



Q3 2021 Results Presentation

November 10, 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 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.

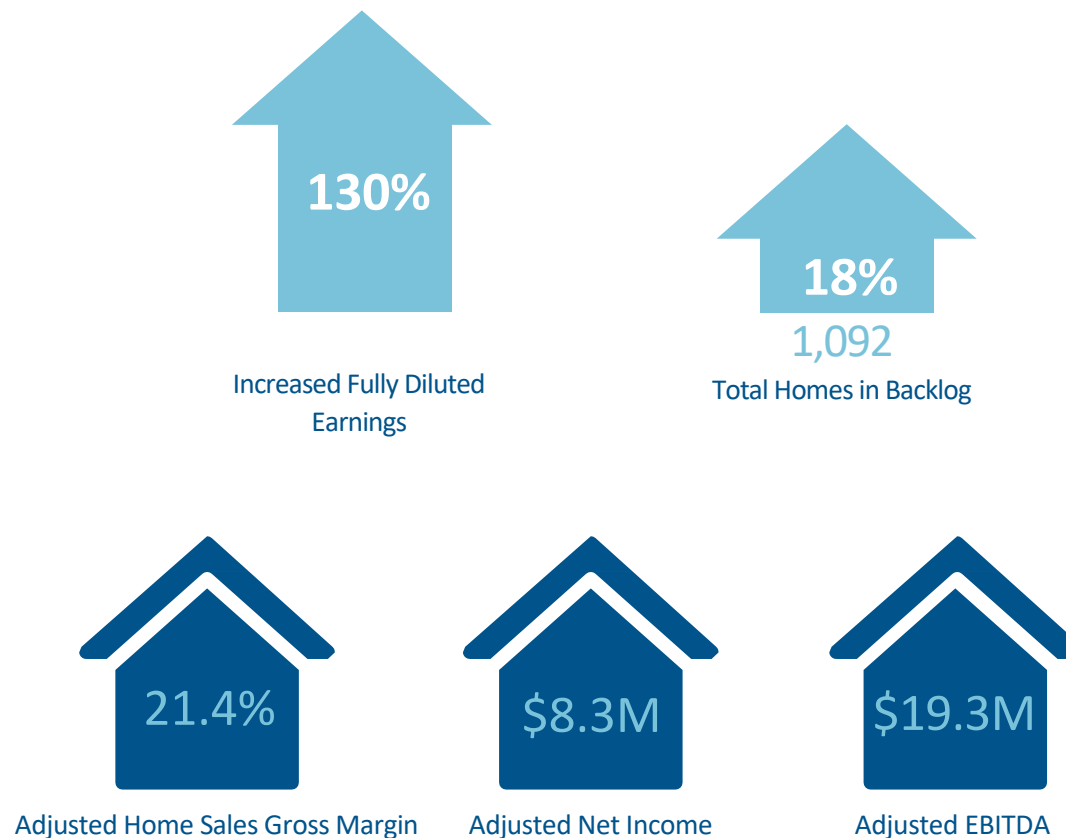
We believe that the disclosure of these non-GAAP financial measures presents additional information which, when read in conjunction with our consolidated financial statements prepared in accordance with GAAP, facilitates the analysis of our results of operations. These non-GAAP financial measures are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

Q3 2021 FINANCIAL SUMMARY

Q3 2021 vs. Q3 2020

- Total revenue was \$214.1M vs. \$218.5M , including \$5.2M from lot sales.
- Net new home orders were 275 homes with a dollar value of \$184.9M, an average sales price of \$673,000. This compares to 504 homes with a dollar value of \$279.1M, an average sales price of \$554,000.
- Monthly absorption rate was 2.6 sales per active community vs. 5.9.
- The average number of selling communities increased to 35.3 vs. 28.7.
- Total homes in backlog increased 18% to 1,092 homes with a dollar value of \$606.2M and an average sales price of \$555k compared to 922 homes with a dollar value of \$439.6 million and an average sales price of \$477k.
- Total lots owned and controlled increased 46% to 9,756 vs. 6,838.
- Home sales gross margin as a percentage of revenue increased 250 basis points to 16.1% vs. 13.6%.
- Adjusted net income attributable to Landsea Homes was \$8.3M vs. \$9.8M.
- Adjusted EBITDA was \$19.3M vs. \$20.3M.
- Diluted EPS is \$0.23 and adjusted diluted EPS is \$0.18.

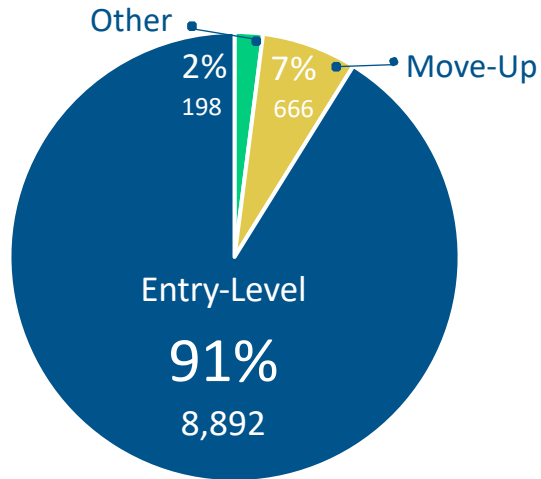
Third Quarter 2021 Highlights vs. Third Quarter 2020



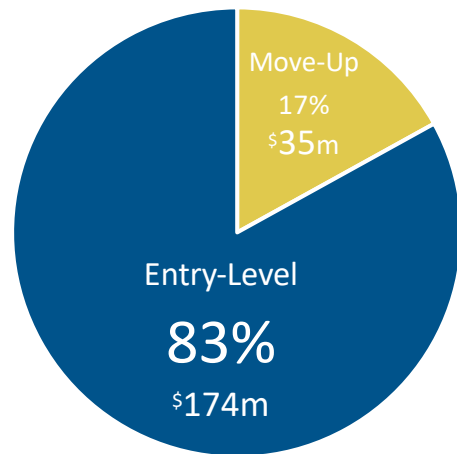
FOCUSED ON ENTRY-LEVEL HOMES IN HIGH-GROWTH GEOGRAPHIES

As of September 30, 2021

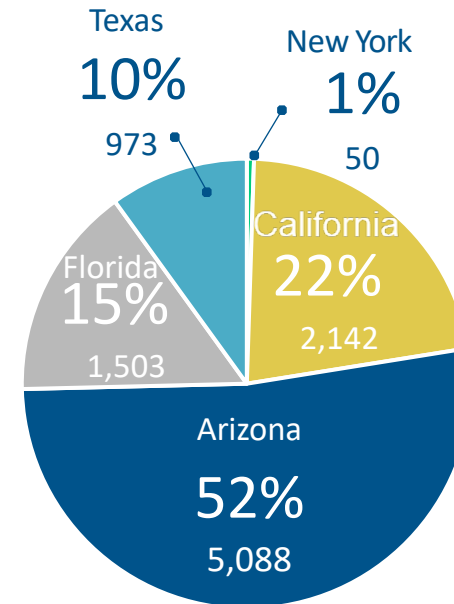
**Lots Owned/
Controlled by
Product Class**



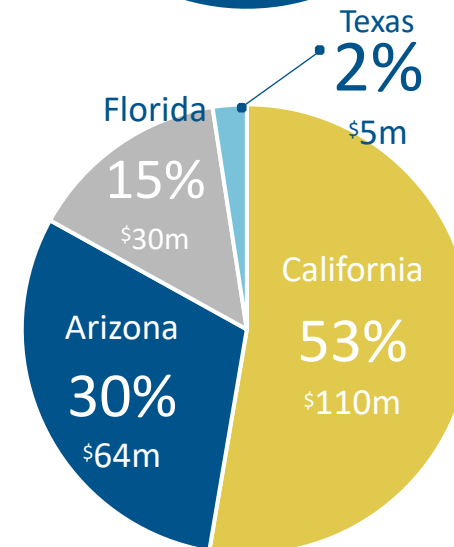
**Q3 21 Revenue
by Product
Class**



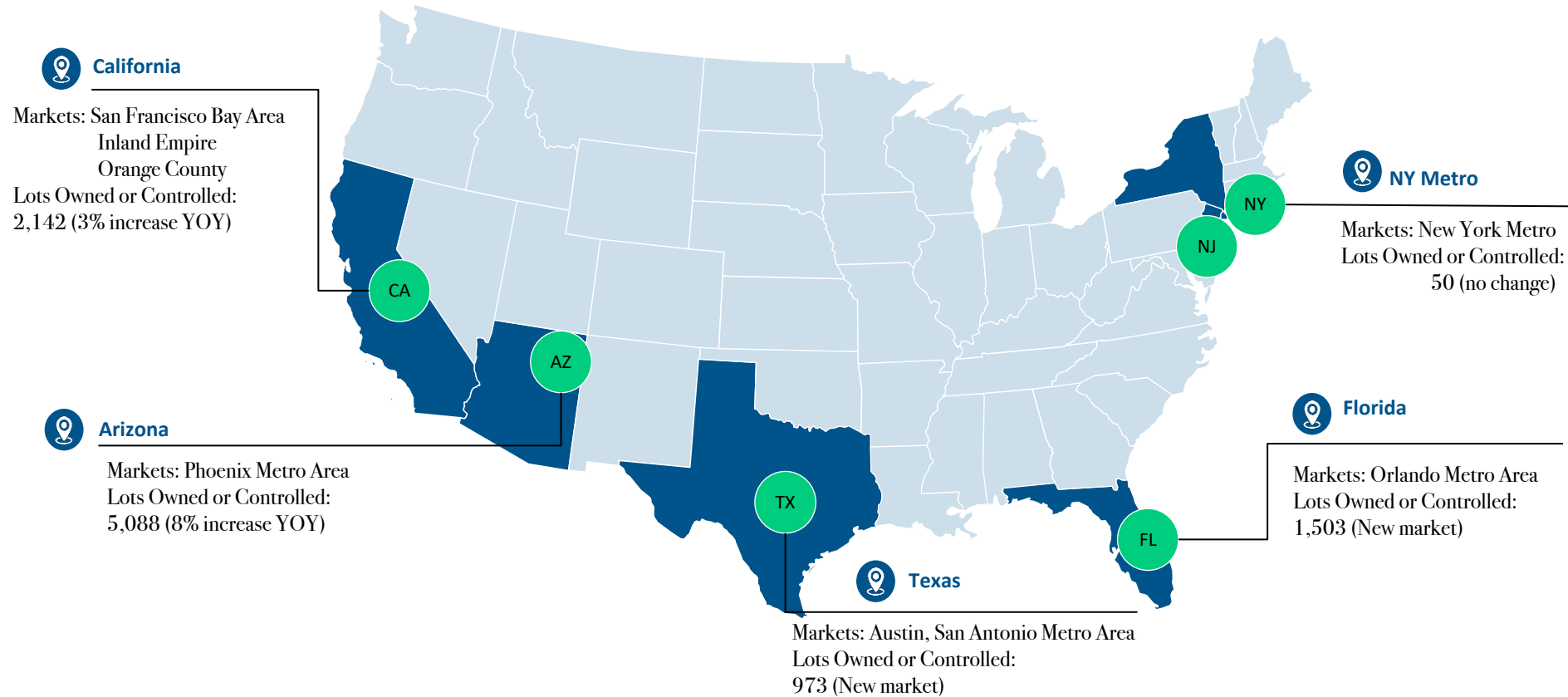
**Supply of Lots
by State**



**Q3 21 Revenue
by Geography**



A DIVERSIFIED PORTFOLIO



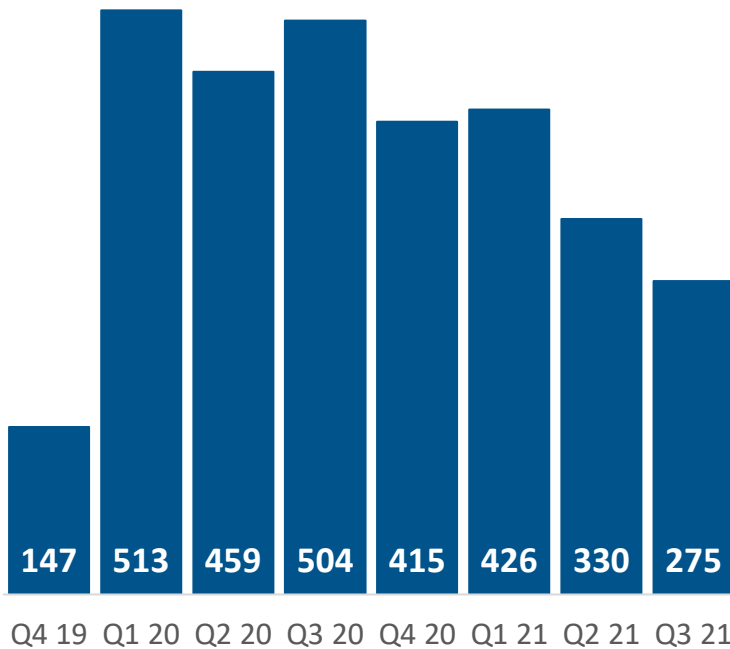
LTM 9/30/21 Operating Highlights



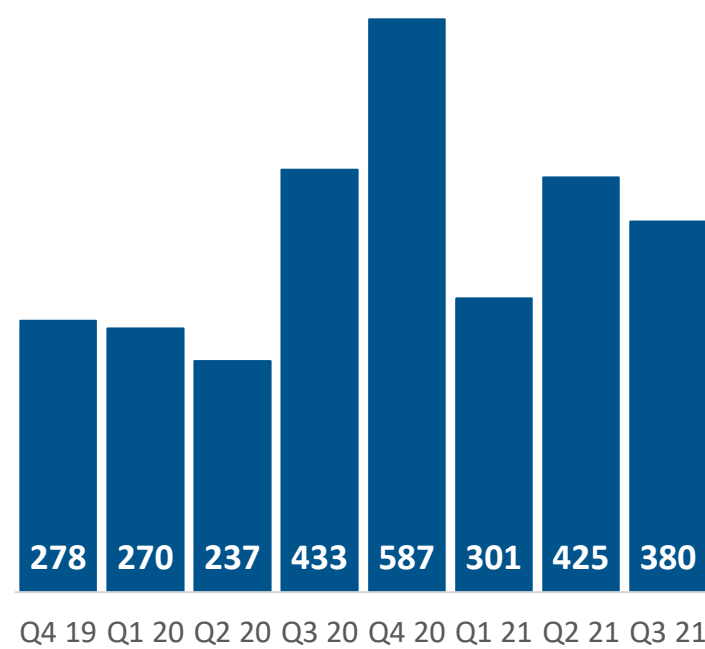
KEY OPERATING METRICS¹

Operating Metrics by Quarter

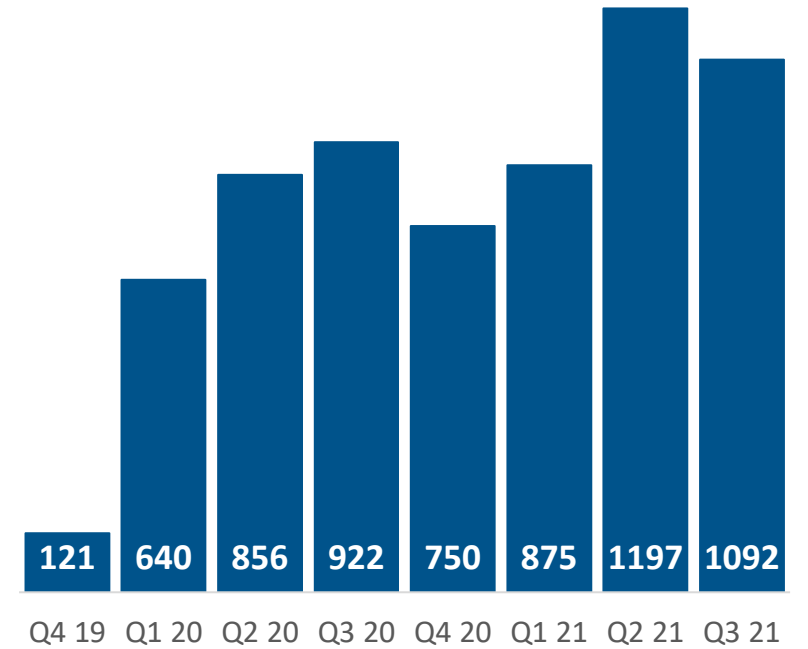
New Home Orders (Units)



Home Deliveries (Units)



Backlog (Units)

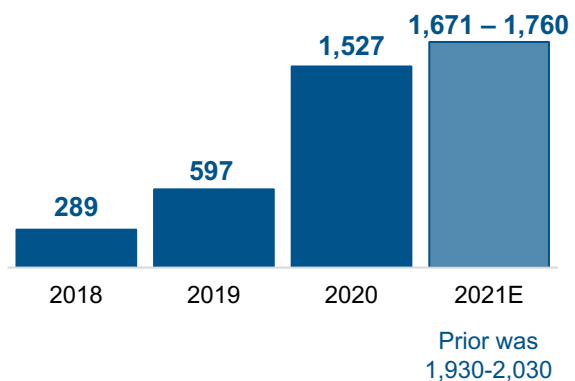


(1) Historicals not pro forma for acquisitions

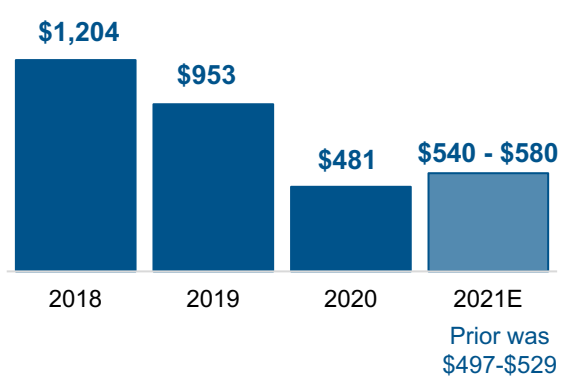
INCREASED 2021 OUTLOOK¹

Strong Backlog of \$606M Anchors Forecast Assumptions

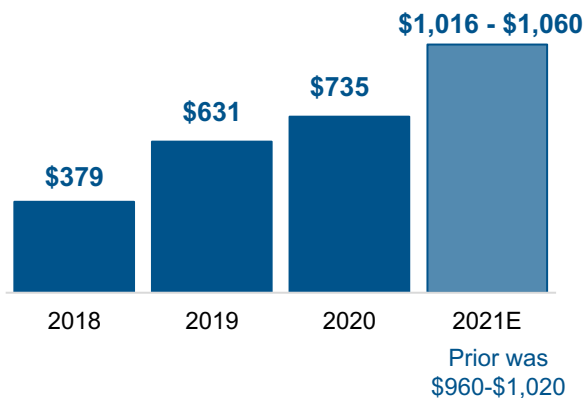
Deliveries (Units)



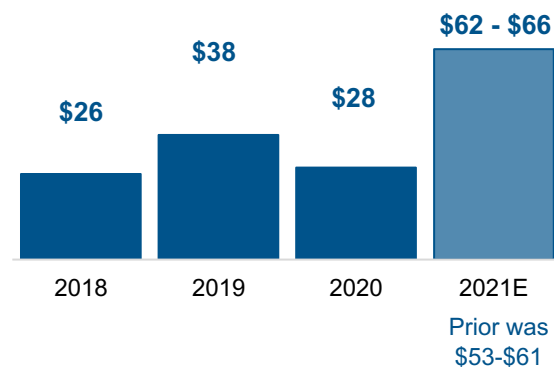
ASP of Deliveries (Thousands)



Revenue (Millions)



Adj. Net Income (Millions)



(1) Assumes 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 46% for total lots owned or controlled year-to-date to 9,756 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

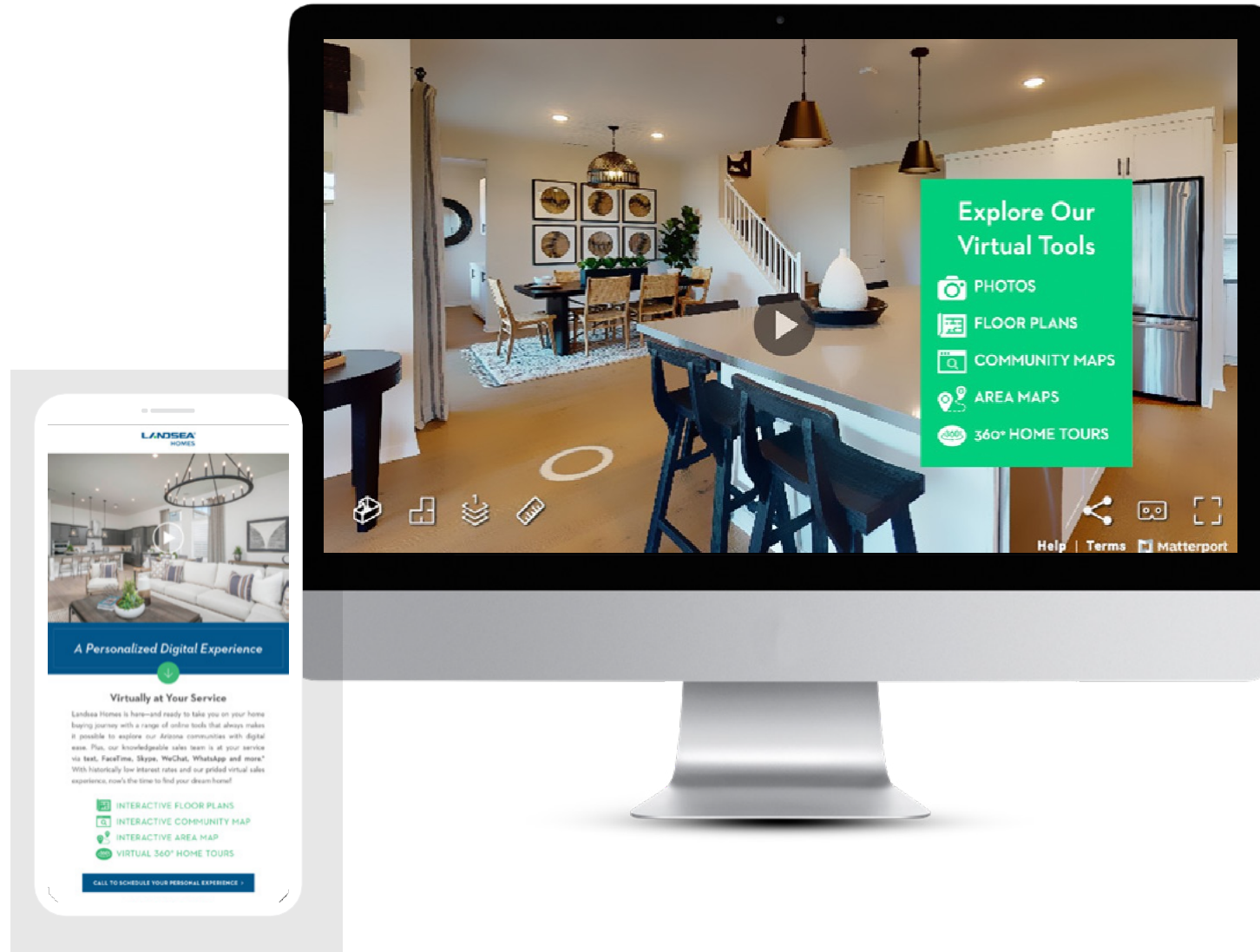
LEADING THE VIRTUAL SALES PROCESS

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 9/30/21

873,505
Unique Web Users

3,021
Total On-Site
Appointments

1,446
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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>
	<i>(dollars in thousands)</i>	
Total notes and other debts payable, net	\$ 361,735	\$ 264,809
Total equity	579,550	529,486
Total capital	<u>\$ 941,285</u>	<u>\$ 794,295</u>
Ratio of debt to capital	<u>38.4 %</u>	<u>33.3 %</u>
Total notes and other debts payable, net	\$ 361,735	\$ 264,809
Less: cash, cash equivalents and restricted cash	82,360	110,048
Net debt	279,375	154,761
Total equity	579,550	529,486
Net capital	<u>\$ 858,925</u>	<u>\$ 684,247</u>
Ratio of net debt to net capital	<u>32.5 %</u>	<u>22.6 %</u>

RECONCILIATIONS OF ADJUSTED METRICS

CONT'D (Non-GAAP)

ADJUSTED HOME SALES GROSS MARGIN

	Three Months Ended September 30,			
	2021	%	2020	%
	<i>(dollars in thousands)</i>			
Home sales revenue	\$ 208,916	100.0 %	\$ 218,517	100.0 %
Cost of home sales	175,349	83.9 %	188,724	86.4 %
Home sales gross margin	33,567	16.1 %	29,793	13.6 %
Add: Interest in cost of home sales	7,262	3.5 %	10,878	5.0 %
Add: Inventory impairments	—	— %	—	— %
Adjusted home sales gross margin excluding interest and inventory impairments ⁽¹⁾	40,829	19.5 %	40,671	18.6 %
Add: Purchase price accounting for acquired inventory	3,840	1.8 %	3,916	1.8 %
Adjusted home sales gross margin excluding interest, inventory impairments, and purchase price accounting for acquired inventory ⁽¹⁾	\$ 44,669	21.4 %	\$ 44,587	20.4 %

	Nine Months Ended September 30,			
	2021	%	2020	%
	<i>(dollars in thousands)</i>			
Home sales revenue	\$ 603,281	100.0 %	\$ 449,870	100.0 %
Cost of home sales	511,177	84.7 %	397,613	88.4 %
Home sales gross margin	92,104	15.3 %	52,257	11.6 %
Add: Interest in cost of home sales	25,551	4.2 %	23,578	5.2 %
Add: Inventory impairments	—	— %	3,413	0.8 %
Adjusted home sales gross margin excluding interest and inventory impairments ⁽¹⁾	117,655	19.5 %	79,248	17.6 %
Add: Purchase price accounting for acquired inventory	10,969	1.8 %	9,495	2.1 %
Adjusted home sales gross margin excluding interest, inventory impairments, and purchase price accounting for acquired inventory ⁽¹⁾	\$ 128,624	21.3 %	\$ 88,743	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 September 30,	
	2021	2020
	<i>(dollars in thousands)</i>	
Net income (loss) attributable to Landsea Homes Corporation	\$ 10,797	\$ 3,184
Previously capitalized related party interest included in cost of sales	2,571	4,113
Equity in net (income) loss of unconsolidated joint ventures	(168)	616
Purchase price accounting for acquired inventory	3,840	3,916
(Gain) loss on remeasurement of warrant liability	(7,040)	—
Total adjustments	(797)	8,645
Tax-effected adjustments ⁽¹⁾	(2,458)	6,585
Adjusted net income attributable to Landsea Homes Corporation	\$ 8,339	\$ 9,769

⁽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)

ADJUSTED NET INCOME

	Nine Months Ended September 30,	
	2021	2020
	<i>(dollars in thousands)</i>	
Net income (loss) attributable to Landsea Homes Corporation	\$ 14,387	\$ (19,622)
Inventory impairments	—	3,413
Previously capitalized related party interest included in cost of sales	9,813	8,653
Equity in net (income) loss of unconsolidated joint ventures	(814)	16,229
Purchase price accounting for acquired inventory	10,969	9,495
Merger related transaction costs	2,656	—
Gain on PPP loan forgiveness	(4,266)	—
(Gain) loss on remeasurement of warrant liability	3,245	—
Total adjustments	21,603	37,790
Tax-effected adjustments ⁽¹⁾	15,583	28,174
Adjusted net income attributable to Landsea Homes Corporation	\$ 29,970	\$ 8,552

⁽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,	
	2021	2020
	<i>(dollars in thousands)</i>	
Net income (loss)	\$ 10,782	\$ 3,174
Provision (benefit) for income taxes	2,977	993
Interest in cost of sales	7,282	10,878
Interest relieved to equity in net loss (income) of unconsolidated joint ventures	281	281
Interest expense	11	—
Depreciation and amortization expense	1,287	899
EBITDA	22,620	16,225
Inventory impairments	—	—
Purchase price accounting in cost of home sales	3,840	3,916
Transaction costs	328	234
Equity in net (income) loss of unconsolidated joint ventures, net of interest	(449)	335
(Gain) loss on remeasurement of warrant liability	(7,040)	—
Less: Imputed interest in cost of sales ⁽¹⁾	—	(388)
Adjusted EBITDA	\$ 19,299	\$ 20,322

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

RECONCILIATIONS OF ADJUSTED METRICS

CONT'D (Non-GAAP)

EBITDA AND ADJUSTED EBITDA

	Nine Months Ended September 30,	
	2021	2020
	<i>(dollars in thousands)</i>	
Net income (loss)	\$ 14,346	\$ (19,742)
Provision (benefit) for income taxes	3,160	(6,738)
Interest in cost of sales	25,648	23,578
Interest relieved to equity in net loss (income) of unconsolidated joint ventures	1,056	915
Interest expense	32	11
Depreciation and amortization expense	3,240	2,684
EBITDA	47,482	708
Inventory impairments	—	3,413
Purchase price accounting in cost of home sales	10,969	9,495
Transaction costs	4,492	709
Equity in net (income) loss of unconsolidated joint ventures, net of interest	(1,870)	15,314
Gain on PPP loan forgiveness	(4,266)	—
(Gain) loss on remeasurement of warrant liability	3,245	—
Less: Imputed interest in cost of sales ⁽¹⁾	—	(776)
Adjusted EBITDA	\$ 60,052	\$ 28,863

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

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