



Q1 2023 Earnings Results Presentation

May 3, 2023

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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 are not 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.

1Q 2023 Financial Highlights

- Exceeded key metric guidance for quarter
- 466% Net order growth sequentially from Q4 2022
 - ✓ Well balanced between CA, FL and AZ
- Home Sales Gross Margin decrease reflective of incentives and discounts
- SG&A impacted by \$1 million in severance related costs to right size organization and become more efficient

Metric	1Q23	1Q22	% Change
Orders	498	637	-22%
Deliveries	472	552	-14%
ASP of Home Deliveries (\$000)	\$510	\$540	-6%
Backlog (units)	696	1,605	-57%
Total Revenue (\$M)	\$242	\$316	-23%
HS Gross Margin	18.1%	20.9%	-280 bps
Fully Adjusted HS Gross Margin	21.9%	29.0%	-710 bps
SG&A Expenses (% of HS Revenue)	16.3%	14.0%	+230 bps
Pretax Income (\$M)	\$6	\$18	-67%
Net Income (\$M)	\$4	\$13	-69%
EPS (Diluted)	\$0.08	\$0.28	-71%

Consolidated Balance Sheet

(\$000s)

Highlights

- Strong total liquidity of \$289.5M (\$139.5M cash and equivalents and held in escrow, plus \$150.0M availability under revolver)
- Leverage remained neutral during quarter based on cash produced from deliveries
 - ✓ Debt to Capital of 42.0%
 - ✓ Net Debt to Total Capital of 30.7%
- \$16.45 Book Value Per Share
- \$14.73 Tangible Book Value per Share

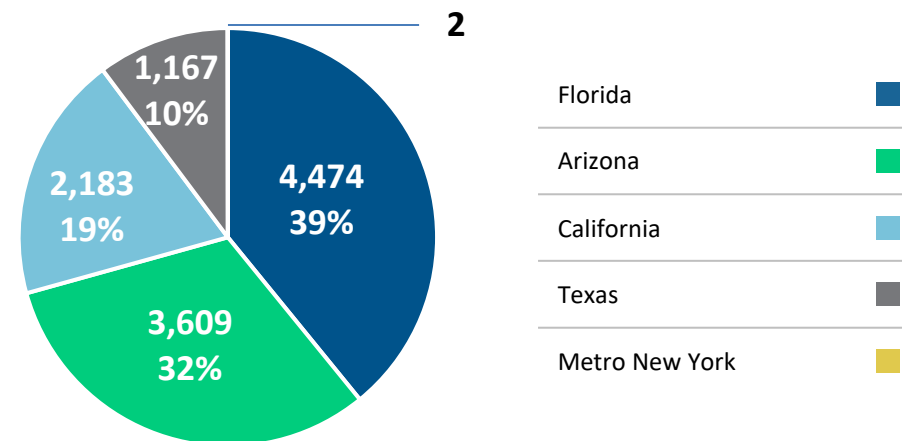
	March 31, 2023	December 31, 2022
Assets		
Cash and cash equivalents	136,785	123,634
Cash held in escrow	2,760	17,101
Real estate inventories	1,080,877	1,093,369
Due from affiliates	4,051	3,744
Goodwill	68,639	68,639
Other assets	134,970	134,009
Total assets	1,428,082	1,440,496
Liabilities		
Accounts payable	62,473	74,445
Accrued expenses and other liabilities	135,178	149,426
Due to affiliates	884	884
Notes and other debts payable, net	516,929	505,422
Total liabilities	715,464	730,177
Equity		
Total stockholders' equity	658,257	655,950
Noncontrolling interests	54,361	54,369
Total equity	712,618	710,319
Total liabilities and equity	1,428,082	1,440,496
Debt to Capital	42.0%	41.6%
Net Debt to Total Capital	30.7%	30.0%

QUALITY LOT POSITION GROWTH

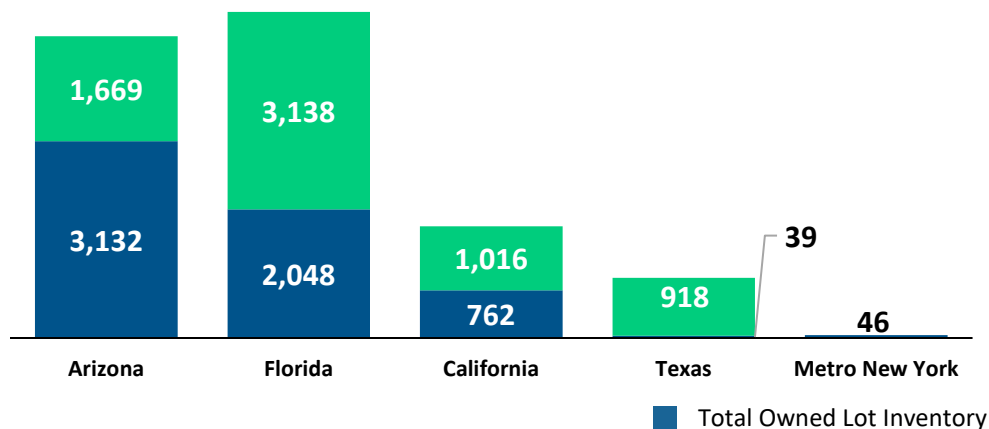
OPTIMAL MIX OF LOT INVENTORY

- 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 5.0 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 44% of our total lot inventory as of March 31, 2023

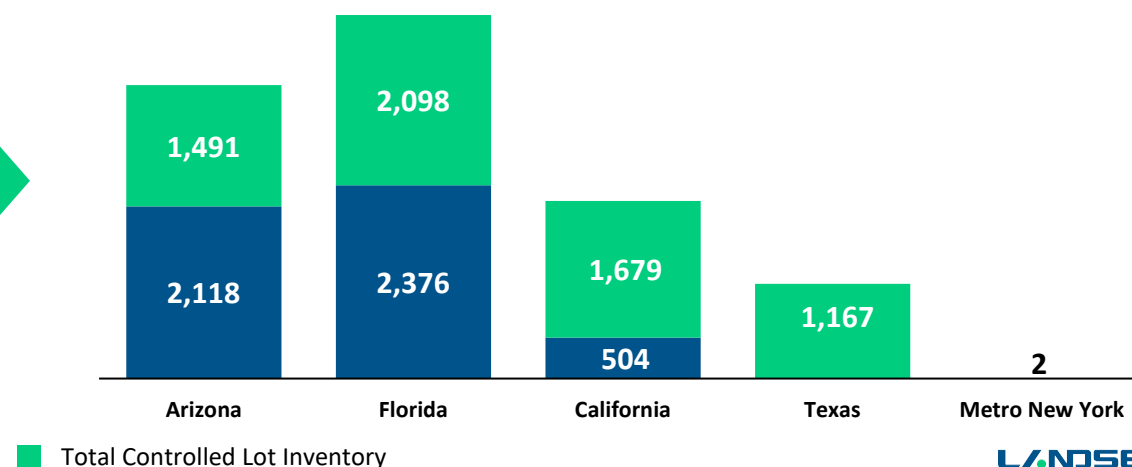
Overall Lot Position by Region as of March 31, 2023



Lot Position by Region as of March 31, 2022



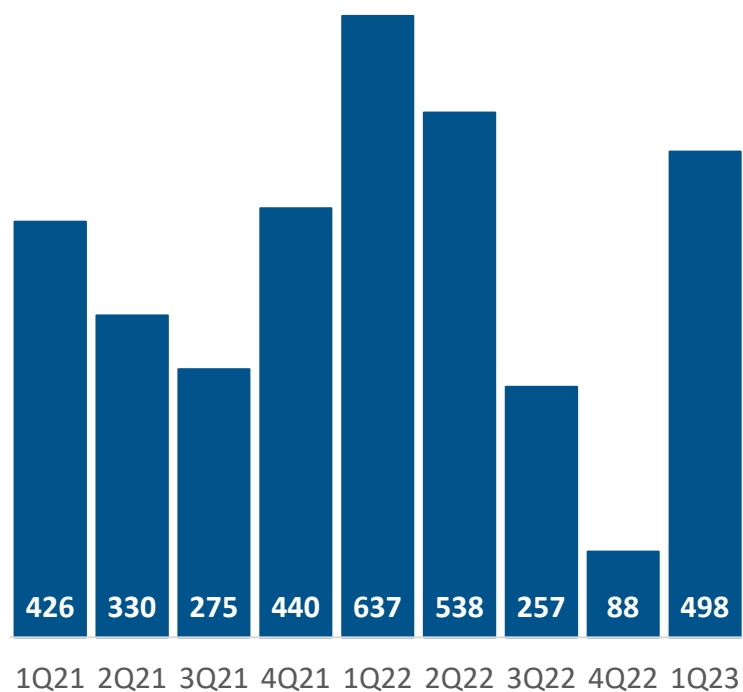
Lot Position by Region as of March 31, 2023



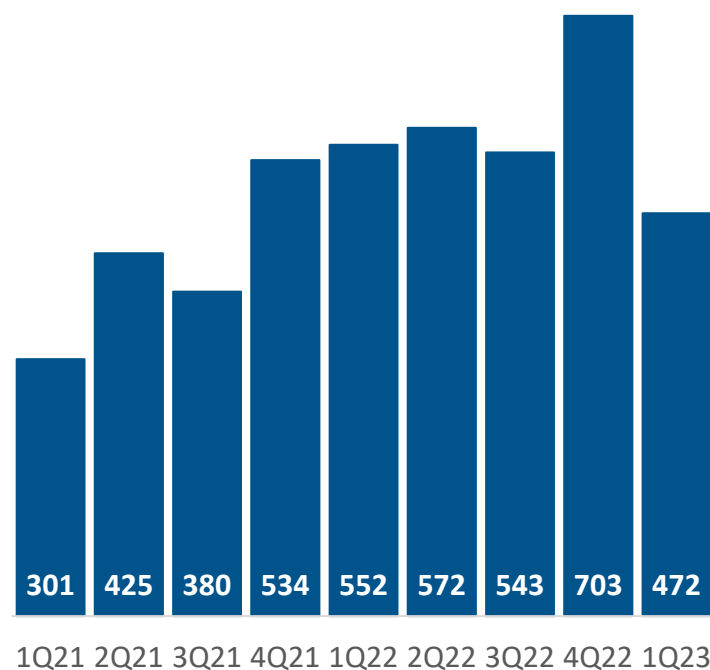
KEY OPERATING METRICS

Operating Metrics by Quarter

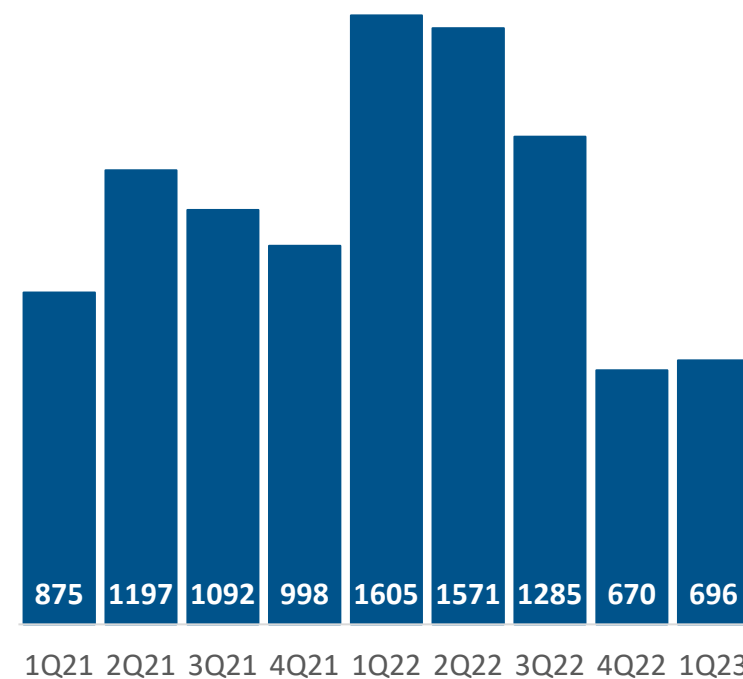
New Home Orders (Units)



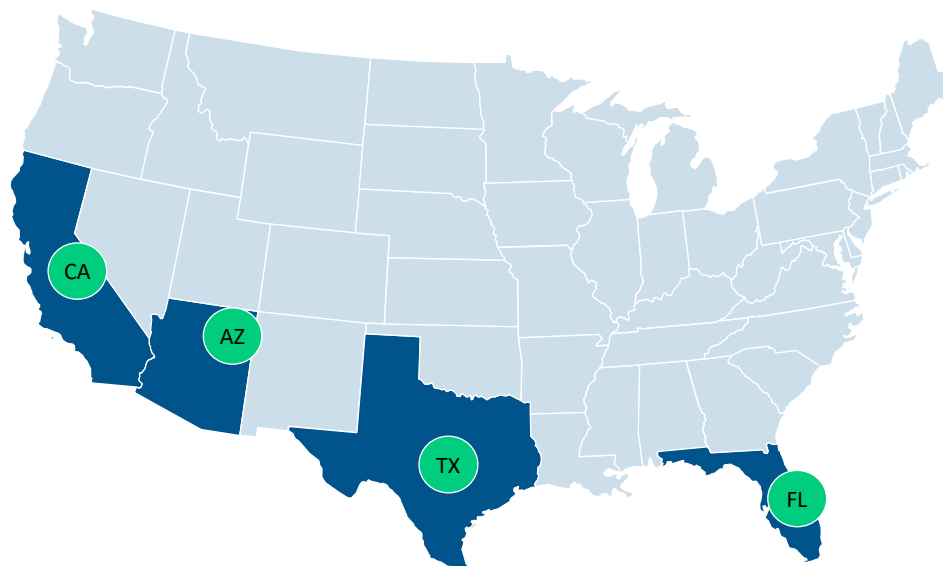
Home Deliveries (Units)



Backlog (Units)



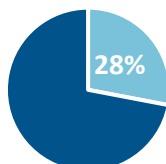
DIVERSIFIED NATIONAL FOOTPRINT



California

- Markets:
 - San Francisco Bay Area
 - Inland Empire
 - Orange County
- Lots Owned or Controlled: 2,183 (77% Controlled)
- ASP \$791k

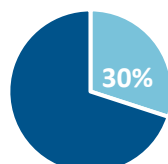
% of 1Q 23 Revenue



Arizona

- Markets:
 - Phoenix Metro Area
- Lots Owned or Controlled: 3,609 (41% Controlled)
- ASP \$427k

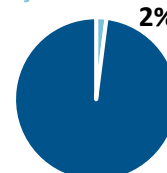
% of 1Q 23 Revenue



Texas

- Markets:
 - Austin
 - San Antonio Metro Area
- Lots Owned or Controlled: 1,167 (100% Controlled)
- ASP \$1,049k

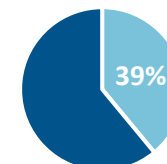
% of 1Q 23 Revenue



Florida

- Markets:
 - Orlando Metro Area
 - Melbourne
- Lots Owned or Controlled: 4,474 (47% Controlled)
- ASP \$448k

% of 1Q 23 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



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

	March 31, 2023	December 31, 2022
	<i>(dollars in thousands)</i>	
Total notes and other debts payable, net	\$ 516,929	\$ 505,422
Total equity	712,618	710,319
Total capital	\$ 1,229,547	\$ 1,215,741
Ratio of debt to capital	42.0 %	41.6%
Total notes and other debts payable, net	\$ 516,929	\$ 505,422
Less: cash, cash equivalents, and restricted cash	136,785	123,634
Less: cash held in escrow	2,760	17,101
Net debt	377,384	364,687
Total capital	\$ 1,229,547	\$ 1,215,741
Ratio of net debt to total capital	30.7 %	30.0 %

Reconciliations Of Adjusted Metrics

CONT'D (Non-GAAP)

ADJUSTED HOME SALES GROSS MARGIN

	Three Months Ended March 31,			
	2023	%	2022	%
	<i>(dollars in thousands)</i>			
Home sales revenue	\$ 240,625	100.0 %	\$ 297,966	100.0 %
Cost of home sales	197,054	81.9 %	235,702	79.1 %
Home sales gross margin	43,571	18.1 %	62,264	20.9 %
Add: Interest in cost of home sales	4,542	1.9 %	6,382	2.1 %
Add: Inventory impairments	—	— %	—	— %
Adjusted home sales gross margin excluding interest and inventory impairments ⁽¹⁾	48,113	20.0 %	68,646	23.0 %
Add: Purchase price accounting for acquired inventory	4,485	1.9 %	17,738	6.0 %
Adjusted home sales gross margin excluding interest, inventory impairments, and purchase price accounting for acquired inventory ⁽¹⁾	\$ 52,598	21.9 %	\$ 86,384	29.0 %

(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 NET INCOME

	Three Months Ended March 31,	
	2023	2022
	<i>(dollars in thousands)</i>	
Net income attributable to Landsea Homes Corporation	\$ 3,218	\$ 13,065
Pre-Merger capitalized related party interest included in cost of sales	718	1,517
Purchase price accounting for acquired inventory	4,485	17,738
Loss on remeasurement of warrant liability	—	5,555
Total adjustments	5,203	24,810
Tax-effected adjustments ⁽¹⁾	3,839	19,762
Adjusted net income attributable to Landsea Homes Corporation	\$ 7,057	\$ 32,827

(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)

EBITDA AND ADJUSTED EBITDA

	Three Months Ended March 31,	
	2023	2022
	<i>(dollars in thousands)</i>	
Net income	\$ 4,123	\$ 13,061
Provision for income taxes	1,617	5,067
Interest in cost of sales	4,553	6,389
Depreciation and amortization expense	1,418	1,623
EBITDA	11,711	26,140
Purchase price accounting in cost of home sales	4,485	17,738
Transaction costs	15	948
Loss on remeasurement of warrant liability	—	5,555
Adjusted EBITDA	\$ 16,211	\$ 50,381

