Q2 2022 Results Presentation

August 4, 2022

LANDSEA® 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.

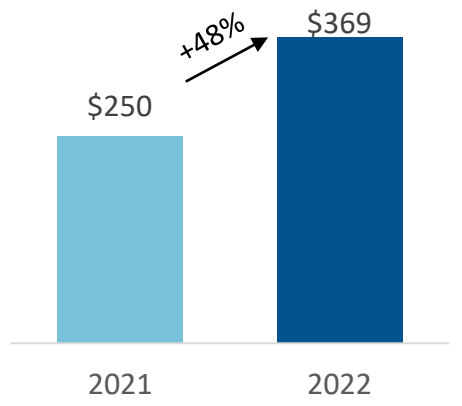
We believe that the disclosure of these non-GAAP financial measures presents additional information which, when read in conjunction with our consolidated financial statements prepared in accordance with GAAP, facilitates the analysis of our results of operations. These non-GAAP financial measures are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

Q2 2022 FINANCIAL SUMMARY

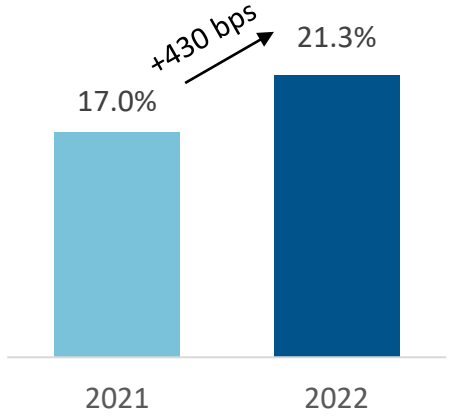
Q2 2022 vs. Q2 2021

- Total revenue was $368.7M vs. $250.3M, including $17.9M from lot sales and other
- Net new home orders were 538 homes with a dollar value of $322.5M, an average sales price of $599,000. This compares to 330 homes with a dollar value of $207.3M, an average sales price of $628,000.
- Monthly absorption rate was 3.3 sales per active community vs. 3.5
- The average number of selling communities increased to 53.7 vs. 31.0
- Total homes in backlog increased 31% to 1,571 homes with a dollar value of $902.1M and an average sales price of $574k compared to 1,197 homes with a dollar value of $630.2M and an average sales price of $526,000
- Total lots owned and controlled increased 52% to 13,017 from 8,556. Of those lots 63% are controlled and 37% are owned.
- Home sales gross margin as a percentage of revenue increased 430 basis points to 21.3% from 17.0%
- Adjusted net income attributable to Landsea Homes was $31.5M vs. $17.5M
- Adjusted EBITDA was $56.6M vs. $32.6M
- Diluted EPS is $0.34 and adjusted diluted EPS is $0.71

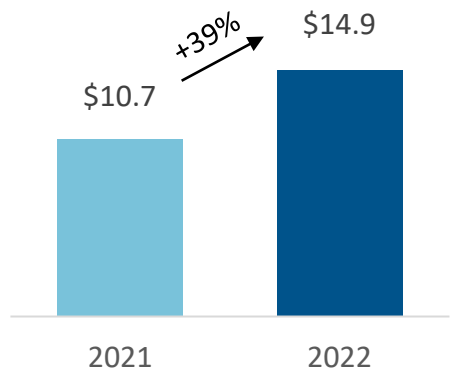
Total Revenue ($m)



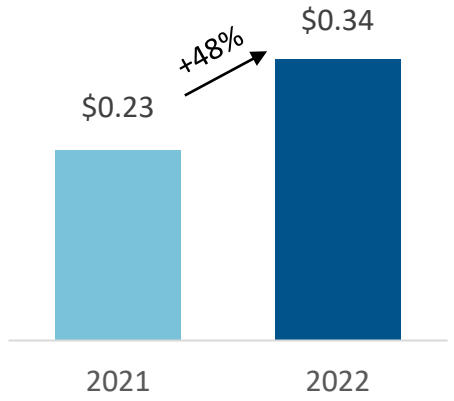
Home Sales Gross Margin (%)



Net Income ($m)



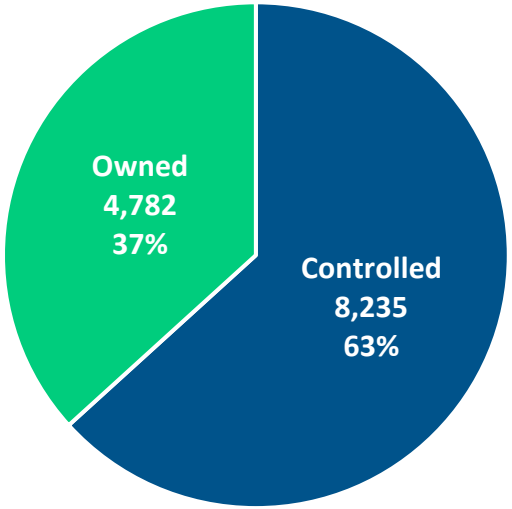
EPS (Diluted)



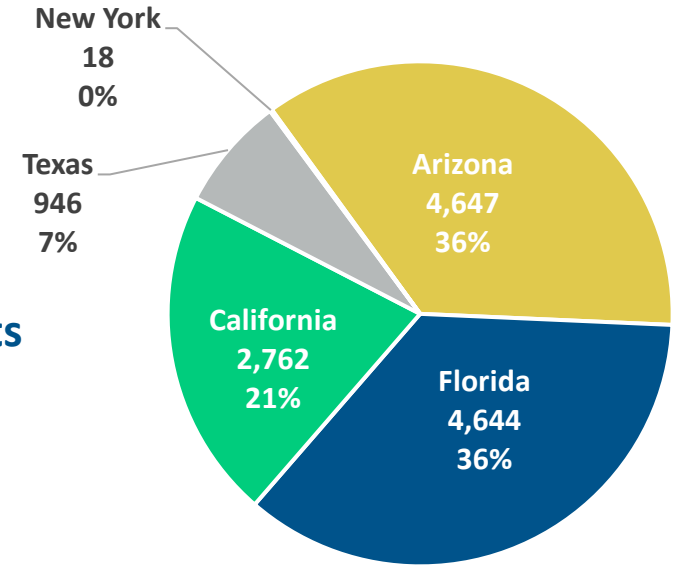
DIVERSIFIED PORTFOLIO IN HIGH-GROWTH GEOGRAPHIES

As of June 30, 2022

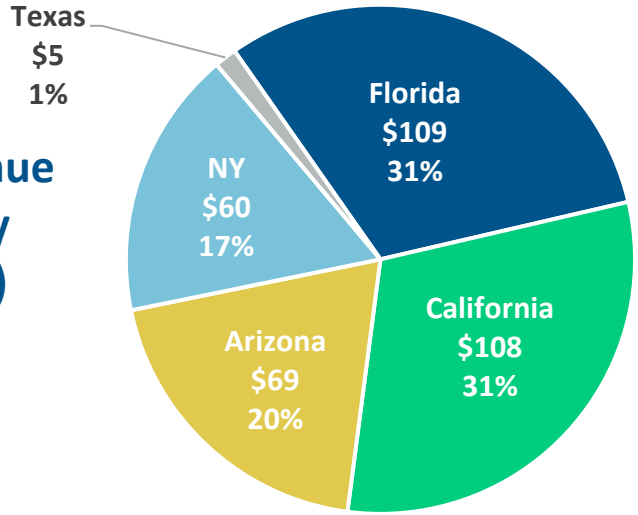
Lots Owned vs Controlled



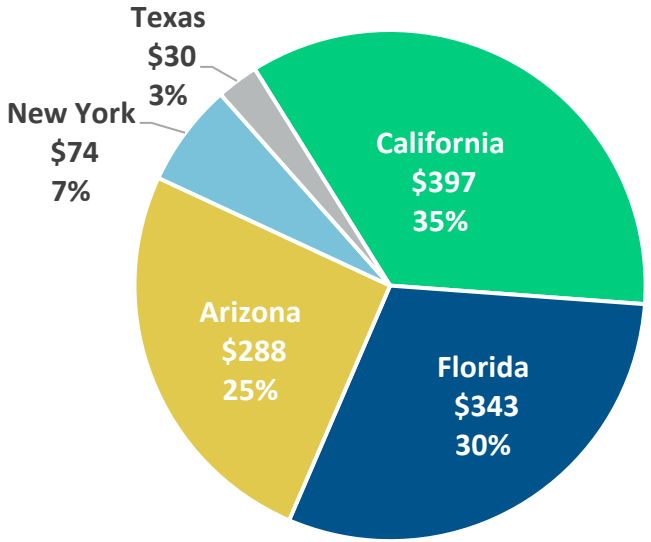
Supply of Lots by State



Q2 22 HS Revenue by Geography ($ in millions)



Inventory Value by State ($ in millions)



LANDSEA HOMES
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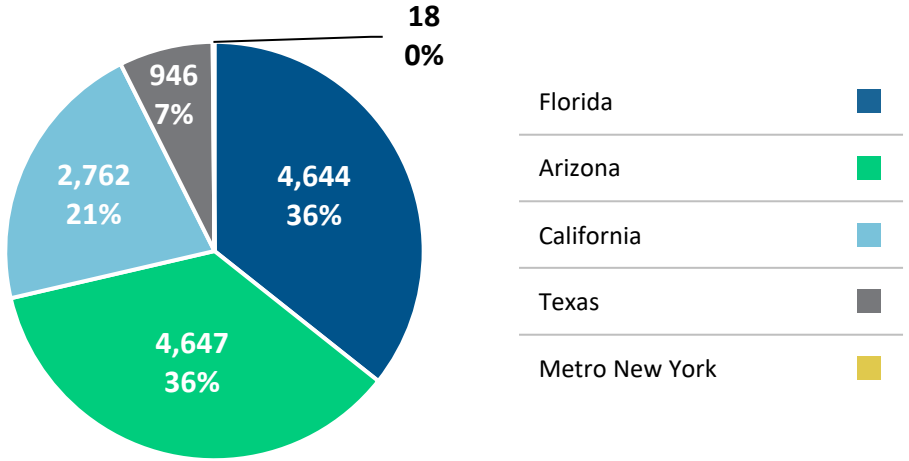
QUALITY LOT POSITION GROWTH

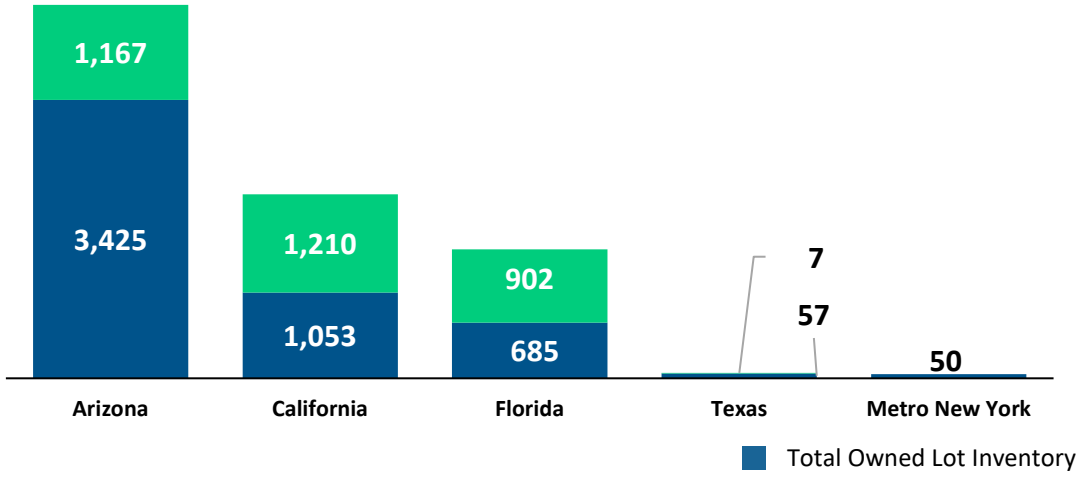
OPTIMAL MIX OF LOT INVENTORY

- 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 6.4 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 37% of our total lot inventory as of June 30, 2022

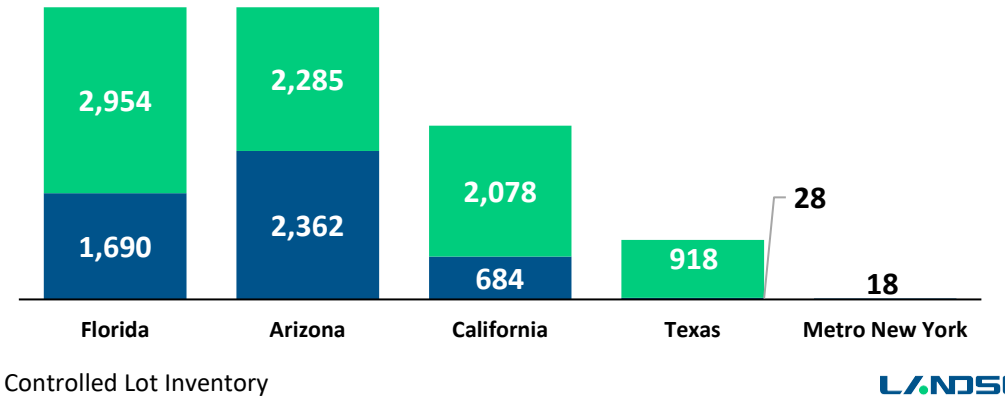
Overall Lot Position by Region as of June 30, 2022



Lot Position by Region as of June 30, 2021



Lot Position by Region as of June 30, 2022

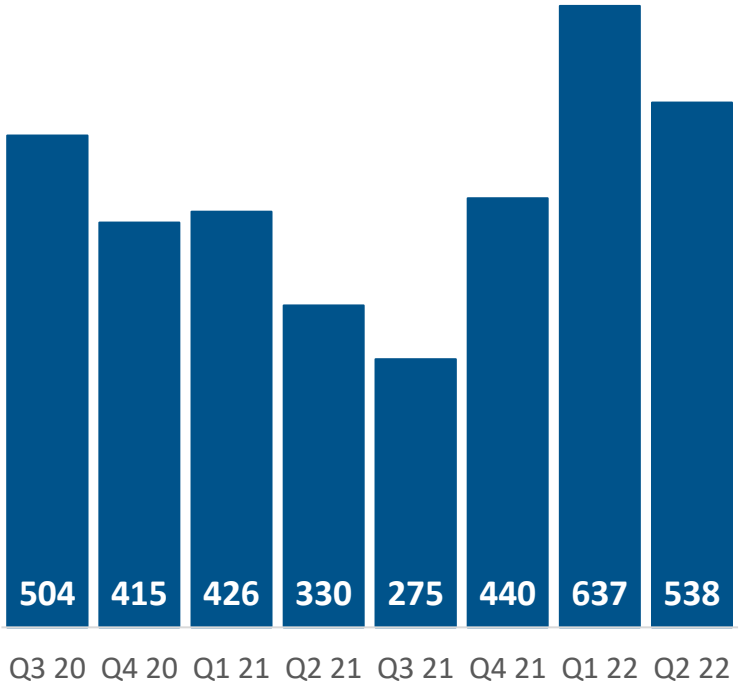


(1) Years of overall supply represent owned and controlled lots divided by the number of closings in the last twelve months

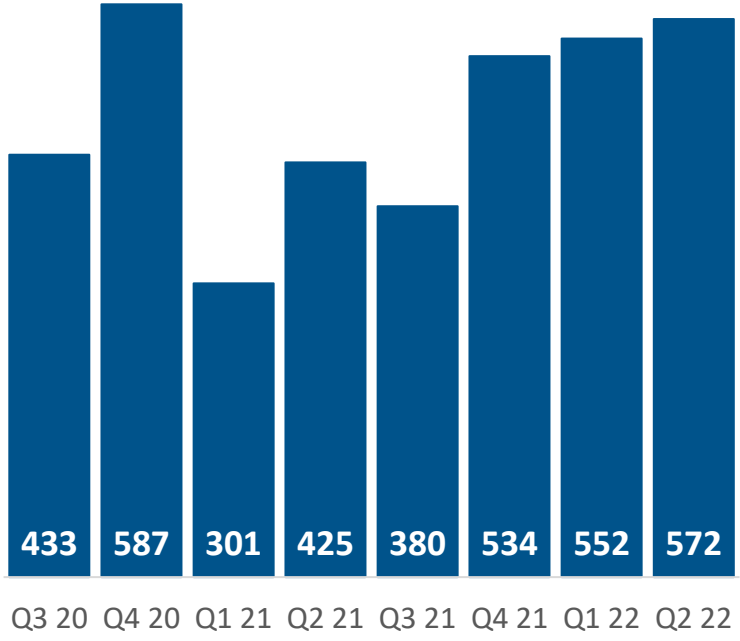
KEY OPERATING METRICS

Operating Metrics by Quarter

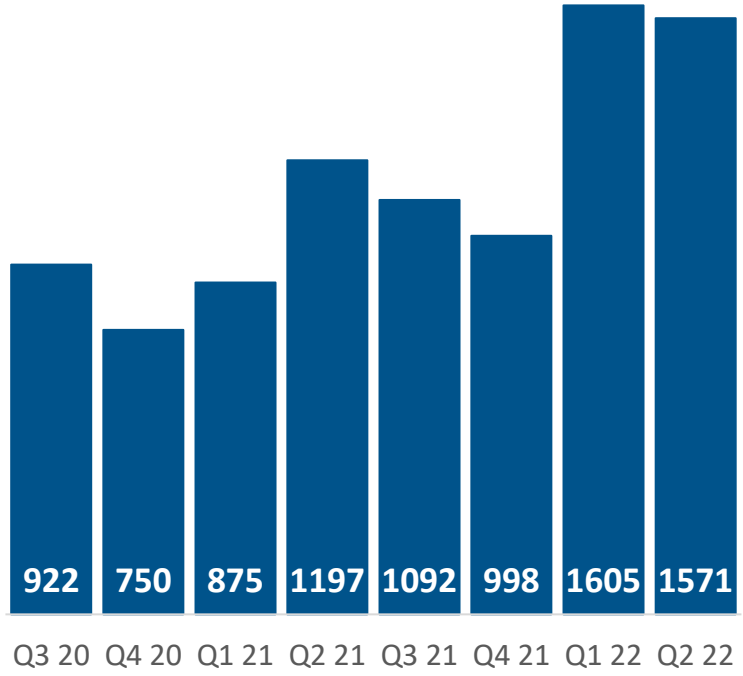
New Home Orders (Units)



Home Deliveries (Units)



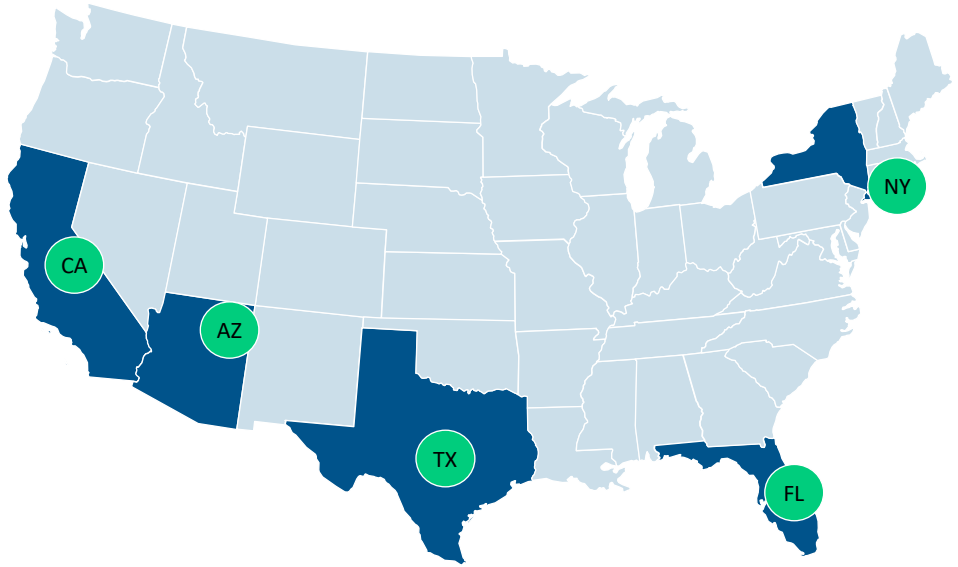
Backlog (Units)



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 52% for total lots owned or controlled year-over-year to 13,017 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*

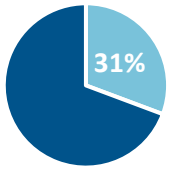
DIVERSIFIED NATIONAL FOOTPRINT



California

- Markets:
  - San Francisco Bay Area
  - Inland Empire
  - Orange County
- Lots Owned or Controlled: 2,762 (75% Controlled)
- ASP $810k

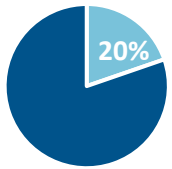
% of 2Q 2022 Revenue



Arizona

- Markets:
  - Phoenix Metro Area
- Lots Owned or Controlled: 4,647 (49% Controlled)
- ASP $449k

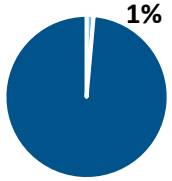
% of 2Q 2022 Revenue



Texas

- Markets:
  - Austin
  - San Antonio Metro Area
- Lots Owned or Controlled: 946 (97% Controlled)
- ASP $987k

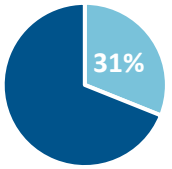
% of 2Q 2022 Revenue



Florida

- Markets:
  - Orlando Metro Area
  - Melbourne
- Lots Owned or Controlled: 4,644 (64% Controlled)
- ASP $433k

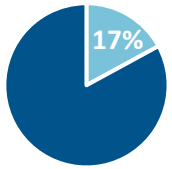
% of 2Q 2022 Revenue



NY Metro

- Markets:
  - New York Metro
- Lots Owned or Controlled: 18
- ASP $2,140k

% of 2Q 2022 Revenue



LANDSEA® HOMES *Live in your element®*

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

HPH® High Performance Homes

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

2022 OUTLOOK

Third Quarter 2022

- New home deliveries anticipated to be in a range of 575 to 630
- Delivery ASPs expected to be in a range of $550,000 to $575,000

Full Year 2022

- New home deliveries anticipated to be in a range of 2,500 to 2,700
- Delivery ASPs expected to be in a range of $525,000 to $550,000
- Home sales gross margin to be in a range of 20% to 22% on a GAAP basis, or 24% to 26% 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

	June 30, 2022	December 31, 2021
	(dollars in thousands)	
Total notes and other debts payable, net	$ 534,626	$ 461,117
Total equity	665,136	621,397
Total capital	$ 1,199,762	$ 1,082,514
Ratio of debt to capital	44.6 %	42.6%
Total notes and other debts payable, net	$ 534,626	$ 461,117
Less: cash, cash equivalents, and restricted cash	99,681	343,253
Less: cash held in escrow	4,674	4,079
Net debt	430,271	113,785
Total equity	665,136	621,397
Net capital	$ 1,095,407	$ 735,182
Ratio of net debt to net capital	39.3 %	15.5 %

RECONCILIATIONS OF ADJUSTED METRICS

CONT'D (Non-GAAP)

ADJUSTED HOME SALES GROSS MARGIN

	Three Months Ended June 30,			
	2022	%	2021	%
	(dollars in thousands)			
Home sales revenue	$ 350,807	100.0 %	$ 239,600	100.0 %
Cost of home sales	276,156	78.7 %	198,987	83.0 %
Home sales gross margin	74,651	21.3 %	40,613	17.0 %
Add: Interest in cost of home sales	14,704	4.2 %	11,276	4.7 %
Add: Inventory impairments	—	— %	—	— %
Adjusted home sales gross margin excluding interest and inventory impairments[(1)]	89,355	25.5 %	51,889	21.7 %
Add: Purchase price accounting for acquired inventory	12,812	3.7 %	4,328	1.8 %
Adjusted home sales gross margin excluding interest, inventory impairments, and purchase price accounting for acquired inventory[(1)]	$ 102,167	29.1 %	$ 56,217	23.5 %

(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)

EBITDA AND ADJUSTED EBITDA

	Three Months Ended June 30,	
	2022	**2021**
	(dollars in thousands)	
Net income	$ 14,854	$ 10,650
Provision for income taxes	8,372	4,248
Interest in cost of sales	14,737	11,299
Interest relieved to equity in net income of unconsolidated joint ventures	35	422
Interest expense	—	10
Depreciation and amortization expense	1,440	1,039
EBITDA	39,438	27,668
Purchase price accounting in cost of home sales	12,812	4,328
Transaction costs	257	637
Equity in net income of unconsolidated joint ventures, excluding interest relieved	(105)	(1,089)
Loss (gain) on debt extinguishment or forgiveness	2,476	(4,266)
Loss on remeasurement of warrant liability	1,760	5,335
Adjusted EBITDA	$ 56,638	$ 32,613

RECONCILIATIONS OF ADJUSTED METRICS

CONT'D (Non-GAAP)

ADJUSTED NET INCOME

	Three Months Ended June 30,	
	2022	2021
	(dollars in thousands)	
Net income attributable to Landsea Homes Corporation	$ 14,935	$ 10,664
Previously capitalized related party interest included in cost of sales	1,600	4,340
Equity in net income of unconsolidated joint ventures	(70)	(667)
Purchase price accounting for acquired inventory	12,812	4,328
Loss (gain) on debt extinguishment or forgiveness	2,476	(4,266)
Loss on remeasurement of warrant liability	1,760	5,335
Total adjustments	18,578	9,070
Tax-effected adjustments [(1)]	16,566	6,870
Adjusted net income attributable to Landsea Homes Corporation	$ 31,501	$ 17,534

(1) Our tax-effected adjustments are based on our federal rate and a blended state rate adjusted for certain discrete items.

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