



INVESTOR PRESENTATION

Fourth Quarter and Full Year 2021

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.



COMPANY HIGHLIGHTS

Founded in 2003, LGI Homes is one of the nation's fastest growing homebuilders. Currently recognized as the 10th largest residential builder in America based on units closed, LGI Homes' unique business model is focused on offering entry-level homebuyers quality homes at affordable prices through a well-established sales and marketing approach, a culture of customer service excellence, and a highly efficient construction process.

FOCUS ON PERFORMANCE

LGI HOMES AT A GLANCE

FULL YEAR 2021

\$3.1 BILLION REVENUE

10,442 HOME CLOSINGS

8.3 AVERAGE MONTHLY ABSORPTIONS

26.8% GROSS MARGIN ⁽¹⁾ ⁽²⁾

28.2% ADJUSTED GROSS MARGIN ⁽²⁾ ⁽³⁾

33.9% RETURN ON EQUITY ⁽⁴⁾

35 MARKETS IN **19** STATES ⁽⁵⁾

91,845 OWNED & CONTROLLED LOTS ⁽⁵⁾

55,000+ HOMES CLOSED SINCE FOUNDING

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 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) Includes the impact of 45L tax credits

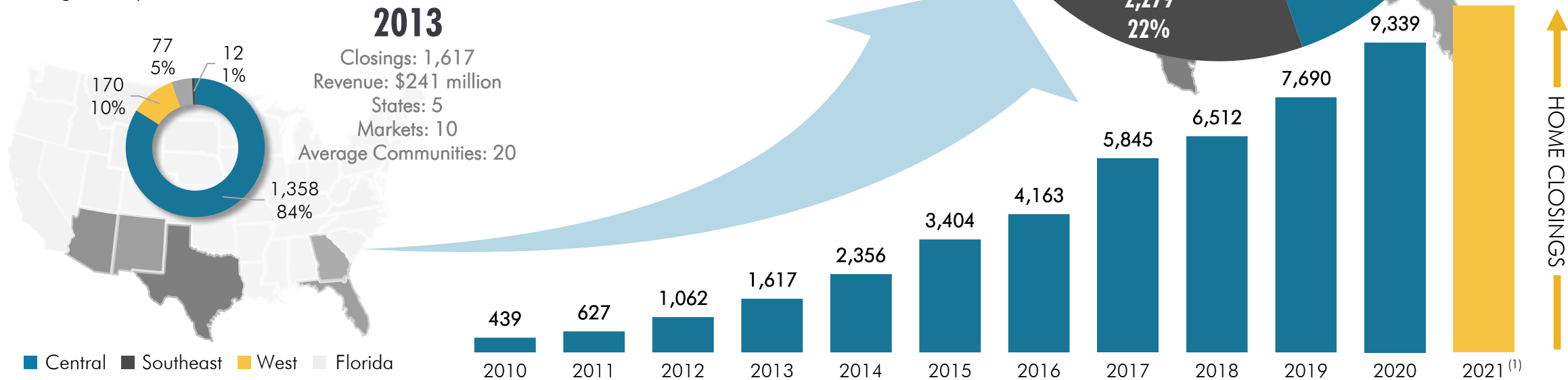
5) As of December 31, 2021

FOCUS ON GROWTH

BUILDING OUR BUSINESS

LGI Homes’ unique operating model has driven rapid growth. Between 2013 and the year ended December 31, 2021, the Company grew home closings 546% and revenue 1,166% (a compounded annual growth rate of 37%) while expanding from 5 to 19 states and 10 to 35 markets.

Since its initial public offering in 2013, LGI has significantly diversified its business geographically. In 2013, the Central division represented 84% of home closings compared to 45% in 2021.



Note: 2010 – 2013 Home Closings are pro forma figures and include Home Closings for the LGI/GTIS Joint Ventures not consolidated prior to LGI Homes’ IPO in 2013
1) As of December 31, 2021



Affordable Alternative to Renting

Target Customer: Renters and First Time Homebuyers



Move-In Ready Inventory

100% Spec Homes – All upgrades included

Attractive, outlying suburban communities that are conveniently located near retail districts and business centers



Professionally Trained Sales Representatives

Information Centers are generally staffed by 2 to 5 trained sales professionals and are open approximately 12 hours per day, 359 days per year



Marketing Excellence

Unique and highly successful marketing system proven to convert renters into new homeowners

Direct to consumer model limits reliance on realtors



Superior Homebuilding & Land Acquisitions Strategy

Flexible land acquisition strategy of purchasing or optioning finished lots and raw land for development



FOCUS ON OUR UNIQUE MODEL

THE LGI DIFFERENCE

We utilize a well-established sales and marketing approach, a culture of customer service excellence, a disciplined land acquisition and development strategy and a highly efficient home construction process.

Standard Processes & Procedures

LGI Homes is a systems-based company with an “LGI Way” for everything we do. Our focus on systems and procedures provides employees with the tools they need to be successful and allows for our processes to be replicated in every market where we operate.

Manuals

Manuals are the backbone to our systematic approach. Most roles at LGI Homes have a comprehensive manual, outlining the specific instructions and the “LGI Way” for the daily operations required. This allows for clear expectations, ongoing training, and duplicable roles that we can take to new markets.

Comprehensive Training

We are focused on providing our people with world-class training and continuous development. Every employee experiences 100 days of training where they dive into our LGI Homes culture and learn the ins and outs of the “LGI Way”. Our rigorous training program provides the tools needed for our people to succeed.



FOCUS ON CONSISTENCY

A SYSTEMS-BASED COMPANY

FOCUS ON THE FUTURE

INVENTORY MANAGEMENT



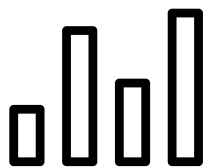
Vertical Construction

We target 4 to 6 months of expected home closings in vertical construction at any one time.



Raw Land, Land Under Development & Finished Lots

We target a 3 to 5 year forward supply of owned lots in various stages of development at any one time. Our supply of inventory on December 31, 2021 was 8.8 years based on 2021 home closings of 10,442.



Owned & Controlled

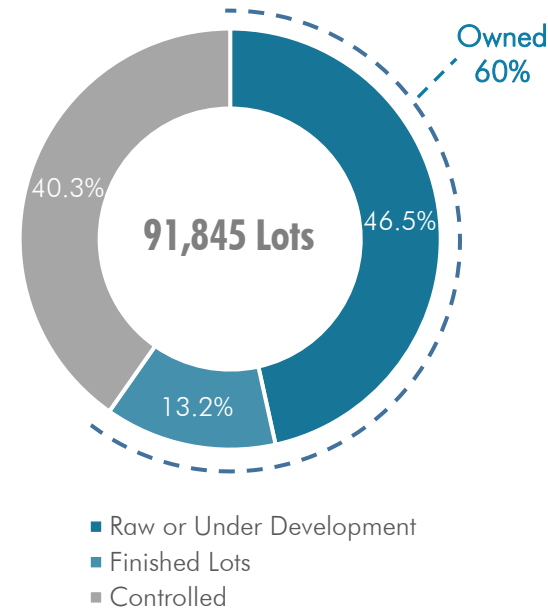
As of December 31, 2021, we had 91,845 owned and controlled lots. Approximately 60%, or 54,867 lots,⁽²⁾ were owned and total investment in land and vertical construction was nearly \$2.1 billion.

Note: Some numbers may not foot due to rounding

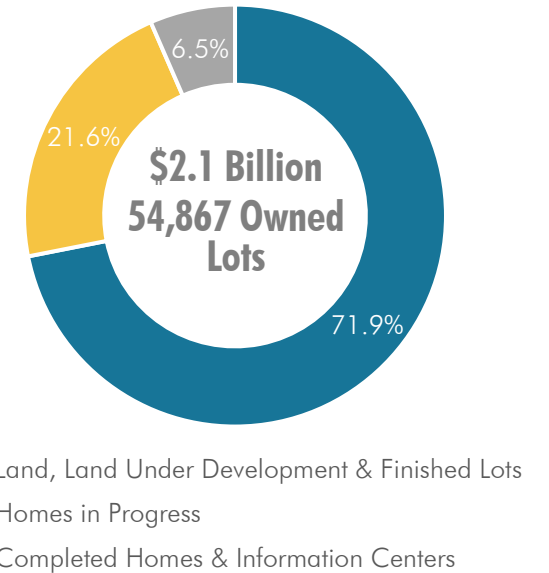
1) As of December 31, 2021

2) Of the 54,867 owned lots, 683 were complete, 3,026 were in progress, 8,415 were finished vacant lots and 42,743 were either raw land or under development

Total Lot Inventory (Units)



Real Estate Inventory (\$ Value)



Real Estate Inventory by Reportable Segment (December 31, 2021)

	2021 Home Closings ⁽¹⁾	Owned Lots	Controlled Lots	Total Lots
Central	4,665	23,034	14,761	37,795
Southeast	2,279	15,386	5,616	21,002
Northwest	1,166	5,301	3,291	8,592
West	995	6,907	8,325	15,232
Florida	1,337	4,239	4,985	9,224
Total	10,442	54,867	36,978	91,845

Full-Time CM On Site

A highly trained, full-time Construction Manager on each site builds according to our manual and walks each home multiple times per day to ensure consistency and quality.

Even Flow Production

Consistent and efficient year-round work that will increase as sales increase in each project.

Set Building

By starting and building sets of 3 to 4 homes simultaneously on adjacent home sites, we optimize our pace of construction.

We Pay On Time, Every Time

We highly value our Trade Partners and pay them by direct deposit every Friday.

4-6 Plans Per Community

4-6 plans per community allows for consistency and standard components in order to maintain an average home completion time of approximately 90 to 130 days.

Clean Job Sites

A commitment to cleanliness promoting safety, efficiency, and higher quality construction.

Zero Options and No Changes

By standardizing and including all the features and finishes entry-level buyers desire, we eliminate customization and can build 100% to Spec.

Advanced Scheduling System

Real-time updates and guaranteed schedules ensure efficient subcontractor progress.



FOCUS ON QUALITY AND EFFICIENCY

HomeBUILDING EXCELLENCE

Building 100% spec homes eliminates options and potential changes, allowing for efficient build times of 90 to 130 calendar days. Our commitment to jobsite cleanliness promotes safety, efficiency, and results in higher quality, move-in ready homes for first time homebuyers. Beyond creating efficiencies, our efficient construction process generates significant loyalty from our trade partners who value our structure and the dependability of workflow it creates.



FOCUS ON CONTINUED GROWTH

BECOME A TOP 5 BUILDER

Since 2018, LGI Homes has ranked 10th among the largest public and private homebuilders on *Builder Magazine's* Builder 100 list.

The Company plans to double the size of its business through a combination of deepening our positions in existing markets, growing wholesale operations in line with total closings and pursuing selected M&A opportunities where they match business objectives.



Organic Growth

Expand in existing and recently entered markets, as well as selective expansion into new markets.



LGI LIVING

LGI Homes' wholesale business, LGI Living, opportunistically sells units to single-family rental investors at similar operating margins.

SINCE OUR IPO IN 2013:

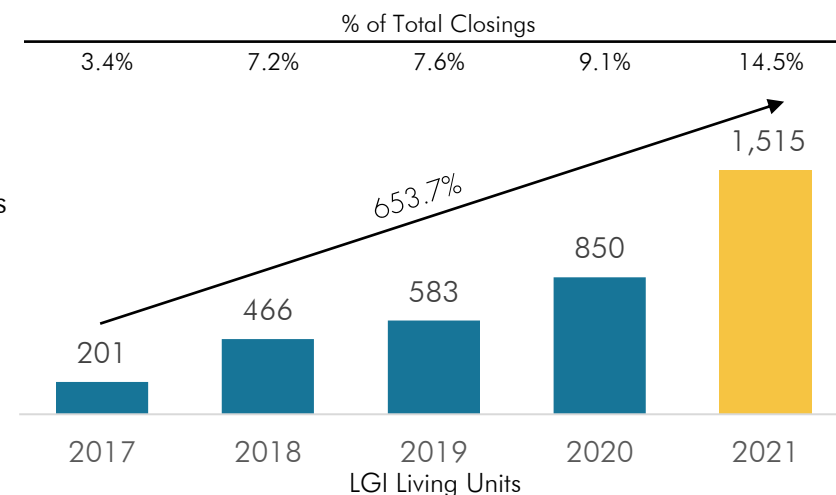
14
NEW
STATES ⁽¹⁾

25
NEW
MARKETS ⁽¹⁾

4.0x
MORE
COMMUNITIES ⁽¹⁾

546%
HOME CLOSINGS
GROWTH ⁽²⁾

1,166%
REVENUE
GROWTH ⁽²⁾



Highly Selective Acquisition Strategy

Acquisition targets are builders primarily focused on entry-level homes and land acquisitions that will add accretive value.

ACQUIRED IN 2014:



ACQUIRED IN 2018:



ACQUIRED IN 2021:



1) As of December 31, 2021

2) Growth metrics are for informational purposes only and are based on 2021 financial metrics and 2013 financial metrics pro forma for the GTIS Acquisition



Financial Results

Recent Financial Results

Fourth Quarter 2021

- ▶ **Home Closings: 2,526, (25.9%)**
- ▶ **Home Sales Revenues: \$801.1 Million, (10.7%)**
- ▶ **Average Sales Price: \$317,132, +20.4%**
- ▶ **Active Communities: 101 ending and 103.7 average during the quarter**
- ▶ **Gross Margin: 26.4%, (70) basis points**
- ▶ **Adjusted Gross Margin ⁽¹⁾: 27.6%, (120) basis points**
- ▶ **Pre-Tax Net Income: \$143.4 Million, (13.9%)**
- ▶ **Net Income: \$111.3 Million, (18.4%)**
- ▶ **Basic EPS: \$4.61; Diluted EPS: \$4.53**

Full Year 2021

- ▶ **Home Closings: 10,442, +11.8%**
- ▶ **Home Sales Revenues: \$3,050.1 Million, +28.8%**
- ▶ **Average Sales Price: \$292,104, +15.2%**
- ▶ **Active Communities: 101 ending and 104.4 average during the year**
- ▶ **Gross Margin: 26.8%, +130 basis points**
- ▶ **Adjusted Gross Margin ⁽¹⁾: 28.2%, +80 basis points**
- ▶ **Pre-Tax Net Income: \$542.8 Million, +47.6%**
- ▶ **Net Income: \$429.6 Million, +32.6%**
- ▶ **Basic EPS: \$17.46; Diluted EPS: \$17.25**

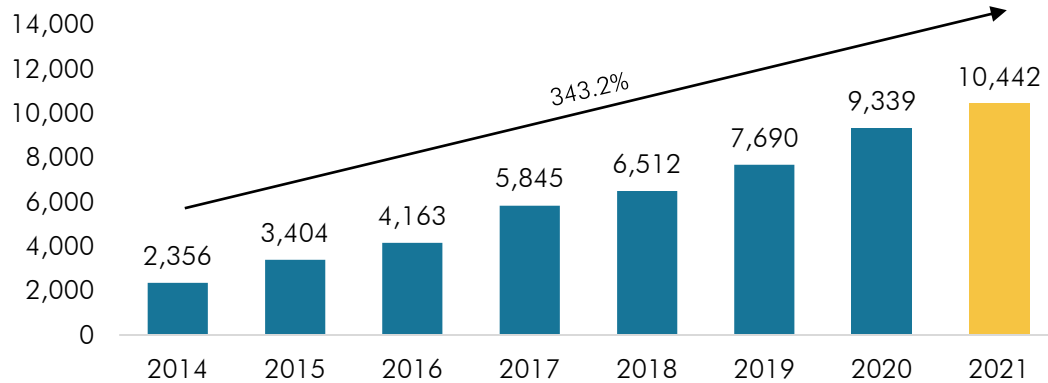
Note: Metrics compared to the fourth quarter and full year of 2020; numbers may not foot due to rounding

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

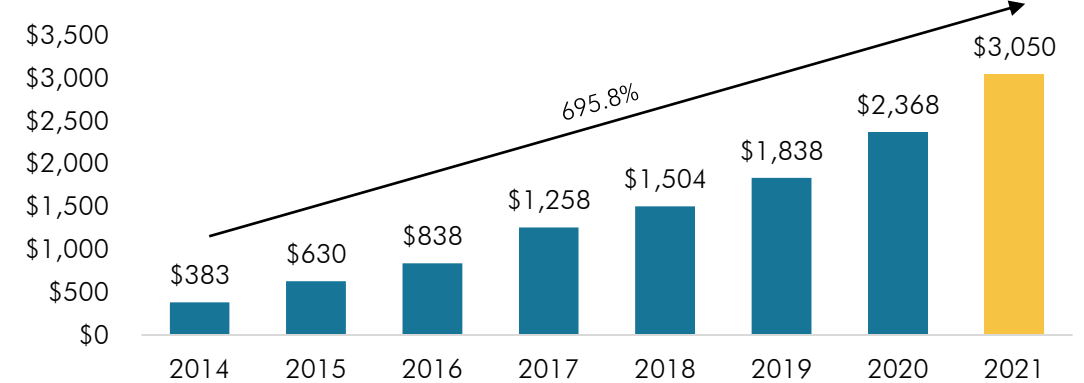
LGI HOMES HAS GENERATED STRONG RESULTS THROUGHOUT ITS HISTORY

Home Closings (Units)



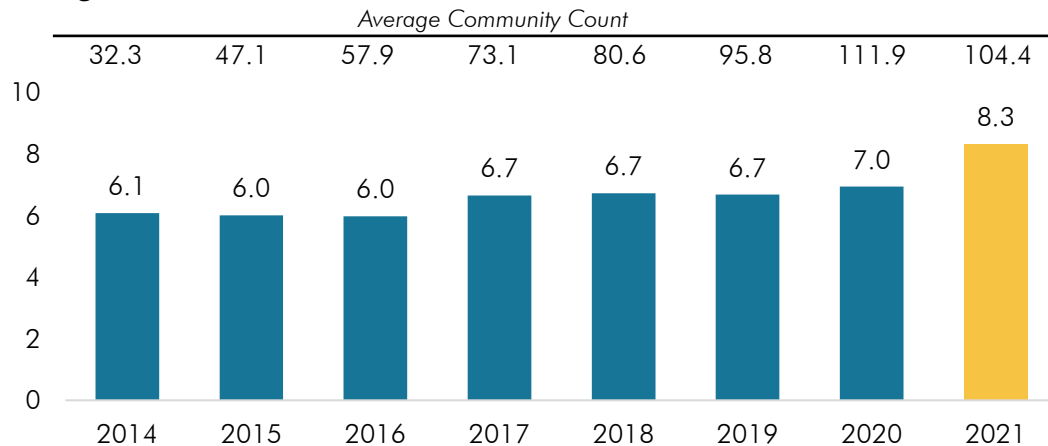
Since 2014, LGI has grown Home Closings at a compound annual growth rate of 23.7%...

Revenue (\$ millions)

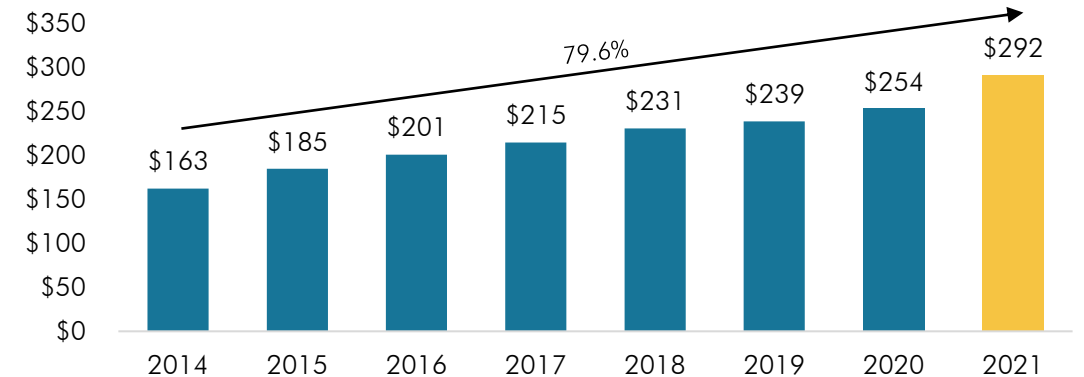


...and increased Revenue at a compound annual growth rate of 34.5%

Average Absorptions and Communities⁽¹⁾



Average Sales Price (\$ thousands)



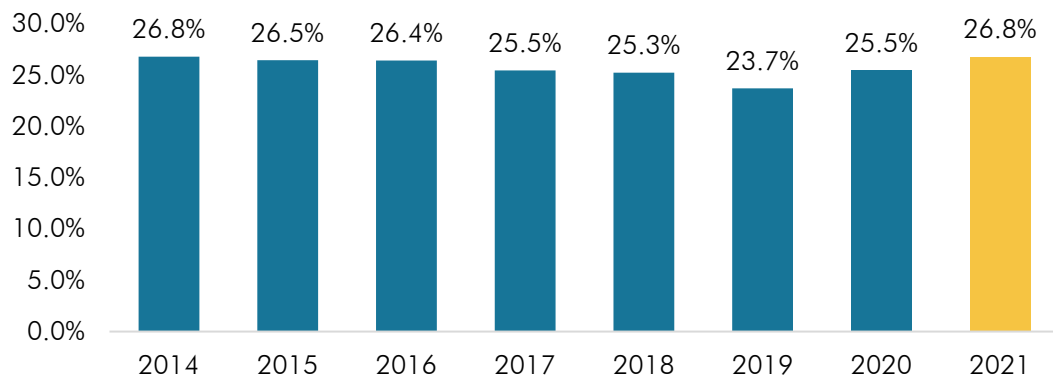
Note: As of December 31, 2021

1) Absorptions per Community per Month; includes wholesale closings

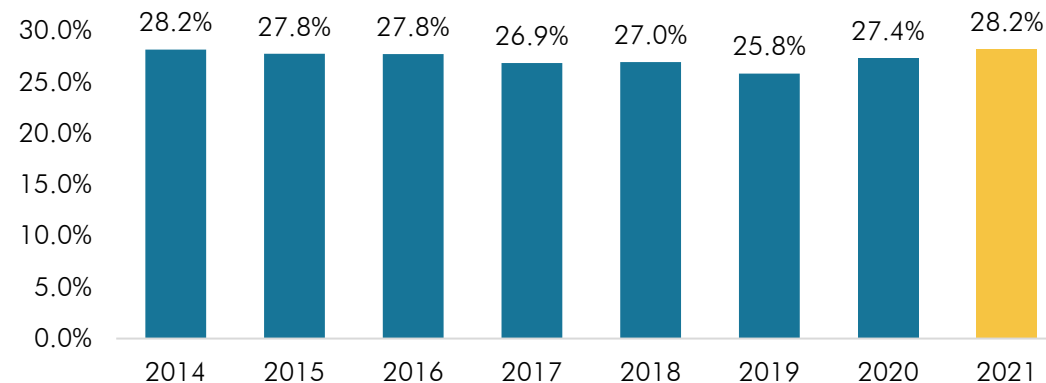
LEADING MARGINS & PROFITABILITY

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

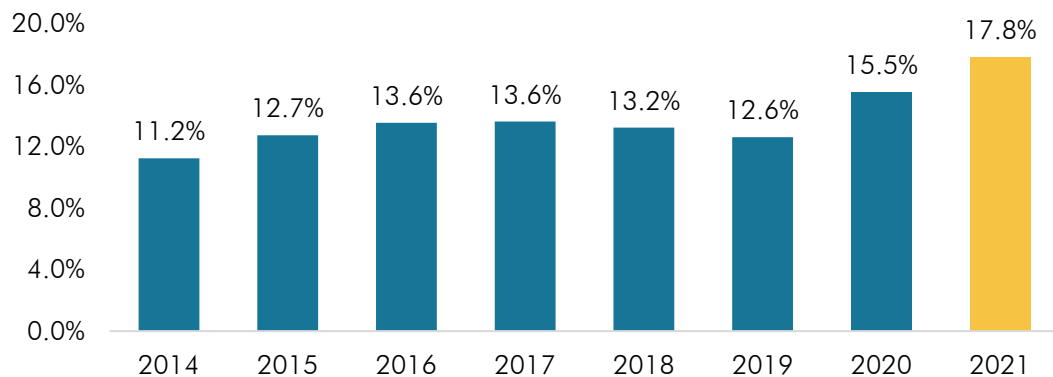
Gross Margin Percentage (1) (2)



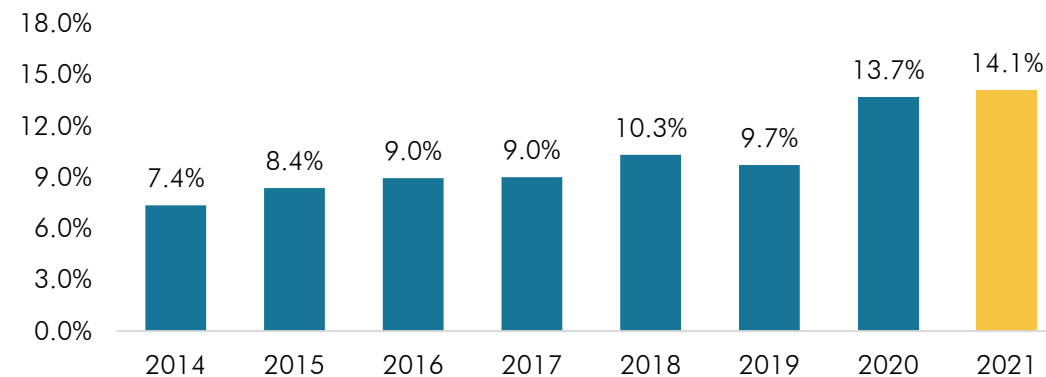
Adjusted Gross Margin Percentage (2) (3)



Pre-Tax Net Income Percentage (2)



Net Income Percentage (2) (4)



Note: As of December 31, 2021

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

2) Calculated as a percentage of Home Sales Revenues

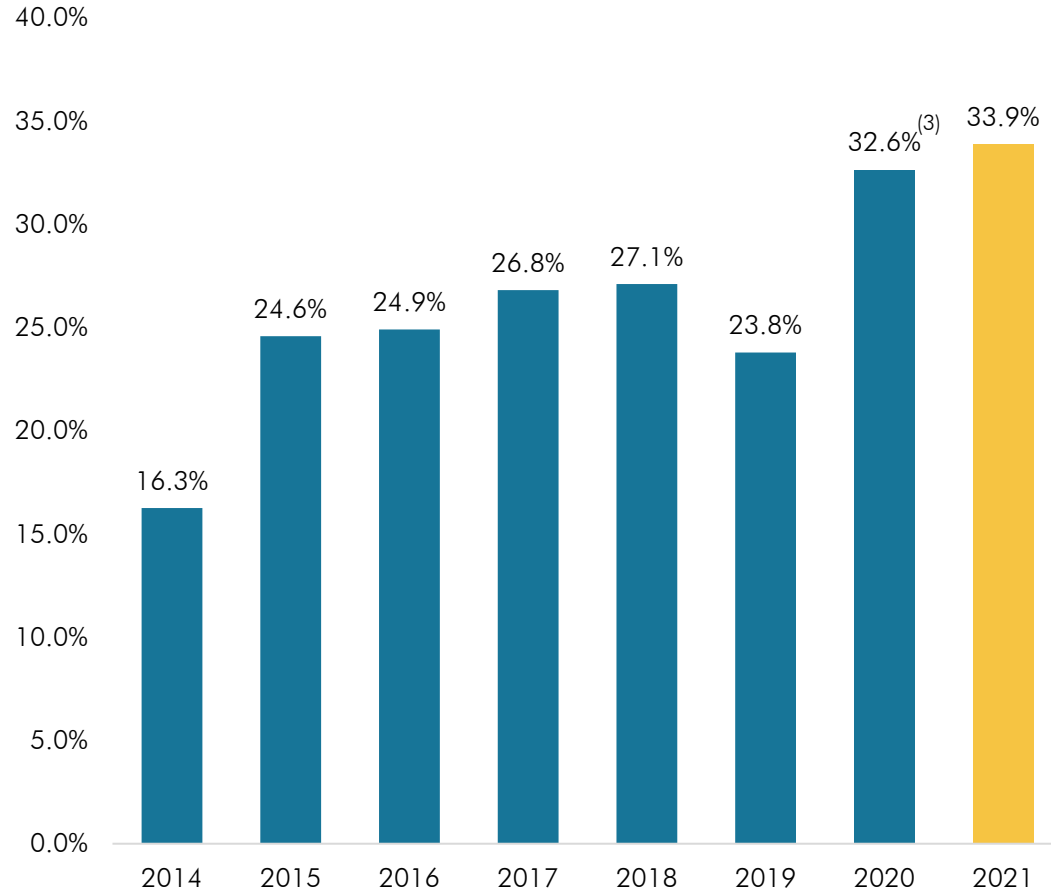
3) Adjusted Gross Margin is a non-GAAP measure defined as Gross Margin adjusted for Capitalized Interest and adjustments resulting from the application of purchase accounting included in Cost of Sales. See the Appendix for a reconciliation of Adjusted Gross Margin to Gross Margin

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

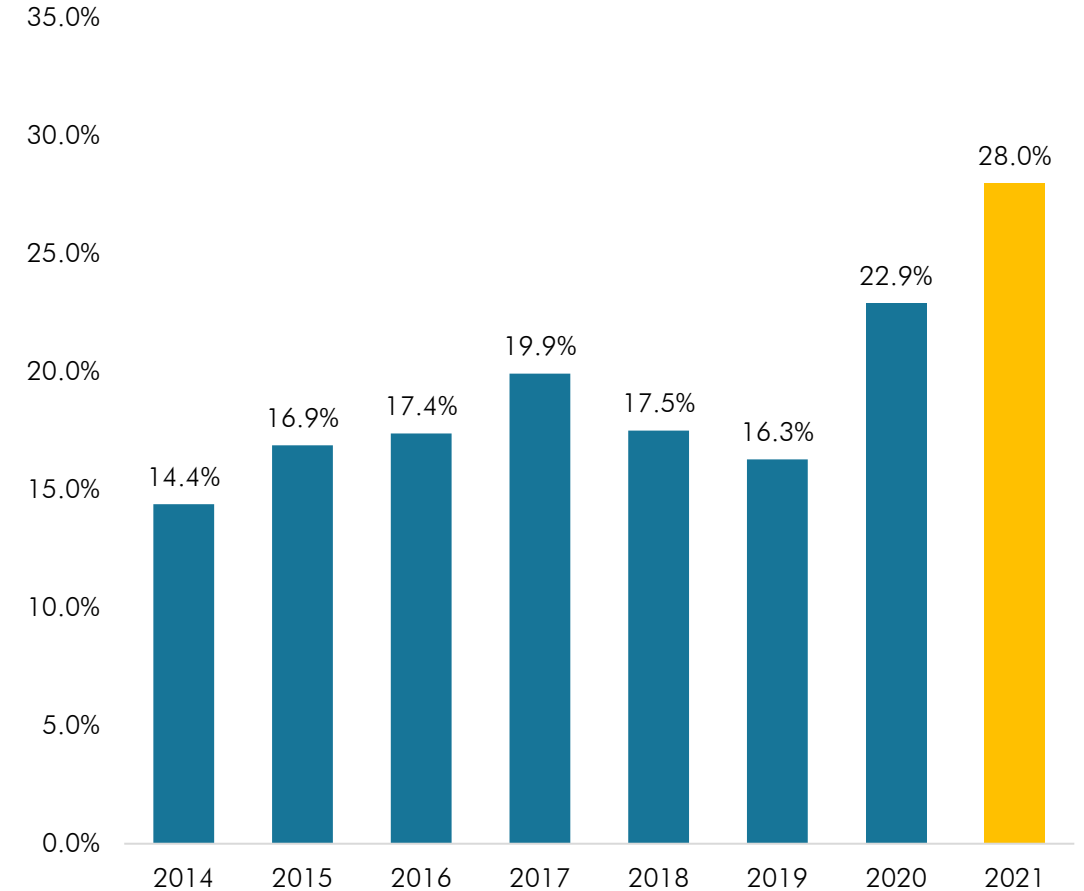
SUPERIOR RETURNS ON CAPITAL

LGI HOMES' FOCUS ON PROFITABILITY AND CONSERVATIVE CAPITAL STRUCTURE HAS DRIVEN STRONG RETURNS FOR INVESTORS

Return on Equity (1) (2)



Return on Total Capital (2) (4)



Note: As of December 31, 2021

1) Calculated as the last twelve months of Net Income as a percentage of the average book value of Total Equity over the same period

2) 2020 and 2021 results include the impact of 45L tax credits

3) 29.1% excluding the impact of 45L tax credits of approximately \$41.2 million

4) Calculated as the last twelve months of Net Income before taxes as a percentage of the average book values of Debt and Total Equity over the same period

CONDENSED BALANCE SHEET

FINANCIAL OUTPERFORMANCE COMBINED WITH HIGH YIELD REFINANCING HAVE PERMANENTLY STRENGTHENED CAPITAL STRUCTURE

(\$ in thousands)	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
ASSETS					
Cash and Cash Equivalents	\$ 67,571	\$ 46,624	\$ 38,345	\$ 35,942	\$ 50,514
Accounts Receivable	44,706	42,836	56,390	115,939	57,909
Real Estate Inventory	918,933	1,228,256	1,499,624	1,569,489	2,085,904
Goodwill	12,018	12,018	12,018	12,018	12,018
Other Assets	36,664	65,739	59,738	92,699	145,520
Total Assets	<u>\$ 1,079,892</u>	<u>\$ 1,395,473</u>	<u>\$ 1,666,115</u>	<u>\$ 1,826,087</u>	<u>\$ 2,351,865</u>
LIABILITIES					
Accounts Payable and Other Liabilities	\$ 114,851	\$ 85,796	\$ 130,363	\$ 148,684	\$ 150,781
Notes Payable	475,195	653,734	690,559	538,398	805,236
Total Liabilities	<u>590,046</u>	<u>739,530</u>	<u>820,922</u>	<u>687,082</u>	<u>956,017</u>
EQUITY					
Common Stock	228	237	264	267	269
Additional Paid-In Capital	229,680	241,988	252,603	270,598	291,577
Retained Earnings	276,488	431,774	610,382	934,277	1,363,922
Treasury Stock, at Cost	(16,550)	(18,056)	(18,056)	(66,137)	(259,920)
Total Equity	<u>489,846</u>	<u>655,943</u>	<u>845,193</u>	<u>1,139,005</u>	<u>1,395,848</u>
Total Liabilities and Equity	<u>\$ 1,079,892</u>	<u>\$ 1,395,473</u>	<u>\$ 1,666,115</u>	<u>\$ 1,826,087</u>	<u>\$ 2,351,865</u>
Gross Debt to Capitalization ⁽¹⁾	49.2%	49.9%	45.0%	32.1%	36.6%
Net Debt to Capitalization ⁽²⁾	45.4%	48.1%	43.6%	30.6%	35.1%

As of December 31, 2021:

**\$2.1B in
Inventory**

**Over \$1B in
Acquisition &
Development
Spend**

**1.3M Shares
Repurchased
in 2021**

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

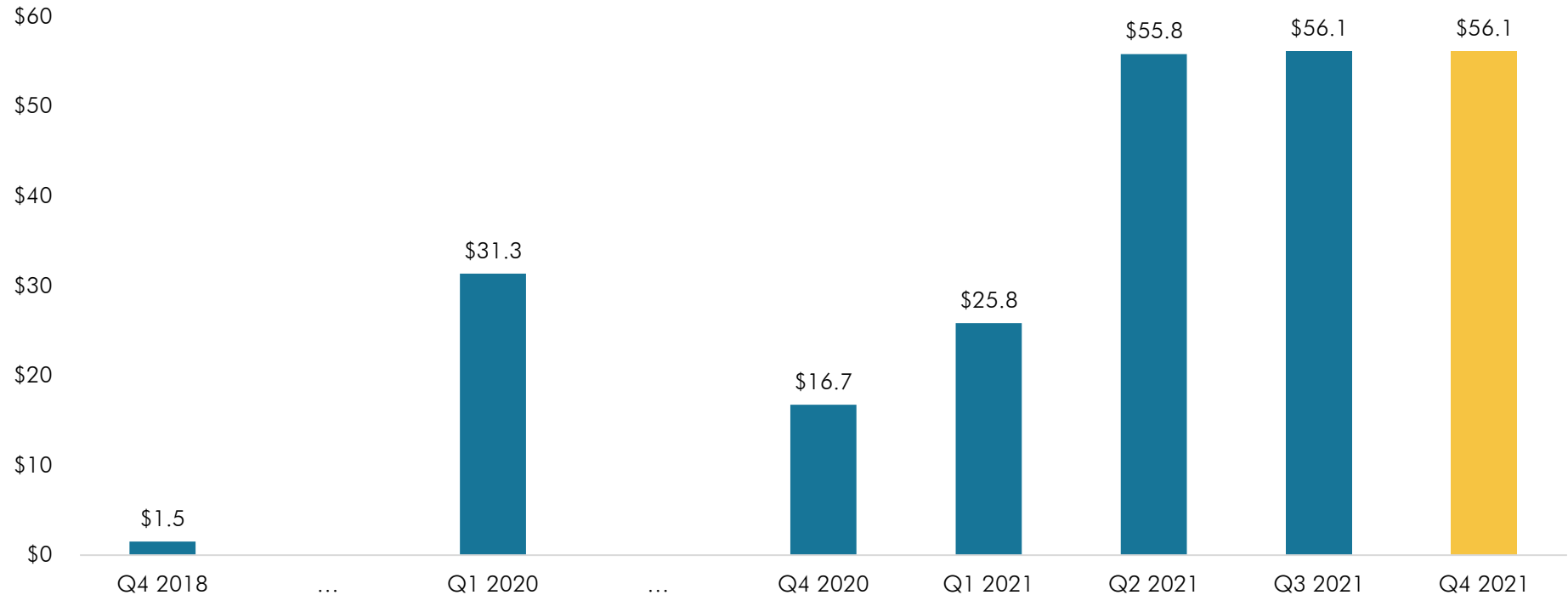
2) Calculated as Notes Payable less Cash and Cash Equivalents ("Net Debt") as a percentage of the sum of Net Debt and Total Equity

QUARTERLY SHARE REPURCHASES

Total Value of Shares of Common Stock Repurchased During Each Quarter (\$ millions)

During the three months ended December 31, 2021, 378,525 shares of our common stock were repurchased for \$56.1 million

Since Q4'18, 2,046,556 shares have been repurchased for total consideration of \$243.4 million



	Q4 2018	...	Q1 2020	...	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Weighted Avg. Share Price	\$38.58	...	\$55.26	...	\$110.20	\$119.45	\$166.50	\$156.30	\$148.20
Quarterly Avg. Share Price	\$42.23	...	\$74.29	...	\$113.91	\$120.10	\$165.46	\$157.87	\$148.09
Quarterly Shares Repurchased	39,000	...	567,028	...	151,965	216,221	335,000	358,817	378,525
Cumulative Shares Repurchased to Date	39,000	...	606,028	...	757,993	974,214	1,309,214	1,668,031	2,046,556
Cumulative Value of Shares Repurchased to Date	\$1.5M	...	\$32.8M	...	\$49.6M	\$75.4M	\$131.2M	\$187.3M	\$243.4M
Authorized Repurchase Amount Remaining ⁽¹⁾	\$48.5M	...	\$17.2M	...	\$300.4M	\$274.6M	\$218.8M	\$162.7M	\$106.6M ⁽²⁾
Shares of Common Stock Outstanding	22.7M	...	25.1M	...	25.0M	24.9M	24.6M	24.2M	23.9M

1) Adjusted in Q4'20 for the Board's October 2020 authorization of an additional \$300.0 million available for share repurchases

2) On February 11, 2022, the Board increased the authorization for the repurchase of shares of the Company's common stock by \$200.0 million, resulting in an aggregate amount available for repurchases of \$306.6 million as of such date



Appendix

HISTORICAL FOURTH QUARTER OPERATING RESULTS

LGI HOMES HAS GENERATED STRONG FOURTH QUARTER RESULTS THROUGHOUT ITS HISTORY

	Q4 2014	Q4 2015	Q4 2016	Q4 2017	Q4 2018	Q4 2019	Q4 2020	Q4 2021
Home Closings	652	946	1,139	1,844	1,852	2,515	3,408	2,526
Average Active Communities	38.0	52.0	62.3	78.3	85.3	104.3	113.7	103.7
Avg. Monthly Absorption Rate	5.7	6.1	6.1	7.8	7.2	8.0	10.0	8.1
Average Sales Price	\$166,288	\$186,854	\$207,928	\$219,618	\$229,568	\$240,815	\$263,321	\$317,132
Home Sales Revenues (\$M)	\$108.4	\$176.8	\$236.8	\$405.0	\$425.2	\$605.6	\$897.4	\$801.1
Gross Margin %	27.3%	26.5%	27.2%	24.4%	24.4%	23.5%	27.1%	26.4%
Adjusted Gross Margin % ⁽¹⁾	28.9%	27.6%	28.5%	25.8%	26.2%	25.5%	28.8%	27.6%
SG&A %	16.7%	13.1%	12.7%	10.8%	11.3%	9.6%	8.7%	8.8%
Pre-Tax Net Income (\$M)	\$11.6	\$24.1	\$34.9	\$55.0	\$56.2	\$84.9	\$166.5	\$143.4
Pre-Tax Net Income %	10.7%	13.6%	14.8%	13.6%	13.2%	14.0%	18.6%	17.9%
Effective Tax Rate %	34.9%	34.7%	33.6%	35.2%	24.1%	23.6%	18.1%	22.4%
Net Income (\$M)	\$7.5	\$15.7	\$23.2	\$35.6	\$42.7	\$64.9	\$136.4	\$111.3
Net Income %	6.9%	8.9%	9.8%	8.8%	10.0%	10.7%	15.2%	13.9%
Basic Earnings per Share	\$0.37	\$0.79	\$1.09	\$1.65	\$1.89	\$2.69	\$5.45	\$4.61
Diluted Earnings per Share	\$0.34	\$0.75	\$1.01	\$1.43	\$1.72	\$2.52	\$5.34	\$4.53

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

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

RECONCILIATION OF ADJUSTED GROSS MARGIN (NON-GAAP)

QUARTERS ENDED DECEMBER 31ST

(\$ in thousands)	Q4 2014	Q4 2015	Q4 2016	Q4 2017	Q4 2018	Q4 2019	Q4 2020	Q4 2021
Home Sales Revenues	\$108,420	\$176,764	\$236,830	\$404,975	\$425,160	\$605,649	\$897,398	\$801,076
Cost of Home Sales	\$78,820	\$129,874	\$172,502	\$306,298	\$321,602	\$463,435	\$654,069	\$589,359
Gross Margin	\$29,600	\$46,890	\$64,328	\$98,677	\$103,558	\$142,214	\$243,329	\$211,717
Capitalized Interest Charged to Cost of Sales	\$557	\$1,681	\$3,249	\$5,852	\$7,226	\$11,336	\$13,603	\$7,828
Purchase Accounting Adjustment ⁽¹⁾	\$1,172	\$272	\$31	\$20	\$561	\$1,067	\$1,601	\$1,754
Adjusted Gross Margin (Non-GAAP)	\$31,329	\$48,843	\$67,608	\$104,549	\$111,345	\$154,617	\$258,533	\$221,299
Gross Margin % ⁽²⁾	27.3%	26.5%	27.2%	24.4%	24.4%	23.5%	27.1%	26.4%
Adjusted Gross Margin % ⁽²⁾	28.9%	27.6%	28.5%	25.8%	26.2%	25.5%	28.8%	27.6%

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)

YEARS ENDED DECEMBER 31ST

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

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



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