u>                 | <u>33.3 %</u>     |
|  |                               |                   |
| Total notes and other debts payable, net         | \$ 391,844                    | \$ 264,809        |
| Less: cash, cash equivalents and restricted cash | <u>147,287</u>                | <u>110,048</u>    |
| Net debt   | 244,557                       | 154,761           |
| Total equity                                     | 567,541                       | 529,486           |
| Net capital                                      | <u>\$ 812,098</u>             | <u>\$ 684,247</u> |
| Ratio of net debt to net capital                 | <u>30.1 %</u>                 | <u>22.6 %</u>     |

# RECONCILIATIONS OF ADJUSTED METRICS

## CONT'D (Non-GAAP)

### ADJUSTED HOME SALES GROSS MARGIN

|  | Three Months Ended June 30, |               |                  |               |
|--|-----------------------------|---------------|------------------|---------------|
|  | 2021                        | %             | 2020             | %             |
|  | (dollars in thousands)      |               |                  |               |
| Home sales revenue   | 239,600                     |               |                  |               |
|  | \$                          | 100.0 %       | \$ 95,058        | 100.0 %       |
| Cost of home sales   | 198,987                     | 83.0 %        | 89,321           | 94.0 %        |
| Home sales gross margin  | 40,613                      | 17.0 %        | 5,737            | 6.0 %         |
| Add: Interest in cost of home sales  | 11,276                      | 4.7 %         | 5,389            | 5.7 %         |
| Add: Inventory impairments   | —                           | — %           | 3,413            | 3.6 %         |
| Adjusted home sales gross margin excluding interest and inventory impairments  | 51,889                      | 21.7 %        | 14,539           | 15.3 %        |
| Add: Purchase price accounting for acquired inventory  | 4,328                       | 1.8 %         | 2,794            | 2.9 %         |
| Adjusted home sales gross margin excluding interest, inventory impairments, and purchase price accounting for acquired inventory | <u>\$ 56,217</u>            | <u>23.5 %</u> | <u>\$ 17,333</u> | <u>18.2 %</u> |
|  | Six Months Ended June 30,   |               |                  |               |
|  | 2021                        | %             | 2020             | %             |
|  | (dollars in thousands)      |               |                  |               |
| Home sales revenue   | 394,365                     |               | 231,353          |               |
|  | \$                          | 100.0 %       | \$               | 100.0 %       |
| Cost of home sales   | 335,828                     | 85.2 %        | 208,889          | 90.3 %        |
| Home sales gross margin  | 58,537                      | 14.8 %        | 22,464           | 9.7 %         |
| Add: Interest in cost of home sales  | 18,289                      | 4.6 %         | 12,700           | 5.5 %         |
| Add: Inventory impairments   | —                           | — %           | 3,413            | 1.5 %         |
| Adjusted home sales gross margin excluding interest and inventory impairments  | 76,826                      | 19.5 %        | 38,577           | 16.7 %        |
| Add: Purchase price accounting for acquired inventory  | 7,129                       | 1.8 %         | 5,579            | 2.4 %         |
| Adjusted home sales gross margin excluding interest, inventory impairments, and purchase price accounting for acquired inventory | <u>\$ 83,955</u>            | <u>21.3 %</u> | <u>\$ 44,156</u> | <u>19.1 %</u> |



# RECONCILIATIONS OF ADJUSTED METRICS

## CONT'D (Non-GAAP)

### ADJUSTED NET INCOME

|   | Three Months Ended June 30,                                       |                   |
|---|---|-------------------|
|   | 2021  | 2020              |
|   | <i>(dollars in thousands, except share and per share amounts)</i> |                   |
| Net income (loss) attributable to Landsea Homes Corporation             | \$ 10,664   | \$ (20,270)       |
| Inventory impairments   | —   | 3,413             |
| Previously capitalized related party interest included in cost of sales | 4,340   | 1,694             |
| Equity in net (income) loss of unconsolidated joint ventures            | (667)   | 13,870            |
| Purchase price accounting for acquired inventory                        | 4,328   | 2,794             |
| Gain on PPP loan forgiveness  | (4,266)   | —                 |
| Loss on remeasurement of warrant liability                              | 5,335   | —                 |
| Total adjustments   | 9,070   | 21,771            |
| Tax-effected adjustments <sup>(1)</sup>                                 | 6,870   | 16,492            |
| Adjusted net income attributable to Landsea Homes Corporation           | <u>\$ 17,534</u>  | <u>\$ (3,778)</u> |
| Less: undistributed earnings allocated to participating shares          | \$ (236)  | \$ —              |
| Net income (loss) attributable to common stockholders                   | <u>10,428</u>   | <u>(20,270)</u>   |
| Less: adjusted undistributed earnings allocated to participating shares | (387)   | —                 |
| Adjusted net income (loss) attributable to common stockholders          | <u>\$ 17,147</u>  | <u>\$ (3,778)</u> |
| Earnings per share  |   |                   |
| Basic   | <u>\$ 0.23</u>  | <u>\$ (0.62)</u>  |
| Diluted   | <u>\$ 0.23</u>  | <u>\$ (0.62)</u>  |
| Adjusted earnings per share   |   |                   |
| Basic   | <u>\$ 0.38</u>  | <u>\$ (0.12)</u>  |
| Diluted   | <u>\$ 0.38</u>  | <u>\$ (0.12)</u>  |
| Weighted average common shares outstanding used in EPS - basic          | 45,281,091  | 32,557,303        |
| Weighted average common shares outstanding used in EPS - diluted        | 45,281,091  | 32,557,303        |

# RECONCILIATIONS OF ADJUSTED METRICS

## CONT'D (Non-GAAP)

### ADJUSTED NET INCOME

|   | Six Months Ended June 30,                                  |             |
|---|--|-------------|
|   | 2021   | 2020        |
|   | (dollars in thousands, except share and per share amounts) |             |
| Net income (loss) attributable to Landsea Homes Corporation             | \$ 3,590   | \$ (22,806) |
| Inventory impairments   | —  | 3,413       |
| Previously capitalized related party interest included in cost of sales | 7,242  | 4,540       |
| Equity in net (income) loss of unconsolidated joint ventures            | (646)  | 15,613      |
| Purchase price accounting for acquired inventory                        | 7,129  | 5,579       |
| Merger related transaction costs  | 2,656  | —           |
| Gain on PPP loan forgiveness  | (4,266)  | —           |
| Loss on remeasurement of warrant liability                              | 10,285   | —           |
| Total adjustments   | 22,400   | 29,145      |
| Tax-effected adjustments <sup>(1)</sup>                                 | 17,895   | 21,793      |
| Adjusted net income attributable to Landsea Homes Corporation           | \$ 21,485  | \$ (1,013)  |
| Less: undistributed earnings allocated to participating shares          | \$ (78)  | \$ —        |
| Net income (loss) attributable to common stockholders                   | 3,512  | (22,806)    |
| Less: adjusted undistributed earnings allocated to participating shares | (464)  | —           |
| Adjusted net income (loss) attributable to common stockholders          | \$ 21,021  | \$ (1,013)  |
| Earnings per share  |  |             |
| Basic   | \$ 0.08  | \$ (0.70)   |
| Diluted   | \$ 0.08  | \$ (0.70)   |
| Adjusted earnings per share   |  |             |
| Basic   | \$ 0.47  | \$ (0.03)   |
| Diluted   | \$ 0.47  | \$ (0.03)   |
| Weighted shares outstanding   |  |             |
| Weighted average common shares outstanding used in EPS- basic           | 44,833,600   | 32,557,303  |
| Weighted average common shares outstanding used in EPS- diluted         | 44,837,454   | 32,557,303  |

# RECONCILIATIONS OF ADJUSTED METRICS

## CONT'D (Non-GAAP)

### EBITDA AND ADJUSTED EBITDA

|   | Three Months Ended June 30, |             |
|---|-----------------------------|-------------|
|   | 2021                        | 2020        |
|   | (dollars in thousands)      |             |
| Net income (loss)   | \$ 10,650                   | \$ (20,292) |
| Provision (benefit) for income taxes  | 4,248                       | (6,496)     |
| Interest in cost of sales   | 11,299                      | 5,389       |
| Interest relieved to equity in net loss (income) of unconsolidated joint ventures | 422                         | 352         |
| Interest expense  | 10                          | —           |
| Depreciation and amortization expense   | 1,039                       | 969         |
| EBITDA  | 27,668                      | (20,078)    |
| Inventory impairments   | —                           | 3,413       |
| Purchase price accounting in cost of home sales                                   | 4,328                       | 2,794       |
| Transaction costs   | 637                         | 71          |
| Equity in net (income) loss of unconsolidated joint ventures, net of interest     | (1,089)                     | 13,518      |
| Gain on PPP loan forgiveness  | (4,266)                     | —           |
| Loss on remeasurement of warrant liability  | 5,335                       | —           |
| Less: Imputed interest in cost of sales <sup>(1)</sup>                            | —                           | —           |
| Adjusted EBITDA   | \$ 32,613                   | \$ (282)    |

# RECONCILIATIONS OF ADJUSTED METRICS

## CONT'D (Non-GAAP)

### EBITDA AND ADJUSTED EBITDA

|   | Six Months Ended June 30, |             |
|---|---------------------------|-------------|
|   | 2021                      | 2020        |
|   | (dollars in thousands)    |             |
| Net income (loss)   | \$ 3,564                  | \$ (22,916) |
| Provision (benefit) for income taxes  | 183                       | (7,731)     |
| Interest in cost of sales   | 18,366                    | 12,700      |
| Interest relieved to equity in net loss (income) of unconsolidated joint ventures | 775                       | 634         |
| Interest expense  | 21                        | 11          |
| Depreciation and amortization expense   | 1,953                     | 1,785       |
| EBITDA  | 24,862                    | (15,517)    |
| Inventory impairments   | —                         | 3,413       |
| Purchase price accounting in cost of home sales                                   | 7,129                     | 5,579       |
| Transaction costs   | 4,164                     | 475         |
| Equity in net (income) loss of unconsolidated joint ventures, net of interest     | (1,421)                   | 14,979      |
| Gain on PPP loan forgiveness  | (4,266)                   | —           |
| Loss on remeasurement of warrant liability  | 10,285                    | —           |
| Less: Imputed interest in cost of sales <sup>(1)</sup>                            | —                         | (388)       |
| Adjusted EBITDA   | \$ 40,753                 | \$ 8,541    |



