



INVESTOR PRESENTATION

First Quarter 2022

CAUTIONARY STATEMENT

Forward-Looking Statements

This presentation includes 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. The statements in this presentation that are not historical statements, including statements regarding LGI Homes, Inc.’s (“LGI Homes”) future expectations, beliefs, plans, objectives, financial conditions, assumptions or future events or performance, are forward-looking statements within the meaning of the federal securities laws. LGI Homes has based its forward-looking statements on its management’s beliefs and assumptions based on information available to its management at the time the statements are made. LGI Homes cautions you that assumptions, beliefs, expectations, intentions and projections about future events may and often do vary materially from actual results. Therefore, LGI Homes cannot assure you that actual results will not differ materially from those expressed or implied by its forward-looking statements. Please read LGI Homes’ most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q filed thereafter and other filings with the Securities and Exchange Commission, including the “Risk Factors” and “Cautionary Statement about Forward-Looking Statements” sections in such filings, for a discussion of some of the factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements. You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement. LGI Homes expressly disclaims any intent, obligation or undertaking to update or revise any forward-looking statements to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

Use of Non-GAAP Financial Measures

In addition to the financial statements presented in accordance with U.S. generally accepted accounting principles (“GAAP”), LGI Homes uses certain non-GAAP financial measures, including Adjusted Gross Margin. Adjusted Gross Margin is a non-GAAP financial measure used by management as a supplemental measure in evaluating LGI Homes’ operating performance. LGI Homes defines Adjusted Gross Margin as Gross Margin less Capitalized Interest and adjustments resulting from the application of purchase accounting included in the Cost of Sales. Other companies may not calculate Adjusted Gross Margin or other non-GAAP financial measures in the same manner as LGI Homes and therefore such information may not be directly comparable to those measures of LGI Homes’ performance. Reconciliations of Adjusted Gross Margin to Gross Margin, the GAAP financial measure that management believe to be most directly comparable, are included in the Appendix at the end of this presentation. References to LTM, or last 12 months, in this presentation are to the 12 months ended March 31, 2022.

Q1 2022 FINANCIAL RESULTS

- ▶ **Home Closings: 1,599, (37.6%)**
- ▶ **Home Sales Revenues: \$546.1 Million, (22.7%)**
- ▶ **Average Sales Price: \$341,495, +23.9%**
- ▶ **Active Ending Communities: 88**
- ▶ **Average Communities During the Quarter: 89.0**
- ▶ **Gross Margin: 29.0%, +210 basis points**
- ▶ **Adjusted Gross Margin ⁽¹⁾: 30.3%, +180 basis points**
- ▶ **Pre-Tax Net Income: \$99.6 Million, (19.2%)**
- ▶ **Net Income: \$78.7 Million, (21.0%)**
- ▶ **Basic EPS: \$3.30; Diluted EPS: \$3.25**

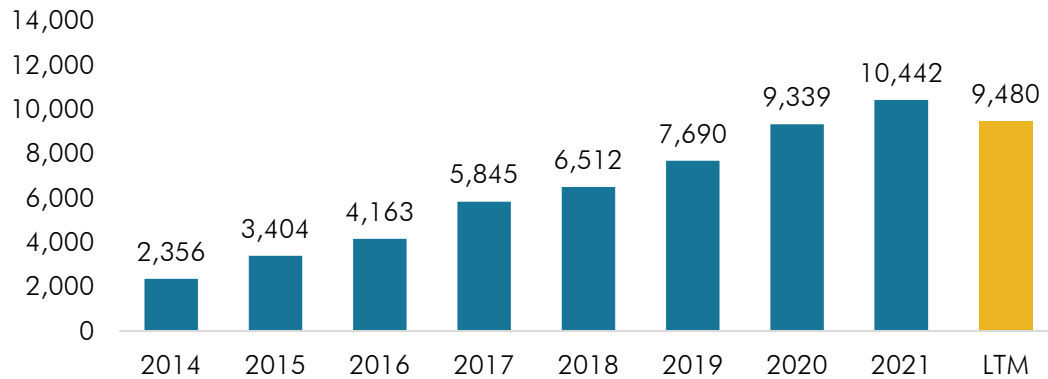
Note: Metrics compared to the first quarter of 2021; numbers may not foot due to rounding

1) Adjusted Gross Margin is a non-GAAP measure defined as Gross Margin adjusted for Capitalized Interest and adjustments resulting from the application of purchase accounting included in Cost of Sales. See the Appendix for a reconciliation of Adjusted Gross Margin to Gross Margin

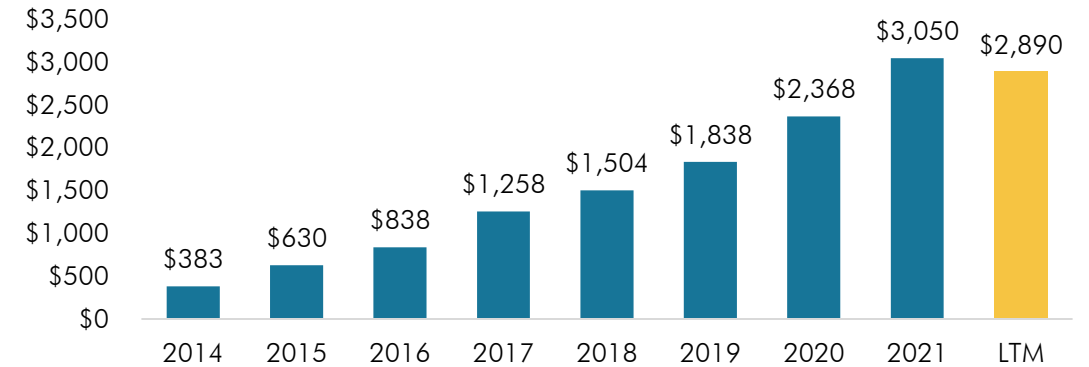
STRONG OPERATING RESULTS

LGI HOMES HAS GENERATED STRONG RESULTS THROUGHOUT ITS HISTORY

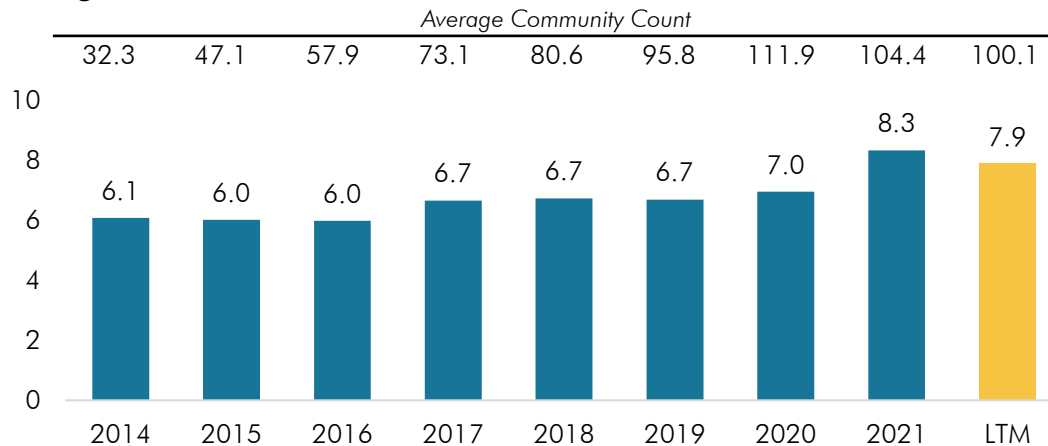
Home Closings (Units)



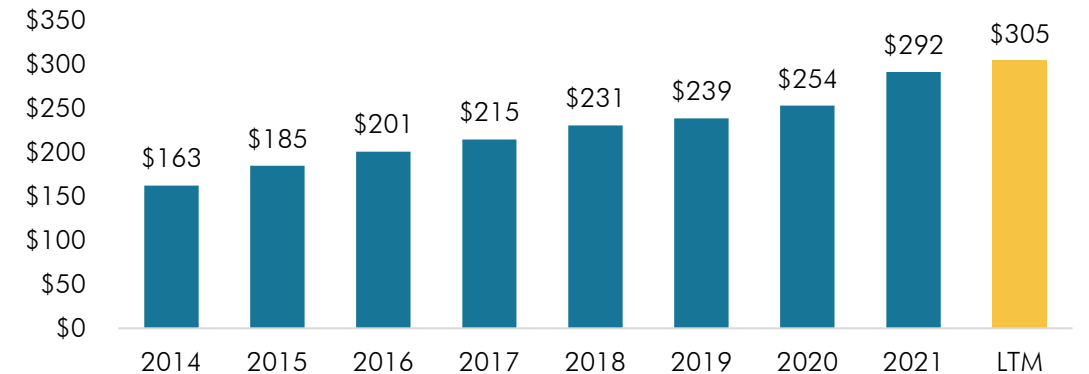
Revenue (\$ millions)



Average Absorptions and Communities⁽¹⁾



Average Sales Price (\$ thousands)



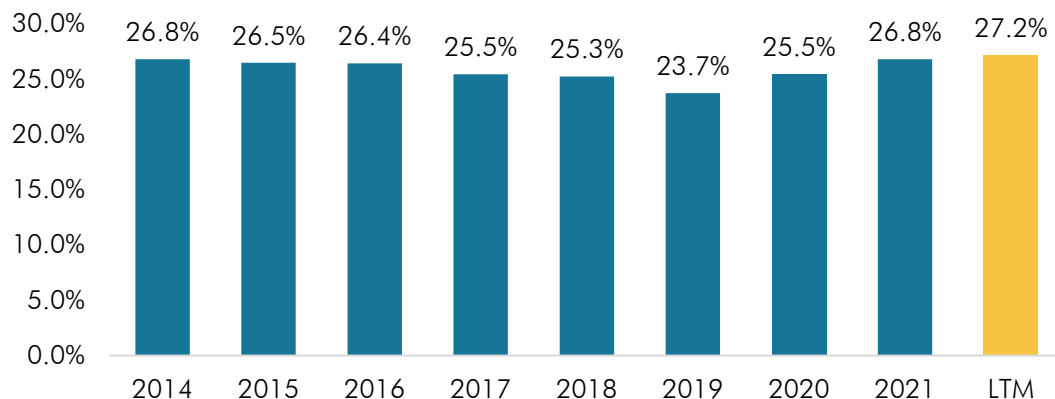
Note: LTM as of March 31, 2022

1) Absorptions per Community per Month; includes wholesale closings

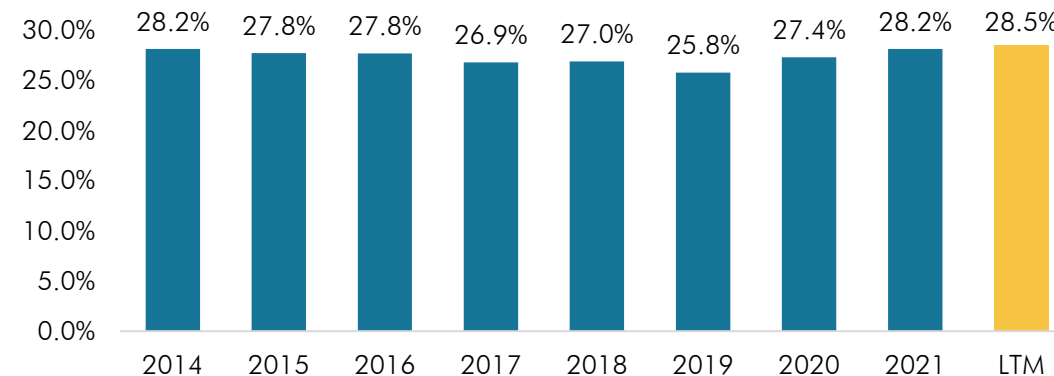
LEADING MARGINS & PROFITABILITY

ALONG WITH RAPID GROWTH, LGI HOMES HAS CONSISTENTLY GENERATED INDUSTRY-LEADING MARGINS & PROFITABILITY

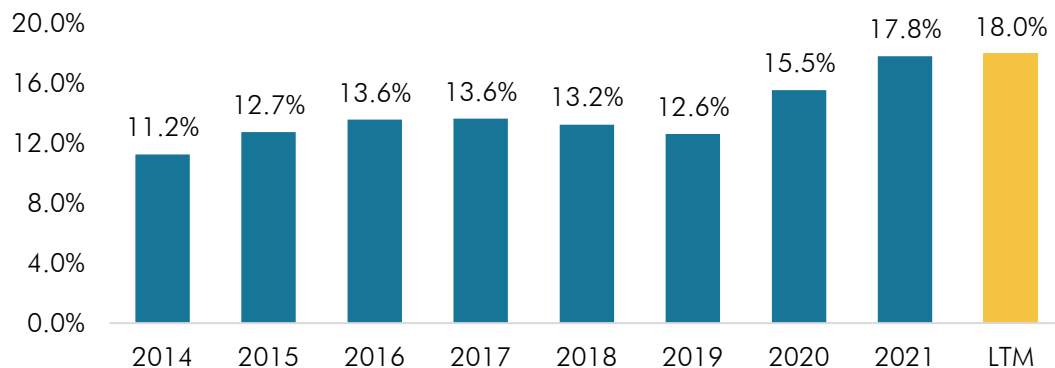
Gross Margin Percentage ^{(1) (2)}



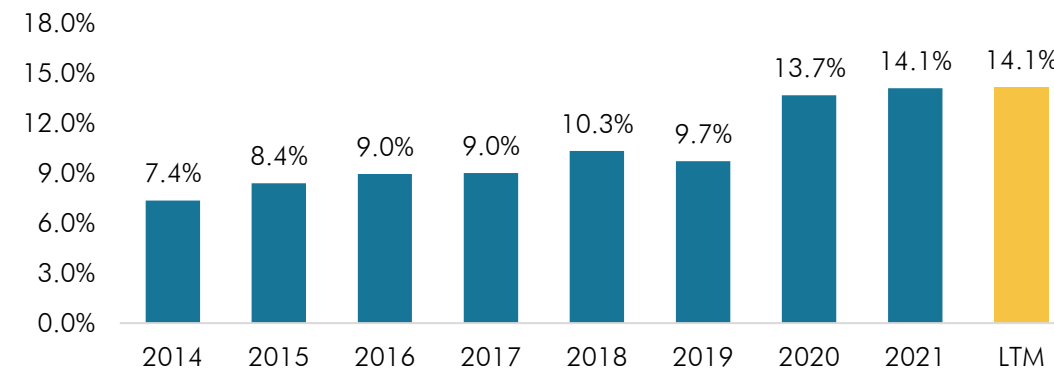
Adjusted Gross Margin Percentage ^{(2) (3)}



Pre-Tax Net Income Percentage ⁽²⁾



Net Income Percentage ^{(2) (4)}



Note: LTM as of March 31, 2022

1) Gross Margin is defined as Home Sales Revenues less Cost of Sales

2) Calculated as a percentage of Home Sales Revenues

3) Adjusted Gross Margin is a non-GAAP measure defined as Gross Margin adjusted for Capitalized Interest and adjustments resulting from the application of purchase accounting included in Cost of Sales. See the Appendix for a reconciliation of Adjusted Gross Margin to Gross Margin

4) FY 2020 and FY 2021 results include the impact of 45L tax credits

CONDENSED BALANCE SHEET

FINANCIAL OUTPERFORMANCE AND OPPORTUNISTIC REFINANCINGS HAVE PERMANENTLY STRENGTHENED THE CAPITAL STRUCTURE

(\$ in thousands)	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	March 31, 2022
ASSETS					
Cash and Cash Equivalents	\$ 46,624	\$ 38,345	\$ 35,942	\$ 50,514	\$ 53,325
Accounts Receivable	42,836	56,390	115,939	57,909	48,489
Real Estate Inventory	1,228,256	1,499,624	1,569,489	2,085,904	2,335,570
Goodwill	12,018	12,018	12,018	12,018	12,018
Other Assets	65,739	59,738	92,699	145,520	144,831
Total Assets	<u>\$ 1,395,473</u>	<u>\$ 1,666,115</u>	<u>\$ 1,826,087</u>	<u>\$ 2,351,865</u>	<u>\$ 2,594,233</u>
LIABILITIES					
Accounts Payable and Other Liabilities	\$ 85,796	\$ 130,363	\$ 148,684	\$ 150,781	\$ 167,886
Notes Payable	653,734	690,559	538,398	805,236	1,003,596
Total Liabilities	<u>739,530</u>	<u>820,922</u>	<u>687,082</u>	<u>956,017</u>	<u>1,171,482</u>
EQUITY					
Common Stock	237	264	267	269	271
Additional Paid-In Capital	241,988	252,603	270,598	291,577	297,451
Retained Earnings	431,774	610,382	934,277	1,363,922	1,442,608
Treasury Stock, at Cost	(18,056)	(18,056)	(66,137)	(259,920)	(317,579)
Total Equity	<u>655,943</u>	<u>845,193</u>	<u>1,139,005</u>	<u>1,395,848</u>	<u>1,422,751</u>
Total Liabilities and Equity	<u>\$ 1,395,473</u>	<u>\$ 1,666,115</u>	<u>\$ 1,826,087</u>	<u>\$ 2,351,865</u>	<u>\$ 2,594,233</u>
Gross Debt to Capitalization ⁽¹⁾	49.9%	45.0%	32.1%	36.6%	41.4%
Net Debt to Capitalization ⁽²⁾	48.1%	43.6%	30.6%	35.1%	40.0%

As of March 31, 2022:

\$53.3 Million in Cash

**\$2.3 Billion in
Inventory**

**Net debt to cap of
40.0%**

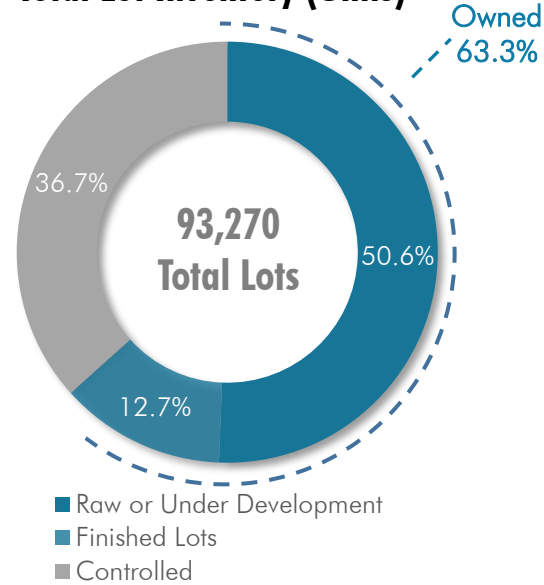
**Over \$1.4 Billion in
earnings since IPO**

1) Calculated as Notes Payable as a percentage of the sum of Notes Payable and Total Equity

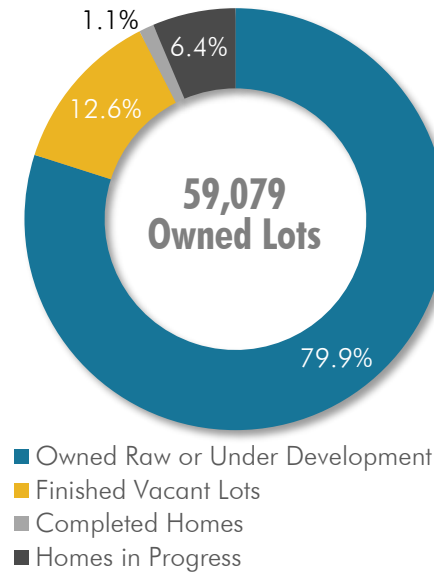
2) Calculated as Notes Payable less Cash and Cash Equivalents ("Net Debt") as a percentage of the sum of Net Debt and Total Equity

REAL ESTATE INVENTORY

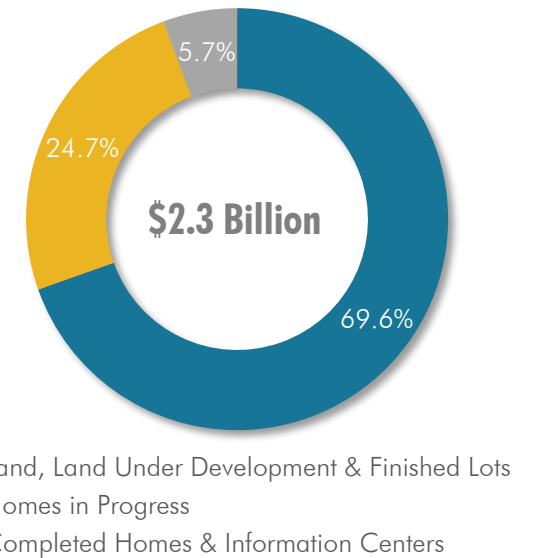
Total Lot Inventory (Units)



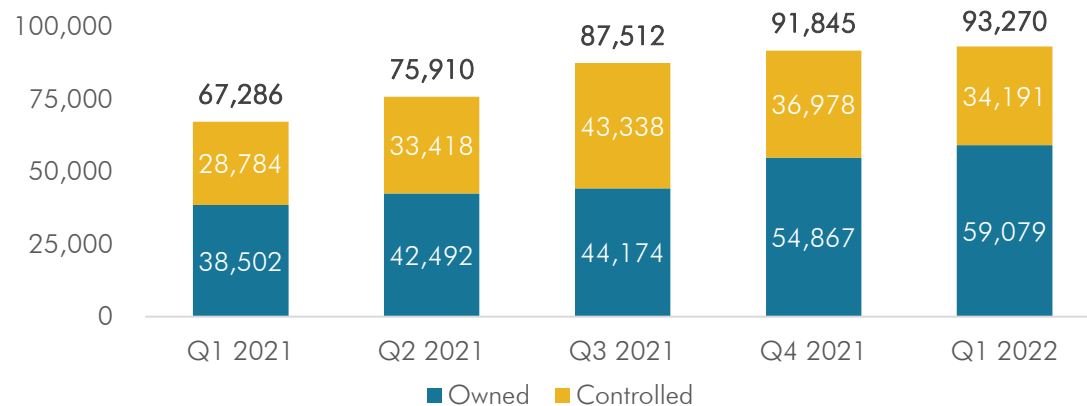
Owned Lot Inventory (Units)



Owned Real Estate Inventory (\$ Value)



Owned and Controlled Lots Over Time



Real Estate Inventory by Reportable Segment (March 31, 2022)

	LTM Home Closings ⁽¹⁾	Owned Lots	Controlled Lots	Total Lots
Central	4,382	23,769	13,999	37,768
Southeast	1,969	15,822	5,620	21,442
Northwest	1,071	6,790	2,559	9,349
West	888	8,358	7,040	15,398
Florida	1,170	4,340	4,973	9,313
Total	9,480	59,079	34,191	93,270

Note: Some numbers may not foot due to rounding

1) As of March 31, 2022



Appendix

HISTORICAL FIRST QUARTER OPERATING RESULTS

LGI HOMES HAS GENERATED STRONG FIRST QUARTER RESULTS THROUGHOUT ITS HISTORY

	Q1 2014	Q1 2015	Q1 2016	Q1 2017	Q1 2018	Q1 2019	Q1 2020	Q1 2021	Q1 2022
Home Closings	485	671	844	761	1,244	1,228	1,835	2,561	1,599
Average Active Communities	27.3	42.7	55.0	66.3	77.0	84.3	108.7	106.3	89.0
Avg. Monthly Absorption Rate	5.9	5.2	5.1	3.8	5.4	4.9	5.6	8.0	6.0
Average Sales Price	\$156,534	\$179,866	\$192,492	\$214,075	\$224,296	\$234,197	\$247,808	\$275,655	\$341,495
Home Sales Revenues (\$M)	\$75.9	\$120.7	\$162.5	\$162.9	\$279.0	\$287.6	\$454.7	\$706.0	\$546.1
Gross Margin %	25.7%	26.1%	25.5%	26.7%	24.8%	23.1%	23.4%	26.9%	29.0%
Adjusted Gross Margin % ⁽¹⁾	27.5%	27.8%	26.7%	28.0%	26.4%	25.1%	25.5%	28.5%	30.3%
SG&A %	16.4%	16.4%	14.8%	16.8%	13.8%	15.7%	11.6%	9.6%	11.5%
Pre-Tax Net Income (\$M)	\$7.1	\$11.7	\$17.8	\$16.8	\$31.2	\$21.7	\$54.9	\$123.3	\$99.6
Pre-Tax Net Income %	9.3%	9.7%	11.0%	10.3%	11.2%	7.5%	12.1%	17.5%	18.2%
Effective Tax Rate %	35.0%	34.3%	34.4%	30.1%	12.6%	15.5%	22.0%	19.2%	21.0%
Net Income (\$M)	\$4.6	\$7.7	\$11.7	\$11.8	\$27.3	\$18.3	\$42.8	\$99.7	\$78.7
Net Income %	6.1%	6.4%	7.2%	7.2%	9.8%	6.4%	9.4%	14.1%	14.4%
Basic Earnings per Share	\$0.22	\$0.39	\$0.58	\$0.55	\$1.23	\$0.81	\$1.69	\$3.99	\$3.30
Diluted Earnings per Share	\$0.22	\$0.33	\$0.57	\$0.52	\$1.10	\$0.73	\$1.67	\$3.95	\$3.25

Note: Highlighted bold values represent most favorable metrics for periods shown

1) Adjusted Gross Margin is a non-GAAP measure defined as Gross Margin adjusted for Capitalized Interest and adjustments resulting from the application of purchase accounting included in Cost of Sales

HISTORICAL ANNUAL OPERATING RESULTS

DEMONSTRATED HISTORY OF RECORD-BREAKING ANNUAL PERFORMANCE YEAR AFTER YEAR

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	LTM ⁽¹⁾
Home Closings	2,356	3,404	4,163	5,845	6,512	7,690	9,339	10,442	9,480
Average Active Communities	32.3	47.1	57.9	73.1	80.6	95.8	111.9	104.4	100.1
Avg. Monthly Absorption Rate	6.1	6.0	6.0	6.7	6.7	6.7	7.0	8.3	7.9
Average Sales Price	\$162,677	\$185,146	\$201,374	\$215,220	\$231,020	\$239,032	\$253,553	\$292,104	\$304,878
Home Sales Revenues (\$M)	\$383.3	\$630.2	\$838.3	\$1,258.0	\$1,504.4	\$1,838.2	\$2,367.9	\$3,050.1	\$2,890.2
Gross Margin %	26.8%	26.5%	26.4%	25.5%	25.3%	23.7%	25.5%	26.8%	27.2%
Adjusted Gross Margin % ⁽²⁾	28.2%	27.8%	27.8%	26.9%	27.0%	25.8%	27.4%	28.2%	28.5%
SG&A %	15.8%	13.8%	13.1%	12.0%	12.0%	11.4%	10.1%	8.9%	9.2%
Pre-Tax Net Income (\$M)	\$43.1	\$80.3	\$113.7	\$171.4	\$199.1	\$231.8	\$367.8	\$542.8	\$519.0
Pre-Tax Net Income %	11.2%	12.7%	13.6%	13.6%	13.2%	12.6%	15.5%	17.8%	18.0%
Effective Tax Rate %	34.5%	34.2%	34.0%	33.9%	22.0%	23.0%	11.9%	20.8%	21.3%
Net Income (\$M)	\$28.2	\$52.8	\$75.0	\$113.3	\$155.3	\$178.6	\$323.9	\$429.6	\$408.7
Net Income %	7.4%	8.4%	9.0%	9.0%	10.3%	9.7%	13.7%	14.1%	14.1%
Basic Earnings per Share	\$1.37	\$2.65	\$3.61	\$5.24	\$6.89	\$7.70	\$12.89	\$17.46	\$16.76 ⁽³⁾
Diluted Earnings per Share	\$1.33	\$2.44	\$3.41	\$4.73	\$6.24	\$7.02	\$12.76	\$17.25	\$16.54 ⁽³⁾

Note: Highlighted bold values represent most favorable metrics for periods shown excluding the LTM period

1) LTM as of March 31, 2022

2) Adjusted Gross Margin is a non-GAAP measure defined as Gross Margin adjusted for Capitalized Interest and adjustments resulting from the application of purchase accounting included in Cost of Sales

3) Calculated as the sum of the prior four quarters

RECONCILIATION OF ADJUSTED GROSS MARGIN (NON-GAAP)

QUARTERS ENDED MARCH 31ST

(\$ in thousands)	Q1 2014	Q1 2015	Q1 2016	Q1 2017	Q1 2018	Q1 2019	Q1 2020	Q1 2021	Q1 2022
Home Sales Revenues	\$75,919	\$120,690	\$162,463	\$162,911	\$279,024	\$287,594	\$454,727	\$705,953	\$546,050
Cost of Home Sales	\$56,389	\$89,228	\$121,094	\$119,412	\$209,765	\$221,290	\$348,163	\$516,004	\$387,643
Gross Margin	\$19,530	\$31,462	\$41,369	\$43,499	\$69,259	\$66,304	\$106,564	\$189,949	\$158,407
Capitalized Interest Charged to Cost of Sales	\$277	\$1,062	\$1,782	\$2,075	\$4,312	\$5,394	\$8,930	\$10,672	\$4,513
Purchase Accounting Adjustment ⁽²⁾	\$1,091	\$1,061	\$170	\$35	(\$3)	\$630	\$623	\$812	\$2,282
Adjusted Gross Margin (Non-GAAP)	\$20,898	\$33,585	\$43,321	\$45,609	\$73,568	\$72,328	\$116,117	\$201,433	\$165,202
Gross Margin % ⁽³⁾	25.7%	26.1%	25.5%	26.7%	24.8%	23.1%	23.4%	26.9%	29.0%
Adjusted Gross Margin % ⁽³⁾	27.5%	27.8%	26.7%	28.0%	26.4%	25.1%	25.5%	28.5%	30.3%

1) Adjustments result from the application of purchase accounting related to prior acquisitions and represent the amount of the fair value step-up adjustments for real estate inventory included in Cost of Sales

2) Calculated as a percentage of Home Sales Revenues

RECONCILIATION OF ADJUSTED GROSS MARGIN (NON-GAAP)

FOR THE 12 MONTHS ENDED DECEMBER 31ST & LAST TWELVE MONTHS ENDED MARCH 31, 2022

(\$ in thousands)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	LTM ⁽¹⁾
Home Sales Revenues	\$383,268	\$630,236	\$838,320	\$1,257,960	\$1,504,400	\$1,838,154	\$2,367,929	\$3,050,149	\$2,890,246
Cost of Home Sales	\$280,481	\$463,304	\$616,707	\$937,540	\$1,124,484	\$1,401,675	\$1,764,832	\$2,232,115	\$2,103,754
Gross Margin	\$102,787	\$166,932	\$221,613	\$320,420	\$379,916	\$436,479	\$603,097	\$818,034	\$786,492
Capitalized Interest Charged to Cost of Sales	\$1,704	\$6,057	\$10,680	\$17,400	\$24,311	\$35,230	\$40,381	\$37,546	\$31,386
Purchase Accounting Adjustment ⁽²⁾	\$3,620	\$2,131	\$485	\$246	\$1,408	\$3,324	\$4,872	\$4,964	\$6,434
Adjusted Gross Margin (Non-GAAP)	\$108,111	\$175,120	\$232,778	\$338,066	\$405,635	\$475,033	\$648,350	\$860,544	\$824,312
Gross Margin % ⁽³⁾	26.8%	26.5%	26.4%	25.5%	25.3%	23.7%	25.5%	26.8%	27.2%
Adjusted Gross Margin % ⁽³⁾	28.2%	27.8%	27.8%	26.9%	27.0%	25.8%	27.4%	28.2%	28.5%

1) LTM as of March 31, 2022

2) Adjustments result from the application of purchase accounting related to prior acquisitions and represent the amount of the fair value step-up adjustments for real estate inventory included in Cost of Sales

3) Calculated as a percentage of Home Sales Revenues



LGI Homes, Inc.
Investor Relations
1450 Lake Robbins Drive, Suite 430
The Woodlands, TX 77380
(281) 210-2619
investorrelations@lgihomes.com
