



LINDSEA[®]
HOMES

2022 **BUILDER**
of the **YEAR**

3Q 2023
Earnings Presentation



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.

Today's Presenters



John Ho
Chief Executive Officer



Michael Forsum
President and
Chief Operating Officer



Chris Porter
Chief Financial Officer

BUSINESS REVIEW



Financial Highlights



Note: Adjusted EBITDA and Net Debt to Total Capital are non-GAAP metrics. Refer to the Appendix for reconciliation thereof to the most directly comparable GAAP measure

3Q 23 Highlights

- Net income attributable to Landsea Homes of \$8.6M, or \$0.22 per diluted share
- Total revenue of \$277.3M
- Pretax income of \$12.5M
- Adjusted EBITDA of \$28.7M
- Total homes delivered of 448
- Net new home orders of 486 with an order value of \$285.0M
- Quarter-end homes in backlog of 760 for a total of \$482.7M
- Repurchased 1,391,867 shares of common stock for \$13.7M during the third quarter
- Book Value per share of \$17.28

Live in your element™

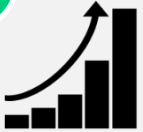
Business Priorities

1



Continue sales momentum of first half of 2023 and maximize backlog going into 2024

2



Drive higher returns with improvements in cycle time and focus on additional cost reductions

3



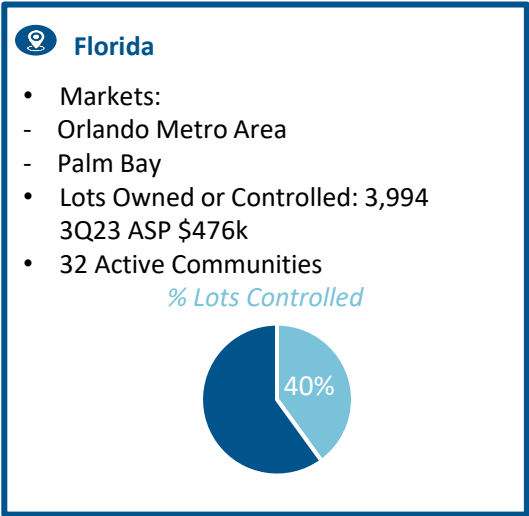
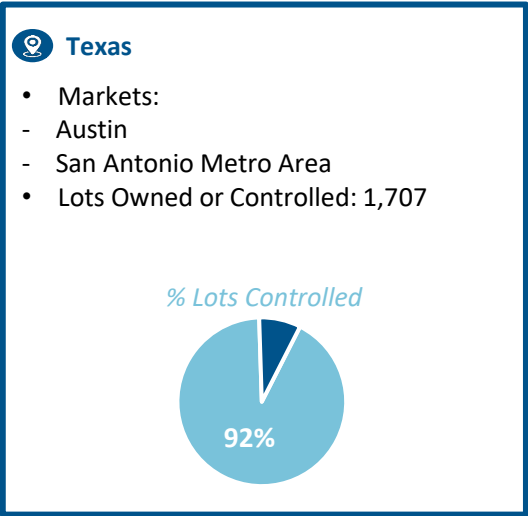
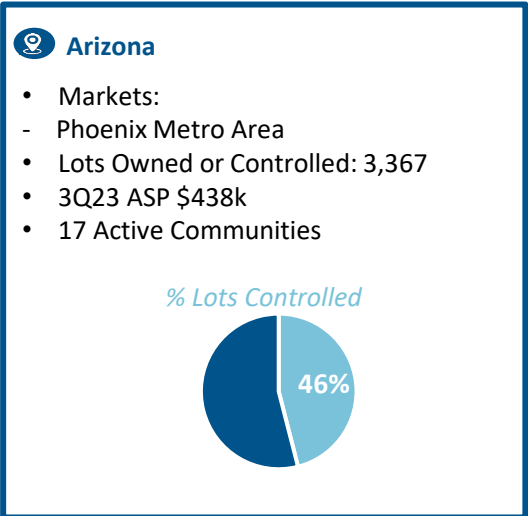
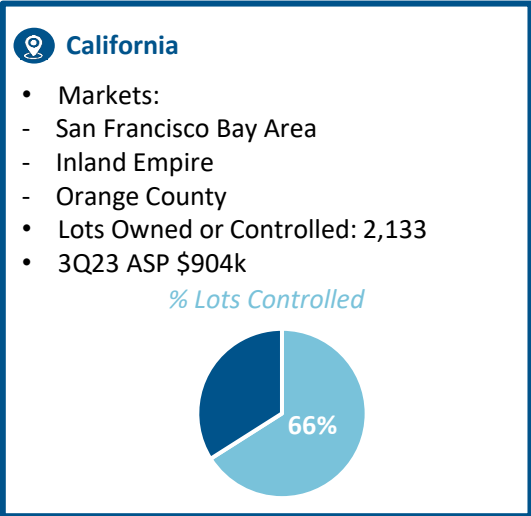
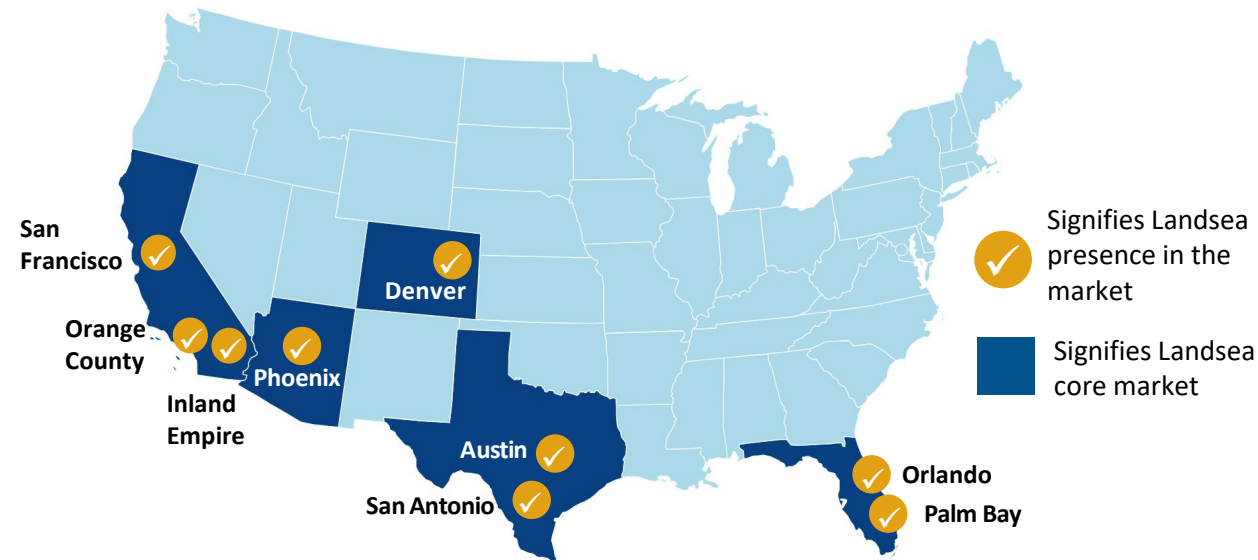
Seek M&A targets in high-growth complementary markets

4



Drive growth with new community openings to capitalize on demand tailwinds

Diversified National Footprint

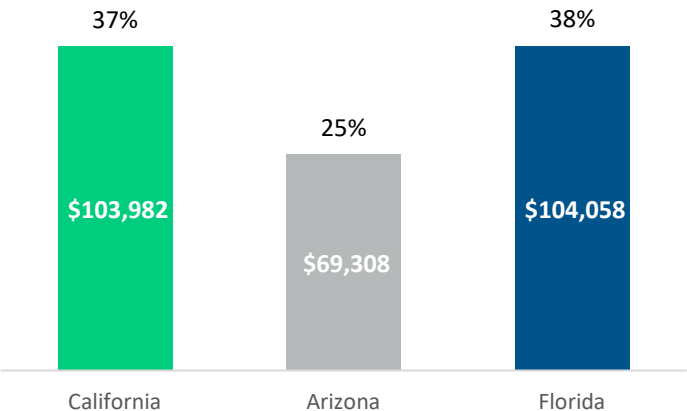


Diversified Revenue Base

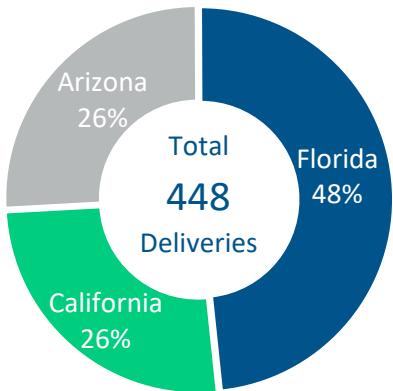
3Q 2023 Highlights

Total Revenue by Segment (\$ in thousands)

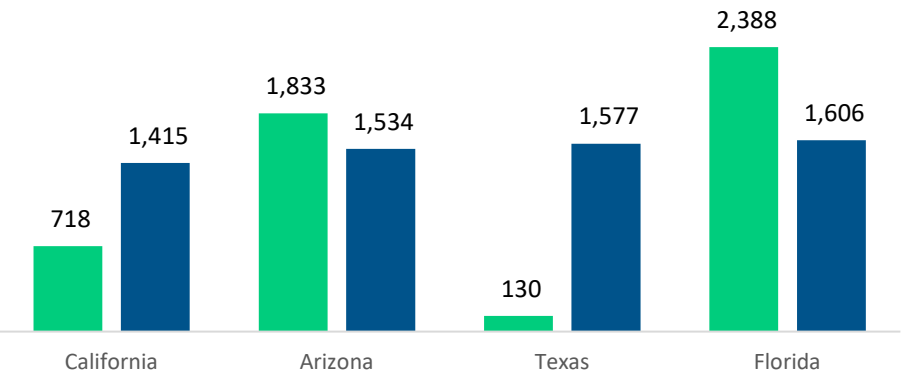
Total Revenue: \$277.3mm



Home Sale Deliveries

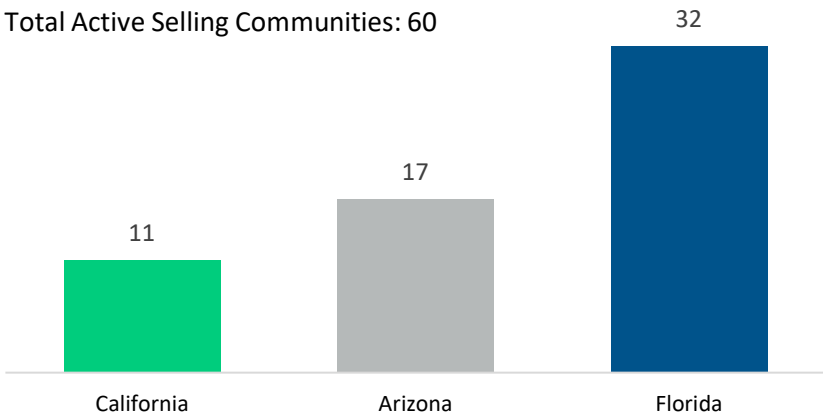


Lots Owned / Controlled



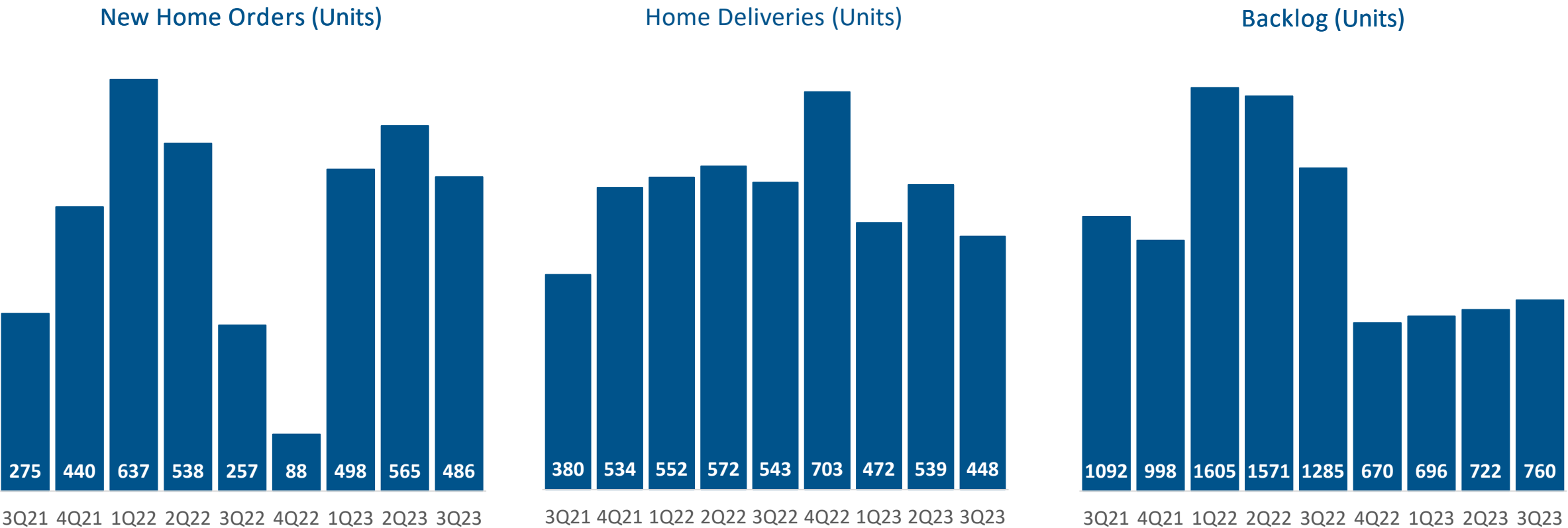
Total Number of Active Communities

Total Active Selling Communities: 60



Key Operating Metrics

Operating Metrics by Quarter



Landsea Homes Key Differentiator

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



Live in your element™

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

Financial Highlights



Third Quarter 2023 Highlights

- Total Revenues were \$277.3M
- Housing gross profit margin was 18.7%, compared to 20.9%. Excluding interest and purchase price amortization, housing gross profit margin was 24.0%.
- General & administrative expenses decreased from second quarter to \$25.5M
- Net income attributed to Landsea Homes Corporation was \$8.6M and diluted earnings per share was \$0.22
- Backlog value was \$482.7M at an ASP of \$635,000. The number of homes in backlog was 760.
- Total liquidity was \$389M, which included \$245M of available capacity under the Company's unsecured revolving credit facility.
- During the quarter, the Company repurchased 1,391,867 shares of its outstanding common stock at a total cost of \$13.7M
- Book value per share increased 12.3% to \$17.28

Note: Home sales gross margin excluding real estate inventories impairment is a non-GAAP metric. Refer to the Appendix for reconciliation thereof to the most directly comparable GAAP measure

Live in your element™

(\$ in millions except ASP)

	3Q23	3Q22	% Change
Housing Revenues	\$258	\$326	-21%
Deliveries	448	543	-17%
ASP of Home Deliveries (\$000)	\$576	\$601	-4%
Net Orders	486	257	89%
Net Order Value	\$285	\$165	73%
Backlog Homes	760	1,285	-41%
Backlog Value	\$483	\$741	-35%
Ending Community Count	60	58	3%
Avg. Selling Community Count	59	57	4%
Absorption	2.7	1.5	80%

Consolidated Balance Sheet

3Q 2023 Highlights

- Debt to Capital of 44%
- Net Debt to Total Capital 33%
- Strong total liquidity of \$389M (\$144M cash and equivalents and held in escrow, plus \$245M availability under revolver)
- \$17.28 Book Value Per Share ⁽¹⁾
- \$15.46 Tangible Book Value per Share ⁽²⁾

(\$000s)	September 30, 2023	December 31, 2022
Assets		
Cash and cash equivalents	144,447	140,735
Real estate inventories	1,155,661	1,093,369
Goodwill	68,639	68,639
Other assets	108,340	137,753
Total assets	1,477,087	1,440,496
Liabilities		
Accounts payable & accrued expenses	222,366	223,871
Due to affiliates	881	884
Notes and other debts payable, net	552,393	505,422
Total liabilities	775,640	730,177
Equity		
Total stockholders' equity	652,950	655,950
Noncontrolling interests	48,497	54,369
Total equity	701,447	710,319
Total liabilities and equity	1,477,087	1,440,496
Debt to Capital	44%	42%
Net Debt to Total Capital	33%	30%

Note: Net debt to total capital is a non-GAAP metric. Refer to the Appendix for reconciliation thereof to the most directly comparable GAAP measure

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

	September 30, 2023	December 31, 2022
	<i>(dollars in thousands)</i>	
Total notes and other debts payable, net	\$ 552,393	\$ 505,422
Total equity	701,447	710,319
Total capital	<u>\$ 1,253,840</u>	<u>\$ 1,215,741</u>
Ratio of debt to capital	<u>44.1 %</u>	<u>41.6 %</u>
Total notes and other debts payable, net	\$ 552,393	\$ 505,422
Less: cash, cash equivalents, and restricted cash	133,491	123,634
Less: cash held in escrow	10,956	17,101
Net debt	<u>407,946</u>	<u>364,687</u>
Total capital	<u>\$ 1,253,840</u>	<u>\$ 1,215,741</u>
Ratio of net debt to total capital	<u>32.5 %</u>	<u>30.0 %</u>

Reconciliations Of Adjusted Metrics

CONT'D (Non-GAAP)

ADJUSTED HOME SALES GROSS MARGIN

	Three Months Ended September 30,			
	2023	%	2022	%
	(dollars in thousands)			
Home sales revenue	\$ 258,062	100.0 %	\$ 326,496	100.0 %
Cost of home sales	209,753	81.3 %	258,362	79.1 %
Home sales gross margin	48,309	18.7 %	68,134	20.9 %
Add: Interest in cost of home sales	9,713	3.8 %	10,138	3.1 %
Add: Real estate inventories impairment	—	— %	—	— %
Adjusted home sales gross margin excluding interest and real estate inventories impairment	58,022	22.5 %	78,272	24.0 %
Add: Purchase price accounting for acquired inventory	3,865	1.5 %	10,612	3.3 %
Adjusted home sales gross margin excluding interest, real estate inventories impairment, and purchase price accounting for acquired inventory	\$ 61,887	24.0 %	\$ 88,884	27.2 %

(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 September 30,	
	2023	2022
	<i>(dollars in thousands, except share and per share amounts)</i>	
Net income attributable to Landsea Homes Corporation	\$ 8,596	\$ 19,970
Pre-Merger capitalized related party interest included in cost of sales	324	714
Equity in net income of unconsolidated joint ventures	—	(70)
Purchase price accounting for acquired inventory	3,865	10,612
Total adjustments	4,189	11,256
Tax-effected adjustments ⁽¹⁾	3,088	8,270
Adjusted net income attributable to Landsea Homes Corporation	<u>\$ 11,684</u>	<u>\$ 28,240</u>

(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 September 30,	
	2023	2022
	<i>(dollars in thousands)</i>	
Net income	\$ 9,483	\$ 21,281
Provision for income taxes	3,066	4,021
Interest in cost of sales	10,006	10,150
Depreciation and amortization expense	1,221	1,382
EBITDA	23,776	36,834
Purchase price accounting in cost of home sales	3,865	10,612
Transaction costs	600	—
Abandoned project costs	433	—
Equity in net income of unconsolidated joint ventures, excluding interest relieved	—	(70)
Adjusted EBITDA	\$ 28,674	\$ 47,376

