



Q1 2021 Results Presentation

May 6, 2021

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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.

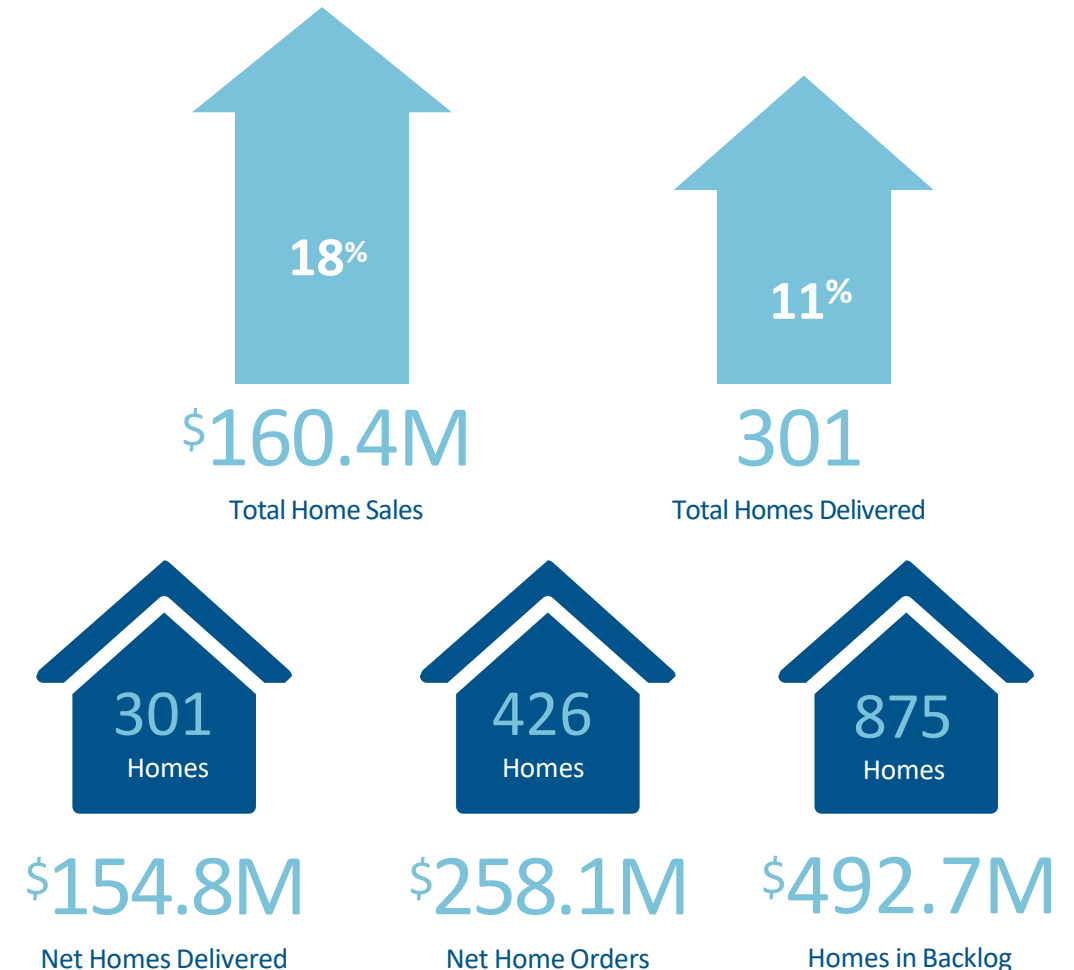
We believe that the disclosure of these non-GAAP financial measures presents additional information which, when read in conjunction with our consolidated financial statements prepared in accordance with GAAP, facilitates the analysis of our results of operations. These non-GAAP financial measures are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

Q1 2021 FINANCIAL SUMMARY

Q1 2021 vs. Q1 2020

- Total revenue increased 18% to \$160.4M vs. \$136.3M, including \$5.7M from lot sales
- Net new home order values increased 4% to \$258.1M at an ASP of \$606k compared to \$247.0M at an ASP of \$481k
- Monthly absorption rate was 5.3 sales per active community vs. 5.8
- The average number of selling communities was 27.0 compared to 29.7
- Total homes in backlog increased 39% to 875 homes with a dollar value of \$492.7M and an average sales price of \$563k compared to 629 homes with a dollar value of \$262.1 million and an average sales price of \$417,000
- Total lots owned and controlled increased 19% to 6,546 vs. 5,486
- Adjusted home sales gross margin was 17.9% vs. 19.7%
- Adjusted net income attributable to Landsea Homes was \$1.4M vs. \$2.5M
- Adjusted EBITDA was \$8.1M vs. \$8.8M

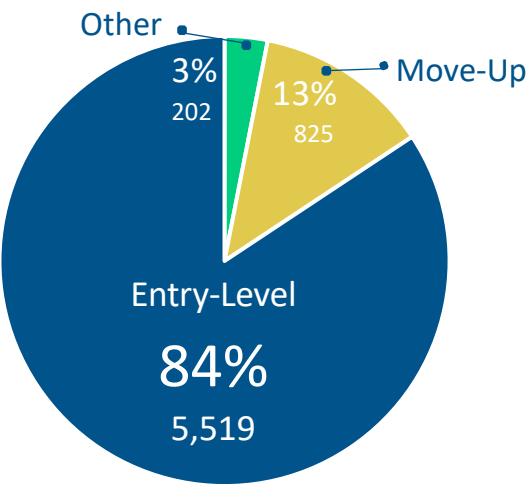
First Quarter 2021 Highlights Vs. First Quarter 2020



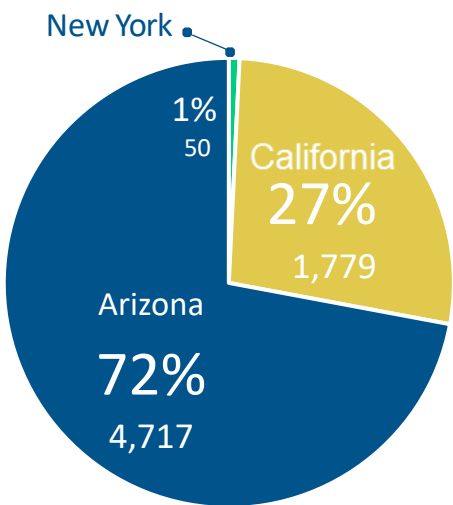
FOCUSED ON ENTRY-LEVEL HOMES IN HIGH-GROWTH GEOGRAPHIES

As of March 31, 2021

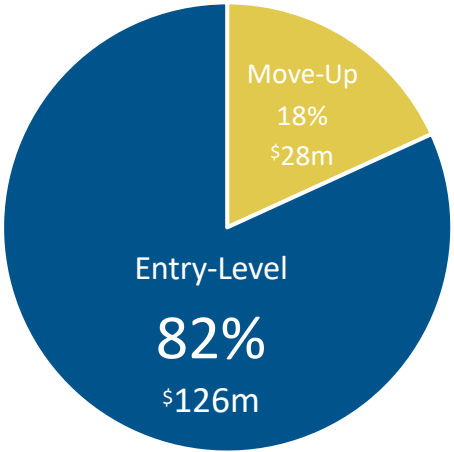
**Lots Owned/
Controlled by
Product Class**



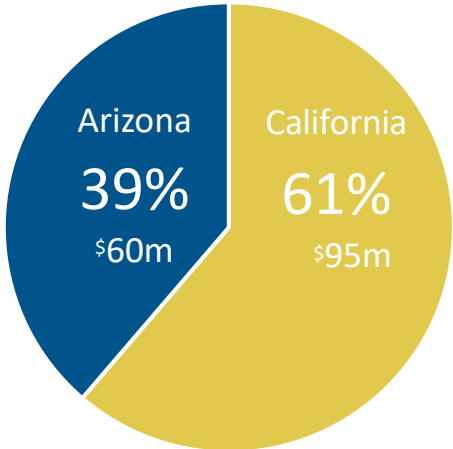
**Supply of Lots
by State**



**Q1 21 Revenue
by Product
Class**



**Q1 21 Revenue
by Geography**



DRIVING INNOVATION AND SUSTAINABILITY

A DIFFERENTIATED PLATFORM

The LiveFlex program offers today's homebuyers smarter and more thoughtful ways to personalize their home with Flex and Flex Plus packages that transform a bedroom or loft to adapt to their lifestyle. Creating designated spaces for functional and technology-forward home offices, at-home fitness hubs and education-friendly spaces has become essential.

The REME HALO® system was chosen over all other air scrubbers and passive HVAC filtration systems due to its effectiveness in purifying every cubic inch of air.

Provides whole home and building purification:

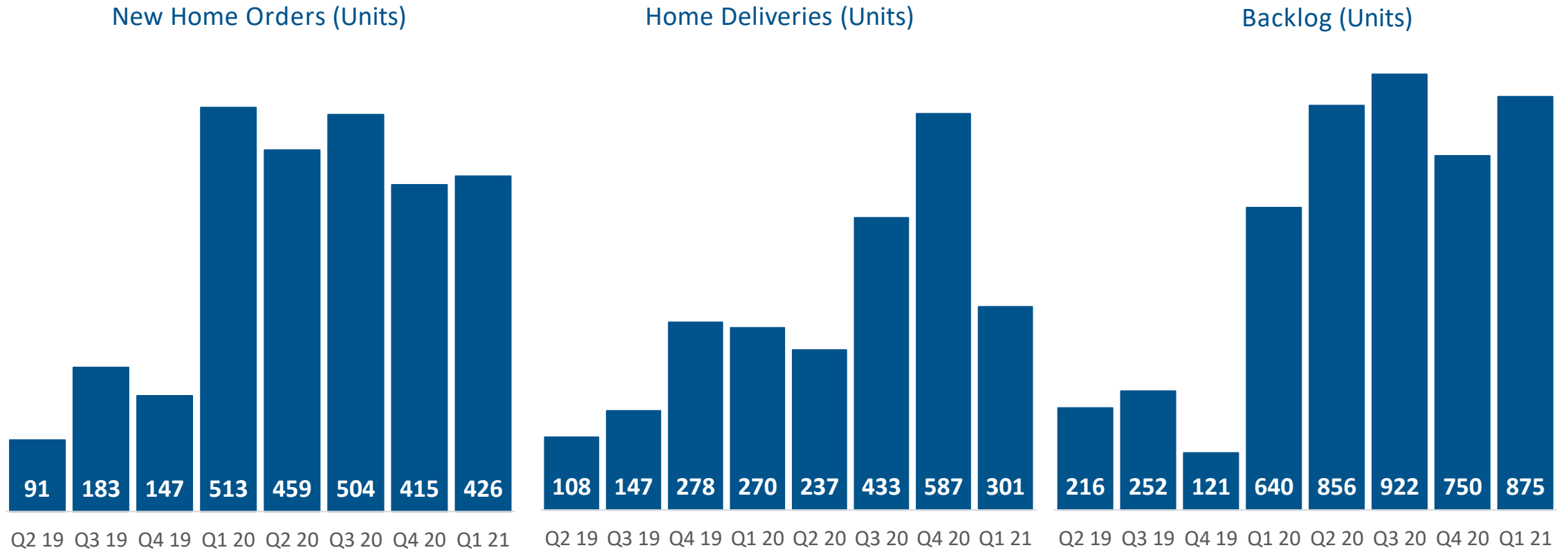
- Dual ionizers to reduce airborne particulates such as dust, dander, pollen and mold spores
- Kill up to 99% of bacteria, mold and viruses
- New zinc ions that kill 99% of viruses on surfaces

REME HALO® systems have been installed in all model homes for the health and safety of our employees and prospects.



KEY OPERATING METRICS¹

Operating Metrics by Quarter



(1) Historicals not pro forma for acquisitions

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 **VINTAGE**
ESTATE HOMES



EXPANSION INTO NEW MARKETS

VINTAGE ACQUISITION

- Landsea Homes completed an acquisition of private homebuilder Vintage Estate Homes (VEH) for \$54.6M in cash, plus assumption of third-party debt outstanding for a total purchase price of \$84.6M
- VEH is an award-winning homebuilder formed in 2012 by four heavily experienced family members, formerly part of Mercedes Homes
 - Strategically expands Landsea Homes into Greater Orlando and Austin-San Antonio markets – the #6, #5, and #9 ranked new home markets in the U.S., respectively
 - Continuing our growth focus on competitively priced homes for entry and move-up level buyers
- Intend to repeat the success of recent strategic acquisitions in Arizona, putting Landsea senior leadership in place to manage regional operations and harness the experience of the existing VEH operational teams
- Utilize Landsea Homes' availability of capital to expand operations in Central Florida and Austin-San Antonio markets, increasing scale and significance of acquisitions
- Leverage Florida and Texas presence as a foothold in their markets, expanding and strengthening 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

ACQUISITION THAT MEETS KEY CRITERIA

STRATEGIC OBJECTIVES

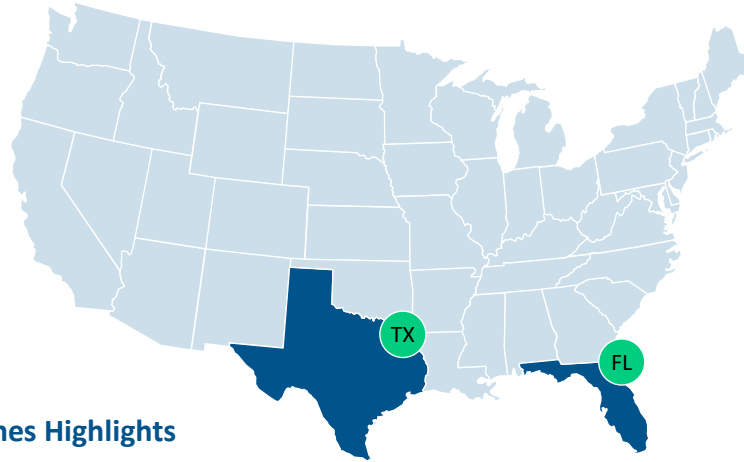
- Explore geographic expansion opportunities in desirable new markets (Texas and Florida)
- Create a solid foundation of entry-level homes with select opportunistic locations
- Diversification on entry-level and first move-up homebuyers in new markets
- Industry leading management with strong local market expertise



FINANCIAL OBJECTIVES

- Meets key financial underwriting criteria
- Ability to increase profitability and ROE ratio
- Synergy realization with experienced management team
- Maintain our ability to expand into lower ASP markets





Vintage Estate Homes Highlights

Operating metrics (as of March 31, 2021) ¹

32 Community count	15 Active communities	1,815 Lots owned & controlled	2,390 Total historical closings
509 Backlog units	\$441k Backlog ASP	\$90M Total assets	100 Employees

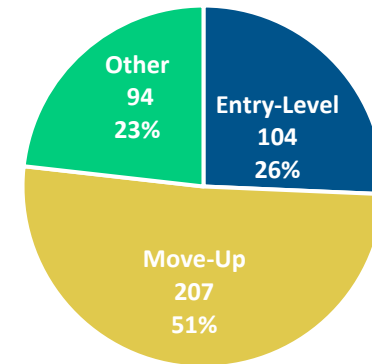
Financial metrics (FY 2020) ²

\$157M 2020 revenues	\$9M 2020 Pretax income	\$12M 2020 EBITDA	405 2020 closings
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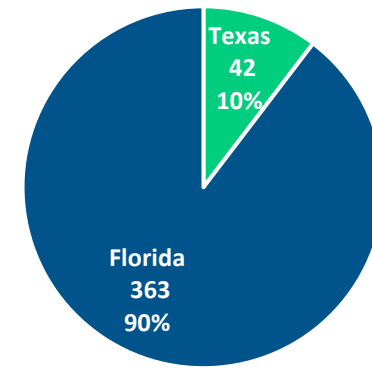
(1) Unaudited

(2) Includes build on your own lot

Deliveries by Buyer Type
FY 2020



Deliveries by Market
FY 2020



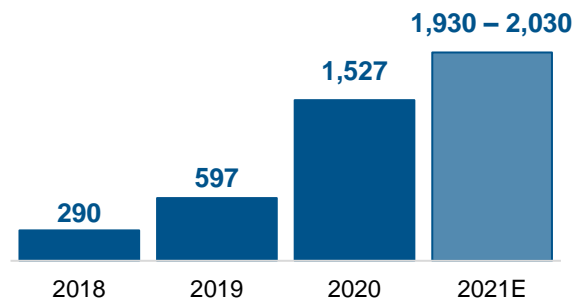
TRANSACTION OVERVIEW

- Closing date: May 4, 2021
- Acquired the company and operations, all assets and liabilities, including assumption of third-party debt facilities
- Total consideration: \$84.6M
 - Cash at closing: \$54.6M
 - Assumption of VEH debt with an outstanding balance of \$30M as of March 31, 2021
- Continue to maintain a strong balance sheet with ample liquidity and acquisition firepower after closing
- Will seek to opportunistically refinance existing debt with larger credit facility

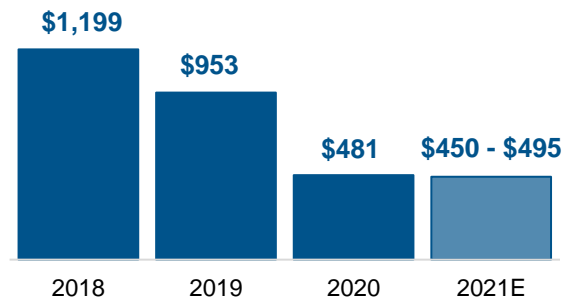
INCREASED 2021 OUTLOOK¹

Strong Backlog of \$492M Anchors Forecast Assumptions

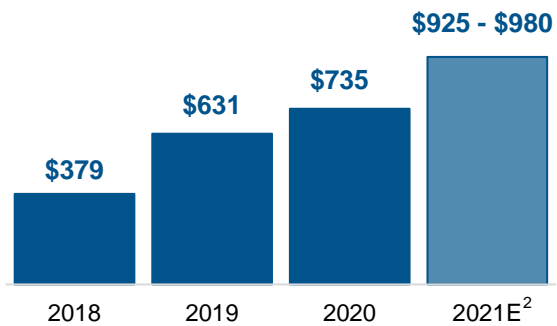
Deliveries (Units)



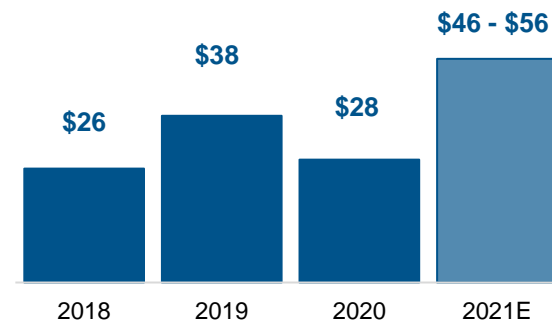
ASP of Deliveries (Thousands)



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.

(2) Assumes \$10 million to \$15 million in lot sales for fiscal year 2021.

Source: Landsea Homes Management



APPENDIX



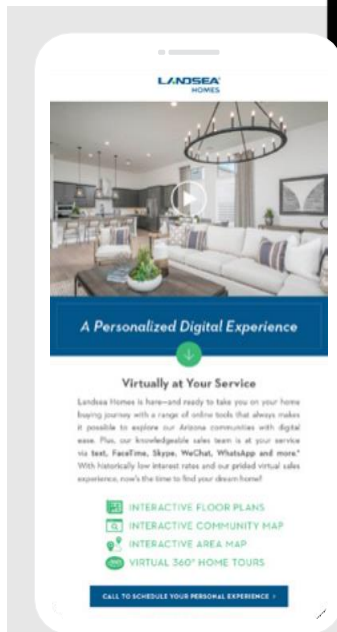
LEADING THE VIRTUAL SALES PROCESS

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 3/31/21

837,847
Unique Web Users

52,358
Direct Phone Calls
to Inside Sales

3,770
Total On-Site
Appointments

1,803
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

	March 31, 2021	December 31, 2020
	<i>(dollars in thousands)</i>	
Total notes and other debts payable, net	\$ 319,479	\$ 264,809
Total equity	556,658	529,486
Total capital	<u>\$ 876,137</u>	<u>\$ 794,295</u>
Ratio of debt to capital	<u>36.5 %</u>	<u>33.3 %</u>
Total notes and other debts payable, net	\$ 319,479	\$ 264,809
Less: cash, cash equivalents and restricted cash	190,736	110,048
Net debt	128,743	154,761
Total equity	556,658	529,486
Net capital	<u>\$ 685,401</u>	<u>\$ 684,247</u>
Ratio of net debt to net capital	<u>18.8 %</u>	<u>22.6 %</u>

RECONCILIATIONS OF ADJUSTED METRICS

CONT'D (Non-GAAP)

ADJUSTED HOME SALES GROSS MARGIN

	Three Months Ended March 31,			
	2021	%	2020	%
	(dollars in thousands)			
Home sales revenue	\$ 154,765	100.0 %	\$ 136,295	100.0 %
Cost of home sales	136,841	88.4 %	119,568	87.7 %
Home sales gross margin	17,924	11.6 %	16,727	12.3 %
Add: Interest in cost of home sales	7,013	4.5 %	7,311	5.4 %
Add: Inventory impairments	—	— %	—	— %
Adjusted home sales gross margin excluding interest and inventory impairments ⁽¹⁾	24,937	16.1 %	24,038	17.6 %
Add: Purchase price accounting for acquired inventory	2,801	1.8 %	2,785	2.0 %
Adjusted home sales gross margin excluding interest, inventory impairments, and purchase price accounting for acquired inventory ⁽¹⁾	\$ 27,738	17.9 %	\$ 26,823	19.7 %

- (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,	
	2021	2020
	(dollars in thousands)	
Net (loss) attributable to Landsea Homes Corporation	\$ (7,074)	\$ (2,536)
Inventory impairments	—	—
Previously capitalized related party interest included in cost of sales	2,902	2,846
Equity in net loss of unconsolidated joint ventures	21	1,743
Purchase price accounting for acquired inventory	2,801	2,785
Merger related transaction costs	2,656	—
Loss (gain) on fair value of warrants	4,950	—
Total adjustments	13,330	7,374
Tax-effected adjustments ⁽¹⁾	8,471	5,014
Adjusted net income attributable to Landsea Homes Corporation	<u>\$ 1,397</u>	<u>\$ 2,478</u>

(1) Our adjusted income tax expense is reflective of our effective income tax rate.

RECONCILIATIONS OF ADJUSTED METRICS

CONT'D (Non-GAAP)

EBITDA AND ADJUSTED EBITDA

	Three Months Ended March 31,	
	2021	2020
	(dollars in thousands)	
Net (loss)	\$ (7,086)	\$ (2,624)
(Benefit) for income taxes	(4,065)	(1,235)
Interest in cost of sales	7,067	7,311
Interest relieved to equity in net loss (income) of unconsolidated joint ventures	353	282
Interest expense	11	11
Depreciation and amortization expense	914	816
EBITDA	(2,806)	4,561
Inventory impairments	—	—
Purchase price accounting in cost of home sales	2,801	2,785
Transaction costs	3,479	404
Equity in net (income) loss of unconsolidated joint ventures, net of interest	(332)	1,461
Loss (gain) on fair value of warrants	4,950	—
Less: Imputed interest in cost of sales ⁽¹⁾	—	(388)
Adjusted EBITDA	<u>\$ 8,092</u>	<u>\$ 8,823</u>

(1) Imputed interest related to a land banking transaction that was treated as a product financing arrangement.

