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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-K**

(Mark One)

**Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended December 31, 2025

OR

**Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission file number 001-36126

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**LGI HOMES, INC.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation or organization)

46-3088013  
(I.R.S. Employer Identification No.)

1450 Lake Robbins Drive, Suite 430,      The Woodlands, TX  
(Address of principal executive offices)

77380  
(Zip code)

(281) 362-8998

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	LGHI	NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of June 30, 2025, the aggregate market value of the registrant’s common stock held by non-affiliates of the registrant was approximately \$1.2 billion based on the closing price of such stock on such date as reported on the NASDAQ Stock Market.

As of February 12, 2026, there were 23,133,086 shares of the registrant’s common stock, par value \$.01 per share, issued and outstanding.

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#### DOCUMENTS INCORPORATED BY REFERENCE

Portions from the registrant’s definitive Proxy Statement for the 2026 Annual Meeting of Stockholders are incorporated herein by reference (to the extent indicated) into [Part III](#).

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## PART I

### ITEM 1. BUSINESS

#### General

We are engaged in the design, construction and sale of new homes in markets in Texas, Arizona, Florida, Georgia, New Mexico, Colorado, North Carolina, South Carolina, Washington, Tennessee, Minnesota, Oklahoma, Alabama, California, Oregon, Nevada, West Virginia, Virginia, Pennsylvania, Maryland and Utah. Our management team has been in the residential land development business since the mid-1990s. Since commencing home building operations in 2003, we have constructed and closed over 80,000 homes.

LGI Homes, Inc. is a Delaware corporation incorporated on July 9, 2013. Our principal executive offices are located at 1450 Lake Robbins Drive, Suite 430, The Woodlands, Texas 77380, and our telephone number is (281) 362-8998. Information on or linked to our website is not incorporated by reference into this Annual Report on Form 10-K unless expressly noted.

Unless otherwise indicated or the context requires, “LGI,” the “Company,” “we,” “our” and “us” refer collectively to LGI Homes, Inc. and its subsidiaries.

#### Business Opportunities

Since December 2013, we have grown substantially, expanding our operations from eight markets in four states to 36 markets in 21 states. As of December 31, 2025, we were active in 144 communities throughout the United States and expect to continue increasing our community count in the future.

Driven by commitment to our customers and our desire to make their dreams of homeownership a reality, we offer multiple product lines, including attached and detached entry-level homes and active adult offerings that are marketed and sold under our LGI Homes brand and luxury homes that are marketed and sold under our Terrata Homes brand.

During 2025, our average home completion time was approximately 105 to 135 days, our home size ranged between 900 to approximately 4,000 square feet and our overall sales prices ranged from approximately \$192,000 to more than \$1,230,000. For the year ended December 31, 2025, we closed 4,788 homes, including 103 currently or previously leased single-family homes. Excluding the 103 currently or previously leased single-family homes, our average sales price per home closed was \$364,035. During 2024, our average home completion time was approximately 105 to 135 days, our home size ranged between 900 to approximately 4,100 square feet and our overall sales prices ranged from approximately \$191,000 to more than \$1,000,000. For the year ended December 31, 2024, we closed 6,131 homes, including the bulk sale of 103 leased single-family homes. Excluding the bulk sale of 103 leased single-family homes, our average sales price per home closed was \$365,394.

We pursue a flexible land acquisition strategy of purchasing or optioning finished lots at attractive prices, or purchasing raw land for residential development. Given our successful history as a land developer, we are experienced in converting raw land into residential communities. We endeavor to maintain a pipeline of desirable land positions for replacement and new communities. We generally target land acquisitions that are further away from urban centers than many other suburban communities but have access to major thoroughfares, retail districts and centers of business. Such areas generally result in a better value for the homeowner, either through lower sales prices or larger lot sizes. We consider development opportunities that meet our profit and return objectives, including opportunities that may involve the sale of home sites as a part of the product mix. Projects of interest are typically evaluated at the division level using an extensive due diligence checklist that includes assessing the permitting and regulatory requirements, environmental considerations and local market conditions and evaluating anticipated floor plans, pricing and financial returns. We also determine the number of potential residents in the market and rental households that are within driving distance of the proposed project. We will continue to focus primarily on entry-level homebuyers.

Additionally, we engage in other business activities that leverage or complement our core homebuilding operations. Our wholesale business sells homes primarily to large institutions interested in acquiring single-family rental properties through bulk sales agreements. Beginning in 2021, we began building and leasing a number of single-family homes in select, existing communities. These rental projects are income producing and we maintain the option to sell these homes in a bulk purchase agreement. Finally, from time to time, we enter into strategic joint ventures. We have two equity-method real estate joint ventures and four additional joint ventures engaged primarily to provide services, such as mortgage and insurance, to our homebuyers.

#### Sales and Marketing

Our well-defined sales and marketing approach focuses on converting renters of apartments and single-family homes into homeowners. We use extensive digital and print advertising to attract potential homebuyers. We employ various marketing methods, such as digital marketing strategies, interactive online media, social media, directional signage, and billboards. These

methods have proven highly successful in reaching our target market, placing potential homebuyers in front of our trained sales professionals and communicating our core messages of value and dream fulfillment.

While a proportion of our business comes from realtors, our marketing efforts are principally designed to connect directly with potential customers currently renting their residences and encourage them to schedule an in-person appointment at one of our information centers. Our information centers are typically open 8 to 10 hours per day, 359 days per year, and are generally staffed by two to four sales professionals.

Our commission-based sales professionals are trained to learn about the current housing situation of the customer, educate them on the value proposition of owning an LGI home, and provide them with a comprehensive understanding of the steps required to achieve homeownership. We also inform customers of our history, vision, and values. Our sales professionals provide floor plans, pricing information, and conduct tours of our homes based on the customer's needs and budget. We provide each customer with a comprehensive introduction to the community and the surrounding area, furnishing them with detailed information regarding utilities, schools, homeowners association dues and restrictions, local entertainment, and nearby dining and shopping options. As a result of our transparent approach, we believe customers receive all the critical information needed to make a buying decision, which we believe sets clear expectations and eliminates confusion during the home buying process.

### Homebuilding Operations

Our homebuilding operations are organized and managed by seven operating segments: West, Northwest, Central, Midwest, Florida, Southeast and Mid-Atlantic. The Midwest division is included in our Central reportable segment and the Mid-Atlantic division is included in our Southeast reportable segment.

West	Northwest	Central	Midwest	Florida	Southeast	Mid-Atlantic
Arizona	Washington	Central Texas	Minnesota	Central FL	Georgia	Maryland
New Mexico	Oregon	Dallas/Ft Worth		East FL	North Carolina	Pennsylvania
Nevada	Colorado	Houston		West FL	South Carolina	Virginia
Northern CA		Oklahoma			Alabama	West Virginia
Southern CA					Tennessee	
Utah						

These operating segments reflect the way we evaluate our business performance and manage our operations. Additional information on our operating segments and product information is contained in [Note 15, "Segment Information"](#) to our consolidated financial statements included in [Part II, Item 8](#) of this Annual Report on Form 10-K.

We offer a set number of floor plans in each community with standardized finishes. Doing so enables us to utilize an even-flow, continuous construction process that is designed to efficiently build and maintain an inventory of move-in ready homes that are available for immediate sale.

We employ experienced construction management professionals to perform the tasks of general contractors for home construction in each of our communities. Our employees provide the purchasing, construction management, and quality assurance for the homes we build, while third-party subcontractors provide the material and labor components of our homes. In each of our markets, we employ construction managers with local market knowledge and expertise. Additionally, our construction managers monitor our compliance with zoning, safety and other regulations, production schedules, and quality standards for our projects.

We endeavor to obtain favorable pricing from subcontractors through long-term relationships and consistent workflow. A number of our trade partners have subcontracted on our projects since we commenced homebuilding operations in 2003. Consistency of our trade partners is an integral part of our homebuilding operations that also leads to reduced warranty costs. We believe in building long lasting relationships with our trade partners in order to provide consistent, quality, and timely deliveries across our markets. We also work closely with our construction managers and subcontractors and provide them a comprehensive construction manual that outlines the most efficient way to build an LGI home.

Our homebuilding operations utilize a paperless purchase order system to conduct business with our subcontractors and suppliers. Our master build schedule allows our trade partners to receive their specific tasks from our electronic system and plan several weeks in advance before starting their work. This means of communication allows our subcontractors to schedule their

crews efficiently, thereby allowing for better pricing and better quality of work. Typically, our contractors are paid every week, which contributes to the strength of our business relationships with them.

Our homes are designed to meet the preferences of our target market of potential homebuyers and enable cost efficient and effective construction processes. In 2019, we introduced our CompleteHome™ and CompleteHome Plus™ packages to continue our legacy of offering buyers well-appointed, move-in ready homes, a streamlined buying experience, and superior quality with even more standard features than were offered before. Each of these packages includes preselected, upgraded features, including stainless steel appliances, cabinets with crown molding, granite or quartz countertops, undermount sinks, as well as convenient outlets with USB charging capability and a Wi-Fi-enabled garage door opener. Additionally, both packages include programmable thermostats, double-pane Low-E vinyl windows, LED flush mount ENERGY STAR lights, and a variety of other energy-saving features. Our CompleteHome Plus package includes everything in the CompleteHome package plus 42" upper cabinets, nine-foot ceilings, designer paint selections, additional landscaping, and window blinds in every room of the house.

We offer an attached town home product in certain markets that enables us to keep our entry-level price point within reach of more new homebuyers. We believe that this product helps to counter rising land and home costs.

Our active adult communities offer affordable homes in both open and age-restricted lifestyles in an amenity-rich community. These communities leverage existing floor plans with minor modifications designed to meet the needs of active adult homebuyers at prices that present a compelling value-proposition.

Our Terrata Homes brand allows us to leverage our systems and processes, including our customer centric sales system, to deliver move-in ready homes with preselected luxury features. During 2025, we closed 189 Terrata Homes at an average sales price per home closed of \$672,000, compared to 318 Terrata Homes at an average sales price per home closed of \$637,000 in 2024. As of December 31, 2025, we offered Terrata Homes in 20 of our active communities. We expect that home closings in our Terrata Homes branded communities will be less than 5% of our annual home closings during 2026.

Our two equity-method real estate joint ventures and four additional joint ventures provide a streamlined, customer-focused experience for our homebuyers. LGI Mortgage Solutions provides mortgage brokerage services to our customers through an unconsolidated joint venture. LGI Insurance Solutions provides homeowners insurance and other insurance products to our customers through an unconsolidated joint venture.

Our wholesale business provides opportunities for us to sell homes primarily to large institutions interested in acquiring homes to be used as rental properties through bulk sales agreements. In addition, as part of our overall homebuilding operations, we periodically sell previously leased homes that were part of our rental activities. Sales of previously leased homes are generally made to individual homebuyers or investors. During 2025 and 2024, we had 737 and 552 wholesale home closings, respectively, which represented 15.7% and 9.2% of our total home closings in 2025 and 2024, respectively. Home closings related to previously leased homes totaled 103 in both 2025 and 2024.

#### **Land Acquisition Policies and Development**

We continue to be an active and opportunistic acquirer of land for residential development in our markets. We source land from a wide range of landowners, brokers, lenders, builders and other land development companies. We generally acquire raw land and finished lots in affordable locations that are further away from urban centers than many other suburban communities but have access to major thoroughfares, retail districts and centers of business. We conduct thorough due diligence on each of our potential land acquisitions, and we typically look at numerous opportunities before finding one that meets our requirements. We also maintain a pipeline of desirable land positions for replacement communities and new communities.

Our lot inventory decreased to 60,842 owned or controlled lots as of December 31, 2025 from 70,899 owned or controlled lots as of December 31, 2024, primarily related to our disciplined evaluation of and selective approval of new land opportunities.

We had 144 and 151 active communities as of December 31, 2025 and December 31, 2024, respectively. Generally, it takes us two to four years to turn raw or undeveloped land into an active community.

We utilize land banking financing arrangements on a limited and strategic basis. We have land banking financing arrangements with a third-party land banker to repurchase land that we sold to the land banker as a method of acquiring finished lots in staged takedowns, while limiting risk and minimizing the use of funds from our available cash or other financing sources. In consideration for this repurchase option, we paid a non-refundable commitment fee. Based on our right to control the ultimate economic outcome of these finished lots, these assets will continue to be held as real estate not owned within our inventory and have a corresponding obligation within our accrued liabilities to recognize this relationship. While we are not legally obligated to repurchase the balance of the lots, we are subject to certain performance obligations, financial and other penalties if the lots are not purchased. We do not have any ownership interest or title to the assets that we have sold to the land banker and we do not guarantee any of the land banker's liabilities.

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Our allocation of capital for land investment is performed at the corporate level with a disciplined approach to portfolio management. Our Acquisitions Committee consists of our Chief Executive Officer, Chief Financial Officer, and Executive Vice President of Acquisitions. Annually, our divisions prepare a strategic plan for their respective geographic areas. Supply and demand are analyzed to ensure land investment is targeted appropriately. On an ongoing basis, the long-term plan is compared to our recent experience in the marketplace and adjusted accordingly.

We have also purchased larger tracts of land across our markets which will provide us with more opportunities to build homes with multiple price points in our communities. We believe that our land development expertise will allow us to meet our growth and profit objectives with respect to opportunities in which we are the developer. Similar to our homebuilding operations, our personnel oversee the contractors who perform the development work. Our land development projects may include the sale of home sites or commercial property as a part of the project.

We have strong relationships with the land brokerage community in many of our markets. We believe that we have established a reputation within the brokerage community for our systems-based approach to acquiring land, for having the capital to close deals, and for making accurate and timely decisions that benefit both the buyer and seller. For these reasons, we believe that brokers routinely notify us when desirable land opportunities that meet our criteria arise.

In our land acquisition process, projects of interest are typically evaluated at the division level using an extensive due diligence checklist that includes assessing the permitting and regulatory requirements, environmental considerations and local market conditions, and evaluating anticipated floor plans, pricing and financial returns. We also acquire and develop land for use in our wholesale business.

The table below shows (i) home closings by reportable segment for the year ended December 31, 2025 and (ii) our owned or controlled lots by reportable segment as of December 31, 2025:

Reportable Segment	Year Ended December 31, 2025	As of December 31, 2025		
	Home Closings	Owned <sup>(1)</sup>	Controlled	Total
Central	1,340	19,108	517	19,625
Southeast	1,431	13,372	2,629	16,001
Northwest	384	5,877	1,250	7,127
West	879	8,367	3,323	11,690
Florida	651	5,166	1,233	6,399
Total	4,685	51,890	8,952	60,842

(1) Of the 51,890 owned lots as of December 31, 2025, 35,416 were raw/under development lots and 16,474 were finished lots.

### Homes in Inventory

We intend to build a sufficient number of move-in ready homes to meet our budgets. We base future home starts on home closings. As homes are closed, we start more homes to maintain our inventory. As of December 31, 2025, we had a total of 2,311 completed homes, including information centers, and 1,054 homes in progress.

The following is a summary of our homes in inventory by reportable segment as of December 31, 2025 (dollar values in thousands):

Reportable Segment	Homes in Inventory <sup>(1)</sup>	Inventory Value <sup>(1)</sup>
Central	1,085	\$ 228,073
Southeast	692	159,693
Northwest	261	108,785
West	514	160,994
Florida	627	191,524
Total	3,179	\$ 849,069

(1) Includes homes in progress and completed homes; excludes information centers.

## **Backlog**

See discussion included in [“Management’s Discussion and Analysis of Financial Condition and Results of Operations—Backlog.”](#)

## **Raw Materials and Labor**

When constructing homes, we use various materials and components. We generally contract for our materials and labor at a fixed price for the anticipated construction period of our homes. This allows us to mitigate the risks associated with increases in building materials and labor costs between the time construction begins on a home and the time it is closed. Typically, the raw materials and most of the components used in our business are readily available in the United States. We purchase some components and materials centrally to achieve volume discounts, a practice that often reduces costs and ensures timely deliveries. We typically do not store significant inventories of construction materials, except for work in progress materials for homes under construction. In addition, the majority of our raw materials are supplied to us by our subcontractors and are included in the price of our contract with such subcontractors. Most of the raw materials necessary for our subcontractors are standard items carried by major suppliers. Our construction work is substantially completed by third-party subcontractors, most of whom are non-unionized. We continue to monitor the supply markets to achieve the best prices available. Typically, the price changes that most significantly influence our operations are price increases in labor, commodities and lumber. In future quarters, we could see various cost pressures associated with inflation similar to the cost pressures experienced in the last few years. Generally, we have successfully increased the sales prices of our homes to absorb these increased costs or have successfully made cost-effective changes as we endeavor to keep our homes affordable.

## **Seasonality**

The homebuilding industry generally exhibits seasonality. We have historically experienced, and in the future expect to continue to experience, variability in our results on a quarterly basis. See discussion included in [“Management’s Discussion and Analysis of Financial Condition and Results of Operations—Seasonality.”](#)

## **Government Regulation and Environmental, Health and Safety Matters**

We are subject to numerous local, state, federal and other statutes, ordinances, rules and regulations concerning zoning, development, building design, construction and similar matters, which impose zoning and density requirements in order to limit the number of homes or mandate the type of structure that can be built within the boundaries of a particular area. Projects that are not entitled may be subjected to periodic delays, changes in use, less intensive development or elimination of development in certain specific areas due to government regulations. We may also be subject to periodic delays or may be precluded entirely from developing in certain communities due to building moratoriums or “slow-growth” or “no-growth” initiatives that could be implemented in the future. Local governments also have broad discretion regarding the imposition of development fees for projects in their jurisdiction. Projects for which we have received land use and development entitlements or approvals may still require a variety of other governmental approvals and permits during the development process and can also be impacted adversely by unforeseen health, safety and welfare issues, which can further delay these projects or prevent their development.

We are also subject to a variety of local, state, federal and other statutes, ordinances, rules and regulations concerning the environment, health and safety. The particular environmental laws which apply to any given homebuilding site vary according to multiple factors, including the site’s location, whether the site contains wetlands or other features that may create burdensome permitting requirements, its environmental conditions, the present and former uses of the site, the presence or absence of endangered plants or species or sensitive habitats, and environmental conditions at adjoining or nearby properties. Environmental laws and conditions may result in delays, may cause us to incur substantial compliance and other costs, and can prohibit or severely restrict homebuilding activity in environmentally sensitive regions or areas. In addition, in those cases where an endangered or threatened species is involved, environmental rules and regulations can result in the restriction or elimination of development in identified environmentally sensitive areas. From time to time, the United States Environmental Protection Agency (the “EPA”) and similar federal, state or local agencies review land developers’ and homebuilders’ compliance with environmental laws and may levy fines and penalties, among other sanctions, for failure to strictly comply with applicable environmental laws or impose additional requirements for future compliance as a result of past failures. Any such actions taken with respect to us may increase our costs and result in delays. Further, we expect that increasingly stringent requirements will be imposed on land developers and homebuilders in the future. Environmental regulations can also have an adverse impact on the availability and price of certain raw materials such as lumber.

Under various environmental laws, current or former owners of real estate, as well as certain other categories of parties, may be required to investigate and clean up hazardous or toxic substances or petroleum product releases, and may be held strictly and/or jointly and severally liable to a governmental entity or to third parties for related damages, including property damage or bodily injury, and for investigation and cleanup costs incurred by such parties in connection with the contamination. A mitigation plan may be implemented during the construction of a home if a cleanup does not remove all contaminants of

concern or to address a naturally occurring condition, such as methane or radon. Some homebuyers may not want to purchase a home that is, or may have been, subject to a mitigation plan. To date, we have not incurred any material unanticipated liabilities relating to the removal or remediation of toxic wastes or other environmental conditions.

## **Competition**

The U.S. homebuilding industry is highly competitive. We compete in each of our markets with numerous other national, regional, and local homebuilders for homebuyers, desirable properties, financing, raw materials and skilled labor. We also compete with sales of existing homes and with the apartment and housing rental markets. Our homes compete on the basis of quality, price, design, mortgage financing terms, and location. There has been some consolidation among national homebuilders in the United States, and we expect that this trend may continue.

## **Human Capital Resources**

LGI Homes is committed to being a people-focused organization and actively promotes a respectful and dignified workplace. We strive to uphold all applicable laws and regulations in the markets where we conduct business and pursue business relationships with external partners who share our commitment to lawful, ethical business conduct. We believe our commitments to hiring, training, safety, and employee retention form the foundation of our people-focused culture.

As of December 31, 2025, we employed 1,056 people, of whom 92 were located at our corporate headquarters. Of our employees located outside our corporate headquarters, 622 were on-site sales and support personnel, and 342 were involved with acquisition and development, purchasing, and construction. We have built a diverse team of professionals with a wide range of industry experience across our markets. None of our employees are covered by collective bargaining agreements, and we have not experienced any strikes or work stoppages. We believe we have good relations with our employees. Our human capital resources objectives include, as applicable, identifying, recruiting, training, retaining, and incentivizing our employees. We offer our employees a wide array of company-paid benefits, which we believe are competitive relative to others in our industry.

We utilize subcontractors and trades people to perform the construction of our homes. We believe we have good relations with our subcontractors and trades people.

We focus on identifying and attracting the best talent and providing our employees with world-class training and continuous development. We invest directly in our sales professionals through a structured 100-day training program consisting of 30 days of intensive, in-house instruction on our proven selling strategies, followed by field training at the local division. Our continued commitment to our sales personnel is reflected in the ongoing weekly training sessions held in each of our information centers and quarterly regional training events. We also work closely with our subcontractors and trades people, collaborating with them on the most efficient way to build an LGI home. A number of our subcontractors and trades people have worked on our homes since we commenced homebuilding operations in 2003 and, therefore, are familiar with our business model.

We are committed to providing competitive benefits to attract and retain employees, including benefits that facilitate healthy lifestyles, mental well-being, and preparedness for retirement.

We are committed to creating a safe and secure business environment that protects the health and safety of our employees, business partners, and customers. Our workplaces are required to comply with all applicable laws and regulations, including those established by the Occupational Safety and Health Administration, as they pertain to health and safety in the workplace. As part of this commitment, we have implemented a systems-based program of regularly scheduled safety reviews, meetings, and continuing education that are held in our communities and include our employees and the employees of our subcontractors and trades people.

We are committed to improving and giving back to the communities we serve. In addition to ongoing charitable giving, we close all of our offices nationwide once a year for our Service Impact Day. During this annual service event, our focus turns away from sales and home closings as we dedicate the entire day to charitable giving and volunteerism. Every LGI employee spends the day contributing to the local community. From constructing fences, cleaning up parks, organizing food, and volunteering at children's centers, we are committed to being a positive presence in the communities where we build. Since 2016, we have contributed over \$4.0 million in corporate, non-profit sponsorships and donated over 50,000 employee service hours in an effort to make a meaningful impact in our local communities.

## Available Information

We make available, as soon as reasonably practicable, on our website, [www.lgihomes.com](http://www.lgihomes.com), all of our reports required to be filed with the Securities and Exchange Commission (“SEC”). These reports can be found on the “Investor Relations” page of our website under “SEC Filings” and include our annual and quarterly reports on Form 10-K and 10-Q (including related filings in XBRL format), current reports on Form 8-K, beneficial ownership reports on Forms 3, 4, and 5, proxy statements and amendments to such reports. Our SEC filings are also available to the public on the SEC’s website at [www.sec.gov](http://www.sec.gov). In addition to our SEC filings, our corporate governance documents, including our Corporate Governance Guidelines and Code of Business Conduct and Ethics, are available on the “Investor Relations” page of our website under “Corporate Governance” at <https://investor.lgihomes.com/corporate-governance>. Our stockholders may also obtain these documents in paper format free of charge upon request made to our Investor Relations department.

## Information about our Executive Officers

The following table sets forth information regarding our executive officers as of February 19, 2026:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Eric Lipar	55	Chief Executive Officer and Chairman of the Board
Michael Snider	54	President and Chief Operating Officer
Charles Merdian	56	Chief Financial Officer and Treasurer
Scott Garber	54	General Counsel and Corporate Secretary

**Eric Lipar.** Mr. Lipar is our Chief Executive Officer and serves as Chairman of our Board of Directors. He has served as our Chief Executive Officer since 2009, as a director since June 2013 and as Chairman of the Board since July 2013. Previously, Mr. Lipar served as our President from 2003 until 2009. Mr. Lipar has been in the residential land development business since the mid-1990s and is one of our founders. He has overseen land acquisitions, development and the closing of over 80,000 homes since our inception. Mr. Lipar is a member of the Policy Advisory Board for the Harvard Joint Center for Housing Studies.

**Michael Snider.** Mr. Snider has served as our President since 2009 and our Chief Operating Officer since July 2013. He oversees all aspects of our sales, construction, and product development. Prior to serving as our President, Mr. Snider was Executive Vice President of Homebuilding (2005-2009) and in the role of Homebuilding Manager (2004). Before joining the Company in 2004, Mr. Snider was a Project Manager for Tadian Homes, a homebuilder based in Troy, Michigan.

**Charles Merdian.** Mr. Merdian has served as our Chief Financial Officer and Treasurer since 2013 and served as our Secretary from 2013 to 2016. Prior to becoming our Chief Financial Officer in 2010, Mr. Merdian was our Controller from 2004 through 2010. Prior to joining us in 2004, Mr. Merdian served as Accounting and Finance Manager for The Woodlands Operating Company where he specialized in accounting and financial analysis of real estate ventures, focusing primarily on residential and commercial developments. Prior to The Woodlands Operating Company, Mr. Merdian served as an accounting manager working at the Williamson-Dickie Manufacturing Co. and as a senior auditor for Coopers & Lybrand, LLP. Mr. Merdian has worked in residential real estate and homebuilding finance since 1998. Mr. Merdian is a Certified Public Accountant and is a member of the Texas Society of Certified Public Accountants. Mr. Merdian also serves on the Montgomery County Habitat for Humanity Advisory Council and is a past President of the Board of Directors.

**Scott Garber.** Mr. Garber has served as our General Counsel and Corporate Secretary since April 2018. His responsibilities include all company legal matters, as well as corporate governance and risk management. Prior to joining the Company, Mr. Garber served as Assistant General Counsel at Chevron Phillips Chemical Company (CPChem) from March 2012 to April 2018, where he was responsible for major company transactions (both domestic and international), corporate governance of its Qatar-based joint ventures, and management of commercial legal matters for various company product lines and divisions. Prior to joining CPChem, Mr. Garber served as Associate General Counsel for United Airlines (formerly Continental Airlines), then the world’s largest airline, where he was responsible for the company’s litigation, antitrust and intellectual property matters. Mr. Garber previously worked at Howrey Simon Arnold & White, a major international law firm, where he specialized in all aspects of intellectual property law. Mr. Garber is a member of the State Bar of Texas and is admitted to practice before the U.S. Patent & Trademark Office. Mr. Garber is also President of the Board of Directors of Archway Insurance, Ltd., a captive insurance company.

## Board of Directors of LGI Homes, Inc.

**Mr. Eric Lipar** - Chief Executive Officer of LGI Homes, Inc. and serves as Chairman of our Board of Directors.

**Mr. Ryan Edone** - Chief Financial Officer of Petroleum Wholesale L.P., a distributor of branded and wholesale motor fuel products and operator of retail convenience stores/travel centers across the southwestern United States.

**Ms. Shailee Parikh** - Chief Operating Officer and Managing Director, Head of North America, of Revantage, a Blackstone portfolio company, and Managing Partner of ARK Real Estate, LLC, a real estate investment and management company.

**Mr. Bryan Sansbury** - Chief Executive Officer, Chairman of the Board of Directors, and a founding partner of AEGIS Hedging Solutions, LLC, formerly known as AEGIS Energy Risk, LLC. Mr. Sansbury serves as our Lead Independent Director.

**Ms. Maria Sharpe** - Managing Principal of Sharpe Human Solutions, LLC, a human resource consulting and commercial real estate investment company.

**Mr. Steven Smith** - Owner and solo practitioner of Steven R. Smith Law, LLC. He is a former shareholder of the law firm Baker Donelson.

**Mr. Robert Vahradian** - Partner of GTIS Partners, LP, a global real estate investment firm managing residential, industrial, office, hotel and mixed-use properties in the U.S. and Brazil.

## ITEM 1A. RISK FACTORS

Discussion of our business and operations included in this Annual Report on Form 10-K should be read together with the risk factors set forth below. They describe various risks and uncertainties we are or may become subject to, many of which are difficult to predict or beyond our control. Although the risks summarized below are organized by heading, and each risk is summarized separately, many of the risks are interrelated. These risks and uncertainties, together with other factors described elsewhere in this report, have the potential to affect our business, financial condition, results of operations, cash flows, strategies or prospects in a material and adverse manner.

### Risk Factors Summary

Our business is subject to a number of risks, including risks that may prevent us from achieving our business objectives or may adversely affect our business, financial condition, results of operations, cash flows, strategies or prospects. These risks are discussed more fully below and include, but are not limited to, risks related to:

- Industry and Economic Risks:
  - Higher mortgage interest rates, and the tightening of mortgage lending standards and mortgage financing requirements;
  - Significant downturn in our housing markets or in the homebuilding industry;
  - The homebuilding industry is highly competitive;
  - New and existing laws and regulations or other governmental actions, including environmental, health and safety laws and regulations;
  - Inflation could adversely affect our business and financial results;
  - The seasonal nature of our business;
- Operational and Construction Risks:
  - Our ability to acquire finished lots and land parcels suitable for residential homebuilding at reasonable prices;
  - Labor and raw material shortages, price fluctuations and supply chain constraints that could delay or increase the cost of home construction or land development;
  - The impact of an epidemic or pandemic;
- Strategic and Financial Risks:
  - Our efforts to expand into new markets or increase operations may not achieve expected results and could expose us to additional operational and financial risk;
  - We are a holding company, and we are accordingly dependent upon distributions from our subsidiaries to service our debt and pay dividends, if any, taxes and other expenses;
- Organization and Structure Risks:
  - We depend on key management personnel and other experienced employees;
  - Our use of leverage in executing our business strategy;
- General Risks:
  - We may be subject to litigation, arbitration, governmental investigations or other claims;
  - Information system failures, cyber incidents or breaches in security by us or third parties upon which we rely;
  - Complex and evolving U.S. laws and regulations regarding privacy and data protection;
  - Changing sentiments with respect to sustainability, matters; and
  - Access to financing sources may not be available on favorable terms, or at all.

### Industry and Economic Risks

**Higher mortgage interest rates, tightening of mortgage lending standards and mortgage financing requirements, and untimely or incomplete mortgage loan originations for our homebuyers, could adversely affect the availability of mortgage loans for potential purchasers of our homes and thereby materially and adversely affect our business, prospects, liquidity, financial condition, and results of operations.**

Almost all of our customers finance their home purchases through lenders that provide mortgage financing. Mortgage interest rates have increased significantly since January 2022, which has negatively impacted the overall housing market. The current and continued macroeconomic conditions impacting the homebuilding industry include inflation and mortgage interest rates. The significant burden of inflation and higher mortgage interest rates for our customers since January 2022 are viewed by us as the primary driver behind the subsequent decrease in demand for new homes. However, we cannot predict whether mortgage interest rates will rise, remain high or fall. If mortgage interest rates increase, the ability of prospective homebuyers to

finance home purchases may be adversely affected, and, as a result, our operating results may be significantly negatively impacted.

Additionally, rapid increases in interest rates may negatively impact the affordability of a home purchase for existing buyers in backlog who still need to lock in a mortgage interest rate for their loan. This volatility could lead to an increase in cancellations of home purchase contracts. Our homebuilding activities depend upon the availability of mortgage financing to homebuyers, which is expected to be impacted by ongoing regulatory changes and fluctuations in the risk appetites of lenders. The financial documentation, down payment amounts and income-to-debt ratio requirements are subject to change and could become more restrictive.

The federal government has a significant role in supporting mortgage lending through its conservatorship of Federal National Mortgage Association (“Fannie Mae”) and Federal Home Loan Mortgage Corporation (“Freddie Mac”), both of which purchase or insure mortgage loans and mortgage loan-backed securities, and its insurance of mortgage loans through or in connection with the Federal Housing Administration (“FHA”), the Veterans Administration (“VA”) and the U.S. Department of Agriculture (“USDA”). FHA and USDA backing of mortgage loans has been particularly important to the mortgage finance industry and to our business. If either the FHA or USDA raised their down payment requirements or lowered maximum loan amounts, our business could be materially affected. Increased lending volume and losses insured by the FHA have resulted in a reduction of the FHA insurance fund. The USDA rural development program provides for zero down payment and 100% financing for homebuyers in qualifying areas. If the USDA program was discontinued or if funding was decreased, then our business could be adversely affected. In addition, if the USDA changed its determination of areas that are eligible to qualify for the program, it could have an adverse effect on our business. In addition, changes in governmental regulation with respect to mortgage lenders could adversely affect demand for housing.

The availability and affordability of mortgage loans, including mortgage interest rates for such loans, could also be adversely affected by a scaling back or termination of the federal government’s mortgage loan-related programs or policies. Because Fannie Mae-, Freddie Mac-, FHA-, USDA- and VA-backed mortgage loans have been an important factor in marketing and selling many of our homes, any limitations or restrictions in the availability of, or higher consumer costs for, such government-backed financing could adversely affect our business, prospects, liquidity, financial condition, and results of operations. The elimination or curtailment of state bonds to assist homebuyers could materially and adversely affect our business, prospects, liquidity, financial condition, and results of operations.

In addition, certain current regulations impose, and future regulations may strengthen or impose new, standards and requirements relating to the origination, securitization and servicing of residential consumer mortgage loans, which could further restrict the availability and affordability of mortgage loans and the demand for such loans by financial intermediaries and, as a result, adversely affect our home sales, financial condition, and results of operations. Further, if, due to credit or consumer lending market conditions, reduced liquidity, increased risk retention or minimum capital level obligations and/or regulatory restrictions related to certain regulations, laws or other factors or business decisions, these lenders refuse or are unable to provide mortgage loans to our homebuyers, or increase the costs to borrowers to obtain such loans, the number of homes we close and our business, prospects, liquidity, financial condition, and results of operations may be materially adversely affected.

First-time homebuyers are generally more affected than other potential homebuyers by the availability of mortgage financing and other costs of homeownership such as insurance and taxes. These homebuyers are a key source of demand for our new homes. A limited availability of suitable mortgage financing may adversely affect the volume and sales price of our homes.

**A significant downturn in our housing markets or in the homebuilding industry generally may materially and adversely affect our business and financial condition.**

We cannot predict whether and to what extent the housing markets in the geographic areas in which we operate will grow, particularly if interest rates for mortgage loans, land costs, and construction costs continue to rise or stay at similar levels. Other factors that might impact the homebuilding industry include uncertainty in domestic and international financial, credit and consumer lending markets amid slow economic growth or recessionary conditions in various regions or industries around the world, including as a result of an epidemic or pandemic, the conflict between Russia and Ukraine, the conflict in the Middle East, or impacts from U.S. presidential administration policies, tight lending standards and practices for mortgage loans that limit consumers’ ability to qualify for mortgage financing to purchase a home, including increased minimum credit score requirements, credit risk/mortgage loan insurance premiums, homeowners’ insurance premiums and/or other fees and required down payment amounts, higher home prices, more conservative appraisals, changing consumer preferences, higher loan-to-value ratios and extensive buyer income and asset documentation requirements, changes to mortgage regulations, slower rates of population growth or population decline in our markets, or Federal Reserve policy changes.

If there is limited economic growth, declines in employment and consumer income, changes in consumer behavior, including as a result of an epidemic or pandemic, the conflict between Russia and Ukraine, the conflict in the Middle East, impacts from the change in U.S. presidential administration, and/or tightening of mortgage lending standards, practices and

regulation in the geographic areas in which we operate, or if interest rates for mortgage loans or home prices continue to rise or stay at similar levels, there could likely be a corresponding adverse effect on our business, prospects, liquidity, financial condition, and results of operations, including, but not limited to, the number of homes we sell, our average sales price per home closed, cancellations of home purchase contracts and the amount of revenues or profits we generate, and such effect may be material.

**The homebuilding industry is highly competitive and, if our competitors are more successful or offer better value to our customers, our business could decline.**

We operate in a very competitive environment that is characterized by competition from a number of other homebuilders and land developers in each market in which we operate. Additionally, there are relatively low barriers to entry into our business. We compete with large national and regional homebuilding companies, some of which have greater financial and operational resources than us, and with smaller local homebuilders and land developers, some of which may have lower administrative costs than us. We may be at a competitive disadvantage with regard to certain of our large national and regional homebuilding competitors whose operations are more geographically diversified than ours, as these competitors may be better able to withstand any future regional downturns in the housing market. Furthermore, our market share in certain of our markets may be lower as compared to some of our competitors. In addition, the homebuilding industry has been subject to increasing consolidation, which could result in existing competitors increasing their market share. Such changes have the potential to increase competitive dynamics in affected markets. Many of our competitors also have longer operating histories and longstanding relationships with subcontractors and suppliers in the markets in which we operate or to which we may expand. This may give our competitors an advantage in marketing their products, securing materials and labor at lower prices and allowing their homes to be delivered to customers more quickly and at more favorable prices. We compete for, among other things, homebuyers, desirable land parcels, financing, raw materials and skilled management and labor resources. Our competitors may independently develop land and construct homes that are substantially similar to our products.

Increased competition could hurt our business, as it could prevent us from acquiring attractive land parcels on which to build homes or make such acquisitions more expensive, hinder our market share expansion and cause us to increase our selling incentives and reduce our prices. An oversupply of homes available for sale or discounting of home prices could periodically adversely affect demand for our homes in certain markets and could adversely affect pricing for homes in the markets in which we operate.

If we are unable to compete effectively in our markets, our business could decline disproportionately to our competitors, and our results of operations and financial condition could be adversely affected. We can provide no assurance that we will be able to continue to compete successfully in any of our markets. Our inability to continue to compete successfully in any of our markets could have a material adverse effect on our business, prospects, liquidity, financial condition, and results of operations.

**Regional factors affecting the homebuilding industry in our current markets could materially and adversely affect us.**

Our business strategy is focused on the acquisition of suitable land and the design, construction and sale of primarily single-family homes in residential subdivisions, including planned communities, in Texas, Arizona, Florida, Georgia, New Mexico, Colorado, North Carolina, South Carolina, Washington, Tennessee, Minnesota, Oklahoma, Alabama, California, Oregon, Nevada, West Virginia, Virginia, Pennsylvania, Maryland and Utah. A prolonged economic downturn in the future in one or more of these areas, or a particular industry that is fundamental to one or more of these areas, could have a material adverse effect on our business, prospects, liquidity, financial condition, and results of operations. Our communities in our West segment are especially susceptible to restrictive government regulations and environmental laws.

Moreover, certain insurance companies doing business in states in which we operate could restrict, curtail or suspend the issuance of homeowners' insurance policies on single-family homes. This could both reduce the availability of hurricane, fire and other types of natural disaster insurance, in general, and increase the cost of such insurance to prospective purchasers of homes. Mortgage financing for a new home is conditioned, among other things, on the availability of adequate homeowners' insurance. There can be no assurance that homeowners' insurance will be available or affordable to prospective purchasers of our homes. Long-term restrictions on, or unavailability of, homeowners' insurance could have an adverse effect on the homebuilding industry in our markets and on our business. Additionally, the availability of permits for new homes in new and existing developments could be adversely affected by the significantly limited capacity of the schools, roads, and other infrastructure.

If adverse conditions in these markets develop in the future, it could have a material adverse effect on our business, prospects, liquidity, financial condition, and results of operations. Furthermore, if buyer demand for new homes in these markets decreases, home prices could decline, which would have a material adverse effect on our business.

**Our industry is cyclical and adverse changes in general and local economic conditions could reduce the demand for homes and, as a result, could have a material adverse effect on us.**

Our business can be substantially affected by adverse changes in general and local economic or business conditions that are outside of our control, including changes in short-term and long-term interest rates; employment levels and job and personal income growth; housing demand from population growth, household formation and other demographic changes, among other factors (which may be driven by birth rate changes, economic factors or U.S. immigration policies); availability and pricing of mortgage financing for homebuyers; housing affordability; consumer confidence generally and the confidence of potential homebuyers in particular; consumer spending; financial system and credit market stability; private party and government mortgage loan programs (including changes in FHA, USDA, VA, Fannie Mae and Freddie Mac conforming mortgage loan limits, credit risk/mortgage loan insurance premiums and/or other fees, down payment requirements and underwriting standards), and federal and state regulation, oversight and legal action regarding lending, appraisal, foreclosure and short sale practices; federal and state personal income tax rates and provisions, including provisions for the deduction of mortgage loan interest payments, real estate taxes, the cost of homeowners' insurance and other expenses; supply of and prices for available new or resale homes (including lender-owned homes) and other housing alternatives, such as apartments, single-family rentals and other rental housing; homebuyer interest in our current or new product designs and new home community locations; general consumer interest in purchasing a home compared to choosing other housing alternatives; and interest of financial institutions or other businesses in purchasing wholesale homes or their ability to do so. Adverse changes in these conditions may affect our business nationally or may be more prevalent or concentrated in particular submarkets in which we operate. Inclement weather, natural disasters (such as earthquakes, hurricanes, tornadoes, floods, prolonged periods of precipitation, droughts and fires), other calamities and other environmental conditions can delay the delivery of our homes and/or increase our costs. Civil unrest or acts of terrorism can also have a negative effect on our business. The homebuilding industry is cyclical in nature and if it experiences another significant or sustained downturn as a result of factors described above or otherwise, it would materially adversely affect our business and results of operations in future years.

In 2022, the Federal Reserve's aggressive actions to stem inflation caused mortgage interest rates to increase significantly. The resulting increased costs of borrowing negatively impacted customer sentiment and accelerated existing affordability constraints for potential homebuyers. Although mortgage interest rates have declined in subsequent years, many homebuyers continue to delay their home purchasing decisions.

The potential difficulties described above can cause demand and prices for our homes to fall or cause us to take longer and incur more costs to develop land and build our homes. We may not be able to recover these increased costs by raising prices because of market conditions. The potential difficulties described above could also lead some homebuyers to cancel or refuse to honor their home purchase contracts altogether.

**Increases in cancellations of purchase contracts could have an adverse effect on our business.**

Our backlog reflects standard purchase contracts with our homebuyers for homes that still need to be delivered. We require a deposit from our homebuyers for all homes reflected in our backlog, and generally, we have the right to retain the deposit if the homebuyer does not complete the purchase. In some cases, however, a homebuyer may cancel the purchase contract and receive a complete or partial refund of the deposit for reasons such as state and local law requirements, the homebuyer's inability to obtain mortgage financing or the homebuyer's failure to sell their current home. Homebuyers may also choose to cancel their purchase contract and forfeit their deposit. As of December 31, 2025, we had 1,394 homes with an ending backlog value of \$501.3 million. With the weakening of the housing market over the past several years, we have experienced an increase in cancellation rates. If economic conditions decline further, if mortgage financing becomes less available or more costly, or if our homes become less attractive due to market price declines or due to other conditions at or in the vicinity of our communities, we could experience an additional increase in homebuyers canceling their purchase contracts with us, which could have an adverse effect on our business and results of operations.

**Any limitation on, or reduction or elimination of, tax benefits associated with homeownership would have an adverse effect upon the demand for homes, which could be material to our business.**

While tax laws generally permit significant expenses associated with homeownership, primarily mortgage interest expense and real estate taxes, to be deducted for the purpose of calculating an individual's federal and, in many cases, state taxable income, the ability to deduct mortgage interest expense and real estate taxes for federal income tax purposes is limited. The federal government or a state government may change its income tax laws by eliminating, limiting or substantially reducing these income tax benefits without offsetting provisions, which may increase the after-tax cost of owning a new home for many of our potential homebuyers. Any such future changes may have an adverse effect on the homebuilding industry in general. For example, the loss or reduction of homeowner tax deductions could decrease the demand for new homes. Any such future changes could also have a material adverse impact on our business, prospects, liquidity, financial condition, and results of operations.

**Fluctuations in real estate values may require us to write-down the book value of our real estate assets.**

The homebuilding and land development industries are subject to significant variability and fluctuations in real estate values. As a result, we may be required to write-down the book value of our real estate assets in accordance with GAAP, and some of those write-downs could be material. Any material write-downs of assets could have a material adverse effect on our business, prospects, liquidity, financial condition, and results of operations.

**If the market value of our land inventory decreases, our results of operations could be adversely affected by impairments and write-downs.**

The market value of our land and housing inventories depends on market conditions. We acquire land for expansion into new markets and for replacement of land inventory and expansion within our current markets. There is an inherent risk that the value of the land owned by us may decline after purchase. The valuation of property is inherently subjective and based on the individual characteristics of each property. We may have acquired options on or bought and developed land at a cost we will not be able to recover fully or on which we cannot build and sell homes profitably. In addition, our deposits for lots controlled under purchase, option or similar contracts may be put at risk.

Factors such as changes in regulatory requirements and applicable laws (including in relation to building regulations, taxation and planning), political conditions, the condition of financial markets, both local and national economic conditions, the financial condition of customers, potentially adverse tax consequences, and interest and inflation rate fluctuations are subject to uncertainty. Moreover, our valuations are made on the basis of assumptions that may not prove to reflect economic or demographic reality.

If housing demand fails to meet our expectations when we acquired our inventory, our profitability may be adversely affected and we may not be able to recover our costs when we build and sell houses. We regularly review the value of our land holdings and continue to review our holdings on a periodic basis. Material write-downs and impairments in the value of our inventory may be required, and we may in the future sell land or homes at a loss, which could adversely affect our results of operations and financial condition.

**Interest rate changes may adversely affect us.**

Increases in interest rates can make it more difficult and/or expensive for us to obtain the funds we need to operate our business. Increases in interest rates generally could increase the interest rates we must pay on borrowings under the Credit Agreement (as defined herein) and on any subsequent issuances of debt securities. Adverse economic conditions could also cause the terms on which we borrow to be unfavorable. We could be required to liquidate one or more of our assets at times which may not permit us to receive an attractive return on our assets in order to meet our debt service obligations.

**Difficulties with appraisal valuations in relation to the proposed sales price of our homes could force us to reduce the price of our homes for sale.**

Each of our home sales may require an appraisal of the home value before closing. These appraisals are professional judgments of the market value of the property and are based on a variety of market factors. If our internal valuations of the market and pricing do not line up with the appraisal valuations and appraisals are not at or near the agreed upon sales price, we may be forced to reduce the sales price of the home to complete the sale. These appraisal issues could have a material adverse effect on our business and results of operations.

**Any future government shutdowns or slowdowns may materially adversely affect our business or financial results.**

Any future government shutdowns or slowdowns may materially adversely affect our business or financial results. We can make no assurances that potential home closings affected by any future shutdown or slowdown will occur after the shutdown or slowdown has ended.

**Natural disasters, severe weather and adverse geological conditions may increase costs, cause project delays and reduce consumer demand for housing, all of which could materially and adversely affect us.**

Our homebuilding operations are located in areas that are subject to natural disasters, severe weather or adverse geological conditions. These include, but are not limited to, hurricanes, tornadoes, droughts, floods, storm surge, coastal erosion, sea level rise, brush fires, wildfires, prolonged periods of precipitation, landslides, soil subsidence, earthquakes, and other natural disasters. The occurrence of any of these events could damage our land parcels and projects, cause delays in completion of our projects, reduce consumer demand for housing, increase mortgage default risk, and cause shortages and price increases in labor or raw materials, any of which could affect our sales and profitability. In addition to directly damaging our land or projects, many of these natural events could damage roads and highways providing access to our assets, affect the desirability of our land or projects or result in potential buyers facing higher costs for, or being unable to obtain, fire, flood or other hazard insurance coverage in certain areas, thereby reducing the number of potential buyers who can afford, or are willing, to purchase homes in

those areas, adversely affecting our ability to market homes or sell land in those areas and possibly increasing the costs of homebuilding completion. For example, the incidence of large wildfires in California has substantially increased in recent years, and the risk of future wildfires is expected to increase. The housing markets in areas affected by California's recent wildfires have been adversely affected by increased insurance costs and difficulties in obtaining homeowners' insurance, which we expect to be exacerbated by the recent wildfires in Los Angeles. These natural events could also prompt governmental authorities to adopt more stringent building codes, which would likely increase development costs in affected areas and negatively impact home affordability and/or demand. Furthermore, the occurrence of natural disasters, severe weather, and other adverse geological conditions has increased in recent years due to climate change and may continue to increase in the future. Climate change may have the effect of making the risks described above occur more frequently and more severely, which could amplify the adverse impact on our business, prospects, liquidity, financial condition, and results of operations.

There are some risks of loss for which we may be unable to purchase insurance coverage. For example, losses associated with hurricanes, floods, landslides, prolonged periods of precipitation, earthquakes, and other weather-related and geologic events may not be insurable and other losses, such as those arising from terrorism, may not be economically insurable. A sizable uninsured loss could materially and adversely affect our business, prospects, liquidity, financial condition, and results of operations.

**New and existing laws and regulations or other governmental actions may increase our expenses, limit the number of homes that we can build or delay completion of our projects.**

We are subject to numerous local, state, federal and other statutes, ordinances, rules, and regulations concerning zoning, development, building design, construction, accessibility, anti-discrimination, and other matters, which, among other things, impose restrictive zoning and density requirements, the result of which is to limit the number of homes that can be built within the boundaries of a particular area. We may encounter issues with entitlement, not identify all entitlement requirements during the pre-development review of a project site, or encounter zoning changes that impact our operations. Projects for which we have not received land use and development entitlements or approvals may be subjected to periodic delays, changes in use, less intensive development or elimination of development in certain specific areas due to government regulations. We may also be subject to periodic delays or incur additional costs or may be precluded entirely from developing in certain communities due to building moratoriums or zoning changes. Such moratoriums generally relate to availability of utilities, such as insufficient water supplies, sewage facilities and delays in utility hook-ups, or inadequate road capacity within specific market areas or subdivisions. Local governments also have broad discretion regarding the imposition of development fees for projects in their jurisdiction. Projects for which we have received land use and development entitlements or approvals may still require a variety of other governmental approvals and permits during the development process and can also be impacted adversely by unforeseen health, safety and welfare issues, which can further delay these projects or prevent their development. As a result of any of these statutes, ordinances, rules or regulations, the timing of our home sales could be delayed, the number of our home sales could decline and/or our costs could increase, which could have a material adverse effect on our business, prospects, liquidity, financial condition, and results of operations.

**We are subject to environmental, health and safety laws and regulations, which may increase our costs, result in liabilities, limit the areas in which we can build homes and/or delay completion of our projects.**

We are subject to a variety of local, state, federal and other laws, statutes, ordinances, rules and regulations concerning the environment, hazardous materials, the discharge of pollutants, and human health and safety. The particular environmental requirements that apply to any given site vary according to multiple factors, including the site's location, whether the site contains wetlands or other features that may create burdensome permitting requirements, its environmental conditions, the present and former uses of the site, the presence or absence of endangered plants or animals or sensitive habitats, and environmental conditions at adjoining or nearby properties. We may not identify all of these concerns during any pre-acquisition or pre-development review of project sites. Environmental requirements and conditions may result in delays, may cause us to incur substantial compliance and other costs, and can prohibit or severely restrict development and homebuilding activity in environmentally sensitive regions or in areas contaminated by others before we commence development. In some instances, regulators from different governmental agencies do not concur on development, remedial standards or property use restrictions for a project, and the resulting delays or additional costs can be material for a given project.

From time to time, the EPA and similar federal, state or local agencies review land developers' and homebuilders' compliance with environmental laws and may levy fines and penalties, among other sanctions, for failure to strictly comply with applicable environmental laws, including those applicable to the control of storm water discharges during construction, or impose additional requirements for future compliance as a result of past failures. Any such actions taken with respect to us may increase our costs and result in project delays. Further, we expect that increasingly stringent requirements will be imposed on land developers and homebuilders in the future. We cannot assure you that environmental, health and safety laws will not change or become more stringent in the future in a manner that could have a material adverse effect on our business.

**Environmental laws and regulations relating to climate change and energy can have an adverse impact on our activities, operations and profitability and on the availability and price of certain raw materials, such as lumber, steel, and concrete.**

There is a growing concern from advocacy groups and the general public that the emissions of greenhouse gases and other human activities have caused, and will continue to cause, significant changes in weather patterns and temperatures and the frequency and severity of natural disasters. Government mandates, standards and regulations enacted in response to these projected climate change impacts and concerns could result in restrictions on land development in certain areas or increased energy, transportation and raw material costs.

Certain state and local governments in areas such as California have passed, or are considering, legislation banning the use of natural gas-fired appliances in new homes, which could affect our costs to construct homes as well as consumer demand for the homes we construct. New building or other code requirements that impose stricter energy efficiency standards or requirements for building materials could significantly increase our cost to construct homes. As climate change concerns continue to grow, legislation, regulations, mandates, standards, and other requirements of this nature are expected to continue to be enacted and become costlier for us to comply with. Similarly, energy-related initiatives affect a wide variety of companies throughout the United States and because our operations are heavily dependent on significant amounts of raw materials, such as lumber, steel, and concrete, these initiatives could have an adverse impact on our operations and profitability to the extent the manufacturers and suppliers of our materials are burdened with expensive cap and trade or similar energy-related regulations.

**Ownership, leasing or occupation of land and the use of hazardous materials carries potential environmental risks and liabilities.**

We are subject to a variety of local, state and federal statutes, rules and regulations concerning easements, land use and the protection of health and the environment, including those governing discharge of pollutants to soil, water and air, the handling of hazardous materials such as asbestos, and the cleanup of contaminated sites. We may be liable for the costs of removal, investigation or remediation of man-made or natural hazardous or toxic substances located on, under or in a property currently or formerly owned, leased or occupied by us, whether or not we caused or knew of the pollution.

The particular impact and requirements of environmental laws that apply to any given community vary greatly according to the site, its environmental conditions and the present and former uses of the site. We expect that increasingly stringent requirements will be imposed on land developers and homebuilders in the future. Environmental laws may result in delays, cause us to implement time consuming and expensive compliance programs and prohibit or severely restrict development in certain environmentally sensitive regions or areas, such as wetlands. Concerns could arise due to post-acquisition changes in laws or agency policies, or the interpretation thereof.

Furthermore, we could incur substantial costs, including cleanup costs, fines, penalties and other sanctions and damages from third-party claims for property damage or personal injury, as a result of our failure to comply with, or liabilities under, applicable environmental laws and regulations. These matters could adversely affect our business, prospects, liquidity, financial condition, and results of operations.

As a homebuilding and land development business with a wide variety of historic ownership, development, homebuilding and construction activities, we could be liable for future claims for damages as a result of the past or present use of hazardous materials, including building materials or fixtures known or suspected to be hazardous or to contain hazardous materials or due to use of building materials or fixtures that are associated with mold. Any such claims may adversely affect our business, prospects, financial condition, and results of operations. Insurance coverage for such claims may be limited or nonexistent.

We have provided unsecured environmental indemnities to certain lenders and other contractual counterparties. These indemnities obligate us to reimburse the guaranteed parties for damages related to environmental matters, and generally there is no term or damage limitation on these indemnities.

**Inflation could adversely affect our business and financial results.**

Inflation could adversely affect our business and financial results by increasing the costs of land, raw materials and labor needed to operate our business. Inflation may also accompany higher interest rates, which could adversely impact potential customers' ability to obtain financing on favorable terms, thereby decreasing demand for our homes. Historically, we have experienced a significant increase in land, labor, materials, and costs related to construction. In an inflationary environment, such as the economic environment we have experienced recently, depending on the homebuilding industry and other economic conditions, we may be unable to raise the sales prices of our homes enough to offset the increasing costs of our operations, which would decrease our profit margins. Furthermore, if we need to lower the sales prices of our homes to meet demand, the value of our land inventory may decrease. Inflation may also raise our costs of capital and decrease our purchasing power, making it more difficult and/or more expensive to maintain sufficient funds to operate our business.

**Changes in tax law could adversely affect our business.**

U.S. tax law is always subject to change (possibly with retroactive effect). For example, in August 2022, the United States enacted the Inflation Reduction Act of 2022 (the “IRA 2022”), which contains significant changes to U.S. tax law including, but not limited to, a corporate minimum tax and 1% excise tax on stock repurchases. In addition, on July 4, 2025, the United States enacted legislation commonly referred to as the One Big Beautiful Bill Act, which includes a broad range of tax reform provisions affecting corporations, including termination of the energy efficient homes tax credit for homes closing after June 30, 2026. Other potential changes to the U.S. Internal Revenue Code, as amended (the “Code”), include changes to the U.S. corporate income tax rate and provisions limiting or eliminating various deductions, credits or tax preferences. Interpretations of the Code and regulations promulgated by the Internal Revenue Service are likewise subject to change. As states elect to conform (or else have rolling conformity) to the Code, such interpretations and regulations (including those promulgated by state authorities) could likewise affect our state income and franchise tax obligations. Any future changes in tax law, including changes to U.S. federal, state, territorial or local tax law, could affect our tax position and adversely impact our business.

**Because of the seasonal nature of our business, our quarterly operating results fluctuate.**

As discussed under “[Management’s Discussion and Analysis of Financial Condition and Results of Operations—Seasonality](#),” we have historically experienced, and in the future expect to continue to experience, variability in our results of operations from quarter to quarter due to the seasonal nature of the homebuilding industry. We generally close more homes in our second, third and fourth quarters. Thus, our revenues may fluctuate on a quarterly basis, and we may have higher capital requirements in our second, third and fourth quarters in order to maintain our inventory levels. Accordingly, there is a risk that we will invest significant amounts of capital in the acquisition and development of land and construction of homes that we do not sell at anticipated pricing levels or within anticipated time frames. If, due to market conditions, construction delays or other causes, we do not complete home sales at anticipated pricing levels or within anticipated time frames, our business, prospects, liquidity, financial condition, and results of operations would be adversely affected. We expect this seasonal pattern to continue over the long term, but we can make no assurances as to the degree to which our historical seasonal patterns will occur in the future.

**Difficulty in obtaining sufficient capital could result in an inability to acquire land for our developments or increased costs and delays in the completion of development projects, increase home construction costs or delay home construction entirely.**

The homebuilding and land development industry is capital-intensive and requires significant up-front expenditures to acquire land parcels and begin development. In addition, if housing markets are not favorable or permitting or development takes longer than anticipated, we may be required to hold our investments in land for extended periods of time. If internally generated funds are not sufficient, we may seek additional capital in the form of equity or debt financing from a variety of potential sources, including additional bank financings and/or securities offerings. The availability of borrowed funds, especially for land acquisition and construction financing, may be constrained regionally or nationally, and the lending community may require increased amounts of equity to be invested in a project by borrowers in connection with both new loans and the extension of existing loans. Since the global recession in 2008, credit and capital markets have, from time to time, experienced unusual volatility. If we are required to seek additional financing to fund our operations, continued volatility in these markets may restrict our flexibility to access such financing. Furthermore, any downgrade of our credit ratings or other negative rating actions by credit agencies may make it more difficult and costly for us to access capital. If we are not successful in obtaining sufficient funding for our planned capital and other expenditures or if we do not properly allocate our funding, we may be unable to acquire additional land for development and/or to construct new housing. Additionally, if we cannot obtain additional financing to fund the purchase of land under our purchase contracts, we may incur contractual penalties, fees and increased expenses from the write-off of due diligence and pre-acquisition costs. Any difficulty in obtaining sufficient capital for planned development expenditures could also cause project delays and any such delay could result in cost increases. Any one or more of the foregoing events could have a material adverse effect on our business, prospects, liquidity, financial condition, and results of operations.

**Operational and Construction Risks**

**The long-term sustainability and growth in our home closings depends in part upon our ability to acquire finished lots and land parcels suitable for residential homebuilding at reasonable prices.**

The long-term sustainability of our operations as well as future growth depends in large part on the price at which we are able to obtain suitable finished lots and land parcels for development to support our homebuilding operation. Our ability to acquire finished lots and land parcels for new single-family homes and other projects may be adversely affected by changes in the general availability of land parcels, the willingness of land sellers to sell land parcels at reasonable prices, competition for available land parcels, availability of financing to acquire land parcels (whether directly for us or indirectly through land bankers or other land financing vehicles), zoning, regulations that limit housing density, the ability to obtain building permits,

environmental requirements, and other market conditions and regulatory requirements. If suitable lots or land at reasonable prices become less available, the number of homes we may be able to build and sell could be reduced, and the cost of land could be increased substantially, which could adversely impact us. As competition for suitable land increases, the cost of undeveloped lots and the cost of developing owned land could also rise and the availability of suitable land at acceptable prices may decline, which could adversely impact us. The availability of suitable land assets could also affect the success of our land acquisition strategy, which may impact our ability to maintain or increase the number of our active communities, as well as to sustain and grow our revenues and margins, and achieve or maintain profitability. Additionally, developing undeveloped land is capital intensive and time consuming and we may develop land based upon forecasts and assumptions that prove to be inaccurate, resulting in projects that are not economically viable.

In recent years, it has become more difficult to acquire finished lots in attractive locations and therefore we have been acquiring more undeveloped land that we need to develop as compared to finished lots. This shift in our land procurement has resulted in longer lead time between when we acquire the land and when we can start construction of a home on the land and thus a longer time that these land assets are on our balance sheet.

**Risks associated with our land and lot inventories could adversely affect our business or financial results.**

Risks inherent in controlling, purchasing, holding and developing land for new home construction are substantial. The risks inherent in purchasing and developing land parcels increase as consumer demand for housing decreases and the holding period increases. As a result, we may buy and develop land parcels on which homes cannot be profitably built and sold. In certain circumstances, a grant of entitlements or development agreement with respect to a particular parcel of land may include restrictions on the transfer of such entitlements to a buyer of such land, which would negatively impact the price of such entitled land by restricting our ability to sell it for its full entitled value. In addition, inventory carrying costs can be significant and can result in reduced margins or losses in a poorly performing community or market. Developing land and constructing homes takes a considerable amount of time and requires a substantial cash investment. Land development is a key part of our operations and we develop land in most of our markets. The time and investment required for development may adversely impact our business. We have substantial real estate inventories that regularly remain on our balance sheet for significant periods of time prior to their sale, during which time we are exposed to the risk of adverse market developments. Real estate investments are relatively difficult to sell quickly. As a result, our ability to promptly sell one or more properties for reasonable prices in response to changing economic, financial and investment conditions may be limited, and we may be forced to hold non-income producing properties for extended periods of time. Our business model is based on building homes before a sales contract is executed and a customer deposit is received. Because interest and other expenses are capitalized only during the development of land and home construction, we incur interest subject to capitalization criteria and recognize maintenance expenses on unsold completed homes in inventory. As of December 31, 2025, we had 2,311 completed homes in inventory and 1,054 homes in progress in inventory. In the event there is a continued downturn in home sales in our markets, our inventory of completed homes could increase, leading to additional financing costs and lower margins, which could have a material adverse effect on our financial results and operations. In the event of significant changes in economic or market conditions, we may have to sell homes at significantly lower margins or at a loss, if we are able to sell them at all. Additionally, deteriorating market conditions could cause us to record significant inventory impairment charges. The recording of a significant inventory impairment could negatively affect our reported earnings per share and negatively impact the market perception of our business.

**Labor and raw material shortages, price fluctuations and supply chain constraints could delay or increase the cost of home construction or land development, which could materially and adversely affect us.**

The residential construction industry experiences labor and raw material shortages from time to time, including shortages in qualified subcontractors and trades people and supplies of materials such as insulation, drywall, cement, steel and lumber. These labor and raw material shortages can be more severe during periods of strong demand for housing, during periods following natural disasters that have a significant impact on existing residential and commercial structures or as a result of broader economic disruptions. In addition, pricing for labor and raw materials can be affected by the factors discussed above and various other national, regional, local, economic and political factors, including changes in immigration laws or their enforcement, trends in labor migration and tariffs. For example, the federal government has imposed, and may propose in the future, new or increased tariffs or duties on an array of imported materials and goods that are used in connection with the construction and delivery of our homes, including lumber, raising our costs for these items (or products made with them). Such government-imposed tariffs and trade regulations on imported building supplies, and retaliatory measures by the United States or other countries, may in the future have significant impacts on the cost to construct our homes and on our customers' budgets, including by causing disruptions or shortages in our supply chain. In April 2025, the federal government announced a baseline tariff of 10% on products imported from all countries and an additional individualized reciprocal tariff on the countries with which the United States has the largest trade deficits. Many of these reciprocal tariffs went into effect in August 2025. Also in August 2025, however, the U.S. Court of Appeals for the Federal Circuit ruled that many of the tariffs imposed by the federal government exceed presidential authority and therefore are invalid, though the decision has been stayed pending U.S. Supreme Court review. This ruling introduces additional uncertainty as to the scope and durability of existing and future tariff measures. Increased tariffs by the United States have led, and may continue to lead, to the imposition of retaliatory tariffs by foreign

jurisdictions. Additionally, the federal government has announced and rescinded multiple tariffs on several foreign jurisdictions, which has increased uncertainty regarding the ultimate effect of the tariffs on economic conditions. We cannot predict what changes to trade policy will be made by the current presidential administration, the U.S. Congress or other governments, including whether existing tariff policies will be maintained or modified or whether the entry into new bilateral or multilateral trade agreements will occur, nor can we predict the effects that any such changes would have on our business. We have also experienced labor shortages, price fluctuations and increased labor costs, including as a result of inflation or wage increases, particularly over the past few years, despite moderation in the rate of inflation during 2025, due to historic inflation rates in the United States. It is uncertain whether these conditions will continue as is, improve or worsen. Further, our success in recently-entered markets or those we may choose to enter in the future depends substantially on our ability to source labor and local materials on terms that are favorable to us. Our markets may exhibit a reduced level of skilled labor relative to increased homebuilding demand in these markets. In the event of shortages in labor or raw materials in such markets, local subcontractors, trades people and suppliers may choose to allocate their resources to homebuilders with an established presence in the market and with whom they have longer-standing relationships. Labor and raw material shortages, price increases for labor and raw materials and supply chain constraints could cause delays in and increase our costs of home construction or land development, which in turn could have a material adverse effect on our business, prospects, liquidity, financial condition, and results of operations.

**Our business and results of operations are dependent on the availability, skill and performance of subcontractors.**

We engage subcontractors to perform the construction of our homes and the development of our raw land and, in many cases, to select and obtain the raw materials used for such work. Accordingly, the timing and quality of our construction depend on the availability and skill of our subcontractors. We do not have long-term contractual commitments with any subcontractors, and we can provide no assurance that skilled subcontractors will be available at reasonable rates and in our markets. In addition, as we expand into new markets, we typically must develop new relationships with subcontractors in such markets, and there can be no assurance that we will be able to do so in a cost-effective and timely manner, or at all. The inability to contract with skilled subcontractors at reasonable rates on a timely basis could have a material adverse effect on our business, prospects, liquidity, financial condition, and results of operations.

Despite our quality control and job site safety efforts, we may discover from time to time that our subcontractors have engaged in improper construction or safety practices or have installed defective materials in our homes or subdivisions. When we discover these issues, we typically utilize our subcontractors to repair the defects. The adverse costs of repairing such defects or satisfying our warranty and other legal obligations in these instances may be significant and we may be unable to recover the costs from subcontractors, suppliers and insurers, which could have a material adverse impact on our business, prospects, liquidity, financial condition, and results of operations. We may also suffer reputational damage, and may be exposed to potential liability, from the actions of subcontractors or their failure to comply with applicable laws, including matters that are beyond our control. Attempts at mitigation may not be successful, and we could be subject to claims relating to actions of, or matters relating to, our subcontractors.

**If we are unable to develop our communities successfully or within expected time-frames, our results of operations could be adversely affected.**

Before a community generates any revenue, time and material expenditures are required to acquire land, obtain development approvals and construct significant portions of project infrastructure, amenities and sales facilities. It can take several years from the time we acquire control of an undeveloped property to the time we make our first home sale on the site. Delays in the development of communities, including delays associated with subcontractors performing the development activities or entitlements, labor and raw material shortages or supply chain disruptions, expose us to the risk of changes in market conditions for homes. A decline in our ability to develop and market more than one of our new undeveloped communities successfully and to generate positive cash flow from these operations in a timely manner could have a material adverse effect on our business and results of operations and on our ability to service our debt and to meet our working capital requirements. In addition, higher than expected absorption rates in existing communities may result in lower than expected inventory levels until the development for replacement communities is completed. In the event that closings experienced are less than originally anticipated, adjustments are made to development schedules, operating expenses and staffing that offset lower absorptions.

**We are subject to warranty and liability claims arising in the ordinary course of business that can be significant.**

As a homebuilder and developer, we are subject to construction defect, product liability and home and other warranty claims arising in the ordinary course of business. These claims are common to the homebuilding industry and can be costly. There can be no assurance that any developments we undertake or homes we build will be free from defects once completed, and any defects attributable to us may lead to significant contractual or other liabilities. We rely on subcontractors to perform the construction of our homes and the development of our communities and, in some cases, to select and obtain building materials. Although we provide subcontractors with detailed specifications and perform quality control procedures,

subcontractors may, in some cases, use improper construction processes or defective materials. Defective products used during construction or defective construction of our homes or communities can result in the need to perform extensive repairs. The cost of performing such repairs, or litigation arising out of such issues, may be significant if we are unable to recover the costs from subcontractors, suppliers and/or insurers. Warranty and construction defect matters can also result in negative publicity, including on social media outlets, which could damage our reputation and negatively affect our ability to sell homes.

We maintain, and, other than in California, we require our subcontractors to maintain, general liability insurance (including construction defect and bodily injury coverage) and workers' compensation insurance and generally seek to require our subcontractors to indemnify us for liabilities arising from their work. While these insurance policies, subject to deductibles and other coverage limits, and indemnities protect us against a portion of our risk of loss from claims related to our land development and homebuilding activities, we cannot provide assurance that these insurance policies and indemnities will be adequate to address all our home and other warranty, product liability and construction defect claims in the future, or that any potential inadequacies will not have an adverse effect on our business, financial condition or results of operations. Further, the coverage offered by, and the availability of, general liability insurance for completed operations and construction defects are currently limited and costly. We cannot provide assurance that coverage will not be further restricted, increasing our risks and financial exposure to claims, and/or become costlier.

**We could be adversely affected by efforts to impose joint employer liability on us for labor law violations committed by our subcontractors.**

Our homes are constructed by employees of subcontractors and other third parties. We do not have the ability to control what these parties pay their employees or the rules they impose on their employees. However, various governmental agencies have taken actions to hold parties like us responsible for violations of wage and hour laws and other labor laws by subcontractors. Governmental rulings that hold us responsible for labor practices by our subcontractors could create substantial exposures for us under our subcontractor relationships, which could have a material adverse impact on our business, prospects, liquidity, financial condition, and results of operations.

**We may be unable to obtain suitable bonding for the development of our housing projects.**

We are often required to provide bonds, letters of credit or guarantees to governmental authorities and others to ensure the completion of our projects. As a result of market conditions, some surety providers have been reluctant to issue new bonds and providers may require credit enhancements, such as cash deposits or letters of credit, in order to maintain existing bonds or to issue new bonds. If we are unable to obtain required bonds in the future for our projects, or if we are required to provide credit enhancements with respect to our current or future bonds or in place of bonds, our business, prospects, liquidity, financial condition, and results of operations could be materially and adversely affected.

**Poor relations with the residents of our communities could negatively impact sales, which could cause our revenues or results of operations to decline.**

Residents of communities we develop rely on us to resolve issues or disputes that may arise in connection with the operation or development of their communities. Efforts made by us to resolve these issues or disputes could be deemed unsatisfactory by the affected residents and subsequent actions by these residents could adversely affect our sales or our reputation. In addition, we could be required to make material expenditures related to the settlement of such issues or disputes or to modify our community development plans, which could adversely affect our results of operations.

**A major health and safety incident relating to our business could be costly in terms of potential liabilities and reputational damage.**

Building sites are inherently dangerous, and operating in the homebuilding and land development industry poses certain inherent health and safety risks, including exposure to hazardous substances. Due to health and safety regulatory requirements and the number of projects we work on, health and safety performance is critical to the success of all areas of our business.

Any failure in health and safety performance on our building sites, whether by us or a subcontractor, may result in penalties for non-compliance with relevant regulatory requirements or litigation, and a failure that results in a major or significant health and safety incident is likely to be costly in terms of potential liabilities incurred as a result. Such a failure could generate significant negative publicity and have a corresponding impact on our reputation and our relationships with relevant regulatory agencies, governmental authorities and local communities, which in turn could have a material adverse effect on our business, prospects, liquidity, financial condition, and results of operations.

**Any joint venture investments that we make could be adversely affected by our lack of sole decision making authority, our reliance on the financial condition of our joint venture partners and disputes between us and our joint venture partners.**

We have two equity-method real estate joint ventures and four additional joint ventures engaged primarily to provide services, such as mortgage and insurance, to our homebuyers. We may co-invest in the future with third parties through other partnerships, joint ventures or other entities, acquiring non-controlling interests in or sharing responsibility for managing the affairs of a land acquisition and/or a development. In this event, we would not be in a position to exercise sole decision-making authority regarding the acquisition and/or development, and our investment may be illiquid due to our lack of control. Investments in partnerships, joint ventures, or other entities may, under certain circumstances, involve risks not present were a third-party not involved, including the possibility that our joint venture partners might become bankrupt, fail to fund their share of required capital contributions, make poor business decisions or block or delay necessary decisions. Our joint venture partners may have economic or other business interests or goals which are inconsistent with our business interests or goals and may be in a position to take actions contrary to our policies or objectives. Such investments may also have the potential risk of impasses on decisions, such as a sale, because neither we nor our joint venture partners would have full control over the land acquisition or development. Disputes between us and our joint venture partners may result in litigation or arbitration that would increase our expenses and prevent our officers and/or directors from focusing their time and effort on our business. In addition, we may in certain circumstances be liable for the actions of our joint venture partners.

In addition, our LGI Mortgage Solutions joint venture involves additional risks associated with the mortgage brokerage business. The mortgage brokerage business is competitive, and competitors include mortgage lenders, such as national, regional and local mortgage banks and other financial institutions. Some of these competitors are subject to fewer governmental regulations and have greater access to capital than our joint venture does, and some of them may operate with different criteria than our joint venture does. These competitors may offer a broader or more attractive array of financing and other products and services to potential customers than our joint venture does. For these reasons, our joint venture may not be able to compete effectively in the mortgage brokerage business. Further, the mortgage brokerage business is subject to numerous federal, state and local laws and regulations, which, among other things: prohibit discrimination and establish underwriting guidelines; provide for audits and inspections; require appraisals and/or credit reports on prospective borrowers and disclosure of certain information concerning credit and settlement costs; establish maximum loan amounts; prohibit predatory lending practices; and regulate the referral of business to affiliated entities. The regulatory environment for mortgage lending is complex and ever changing and has led to an increase in the number of audits, examinations and investigations in the industry. The 2008 housing downturn resulted in numerous changes in the regulatory framework of the financial services industry. Any changes or new enactments could result in more stringent compliance standards, which could adversely affect our financial condition, and results of operations and the market perception of our business. Additionally, if we are unable to originate mortgages for any reason going forward, such as a cyberattack on our joint venture partners, our customers may experience significant mortgage loan funding issues, which could have a material impact on our homebuilding business and our consolidated financial statements.

**Our business could be materially and adversely disrupted by an epidemic, pandemic or similar public health threat.**

An epidemic, pandemic or similar serious public health issue, and the measures undertaken by governmental authorities to address it, could significantly disrupt or prevent us from operating our business in the ordinary course for an extended period, and thereby, along with any associated economic and social instability or distress, have a material adverse impact on our business, financial condition, results of operations, cash flows, strategies or prospects. For instance, the COVID-19 pandemic, at its peak, resulted in federal, state and local governments imposing varying degrees of restrictions on business and social activities to contain COVID-19. To the extent that an epidemic, pandemic or similar public health threat adversely impacts our business, results of operations, liquidity or financial condition, it may also have the effect of increasing many of the other risks described in this “Risk Factors” section. There is no guarantee that a future outbreak of any widespread epidemics or pandemics will not occur, or that the U.S. economy will fully recover therefrom, either of which could materially and adversely affect our business.

**Strategic and Financial Risks**

**We cannot make any assurances that our growth or expansion strategies will be successful or not expose us to additional risks.**

We have expanded our business through selected investments in new geographic markets and by diversifying our products in certain markets. Investments in land, finished lots, home inventories and rental properties can expose us to risks of economic loss and inventory impairments if housing conditions weaken or we are unsuccessful in implementing our growth strategies.

We may develop communities in which we build town homes or other multi-family homes in addition to single-family homes, sell acreage home sites as a part of the development, sell homes to investors or portfolio management companies, or

develop commercial properties that may be complementary to our communities. We might acquire another homebuilder or developer in order to accomplish our growth or expansion strategies. We can give no assurance that we will be able to successfully identify, acquire or implement these new strategies in the future. Accordingly, any such expansion, including through acquisitions, could expose us to significant risks, beyond those associated with operating our existing business, including understanding and complying with the laws and regulations of new jurisdictions, diversion of our management's attention from ongoing business concerns, difficulties in integrating an acquired business, and incurrence of unanticipated liabilities and expenses and may materially adversely affect our business, prospects, liquidity, financial condition, and results of operations.

**We may incur a variety of costs to engage in future growth or expansion of our operations, including through add-on acquisitions, and the anticipated benefits may never be realized.**

We intend to grow our operations in existing markets, and we may expand into new markets or pursue opportunistic purchases of other homebuilders on attractive terms as, and if, such opportunities arise. We may be unable to achieve the anticipated benefits of any such growth or expansion, including through add-on acquisitions or through efficiencies that we may be unable to achieve, the anticipated benefits may take longer to realize than expected or we may incur greater costs than expected in attempting to achieve the anticipated benefits. In such cases, we will likely need to employ additional personnel or consultants that are knowledgeable of such markets. There can be no assurance that we will be able to employ or retain the necessary personnel to successfully implement a disciplined management process and culture with local management, that our expansion operations will be successful, that we will be able to successfully integrate any acquired homebuilder or that we will be able to achieve any expected synergies. This could disrupt our ongoing operations and divert management resources that would otherwise focus on developing our existing business. Accordingly, any such expansion could expose us to significant risks beyond those associated with operating our existing business and may adversely affect our business, prospects, liquidity, financial condition, and results of operations.

**We are a holding company, and we are accordingly dependent upon distributions from our subsidiaries to service our debt and pay dividends, if any, taxes and other expenses.**

We are a holding company and have no material assets other than our ownership of membership interests or limited partnership interests in our subsidiaries. We have no independent means of generating revenue. We intend to cause our subsidiaries to make distributions to their members in an amount sufficient to cover all applicable taxes payable and dividends, if any, declared by us. Our ability to service our debt depends on the results of operations of our subsidiaries and upon the ability of such subsidiaries to provide us with cash, whether in the form of dividends, loans or other distributions, to pay amounts due on our obligations. Future financing arrangements may contain negative covenants that limit the ability of our subsidiaries to declare or pay dividends or make distributions. Our subsidiaries are separate and distinct legal entities; to the extent that we need funds, and our subsidiaries are restricted from declaring or paying such dividends or making such distributions under applicable law or regulations, or are otherwise unable to provide such funds (for example, due to restrictions in future financing arrangements that limit the ability of our operating subsidiaries to distribute funds), our liquidity and financial condition could be materially harmed.

## **Organization and Structure Risks**

**We depend on key management personnel and other experienced employees.**

Our success depends to a significant degree upon the contributions of certain key management personnel, including, but not limited to, Eric Lipar, our Chief Executive Officer and Chairman of the Board. Although we have entered into an employment agreement with Mr. Lipar, there is no guarantee that Mr. Lipar will remain employed by us. Our ability to retain our key management personnel or to attract suitable replacements should any members of our management team leave is dependent on the competitive nature of the employment market. The loss of services from key management personnel or a limitation in their availability could materially and adversely impact our business, prospects, liquidity, financial condition, and results of operations. Further, such a loss could be negatively perceived in the capital markets. We have not obtained key man life insurance that would provide us with proceeds in the event of the death or disability of any of our key management personnel.

Experienced employees in the homebuilding, land acquisition, development, and construction industries are fundamental to our ability to generate, obtain and manage opportunities. In particular, local knowledge and relationships are critical to our ability to source attractive land acquisition opportunities. Experienced employees working in the homebuilding, development and construction industries are highly sought after. Failure to attract and retain such personnel or to ensure that their experience and knowledge is not lost when they leave the business through retirement, redundancy or otherwise may adversely affect the standards of our service and may have an adverse impact on our business, prospects, liquidity, financial condition, and results of operations.

**Termination of the employment agreement with our Chief Executive Officer could be costly and prevent a change in control of our company.**

The employment agreement with our Chief Executive Officer, Eric Lipar, provides that if his employment with us terminates under certain circumstances, we may be required to pay him a significant amount of severance compensation, thereby making it costly to terminate his employment. Furthermore, these provisions could delay or prevent a transaction or a change in control of our company that might involve a premium paid for shares of our common stock or otherwise be in the best interests of our stockholders, which could adversely affect the market price of our common stock.

**We expect to use leverage in executing our business strategy, which may adversely affect the return on our assets.**

We expect to employ prudent levels of leverage to finance the acquisition and development of our lots and construction of our homes. Our existing indebtedness is recourse to us, and we anticipate that future indebtedness will likewise be recourse. As of December 31, 2025, we had a \$1.1825 billion revolving credit facility under the Credit Agreement to finance our construction and development activities. As of December 31, 2025, we had outstanding borrowings of \$527.6 million under the Credit Agreement and we could borrow an additional \$273.6 million under the Credit Agreement. As of December 31, 2025, borrowings under the Credit Agreement bore interest at a rate of the Secured Overnight Financing Rate (“SOFR”) plus 1.85% per annum. In addition, as of December 31, 2025, we had outstanding \$400.0 million aggregate principal amount of the 2028 Senior Notes (as defined herein), \$300.0 million aggregate principal amount of the 2029 Senior Notes (as defined herein), \$400.0 million aggregate principal amount of the 2032 Senior Notes (as defined herein) and \$50.0 million total borrowings under the LGI Living Loan Agreement (as defined herein).

The Board will consider a number of factors when evaluating our level of indebtedness and when making decisions regarding the incurrence of new indebtedness, including the purchase price of assets to be acquired with debt financing, if any, the estimated market value of our assets and the ability of particular assets, and our company as a whole, to generate cash flow to cover the expected debt service. As a means of sustaining our long-term financial health and limiting our exposure to unforeseen dislocations in the debt and financing markets, we currently expect to remain conservatively capitalized. However, our certificate of incorporation does not contain a limitation on the amount of indebtedness we may incur, and the Board may change our target debt levels at any time without the approval of our stockholders.

Incurring substantial indebtedness could subject us to many risks that, if realized, would adversely affect us, including the risk that:

- our cash flow from operations may be insufficient to make required payments of principal of and interest on the debt, which is likely to result in acceleration of such indebtedness;
- our indebtedness may increase our vulnerability to adverse economic and industry conditions with no assurance that our profitability will increase with higher financing cost;
- we may be required to dedicate a portion of our cash flow from operations to payments on our indebtedness, thereby reducing funds available for operations and capital expenditures, future investment opportunities or other purposes; and
- the terms of any refinancing may not be as favorable as the terms of the indebtedness being refinanced.

If we do not have sufficient funds to repay our indebtedness at maturity, it may be necessary to refinance the indebtedness through additional debt or additional equity financings. If, at the time of any refinancing, prevailing interest rates or other factors result in higher interest rates on refinancing, increases in interest expense could adversely affect our cash flows and results of operations. If we are unable to refinance our indebtedness on acceptable terms, we may be forced to dispose of our assets on disadvantageous terms, potentially resulting in losses. To the extent we cannot meet any future debt service obligations, we will risk losing some or all of our assets that may be pledged to secure our obligations to foreclosure. Unsecured debt agreements may contain specific cross-default provisions with respect to specified other indebtedness, giving the unsecured lenders the right to declare a default if we are in default under other indebtedness in some circumstances. Defaults under the Credit Agreement and our other debt agreements, if any, could have a material adverse effect on our business, prospects, liquidity, financial condition, and results of operations.

**Our current financing arrangements contain, and our future financing arrangements likely will contain, restrictive provisions, performance obligations and penalties.**

Our current financing agreements contain, and the financing arrangements we enter into in the future likely will contain, provisions that limit our ability to do certain things. In particular, the Credit Agreement requires us to maintain (i) a tangible net worth of not less than \$1.512 billion plus 50% of the net proceeds of equity issuances after December 31, 2024 plus 50.0% of our positive consolidated earnings after taxes for each fiscal quarter ended after December 31, 2024, (ii) a leverage ratio of not greater than (a) from the period beginning on August 1, 2025 and ending December 31, 2026 (or, if we provide written notice to the administrative agent, on such earlier date as we specify in the notice) (the “Specified Covenant Termination Date”), 55.0%,

and (b) after the Specified Covenant Termination Date, 60.0%, (iii) liquidity of at least \$100.0 million and (iv) a ratio of EBITDA to interest expense for the most recent four quarters of at least (a) from the period beginning on August 1, 2025 and ending on the Specified Covenant Termination Date, 1.15 to 1.00, and (b) after the Specified Covenant Termination Date, 1.50 to 1.00. The Credit Agreement contains various covenants that, among other restrictions, limit the amount of our additional debt and our ability to make certain investments.

If we fail to meet or satisfy any of these provisions, we would be in default under the Credit Agreement and our lenders could elect to declare outstanding amounts due and payable, terminate their commitments, require the posting of additional collateral and enforce their respective interests against existing collateral. A default also could limit significantly our financing alternatives, which could cause us to curtail our investment activities and/or dispose of assets when we otherwise would not choose to do so. In addition, future indebtedness may contain financial covenants limiting our ability to, for example, incur additional indebtedness, make certain investments, reduce liquidity below certain levels, pay dividends to our stockholders and repurchase shares of our common stock, and otherwise affect our operating policies. If we default on one or more of our debt agreements, it could have a material adverse effect on our business, prospects, liquidity, financial condition, and results of operations.

In addition, the LGI Living Loan Agreement is unconditionally guaranteed as to payment and performance by the Company under a limited recourse guaranty with respect to (i) certain losses and liabilities to the extent such losses or liabilities are actually incurred by the lender and (ii) the entire amount of the loan upon the occurrence of certain events. The LGI Living Loan Agreement requires that the Company maintain, as guarantor, (i) liquidity of not less than 15% of the loan amount and (ii) maintain net worth in excess of 50% of the loan amount.

The LGI Living Loan Agreement is unconditionally guaranteed as to payment and performance by LGI Living - ER FIN, LLC, as the direct owner of the equity interests in LGI Living SFR, but recourse under such guaranty is limited to LGI Living - ER FIN, LLC's equity interests in LGI Living SFR, which are pledged as collateral for the loan. The loan is also secured by a security interest in all assets of LGI Living SFR, including a mortgage lien on certain of LGI Living SFR's real property. The LGI Living Loan Agreement includes certain restrictive covenants that may limit LGI Living SFR's ability to, among other things, incur additional indebtedness or make certain investments. The LGI Living Loan Agreement contains representations and warranties, affirmative covenants, and events of default, all of which we believe are customary for special purpose subsidiary real estate secured loan agreements. If an event of default exists under the LGI Living Loan Agreement, the lender will be able to accelerate the maturity of the loan and exercise other rights and remedies.

In addition, we have several land banking financing arrangements with a third-party land banker to repurchase land that we sold to the land banker as a method of acquiring finished lots in staged takedowns. While we are not legally obligated to purchase the balance of the lots, we are subject to certain performance obligations, financial and other penalties if the lots are not purchased. We do not have any ownership interest or title to the assets that we have sold to the land banker and we do not guarantee any of the land banker's liabilities.

**Interest expense on debt we incur may limit our cash available to fund our growth strategies.**

As of December 31, 2025, we had total outstanding borrowings of \$527.6 million under the Credit Agreement, and we could borrow an additional \$273.6 million under the Credit Agreement. As of December 31, 2025, borrowings under the Credit Agreement bore interest at a rate of SOFR plus 1.85% per annum. As of December 31, 2025, the total amount of borrowings outstanding under the LGI Living Loan Agreement was \$50.0 million. The loan matures on July 8, 2030 and bears interest at a rate of 6.433% per annum, which may be adjusted in connection with an increase in the amount of the loan. In addition, as of December 31, 2025, we had outstanding \$400.0 million aggregate principal amount of the 2028 Senior Notes, which bear interest at a fixed rate of 8.750%, \$300.0 million aggregate principal amount of the 2029 Senior Notes, which bear interest at a fixed rate of 4.000%, and \$400.0 million aggregate principal amount of the 2032 Senior Notes, which bear interest at a fixed rate of 7.000%. If our operations do not generate sufficient cash from operations at levels currently anticipated, we may seek additional capital in the form of debt financing. Our current indebtedness includes, and any additional indebtedness we subsequently incur may have, a floating rate of interest. Higher interest rates could increase debt service requirements on our current floating rate indebtedness and on any floating rate indebtedness we subsequently incur, and could reduce funds available for operations, future business opportunities or other purposes. If we need to repay existing indebtedness during periods of rising interest rates, we could be required to refinance our then-existing indebtedness on unfavorable terms or liquidate one or more of our assets to repay such indebtedness at times which may not permit realization of the maximum return on such assets and could result in a loss. The occurrence of either such event or both could materially and adversely affect our cash flows and results of operations.

**If we fail to implement and maintain an effective system of internal controls, we may not be able to accurately determine our financial results or prevent fraud. As a result, investors could lose confidence in our financial results, which could materially and adversely affect us.**

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. We may in the future discover areas of our internal controls that need improvement. We cannot be certain that we will be successful in maintaining adequate internal control over our financial reporting and financial processes. Additionally, the existence of any material weakness or significant deficiency would require management to devote significant time and incur significant expense to remediate any such material weakness or significant deficiency and management may not be able to remediate any such material weakness or significant deficiency in a timely manner. The existence of any material weakness in our internal control over financial reporting could also result in errors in our financial statements that could require us to restate our financial statements, cause us to fail to meet our reporting obligations and cause investors to lose confidence in our reported financial information, all of which could materially and adversely affect us.

**We may change our operational policies, investment guidelines and our business and growth strategies without stockholder consent, which may subject us to different and more significant risks in the future.**

The Board will determine our operational policies, investment guidelines and our business and growth strategies. The Board may make changes to, or approve transactions that deviate from, those policies, guidelines and strategies without a vote of, or notice to, our stockholders. This could result in us conducting operational matters, making investments or pursuing different business or growth strategies than those contemplated in this Annual Report on Form 10-K. Under any of these circumstances, we may expose ourselves to different and more significant risks in the future, which could have a material adverse effect on our business, prospects, liquidity, financial condition, and results of operations.

**We participate in certain unconsolidated entities where we may be adversely impacted by the failure of the limited partnership or joint venture or its participants to fulfill their obligations.**

We currently participate through two equity-method real estate joint ventures and four additional joint ventures as a limited partner and with independent third parties in which we do not have a controlling interest. As of December 31, 2025 and 2024, we have contributed a total of \$21.2 million and \$28.3 million, respectively, within other assets on the balance sheet relating to our investment in joint ventures associated with our operations. Contributions into these unconsolidated entities are used by the entities to invest in certain real estate transactions and residential mortgage services, respectively.

As a result of not having a controlling interest in these entities, we have limited influence over decisions made with regard to these entities and are not able to require these entities or their participants to honor their obligations. If these entities or their participants do not honor their obligations, we may be required to expend additional resources or suffer losses of our investments in these entities.

## **General Risk Factors**

**Failure to comply with laws and regulations may adversely affect us.**

We are required to comply with laws and regulations governing many aspects of our business, such as land acquisition and development, home construction and sales, and employment practices. Despite our oversight, contractual protections, and other mitigation efforts, our employees or subcontractors could violate some of these laws or regulations, as a result of which we may incur fines, penalties or other liabilities, which could be significant, and our reputation with governmental agencies, customers, vendors or suppliers could be damaged.

**We are subject to litigation, arbitration or other claims, which could materially and adversely affect us.**

We are subject to litigation and we may in the future be subject to enforcement actions, such as claims relating to our operations, securities offerings and otherwise in the ordinary course of business. Some of these claims may result in significant defense costs and potentially significant judgments against us, some of which are not, or cannot be, insured against. Although we have established warranty, claim and litigation reserves that we believe are adequate, we cannot be certain of the ultimate outcomes of any claims that may arise in the future, and legal proceedings may result in the award of substantial damages against us beyond our reserves. Resolution of these types of matters against us may result in our having to pay significant fines, judgments, or settlements, which, if uninsured or in excess of insured levels, could adversely impact our earnings and cash flows, thereby materially and adversely affecting us. Furthermore, plaintiffs may in certain of these legal proceedings seek class action status with potential class sizes that vary from case to case. Class action lawsuits can be costly to defend, and if we were to lose any certified class action suit, it could result in substantial liability for us. Certain litigation or the resolution thereof may affect the availability or cost of some of our insurance coverage, which could materially and adversely impact us, expose us to increased risks that would be uninsured, and materially and adversely impact our ability to attract directors and officers.

**Negative publicity could adversely affect our reputation as well as our business, financial results and stock price.**

Our reputation and brand are critical to our success. Unfavorable media related to our industry, company, brands, marketing, personnel, operations, business performance, or prospects may affect our stock price and the performance of our business, regardless of its accuracy or inaccuracy. The speed at which negative publicity can be disseminated has increased dramatically with the capabilities of electronic communication, including social media outlets, websites, blogs, newsletters, and other digital platforms. Our success in maintaining, extending and expanding our brand image depends on our ability to adapt to this rapidly changing media environment. Adverse publicity or negative commentary from any media outlet could damage our reputation and reduce the demand for our homes, as well as cause us to incur additional legal and audit costs, which would adversely affect our business.

**Information system failures, cyber incidents or breaches in security could adversely affect us.**

We rely on accounting, financial, operational, management and other information systems, including the Internet and third-party hosted services, to conduct our operations, store personal data and sensitive data, process financial information and results of operations for internal reporting purposes and comply with financial reporting, legal and tax requirements. Our information systems, and those of our business partners, vendors and service providers, are subject to damage or interruption from power outages; computer and telecommunication failures; computer viruses; security breaches, including due to malware and phishing; cyberattacks, such as denial-of-service or ransomware attacks; natural disasters; usage errors by employees and other related risks. In addition, cybersecurity risk is exacerbated with the advancement of technologies like artificial intelligence, which malicious third parties are using to create new, sophisticated and more frequent attacks. Any cyber incident, attack, breach or other disruption or failure in these information systems, or other systems or infrastructure upon which they rely, could adversely affect our ability to conduct our business and could have a material adverse effect on our business, prospects, liquidity, financial condition, and results of operations. Furthermore, any failure or security breach of information systems or data could result in diversion of management or work force attention; increased costs required to prevent, respond to or mitigate an incident; a violation of applicable privacy, data security, or other laws; significant legal and financial exposure; damage to our reputation; or a loss of confidence in our security measures which could have a material adverse effect on our business, prospects, liquidity, financial condition, and results of operations. We have been the target of a number of unsuccessful cyberattacks, and we expect these attacks to continue into the foreseeable future. We have employed administrative, physical and technical controls and processes to mitigate these types of risks and help protect our information systems, including appointing dedicated personnel responsible for overseeing the Company's information security posture, maintaining a suite of information security policies, providing routine employee cyber and information security training, and conducting third-party assessments. In addition, our technical safeguards are designed to provide multiple, redundant safeguards to protect against exploitation of a vulnerability that may arise or if a security control fails. Although we have implemented these safeguards, systems and processes intended to secure our information systems, there can be no assurance that our efforts to maintain the security and integrity of our information systems will be effective or that future attempted security breaches or disruptions would not be successful or damaging.

Beyond our service providers, we depend on third parties to handle certain processes required to complete land purchases and home closings, including title insurers and escrow/settlement companies. Third parties, as well as independent mortgage lenders and other firms involved in real property transactions, could experience their own cybersecurity incidents or IT resource failures that disrupt or prevent their performance of necessary real estate transaction services. For example, in late 2023, the third-party lender in our mortgage solutions joint venture identified a cybersecurity incident that included unauthorized third-party access to its systems. Such cybersecurity incidents or IT resource failures could significantly disrupt our ability to close on land transactions or our customers' ability to close on their homes, as well as our production schedules and delivery forecasts, and could have a material impact on our operations or consolidated financial statements, including by causing home sales contract cancellations.

**We may suffer uninsured losses or material losses in excess of insurance limits.**

We could suffer physical damage to property or sustain liabilities resulting in losses that may not be fully recoverable by insurance. Insurance against certain types of risks, such as terrorism, earthquakes, floods or personal injury claims, may be unavailable, available in amounts that are less than the full market value or replacement cost of investment or underlying assets or subject to a large deductible or self-insurance retention amount. In addition, there can be no assurance that certain types of risks that are currently insurable will continue to be insurable on an economically feasible basis. Should an uninsured loss or a loss in excess of insured limits occur or be subject to deductibles or self-insurance retention, we could sustain financial loss or lose capital invested in the affected property, as well as anticipated future income from that property. Furthermore, we could be liable to repair damage or meet liabilities caused by risks that are uninsured or subject to deductibles. We may also be liable for any debt or other financial obligations related to affected property.

**Our business is subject to complex and evolving U.S. laws and regulations regarding privacy and data security.**

As part of our normal business activities, we collect, process and store certain information, including information specific to homebuyers, customers, employees, vendors and suppliers. We may share some of this information with third parties who

assist us with certain aspects of our business. Privacy and data security have become significant issues and the subject of rapidly evolving regulation in the United States. Furthermore, federal, state and local government bodies or agencies have in the past adopted, and may in the future adopt, more laws and regulations affecting data privacy. Such laws and regulations governing data privacy and the unauthorized disclosure of personal information, such as the California Privacy Rights Act (CPRA), may significantly impact our business activities and require substantial compliance costs, which could have a material adverse effect on our business, prospects, liquidity, financial condition, and results of operations.

Any actual or perceived failure by us to adequately address privacy and data security concerns or comply with applicable privacy and data security laws, regulations and policies could result in proceedings or actions against us by governmental entities or others; subject us to significant fines, penalties, judgments and negative publicity; require us to change our business practices; increase the costs and complexity of compliance; and adversely affect our business. If we are not able to adjust to changing laws, regulations and standards relating to privacy or data security, our business may be materially harmed. As noted above, we are also subject to the possibility of cyber incidents or attacks, which themselves may result in a violation of these privacy and data security laws. Additionally, if we acquire a company that has violated or is not in compliance with applicable privacy and data security laws, we may incur significant liabilities and penalties as a result.

**Acts of war or terrorism may seriously harm our business.**

Acts of war, any outbreak or escalation of hostilities between the United States and any foreign power, acts of terrorism, political uncertainty or conflicts, such as the conflict between Russia and Ukraine and the conflict in the Middle East, or civil unrest may cause disruption to the U.S. economy, or the local economies of the markets in which we operate, cause shortages of building materials, increase costs associated with obtaining building materials, result in building code changes that could increase costs of construction, result in uninsured losses, affect job growth and consumer confidence, or cause economic changes that we cannot anticipate, all of which could reduce demand for our homes and adversely impact our business, prospects, liquidity, financial condition, and results of operations.

While we do not have any customer or direct supplier relationships in any of the foreign countries or regions involved in the current military conflicts, such conflicts and any related sanctions, export controls or actions that may be initiated by nations (*e.g.*, potential cyberattacks, disruption of energy flows, etc.) and other potential uncertainties could adversely affect our supply chain by causing shortages or increases in costs for materials necessary to construct homes and/or increases to the price of gasoline and other fuels. In addition, such events could cause higher interest rates, inflation or general economic uncertainty, which could negatively impact our business partners, employees or customers, or otherwise adversely impact our business.

**Changes in accounting rules, assumptions and/or judgments could materially and adversely affect us.**

Accounting rules and interpretations for certain aspects of our financial reporting are highly complex and involve significant assumptions and judgment. These complexities could lead to a delay in the preparation and dissemination of our financial statements. Furthermore, changes in accounting rules and interpretations or in our accounting assumptions and/or judgments, such as those related to asset impairments, could significantly impact our financial statements. In some cases, we could be required to apply a new or revised standard retroactively, resulting in restating prior period financial statements. Any of these circumstances could have a material adverse effect on our business, prospects, liquidity, financial condition, and results of operations.

**Changing sentiments with respect to sustainability matters may impact our business, financial results or stock price.**

There have been changing sentiments with respect to corporate activities related to sustainability matters in public discourse and the investment community. A number of advocacy groups, both domestically and internationally, have campaigned for governmental and private action to promote change at public companies related to sustainability matters, including through the investment and voting practices of investment advisers, public pension funds, universities and other members of the investing community. These activities include increasing attention and demands for action related to climate change and promoting the use of energy saving building materials. A failure to comply with investor or customer expectations and standards, which are evolving, or if we are perceived to not have responded appropriately to the concern for sustainability issues, regardless of whether there is a legal requirement to do so, could also cause reputational harm to our business and could have a material adverse effect on us.

In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings systems for evaluating companies on their approach to sustainability matters. These ratings are used by some investors to inform their investment and voting decisions. Unfavorable sustainability ratings may lead to increased negative investor sentiment toward us and our industry and to the diversion of investment to other industries, which could have a negative impact on our stock price and our access to and costs of capital.

In recent years, certain stakeholders and regulators have also proposed or enacted “anti-sustainability” policies, legislation or initiatives. This divergence in stakeholder expectations could expose us to reputational risks and potentially disrupt relationships with certain stakeholders.

Climate change is a focus of both the SEC and investors. In March 2024, the SEC adopted a set of rules that require a wide range of climate-related disclosures, including material climate-related risks. These rules were subsequently challenged in court, and the SEC stayed their effectiveness pending judicial review. In March 2025, the SEC withdrew its defense of these rules, although if they become effective, they would require public companies to provide extensive climate-related disclosures. In September 2023, California passed climate-related rules requiring a wide range of climate-related disclosures. Multiple lawsuits have been filed challenging California’s climate-related disclosure rules. Compliance with these disclosure rules may be costly and subject the Company to criticism by regulators, investors, the media or other stakeholders for the accuracy, adequacy or completeness of its sustainability disclosures and could adversely impact the Company’s reputation and financial position.

**Access to financing sources may not be available on favorable terms, or at all, which could adversely affect our ability to maximize our returns.**

Our access to additional third-party sources of financing will depend, in part, on:

- general market conditions;
- the market’s perception of our growth potential;
- with respect to acquisition and/or development financing, the market’s perception of the value of the land parcels to be acquired and/or developed;
- our current debt levels;
- our current and expected future earnings;
- our cash flow; and
- the market price per share of our common stock.

The global credit and equity markets and the overall economy can be extremely volatile, which could have a number of adverse effects on our operations and capital requirements. The domestic financial markets have in the past experienced a high degree of volatility, uncertainty and, during certain periods, tightening of liquidity in both the high yield debt and equity capital markets, resulting in certain periods where new capital has been both more difficult and more expensive to access. If we are unable to access the credit markets, we could be required to defer or eliminate important business strategies and growth opportunities in the future. In addition, if there is prolonged volatility and weakness in the capital and credit markets, potential lenders may be unwilling or unable to provide us with financing that is attractive to us or may increase collateral requirements or may charge us prohibitively high fees in order to obtain financing. Consequently, our ability to access the credit market in order to attract financing on reasonable terms may be adversely affected. Investment returns on our assets and our ability to make acquisitions could be adversely affected by our inability to secure additional financing on reasonable terms, if at all.

Depending on market conditions at the relevant time, we may have to rely more heavily on additional equity financings or on less efficient forms of debt financing that require a larger portion of our cash flow from operations, thereby reducing funds available for our operations, future business opportunities and other purposes. We may not have access to such equity or debt capital on favorable terms at the desired times, or at all.

**Cautionary Statement about Forward-Looking Statements**

From time to time we make statements concerning our expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are not historical facts. These statements are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those expressed or implied by these statements. You can generally identify our forward-looking statements by the words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “may,” “objective,” “plan,” “potential,” “predict,” “projection,” “should,” “will” or other similar words.

We have based our forward-looking statements on our management’s beliefs and assumptions based on information available to our management at the time the statements are made. We caution you that assumptions, beliefs, expectations, intentions and projections about future events may, and often do, vary materially from actual results. Therefore, we cannot assure you that actual results will not differ materially from those expressed or implied by our forward-looking statements.

The following are some of the factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements:

- adverse economic changes either nationally or in the markets in which we operate, including, among other things, potential impacts from political uncertainty, civil unrest, increases in unemployment, volatility of mortgage interest rates, supply chain disruptions (including due to the conflict between Russia and Ukraine and the wide-ranging sanctions the United States and other countries have imposed or may further impose on Russian business sectors, financial organizations, individuals and raw materials and the conflict in the Middle East), inflation, the possibility of recession and decreases in housing prices;
- a slowdown in the homebuilding industry or changes in population growth rates in our markets;
- volatility and uncertainty in the credit markets and broader financial markets;
- elevated mortgage interest rates for prolonged periods, disruption in the terms or availability of mortgage financing or increase in the number of foreclosures in our markets;
- disruptions in global trade, including as a result of tariffs, trade restrictions, retaliatory trade measures or the effect of such actions on trading relationships between the United States and other countries;
- the cyclical and seasonal nature of our business;
- our future operating results and financial condition;
- our business operations;
- changes in our business and investment strategy;
- the success of our operations in recently opened new markets and our ability to expand into additional new markets;
- our ability to successfully extend our business model to building homes with higher price points, developing larger communities and producing and selling multi-unit products, town homes, wholesale products, and acreage home sites;
- our ability to develop our projects successfully or within expected timeframes;
- our ability to identify potential acquisition targets, close such acquisitions and realize the benefits of such acquisitions;
- increases in taxes or government fees;
- decline in the market value of our land portfolio;
- our ability to successfully integrate any acquisitions with our existing operations;
- availability of land to acquire and our ability to acquire such land on favorable terms or at all;
- availability, terms and deployment of capital and ability to meet our ongoing liquidity needs;
- decisions of the Credit Agreement lender group;
- the cost and availability of insurance and surety bonds;
- shortages of or increased prices for labor, land, or raw materials used in land development and housing construction, including due to tariffs or trade restrictions imposed by the U.S. government, and any effect on trading relationships between the United States and other countries;
- delays in land development or home construction resulting from natural disasters, adverse weather conditions or other events outside our control;
- uninsured losses in excess of insurance limits;
- our leverage and future debt service obligations;
- changes in, liabilities under, or the failure or inability to comply with, governmental laws and regulations, including environmental, privacy and security laws and regulations;
- the timing of receipt of regulatory approvals and the opening of projects;
- the degree and nature of our competition;
- information system failures, cyber incidents or breaches in security;
- our ability to retain our key personnel;
- the impact of an epidemic or pandemic and its effect on us, our business, customers, subcontractors and suppliers (including associated supply chain disruptions);
- negative publicity or poor relations with the residents of our projects;
- existing and future litigation, arbitration or other claims;
- availability of qualified personnel and third-party contractors and subcontractors;
- the impact on our business of any future U.S. government shutdown;

- other risks and uncertainties inherent in our business; and
- other factors we discuss under the section entitled “[Management’s Discussion and Analysis of Financial Condition and Results of Operations](#).”

You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement. We expressly disclaim any intent, obligation or undertaking to update or revise any forward-looking statements to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained in this Annual Report on Form 10-K.

#### **ITEM 1B. UNRESOLVED STAFF COMMENTS**

None.

#### **ITEM 1C. CYBERSECURITY**

##### **Risk Management and Strategy**

We have strategically integrated cybersecurity risk management into our broader risk management framework to promote a company-wide culture of cyber risk awareness. Our Vice President, Information Technology and our information technology group endeavor to evaluate and address cyber risks in alignment with our business objectives, operational needs, and industry-accepted standards, such as the National Institute of Standards and Technology (NIST) and Center for Internet Security (CIS) Critical Security Controls frameworks.

We have processes and procedures in place to monitor the prevention, detection, mitigation, and remediation of cybersecurity risks. These include but are not limited to:

- Maintaining a defined and practiced incident response plan;
- Employing appropriate incident prevention and detection safeguards;
- Maintaining a defined disaster recovery policy and employing disaster recovery software, where appropriate;
- Educating, training and testing our employees and user community on information security practices and identification of potential cybersecurity risks and threats; and
- Reviewing and evaluating new developments in the cyber threat landscape.

Recognizing the complexity and evolving nature of cybersecurity risk, we engage with a range of external support, including cybersecurity consultants, in evaluating, monitoring, and testing our cyber management systems and related cyber risks. Our collaboration with these third parties includes audits, threat and vulnerability assessments, company-wide monitoring of cybersecurity risks, and consultation on security enhancements.

We recognize the risks associated with the use of vendors, service providers, and other third parties that provide information system services to us, process information on our behalf, or have access to our information systems, and we have processes in place to oversee and manage these risks. We conduct annual and periodic assessments of these third-party engagements to evaluate compliance with our cybersecurity standards.

To our knowledge, we have not been subject to cybersecurity incidents that have materially affected, or are reasonably likely to materially affect, the Company, its operations or financial standing.

##### **Governance**

Our cybersecurity and risk management program is led by our Vice President of Information Technology, who has served in executive technology and cybersecurity leadership roles for over 20 years. She holds a Master of Science in Telecommunications Engineering & Management and is ITIL certified.

She oversees enterprise cybersecurity strategy, architecture, and operations across a nationwide organization, directing a team responsible for identifying, assessing, and mitigating cybersecurity risks on an ongoing basis. Her experience includes leading incident response efforts, implementing disaster recovery capabilities, modernizing enterprise networks, supporting regulatory audits, and achieving strong third-party penetration testing and phishing resilience results. This leadership supports the Company’s commitment to maintaining a secure, resilient, and well-governed technology environment.

Under her direction, the Company establishes and executes enterprise-wide cybersecurity strategy, governance, and risk management practices designed to protect the confidentiality, integrity, and availability of our systems and data. She leads a

dedicated team responsible for the continuous identification, assessment, and mitigation of cybersecurity threats and oversees incident response, disaster recovery, third-party security testing, and compliance with internal controls and audit requirements. Her oversight supports the Company's efforts to maintain a secure and resilient technology environment aligned with business objectives and regulatory expectations.

Our information technology group monitors the latest developments in cybersecurity, including emerging threats and innovative risk management techniques. We have implemented and oversee processes for the regular monitoring of our information systems. This includes the deployment of advanced security measures and regular system audits to identify potential vulnerabilities. In the event of a cybersecurity incident, we are equipped with a defined and practiced incident response plan, which includes immediate actions to mitigate the impact and long-term strategies for remediation and prevention of future incidents.

Our Board of Directors is responsible for overseeing our cyber risk. Our Vice President, Information Technology or other members of our information technology group provide at least semi-annual in-person updates to the Board that encompass a broad range of topics, including:

- Current cybersecurity threat landscape and emerging threats;
- Status of ongoing cybersecurity initiatives and strategies;
- Incident reports and learnings from unique cybersecurity events, including those of other companies; and
- Compliance status and efforts with regulatory requirements and industry standards.

Furthermore, at the Board meetings at which our Vice President, Information Technology or other members of our information technology group do not provide in-person updates to the Board, our CEO or another executive team member typically provides current updates to the Board. In addition, our information technology group provides updates to the full Board upon request, or timely updates regarding unique developments such as regulatory updates or vulnerability developments. Our Board is composed of directors with diverse qualifications, skills and expertise, including risk management, technology and finance, that equips them to oversee cybersecurity risks effectively.

For additional information concerning cybersecurity risks we face, see "General Risk Factors — Information system failures, cyber incidents or breaches in security could adversely affect us" in [Item 1A. Risk Factors](#) in Part I of this Annual Report on Form 10-K.

## **ITEM 2. PROPERTIES**

We lease approximately 26,000 square feet in The Woodlands, Texas for our corporate headquarters; this lease expires in 2028. In addition, to adequately meet the needs of our operations, we lease offices in Arizona, California, Colorado, Florida, Georgia, Maryland, Minnesota, Nevada, North Carolina, Tennessee, Texas, Utah and Washington. See "[Business—Land Acquisition Policies and Development](#)" for a summary of the other property which we owned or controlled as of December 31, 2025.

## **ITEM 3. LEGAL PROCEEDINGS**

In the ordinary course of doing business, we are subject to claims or proceedings from time to time relating to the purchase, development, and sale of real estate and homes and other aspects of our homebuilding operations. Management believes that these claims include usual obligations incurred by real estate developers and residential homebuilders in the normal course of business. In the opinion of management, these matters will not have a material effect on our consolidated financial position, results of operations or cash flows.

## **ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

## PART II

### ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is listed on the NASDAQ Stock Market (NASDAQ) under the symbol "LGIH." As of February 12, 2026, the closing price of our common stock on the NASDAQ was \$59.77, and we had 24 stockholders of record, including Cede & Co. as nominee of The Depository Trust Company.

#### Stock Repurchase Program

On February 15, 2022, the Board announced that it had approved a \$200.0 million increase to our previously authorized stock repurchase program, pursuant to which we may purchase up to \$550.0 million of shares of our common stock through open market transactions, privately negotiated transactions or otherwise in accordance with applicable laws. The timing, amount and other terms and conditions of any repurchases of shares of our common stock under our stock repurchase program will be determined by our management at its discretion based on a variety of factors, including the market price of our common stock, corporate considerations, general market and economic conditions and legal requirements. Our stock repurchase program may be modified, discontinued or suspended at any time.

During the three months ended December 31, 2025, we did not repurchase any shares of our common stock. A total of 3,656,592 shares of our common stock has been repurchased since our stock repurchase program commenced in 2018. As of December 31, 2025, we may purchase up to \$157.3 million of shares of our common stock under our stock repurchase program. The IRA 2022 imposes a nondeductible 1% excise tax on the net value of certain stock repurchases made after December 31, 2022. All dollar amounts presented include such excise taxes, as applicable.

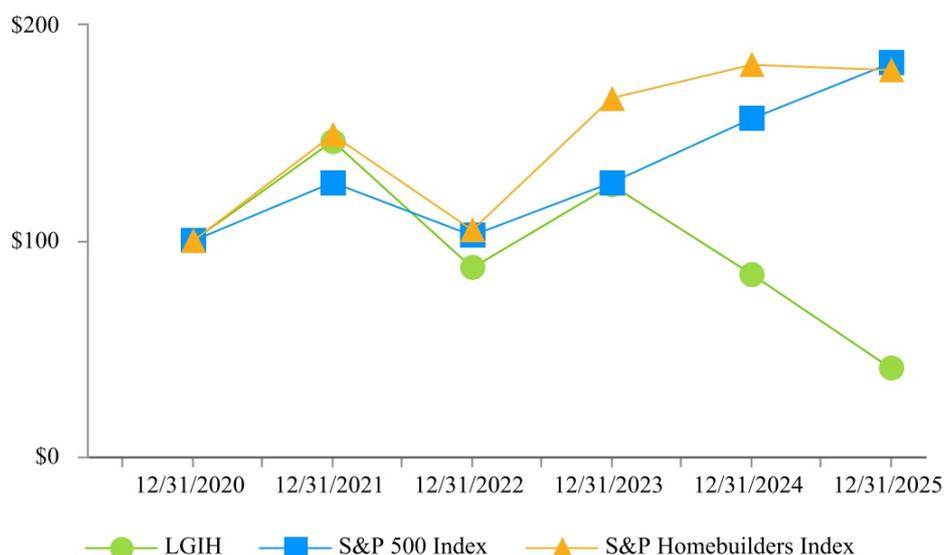
#### Dividends

We have not previously declared or paid any cash dividends on our common stock. Any future determination to pay cash dividends on our common stock will be at the discretion of the Board and will depend on our financial condition, results of operations, capital requirements, restrictions contained in any of our financing arrangements and such other factors as the Board may deem relevant.

**Stock Performance Graph**

This chart compares the cumulative total return on our common stock with that of the Standard & Poor’s 500 Companies Stock Index (the “S&P 500 Index”) and the Standard & Poor’s Homebuilders Select Industry Index (the “S&P Homebuilders Index”). The chart assumes \$100.00 was invested at the close of market on December 31, 2020 and assumes the reinvestment of any dividends. The stock price performance on the following graph is not necessarily indicative of future stock price performance.

**Comparison of Cumulative Total Return among LGI Homes, Inc. Common Stock, the S&P 500 Index, and the S&P Homebuilders Index for the years ended December 31, 2025, 2024, 2023, 2022 and 2021.**



	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025
LGIH	\$100.00	\$145.94	\$87.48	\$125.80	\$84.46	\$40.59
S&P 500 Index	\$100.00	\$126.89	\$102.22	\$126.99	\$156.59	\$182.25
S&P Homebuilders Index	\$100.00	\$148.81	\$104.70	\$166.00	\$181.47	\$179.02

**ITEM 6. [RESERVED]**

**ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion is intended to assist you in understanding our results of operations and our present financial condition. Our historical consolidated financial statements and the accompanying notes included elsewhere in this Annual Report on Form 10-K contain additional information that should be referred to when reviewing this material. This section covers fiscal years 2025 and 2024 and discusses the results of operations for fiscal year 2025 compared to fiscal year 2024. The discussion of fiscal year 2023 and the results of operations for fiscal year 2024 compared to fiscal year 2023 is included in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” under Part II of our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, which was filed with the SEC on February 26, 2025, and is incorporated by reference into this Annual Report on Form 10-K. For purposes of this Management’s Discussion and Analysis of Financial Condition and Results of Operation, references to “we,” “our,” “us” or similar terms refer to LGI Homes, Inc. and its subsidiaries.

## Key Results

Key financial results as of and for the year ended December 31, 2025, as compared to the year ended December 31, 2024, were as follows:

- Home sales revenues decreased 22.6% to \$1.7 billion from \$2.2 billion.
- Homes closed decreased 22.3% to 4,685 homes from 6,028 homes.
- Average sales price per home closed decreased 0.4% to \$364,035 from \$365,394.
- Gross margin as a percentage of home sales revenues decreased to 20.7% from 24.2%.
- Adjusted gross margin (non-GAAP) as a percentage of home sales revenues decreased to 24.0% from 26.3%.
- Net income before income taxes decreased 62.0% to \$98.5 million from \$258.9 million.
- Net income decreased 63.0% to \$72.6 million from \$196.1 million.
- EBITDA (non-GAAP) as a percentage of home sales revenues decreased to 8.7% from 13.8%.
- Adjusted EBITDA (non-GAAP) as a percentage of home sales revenues decreased to 9.1% from 13.8%.
- Active communities at the end of 2025 decreased 4.6% to 144 from 151.
- Total owned and controlled lots decreased 14.2% to 60,842 lots at December 31, 2025 from 70,899 lots at December 31, 2024.

For reconciliations of the non-GAAP financial measures of adjusted gross margin, EBITDA and adjusted EBITDA to the most directly comparable GAAP financial measures, please see “—[Non-GAAP Measures](#).”

## Results of Operations

The following table sets forth our results of operations for the years ended December 31, 2025, 2024, and 2023.

	Year Ended December 31,		
	2025	2024	2023
<b>Statement of Income Data:</b> (dollars in thousands, except per share data and average home sales price)			
Home sales revenues	\$ 1,705,504	\$ 2,202,598	\$ 2,358,580
Expenses:			
Cost of sales	1,351,958	1,669,310	1,816,393
Selling expenses	162,149	199,950	191,582
General and administrative	111,621	121,192	117,350
Operating income	79,776	212,146	233,255
Other income, net	(18,710)	(46,767)	(28,499)
Net income before income taxes	98,486	258,913	261,754
Income tax provision	25,934	62,842	62,527
Net income	\$ 72,552	\$ 196,071	\$ 199,227
Basic earnings per share	\$ 3.13	\$ 8.33	\$ 8.48
Diluted earnings per share	\$ 3.12	\$ 8.30	\$ 8.42
<b>Other Financial and Operating Data:</b>			
Average community count	144.4	130.5	103.9
Community count at end of period	144	151	117
Home closings	4,685	6,028	6,729
Average sales price per home closed	\$ 364,035	\$ 365,394	\$ 350,510
Gross margin <sup>(1)</sup>	\$ 353,546	\$ 533,288	\$ 542,187
Gross margin % <sup>(2)</sup>	20.7 %	24.2 %	23.0 %
Adjusted gross margin <sup>(3)</sup>	\$ 409,265	\$ 579,393	\$ 582,047
Adjusted gross margin % <sup>(2)(3)</sup>	24.0 %	26.3 %	24.7 %
EBITDA <sup>(4)</sup>	\$ 148,351	\$ 304,092	\$ 297,530
EBITDA margin % <sup>(2)(4)</sup>	8.7 %	13.8 %	12.6 %
Adjusted EBITDA <sup>(4)</sup>	\$ 155,068	\$ 304,092	\$ 297,530
Adjusted EBITDA margin % <sup>(2)(4)</sup>	9.1 %	13.8 %	12.6 %

(1) Gross margin is home sales revenues less cost of sales.

(2) Calculated as a percentage of home sales revenues.

(3) Adjusted gross margin is a non-GAAP financial measure used by management as a supplemental measure in evaluating operating performance. We define gross margin excluding inventory impairment as gross margin less inventory impairment charges. We define adjusted gross margin as gross margin excluding inventory impairment, less capitalized interest, and adjustments resulting from the application of purchase accounting included in the cost of sales. Our management believes adjusted gross margin is useful because it isolates the impact that capitalized interest, purchase accounting adjustments and inventory impairment have on gross margin. However, because adjusted gross margin excludes capitalized interest, purchase accounting adjustments and inventory impairment, which have real economic effects and could impact our results, the utility of adjusted gross margin as a measure of our operating performance may be limited. In addition, other companies may not calculate adjusted gross margin in the same manner that we do. Accordingly, adjusted gross margin should be considered only as a supplement to gross margin as a measure of our performance. Please see "[—Non-GAAP Measures](#)" for a reconciliation of adjusted gross margin to gross margin, which is the GAAP financial measure that our management believes to be most directly comparable.

(4) EBITDA and adjusted EBITDA are non-GAAP financial measures used by management as supplemental measures in evaluating operating performance. We define EBITDA as net income before (i) interest expense, (ii) income taxes, (iii) depreciation and amortization and (iv) capitalized interest charged to the cost of sales. We define adjusted EBITDA as EBITDA before inventory impairment, as applicable during a period. Our management believes that the presentation of EBITDA and adjusted EBITDA provides useful information to investors regarding our results of operations because it assists both investors and management in analyzing and benchmarking the performance and value of our business. EBITDA and adjusted EBITDA provide indicators of

general economic performance that are not affected by fluctuations in interest rates or effective tax rates, levels of depreciation or amortization and items considered to be unusual or non-recurring. Accordingly, management believes that these measures are useful for comparing general operating performance from period to period. Other companies may define these measures differently and, as a result, our measures of EBITDA and adjusted EBITDA may not be directly comparable to the measures of other companies. Although we use EBITDA and adjusted EBITDA as financial measures to assess the performance of our business, the use of these measures is limited because they do not include certain material costs, such as interest and taxes, necessary to operate our business. EBITDA and adjusted EBITDA should be considered in addition to, and not as substitutes for, net income in accordance with GAAP as a measure of performance. Our presentation of EBITDA and adjusted EBITDA should not be construed as an indication that our future results will be unaffected by unusual or non-recurring items. Our use of EBITDA and adjusted EBITDA is limited as an analytical tool, and you should not consider these measures in isolation or as substitutes for analysis of our results as reported under GAAP. Please see “[Non-GAAP Measures](#)” for reconciliations of EBITDA and adjusted EBITDA to net income, which is the GAAP financial measure that our management believes to be most directly comparable.

**Year Ended December 31, 2025 Compared to Year Ended December 31, 2024**

*Home Sales.* Our home sales revenues, home closings, average sales price per home closed (ASP), average community count and average monthly absorption rate by reportable segment for the years ended December 31, 2025 and 2024, and our community count by reportable segment as of December 31, 2025 and 2024, were as follows (revenues in thousands):

Reportable Segment	Year Ended December 31, 2025						As of December 31, 2025
	Revenues	Home Closings	ASP	Average Community Count	Average Monthly Absorption Rate	Community Count at End of Period	
Central	\$ 419,240	1,340	\$ 312,866	47.5	2.4	48	
Southeast	472,150	1,431	329,944	31.8	3.8	32	
Northwest	188,969	384	492,107	15.4	2.1	14	
West	387,232	879	440,537	25.2	2.9	26	
Florida	237,913	651	365,458	24.5	2.2	24	
Total	\$ 1,705,504	4,685	\$ 364,035	144.4	2.7	144	

Reportable Segment	Year Ended December 31, 2024						As of December 31, 2024
	Revenues	Home Closings	ASP	Average Community Count	Average Monthly Absorption Rate	Community Count at End of Period	
Central	\$ 564,608	1,757	\$ 321,348	44.8	3.3	50	
Southeast	538,170	1,635	329,156	27.2	5.0	31	
Northwest	258,407	483	535,004	14.3	2.8	18	
West	472,655	1,140	414,610	21.7	4.4	26	
Florida	368,758	1,013	364,026	22.5	3.8	26	
Total	\$ 2,202,598	6,028	\$ 365,394	130.5	3.8	151	

*Home Sales Revenues.* Home sales revenues for the year ended December 31, 2025 were \$1.7 billion, a decrease of \$497.1 million, or 22.6%, from \$2.2 billion for the year ended December 31, 2024. The decrease in home sales revenues was primarily due to a 22.3% decrease in the number of homes closed and a decrease in the average sales price per home closed during the year ended December 31, 2025 as compared to the year ended December 31, 2024. The overall decrease in home closings was a result of a lower absorption rate, partially offset by a higher average community count, during the year ended December 31, 2025 as compared to the year ended December 31, 2024. The overall increase in average community count related to timing associated with new community openings, offset by the close out of some communities and transition between certain active communities during the year ended December 31, 2025 as compared to the year ended December 31, 2024. The average sales price per home closed during the year ended December 31, 2025 was \$364,035, a decrease of \$1,359, or 0.4%, from the average sales price per home closed of \$365,394 for the year ended December 31, 2024. The decrease in the average sales price per home closed was primarily due to an increase in wholesale home closings and to a lesser extent geographic mix.

The overall decrease in absorption rate generally relates to the impact of ongoing affordability constraints, new community openings, and the overall increase in community count.

Included within our home sales revenues for the year ended December 31, 2025 was \$230.3 million in wholesale revenues resulting from 737 home closings, representing 15.7% of the 4,685 total number of homes closed during the year ended December 31, 2025. Included within our home sales revenues for the year ended December 31, 2024 was \$164.1 million in wholesale revenues resulting from 552 home closings, representing 9.2% of the 6,028 total number of homes closed during the year ended December 31, 2024. The increase in home closings as a percentage of revenues through our wholesale channel was primarily related to higher demand from our wholesale channel customers during the year ended December 31, 2025 as compared to the year ended December 31, 2024.

- Home sales revenues in our Central reportable segment decreased by \$145.4 million, or 25.7%, during the year ended December 31, 2025 as compared to the year ended December 31, 2024, primarily due to a 23.7% decrease in the number of homes closed and a 2.6% decrease in the average sales price per home closed. The decrease in home closings was the result of a lower absorption rate, partially offset by an increase in the average community count.
- Home sales revenues in our Southeast reportable segment decreased by \$66.0 million, or 12.3%, during the year ended December 31, 2025 as compared to the year ended December 31, 2024, primarily due to a 12.5% decrease in the number of homes closed, partially offset by an increase in the average sales price per home closed. The decrease in home closings was the result of a lower absorption rate, partially offset by an increase in the average community count.
- Home sales revenues in our Northwest reportable segment decreased by \$69.4 million, or 26.9%, during the year ended December 31, 2025 as compared to the year ended December 31, 2024, primarily due to a 20.5% decrease in the number of homes closed and an 8.0% decrease in the average sales price per home closed. The decrease in home closings was the result of a lower absorption rate, partially offset by an increase in the average community count.
- Home sales revenues in our West reportable segment decreased by \$85.4 million, or 18.1%, during the year ended December 31, 2025 as compared to the year ended December 31, 2024, primarily due to a 22.9% decrease in the number of homes closed, partially offset by a 6.2% increase in the average sales price per home closed. The decrease in home closings was the result of a lower absorption rate, partially offset by an increase in the average community count.
- Home sales revenues in our Florida reportable segment decreased by \$130.8 million, or 35.5%, during the year ended December 31, 2025 as compared to the year ended December 31, 2024, primarily due to a 35.7% decrease in the number of homes closed, partially offset by a 0.4% increase in the average sales price per home closed. The decrease in home closings was the result of a lower absorption rate, partially offset by an increase in the average community count.

*Cost of Sales and Gross Margin (home sales revenues less cost of sales).* Cost of sales for the year ended December 31, 2025 was \$1.4 billion, a decrease of \$317.4 million, or 19.0%, from \$1.7 billion for the year ended December 31, 2024. This overall decrease was primarily due to a 22.3% decrease in the number of homes closed. Gross margin for the year ended December 31, 2025 was \$353.5 million, a decrease of \$179.7 million, or 33.7%, from \$533.3 million for the year ended December 31, 2024. Gross margin as a percentage of home sales revenues (inclusive of an inventory impairment charge) was 20.7% for the year ended December 31, 2025 and 24.2% for the year ended December 31, 2024. The decrease in gross margin as a percentage of home sales revenues during the year ended December 31, 2025 as compared to the year ended December 31, 2024 was primarily due to a lower average sales price per home closed, a higher number of wholesale closings, higher house costs, higher lot costs, higher capitalized interest and higher indirect overhead as a percentage of revenue, as well as an inventory impairment charge of \$6.7 million, of which \$3.9 million was related to our Florida reportable segment and \$2.8 million was related to our Central reportable segment. This was partially offset by a decrease in warranty related costs as well as a decrease in sales incentives offered during the year ended December 31, 2025.

*Selling Expenses.* Selling expenses for the year ended December 31, 2025 were \$162.1 million, a decrease of \$37.8 million, or 18.9%, from \$200.0 million for the year ended December 31, 2024. The decrease in selling expenses was primarily due to a decrease in the number of homes closed for the year ended December 31, 2025 as compared to the year ended December 31, 2024. Sales commissions decreased to \$66.4 million during the year ended December 31, 2025 from \$95.8 million for the year ended December 31, 2024, primarily due to a decrease in the number of homes closed. Selling expenses as a percentage of home sales revenues were 9.5% and 9.1% for the years ended December 31, 2025 and 2024, respectively. The increase in selling expenses as a percentage of home sales revenues was primarily due to a decrease in home sales revenues during the year ended December 31, 2025 as compared to the year ended December 31, 2024.

*General and Administrative.* General and administrative expenses for the year ended December 31, 2025 were \$111.6 million, a decrease of \$9.6 million, or 7.9%, from \$121.2 million for the year ended December 31, 2024. The decrease in general and administrative expenses was primarily due to a decrease in bonuses and indirect overhead costs, partially offset by

an increase in other general and administrative expense. General and administrative expenses as a percentage of home sales revenues were 6.5% and 5.5% for the years ended December 31, 2025 and 2024, respectively. The increase in general and administrative expenses as a percentage of home sales revenues was primarily due to lower home sales revenues during the year ended December 31, 2025 as compared to the year ended December 31, 2024.

*Other Income, Net.* Other income, net of other expenses was \$18.7 million for the year ended December 31, 2025, a decrease of \$28.1 million from \$46.8 million for the year ended December 31, 2024. The decrease in other income, net of other expenses, primarily reflected the decrease in the gain on sale of assets, income associated with our investment in unconsolidated entities, and the decrease in interest income.

*Operating Income and Net Income before Income Taxes.* Operating income for the year ended December 31, 2025 was \$79.8 million, a decrease of \$132.4 million, or 62.4%, from \$212.1 million for the year ended December 31, 2024. Net income before income taxes for the year ended December 31, 2025 was \$98.5 million, a decrease of \$160.4 million, or 62.0%, from \$258.9 million for the year ended December 31, 2024. The overall decreases in operating income and net income before income taxes were primarily due to overall lower home closings at a lower absorption rate, lower gross margin, the increase in other costs associated with the increase in average community count, and an inventory impairment charge during the year ended December 31, 2025 as compared to the year ended December 31, 2024. Our reportable segments contributed to net income before income taxes during the year ended December 31, 2025 as follows: Central - \$23.8 million, or 24.1%; Southeast - \$47.7 million, or 48.4%; Northwest - \$3.2 million, or 3.2%; West - \$33.5 million, or 34.0%; and Florida - \$(6.5) million, or (6.6)%.

*Income Taxes.* Income tax provision for the year ended December 31, 2025 was \$25.9 million, a decrease of \$36.9 million, or 58.7%, from income tax provision of \$62.8 million for the year ended December 31, 2024. The decrease in our income tax provision was primarily due to the overall decrease in net income before income taxes. The increase in our effective tax rate to 26.3% for the year ended December 31, 2025 from 24.3% for the year ended December 31, 2024 was primarily a result of an increase in the rate for state income taxes, net of the federal benefit, the compensation cost in excess of deductions for share-based payments, and the compensation limitation under Section 162(m) of the Internal Revenue Code, as amended.

*Net Income.* Net income for the year ended December 31, 2025 was \$72.6 million, a decrease of \$123.5 million, or 63.0%, from \$196.1 million for the year ended December 31, 2024. The decrease in net income was primarily attributed to overall lower number of homes closed, lower home sales revenues and gross margin, as well as an inventory impairment charge during the year ended December 31, 2025 as compared to the year ended December 31, 2024.

#### **Non-GAAP Measures**

In addition to the results reported in accordance with accounting principles generally accepted in the United States (“GAAP”), we have provided information in this Annual Report on Form 10-K relating to adjusted net income, adjusted basic earnings per share, adjusted diluted earnings per share, gross margin excluding inventory impairment, adjusted gross margin, EBITDA, adjusted EBITDA, and net debt to capital ratio.

#### **Gross Margin Excluding Inventory Impairment and Adjusted Gross Margin**

Gross margin excluding inventory impairment and adjusted gross margin are non-GAAP financial measures used by management as supplemental measures in evaluating operating performance. We define gross margin excluding inventory impairment as gross margin less inventory impairment charges. We define adjusted gross margin as gross margin excluding inventory impairments, less capitalized interest, and adjustments resulting from the application of purchase accounting included in the cost of sales. Our management believes gross margin excluding inventory impairment and adjusted gross margin are useful because they isolate the impact that capitalized interest, purchase accounting adjustments, and inventory impairment have on gross margin. However, because gross margin excluding inventory impairment and adjusted gross margin exclude capitalized interest, purchase accounting adjustments, and inventory impairment, which have real economic effects and could impact our results, the utility of gross margin excluding inventory impairment and adjusted gross margin as measures of our operating performance may be limited. In addition, other companies may not calculate gross margin excluding inventory impairment and adjusted gross margin in the same manner that we do. Accordingly, gross margin excluding inventory impairment and adjusted gross margin should be considered only as supplements to gross margin as a measure of our performance.

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The following table reconciles gross margin excluding inventory impairment and adjusted gross margin to gross margin, which is the GAAP financial measure that our management believes to be most directly comparable (dollars in thousands):

	Year Ended December 31,		
	2025	2024	2023
Home sales revenues	\$ 1,705,504	\$ 2,202,598	\$ 2,358,580
Cost of sales	1,351,958	1,669,310	1,816,393
Gross margin	\$ 353,546	\$ 533,288	\$ 542,187
Inventory impairment	6,717	—	—
Gross margin excluding inventory impairment	\$ 360,263	\$ 533,288	\$ 542,187
Capitalized interest charged to cost of sales	45,543	42,071	33,368
Purchase accounting adjustments <sup>(1)</sup>	3,459	4,034	6,492
Adjusted gross margin	\$ 409,265	\$ 579,393	\$ 582,047
Gross margin % <sup>(2)</sup>	20.7 %	24.2 %	23.0 %
Gross margin % excluding inventory impairment <sup>(2)</sup>	21.1 %	24.2 %	23.0 %
Adjusted gross margin % <sup>(2)</sup>	24.0 %	26.3 %	24.7 %

(1) Adjustments result from the application of purchase accounting for acquisitions and represent the amount of the fair value step-up adjustments included in cost of sales for real estate inventory sold after the acquisition dates.

(2) Calculated as a percentage of home sales revenues.

### **EBITDA and Adjusted EBITDA**

EBITDA and adjusted EBITDA are non-GAAP financial measures used by management as supplemental measures in evaluating operating performance. We define EBITDA as net income before (i) interest expense, (ii) income taxes, (iii) depreciation and amortization and (iv) capitalized interest charged to the cost of sales. We define adjusted EBITDA as EBITDA before inventory impairment, as applicable during a period. Our management believes that the presentation of EBITDA and adjusted EBITDA provides useful information to investors regarding our results of operations because it assists both investors and management in analyzing and benchmarking the performance and value of our business. EBITDA and adjusted EBITDA provide indicators of general economic performance that are not affected by fluctuations in interest rates or effective tax rates, levels of depreciation or amortization and items considered to be unusual or non-recurring. Accordingly, our management believes that these measures are useful for comparing general operating performance from period to period. Other companies may define these measures differently and, as a result, our measures of EBITDA and adjusted EBITDA may not be directly comparable to the measures of other companies. Although we use EBITDA and adjusted EBITDA as financial measures to assess the performance of our business, the use of these measures is limited because they do not include certain material costs, such as interest and taxes, necessary to operate our business. EBITDA and adjusted EBITDA should be considered in addition to, and not as substitutes for, net income in accordance with GAAP as a measure of performance. Our presentation of EBITDA and adjusted EBITDA should not be construed as an indication that our future results will be unaffected by unusual or non-recurring items. Our use of EBITDA and adjusted EBITDA is limited as an analytical tool, and you should not consider these measures in isolation or as substitutes for analysis of our results as reported under GAAP. Some of these limitations are:

- (i) they do not reflect every cash expenditure, future requirements for capital expenditures or contractual commitments, including for purchase of land;
- (ii) they do not reflect the interest expense or the cash requirements necessary to service interest or principal payments on our debt;
- (iii) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced or require improvements in the future, and EBITDA and adjusted EBITDA do not reflect any cash requirements for such replacements or improvements;
- (iv) they do not adjust for all non-cash income or expense items that are reflected in our statements of cash flows;
- (v) they do not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of our ongoing operations; and
- (vi) other companies in our industry may calculate them differently than we do, limiting their usefulness as a comparative measure.

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Because of these limitations, our EBITDA and adjusted EBITDA should not be considered as measures of discretionary cash available to us to invest in the growth of our business or as measures of cash that will be available to us to meet our obligations. We compensate for these limitations by using our EBITDA and adjusted EBITDA along with other comparative tools, together with GAAP measures, to assist in the evaluation of operating performance. These GAAP measures include operating income, net income and cash flow data. We have significant uses of cash flows, including capital expenditures, interest payments and other non-recurring charges, which are not reflected in our EBITDA and adjusted EBITDA. EBITDA and adjusted EBITDA are not intended as alternatives to net income as indicators of our operating performance, as alternatives to any other measure of performance in conformity with GAAP or as alternatives to cash flows as a measure of liquidity. You should therefore not place undue reliance on our EBITDA and adjusted EBITDA calculated using these measures.

The following table reconciles EBITDA and adjusted EBITDA to net income, which is the GAAP financial measure that our management believes to be most directly comparable (dollars in thousands):

	Year Ended December 31,		
	2025	2024	2023
Net income	\$ 72,552	\$ 196,071	\$ 199,227
Income tax provision (benefit)	25,934	62,842	62,527
Depreciation and amortization	4,322	3,108	2,408
Capitalized interest charged to cost of sales	45,543	42,071	33,368
EBITDA	\$ 148,351	\$ 304,092	\$ 297,530
Inventory impairment	6,717	—	—
Adjusted EBITDA	\$ 155,068	\$ 304,092	\$ 297,530
EBITDA margin % <sup>(1)</sup>	8.7 %	13.8 %	12.6 %
Adjusted EBITDA margin % <sup>(1)</sup>	9.1 %	13.8 %	12.6 %

(1) Calculated as a percentage of home sales revenues.

### Net Debt to Capital Ratio

Net debt to capital ratio is a non-GAAP financial measure used by management as a supplemental measure in understanding the leverage employed in our operations and as an indicator of our ability to obtain financing. We define net debt to capital ratio as net debt (which is total debt minus cash and cash equivalents) divided by net debt plus total equity. Our management believes that the presentation of net debt to capital ratio provides useful information to investors regarding our financial leverage and our ability to meet long-term obligations. By excluding cash and cash equivalents from total debt, the ratio offers a clearer view of our capital structure and financial flexibility. Our management uses this metric to monitor our capital efficiency and to evaluate the effectiveness of our capital management strategies over time. Other companies may define this measure differently and, as a result, our measure of net debt to capital ratio may not be directly comparable to the measures of other companies.

The following table reconciles net debt to capital ratio (a non-GAAP financial measure) to debt to capital ratio, which is the GAAP financial measure that our management believes to be most directly comparable (dollars in thousands):

	December 31,	
	2025	2024
Total debt (Notes payable)	\$ 1,656,803	\$ 1,480,718
Total equity	2,096,289	2,037,228
Total capital	\$ 3,753,092	\$ 3,517,946
Debt to capital ratio	44.1 %	42.1 %
Total debt (Notes payable)	\$ 1,656,803	\$ 1,480,718
Less: Cash and cash equivalents	61,247	53,197
Net debt	\$ 1,595,556	\$ 1,427,521
Total equity	2,096,289	2,037,228
Total net capital	\$ 3,691,845	\$ 3,464,749
Net debt to capital ratio <sup>(1)</sup>	43.2 %	41.2 %

(1) Net debt to capital ratio is calculated as net debt (which is total debt minus cash and cash equivalents) divided by net debt plus total equity.

### Adjusted Net Income, Adjusted Basic Earnings per Share, and Adjusted Diluted Earnings per Share

Adjusted net income, adjusted basic earnings per share, and adjusted diluted earnings per share are non-GAAP financial measures used by management as supplemental measures in evaluating operating performance. We define adjusted net income as net income less inventory impairment charges. We define adjusted basic earnings per share as adjusted net income divided by weighted average basic shares outstanding. We define adjusted diluted earnings per share as adjusted net income divided by weighted average diluted shares outstanding. Our management believes that the presentation of adjusted net income, adjusted basic earnings per share, and adjusted diluted earnings per share provides useful information to investors because such measures isolate the impact that inventory impairment charges have on net income and earnings per share. However, because adjusted net income, adjusted basic earnings per share, and adjusted diluted earnings per share exclude the inventory impairment charge, which has real economic effects and could impact the results, the utility of adjusted net income, adjusted basic earnings per share, and adjusted diluted earnings per share as measures of our operating performance may be limited. In addition, other companies may not calculate adjusted net income, adjusted basic earnings per share, and adjusted diluted earnings per share in the same manner that we do. Accordingly, adjusted net income, adjusted basic earnings per share, and adjusted diluted earnings per share should be considered only as supplements to net income, basic earnings per share, and earnings per share, respectively, as measures of our performance.

The following table reconciles adjusted net income to net income, which is the GAAP financial measure that our management believes to be most directly comparable, and adjusted basic earnings per share and adjusted diluted earnings per share are calculated by dividing adjusted net income by basic or diluted weighted average shares outstanding, respectively (dollars in thousands, except earnings per share):

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Net income	\$ 17,321	\$ 50,870	\$ 72,552	\$ 196,071
Basic weighted average number of shares outstanding	23,085,786	23,497,275	23,188,965	23,529,724
Basic earnings per share	\$ 0.75	\$ 2.16	\$ 3.13	\$ 8.33
Diluted weighted average number of shares outstanding	23,178,160	23,620,777	23,254,595	23,610,457
Diluted earnings per share	\$ 0.75	\$ 2.15	\$ 3.12	\$ 8.30
Net income	\$ 17,321	\$ 50,870	\$ 72,552	\$ 196,071
Inventory Impairment	6,717	—	6,717	—
Tax impact due to above non-GAAP reconciling item	(1,641)	—	(1,641)	—
Adjusted net income	\$ 22,397	\$ 50,870	\$ 77,628	\$ 196,071
Basic weighted average number of shares outstanding	23,085,786	23,497,275	23,188,965	23,529,724
Adjusted basic earnings per share	\$ 0.97	\$ 2.16	\$ 3.35	\$ 8.33
Diluted weighted average number of shares outstanding	23,178,160	23,620,777	23,254,595	23,610,457
Adjusted diluted earnings per share	\$ 0.97	\$ 2.15	\$ 3.34	\$ 8.30

### Backlog

We sell our homes under standard purchase contracts, which generally require a homebuyer to pay a deposit at the time of signing the purchase contract. The amount of the required deposit is minimal (typically \$1,000 to \$10,000). We permit our retail homebuyers to cancel the purchase contract and obtain a refund of their deposit in the event mortgage financing cannot be obtained within a certain period of time, as specified in their purchase contract. Typically, our retail homebuyers provide documentation regarding their ability to obtain mortgage financing within 14 days after the purchase contract is signed. If we determine that the homebuyer is not qualified to obtain mortgage financing or is not otherwise financially able to purchase the home, we will terminate the purchase contract. If a purchase contract has not been cancelled or terminated within 14 days after the purchase contract has been signed, then we have assumed the homebuyer will meet the preliminary criteria to obtain mortgage financing. Only purchase contracts that are signed by homebuyers who have met the preliminary criteria to obtain mortgage financing are included in new (gross) orders.

Our “backlog” consists of homes that are under a purchase contract that has been signed by homebuyers who have met the preliminary criteria to obtain mortgage financing but have not yet closed and wholesale contracts with varying terms. Since our

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business model is generally based on building move-in ready homes before a purchase contract is signed, the majority of our homes in backlog are currently under construction or complete. Ending backlog represents the number of homes in backlog from the previous period plus the number of net orders (new orders for homes less cancellations) generated during the current period minus the number of homes closed during the current period. Our backlog at any given time will be affected by cancellations, the number of our active communities and the timing of home closings. Homes in backlog are generally closed within one to two months, although home closings have been, and may continue to be, delayed. In addition, we may experience cancellations of purchase contracts at any time prior to closing. It is important to note that net orders, backlog and cancellation metrics are operational, rather than accounting data, and should be used only as a general gauge to evaluate performance. Backlog may be impacted by customer cancellations for various reasons that are beyond our control, and in light of our minimal required deposit, there is little negative impact to the potential homebuyer from the cancellation of the purchase contract.

Net orders for the year ended December 31, 2025 were 5,549 homes, a decrease of 8.1% from 6,037 homes for the year ended December 31, 2024, reflecting continued affordability pressures and higher mortgage rates. The cancellation rate increased to 32.8% in 2025 from 22.8% in 2024, primarily due to financing challenges and buyer sensitivity to market conditions. Ending backlog grew to 1,394 homes, with an aggregate value of \$501.3 million at December 31, 2025, compared to 599 homes valued at \$236.5 million at December 31, 2024, which represented increases of 132.7% in units and 112.0% in value. The increases were driven by slower conversion of homes under contract to closings and a higher volume of homes under contract at year end. A significant portion of backlog relates to homes further along in construction and expected to close in the near term. However, conversion to revenue remains subject to construction timing, buyer financing, and incentive levels. Elevated cancellation rates and changes in market conditions could affect the pace of backlog conversion and future gross margins.

As of the dates set forth below, our net orders, cancellation rate and ending backlog homes and value were as follows (dollars in thousands):

<b>Backlog Data</b>	<b>Year Ended December 31,</b>		
	<b>2025</b> <sup>(4)</sup>	<b>2024</b> <sup>(5)</sup>	<b>2023</b> <sup>(6)</sup>
Net orders <sup>(1)</sup>	5,549	6,037	6,617
Cancellation rate <sup>(2)</sup>	32.8 %	22.8 %	25.4 %
Ending backlog – homes <sup>(3)</sup>	1,394	599	590
Ending backlog – value <sup>(3)</sup>	\$ 501,296	\$ 236,511	\$ 224,851

- (1) Net orders are new (gross) orders for the purchase of homes during the period, less cancellations of existing purchase contracts during the period.
- (2) Cancellation rate for a period is the total number of purchase contracts cancelled during the period divided by the total new (gross) orders for the purchase of homes during the period.
- (3) Ending backlog consists of retail homes at the end of the period that are under a purchase contract that has been signed by homebuyers who have met our preliminary financing criteria but have not yet closed and wholesale contracts with varying terms. Ending backlog is valued at the contract amount.
- (4) As of December 31, 2025, we had 506 units related to bulk sales agreements associated with our wholesale business.
- (5) As of December 31, 2024, we had 146 units related to bulk sales agreements associated with our wholesale business.
- (6) As of December 31, 2023, we had 60 units related to bulk sales agreements associated with our wholesale business.

### **Land Acquisition Policies and Development**

See discussion included in "[Business—Land Acquisition Policies and Development.](#)"

### **Homes in Inventory**

See discussion included in "[Business—Homes in Inventory.](#)"

### **Raw Materials and Labor**

See discussion included in "[Business—Raw Materials and Labor.](#)"

### **Seasonality**

In all of our reportable segments, we have historically experienced similar variability in our results of operations and in capital requirements from quarter to quarter due to the seasonal nature of the homebuilding industry. We generally close more homes in our second, third and fourth quarters. Thus, our revenues may fluctuate on a quarterly basis and we may have higher

capital requirements in our second, third and fourth quarters in order to maintain our inventory levels. Our revenues and capital requirements are generally similar across our second, third and fourth quarters.

As a result of seasonal activity, our quarterly results of operations and financial position at the end of a particular quarter, especially the first quarter, are not necessarily representative of the results we expect at year end. We expect this seasonal pattern to continue in the long term.

## **Liquidity and Capital Resources**

### *Overview*

As of December 31, 2025, we had \$61.2 million of cash and cash equivalents. Cash flows for each of our active communities depend on the status of the development cycle and can differ substantially from reported earnings.

Our principal uses of capital are operating expenses, land and lot purchases, lot development, home construction, interest costs on our indebtedness and the payment of various liabilities. In addition, we may purchase land, lots, homes under construction or other assets as part of an acquisition and repurchase shares of our common stock. Early stages of development or expansion require significant cash outlays for land acquisitions, land development, plats, vertical development, construction of information centers, general landscaping, and other amenities. Because these costs are a component of our inventory and are not recognized in our statement of operations until a home closes, we incur significant cash outflows prior to recognition of home sales revenues. In the later stages of an active community, cash inflows may exceed home sales revenues reported for financial statement purposes, as the costs associated with home and land construction were previously incurred.

### *Net Debt to Capital Ratio*

As of December 31, 2025, our net debt to capital ratio was 43.2%. We use this ratio as a supplemental measure of financial leverage and capital efficiency. This ratio is calculated as net debt (which is total debt minus cash and cash equivalents) divided by net debt plus total equity. Our net debt to capital ratio reflects our balanced approach to financing growth while maintaining liquidity. We continue to monitor leverage levels in light of evolving market conditions to keep an eye on capital efficiency and shareholder value. At December 31, 2025, we were in compliance with all of the covenants contained in the Credit Agreement (as defined herein), including minimum tangible net worth, maximum leverage ratio, minimum liquidity amount, and minimum EBITDA to interest expense ratio, and with all of the covenants contained in the LGI Living Loan Agreement (as defined herein). As of December 31, 2025, \$273.6 million was available to borrow under the Credit Agreement, providing ample liquidity to support operations and growth initiatives.

### *Short-term Liquidity and Capital Resources*

We generally rely on our ability to finance our operations by generating operating cash flows and borrowing under the Credit Agreement to adequately fund our short-term working capital obligations and to purchase land and other assets, develop lots and homes and repurchase shares of our common stock. As needed, we will consider accessing the debt and equity capital markets as part of our ongoing financing strategy. We rely on our ability to obtain performance, payment and completion surety bonds as well as letters of credit to finance our projects. Furthermore, we utilize, on a limited and strategic basis, land banking financing arrangements to access short-term liquidity.

As of the date of this Annual Report on Form 10-K, we believe that we will be able to fund our current and foreseeable liquidity needs for at least the next twelve months with our cash on hand, cash generated from operations and cash expected to be available from the Credit Agreement or through accessing debt or equity capital, as needed. However, our ability to engage in the transactions described above may be constrained by volatile or tight economic, capital, credit and financial market conditions, as well as moderated investor or lender interest or capacity and our liquidity, leverage and net worth, and we can provide no assurance as to successfully completing, the costs of, or the operational limitations arising from any one or series of such transactions.

### *Long-term Liquidity and Capital Resources*

We believe that our long-term principal uses of liquidity and capital resources will be inventory related purchases concerning land, lot development, repurchases of shares of our common stock, other capital expenditures, and principal and interest payments on our debt obligations maturing between 2028 and 2032. We believe that we will be able to fund our long-term liquidity needs with cash generated from operations and cash expected to be available to borrow under the Credit Agreement or through accessing debt or equity capital, as needed, although no assurance can be provided that such additional debt or equity capital will be available when needed or on terms that we find attractive. Additionally, we may further utilize, on a limited and strategic basis, land banking financing arrangements to maximize long-term liquidity for lot development projects where we have sufficient finished lot availability in certain markets. To the extent these sources of capital are insufficient to meet our needs, we may also conduct additional public or private offerings of our securities, refinance our indebtedness, or dispose of certain assets to fund our operating activities and capital needs.

### *Material Cash Requirements*

We are a party to many agreements that include contractual obligations and commitments to make payments to third parties. These obligations impact our short-term and long-term liquidity and capital resource needs. Certain contractual obligations are reflected on the consolidated balance sheet as of December 31, 2025, while others are considered future commitments. Our contractual obligations primarily consist of principal and interest payments on our senior notes, notes payable and land banking financing arrangements, including our unsecured revolving credit facility, letters of credit and surety bonds and operating leases. We have no senior note maturities until 2028. We also enter into certain commitments to fund our existing or future unconsolidated joint ventures, letters of credit and other purchase obligations in the normal course of business. For more information regarding our primary obligations, refer to [Note 5](#), “Accrued Expenses and Other Liabilities,” [Note 6](#), “Notes Payable,” and [Note 13](#), “Commitments and Contingencies,” to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for amounts outstanding as of December 31, 2025, related to accrued expenses and other liabilities, debt and commitments and contingencies, respectively.

In the ordinary course of business, we enter into land purchase contracts in order to procure land and lots for the construction of our homes. We are subject to customary obligations associated with entering into contracts for the purchase of land and improved lots. These contracts typically require cash deposits and the purchase of properties under these contracts is generally contingent upon satisfaction of certain requirements by the sellers, which may include obtaining applicable property and development entitlements or the completion of development activities and the delivery of finished lots. We also utilize contracts with land sellers as a method of acquiring lots and land in staged takedowns, which helps us manage the financial and market risk associated with land holdings and minimize the use of funds from our corporate financing sources. Such contracts generally require a non-refundable deposit for the right to acquire land or lots over a specified period of time at pre-determined prices. We generally have the right at our discretion to terminate our obligations under purchase contracts during the initial feasibility period and receive a refund of our deposit, or we may terminate the contracts after the end of the feasibility period by forfeiting our cash deposit with no further financial obligations to the land seller. In addition, our deposit may also be refundable if the land seller does not satisfy all conditions precedent in the respective contract. As of December 31, 2025, we had \$19.2 million of cash deposits pertaining to land purchase contracts for 8,952 lots with an aggregate purchase price of \$285.7 million. Approximately \$8.2 million of the cash deposits as of December 31, 2025 are secured by third-party guarantees or indemnity mortgages on the related property.

Our utilization of land purchase contracts is dependent on, among other things, the availability of land sellers willing to enter into contracts at acceptable terms, which may include option takedown arrangements, the availability of capital to financial intermediaries to finance the development of optioned lots, general housing conditions, and local market dynamics. Land purchase contracts may be more difficult to procure from land sellers in strong housing markets and are more prevalent in certain markets.

### *Revolving Credit Facility*

On August 1, 2025, we entered into a Letter Agreement with several financial institutions, and Wells Fargo Bank, National Association, as administrative agent (the “Letter Agreement Amendment”), which amended the Fifth Amended and Restated Credit Agreement, dated as of April 28, 2021, with several financial institutions, and Wells Fargo Bank, National Association, as administrative agent (as amended to date, including the Letter Agreement Amendment, the “Credit Agreement”). The Credit Agreement provides for a \$1.1825 billion revolving credit facility, which can be increased at the request of the Company by up to \$95.0 million, subject to the terms and conditions of the Credit Agreement. The Credit Agreement matures on April 28, 2029 with respect to \$972.5 million, or 82.2%, of the \$1.1825 billion of commitments thereunder and on April 28, 2028 with respect to 17.8% of the commitments thereunder.

Before each anniversary of the Credit Agreement, we may request a one-year extension of its maturity date. The Credit Agreement is guaranteed by, among others, each of our subsidiaries that have gross assets of at least \$0.5 million, other than subsidiaries whose sole purpose is to own and operate single-family rental homes.

The borrowings and letters of credit outstanding under the Credit Agreement, together with the outstanding principal balance of our 8.750% Senior Notes due 2028 (the “2028 Senior Notes”), our 4.000% Senior Notes due 2029 (the “2029 Senior Notes”) and our 7.000% Senior Notes due 2032 (the “2032 Senior Notes”), may not exceed the borrowing base under the Credit Agreement. The borrowing base primarily consists of a percentage of commercial land, land held for development, lots under development and finished lots held by the Company and its subsidiaries that guarantee the obligations under the Credit Agreement. As of December 31, 2025, the borrowing base under the Credit Agreement was \$1.9 billion, of which the maximum available to borrow was \$1.9 billion. As of December 31, 2025, borrowings under the Credit Agreement and the outstanding principal amount of the 2028 Senior Notes, the 2029 Senior Notes and the 2032 Senior Notes totaled approximately \$1.6 billion, \$19.5 million of letters of credit were outstanding and \$273.6 million was available to borrow under the Credit Agreement.

Borrowings under the Credit Agreement bear interest, payable monthly in arrears, at the Company’s option, at either (1) the Adjusted Term SOFR (defined as a term SOFR that is based on a fixed 1, 3 or 6 month interest period, as selected by the

Company, plus a 10, 15 or 25 basis point adjustment, respectively), which rate is subject to a 50 basis point floor, plus an applicable margin ranging from 145 basis points to 210 basis points (the “Applicable Margin”) based on the Company’s leverage ratio as determined in accordance with a pricing grid, or (2) the Base Rate (defined as a term SOFR that is based on a daily variable 1 month interest period plus a 10 basis point adjustment), subject to a 50 basis point floor, plus the Applicable Margin. At December 31, 2025, the Applicable Margin was 1.85%, and SOFR was 3.72%, subject to the 0.50% SOFR floor as included in the Credit Agreement.

The Credit Agreement contains various financial covenants, including a minimum tangible net worth, a maximum leverage ratio, a minimum liquidity amount and a minimum EBITDA to interest expense ratio. The Credit Agreement contains various covenants that, among other restrictions, (i) limit the amount of our additional debt and our ability to make certain investments and (ii) restrict the repurchase of shares and payment of dividends through December 31, 2026. At December 31, 2025, we were in compliance with all of the covenants contained in the Credit Agreement.

#### *LGI Living Loan Agreement*

On July 23, 2025, the Company’s indirect, wholly owned special purpose subsidiary LGI Living - SFR 1, LLC (“LGI Living SFR”) entered into a Loan Agreement (the “LGI Living Loan Agreement”) with Evergreen Residential Capital, LLC, as lender. The LGI Living Loan Agreement provides for a secured non-recourse loan for up to \$50.0 million, which can be increased at the request of LGI Living SFR by up to \$75.0 million (for a total of \$125.0 million), subject to the terms and conditions of the LGI Living Loan Agreement.

As of December 31, 2025, the total amount of borrowings outstanding under the LGI Living Loan Agreement was \$50.0 million. The loan matures on July 8, 2030 and bears interest at a rate of 6.433% per annum, which may be adjusted in connection with an increase in the amount of the loan. The loan is unconditionally guaranteed as to payment and performance by the Company under a limited recourse guaranty with respect to (i) certain losses and liabilities to the extent such losses or liabilities are actually incurred by the lender and (ii) the entire amount of the loan upon the occurrence of certain events. The LGI Living Loan Agreement requires that the Company, as guarantor, maintain (i) liquidity of not less than 15% of the loan amount and (ii) maintain net worth in excess of 50% of the loan amount.

The loan is unconditionally guaranteed as to payment and performance by LGI Living - ER FIN, LLC, as the direct owner of the equity interests in LGI Living SFR, but recourse under such guaranty is limited to LGI Living - ER FIN, LLC’s equity interests in LGI Living SFR, which are pledged as collateral for the loan. The loan is also secured by a security interest in all assets of LGI Living SFR, including a mortgage lien on certain of LGI Living SFR’s real property. The LGI Living Loan Agreement includes certain restrictive covenants that may limit LGI Living SFR’s ability to, among other things, incur additional indebtedness or make certain investments. The LGI Living Loan Agreement contains representations and warranties, affirmative covenants, and events of default, all of which the Company believes are customary for special purpose subsidiary real estate secured loan agreements. If an event of default exists under the LGI Living Loan Agreement, the lender will be able to accelerate the maturity of the loan and exercise other rights and remedies. At December 31, 2025, we were in compliance with all of the covenants contained in the LGI Living Loan Agreement.

#### *Senior Notes Offering*

On November 15, 2024, we issued \$400.0 million aggregate principal amount of the 2032 Senior Notes in an offering to persons reasonably believed to be qualified institutional buyers in the United States pursuant to Rule 144A (“Rule 144A”) under the Securities Act of 1933, as amended (the “Securities Act”), and to certain non-U.S. persons in transactions outside the United States pursuant to Regulation S (“Regulation S”) under the Securities Act. Interest on the 2032 Senior Notes accrues at a rate of 7.000% per annum, payable semi-annually in arrears on May 15 and November 15 of each year. The 2032 Senior Notes mature on November 15, 2032. The terms of the 2032 Senior Notes are governed by an Indenture, dated as of July 6, 2018, and Fifth Supplemental Indenture thereto, dated as of November 15, 2024, as may be supplemented from time to time, among us, our subsidiaries that guarantee our obligations under the Credit Agreement and Regions Bank, as trustee.

On November 21, 2023, we issued \$400.0 million aggregate principal amount of the 2028 Senior Notes in an offering to persons reasonably believed to be qualified institutional buyers in the United States pursuant to Rule 144A and to certain non-U.S. persons in transactions outside the United States pursuant to Regulation S. Interest on the 2028 Senior Notes accrues at a rate of 8.750% per annum, payable semi-annually in arrears on June 15 and December 15 of each year. The 2028 Senior Notes mature on December 15, 2028. The terms of the 2028 Senior Notes are governed by an Indenture, dated as of July 6, 2018, and Fourth Supplemental Indenture thereto, dated as of November 21, 2023, as may be supplemented from time to time, among us, our subsidiaries that guarantee our obligations under the Credit Agreement and Regions Bank, as trustee.

On June 28, 2021, we issued \$300.0 million aggregate principal amount of the 2029 Senior Notes in an offering to persons reasonably believed to be qualified institutional buyers in the United States pursuant to Rule 144A and to certain non-U.S. persons in transactions outside the United States pursuant to Regulation S. Interest on the 2029 Senior Notes accrues at a rate of 4.000% per annum, payable semi-annually in arrears on January 15 and July 15 of each year. The 2029 Senior Notes mature on

July 15, 2029. The terms of the 2029 Senior Notes are governed by an Indenture, dated as of July 6, 2018, and Third Supplemental Indenture thereto, dated as of June 28, 2021, as may be supplemented from time to time, among us, our subsidiaries that guarantee our obligations under the Credit Agreement and Wilmington Trust, National Association, as trustee.

*Letters of Credit, Surety Bonds and Financial Guarantees*

We are often required to provide letters of credit and surety bonds to secure our performance under construction contracts, development agreements and other arrangements. The amount of such obligations outstanding at any time varies in accordance with our pending development activities. In the event any such bonds or letters of credit are drawn upon, we would be obligated to reimburse the issuer of such bonds or letters of credit.

Under these letters of credit, surety bonds and financial guarantees, we are committed to perform certain development and construction activities and provide certain guarantees in the normal course of business. Outstanding letters of credit, surety bonds and financial guarantees under these arrangements totaled \$392.2 million as of December 31, 2025. Although significant development and construction activities have been completed related to the improvements at these sites, the letters of credit and surety bonds are not generally released until all development and construction activities are completed. We do not believe that it is probable that any outstanding letters of credit, surety bonds or financial guarantees as of December 31, 2025 will be drawn upon.

*Stock Repurchase Program*

In February 2022, our Board of Directors (the "Board") approved a \$200.0 million increase to our previously authorized stock repurchase program, pursuant to which we may purchase up to \$550.0 million of shares of our common stock through open market transactions, privately negotiated transactions or otherwise in accordance with applicable laws. During the three months ended December 31, 2025, we did not repurchase any shares of our common stock. During the year ended December 31, 2025, we repurchased 409,253 shares of our common stock at a total cost, including commissions and excise taxes, of \$23.6 million, to be held as treasury stock. During the three months ended December 31, 2024, we did not repurchase any shares of our common stock. During the year ended December 31, 2024, we repurchased 307,867 shares of our common stock at a total cost, including commissions and excise taxes, of \$30.8 million, to be held as treasury stock. A total of 3,656,592 shares of our common stock has been repurchased since our stock repurchase program commenced in 2018. As of December 31, 2025, we may purchase up to \$157.3 million of shares of our common stock under our stock repurchase program. The timing, amount and other terms and conditions of any repurchases of shares of our common stock under our stock repurchase program will be determined by our management at its discretion based on a variety of factors, including the market price of our common stock, corporate considerations, general market and economic conditions and legal requirements. Our stock repurchase program may be modified, discontinued or suspended at any time.

**Cash Flows**

*Operating Activities*

Net cash used in operating activities was \$140.0 million during the year ended December 31, 2025. The primary drivers of operating cash flows are typically cash earnings and changes in inventory levels, including land acquisition and development. Net cash used in operating activities during the year ended December 31, 2025 was primarily driven by cash outflow of \$257.0 million in real estate inventory, which was primarily related to our homes under construction and land acquisitions and development level of activity, an \$18.8 million decrease in the net change in accrued expenses and other liabilities, a net decrease in accounts payable, partially offset by the \$60.4 million increase in the net change in other assets and the \$16.1 million increase in the net change related to pre-acquisition costs and deposits, inventory impairment, accounts receivable and compensation expense for equity awards.

Net cash used in operating activities was \$143.7 million during the year ended December 31, 2024. The primary drivers of operating cash flows are typically cash earnings and changes in inventory levels, including land acquisition and development. Net cash used in operating activities during the year ended December 31, 2024 was primarily driven by cash outflow from the \$365.9 million decrease in the net change in real estate inventory, which was primarily related to our homes under construction and land acquisitions and development level of activity and partially offset by net income of \$196.1 million.

*Investing Activities*

Net cash provided by investing activities was \$27.9 million during the year ended December 31, 2025, primarily due to \$24.7 million in proceeds from the sale of property and equipment and \$8.6 million in return of capital, partially offset by an additional \$4.5 million investment in unconsolidated entities.

Net cash used in investing activities was \$15.6 million during the year ended December 31, 2024, primarily due to additional investment in unconsolidated entities.

### *Financing Activities*

Net cash provided by financing activities was \$120.1 million during the year ended December 31, 2025, primarily driven by \$668.7 million of borrowings under the Credit Agreement, offset by \$493.0 million of repayments on our credit agreement then in effect and payments of \$29.9 million related to a financing arrangement with a third-party land banker. In addition, during the year ended December 31, 2025, we repurchased \$23.6 million of shares of our common stock under our stock repurchase program to be held as treasury stock.

Net cash provided by financing activities was \$132.3 million during the year ended December 31, 2024, primarily driven by \$592.3 million of borrowings under our credit agreement then in effect and \$400.0 million of proceeds from the offering of our 2032 Senior Notes. These were partially offset by \$760.0 million of repayments on our credit agreement then in effect and payments of \$67.9 million related to a financing arrangement with a third-party land banker. In addition, during the year ended December 31, 2024, we repurchased \$31.0 million of shares of our common stock under our stock repurchase program to be held as treasury stock.

### **Inflation**

Our business can be adversely impacted by inflation, primarily from higher land, financing, labor, material and construction costs. In addition, inflation can lead to higher mortgage interest rates, which can significantly affect the affordability of mortgage financing to homebuyers. See “Industry and Economic Risks—Inflation could adversely affect our business and financial results” in [Item 1A. Risk Factors](#) in Part I of this Annual Report on Form 10-K.

### **Critical Accounting Policies and Estimates**

In preparing our consolidated financial statements in accordance with GAAP and pursuant to the rules and regulations of the SEC, we make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. We base our estimates, judgments and assumptions on historical experience and various other factors that we believe to be reasonable under the circumstances. Actual results could differ materially from these estimates under different assumptions or conditions. We evaluate our estimates, judgments and assumptions on a regular basis. We also discuss our critical accounting policies and estimates with the Audit Committee of the Board. Discussed below are accounting policies that we believe are critical because of the significance of the activity to which they relate or because they require the use of significant judgment in their application.

#### *Home Sales Revenue Recognition*

We recognize home sales revenue upon the transfer of promised goods to our customers in an amount that reflects the consideration to which we expect to be entitled by applying the following five-step process:

- Identify the contract(s) with a customer
- Identify the performance obligations
- Determine the transaction price
- Allocate the transaction price
- Recognize revenue when the performance obligations are met

Our contracts with customers include a single performance obligation to transfer a completed home to the customer. We generally determine selling price per home on the expected cost plus margin. Our contracts contain no significant financing terms as customers who finance do so through a third party. Performance obligations are satisfied at a moment in time when the home is complete and control of the asset is transferred to the customer at closing. Home sales proceeds are generally received from the title company within a few business days after closing. Little to no estimation is involved in recognizing such revenues.

#### *Real Estate Inventory and Cost of Home Sales*

Inventory consists of land, land under development, finished lots, information centers, homes in progress and completed homes. Inventory is stated at cost unless the carrying amount is determined not to be recoverable, in which case inventory is written down to fair value.

Pre-acquisition costs, land, development and other project costs, including interest and property taxes, incurred during development and home construction, and net of expected reimbursements of development costs, are capitalized to real estate inventory. Pre-acquisition costs, land development and other common costs that benefit the entire community, including field construction supervision and related direct overhead, are allocated to individual lots or homes, as appropriate, on a pro rata basis which we believe approximates the costs that would be determined using an allocation method based on relative sales values since the individual lots or homes within a community are similar in value.

We use judgments and assumptions to recognize the appropriate amount of cost of sales by estimating the total land development costs. We use estimates which are affected by changes to the land development project's schedule; the cost of labor, materials, and subcontractors; and potential cost reimbursements from various municipalities. Changes to estimated total remaining development costs subsequent to initial home closings in a community are allocated to the remaining unsold homes in the community on a prospective basis. Home construction costs and related carrying charges are allocated to the cost of individual homes using the specific identification method and are capitalized as they are incurred. Capitalized interest, property taxes, and other carrying costs are generally capitalized to real estate inventory from the point development begins to the point construction is completed. Costs associated with homes closed are charged to cost of sales simultaneously with revenue recognition. We believe that our policies provide for reasonably dependable estimates to be used in the calculation and reporting of land development and home construction costs.

#### *Impairment of Real Estate Inventories*

Real estate inventory is stated at cost unless the carrying value is not recoverable, in which case the inventory is written down to its fair value in accordance with ASC 360. At December 31, 2025, real estate inventory totaled \$3.5 billion. During the year ended December 31, 2025, we recorded \$6.7 million of impairment charges related to four communities out of 144 active communities. We evaluate each community for indicators of impairment on a quarterly basis. Our review considers, among other factors: gross margins realized on homes closed; trends in average sales prices and sales incentives; absorption rates; estimated costs to complete development and construction; projected margins on remaining homes to be sold; and local market and economic conditions. Our consolidated gross margin for the year was 20.7%. Because community-level cash flow projections are highly sensitive to changes in sales prices, incentives, construction costs and absorption rates, relatively moderate changes in these assumptions can materially impact projected profitability and the outcome of our impairment analysis. When indicators of impairment are present, we compare the carrying value of the community to its estimated undiscounted future cash flows. When estimating undiscounted cash flows, we make assumptions regarding expected home sales revenue, including the number of homes available, pricing, and incentives offered by us or by other builders in comparable communities; costs incurred to date and expected future costs such as land development, home construction, interest, indirect construction, and selling and marketing; the impact of any alternative product offerings on sales, pricing, or building costs; and potential alternative uses of the property. If the carrying value exceeds estimated undiscounted cash flows, the community is written down to its estimated fair value, which is determined using a discounted cash flow model and probability-weighted analysis. The most significant judgments in this analysis relate to projected sales prices, gross margins, and absorption rates. These assumptions are based on current market conditions, recent operating results and our expectations of future market performance. A sustained decline in home sales prices, an increase in incentives, higher construction or development costs, or a slowdown in absorption rates could result in additional impairment charges in future periods.

We purchase both finished lots and land to be developed. Generally, the life cycle of a community ranges from two to five years. For projects we develop, the period between the acquisition of a raw piece of land and completion of the development of that land generally ranges from two to four years. During the life of a project, a constructed home is used as the community information center and then sold. Actual individual community lives will vary based on the size of the community, the sales absorption rate, and whether the property was purchased as raw land or finished lots. Sustained changes in the life cycle of a community, which is an indicator used for impairment, may negatively impact our results of operations.

#### *Impairment of Land and Land Under Development*

For raw land, land under development and completed lots that our management anticipates will be utilized for future homebuilding activities or to be sold as finished lots to individuals, the recoverability of assets is measured by comparing the carrying amount of the assets to future undiscounted cash flows expected to be generated by the assets based on home or lot sales, consistent with the evaluation of operating communities discussed above.

#### *Warranty Reserves*

We generally provide homebuyers with a one-year warranty on the house and a limited warranty for major defects in structural elements, such as framing components and foundation systems, typically ranging from six to ten years depending on the applicable state. Estimated future direct warranty costs are assessed monthly on a consistent basis as part of our policy and accrued and charged to cost of sales in connection with our home sales.

The primary assumption to record amounts accrued for our warranty liability is based upon a trailing 120 month period of historical warranty cost experience on a per house basis established based on (i) trends in historical warranty payment levels, (ii) the historical range of amounts paid per house, (iii) any warranty expenditures not considered to be normal and recurring, and is adjusted as appropriate to reflect qualitative risks associated with the types of homes built, the geographic areas in which they are built, and potential impacts of our expansion. Our analysis also considers improvements in quality control and construction techniques expected to impact future warranty expenditures and the expertise of our personnel. Our warranty reserves are reviewed quarterly to assess the reasonableness and adequacy and we make adjustments to the balance of the pre-existing reserves, as needed, to reflect changes in trends and historical data as information becomes available. We decreased our

warranty reserve by \$1.6 million for the year ended December 31, 2025 and increased our warranty reserve by \$2.5 million and \$2.9 million for the years ended December 31, 2024 and 2023, respectively.

*Taxes*

We utilize the liability method of accounting for income taxes. Under the liability method, deferred tax assets and liabilities are recognized using enacted tax rates for the effect of temporary differences between the book and tax bases of recorded assets and liabilities, changes in tax rate are recognized in the year of enactment. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion or all of the net deferred tax assets will not be realized. Our ability to realize deferred tax assets is assessed throughout the year and a valuation allowance is established, if required. We compute our provision for income taxes based on the statutory tax rates. Judgment is required in evaluating our tax positions and determining our annual tax provision. We recognize the impact of a tax position only if it is more likely than not to be sustained upon examination based on the technical merits of the position. We recognize potential interest and penalties related to uncertain tax positions in income tax expense, as applicable.

**ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Our operations are interest rate sensitive. As overall housing demand is adversely affected by increases in interest rates, a significant increase in mortgage interest rates may negatively affect the ability of homebuyers to secure adequate financing. Higher interest rates could adversely affect our revenues, gross margin and net income.

**Quantitative and Qualitative Disclosures About Interest Rate Risk**

We utilize both fixed-rate debt and variable-rate debt as part of financing our operations. We do not have the obligation to prepay our senior notes or our fixed-rate inventory related obligations prior to maturity, and, as a result, interest rate risk and changes in fair market value should not have a significant impact on our fixed-rate debt.

We currently do not hold derivatives for trading or speculative purposes, but we may do so in the future. Many of the statements contained in this section are forward looking and should be read in conjunction with our disclosures under the heading "[Cautionary Statement about Forward-Looking Statements](#)" in [Item 1A. Risk Factors](#) in Part I of this Annual Report on Form 10-K.

We are exposed to market risks related to fluctuations in interest rates on our outstanding variable rate indebtedness. As of December 31, 2025, we had \$527.6 million of variable rate indebtedness outstanding under the Credit Agreement. All of the outstanding borrowings under the Credit Agreement are at variable rates based on SOFR. The interest rate for our variable rate indebtedness as of December 31, 2025 was SOFR plus 1.85%. At December 31, 2025, SOFR was 3.72%, subject to the 0.50% SOFR floor as included in the Credit Agreement. A hypothetical 100 basis point increase in the average interest rate above the SOFR floor on our variable rate indebtedness would increase our annual interest cost by approximately \$5.3 million.

Based on the current interest rate management policies we have in place with respect to our outstanding indebtedness, we do not believe that the future interest rate risks related to our existing indebtedness will have a material adverse impact on our financial position, results of operations or liquidity.

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Stockholders and the Board of Directors of LGI Homes, Inc.

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of LGI Homes, Inc. (the Company) as of December 31, 2025 and 2024, the related consolidated statements of operations, equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 19, 2026 expressed an unqualified opinion thereon.

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

**Critical Audit Matter**

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

**Land development costs**

*Description of the Matter*

For the year ended December 31, 2025, the Company's cost of sales was approximately \$1.3 billion, which includes construction costs of each closed home and allocable land acquisition and land development costs, capitalized interest, and other related costs. As discussed in Note 2 to the consolidated financial statements, land development costs that are not specifically identifiable to a home are allocated on a pro rata basis. At the time of home closings, land development activities may not be finalized. To recognize the appropriate amount of cost of sales, the Company estimates the total remaining development costs. Estimates are affected by changes to the land development project's schedule; the cost of labor, materials, and subcontractors; and potential cost reimbursements from various municipalities.

Auditing the Company's land development cost measurement was complex and subjective due to the significant estimation required to determine the costs to complete land development. Specifically, the land development cost estimate is sensitive to significant management assumptions, including the project's schedule, estimated cost of labor, materials and subcontractors and potential reimbursements. Auditing the Company's land development cost measurement was complex and subjective due to the significant estimation required to determine the costs to complete land development. Specifically, the land development cost estimate is sensitive to significant management assumptions, including the project's schedule, estimated cost of labor, materials and subcontractors and potential reimbursements.

*How We Addressed the Matter in Our Audit*

We obtained an understanding and tested the design and operating effectiveness of the Company's process and controls over its land development cost measurement, including controls over management's review of the estimated costs to complete.

To test the Company's land development cost measurement, our audit procedures included, among others, testing the significant assumptions used to develop the estimated costs to complete the land development projects and testing the completeness and accuracy of the underlying data. For example, we sampled the Company's land development project budgets and agreed the estimated development costs and cost reimbursements to supporting documentation, including underlying contracts; and performed observational procedures to understand the completeness of development activities included in the estimated land development costs. In addition, we performed look back analyses to historical actual costs to assess management's ability to estimate and performed sensitivity analyses of the significant assumptions to evaluate the changes in total costs of land development that would result from changes in these assumptions.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2013.  
Houston, Texas

February 19, 2026

**LGI HOMES, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands, except share data)

	December 31,	
	2025	2024
<b>ASSETS</b>		
Cash and cash equivalents	\$ 61,247	\$ 53,197
Accounts receivable	32,467	28,717
Real estate inventory	3,520,563	3,387,853
Pre-acquisition costs and deposits	28,950	36,049
Property and equipment, net	107,145	57,038
Other assets	154,948	174,391
Deferred tax assets, net	9,904	9,271
Goodwill	12,018	12,018
Total assets	\$ 3,927,242	\$ 3,758,534
<b>LIABILITIES AND EQUITY</b>		
Accounts payable	\$ 16,179	\$ 33,271
Accrued expenses and other liabilities	157,971	207,317
Notes payable	1,656,803	1,480,718
Total liabilities	1,830,953	1,721,306
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>EQUITY</b>		
Common stock, par value \$0.01, 250,000,000 shares authorized, 27,789,678 shares issued and 23,133,086 shares outstanding as of December 31, 2025 and 27,644,413 shares issued and 23,397,074 shares outstanding as of December 31, 2024	277	276
Additional paid-in capital	347,308	337,161
Retained earnings	2,158,339	2,085,787
Treasury stock, at cost, 4,656,592 shares as of December 31, 2025 and 4,247,339 shares as of December 31, 2024	(409,635)	(385,996)
Total equity	2,096,289	2,037,228
Total liabilities and equity	\$ 3,927,242	\$ 3,758,534

See accompanying notes to the consolidated financial statements.

**LGI HOMES, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(In thousands, except share and per share data)**

	Year Ended December 31,		
	2025	2024	2023
Home sales revenues	\$ 1,705,504	\$ 2,202,598	\$ 2,358,580
Cost of sales	1,351,958	1,669,310	1,816,393
Selling expenses	162,149	199,950	191,582
General and administrative	111,621	121,192	117,350
Operating income	79,776	212,146	233,255
Other income, net	(18,710)	(46,767)	(28,499)
Net income before income taxes	98,486	258,913	261,754
Income tax provision	25,934	62,842	62,527
Net income	\$ 72,552	\$ 196,071	\$ 199,227
Earnings per share:			
Basic	\$ 3.13	\$ 8.33	\$ 8.48
Diluted	\$ 3.12	\$ 8.30	\$ 8.42
Weighted average shares outstanding:			
Basic	23,188,965	23,529,724	23,507,136
Diluted	23,254,595	23,610,457	23,648,548

See accompanying notes to the consolidated financial statements.

**LGI HOMES, INC.**  
**CONSOLIDATED STATEMENTS OF EQUITY**  
(In thousands, except share data)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock	Total Equity
	Shares	Amount				
<b>BALANCE—December 31, 2022</b>	<b>27,245,278</b>	<b>\$ 272</b>	<b>\$ 306,673</b>	<b>\$ 1,690,489</b>	<b>\$ (355,022)</b>	<b>\$ 1,642,412</b>
Net income	—	—	—	199,227	—	199,227
Restricted stock units granted for accrued annual bonuses	—	—	206	—	—	206
Compensation expense for equity awards	—	—	8,926	—	—	8,926
Stock issued under employee incentive plans	275,842	3	5,257	—	—	5,260
<b>BALANCE—December 31, 2023</b>	<b>27,521,120</b>	<b>\$ 275</b>	<b>\$ 321,062</b>	<b>\$ 1,889,716</b>	<b>\$ (355,022)</b>	<b>\$ 1,856,031</b>
Net income	—	—	—	196,071	—	196,071
Restricted stock units granted for accrued annual bonuses	—	—	786	—	—	786
Stock repurchase including excise tax	—	—	—	—	(30,974)	(30,974)
Compensation expense for equity awards	—	—	10,483	—	—	10,483
Stock issued under employee incentive plans	123,293	1	4,830	—	—	4,831
<b>BALANCE—December 31, 2024</b>	<b>27,644,413</b>	<b>\$ 276</b>	<b>\$ 337,161</b>	<b>\$ 2,085,787</b>	<b>\$ (385,996)</b>	<b>\$ 2,037,228</b>
Net income	—	—	—	72,552	—	72,552
Restricted stock units granted for accrued annual bonuses	—	—	540	—	—	540
Stock repurchase including excise tax	—	—	—	—	(23,639)	(23,639)
Compensation expense for equity awards	—	—	6,001	—	—	6,001
Stock issued under employee incentive plans	145,265	1	3,605	—	—	3,607
<b>BALANCE— December 31, 2025</b>	<b>27,789,678</b>	<b>\$ 277</b>	<b>\$ 347,307</b>	<b>\$ 2,158,339</b>	<b>\$ (409,635)</b>	<b>\$ 2,096,289</b>

See accompanying notes to the consolidated financial statements.

**LGI HOMES, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)

	For the Year Ended December 31,		
	2025	2024	2023
<b>Cash flows from operating activities:</b>			
Net income	\$ 72,552	\$ 196,071	\$ 199,227
Adjustments to reconcile net income to net cash used in operating activities:			
Equity in income of unconsolidated entities	(1,928)	(13,302)	(12,834)
Distributions of earnings from unconsolidated entities	4,801	14,372	14,825
Depreciation and amortization	4,322	3,108	2,408
Gain on disposal of assets	(2,598)	(14,013)	(1,634)
Compensation expense for equity awards	6,001	10,483	8,926
Inventory impairment	6,717	—	—
Deferred income taxes	(633)	(1,108)	(1,977)
Changes in assets and liabilities:			
Accounts receivable	(3,750)	12,602	(16,176)
Real estate inventory	(257,041)	(365,889)	(255,518)
Pre-acquisition costs and deposits	7,099	(5,695)	(5,322)
Other assets	60,420	3,851	23,033
Accounts payable	(17,092)	1,655	6,330
Accrued expenses and other liabilities	(18,843)	14,126	(18,256)
Net cash used in operating activities	(139,973)	(143,739)	(56,968)
<b>Cash flows from investing activities:</b>			
Purchases of property and equipment	(924)	(1,952)	(1,443)
Proceeds from sale of property and equipment	24,700	25,441	—
Investment in unconsolidated entities	(4,451)	(7,869)	(17,889)
Return of capital from unconsolidated entities	8,613	—	5,684
Net cash provided by (used in) investing activities	27,938	15,620	(13,648)
<b>Cash flows from financing activities:</b>			
Proceeds from notes payable	668,695	992,313	887,283
Payments on notes payable	(493,000)	(760,000)	(746,000)
Proceeds from financing arrangements	—	—	50,402
Payments on financing arrangements	(29,937)	(67,850)	(95,027)
Loan issuance costs	(5,641)	(5,982)	(14,322)
Proceeds from sale of stock, net of offering expenses	3,607	4,831	5,260
Stock repurchase	(23,639)	(30,974)	—
Net cash provided by financing activities	120,085	132,338	87,596
Net increase in cash and cash equivalents	8,050	4,219	16,980
Cash and cash equivalents, beginning of period	53,197	48,978	31,998
Cash and cash equivalents, end of period	\$ 61,247	\$ 53,197	\$ 48,978

See accompanying notes to the consolidated financial statements.

**LGI HOMES, INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**1. ORGANIZATION AND BUSINESS**

**Organization and Description of the Business**

LGI Homes, Inc., a Delaware corporation (the “Company”, “we,” “us,” or “our”), is headquartered in The Woodlands, Texas. We engage in the development of communities and the design, construction and sale of new homes in markets in Texas, Arizona, Florida, Georgia, New Mexico, Colorado, North Carolina, South Carolina, Washington, Tennessee, Minnesota, Oklahoma, Alabama, California, Oregon, Nevada, West Virginia, Virginia, Pennsylvania, Maryland and Utah.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The consolidated financial statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”) and include the accounts of the Company and its subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates, and these differences could have a significant impact on the financial statements. The significant accounting estimates include land development cost of sales, impairment of real estate inventory, warranty reserves, loss contingencies, incentive compensation expense, and income taxes.

**Cash and Cash Equivalents and Concentration of Credit Risk**

Cash and cash equivalents are defined as cash on hand, demand deposits with financial institutions, and short-term liquid investments with an initial maturity date of less than three months. Our cash in demand deposit accounts may exceed federally insured limits and could be negatively impacted if the underlying financial institutions fail or are subject to other adverse conditions in the financial markets. To date, we have experienced no loss or diminished access to cash in our demand deposit accounts.

**Accounts Receivable**

Accounts receivable consist primarily of proceeds due from title companies for sales closed prior to period end and are generally collected within a few days from closing.

**Real Estate Inventory**

Inventory consists of land, land under development, finished lots, information centers, homes in progress, completed homes and real estate not owned. Inventory is stated at cost unless the carrying amount is determined not to be recoverable, in which case the affected inventory is written down to fair value. Land, development and other project costs, including interest and property taxes incurred during development and home construction, net of expected reimbursable development costs, are capitalized to real estate inventory. Land development and other common costs that benefit the entire community, including field construction supervision and related direct overhead, are allocated to individual lots or homes, as appropriate. The costs of lots are transferred to homes in progress when home construction begins. Home construction costs and related carrying charges are allocated to the cost of individual homes using the specific identification method. Costs that are not specifically identifiable to a home are allocated on a pro rata basis, which we believe approximates the costs that would be determined using an allocation method based on relative sales values since the individual lots or homes within a community are similar in value. Changes to estimated total development costs subsequent to initial home closings in a community are generally allocated to the remaining unsold lots and homes in the community on a pro rata basis. Inventory costs for completed homes are expensed to cost of sales as homes are closed.

We purchase both finished lots and land to be developed. Generally, the life cycle of a community ranges from two to five years. For projects we develop, the period between the acquisition of a raw piece of land and completion of the development of that land generally ranges from two to three years. During the life of a project, a constructed home is used as the community information center and then sold. Actual individual community lives will vary based on the size of the community, the sales absorption rate, and whether the property was purchased as raw land or finished lots.

We have land banking financing arrangements with a third-party land banker to repurchase land that we sold to the land banker as a method of acquiring finished lots in staged takedowns, while limiting risk and minimizing the use of funds from our available cash or other financing sources. In consideration for this repurchase option, we paid a non-refundable commitment fee. Based on our right to control the ultimate economic outcome of these finished lots, these assets will continue to be held as real estate not owned within our inventory as shown in tabular form in [Note 3](#) and have a corresponding obligation within our accrued liabilities as more fully discussed in [Note 5](#) to recognize this relationship. While we are not legally obligated to repurchase the balance of the lots, we are subject to certain performance obligations, financial and other penalties if the lots are not purchased. We do not have any ownership interest or title to the assets that we have sold to the land banker and we do not guarantee any of the land banker's liabilities.

Interest and financing costs incurred under our debt obligations and financing arrangements, as more fully discussed in [Note 6](#) and [Note 5](#), respectively, are capitalized to qualifying real estate projects under development and homes under construction.

We evaluate our actively selling communities for indicators of inventory impairment on a quarterly basis. Inventory is written down when the estimated fair value is less than its carrying amount. Indicators of impairment include, but are not limited to, significant decreases in gross margins on homes closed, significant downward trends in average selling prices, significant reductions in absorption, and operating cash flow losses at the community level.

When impairment indicators are present, we analyze cash flows at the lowest level for which there are identifiable cash flows, which we have concluded is the community level. If the undiscounted cash flows are less than the community's carrying value, we estimate the fair value using the estimated future discounted cash flows of the respective communities and applying a probability-weighted approach to determine the estimated future discounted cash flows. A community with a fair value less than its carrying value is impaired and is written down to its calculated fair value. Any losses identified are presented in our costs of goods sold and are not subsequently reversed.

During the year ended December 31, 2025, the Company tested 15 out of 144 communities and we determined that inventory with a carrying value before impairment of \$29.6 million, related to four actively selling communities in our Central, Midwest and Florida operating segments were impaired. As a result, we recorded inventory impairment charges of \$6.7 million for the year ended December 31, 2025. There were no inventory impairment charges recorded for the years ended December 31, 2024 and 2023.

We make various assumptions about the underlying factors impacting a project's financial performance when estimating undiscounted cash flows, including the following: expected home sales revenue, absorption pace, average sales price of homes offered for sale, the costs incurred to date and the anticipated spend remaining to complete the project, including, but not limited to, land and land development costs, home construction costs, interest and overhead costs. The key assumptions relating to estimating future cash flows are impacted by both local market and national economic conditions, which contain inherent uncertainties. Our quarterly assessments reflect management's best estimates. However, there are inherent uncertainties in these estimates and in our operations and industry, as discussed in Item 1A. Risk Factors of this Annual Report on Form 10-K. As a result, we cannot predict if future impairments will occur or determine the potential magnitude of any such impairments. In addition, the selection of discount rates involves significant judgment, and variations in these rates can materially affect the outcome of our fair value analyses.

#### **Capitalized Interest**

Interest and other financing costs are capitalized as cost of inventory during community development and home construction activities, in accordance with Accounting Standards Codification ("ASC") Topic 835, *Interest* and expensed in cost of sales as homes in the community are closed. To the extent the debt exceeds qualified assets, a portion of the interest incurred is expensed.

#### **Pre-Acquisition Costs and Deposits**

Amounts paid for land options, deposits on land purchase contracts, and other pre-acquisition costs are capitalized and classified as deposits to purchase. Upon execution of the purchase, these deposits are applied to the acquisition price of the land and recorded as a cost component of the land in real estate inventory. To the extent that any deposits are nonrefundable and the associated land acquisition process is terminated or no longer determined probable, the deposit and related pre-acquisition costs are charged to general and administrative expenses. Management reviews the likelihood of the acquisition of contracted lots in conjunction with its periodic real estate impairment analysis.

Under ASC Topic 810, *Consolidation* ("ASC 810"), a nonrefundable deposit paid to an entity is deemed to be a variable interest that will absorb some or all of the entity's expected losses if they occur. Non-refundable land purchase and lot option deposits generally represent our maximum exposure if we elect not to purchase the optioned property. In some instances, we may also expend funds for due diligence, development and construction activities with respect to optioned land prior to close. Such costs are classified as preacquisition costs, which we would have to absorb should the option not be exercised. Therefore,

whenever we enter into a land option or purchase contract with an entity and make a nonrefundable deposit, we may have a variable interest in a variable interest entity (“VIE”). In accordance with ASC 810, we perform ongoing reassessments of whether we are the primary beneficiary of a VIE and would consolidate the VIE if we are deemed to be the primary beneficiary. As of December 31, 2025 and 2024, we were not deemed to be the primary beneficiary for any VIEs associated with non-refundable land deposits.

#### **Deferred Loan Costs**

Deferred loan costs represent debt issuance costs related to a recognized debt liability and are presented in the balance sheet as a direct deduction from the carrying amount of that debt liability.

#### **Other Assets**

Other assets consist primarily of land held for sale, municipal utility district reimbursements, prepaid insurance, prepaid expenses, financing arrangement commitment fees, right-of-use (“ROU”) assets, investments in unconsolidated entities, forward commitments and other receivables. Prepaid insurance and prepaid expenses were \$14.9 million and \$14.1 million as of December 31, 2025 and 2024, respectively.

We have investments in unconsolidated entities with independent third parties. The equity method of accounting is used for unconsolidated entities over which we have significant influence; generally, this represents ownership interests of at least 20% and not more than 50%. Under the equity method of accounting, we recognize our proportionate share of the earnings and losses of this entity.

We evaluate our investments in unconsolidated entities for recoverability in accordance with ASC Topic 323, *Investments - Equity Method and Joint Ventures*. If we determine that a loss in the value of any of the investments is other than temporary, we write down the investment to its estimated fair value. Any such losses are recorded to equity in (earnings) loss of unconsolidated entities, which is reflected in other income, net.

#### **Property and Equipment, Net**

Property and equipment are stated at cost, less accumulated depreciation. Depreciation expense is recorded in general and administrative expenses and in other income, net for rental properties. Upon sale or retirement, the costs and related accumulated depreciation are eliminated from the respective accounts and any resulting gain or loss is included in other income, net. Depreciation is generally computed using the straight-line method over the estimated useful lives of the assets, ranging from two to five years for property and equipment and 27.5 years for our rental properties. Leasehold improvements are depreciated over the shorter of the asset life or the term of the lease. Maintenance and repair costs are expensed as incurred. We are lessors of the homes representing rental properties. Our leasing contracts are typically for terms of one year.

Impairments of long-lived assets are determined periodically when indicators of impairment are present. If such indicators are present, the determination of the amount of impairment is based on judgments as to the future undiscounted operating cash flows to be generated from these assets throughout the remaining estimated useful lives. If these undiscounted cash flows are less than the carrying amount of the related asset, impairment is recognized for the excess of the carrying value over its fair value. There were no impairments of property, equipment and leasehold improvements recorded during the years ended December 31, 2025, 2024, and 2023.

#### **Goodwill**

The excess of the purchase price of a business acquisition over the net fair value of assets acquired and liabilities assumed is capitalized as goodwill in accordance with ASC 805, *Business Combinations*. Goodwill that do not have finite lives are not amortized, but are assessed for impairment at least annually or more frequently if certain impairment indicators are present. The \$12.0 million of goodwill is related to the reorganization transactions completed in connection with the initial public offering of our common stock in November 2013. In applying the goodwill impairment test, we have the option to perform a qualitative test. Under the optional qualitative test, we first assess qualitative factors to determine whether it is more likely than not that the fair value of the reporting units is less than their carrying value. Qualitative factors may include, but are not limited to, economic conditions, industry and market considerations, cost factors, overall financial performance of the reporting unit and other entity and reporting unit specific events. If after assessing these qualitative factors, we determine it is “more-likely-than-not” that the fair value of the reporting unit is less than the carrying value, then performing a quantitative test is necessary. Annually, we have performed a qualitative analysis and determined that it is not “more likely than not” that the fair values of the reporting units were less than their carrying amounts. No goodwill impairment charges were recorded in 2025, 2024, and 2023.

#### **Warranty Reserves**

Future direct warranty costs are accrued and charged to cost of sales in the period when the related home is closed. Our warranty liability is based upon historical warranty cost experience and is adjusted as appropriate to reflect qualitative risks

associated with the types of homes built, the geographic areas in which they are built, and potential impacts of our continued expansion.

Warranty reserves are reviewed quarterly to assess the reasonableness and adequacy and adjusted, as needed, to reflect changes in trends and historical data as information becomes available.

### **Customer Deposits**

Customer deposits are received upon signing a purchase contract and are typically \$1,000 to \$10,000. Deposits are generally refundable if the customer is unable to obtain financing. Forfeited buyer deposits related to home sales are recognized in other income in the period in which it is determined that the buyer will not complete the purchase of the property and the deposit is nonrefundable to the buyer.

### **Home Sales**

In accordance with ASC Topic 606, *Revenue from Contracts with Customers*, revenues from home sales are recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. Revenues from home sales are recorded at the time each home sale is closed, title and possession are transferred to the customer and we have no significant continuing involvement with the home. Home sales discounts and incentives granted to customers, which are related to the customers' closing costs that we pay on the customers' behalf, are recorded as a reduction of revenue in our consolidated financial statements of operations.

### **Cost of Sales**

As discussed under "Real Estate Inventory" above, cost of sales for homes closed include the construction costs of each home and allocable land acquisition and land development costs, capitalized interest, and other related common costs (both incurred and estimated to be incurred).

### **Selling and Commission Costs**

Sales commissions are paid and expensed based on homes closed. Other selling costs are expensed in the period incurred.

### **Advertising Costs**

Advertising costs are expensed as incurred. Advertising costs were \$40.2 million, \$43.6 million, and \$33.1 million for the years ended December 31, 2025, 2024, and 2023, respectively.

### **Income Taxes**

We are a taxable entity subject to federal and state taxes. We utilize the liability method of accounting for income taxes. Under the liability method, deferred tax assets and liabilities are recognized using enacted tax rates for the effect of temporary differences between the book and tax bases of recorded assets and liabilities. Changes in tax rates are recognized in the year of enactment. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that some portion or all of the net deferred tax assets will not be realized. Our ability to realize deferred tax assets is assessed throughout the year and a valuation allowance is established, if required. We recognize the impact of a tax position only if it is more likely than not to be sustained upon examination based on the technical merits of the position. We recognize potential interest and penalties related to uncertain tax positions in income tax expense.

### **Earnings Per Share**

Basic earnings per share is based on the weighted average number of shares of common stock outstanding. Diluted earnings per share is based on the weighted average number of shares of common stock and dilutive securities outstanding. Diluted earnings per share excludes all dilutive potential shares of common stock if their effect is antidilutive.

### **Stock-Based Compensation**

Compensation costs for non-performance-based restricted stock awards are measured using the closing price of our common stock on the date of grant and are expensed on a straight-line basis over the requisite service period of the award. Compensation costs for performance-based restricted stock awards also contain a market condition. These costs are measured using the derived grant date fair value, based on a third party valuation analysis, and are expensed in accordance with ASC 718-10-25-20, *Compensation - Stock Compensation*, which requires an assessment of probability of attainment of the performance target. Once the performance target outcome is determined to be probable, the cumulative expense is adjusted, as needed, to recognize compensation expense on a straight-line basis over the award's requisite service period.

### **Recently Issued Accounting Pronouncements**

In December 2023, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" ("ASU 2023-09"), which is

intended to enhance the transparency and decision usefulness of income tax disclosures. This amendment modifies the rules on income tax disclosures to require entities to disclose (1) specific categories in the rate reconciliation and additional information for reconciling items that meet a quantitative threshold, (2) the amount of income taxes paid (net of refunds received) (disaggregated by federal, state, and foreign taxes) as well as individual jurisdictions in which income taxes paid is equal to or greater than 5 percent of total income taxes paid net of refunds, (3) the income or loss from continuing operations before income tax expense or benefit (disaggregated between domestic and foreign) and (4) income tax expense or benefit from continuing operations (disaggregated by federal, state and foreign). The guidance is effective for annual reporting periods beginning after December 15, 2024, with early adoption permitted for annual financial statements that have not yet been issued or made available for issuance. ASU 2023-09 should be applied on a prospective basis, while retrospective application is permitted. We applied the amendment on a prospective basis. See [Note 7](#).

In November 2024, the FASB issued ASU 2024-03, “Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses” (“ASU 2024-03”), which requires disclosure of certain costs and expenses on an interim and annual basis in the notes to the financial statements. The amendments in this update are to be applied on a prospective basis, with the option for retrospective application. The guidance is effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. We are currently evaluating the impact that this standard will have on our disclosures.

### 3. REAL ESTATE INVENTORY

Our real estate inventory consists of the following (in thousands):

	December 31,	
	2025	2024
Land, land under development and finished lots	\$ 2,601,578	\$ 2,287,352
Information centers	61,940	57,622
Homes in progress	261,850	325,579
Completed homes	587,219	680,160
Total owned inventory	3,512,587	3,350,713
Real estate not owned	7,976	37,140
Total real estate inventory	\$ 3,520,563	\$ 3,387,853

Our real estate not owned relates to land banking financing arrangements with a third-party land banker to repurchase land that we sold to the land banker as a method of acquiring finished lots in staged takedowns, while limiting risk and minimizing the use of funds from our available cash or other financing sources. See “Real Estate Inventory” under [Note 2](#) for more information.

### 4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following (in thousands):

	December 31,	
	2025	2024
Rental properties	\$ 107,152	\$ 54,435
Computer software and equipment	5,661	4,937
Leasehold improvements	1,799	1,799
Furniture and fixtures	3,033	2,906
Machinery and equipment	301	261
Total property and equipment	117,946	64,338
Less: Accumulated depreciation	(10,801)	(7,300)
Property and equipment, net	\$ 107,145	\$ 57,038

We build and lease a number of single-family homes in select, existing communities. During the years ended December 31, 2025 and 2024, we transferred \$77.1 million and \$25.1 million, respectively, of home assets from real estate inventory to rental properties within property and equipment, net. During the year ended December 31, 2025, we had a sale of

103 currently or previously leased single-family homes and realized gains of \$4.9 million included in Other Income, net. We are lessors of the homes representing these home assets.

Depreciation expense incurred for the years ended December 31, 2025, 2024, and 2023 was \$4.3 million, \$3.1 million, and \$2.4 million, respectively.

## 5. ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued and other liabilities consist of the following (in thousands):

	December 31,	
	2025	2024
Real estate inventory development and construction payable	\$ 57,103	\$ 48,019
Taxes payable	9,704	43,076
Land banking financing arrangements	7,976	37,140
Accrued compensation, bonuses and benefits	14,677	18,653
Warranty reserve	14,500	16,100
Accrued interest	14,223	13,560
Inventory related obligations	11,641	8,779
Lease liability	5,139	6,134
Contract deposits	5,845	4,143
Other	17,163	11,713
Total accrued expenses and other liabilities	\$ 157,971	\$ 207,317

### Land Banking Financing Arrangements

We have land banking financing arrangements with a third-party land banker to repurchase land that we sold to the land banker as a method of acquiring finished lots in staged takedowns. Principal payments on these financing arrangements will generally coincide with the repurchase of lot takedowns from the land banker. We expect to complete the repurchase of all lots via takedowns associated with these transactions over the course of less than a year.

### Inventory Related Obligations

We own lots in certain communities in Florida and Texas that have Community Development Districts or similar utility and infrastructure development special assessment programs that allocate a fixed amount of debt service associated with development activities to each lot. This obligation for infrastructure development is attached to the land, which is typically payable over a 30-year period and is ultimately assumed by the homebuyer when home sales are closed. The obligations assumed by the homebuyer represent a non-cash cost of the lots.

### Estimated Warranty Reserve

We generally provide homebuyers with a one-year warranty on the house and a limited warranty for major defects in structural elements, such as framing components and foundation systems, typically ranging from six to ten years depending on the applicable state.

Changes to our warranty accrual are as follows (in thousands):

	December 31,		
	2025	2024	2023
Warranty reserves, beginning of period	\$ 16,100	\$ 13,600	\$ 10,750
Warranty provision	1,789	7,609	8,510
Warranty expenditures	(3,389)	(5,109)	(5,660)
Warranty reserves, end of period	\$ 14,500	\$ 16,100	\$ 13,600

## 6. NOTES PAYABLE

### Revolving Credit Agreement

On August 1, 2025, we entered into a Letter Agreement with several financial institutions, and Wells Fargo Bank, National Association, as administrative agent (the “Letter Agreement Amendment”), which amended the Fifth Amended and Restated Credit Agreement, dated as of April 28, 2021, with several financial institutions, and Wells Fargo Bank, National Association, as administrative agent (as amended to date, including the Letter Agreement Amendment, the “Credit Agreement”). The Credit Agreement provides for a \$1.1825 billion revolving credit facility, which can be increased at the request of the Company by up to \$95.0 million, subject to the terms and conditions of the Credit Agreement. The Credit Agreement matures on April 28, 2029 with respect to \$972.5 million, or 82.2%, of the \$1.1825 billion of commitments thereunder and on April 28, 2028 with respect to 17.8% of the commitments thereunder.

Before each anniversary of the Credit Agreement, we may request a one-year extension of its maturity date. The Credit Agreement is guaranteed by, among others, each of our subsidiaries that have gross assets of at least \$0.5 million, other than subsidiaries whose sole purpose is to own and operate single-family rental homes.

The borrowings and letters of credit outstanding under the Credit Agreement, together with the outstanding principal balance of our 8.750% Senior Notes due 2028 (the “2028 Senior Notes”), our 4.000% Senior Notes due 2029 (the “2029 Senior Notes”) and our 7.000% Senior Notes due 2032 (the “2032 Senior Notes”), may not exceed the borrowing base under the Credit Agreement. The borrowing base primarily consists of a percentage of commercial land, land held for development, lots under development and finished lots held by the Company and its subsidiaries that guarantee the obligations under the Credit Agreement. As of December 31, 2025, the borrowing base under the Credit Agreement was \$1.9 billion, of which the maximum available to borrow was \$1.9 billion. As of December 31, 2025, borrowings under the Credit Agreement and the outstanding principal amount of the 2028 Senior Notes, the 2029 Senior Notes and the 2032 Senior Notes totaled approximately \$1.6 billion, \$19.5 million of letters of credit were outstanding and \$273.6 million was available to borrow under the Credit Agreement.

Borrowings under the Credit Agreement bear interest, payable monthly in arrears, at the Company’s option, at either (1) the Adjusted Term SOFR (defined as a term SOFR that is based on a fixed 1, 3 or 6 month interest period, as selected by the Company, plus a 10, 15 or 25 basis point adjustment, respectively), which rate is subject to a 50 basis point floor, plus an applicable margin ranging from 145 basis points to 210 basis points (the “Applicable Margin”) based on the Company’s leverage ratio as determined in accordance with a pricing grid, or (2) the Base Rate (defined as a term SOFR that is based on a daily variable 1 month interest period plus a 10 basis point adjustment), subject to a 50 basis point floor, plus the Applicable Margin. At December 31, 2025, the Applicable Margin was 1.85%, and SOFR was 3.72%, subject to the 0.50% SOFR floor as included in the Credit Agreement.

The Credit Agreement contains various financial covenants, including a minimum tangible net worth, a maximum leverage ratio, a minimum liquidity amount and a minimum EBITDA to interest expense ratio. The Credit Agreement contains various covenants that, among other restrictions, (i) limit the amount of our additional debt and our ability to make certain investments and (ii) restrict the repurchase of shares and payment of dividends through December 31, 2026. At December 31, 2025, we were in compliance with all of the covenants contained in the Credit Agreement.

### LGI Living Loan Agreement

On July 23, 2025, the Company’s indirect, wholly owned special purpose subsidiary LGI Living - SFR 1, LLC (“LGI Living SFR”) entered into a Loan Agreement (the “LGI Living Loan Agreement”) with Evergreen Residential Capital, LLC, as lender. The LGI Living Loan Agreement provides for a secured non-recourse loan for up to \$50.0 million, which can be increased at the request of LGI Living SFR by up to \$75.0 million (for a total of \$125.0 million), subject to the terms and conditions of the LGI Living Loan Agreement.

As of December 31, 2025, the total amount of borrowings outstanding under the LGI Living Loan Agreement was \$50.0 million. The loan matures on July 8, 2030 and bears interest at a rate of 6.433% per annum, which may be adjusted in connection with an increase in the amount of the loan. The loan is unconditionally guaranteed as to payment and performance by the Company under a limited recourse guaranty with respect to (i) certain losses and liabilities to the extent such losses or liabilities are actually incurred by the lender and (ii) the entire amount of the loan upon the occurrence of certain events. The LGI Living Loan Agreement requires that the Company maintain, as guarantor, (i) liquidity of not less than 15% of the loan amount and (ii) maintain net worth in excess of 50% of the loan amount.

The loan is unconditionally guaranteed as to payment and performance by LGI Living - ER FIN, LLC, as the direct owner of the equity interests in LGI Living SFR, but recourse under such guaranty is limited to LGI Living - ER FIN, LLC’s equity interests in LGI Living SFR, which are pledged as collateral for the loan. The loan is also secured by a security interest in all assets of LGI Living SFR, including a mortgage lien on certain of LGI Living SFR’s real property. The LGI Living Loan Agreement includes certain restrictive covenants that may limit LGI Living SFR’s ability to, among other things, incur additional indebtedness or make certain investments. The LGI Living Loan Agreement contains representations and warranties,

affirmative covenants, and events of default, all of which the Company believes are customary for special purpose subsidiary real estate secured loan agreements. If an event of default exists under the LGI Living Loan Agreement, the lender will be able to accelerate the maturity of the loan and exercise other rights and remedies. At December 31, 2025, we were in compliance with all of the covenants contained in the LGI Living Loan Agreement.

**Senior Notes Offering**

On November 15, 2024, we issued \$400.0 million aggregate principal amount of the 2032 Senior Notes in an offering to persons reasonably believed to be qualified institutional buyers in the United States pursuant to Rule 144A (“Rule 144A”) under the Securities Act of 1933, as amended (the “Securities Act”), and to certain non-U.S. persons in transactions outside the United States pursuant to Regulation S (“Regulation S”) under the Securities Act. Interest on the 2032 Senior Notes accrues at a rate of 7.000% per annum, payable semi-annually in arrears on May 15 and November 15 of each year. The 2032 Senior Notes mature on November 15, 2032. The terms of the 2032 Senior Notes are governed by an Indenture, dated as of July 6, 2018, and Fifth Supplemental Indenture thereto, dated as of November 15, 2024, as may be supplemented from time to time, among us, our subsidiaries that guarantee our obligations under the Credit Agreement and Regions Bank, as trustee.

On November 21, 2023, we issued \$400.0 million aggregate principal amount of the 2028 Senior Notes in an offering to persons reasonably believed to be qualified institutional buyers in the United States pursuant to Rule 144A and to certain non-U.S. persons in transactions outside the United States pursuant to Regulation S. Interest on the 2028 Senior Notes accrues at a rate of 8.750% per annum, payable semi-annually in arrears on June 15 and December 15 of each year. The 2028 Senior Notes mature on December 15, 2028. The terms of the 2028 Senior Notes are governed by an Indenture, dated as of July 6, 2018, and Fourth Supplemental Indenture thereto, dated as of November 21, 2023, as may be supplemented from time to time, among us, our subsidiaries that guarantee our obligations under the Credit Agreement and Regions Bank, as trustee.

On June 28, 2021, we issued \$300.0 million aggregate principal amount of the 2029 Senior Notes in an offering to persons reasonably believed to be qualified institutional buyers in the United States pursuant to Rule 144A and to certain non-U.S. persons in transactions outside the United States pursuant to Regulation S. Interest on the 2029 Senior Notes accrues at a rate of 4.000% per annum, payable semi-annually in arrears on January 15 and July 15 of each year. The 2029 Senior Notes mature on July 15, 2029. The terms of the 2029 Senior Notes are governed by an Indenture, dated as of July 6, 2018, and Third Supplemental Indenture thereto, dated as of June 28, 2021, as may be supplemented from time to time, among us, our subsidiaries that guarantee our obligations under the Credit Agreement and Wilmington Trust, National Association, as trustee.

Notes payable consist of the following (in thousands):

	December 31,	
	2025	2024
Notes payable under the Credit Agreement (\$1.1825 billion revolving credit facility at December 31, 2025, maturing in part on April 28, 2028 and in part on April 28, 2029, with interest paid monthly at SOFR plus 1.85%; \$1.205 billion revolving credit facility at December 31, 2024, maturing in part on April 28, 2025 and in part on April 28, 2028, with interest paid monthly at SOFR plus 1.85%)	\$ 527,641	\$ 401,946
Loan payable under the LGI Living Loan Agreement maturing on July 8, 2030; with interest paid monthly at an annual rate of 6.433%	50,000	—
8.750% Senior Notes due December 15, 2028; interest paid semi-annually at 8.750%	400,000	400,000
4.000% Senior Notes due July 15, 2029; interest paid semi-annually at 4.000%	300,000	300,000
7.000% Senior Notes due November 15, 2032; interest paid semi-annually at 7.000%	400,000	400,000
Net debt issuance costs	(20,838)	(21,228)
<b>Total notes payable</b>	<b>\$ 1,656,803</b>	<b>\$ 1,480,718</b>

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As of December 31, 2025, the annual aggregate maturities of notes payable during each of the next five fiscal years are as follows (in thousands):

	<b>Amount</b>
2026	\$ —
2027	—
2028	493,703
2029	733,938
2030	50,000
Thereafter	400,000
<b>Total notes payable</b>	<b>\$ 1,677,641</b>
Less: Net debt issuance costs	(20,838)
<b>Net notes payable</b>	<b>\$ 1,656,803</b>

### Capitalized Interest

Interest activity, including other financing costs, for notes payable and financing arrangements for the periods presented is as follows (in thousands):

	<b>Year Ended December 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Interest incurred	\$ 126,847	\$ 119,009	\$ 87,604
Less: Amounts capitalized	(126,847)	(119,009)	(87,604)
Interest expense	\$ —	\$ —	\$ —
Cash paid for interest	\$ 120,533	\$ 112,984	\$ 80,963

Included in interest incurred was amortization of deferred financing costs and applicable discounts for notes payable and financing arrangements of \$9.9 million, \$14.0 million and \$13.6 million for the years ended December 31, 2025, 2024, and 2023, respectively.

### 7. INCOME TAXES

All of the Company's operations are domestic. We do not have foreign subsidiaries or foreign operations therefore, no foreign income taxes are incurred or reported.

The provision for income taxes consisted of the following (in thousands):

	<b>Year Ended December 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
<b>Current:</b>			
Federal	\$ 21,601	\$ 53,114	\$ 54,013
State	4,966	10,836	10,492
Current tax provision	26,567	63,950	64,505
<b>Deferred:</b>			
Federal	(437)	(931)	(1,638)
State	(196)	(177)	(340)
Deferred tax provision (benefit)	(633)	(1,108)	(1,978)
<b>Total income tax provision</b>	<b>\$ 25,934</b>	<b>\$ 62,842</b>	<b>\$ 62,527</b>

Income taxes paid (net of refunds) consisted of the following (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Federal	\$ 54,500	\$ 24,500	\$ 85,458
State			
Florida	—	2,485	—
California	—	3,103	—
Other states (combined)	7,887	5,295	10,838
<b>Total net cash paid for income taxes</b>	<b>\$ 62,387</b>	<b>\$ 35,383</b>	<b>\$ 96,296</b>

State taxes for Florida and California did not exceed the 5% threshold for net income taxes paid in 2025 and 2023.

Domestic net income before income taxes and related income tax expense consisted of the following (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Domestic (U.S.)	\$ 98,486	\$ 258,913	\$ 261,754
<b>Total net income before income taxes</b>	<b>\$ 98,486</b>	<b>\$ 258,913</b>	<b>\$ 261,754</b>

A reconciliation of the provision for income taxes and the amount computed by applying the statutory federal income tax rate to income before provision for income taxes for the years ended December 31, 2025, 2024, and 2023 (in thousands):

	Year Ended December 31,					
	2025		2024		2023	
Tax at federal statutory rate	\$ 20,682	21.0 %	\$ 54,372	21.0 %	\$ 54,968	21.0 %
State income taxes (net of federal benefit)	3,877	3.9	8,448	3.3	8,052	3.1
Stock-based compensation	798	0.8	(93)	—	(2,230)	(0.9)
Non deductible expenses and other	1,167	1.2	2,054	0.8	3,033	1.2
Change in tax rates - deferred taxes	(403)	(0.4)	(187)	(0.1)	(89)	—
Federal energy efficient homes tax credits	(187)	(0.2)	(1,752)	(0.7)	(1,207)	(0.5)
<b>Tax at effective rate</b>	<b>\$ 25,934</b>	<b>25.93400000.0%</b>	<b>\$ 62,842</b>	<b>24.3 %</b>	<b>\$ 62,527</b>	<b>23.9 %</b>

The 2025 effective tax rate differs from the federal statutory rate primarily due to state income tax expense on current year earnings and non-deductible salaries related to Section 162(m) of the U.S. Internal Revenue Code, as amended (the “Code”). The 2024 effective tax rate differs from the federal statutory rate primarily due to state income tax expense on current year earnings and non-deductible salaries related to Section 162(m) of the Code, partially offset by the windfalls for share-based payments and benefits associated with the federal energy efficient homes tax credits (the “45L Tax Credits”). The 2023 effective tax rate differs from the federal statutory rate primarily due to state income tax expense on current year earnings and non-deductible salaries related to Section 162(m) of the Code, partially offset by benefits associated with the 45L Tax Credits and the windfalls for share-based payments.

Income tax expense for 2025, 2024, and 2023 includes a benefit of \$0.2 million, \$1.8 million and \$1.2 million, respectively, associated with the 45L Tax Credits. The 45L Tax Credits provision applies to qualifying homes closed through December 31, 2025.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

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The components of net deferred tax assets and liabilities at December 31, 2025 and 2024 are as follows (in thousands):

	December 31,	
	2025	2024
Deferred tax assets:		
Accruals and reserves	\$ 4,641	\$ 5,752
Stock-based compensation	2,893	3,136
Inventory	3,750	1,531
Leases	956	1,181
Other	3,624	2,938
Total deferred tax assets	15,865	14,538
Deferred tax liabilities:		
Prepays	\$ (1,382)	\$ (1,075)
Leases	(1,127)	(1,305)
Goodwill and other assets amortized for tax	(1,400)	(1,258)
Tax depreciation in excess of book depreciation	(1,250)	(885)
Other	(802)	(744)
Total deferred tax liabilities	(5,961)	(5,267)
Total net deferred tax assets	\$ 9,904	\$ 9,271

We file U.S. and state income tax returns in jurisdictions with varying statutes of limitations. The statute of limitations with regards to our federal income tax filings is three years. The statute of limitations for our state tax jurisdictions is three to four years depending on the jurisdiction. In the normal course of business, we are subject to tax audits in various jurisdictions, and such jurisdictions may assess additional income taxes. We do not expect the outcome of any audit to have a material effect on our consolidated financial statements; however, audit outcomes and the timing of audit adjustments are subject to significant uncertainty.

## 8. EQUITY

We are authorized to issue 250,000,000 shares of common stock, par value \$0.01 per share, and 5,000,000 shares of preferred stock, par value \$0.01 per share. As of December 31, 2025 and 2024, no shares of preferred stock were issued or outstanding.

At December 31, 2025, we had 27,789,678 shares of common stock issued and 23,133,086 shares of common stock outstanding, including 4,656,592 treasury shares of our common stock. At December 31, 2024, we had 27,644,413 shares of common stock issued and 23,397,074 shares of common stock outstanding, including 4,247,339 treasury shares of our common stock.

### Stock Repurchase Program

In February 2022, our Board of Directors (the "Board") approved a \$200.0 million increase to our previously authorized stock repurchase program, pursuant to which we may purchase up to \$550.0 million of shares of our common stock through open market transactions, privately negotiated transactions or otherwise in accordance with applicable laws. During the three months ended December 31, 2025, we did not repurchase any shares of our common stock. During the year ended December 31, 2025, we repurchased 409,253 shares of our common stock at a total cost, including commissions and excise taxes, of \$23.6 million, to be held as treasury stock. During the three months ended December 31, 2024, we did not repurchase any shares of our common stock. During the year ended December 31, 2024, we repurchased 307,867 shares of our common stock at a total cost, including commissions and excise taxes, of \$30.8 million, to be held as treasury stock. A total of 3,656,592 shares of our common stock has been repurchased since our stock repurchase program commenced in 2018. As of December 31, 2025, we may purchase up to \$157.3 million of shares of our common stock under our stock repurchase program.

## Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share for the years ended December 31, 2025, 2024, and 2023.

	Year Ended December 31,		
	2025	2024	2023
Numerator (in thousands):			
Net income (Numerator for basic and diluted earnings per share)	\$ 72,552	\$ 196,071	\$ 199,227
Denominator:			
Basic weighted average shares outstanding	23,188,965	23,529,724	23,507,136
Effect of dilutive securities:			
Stock-based compensation units	65,630	80,733	141,412
Diluted weighted average shares outstanding	23,254,595	23,610,457	23,648,548
Basic earnings per share	\$ 3.13	\$ 8.33	\$ 8.48
Diluted earnings per share	\$ 3.12	\$ 8.30	\$ 8.42
Antidilutive non-vested restricted stock units excluded from calculations of diluted earnings per share	47,436	46,146	11,412

## 9. STOCK-BASED COMPENSATION

### Non-performance Based Restricted Stock Units

A total of 2,680,172 shares of our common stock have been reserved for issuance under the LGI Homes, Inc. Amended and Restated 2013 Equity Incentive Plan (the "2013 Incentive Plan"). There were 222,828 restricted stock units ("RSUs") outstanding at December 31, 2025, issued at a \$0.00 exercise price.

The following table summarizes the activity of our time-vested RSUs:

	Shares	Weighted Average Grant Date Fair Value
Balance at December 31, 2022	146,239	\$ 100.93
Granted	48,946	\$ 109.47
Vested	(53,894)	\$ 71.84
Forfeited	(7,932)	\$ 115.05
Balance at December 31, 2023	133,359	\$ 114.98
Granted	105,350	\$ 104.63
Vested	(28,100)	\$ 138.06
Forfeited	(15,656)	\$ 108.24
Balance at December 31, 2024	194,953	\$ 106.60
Granted	107,305	\$ 64.65
Vested	(13,297)	\$ 92.22
Forfeited	(66,133)	\$ 109.14
Balance at December 31, 2025	222,828	\$ 86.51

In 2025, we issued 29,063 RSUs to senior management for the time-based portion of our 2025 long-term incentive compensation program and 31,521 RSUs for 2024 annual bonuses to managers, which generally cliff vest on the third anniversary of the grant date. In 2024, we issued 17,767 RSUs to senior management for the time-based portion of our 2024 long-term incentive compensation program and 30,876 RSUs for 2023 annual bonuses to managers, which generally cliff vest on the third anniversary of the grant date. In 2023, we issued 22,912 RSUs to senior management for the time-based portion of our 2023 long-term incentive compensation program and 8,256 RSUs for 2022 annual bonuses to managers, which generally cliff vest on the third anniversary of the grant date. In addition, during the years ended December 31, 2025, 2024, and 2023, we issued 46,721, 56,707 and 17,778 RSUs, respectively, to certain employees, executives and non-employee directors, which vest

over periods ranging from one to three years. Under the terms of the grant award agreements, all of the RSUs may only be settled in shares of our common stock.

**Performance-Based Restricted Stock Units**

The Compensation Committee of the Board has granted awards of performance-based RSUs (“PSUs”) under the 2013 Incentive Plan to certain members of senior management based on three-year performance cycles. At December 31, 2025, there were 248,122 PSUs outstanding that have been granted to certain members of management at a \$0.00 exercise price. The PSUs provide for shares of our common stock to be issued based on the attainment of certain performance metrics over the applicable three-year periods. The number of shares of our common stock that may be issued to the recipients for the PSUs range from 0% to 200% of the target amount depending on actual results as compared to the target performance metrics. The terms of the PSUs provide that the payouts will be capped at 100% of the target number of PSUs granted if absolute total stockholder return is negative during the performance period, regardless of EPS performance; this market condition applies for amounts recorded above target. The compensation expense associated with the PSU grants is determined using the derived grant date fair value, based on a third-party valuation analysis, and expensed over the applicable period. The PSUs vest upon the determination date for the actual results at the end of the three-year period and require that the recipients continue to be employed by us through the determination date. The PSUs can only be settled in shares of our common stock.

The following table summarizes the activity of our PSUs for the year ended December 31, 2025:

	Shares	Weighted Average Grant Date Fair Value
Balance at December 31, 2024	196,770	\$ 111.38
Granted	116,227	\$ 75.09
Vested	—	\$ —
Forfeited	(64,875)	\$ 118.8
Balance at December 31, 2025	248,122	\$ 92.92

We recognized \$(1.6) million, \$4.3 million and \$2.9 million of total stock-based compensation expense related to outstanding PSUs for the years ended December 31, 2025, 2024, and 2023, respectively. PSUs granted in 2022 were forfeited based on actual results as compared to the target performance metrics. At December 31, 2025, we had unrecognized compensation cost of \$0.6 million, based on the probable amount, related to unvested PSUs, which is expected to be recognized over a weighted average period of 0.3 years. PSUs granted in 2025 and 2024 are excluded from the calculation of diluted EPS as they are subject to unsatisfied performance conditions.

**Employee Stock Purchase Plan**

The LGI Homes, Inc. Employee Stock Purchase Plan (the “ESPP”) provides for employees to make quarterly elections for payroll withholdings to purchase shares of our common stock at a 15% discount from the closing price of our common stock on the purchase date, which is the last business day of each calendar quarter. On April 24, 2025, our stockholders approved and authorized 500,000 additional shares of our common stock that may be sold under the ESPP. The maximum number of shares of our common stock that may be sold under the ESPP is 1,000,000 shares.

During the years ended December 31, 2025, 2024, and 2023, we issued 79,132, 54,794 and 53,078 shares of our common stock to the ESPP participants. We received net proceeds of approximately \$3.6 million, \$4.8 million and \$5.3 million related to the ESPP for 2025, 2024, and 2023, respectively. We recognized \$0.6 million in stock compensation expense related to the ESPP for 2025 and \$0.9 million in stock compensation expense related to the ESPP for each of 2024 and 2023. The ESPP contributions are not refundable (other than in the case of termination of employment) and, therefore, the shares purchasable with the amounts withheld are included in weighted-average shares outstanding for both basic and diluted earnings per share.

As of December 31, 2025, 471,927 shares of our common stock remain available for issuance under the ESPP.

**10. FAIR VALUE DISCLOSURES**

ASC 820, *Fair Value Measurements*, defines fair value as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”. Fair value is determined based on the principal market for the asset or liability, or, in the absence of a principal market, most advantageous market. The principal market is the market with the greatest volume and level of activity for the assets or liability, regardless of whether the Company ultimately transacts in that market. As a result, a fair value determined under this exit price concept may differ from the transaction price or quoted market price for the asset or liability.

ASC 820 establishes a framework for measuring fair value under GAAP, expands disclosure requirements for fair value

measurements, and establishes a three-level fair value hierarchy that prioritizes the inputs used in valuation techniques. The hierarchy requires the use of observable inputs when available and the minimization of unobservable inputs. The three levels of the fair value hierarchy are as follows:

*Level 1* - Quoted prices in active markets for identical assets or liabilities.

*Level 2* - Significant observable inputs other than quoted prices included in Level 1, such as quoted prices for identical or similar assets or liabilities in markets that are not active.

*Level 3* - Significant unobservable inputs that reflect the Company’s own assumptions about the assumptions market participants would use in pricing the asset or liability.

The Company uses fair value measurements to account for certain assets and liabilities in its consolidated financial statements. Fair value measurements are applied on both a recurring basis, such as for certain financial instruments, and on a nonrecurring basis, such as when measuring assets subject to impairment.

Fair value measurements on a nonrecurring basis occur when events or changes in circumstances indicate that the carrying value of an asset may not be recoverable, including impairment of long-lived assets and inventory. These nonrecurring fair value measurements are generally classified within Level 3 of the fair value hierarchy due to the use of significant observable inputs.

During the year ended December 31, 2025, the Company recorded impairment charges related to inventory, which were measured at fair value and classified within Level 3 of the fair value hierarchy.

The fair value of the impaired assets was determined using valuation techniques that included discounted cash flow models and other market-based approaches. Significant unobservable inputs used in these valuations included estimated future selling prices, projected costs, absorption rates, expected holding periods and discount rates reflecting market participant assumptions. Changes in these assumptions could have a material impact on the estimated fair value and the amount of impairment recognized.

The carrying amounts of the Company’s financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, and certain accrued liabilities, approximate fair value due to the short-term nature of these instruments.

As of December 31, 2025, the carrying value of amounts outstanding under the Credit Agreement approximated fair value due to the variable interest rate, which adjusts based on market interest rates and the Company’s leverage ratio.

The fair value of the 2028 Senior Notes, the 2029 Senior Notes, the 2032 Senior Notes and the LGI Living Loan Agreement was estimated by discounting future contractual cash flows using market rates for similar instruments within the homebuilding industry. The fair value measurements are classified as Level 2 within the fair value hierarchy.

The following table below presents the Company’s liabilities measured at fair value on a recurring basis by level within the fair value hierarchy as of December 31, 2025 and December 31, 2024 (in thousands):

	Fair Value Hierarchy	December 31, 2025		December 31, 2024	
		Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
2028 Senior Notes (1)	Level 2	\$ 400,000	\$ 437,152	\$ 400,000	\$ 436,783
2029 Senior Notes (1)	Level 2	\$ 300,000	\$ 286,726	\$ 300,000	\$ 274,692
2032 Senior Notes (1)	Level 2	\$ 400,000	\$ 437,114	\$ 400,000	\$ 421,247
LGI Living Loan Agreement(1)	Level 2	\$ 50,000	\$ 52,181	\$ —	\$ —

(1) See [Note 4](#) for more details regarding the offerings of the 2028 Senior Notes, the 2029 Senior Notes, and the 2032 Senior Notes and the LGI Living Loan Agreement.

## 11. RETIREMENT BENEFITS

Our employees are eligible to participate in a 401(k) savings plan. Employees are eligible to participate beginning in the quarterly period after completing 30 days of service and attaining the age of 21. Salary deferrals are allowed in amounts up to 100% of an eligible employee’s salary, not to exceed the maximum permitted by law. We may make a discretionary match of up to 100% of the first 4% of an eligible employee’s deferral, not to exceed the maximum allowed by law. For the years ended December 31, 2025, 2024, and 2023, our matching contributions were \$4.1 million, \$4.5 million and \$4.4 million, respectively.

## 12. RELATED PARTY TRANSACTIONS

The Company has entered into forward purchase commitments with LoanDepot, Inc. Parent, the co-owner of the LGI Mortgage Solutions joint venture in which the Company holds a 50% interest. The commitments relate to mortgage products originated by the LGI Mortgage Solutions joint venture for the Company’s homebuyers and were entered into as part of an interest rate buydown program designed to reduce the effective interest rate for borrowers. Total commitments during 2025 were \$173.0 million, with \$18.8 million unsettled at December 31, 2025 included in Other Assets. These transactions are considered related-party due to LoanDepot, Inc. Parent’s ownership and influence over the LGI Mortgage Solutions joint venture.

## 13. COMMITMENTS AND CONTINGENCIES

### Contingencies

In the ordinary course of doing business, we are subject to claims or proceedings from time to time relating to the purchase, development and sale of real estate and homes and other aspects of our homebuilding operations. Management believes that these claims include usual obligations incurred by real estate developers and residential home builders in the normal course of business. In the opinion of management, these matters will not have a material effect on our consolidated financial position, results of operations or cash flows.

We have provided unsecured environmental indemnities to certain lenders and other counterparties. In each case, we have performed due diligence on the potential environmental risks including obtaining an independent environmental review from outside environmental consultants. These indemnities obligate us to reimburse the guaranteed parties for damages related to environmental matters. There is no term or damage limitation on these indemnities; however, if an environmental matter arises, we may have recourse against other previous owners. In the ordinary course of doing business, we are subject to regulatory proceedings from time to time related to environmental and other matters. In the opinion of management, these matters will not have a material effect on our consolidated financial position, results of operations or cash flows.

### LGI Living Loan Agreement

On July 23, 2025, the Company’s indirect, wholly owned special purpose subsidiary LGI Living SFR entered into the LGI Living Loan Agreement with Evergreen Residential Capital, LLC, as lender. The loan under the LGI Living Loan Agreement is unconditionally guaranteed as to payment and performance by the Company under a limited recourse guaranty with respect to (i) certain losses and liabilities to the extent such losses or liabilities are actually incurred by the lender and (ii) the entire amount of the loan upon the occurrence of certain events. The LGI Living Loan Agreement requires that the Company, as guarantor, maintain (i) liquidity of not less than 15% of the loan amount and (ii) maintain net worth in excess of 50% of the loan amount.

The loan under the LGI Living Loan Agreement is secured by certain of LGI Living SFR’s single-family rental properties. The LGI Living Loan Agreement provides for a secured non-recourse loan for up to \$50.0 million, which can be increased at the request of LGI Living SFR by up to \$75.0 million (for a total of \$125.0 million), subject to the terms and conditions of the LGI Living Loan Agreement. As of December 31, 2025, LGI Living SFR had \$50.0 million of borrowings outstanding under the LGI Living Loan Agreement.

### Land Deposits

We have land purchase contracts, generally through cash deposits, for the right to purchase land or lots at a future point in time with predetermined terms. We do not have title to the property, and obligations with respect to the land purchase contracts are generally limited to the forfeiture of the related nonrefundable cash deposits. The following is a summary of our land purchase deposits included in pre-acquisition costs and deposits (in thousands, except for lot count):

	December 31,	
	2025	2024
Land deposits and option payments <sup>(1)</sup>	\$ 19,187	\$ 29,040
Commitments under the land purchase option and deposit contracts if the purchases are consummated <sup>(1)</sup>	285,654	653,861
Lots under land options and land purchase contracts <sup>(1)</sup>	8,952	17,582

(1) Includes land banking financing arrangements, see [Note 2](#) and [Note 3](#) for more details regarding real estate not owned.

As of December 31, 2025 and December 31, 2024, approximately \$8.2 million and \$10.4 million, respectively, of the land deposits are related to purchase contracts to deliver finished lots that are refundable under certain circumstances, such as feasibility or specific performance, and secured by mortgages or letters of credit or guaranteed by the seller or its affiliates.

**Lease Obligations**

We recognize lease obligations and associated ROU assets for our existing non-cancelable leases. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants. We have non-cancelable operating leases primarily associated with our corporate and regional office facilities. Operating lease expense is recognized on a straight-line basis over the lease term, subject to any changes in the lease or expectations regarding the terms. Variable lease costs such as common area costs and property taxes are expensed as incurred. Leases with an initial term of 12 months or less are not recorded on the balance sheet. The lease term may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. As our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. ROU assets, as included in other assets on the consolidated balance sheets, were \$4.7 million and \$5.6 million as of December 31, 2025 and December 31, 2024, respectively. Lease obligations, as included in accrued expenses and other liabilities on the consolidated balance sheets, were \$5.1 million and \$6.1 million as of December 31, 2025 and December 31, 2024, respectively.

Operating lease cost, as included in general and administrative expense in our consolidated statements of operations, totaled \$2.0 million, \$2.4 million and \$2.5 million for the years ended December 31, 2025, 2024, and 2023, respectively. Cash paid for amounts included in the measurement of lease liabilities for operating leases during the years ended December 31, 2025 and 2024 was \$2.5 million and \$1.9 million, respectively. As of December 31, 2025, the weighted-average discount rate was 5.9% and our weighted-average remaining life was 1.9 years. We do not have any significant lease contracts that have not yet commenced at December 31, 2025.

The table below shows the future minimum payments under non-cancelable operating leases at December 31, 2025 (in thousands):

<b>Year Ending December 31,</b>	<b>Operating leases</b>
2026	\$ 1,882
2027	1,675
2028	1,188
2029	532
2030	288
Thereafter	110
<b>Total</b>	<b>5,675</b>
Lease amount representing interest	(536)
<b>Present value of lease liabilities</b>	<b>\$ 5,139</b>

**Bonding and Letters of Credit**

We have outstanding letters of credit and performance and surety bonds totaling \$392.2 million (including \$19.5 million of letters of credit issued under the Credit Agreement) and \$377.5 million (including \$24.5 million of letters of credit issued under the credit agreement then in effect) at December 31, 2025 and December 31, 2024, respectively, related to our obligations for site improvements at various projects. Management does not believe that draws upon the letters of credit, surety bonds or financial guarantees if any, will have a material effect on our consolidated financial position, results of operations or cash flows.

**Investment in Unconsolidated Entities**

As of December 31, 2025, we had two equity-method real estate joint ventures and four additional joint ventures engaged primarily to provide services, such as mortgage and insurance, to our homebuyers. As of December 31, 2025 and 2024, we have a total of \$21.2 million and \$28.3 million, respectively, within other assets on the balance sheet relating to our investment in joint ventures associated with our operations. Contributions into the unconsolidated entities are for the use of investing in certain real estate transactions and residential mortgage services, respectively. Income associated with our investment in unconsolidated entities was \$1.9 million, \$13.3 million and \$12.8 million, within other income, net on the statement of operations for the years ended December 31, 2025, 2024, and 2023, respectively.

## 14. REVENUES

### Revenue Recognition

Revenues from home sales are recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. Revenues from home sales are recorded at the time each home sale is closed, title and possession are transferred to the customer and we have no significant continuing involvement with the home. Home sales discounts and incentives granted to customers, which are related to the customers' closing costs that we pay on the customers' behalf, are recorded as a reduction of revenue in our consolidated financial statements of operations.

The following table presents our home sales revenues disaggregated by revenue stream (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Retail home sales revenues	\$ 1,475,173	\$ 2,038,520	\$ 2,156,237
Wholesale home sales revenues	230,331	164,078	202,343
Total home sales revenues	\$ 1,705,504	\$ 2,202,598	\$ 2,358,580

Our home sales revenues are disaggregated by geography, based on our determined reportable segments.

The following table presents our home sales revenues disaggregated by geography, based on our determined reportable segments in [Note 15](#) (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Central	\$ 419,240	\$ 564,608	\$ 730,688
Southeast	472,150	538,170	556,808
Northwest	188,969	258,407	251,171
West	387,232	472,655	381,102
Florida	237,913	368,758	438,811
Home sales revenues	\$ 1,705,504	\$ 2,202,598	\$ 2,358,580

### Home Sales Revenues

We generate revenues primarily by delivering move-in ready entry-level and move-up spec homes sold under our LGI Homes brand and our luxury series spec homes sold under our Terrata Homes brand.

Retail homes sold under both our LGI Homes brand and Terrata Homes brand focus on providing move-in ready homes with standardized features within favorable markets that meet certain demographic and economic conditions. Our LGI Homes brand primarily markets to entry-level or first-time homebuyers, while our Terrata Homes brand primarily markets to move-up homebuyers.

Wholesale homes are primarily sold under a bulk sales agreement and focus on providing move-in ready homes with standardized features to real estate investors that will ultimately use the single-family homes as rental properties.

### Performance Obligations

Our contracts with customers include a single performance obligation to transfer a completed home to the customer. We generally determine selling price per home on the expected cost plus margin. Our contracts contain no significant financing terms as customers who finance do so through a third party. Performance obligations are satisfied at a moment in time when the home is complete and control of the asset is transferred to the customer at closing. Home sales proceeds are generally received from the title company within a few business days after closing.

Sales and broker commissions are incremental costs incurred to obtain a contract with a customer that would not have been incurred if the contract had not been obtained. Sales and broker commissions are expensed upon fulfillment of a home closing. Advertising costs are costs to obtain a contract that would have been incurred regardless of whether the contract was obtained and are recognized as an expense when incurred. Sales and broker commissions and advertising costs are recorded within sales and marketing expense presented in our consolidated statements of operations as selling expenses.

## 15. SEGMENT INFORMATION

We operate one principal homebuilding business that is organized and reports by division. We have seven operating segments (our Central, Midwest, Southeast, Mid-Atlantic, Northwest, West and Florida divisions) that we aggregate into five qualifying reportable segments at December 31, 2025: our Central, Southeast, Northwest, West, and Florida divisions. These segments reflect the way we evaluate our business performance and manage our operations.

For reporting purposes, our homebuilding operations are aggregated into five reportable segments as follows:

Central: *Texas, Oklahoma, Minnesota*

Southeast: *Georgia, Alabama, Tennessee, North Carolina, South Carolina,  
West Virginia, Maryland, Pennsylvania, Virginia*

Northwest: *Colorado, Washington, Oregon*

West: *Arizona, New Mexico, Nevada, California, Utah*

Florida: *Florida*

In determining the most appropriate reportable segments, we consider operating segments' economic and other characteristics, including home floor plans, average selling prices, gross margin percentage, geographical proximity, production construction processes, suppliers, subcontractors, regulatory environments, customer type and underlying demand and supply. Each operating segment follows the same accounting policies and is managed by our management team. We have no inter-segment sales, as all sales are to external customers. Operating results for each segment may not be indicative of the results for such segment had it been an independent, stand-alone entity for the periods presented.

Our Chief Executive Officer and Chairman of the Board and our President and Chief Operating Officer have been determined to be our chief operating decision-makers ("CODMs"). The CODMs primarily evaluate the segments' operating performance and allocate resources for all of our reportable segments based on net income before income taxes. For all of the segments, the CODMs use segment net income before income tax expense in the annual budget and forecasting process. These operating results are reviewed against actual and forecasted figures, with net income before income taxes being the key operating metric used to measure profit or loss.

Financial information relating to our reportable segments was as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
<b>Revenues:</b>			
Central	\$ 419,240	\$ 564,608	\$ 730,688
Southeast	472,150	538,170	556,808
Northwest	188,969	258,407	251,171
West	387,232	472,655	381,102
Florida	237,913	368,758	438,811
<b>Total home sales revenues</b>	<b>\$ 1,705,504</b>	<b>\$ 2,202,598</b>	<b>\$ 2,358,580</b>
<b>Cost of sales:</b>			
Central	\$ 329,825	\$ 433,932	\$ 556,664
Southeast	363,880	389,626	416,579
Northwest	158,824	199,217	197,637
West	296,863	359,406	304,550
Florida	202,566	287,129	340,963
<b>Total cost of sales</b>	<b>\$ 1,351,958</b>	<b>\$ 1,669,310</b>	<b>\$ 1,816,393</b>
<b>Other segment items<sup>(1)</sup>:</b>			
Central	\$ 65,640	\$ 63,988	\$ 87,728
Southeast	60,571	63,265	61,235
Northwest	26,995	33,277	29,850
West	56,837	61,036	47,429
Florida	41,875	51,274	49,524
Corporate <sup>(2)</sup>	3,142	1,535	4,667
<b>Total other segment items</b>	<b>\$ 255,060</b>	<b>\$ 274,375</b>	<b>\$ 280,433</b>
<b>Net income (loss) before income taxes:</b>			
Central	\$ 23,776	\$ 66,688	\$ 86,296
Southeast	47,699	85,279	78,994
Northwest	3,150	25,913	23,684
West	33,532	52,213	29,123
Florida	(6,529)	30,355	48,324
Corporate	(3,142)	(1,535)	(4,667)
<b>Total net income before income taxes</b>	<b>\$ 98,486</b>	<b>\$ 258,913</b>	<b>\$ 261,754</b>

(1) Other segment items reflects other sources of income and expense, including selling expenses, general and administrative expenses and other income, net.

(2) The Corporate balance consists of general and administrative unallocated costs for various shared service functions and non-strategic other income.

	December 31,	
	2025	2024
<b>Assets:</b>		
Central	\$ 1,162,355	\$ 1,096,500
Southeast	801,556	733,339
Northwest	598,193	567,088
West	800,548	759,042
Florida	452,555	480,921
Corporate <sup>(1)</sup>	112,035	121,644
<b>Total assets</b>	<b>\$ 3,927,242</b>	<b>\$ 3,758,534</b>

(1) The Corporate balance consists primarily of investments in unconsolidated entities.

**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

**ITEM 9A. CONTROLS AND PROCEDURES**

**Disclosure Controls and Procedures**

Under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, management has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of December 31, 2025. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective to ensure information is recorded, processed, summarized and reported within the periods specified in the Securities and Exchange Commission’s rules and forms and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

**Management’s Report on Internal Control Over Financial Reporting**

Management of LGI Homes, Inc. (the “Company”) is responsible for establishing and maintaining effective internal control over financial reporting and for the assessment of the effectiveness of internal control over financial reporting. The Company’s internal control over financial reporting is a process designed, as defined in Rule 13a-15(f) under the Exchange Act, to provide reasonable assurance to the Company’s management and board of directors regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles in the United States.

In connection with respect to the preparation of the Company’s annual consolidated financial statements, and the processes under which they were prepared, management of the Company has undertaken an assessment of the effectiveness of the Company’s internal control over financial reporting based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the 2013 COSO framework). Management’s assessment included an evaluation of the design of the Company’s internal control over financial reporting and testing of the operational effectiveness of the Company’s internal control over financial reporting. Based on this assessment, management has concluded that the Company’s internal control over financial reporting was effective as of December 31, 2025.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Ernst & Young LLP, the independent registered public accounting firm that audited the Company’s consolidated financial statements included in this Annual Report on Form 10-K, has issued an attestation report on the effectiveness of the Company’s internal control over financial reporting which appears below.

**Changes in Internal Controls**

No change in our internal control over financial reporting as such term is defined in Exchange Act Rule 13a-15(f) occurred during the three months ended December 31, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of LGI Homes, Inc.

### Opinion on Internal Control Over Financial Reporting

We have audited LGI Homes, Inc.'s internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, LGI Homes, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2025 and 2024, the related consolidated statements of operations, equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes and our report dated February 19, 2026 expressed an unqualified opinion thereon.

### Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Houston, Texas  
February 19, 2026

**ITEM 9B. OTHER INFORMATION**

**Rule 10b5-1 Trading Arrangements**

During the three months ended December 31, 2025, no director or officer (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

**Retention Arrangements and Annual Cash Bonus Plan Modification**

On February 13, 2026, in order to enhance the retention of certain key officers of the Company, the Compensation Committee of the Board authorized and approved retention arrangements with the executive officers of the Company and certain other officers of the Company. Certain officers of the Company and one executive officer (Mr. Garber) will receive a one-time cash payment during the first quarter of 2026. Mr. Garber will receive a one-time cash payment of \$150,000. The other executive officers of the Company (Messrs. Lipar, Snider and Merdian) and one other officer of the Company have their one-time cash payments tied to the Company’s Net Debt to Capitalization as of June 30, 2026. The target payment for Messrs. Lipar, Snider and Merdian is \$600,000, \$350,000 and \$300,000, respectively. If the Company’s Net Debt to Capitalization as of June 30, 2026 is: greater than 45%, then the cash payment is 50% of target; between 40% and 45%, then the cash payment is 100% of target; and below 40%, then the cash payment is 150% of target. All of the retention cash payments are subject to payback if the recipient voluntarily leaves the Company before December 31, 2026.

In addition, the Compensation Committee of the Board modified the potential bonus to be paid under the Company’s 2026 annual cash bonus plan for all participants in the plan including, Messrs. Lipar, Snider, Merdian, and Garber. Such participants will receive an additional bonus equal to 25% of such participant’s 2026 bonus paid under the Company’s annual cash bonus plan if the Company’s return on equity (ROE) for 2026 is above 10%. ROE for purposes of this potential bonus is defined as the Company’s net income for the fiscal year ended December 31, 2026 as reported in the Company’s audited Statement of Operations for the fiscal year ended December 31, 2026 divided by the average of the Company’s total equity as of March 31, 2026, June 30, 2026, September 30, 2026, and December 31, 2026 as reported in the respective Balance Sheet of the Company for each such date.

**ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

Not applicable.

### PART III

#### **ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

The information called for by Item 10, to the extent not set forth in “[Business—Executive Officers](#)” in [Item 1](#), will be set forth in the definitive proxy statement relating to the 2026 annual meeting of stockholders of LGI Homes, Inc. pursuant to SEC Regulation 14A. Such definitive proxy statement relates to a meeting of stockholders involving the election of directors and the portions thereof called for by Item 10 are incorporated herein by reference pursuant to Instruction G to Form 10-K.

#### **ITEM 11. EXECUTIVE COMPENSATION**

The information called for by Item 11 will be set forth in the definitive proxy statement relating to the 2026 annual meeting of stockholders of LGI Homes, Inc. pursuant to SEC Regulation 14A. Such definitive proxy statement relates to a meeting of stockholders involving the election of directors and the portions thereof called for by Item 11 are incorporated herein by reference pursuant to Instruction G to Form 10-K.

#### **ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The information called for by Item 12 will be set forth in the definitive proxy statement relating to the 2026 annual meeting of stockholders of LGI Homes, Inc. pursuant to SEC Regulation 14A. Such definitive proxy statement relates to a meeting of stockholders involving the election of directors and the portions thereof called for by Item 12 are incorporated herein by reference pursuant to Instruction G to Form 10-K.

#### **ITEM 13. CERTAIN RELATIONSHIPS, RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE**

The information called for by Item 13 will be set forth in the definitive proxy statement relating to the 2026 annual meeting of stockholders of LGI Homes, Inc. pursuant to SEC Regulation 14A. Such definitive proxy statement relates to a meeting of stockholders involving the election of directors and the portions thereof called for by Item 13 are incorporated herein by reference pursuant to Instruction G to Form 10-K.

#### **ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES**

The information called for by Item 14 will be set forth in the definitive proxy statement relating to the 2026 annual meeting of stockholders of LGI Homes, Inc. pursuant to SEC Regulation 14A. Such definitive proxy statement relates to a meeting of stockholders involving the election of directors and the portions thereof called for by Item 14 are incorporated herein by reference pursuant to Instruction G to Form 10-K.

**PART IV**

**ITEM 15. EXHIBITS AND FINANCIAL STATEMENTS SCHEDULES**

**(1) The following Consolidated Financial Statements as set forth in Item 8 of this report are filed herein.**

**Consolidated Financial Statements**

The report of LGI Homes, Inc's independent registered public accounting firm (PCAOB ID:42) with respect to the below-referenced financial statements and their report on internal control over financial reporting are included in Item 8 and Item 9A of this Form 10-K. Their consent appears as Exhibit 23.1 of this Form 10-K.

[Report of Independent Registered Public Accounting Firm](#)

[Consolidated Balance Sheets as of December 31, 2025 and 2024](#)

[Consolidated Statements of Operations for the years ended December 31, 2025, 2024 and 2023](#)

[Consolidated Statements of Equity from December 31, 2022 to December 31, 2025](#)

[Consolidated Statements of Cash Flows for the years ended December 31, 2025, 2024 and 2023](#)

[Notes to the Consolidated Financial Statements for the years ended December 31, 2025, 2024 and 2023](#)

**(2) Financial Statement Schedules**

All schedules are omitted because the required information is not present, in amounts sufficient to require submission of the schedule, or because the required information is included in the financial statements and related notes thereto.

**(3) Exhibits**

The exhibits filed or furnished as part of this annual report on Form 10-K are listed in the Index to Exhibits, which Index includes the management contracts or compensatory plans or arrangements required to be filed as exhibits to this Annual Report on Form 10-K by Item 601(b)(10)(iii) of Regulation S-K, and is incorporated in this Item by reference.

<u>Exhibit No.</u>	<u>Description</u>
3.1	<a href="#">Certificate of Incorporation of LGI Homes, Inc. (incorporated herein by reference to Exhibit 3.1 to the Registration Statement on Form S-1 (Registration No. 333-190853) of LGI Homes, Inc. filed with the SEC on August 28, 2013).</a>
3.2	<a href="#">Certificate of Amendment of Certificate of Incorporation of LGI Homes, Inc. (incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 001-36126) of LGI Homes, Inc. filed with the SEC on May 1, 2023).</a>
3.3	<a href="#">Bylaws of LGI Homes, Inc. (incorporated herein by reference to Exhibit 3.2 to the Registration Statement on Form S-1 (Registration No. 333-190853) of LGI Homes, Inc. filed with the SEC on August 28, 2013).</a>
4.1*	<a href="#">Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.</a>
4.2	<a href="#">Indenture, dated as of July 6, 2018, among LGI Homes, Inc., the potential subsidiary guarantors listed therein and Wilmington Trust, National Association, as trustee (incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-36126) of LGI Homes, Inc. filed with the SEC on July 6, 2018).</a>
4.3	<a href="#">Third Supplemental Indenture, dated as of June 28, 2021, among LGI Homes, Inc., the subsidiary guarantors listed therein and Wilmington Trust, National Association, as trustee, governing LGI Homes, Inc.'s 4.000% Senior Notes due 2029, including the form of the Notes (incorporated herein by reference to Exhibit 4.2 to the Current Report on Form 8-K (File No. 001-36126) of LGI Homes, Inc. filed with the SEC on June 28, 2021).</a>
4.4	<a href="#">Fourth Supplemental Indenture, dated as of November 21, 2023, among LGI Homes, Inc., the subsidiary guarantors listed therein and Regions Bank, as trustee, governing LGI Homes, Inc.'s 8.750% Senior Notes due 2028, including the form of the Notes (incorporated herein by reference to Exhibit 4.2 to the Current Report on Form 8-K (File No. 001-36126) of LGI Homes, Inc. filed with the SEC on November 21, 2023).</a>
4.5	<a href="#">Fifth Supplemental Indenture, dated as of November 15, 2024, among LGI Homes, Inc., the subsidiary guarantors listed therein and Regions Bank, as trustee, governing LGI Homes, Inc.'s 7.000% Senior Notes due 2032, including the form of the Notes (incorporated herein by reference to Exhibit 4.2 to the Current Report on Form 8-K (File No. 001-36126) of LGI Homes, Inc. filed with the SEC on November 15, 2024).</a>
10.1+	<a href="#">Employment Agreement, dated as of November 13, 2018, between the Company and Eric Lipar, the Company's Chief Executive Officer and Chairman of the Board (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-36126) of LGI Homes, Inc. filed with the SEC on November 16, 2018).</a>
10.2+	<a href="#">LGI Homes, Inc. Amended and Restated 2013 Equity Incentive Plan (incorporated herein by reference to Exhibit 10.1 to Amendment No. 1 to the Registration Statement on Form S-1 (Registration No. 333-190853) of LGI Homes, Inc. filed with the SEC on May 9, 2017).</a>
10.3+	<a href="#">LGI Homes, Inc. 2016 Employee Stock Purchase Plan (incorporated herein by reference to Exhibit 10.1 to the Registration Statement on Form S-8 (Registration No. 333-211843) of LGI Homes, Inc. filed with the SEC on June 3, 2016).</a>
10.4+	<a href="#">Amendment No. 1 to the LGI Homes, Inc. 2016 Employee Stock Purchase Plan (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-36126) of LGI Homes, Inc. filed with the SEC on April 29, 2025).</a>
10.5	<a href="#">Fifth Amended and Restated Credit Agreement, dated as of April 28, 2021, by and among LGI Homes, Inc., each of the financial institutions initially a signatory thereto, and Wells Fargo Bank, National Association, as administrative agent (incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 (File No. 001-36126) of LGI Homes, Inc. filed with the SEC on May 4, 2021).</a>
10.6	<a href="#">First Amendment to Fifth Amended and Restated Credit Agreement, dated as of February 22, 2022, by and among LGI Homes, Inc., each of the financial institutions initially a signatory thereto, and Wells Fargo Bank, National Association, as administrative agent (incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 (File No. 001-36126) of LGI Homes, Inc. filed with the SEC on May 3, 2022).</a>
10.7	<a href="#">Lender Addition and Acknowledgement Agreement and Second Amendment to Fifth Amended and Restated Credit Agreement, dated as of April 29, 2022, by and among LGI Homes, Inc., each of the financial institutions initially a signatory thereto, and Wells Fargo Bank, National Association, as administrative agent (incorporated herein by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 (File No. 001-36126) of LGI Homes, Inc. filed with the SEC on May 3, 2022).</a>

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10.8	<a href="#"><u>Third Amendment to Fifth Amended and Restated Credit Agreement, dated as of April 28, 2023, by and among LGI Homes, Inc., each of the financial institutions initially a signatory thereto, and Wells Fargo Bank, National Association, as administrative agent (incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 (File No. 001-36126) of LGI Homes, Inc. filed with the SEC on May 2, 2023).</u></a>
10.9	<a href="#"><u>Fourth Amendment to Fifth Amended and Restated Credit Agreement dated as of December 5, 2023, by and among LGI Homes, Inc., each of the financial institutions initially a signatory thereto, and Wells Fargo Bank, National Association, as administrative agent (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-36126) of LGI Homes, Inc. filed with the SEC on December 11, 2023).</u></a>
10.10	<a href="#"><u>Fifth Amendment to Fifth Amended and Restated Credit Agreement, dated as of October 9, 2024, by and among LGI Homes, Inc., each of the financial institutions initially a signatory thereto, and Wells Fargo Bank, National Association, as administrative agent (incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-36126) of LGI Homes, Inc. filed with the SEC on October 11, 2024).</u></a>
10.11	<a href="#"><u>Sixth Amendment to Fifth Amended and Restated Credit Agreement, dated as of April 28, 2025, by and among LGI Homes, Inc., each of the financial institutions initially a signatory thereto, and Wells Fargo Bank, National Association, as administrative agent (incorporated herein by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 (File No. 001-36126) of LGI Homes, Inc. filed with the SEC on April 30, 2025).</u></a>
10.12	<a href="#"><u>Letter Agreement, dated as of June 2, 2025, by and among LGI Homes, Inc., each of the financial institutions initially a signatory thereto, and Wells Fargo Bank, National Association, as administrative agent (incorporated herein by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 (File No. 001-36126) of LGI Homes, Inc. filed with the SEC on August 5, 2025).</u></a>
10.13	<a href="#"><u>Letter Agreement, dated as of August 1, 2025, by and among LGI Homes, Inc., each of the financial institutions initially a signatory thereto, and Wells Fargo Bank, National Association, as administrative agent (incorporated herein by reference to Exhibit 10.4 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 (File No. 001-36126) of LGI Homes, Inc. filed with the SEC on August 5, 2025).</u></a>
10.14	<a href="#"><u>LGI Homes, Inc. Change in Control Severance Agreement</u></a>
19.1	<a href="#"><u>Insider Trading Policy (incorporated herein by reference to Exhibit 19.1 to the Annual Report on Form 10-K for the year ended December 31, 2024 (File No. 001-36126) of LGI Homes, Inc. filed with the SEC on February 26, 2025).</u></a>
21.1*	<a href="#"><u>List of Subsidiaries of LGI Homes, Inc.</u></a>
23.1*	<a href="#"><u>Consent of Independent Registered Public Accounting Firm.</u></a>
31.1*	<a href="#"><u>CEO Certification, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
31.2*	<a href="#"><u>CFO Certification, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
32.1*	<a href="#"><u>Certification Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
32.2*	<a href="#"><u>Certification Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
97.1	<a href="#"><u>Policy for the Recovery of Erroneously Awarded Compensation (incorporated herein by reference to Exhibit 97.1 to the Annual Report on Form 10-K for the year ended December 31, 2023 (File No. 001-36126) of LGI Homes, Inc. filed with the SEC on February 20, 2024).</u></a>
101.INS†	Inline XBRL Instance Document — the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH†	Inline XBRL Taxonomy Extension Schema Document.
101.CAL†	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF†	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB†	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE†	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104†	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).
*	Filed herewith.
+	Management contract or compensatory plan or arrangement required to be filed as an exhibit to this Form 10-K.
†	XBRL information is deemed not filed or a part of a registration statement or Annual Report for purposes of Sections 11 and 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under such sections.

**ITEM 16. FORM 10-K SUMMARY**

None.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LGI Homes, Inc.

Date: February 19, 2026

/s/ Eric Lipar

Eric Lipar

Chief Executive Officer and Chairman of the Board

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Eric Lipar</u> Eric Lipar	Chief Executive Officer and Chairman of the Board (Principal Executive Officer)	February 19, 2026
<u>/s/ Charles Merdian</u> Charles Merdian	Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)	February 19, 2026
<u>/s/ Ryan Edone</u> Ryan Edone	Director	February 19, 2026
<u>/s/ Shailee Parikh</u> Shailee Parikh	Director	February 19, 2026
<u>/s/ Bryan Sansbury</u> Bryan Sansbury	Director	February 19, 2026
<u>/s/ Maria Sharpe</u> Maria Sharpe	Director	February 19, 2026
<u>/s/ Steven Smith</u> Steven Smith	Director	February 19, 2026
<u>/s/ Robert Vaharadian</u> Robert Vaharadian	Director	February 19, 2026

## Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934

LGI Homes, Inc., a Delaware corporation (the “Company”), has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: common stock, par value \$0.01 per share (“common stock”). References to “we,” “our” and “us” refer to the Company, unless the context otherwise requires.

The following contains a description of our common stock, as well as certain related additional information. This description is a summary only and does not purport to be complete. We encourage you to read the complete text of the Company’s certificate of incorporation (as amended, our “certificate of incorporation”) and bylaws (our “bylaws”), which we have incorporated by reference as exhibits to the Company’s Annual Report on Form 10-K, and the applicable provisions of the Delaware General Corporation Law (the “DGCL”).

### General

Our authorized capital stock consists of 250 million shares of common stock and five million shares of preferred stock, par value \$0.01 per share (“preferred stock”).

### Common Stock

Holders of our common stock are entitled to one vote for each share held in the election of directors and on all other matters submitted to a vote of our stockholders.

Under our bylaws, unless otherwise provided by law, our certificate of incorporation or our bylaws, the authorization of each matter (other than the election of directors) at any meeting of our stockholders at which a quorum is present shall be decided by the vote of the majority of shares entitled to vote on such matter which are present in person or by proxy at such meeting. Under our bylaws, unless otherwise provided by our certificate of incorporation, our directors shall be elected by a plurality of the votes cast in the election of directors.

Cumulative voting of shares of our common stock is prohibited. Accordingly, holders of a majority of the shares of our common stock entitled to vote in any election of directors may elect all of the directors standing for election.

Subject to the prior rights of the holders of any outstanding preferred stock, holders of our common stock are entitled to receive and share equally in all dividends when, as and if declared by our board of directors out of funds legally available therefor. Upon the liquidation, dissolution or winding up of the Company, the holders of our common stock are entitled to receive ratably the assets of the Company remaining after satisfaction of all liabilities and of the prior rights of any outstanding class of our preferred stock. Holders of our common stock have no preemptive, subscription, redemption or conversion rights and are not subject to further calls or assessments by us. There are no sinking fund provisions applicable to our common stock.

### Charter and Bylaw Provisions

#### *Election and Removal of Directors*

Our board of directors must consist of at least three directors. The exact number of directors will be fixed from time to time by resolution of our board of directors. Each director will serve as a director until the next annual meeting of stockholders and until such director’s successor is duly elected and qualified or, if earlier, such director’s death, resignation or removal.

#### *Stockholder Meetings*

Our certificate of incorporation provides that special meetings of our stockholders may be called only by the chairman of our board of directors, the chief executive officer (or if there is no chief executive officer, the president) or by a resolution of a majority of the directors.

### ***Stockholder Action by Written Consent***

Our certificate of incorporation provides that holders of our common stock will not be able to act by written consent without a meeting.

### ***Amendment of Certificate of Incorporation***

The provisions of our certificate of incorporation may be amended in the manner prescribed by the laws of the State of Delaware.

### ***Amendment of Bylaws***

Our bylaws may generally be altered, amended or repealed, and new bylaws may be adopted, by the majority vote of our board of directors.

### ***Other Limitations on Stockholder Actions***

Our bylaws also impose some procedural requirements on stockholders who wish to:

- make nominations in the election of directors;
- propose any repeal or change in our bylaws; or
- propose any other business to be brought before an annual or special meeting of stockholders.

Under these procedural requirements, in order to bring a proposal before an annual meeting of stockholders, a stockholder must deliver timely notice of a proposal pertaining to a proper subject for presentation at the meeting to our secretary along with the following:

- a description of the proposal or business to be brought before the meeting (including the complete text of any resolutions to be presented, and, in the event that such business includes a proposal to amend the bylaws, the text of the proposed amendment);
- the reasons for conducting such business at the meeting;
- any material interest in such business of the stockholder or any Stockholder Associated Person (as defined in our bylaws);
- the name and address of any other stockholder known by such stockholder to be supporting the proposal; and
- the Proposing Stockholder Information (as defined in our bylaws) of such stockholder and any Stockholder Associated Person.

To be timely, a stockholder must generally deliver notice:

- in connection with an annual meeting of stockholders, not less than 90 days nor more than 120 days prior to the first anniversary of the date on which the Company first mailed its proxy materials or a notice of availability of proxy materials (whichever is earlier) for the immediately preceding year's annual meeting of stockholders, but in the event that no annual meeting of stockholders was held in the previous year or the annual meeting of stockholders is called for a date that is not within 30 days from the first anniversary of the immediately preceding year's annual meeting date, a stockholder notice will be timely if received by us not earlier than the 120th day before the date of such annual meeting and not later than the later of the 90th day before the date of such annual meeting, as originally convened,

or the close of business on the tenth day following the day on which the first public disclosure of the date of such annual meeting was made;  
or

- in connection with the election of a director at a special meeting of stockholders, not later than the close of business on the tenth day following the day on which the first public disclosure of the date of such special meeting was made.

In order to submit a nomination for our board of directors, a stockholder must also submit any information with respect to the nominee that we would be required to include in a proxy statement, as well as certain other information specified in our bylaws. If a stockholder fails to follow the required procedures, the stockholder's proposal or nominee will be ineligible and will not be voted on by our stockholders.

### ***Issuance of Preferred Stock***

Our board of directors is authorized, without any further notice or action of our stockholders, to issue up to five million shares of our preferred stock in one or more series and to determine the relative rights, preferences and privileges of the shares of any such series.

The issuance of preferred stock, while providing us with flexibility in connection with possible acquisitions and other transactions, could adversely affect the voting power of holders of our common stock. It could also affect the likelihood that holders of our common stock will receive dividend payments and payments upon liquidation.

The issuance of shares of preferred stock, or the issuance of rights to purchase shares of preferred stock, could be used to discourage an attempt to obtain control of the Company. For example, if, in the exercise of its fiduciary obligations, our board of directors were to determine that a takeover proposal was not in the best interest of our stockholders, our board of directors could authorize the issuance of a series of preferred stock containing class voting rights that would enable the holder or holders of this series to prevent a change of control transaction or make it more difficult. Alternatively, a change of control transaction deemed by our board of directors to be in the best interest of our stockholders could be facilitated by issuing a series of preferred stock having sufficient voting rights to provide a required percentage vote of the stockholders.

### ***Limitation on Liability and Indemnification of Directors and Officers***

Our certificate of incorporation and our bylaws provide for indemnification of our directors and officers to the fullest extent permitted by Delaware law. Our certificate of incorporation provides that no director or officer of the Company will be personally liable to the Company or any of our stockholders for monetary damages for breach of fiduciary duty as a director or officer of the Company, except that our certificate of incorporation does not eliminate or limit the liability of:

- a director or officer for any breach of such director's or officer's duty of loyalty to the Company or our stockholders;
- a director or officer for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- a director for unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the DGCL;
- a director or officer for any transactions from which such director or officer derived an improper personal benefit; or
- an officer in any action by or in the right of the Company.

In addition, we maintain directors' and officers' liability insurance.

### *Anti-Takeover Effects of Provisions of Our Certificate of Incorporation, Our Bylaws and Delaware Law*

Some provisions of Delaware law and our certificate of incorporation and our bylaws contain provisions that could have the effect of delaying, deterring or preventing another party from acquiring or seeking to acquire control of us. These provisions are intended to discourage certain types of coercive takeover practices and inadequate takeover bids and to encourage anyone seeking to acquire control of us to negotiate first with our board of directors. However, these provisions may also delay, deter or prevent a change in control or other takeover of the Company that our stockholders might consider to be in their best interests, including transactions that might result in a premium being paid over the market price of our common stock and also may limit the price that investors are willing to pay in the future for our common stock. These provisions may also have the effect of preventing changes in our management.

Our certificate of incorporation and our bylaws include anti-takeover provisions that:

- authorize our board of directors, without further action by our stockholders, to issue up to five million shares of our preferred stock in one or more series, and with respect to each series, to fix the number of shares constituting that series and establish the rights and other terms of that series;
- require that actions to be taken by our stockholders may be taken only at an annual or special meeting of our stockholders and not by written consent;
- specify that special meetings of our stockholders can be called only by our board of directors, the chairman of our board of directors, our chief executive officer or our president (if we do not have a chief executive officer);
- establish advance notice procedures for our stockholders to submit nominations of candidates for election to our board of directors and other proposals to be brought before a stockholders meeting;
- provide that our bylaws may be amended by our board of directors without stockholder approval;
- allow our directors to establish the size of our board of directors by action of the board of directors, subject to a minimum of three members;
- provide that vacancies on our board of directors or newly created directorships resulting from an increase in the number of our directors may be filled only by vote of a majority of directors then in office, even though less than a quorum; and
- do not give the holders of our common stock cumulative voting rights with respect to the election of directors.

### **Business Combinations**

We are a Delaware corporation and are subject to Section 203 of the DGCL. Section 203 of the DGCL provides that we may not engage in a broad range of “business combinations” with any “interested stockholder” for a three-year period following the time that the person became an interested stockholder, unless:

- prior to the time that person became an interested stockholder, our board of directors had approved either the business combination or the transaction that resulted in the person becoming an interested stockholder;
- upon consummation of the transaction that resulted in the person becoming an interested stockholder, the interested stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, excluding shares owned by persons who are directors and also officers and

shares owned in employee stock plans in which participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- at or subsequent to the time the person became an interested stockholder, the business combination is approved by our board of directors and by the affirmative vote of at least 66 2/3% of our outstanding voting stock which is not owned by the interested stockholder.

Generally, a business combination includes a merger, consolidation, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. Subject to certain exceptions, an interested stockholder is a person who, together with that person's affiliates and associates, owns, or within the previous three years owned, 15% or more of our voting stock. However, in our case, Messrs. Eric and Tom Lipar and any of their respective permitted transferees receiving 15% or more of our voting stock, will not be deemed to be interested stockholders regardless of the percentage of our voting stock owned by them. Under Section 203 of the DGCL, the restrictions described above also do not apply to specific business combinations proposed by an interested stockholder following the announcement or notification of designated extraordinary transactions involving the corporation and a person who had not been an interested stockholder during the previous three years or who became an interested stockholder with the approval of a majority of the corporation's directors, if such extraordinary transaction is approved or not opposed by a majority of the directors who were directors prior to any person becoming an interested stockholder during the previous three years or were recommended for election or elected to succeed such directors by a majority of such directors.

Section 203 of the DGCL could prohibit or delay mergers or other takeover or change in control attempts with respect to us and, accordingly, may discourage attempts to acquire us.

#### **Authorized and Unissued Shares**

Our certificate of incorporation does not preclude the future issuance without stockholder approval of our authorized and unissued shares of common stock. The existence of authorized but unissued shares of our common stock could render more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

#### **Listing**

Our common stock is listed on the NASDAQ Global Select Market under the symbol "LGIH."

#### **Transfer Agent and Registrar**

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A.

**LGI HOMES, INC.**  
**CHANGE IN CONTROL SEVERANCE AGREEMENT**  
**FOR**  
**[INSERT EXECUTIVE NAME]**

The Board of Directors (the "**Board**") of LGI Homes, Inc. a Delaware corporation (the "**Company**") recognizes that a Change in Control of the Company could arise during your employment, and that the uncertainty and questions which could arise among management may result in the departure or distraction of management employees, all to the detriment of the Company. As a result, the Board has determined to take appropriate steps to reinforce and encourage the continued attention and dedication of certain members of the Company's management, including you, to their assigned duties without distraction in the face of circumstances arising from a possible Change in Control. To that end, and in order to induce you to remain in the employ of the Company and in consideration of your continued service to the Company, the Company agrees that you shall receive certain payments and benefits in the event of your termination of employment as set forth in this Change in Control Severance Agreement (this "**Agreement**").

1. Definitions.

(a) "**Accrued Rights**" means (i) any unpaid annual base salary accrued through the Date of Termination, (ii) any accrued but unpaid vacation pay, (iii) rights to elect continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("**COBRA**") and (iv) any previously unreimbursed business expenses incurred by you on behalf of the Company.

(b) "**Annual Base Salary**" means your annual base salary at the rate in effect immediately before a Qualifying Termination or, if greater, in effect immediately prior to a Change in Control.

(c) "**Cause**" means a termination of your employment because of: (1) any act or omission that constitutes a material breach by you of any of your obligations under this Agreement; (2) your conviction of, or plea of nolo contendere to, (A) any felony or (B) another crime involving dishonesty or moral turpitude or which could reflect negatively upon the Company or otherwise impair or impede its operations; (3) your engaging in any misconduct, negligence, act of dishonesty, violence or threat of violence (including any violation of federal securities laws) that is injurious to the Company or any of its subsidiaries or affiliates; (4) your material breach of a written policy of the Company or the rules of any governmental or regulatory body applicable to the Company; (5) your repeated refusal to follow the lawful and reasonable directions of the Board or your superior; or (6) any other willful misconduct by you which is materially injurious to the financial condition or business reputation of the Company or any of its subsidiaries or affiliates. Notwithstanding anything in this Section 1(c) to the contrary, no event or condition described in Sections 1(c)(1), (3), (4), (5) or (6) shall constitute Cause unless (x) within 90 days from the Board first acquiring actual knowledge of the existence of the Cause condition, the Board provides you written notice of its intention to terminate your

employment for Cause and the grounds for such termination; (y) such grounds for termination (if susceptible to correction) are not corrected by you within 20 days of your receipt of such notice (or, in the event that such grounds cannot be corrected within such 20-day period, you have not taken all reasonable steps within such 20-day period to correct such grounds as promptly as practicable thereafter); and (z) the Board terminates your employment with the Company immediately following expiration of such 20-day period. For purposes of this Section 1(c), any attempt by you to correct a stated Cause shall not be deemed an admission by you that the Board's assertion of Cause is valid.

(d) "**Change in Control**" means, except as otherwise provided in an agreement executed by you and the Company, the occurrence of any of the following events:

(i) any Person becomes the "beneficial owner" (as defined in Rule 13d-3 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) the sale or disposition by the Company of all or substantially all of the Company's assets other than (A) the sale or disposition of all or substantially all of the assets of the Company to a Person or Persons who beneficially own, directly or indirectly, at least 50% or more of the combined voting power of the outstanding voting securities of the Company at the time of the sale or (B) pursuant to a spin-off type transaction, directly or indirectly, of such assets to the Company's stockholders;

(iii) a change in the composition of the Board occurring within a one-year period as a result of which fewer than a majority of the directors are Incumbent Directors. For this purpose, the term "**Incumbent Directors**" means directors who either (A) are Directors as of the Effective Date, or (B) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors to the Company); or

(iv) a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least 50% of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

(e) "**Code**" shall mean the Internal Revenue Code of 1986, as amended, and the Treasury regulations promulgated thereunder.

(f) "**Date of Termination**" means the date specified in the Notice of Termination (which shall not be less than thirty (30) days from the date such Notice of Termination is given).

(g) "**Effective Date**" means [●], 2025.

(h) "**Good Reason**" means any of the following: (1) a material diminution in your Annual Base Salary or a failure by the Company to pay material compensation due and payable to you in connection with your employment; (2) a material diminution in the nature or scope of your authority, duties, responsibilities, or title from those applicable to you as of the Effective Date; (3) a failure by the Company to continue in effect compensation or benefit plans in which you participate, which in the aggregate provide you compensation and benefits materially less than what you were receiving immediately prior to consummation of the Change in Control; (4) the Company requiring your office nearest to your principal residence to be located at a different place which is more than thirty-five (35) miles from where such office is located as of the Effective Date; (5) the failure of the Company to obtain a satisfactory agreement from any successor of the Company to assume and agree to perform this Agreement; or (6) a material breach by the Company of any term or provision of this Agreement. Notwithstanding anything in this Section 1(h) to the contrary, no event or condition described in this Section shall constitute Good Reason unless, (x) within 90 days from you first acquiring actual knowledge of the existence of the Good Reason condition described in this Section, you provide the Board written notice of you intention to terminate your employment for Good Reason and the grounds for such termination; (y) such grounds for termination (if susceptible to correction) are not corrected by the Board within 20 days of the Board's receipt of such notice (or, in the event that such grounds cannot be corrected within such 20-day period, the Board has not taken all reasonable steps within such 20-day period to correct such grounds as promptly as practicable thereafter); and (z) you terminate your employment with the Company immediately following expiration of such 20-day period. For purposes of this Section 1(h), any attempt by the Board to correct a stated Good Reason shall not be deemed an admission by the Board that your assertion of Good Reason is valid.

(i) "**Notice of Termination**" means a written notice as provided in Section 11, below.

(j) "**Person**" means an individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association or other entity.

(k) "**Plan**" means the LGI Homes, Inc. 2013 Equity Incentive Plan, as amended and restated May 4, 2017.

(l) "**Qualifying Termination**" means your employment with the Company is terminated by you for Good Reason or by the Company without Cause within the 365-day period immediately preceding a Change in Control, on the Change in Control or within the 730-day period immediately following a Change in Control (the foregoing being, the "**Protection**

**Period**"). In no event will the termination of your employment with the Company as a result of any of the following circumstances result in a Qualifying Termination: (i) your death, (ii) your disability (as defined in a disability insurance policy sponsored by the Company, irrespective of whether you are covered by such policy), (iii) a termination by the Company of your employment for Cause, (iv) a resignation by you without Good Reason, (v) a termination of your employment by you for Good Reason outside of the Protection Period, or (vi) a termination of your employment by the Company without Cause outside of the Protection Period.

(m) "**Severance Benefits**" means the payments and benefits payable to you on a Qualifying Termination pursuant to Section 2 of this Agreement.

(n) "**Waiver and Release**" means the Waiver and Release Agreement (substantially in the form attached hereto as **Exhibit A**) that is presented to, and signed by, you in conjunction with your termination of employment with the Company. The timely execution of the Waiver and Release is a condition precedent to the payment of the Severance Benefits under this Agreement.

2. Severance Benefits.

(a) Following a Qualifying Termination, you shall be provided the following benefits:

(i) Accrued Rights. The Company shall pay you, not later than the [fifth (5<sup>th</sup>)] day following the Date of Termination, your Accrued Rights.

(ii) Accelerated Vesting of Equity and Cash-Based Awards. The vesting and timing of payouts of your outstanding equity awards and cash-based long-term incentive awards granted under the Plan, if any, shall be determined solely in accordance with the terms and conditions of the Plan and the applicable award agreements. Stated another way, this Agreement shall not govern such awards.

(iii) COBRA Continuation Coverage. The Company shall pay you an amount equal to [two] times the annual amount of premiums required to be paid in order to cover you and your family under the Company's health plan as of the date of the Qualifying Termination.

(iv) Severance Payment. If you timely execute the Waiver and Release within the Consideration Period (as defined within the Waiver and Release) and you do not revoke your signature within the seven (7) day Revocation Period (as defined within the Waiver and Release), then within the fifteen (15) day period immediately following the lapse of such Revocation Period the Company shall pay you the following in the form of a lump sum payment: (i) your Annual Base Salary multiplied by [ ]; plus (ii) the higher of your target annual cash incentive payment for the year in which the Qualifying Termination occurs or such prior year's actual annual incentive payment, multiplied by [ ]; plus (iii) any prior year annual cash incentive that is owed to you but has not yet been paid (applicable to the situation where a

Qualifying Termination occurs when the prior fiscal year has ended but the annual bonus relating to such prior fiscal year has not yet been paid), and if not calculable, then such prior unpaid annual cash incentive shall be paid at target. [To Be Added for Eric Lipar's Agreement: Notwithstanding anything in this Agreement or any other agreement to the contrary, it is intended that you shall receive the cash severance payments under this Agreement or the cash severance payments under your employment agreement, whichever is greater, provided, however, that you shall not receive both benefits.]

(b) No Payments under this Agreement if No Qualifying Termination. If your employment with the Company is terminated for any reason other than a Qualifying Termination, you shall only be entitled to your Accrued Rights. You shall receive any payment required to be paid under this Section 2(b) on your Date of Termination or the payroll payment date that immediately follows. Thereafter, the Company shall have no further obligation to you under this Agreement.

3. Application of Sections 280G and 4999 of the Code. Notwithstanding anything in this Agreement to the contrary, if you are a "disqualified individual" (as defined in Section 280G(c) of the Code), and the payments and benefits provided for in this Agreement, together with any other payments and benefits which you have the right to receive from the Company or any other Person, would constitute a "parachute payment" (as defined in Section 280G(b)(2) of the Code), then the payments and benefits provided for in this Agreement will be either (a) reduced (but not below zero) so that the present value of such total amounts and benefits received by you from the Company and/or such Person(s) will be \$1.00 less than three (3) times your "base amount" (as defined in Section 280G(b)(3) of the Code), for the purpose that no portion of such amounts and benefits received by you will be subject to the excise tax imposed by Section 4999 of the Code or (b) paid in full, whichever produces the better "net after-tax position" to you (taking into account any applicable excise tax under Section 4999 of the Code and any other applicable taxes). Additionally:

(a) The reduction of payments and benefits hereunder, if applicable, will be made by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and, then, reducing any benefit to be provided in-kind hereunder in a similar order.

(b) The determination as to whether any such reduction in the amount of the payments and benefits provided hereunder is necessary will be made applying principles, assumptions and procedures consistent with Section 280G of the Code by an accounting firm or law firm of national reputation that is mutually selected for this purpose by both you and the Company (such firm being, the "**280G Firm**"), with such selection to occur prior to taking steps to implement a transaction giving rise to the payment of any "parachute payments." In order to assess whether payments under this Agreement or otherwise qualify as reasonable compensation that is exempt from being a parachute payment under Section 280G of the Code, the 280G Firm may retain the services of an independent valuation expert.

(c) Nothing in this section will require the Company to be responsible for, or have any liability or obligation with respect to, your excise tax liabilities under Section 4999 of the Code.

(d) Any determination required under this section will be made by the Company in its reasonable discretion and the Company's determination will be final and binding on you; provided, however, that the Company shall pursue all available mitigation efforts.

4. Section 409A. This Agreement is intended to either avoid the application of, or comply with, Section 409A of the Code ("**Section 409A**"). To that end, this Agreement must at all times be interpreted in a manner that is consistent with Section 409A. Notwithstanding any other provision in this Agreement to the contrary, the Board has the right, in its sole discretion, to adopt such amendments to this Agreement or take such other actions (including amendments and actions with retroactive effect) as they determine are minimally necessary for this Agreement to comply with Section 409A. Any payment following a "*separation from service*" (as defined in Treasury Regulation Section 1.409A-1(h)) that would be subject to Section 409A(a)(2)(A)(i) of the Code as a distribution following a separation from service of a "*specified employee*" (as defined under Section 409A(a)(2)(B)(i) of the Code) will be made on the first to occur of (i) ten (10) days after the expiration of the six month period following such separation from service, (ii) death, or (iii) such earlier date that complies with Section 409A; with such first payment to include a catch-up payment of all payments that would have been paid but for the foregoing portions of this sentence. Each payment that a Participant may receive under this Agreement will be treated as a "*separate payment*" for purposes of Section 409A.

5. Term. This Agreement shall commence on the Effective Date and shall continue in accordance with its terms/until the third (3<sup>rd</sup>) anniversary of the Effective Date.

6. Successors; Binding Agreement.

(a) Successors of the Company. The Company will require any successor to all or substantially all of the business and/or assets of the Company to expressly assume and agree, by an agreement in form and substance satisfactory to you, to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

(b) Your Successor. This Agreement shall inure to the benefit of and be enforceable by your personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If you should die following your Date of Termination while any amount would still be payable to you hereunder if you had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to your devisee, legatee or other designee or, if there is no such designee, to your estate.

7. Relationship to Other Agreements. This Agreement, the Exhibits attached hereto, and the agreements specifically incorporated or referenced herein are the entire agreement and understanding of the parties hereto with respect to the matters covered herein and supersedes all prior or contemporaneous negotiations, commitments, agreements and writings with respect to the subject matter hereof, all such other negotiations, commitments, agreements and writings shall have no further force or effect, and the parties to any such other negotiation, commitment, agreement or writing shall have no further rights or obligations thereunder.

8. Nature of Payments. All payments to you under this Agreement shall be considered either payments in consideration of your continued service to the Company or severance payments in consideration of your past service to the Company.

9. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

10. Countermarks. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

11. Notice. Any purported Qualifying Termination by the Company or by you shall be communicated to the other party by a Notice of Termination. A Notice of Termination shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the provision so indicated. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below, provided that all notices to the Company shall be directed to the attention of the Board with a copy to the Secretary of the Company or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

**If to the Company:** LGI Homes, Inc.  
1450 Lake Robbins Drive, Suite 430  
The Woodlands, Texas 77380  
Att: Chair, Compensation Committee

*With a Copy to:* Hunton Andrews Kurth LLP  
500 West 5<sup>th</sup> Street, Suite 1350  
Austin, Texas 78701  
Attn: Anthony Eppert (AnthonyEppert@Hunton.com)

**If to the Executive:** [●]

12. Amendment. The Company reserves the right to amend or terminate this Agreement at any time by providing at least thirty (30) days advance written notice to you; provided however, that the foregoing applies only if such amendment or termination does not reduce or diminish any of your rights under this Agreement, and if such amendment or termination does or would diminish your rights under this Agreement, then such amendment or termination requires your advance written consent.

13. Survival. This Agreement shall terminate as provided herein, except that, to the extent the context requires, the provisions intended to survive the termination of this Agreement shall survive.

14. Governing Law; Venue and Disputes. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Texas. You and the Company hereby agree that any suit, action or proceeding arising out of or related to this Agreement shall be brought in any state court in Montgomery County, Texas or the federal district court for the Southern District of Texas, and that you and the Company shall submit to such venue. Additionally:

(a) Attorney Fees and Prevailing Party. If there is any suit, action, or proceeding alleging a breach of this Agreement, then the Company shall provide you with advancement of legal fees and expenses associated with your court costs and attorneys' fees; provided, however, that the prevailing party in any such suit, action, or proceeding, on trial or appeal, shall be entitled to recover from the non-prevailing party, in addition to any other relief awarded, its reasonable and necessary attorneys' fees, costs, and expenses incurred in such suit, action, or proceeding. If there is no prevailing party, each party will pay its own attorneys' fees, costs, and expenses. Whether a prevailing party exists shall be determined solely by the court on a claim-by-claim basis and the court, in its sole discretion, shall determine the amount of reasonable and necessary attorneys' fees, costs, and/or expenses, if any, for which a party is entitled.

(b) Guiding Principles. The following guiding principles shall be applied by a court in any determination of a prevailing party: (y) the intent of the parties is to avoid any suit, action, or proceeding arising from a breach of this Agreement, and therefore, the parties will work together to resolve any such dispute; and (z) none of the parties will bring any suit, action, or proceeding or claim (including cross-claims) arising from a breach of this Agreement until after such party has fully evaluated the merits of such purported claim or cause of action and made a determination that such party has a good-faith basis to move forward with such suit, action, proceeding or claim (including cross-claims).

(c) Appeals. In any appeal from the award or denial of attorneys' fees, the judge reviewing the award may not modify the decision of the court making or denying an award, or the decision of the court as to the amount of the award, except upon a finding of an abuse of discretion.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have duly executed this Change in Control Severance Agreement effective as of the Effective Date.

**LGI HOMES, INC.**

**EXECUTIVE**

By: \_\_\_\_\_  
Signature

Its: \_\_\_\_\_  
Print Name: \_\_\_\_\_

Dated: \_\_\_\_\_  
Dated: \_\_\_\_\_

[SIGNATURE PAGE TO LGI HOMES, INC. CHANGE IN CONTROL SEVERANCE AGREEMENT]

**LGI HOMES, INC.  
CHANGE IN CONTROL SEVERANCE AGREEMENT**

**Waiver and Release**

[Attach a copy]

**LIST OF SUBSIDIARIES OF LGI HOMES, INC.**

LGI HOMES – ALABAMA, LLC, an Alabama limited liability company  
LGI HOMES - ARIZONA, LLC, an Arizona limited liability company  
LGI HOMES AZ CONSTRUCTION, LLC, an Arizona limited liability company  
LGI HOMES AZ SALES, LLC, an Arizona limited liability company  
LGI HOMES – CALIFORNIA, LLC, a California limited liability company  
LGI REALTY – CALIFORNIA, INC, a California for profit corporation  
LGI HOMES - COLORADO, LLC, a Colorado limited liability company  
LGI REALTY – COLORADO, LLC, a Colorado limited liability company  
LGI HOMES CORPORATE, LLC, a Texas limited liability company  
LGI HOMES GROUP, LLC, a Texas limited liability company  
LGI LIVING, LLC, a Texas limited liability company  
LGI LIVING – LEASING, LLC, a Delaware limited liability company  
LGI LIVING – SFR 1, LLC, a Delaware limited liability company  
LGI HOMES - FLORIDA, LLC, a Florida limited liability company  
LGI REALTY – FLORIDA, LLC, a Florida limited liability company  
LGI HOMES - KRENSON WOODS, LLC, a Delaware limited liability company  
LGI HOMES - GEORGIA, LLC, a Georgia limited liability company  
LGI HOMES REALTY LLC, a Georgia limited liability company  
LGI HOMES – MARYLAND, LLC, a Maryland limited liability company  
LGI HOMES – MINNESOTA, LLC, a Minnesota limited liability company  
LGI REALTY – MINNESOTA, LLC, a Minnesota limited liability company  
LGI HOMES – NEVADA, LLC, a Nevada limited liability company  
LGI HOMES - NEW MEXICO, LLC, a New Mexico limited liability company  
LGI HOMES NM CONSTRUCTION, LLC, a New Mexico limited liability company  
LGI HOMES - NC, LLC, a North Carolina limited liability company  
LGI REALTY – NC, LLC, a North Carolina limited liability company  
LGI HOMES – OKLAHOMA, LLC, an Oklahoma limited liability company  
LGI REALTY – OKLAHOMA, LLC, an Oklahoma limited liability company  
LGI HOMES – OREGON LLC, an Oregon limited liability company  
LGI HOMES – PENNSYLVANIA, LLC, a Pennsylvania limited liability company  
LGI HOMES - SC, LLC, a South Carolina limited liability company  
RIVERCHASE ESTATES PARTNERS, LLC, a South Carolina limited liability company  
LGI HOMES – TENNESSEE, LLC, a Tennessee limited liability company  
LGI HOMES - TEXAS, LLC, a Texas limited liability company  
LGI HOMES - E SAN ANTONIO, LLC, a Texas limited liability company  
LGI CROWLEY LAND PARTNERS, LLC, a Texas limited liability company  
LUCKEY RANCH PARTNERS, LLC, a Delaware limited liability company  
LGI HOMES - STERLING LAKES PARTNERS, LLC, a Texas limited liability company  
LGI HOMES – UTAH, LLC, a Utah limited liability company  
LGI HOMES – VIRGINIA, LLC, a Virginia limited liability company  
LGI REALTY – VIRGINIA, LLC, a Virginia limited liability company  
LGI HOMES – WASHINGTON, LLC, a Washington limited liability company  
LGI REALTY – WASHINGTON, LLC, a Washington limited liability company  
LGI HOMES – WEST VIRGINIA, LLC, a West Virginia limited liability company  
LGI REALTY – WEST VIRGINIA, LLC, a West Virginia limited liability company  
LGI HOMES – WISCONSIN, LLC, a Wisconsin limited liability company

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-8 No. 333-217811) of LGI Homes, Inc. pertaining to the Amended and Restated LGI Homes, Inc. 2013 Equity Incentive Plan,
- (2) Registration Statement (Form S-8 No. 333-211843) of LGI Homes, Inc. pertaining to the LGI Homes, Inc. 2016 Employee Stock Purchase Plan, and
- (3) Registration Statement (Form S-8 No. 333-286879) of LGI Homes, Inc. pertaining to the LGI Homes, Inc. 2016 Employee Stock Purchase Plan;

of our reports dated February 19, 2026, with respect to the consolidated financial statements of LGI Homes, Inc. and the effectiveness of internal control over financial reporting of LGI Homes, Inc. included in this Annual Report (Form 10-K) of LGI Homes, Inc. for the year ended December 31, 2025.

/s/ Ernst & Young LLP

Houston, Texas  
February 19, 2026

**CEO CERTIFICATION  
PURSUANT TO SECTION 302 OF THE  
SARBANES - OXLEY ACT OF 2002**

I, Eric Lipar, certify that:

1. I have reviewed this Annual Report on Form 10-K of LGI Homes, Inc. (the “Registrant”);
2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Annual Report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this Annual Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Annual Report based on such evaluation; and
  - d. Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of Registrant’s Board of Directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Date: February 19, 2026

By: \_\_\_\_\_ /s/ Eric Lipar  
Eric Lipar  
Chief Executive Officer and Chairman of the Board  
LGI Homes, Inc.

**CFO CERTIFICATION  
PURSUANT TO SECTION 302 OF THE  
SARBANES - OXLEY ACT OF 2002**

I, Charles Merdian, certify that:

1. I have reviewed this Annual Report on Form 10-K of LGI Homes, Inc. (the "Registrant");
2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Annual Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Annual Report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Annual Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Annual Report based on such evaluation; and
  - d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's Board of Directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: February 19, 2026

By: \_\_\_\_\_ /s/ Charles Merdian  
Charles Merdian  
Chief Financial Officer and Treasurer  
LGI Homes, Inc.

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of LGI Homes, Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Eric Lipar, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 19, 2026

/s/ Eric Lipar

Eric Lipar  
Chief Executive Officer and Chairman of the Board  
LGI Homes, Inc.

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of LGI Homes, Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Charles Merdian, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 19, 2026

/s/ Charles Merdian

Charles Merdian  
Chief Financial Officer and Treasurer  
LGI Homes, Inc.