

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 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

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, Texas
(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	LGIH	NASDAQ Global Select Market

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 an emerging growth company. See definition 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of October 31, 2025, there were 23,079,100 shares of the registrant's common stock, par value \$0.01 per share, outstanding.

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PART I. FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS**

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

	September 30, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	\$ 61,979	\$ 53,197
Accounts receivable	21,239	28,717
Real estate inventory	3,646,945	3,387,853
Pre-acquisition costs and deposits	27,720	36,049
Property and equipment, net	101,550	57,038
Other assets	158,756	174,391
Deferred tax assets, net	9,624	9,271
Goodwill	12,018	12,018
Total assets	<u>\$ 4,039,831</u>	<u>\$ 3,758,534</u>
LIABILITIES AND EQUITY		
Accounts payable	\$ 37,944	\$ 33,271
Accrued expenses and other liabilities	171,086	207,317
Notes payable	1,751,427	1,480,718
Total liabilities	<u>1,960,457</u>	<u>1,721,306</u>
COMMITMENTS AND CONTINGENCIES		
EQUITY		
Common stock, par value \$0.01, 250,000,000 shares authorized, 27,735,692 shares issued and 23,079,100 shares outstanding as of September 30, 2025 and 27,644,413 shares issued and 23,397,074 shares outstanding as of December 31, 2024	277	276
Additional paid-in capital	347,714	337,161
Retained earnings	2,141,018	2,085,787
Treasury stock, at cost, 4,656,592 shares as of September 30, 2025 and 4,247,339 shares as of December 31, 2024	(409,635)	(385,996)
Total equity	<u>2,079,374</u>	<u>2,037,228</u>
Total liabilities and equity	<u>\$ 4,039,831</u>	<u>\$ 3,758,534</u>

See accompanying notes to the consolidated financial statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Home sales revenues	\$ 396,632	\$ 651,854	\$ 1,231,537	\$ 1,645,202
Cost of sales	311,520	488,362	962,104	1,239,425
Selling expenses	35,661	55,196	119,602	149,196
General and administrative	27,967	27,991	88,570	90,022
Operating income	21,484	80,305	61,261	166,559
Other income, net	(5,217)	(11,547)	(13,204)	(25,270)
Net income before income taxes	26,701	91,852	74,465	191,829
Income tax provision	6,997	22,277	19,234	46,628
Net income	<u>\$ 19,704</u>	<u>\$ 69,575</u>	<u>\$ 55,231</u>	<u>\$ 145,201</u>
Earnings per share:				
Basic	\$ 0.85	\$ 2.96	\$ 2.38	\$ 6.17
Diluted	\$ 0.85	\$ 2.95	\$ 2.37	\$ 6.15
Weighted average shares outstanding:				
Basic	23,056,904	23,500,349	23,223,736	23,540,620
Diluted	23,149,005	23,579,592	23,289,280	23,611,906

See accompanying notes to the consolidated financial statements.

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

	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock	Total Equity
	Shares	Amount				
BALANCE— December 31, 2024	27,644,413	\$ 276	\$ 337,161	\$ 2,085,787	\$ (385,996)	\$ 2,037,228
Net income	—	—	—	3,994	—	3,994
Restricted stock units granted for accrued annual bonuses	—	—	540	—	—	540
Stock repurchase	—	—	—	—	(3,051)	(3,051)
Compensation expense for equity awards	—	—	2,625	—	—	2,625
Stock issued under employee incentive plans	49,113	1	1,189	—	—	1,190
BALANCE— March 31, 2025	27,693,526	\$ 277	\$ 341,515	\$ 2,089,781	\$ (389,047)	\$ 2,042,526
Net income	—	—	—	31,533	—	31,533
Stock repurchase	—	—	—	—	(20,588)	(20,588)
Compensation expense for equity awards	—	—	2,826	—	—	2,826
Stock issued under employee incentive plans	19,701	—	848	—	—	848
BALANCE— June 30, 2025	27,713,227	\$ 277	\$ 345,189	\$ 2,121,314	\$ (409,635)	\$ 2,057,145
Net income	—	—	—	19,704	—	19,704
Compensation expense for equity awards	—	—	1,606	—	—	1,606
Stock issued under employee incentive plans	22,465	—	919	—	—	919
BALANCE— September 30, 2025	27,735,692	\$ 277	\$ 347,714	\$ 2,141,018	\$ (409,635)	\$ 2,079,374

See accompanying notes to the consolidated financial statements.

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

	Common Stock		Additional Paid-In Capital	Retained Earnings	Treasury Stock	Total Equity
	Shares	Amount				
BALANCE—December 31, 2023	27,521,120	\$ 275	\$ 321,062	\$ 1,889,716	\$ (355,022)	\$ 1,856,031
Net income	—	—	—	17,053	—	17,053
Restricted stock units granted for accrued annual bonuses	—	—	786	—	—	786
Stock repurchase	—	—	—	—	(10,002)	(10,002)
Compensation expense for equity awards	—	—	3,829	—	—	3,829
Stock issued under employee incentive plans	75,020	1	1,505	—	—	1,506
BALANCE—March 31, 2024	27,596,140	\$ 276	\$ 327,182	\$ 1,906,769	\$ (365,024)	\$ 1,869,203
Net income	—	—	—	58,573	—	58,573
Stock repurchase	—	—	—	—	(7,998)	(7,998)
Compensation expense for equity awards	—	—	2,841	—	—	2,841
Stock issued under employee incentive plans	16,602	—	1,223	—	—	1,223
BALANCE—June 30, 2024	27,612,742	\$ 276	\$ 331,246	\$ 1,965,342	\$ (373,022)	\$ 1,923,842
Net income	—	—	—	69,575	—	69,575
Compensation expense for equity awards	—	—	2,256	—	—	2,256
Stock issued under employee incentive plans	13,208	—	1,290	—	—	1,290
BALANCE—September 30, 2024	27,625,950	\$ 276	\$ 334,792	\$ 2,034,917	\$ (373,022)	\$ 1,996,963

See accompanying notes to the consolidated financial statements.

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

	Nine Months Ended September 30,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 55,231	\$ 145,201
Adjustments to reconcile net income to net cash used in operating activities:		
Equity in income of unconsolidated entities	(1,874)	(9,612)
Distributions of earnings from unconsolidated entities	4,021	10,737
Depreciation and amortization	3,053	2,280
Loss on disposal of assets	5	—
Compensation expense for equity awards	7,057	8,926
Deferred income taxes	(353)	(983)
Changes in assets and liabilities:		
Accounts receivable	7,478	(7,703)
Real estate inventory	(347,255)	(390,896)
Pre-acquisition costs and deposits	8,330	(3,322)
Other assets	45,663	(670)
Accounts payable	4,673	21,698
Accrued expenses and other liabilities	(12,778)	23,597
Net cash used in operating activities	<u>(226,749)</u>	<u>(200,747)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(924)	(1,345)
Proceeds from sale of property and equipment	10,155	—
Investment in unconsolidated entities	(3,566)	(5,296)
Return of capital from unconsolidated entities	8,641	—
Net cash provided by (used in) investing activities	<u>14,306</u>	<u>(6,641)</u>
Cash flows from financing activities:		
Proceeds from notes payable	594,644	507,666
Payments on notes payable	(323,000)	(214,000)
Payments on financing arrangements	(24,229)	(60,274)
Loan issuance costs	(5,507)	(97)
Proceeds from sale of stock, net of offering expenses	2,956	4,018
Stock repurchase	(23,639)	(18,000)
Net cash provided by financing activities	<u>221,225</u>	<u>219,313</u>
Net increase in cash and cash equivalents	8,782	11,925
Cash and cash equivalents, beginning of period	53,197	48,978
Cash and cash equivalents, end of period	<u>\$ 61,979</u>	<u>\$ 60,903</u>

See accompanying notes to the consolidated financial statements.

LGI HOMES, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. ORGANIZATION AND BASIS OF PRESENTATION

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.

Basis of Presentation

The unaudited consolidated financial statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. These financial statements should be read in conjunction with the consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024. In the opinion of management, the accompanying unaudited consolidated financial statements include all adjustments that are of a normal recurring nature and necessary for the fair presentation of our results for the interim periods presented. Results for interim periods are not necessarily indicative of results to be expected for the full year.

The accompanying unaudited financial statements as of September 30, 2025, and for the three and nine months ended September 30, 2025 and 2024, 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.

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 are currently evaluating the impact that this standard will have on our financial statements.

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.

2. REAL ESTATE INVENTORY

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

	September 30, 2025	December 31, 2024
Land, land under development and finished lots	\$ 2,590,593	\$ 2,287,352
Information centers	61,080	57,622
Homes in progress	258,651	325,579
Completed homes	723,066	680,160
Total owned inventory	3,633,390	3,350,713
Real estate not owned	13,555	37,140
Total real estate inventory	\$ 3,646,945	\$ 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.

We build and lease a number of single-family homes in select, existing communities. During the nine months ended September 30, 2025 and 2024, we transferred \$58.3 million and \$17.4 million, respectively, of home assets from real estate inventory to rental properties within property and equipment, net. We are lessors of the homes representing these home assets.

3. ACCRUED EXPENSES AND OTHER LIABILITIES

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

	September 30, 2025	December 31, 2024
Real estate inventory development and construction payable	\$ 58,306	\$ 48,019
Taxes payable	3,354	43,076
Land banking financing arrangements	13,555	37,140
Accrued compensation, bonuses and benefits	11,717	18,653
Warranty reserve	15,500	16,100
Accrued interest	27,150	13,560
Inventory related obligations	12,443	8,779
Lease liability	5,568	6,134
Contract deposits	3,308	4,143
Other	20,185	11,713
Total accrued expenses and other liabilities	\$ 171,086	\$ 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):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Warranty reserves, beginning of period	\$ 15,500	\$ 14,700	\$ 16,100	\$ 13,600
Warranty provision	1,125	2,020	2,684	5,977
Warranty expenditures	(1,125)	(1,070)	(3,284)	(3,927)
Warranty reserves, end of period	\$ 15,500	\$ 15,650	\$ 15,500	\$ 15,650

4. 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 September 30, 2025, the borrowing base under the Credit Agreement was \$2.1 billion, of which the maximum available to borrow was \$2.1 billion. As of September 30, 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 \$1.7 billion, \$27.0 million of letters of credit were outstanding and \$367.9 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 September 30, 2025, the Applicable Margin was 1.95%, and SOFR was 4.16%, 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, limit the amount of our additional debt and our ability to make certain investments. At September 30, 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 "Loan Agreement") with Evergreen Residential Capital, LLC, as lender. The

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 Loan Agreement.

As of September 30, 2025, the total amount of borrowings outstanding under the 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 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 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 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 Loan Agreement, the lender will be able to accelerate the maturity of the loan and exercise other rights and remedies. At September 30, 2025, we were in compliance with all of the covenants contained in the 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):

	September 30, 2025	December 31, 2024
Notes payable under the Credit Agreement (\$1.1825 billion revolving credit facility at September 30, 2025, maturing in part on April 28, 2028 and in part on April 28, 2029, with interest paid monthly at SOFR plus 1.95%; \$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%)	\$ 623,590	\$ 401,946
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
Loan payable under the Loan Agreement maturing on July 8, 2030; interest paid monthly at 6.44%	50,000	—
Net debt issuance costs	(22,163)	(21,228)
Total notes payable	\$ 1,751,427	\$ 1,480,718

Capitalized Interest

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Interest incurred	\$ 32,711	\$ 30,544	\$ 95,236	\$ 89,130
Less: Amounts capitalized	(32,711)	(30,544)	(95,236)	(89,130)
Interest expense	\$ —	\$ —	\$ —	\$ —
Cash paid for interest	\$ 19,344	\$ 23,110	\$ 77,770	\$ 79,925

Included in interest incurred was amortization of deferred financing costs and applicable discounts for notes payable and financing arrangements of \$2.4 million and \$3.1 million for the three months ended September 30, 2025 and 2024, respectively, and \$7.8 million and \$11.5 million for the nine months ended September 30, 2025 and 2024, respectively.

5. INCOME TAXES

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.

For the three months ended September 30, 2025, our effective tax rate of 26.2% is higher than the Federal statutory rate primarily as a result of an increase in the rate for state income taxes, net of the federal benefit, and the compensation limitation under Section 162(m) of the Internal Revenue Code, as amended.

For the nine months ended September 30, 2025, our effective tax rate of 25.8% is higher than the Federal statutory rate primarily as 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.

Income taxes paid were \$2.4 million and \$5.2 million for the three months ended September 30, 2025 and 2024, respectively. Income taxes paid were \$62.3 million and \$33.5 million for the nine months ended September 30, 2025 and 2024, respectively.

6. EQUITY

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 September 30, 2025, we did not repurchase any shares of our common stock. During the nine months ended September 30, 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 September 30, 2024, we did not repurchase any shares of our common stock. During the nine months ended September 30, 2024, we repurchased 172,990 shares of our common stock at a total cost, including commissions and excise taxes, of \$18.0 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 2022. As of September 30, 2025, we may purchase up to \$157.3 million of shares of our common stock under our stock repurchase program.

7. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share for the three and nine months ended September 30, 2025 and 2024:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Numerator (in thousands):				
Net income (Numerator for basic and diluted earnings per share)	\$ 19,704	\$ 69,575	\$ 55,231	\$ 145,201
Denominator:				
Basic weighted average shares outstanding	23,056,904	23,500,349	23,223,736	23,540,620
Effect of dilutive securities:				
Stock-based compensation units	92,101	79,243	65,544	71,286
Diluted weighted average shares outstanding	23,149,005	23,579,592	23,289,280	23,611,906
Basic earnings per share	\$ 0.85	\$ 2.96	\$ 2.38	\$ 6.17
Diluted earnings per share	\$ 0.85	\$ 2.95	\$ 2.37	\$ 6.15
Antidilutive non-vested restricted stock units excluded from calculations of diluted earnings per share	18,563	3,069	37,143	10,025

8. STOCK-BASED COMPENSATION

Non-performance Based Restricted Stock Units

The following table summarizes the activity of our time-vested restricted stock units (“RSUs”) for the nine months ended September 30, 2025:

	Nine Months Ended September 30,	
	2025	
	Shares	Weighted Average Grant Date Fair Value
Beginning balance	194,953	\$ 106.60
Granted	86,878	\$ 68.74
Vested	(29,952)	\$ 116.59
Forfeited	(6,247)	\$ 96.91
Ending balance	<u>245,632</u>	<u>\$ 92.24</u>

We recognized \$1.8 million and \$1.3 million of stock-based compensation expense related to outstanding RSUs for the three months ended September 30, 2025 and 2024, respectively. We recognized \$5.3 million and \$4.1 million of stock-based compensation expense related to outstanding RSUs for the nine months ended September 30, 2025 and 2024, respectively. Generally, the RSUs cliff vest on the third anniversary of the grant date and can only be settled in shares of our common stock. At September 30, 2025, we had unrecognized compensation cost of \$10.4 million related to unvested RSUs, which is expected to be recognized over a weighted average period of 2.0 years.

Performance-Based Restricted Stock Units

The Compensation Committee of the Board has granted awards of performance-based RSUs (“PSUs”) under the Amended and Restated LGI Homes, Inc. 2013 Equity Incentive Plan to certain members of senior management based on three-year performance cycles. 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 nine months ended September 30, 2025:

	Nine Months Ended September 30,	
	2025	
	Target Shares	Weighted Average Grant Date Fair Value
Beginning balance	196,770	\$ 111.38
Granted	116,227	\$ 75.09
Vested	—	\$ —
Forfeited	(60,272)	\$ 118.80
Ending balance	<u>252,725</u>	<u>\$ 92.92</u>

At September 30, 2025, management estimates that the recipients will receive approximately 59.9% of the weighted average target number of PSUs outstanding at the end of the applicable three-year performance cycle based on projected performance compared to the target performance metrics. PSUs granted in 2022 were forfeited based on actual results as compared to the target performance metrics. We recognized \$(0.4) million and \$0.8 million of total stock-based compensation

expense related to outstanding PSUs for the three months ended September 30, 2025 and 2024, respectively. We recognized \$1.2 million and \$4.0 million of total stock-based compensation expense related to outstanding PSUs for the nine months ended September 30, 2025 and 2024, respectively. At September 30, 2025, we had unrecognized compensation cost of \$7.5 million, based on the probable amount, related to unvested PSUs, which is expected to be recognized over a weighted average period of 2.0 years. PSUs granted in 2024 and 2025 are excluded from the calculation of diluted EPS as they are subject to unsatisfied performance conditions.

Employee Stock Purchase Plan

On April 24, 2025, our stockholders approved and authorized 500,000 additional shares of our common stock that may be sold under the LGI Homes, Inc. 2016 Employee Stock Purchase Plan (“the ESPP”). The maximum number of shares of our common stock that may be sold under the ESPP is 1,000,000 shares.

9. FAIR VALUE DISCLOSURES

Accounting Standards Codification (“ASC”) Topic 820, *Fair Value Measurements* (“ASC 820”), 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” within an entity’s principal market, if any. The principal market is the market in which the reporting entity would sell the asset or transfer the liability with the most significant volume and level of activity, regardless of whether it is the market in which the entity will ultimately transact for a particular asset or liability or if a different market is potentially more advantageous. Accordingly, this exit price concept may result in a fair value that differs from the transaction price or market price of the asset or liability.

ASC 820 provides a framework for measuring fair value under GAAP, expands disclosures about fair value measurements and establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of the fair value hierarchy are summarized as follows:

Level 1 - Fair value is based on quoted prices in active markets for identical assets or liabilities.

Level 2 - Fair value is determined using significant observable inputs, generally either quoted prices in active markets for similar assets or liabilities, or quoted prices in markets that are not active.

Level 3 - Fair value is determined using one or more significant inputs that are unobservable in active markets at the measurement date, such as a pricing model, discounted cash flow or similar technique.

We utilize fair value measurements to account for certain items and account balances within our consolidated financial statements. Fair value measurements may also be utilized on a nonrecurring basis, such as for the impairment of long-lived assets. The fair value of financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and certain accrued liabilities, approximate their carrying amounts due to the short-term nature of these instruments. As of September 30, 2025, the Credit Agreement’s carrying value approximates market value since it has a floating interest rate, which increases or decreases with market interest rates and our leverage ratio.

In order to determine the fair value of each of the 2028 Senior Notes, the 2029 Senior Notes, the 2032 Senior Notes and the Loan Agreement, the future contractual cash flows are discounted at our estimate of current market rates of interest, which were determined based upon the average interest rates of similar senior notes within the homebuilding industry (Level 2 measurement).

The following table below shows the level and measurement of liabilities at September 30, 2025 and December 31, 2024 (in thousands):

	Fair Value Hierarchy	September 30, 2025		December 31, 2024	
		Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
2028 Senior Notes ⁽¹⁾	Level 2	\$ 400,000	\$ 439,084	\$ 400,000	\$ 436,783
2029 Senior Notes ⁽¹⁾	Level 2	\$ 300,000	\$ 285,158	\$ 300,000	\$ 274,692
2032 Senior Notes ⁽¹⁾	Level 2	\$ 400,000	\$ 436,416	\$ 400,000	\$ 421,247
Loan Agreement ⁽¹⁾	Level 2	\$ 50,000	\$ 52,120	\$ —	\$ —

(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 Loan Agreement.

10. 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 Loan Agreement with Evergreen Residential Capital, LLC, as lender. The loan under the 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 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 Loan Agreement is secured by certain of LGI Living SFR's single-family rental properties. The 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 Loan Agreement. As of September 30, 2025, LGI Living SFR had \$50.0 million of borrowings outstanding under the 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):

	September 30, 2025	December 31, 2024
Land deposits and option payments ⁽¹⁾	\$ 19,221	\$ 29,040
Commitments under the land purchase option and deposit contracts if the ⁽¹⁾ purchases are consummated	\$ 339,425	\$ 653,861
Lots under land options and land purchase contracts ⁽¹⁾	9,416	17,582

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

As of September 30, 2025 and December 31, 2024, approximately \$7.0 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 right-of-use ("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 \$5.1 million and \$5.6 million as of September 30, 2025 and December 31, 2024, respectively. Lease obligations, as included in accrued expenses and other

liabilities on the consolidated balance sheets, were \$5.6 million and \$6.1 million as of September 30, 2025 and December 31, 2024, respectively.

Operating lease cost, as included in general and administrative expense in our consolidated statements of operations, was \$0.5 million and \$0.6 million for the three months ended September 30, 2025 and 2024, respectively. Operating lease cost, as included in general and administrative expense in our consolidated statements of operations, was \$1.5 million and \$1.8 million for the nine months ended September 30, 2025 and 2024, respectively. Cash paid for amounts included in the measurement of lease liabilities for operating leases was \$0.7 million and \$1.4 million for the nine months ended September 30, 2025 and 2024, respectively. As of September 30, 2025, the weighted-average discount rate was 5.9% and our weighted-average remaining life was 2.0 years. We do not have any significant lease contracts that have not yet commenced at September 30, 2025.

The table below shows the future minimum payments under non-cancelable operating leases at September 30, 2025 (in thousands):

Year Ending December 31,	Operating leases
2025	\$ 506
2026	1,882
2027	1,675
2028	1,188
2029	532
Thereafter	399
Total	6,182
Lease amount representing interest	(614)
Present value of lease liabilities	\$ 5,568

Bonding and Letters of Credit

We have outstanding letters of credit and performance and surety bonds totaling \$423.1 million (including \$27.0 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 September 30, 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 September 30, 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 September 30, 2025 and December 31, 2024, we have a total of \$21.1 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 during the three and nine months ended September 30, 2025 was \$(0.03) million and \$1.9 million, respectively. Income associated with our investment in unconsolidated entities during the three and nine months ended September 30, 2024 was \$4.6 million and \$9.6 million, respectively.

11. REVENUES

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 move-up and luxury series spec homes sold under our Terrata Homes brand.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Retail home sales revenues	\$ 342,123	\$ 602,398	\$ 1,051,118	\$ 1,531,459
Wholesale home sales revenues	54,509	49,456	180,419	113,743
Total home sales revenues	\$ 396,632	\$ 651,854	\$ 1,231,537	\$ 1,645,202

Our home sales revenues are disaggregated by geography, based on our determined reportable segments. See [Note 12](#) for tabular presentation of this information.

12. 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 September 30, 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):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2025		2024		2025		2024	
Revenues:								
Central	\$101,146	\$ 99,355	\$ 164,439	\$101,146	\$ 313,487	\$103,736	\$ 441,609	
Southeast	101,682	101,419	155,205	101,682	353,211	116,445	407,068	
Northwest	34,237	49,408	83,061	34,237	137,132	36,067	187,253	
West	66,956	91,699	150,646	66,956	258,994	73,079	351,880	
Florida	47,399	54,751	98,503	47,399	168,713	61,524	257,392	
Total home sales revenues	\$351,420	\$ 396,632	\$ 651,854	\$351,420	\$ 1,231,537	\$390,851	\$ 1,645,202	
Cost of sales:								
Central	\$ 76,913	\$ 125,225	\$ 244,089	\$ 337,419				
Southeast	76,506	112,052	269,650	292,455				
Northwest	43,639	62,075	113,579	142,597				
West	68,983	113,208	196,311	266,668				
Florida	45,479	75,802	138,475	200,286				
Total cost of sales	\$ 311,520	\$ 488,362	\$ 962,104	\$ 1,239,425				
Other segment items⁽¹⁾:								
Central	\$ 13,296	\$ 17,661	\$ 54,289	\$ 57,549				
Southeast	14,216	15,840	46,575	47,365				
Northwest	6,553	8,729	20,934	25,130				
West	12,988	16,667	39,729	44,526				
Florida	10,373	13,110	31,870	37,694				
Corporate ⁽²⁾	985	(367)	1,571	1,684				
Total other segment items	\$ 58,411	\$ 71,640	\$ 194,968	\$ 213,948				
Net income (loss) before income taxes:								
Central	\$ 9,145	\$ 21,553	\$ 15,108	\$ 46,366				
Southeast	10,698	27,313	36,987	66,996				
Northwest	(783)	12,257	2,620	19,445				
West	9,727	20,771	22,953	40,489				
Florida	(1,101)	9,591	(1,632)	19,266				
Corporate	(985)	367	(1,571)	(733)				
Total net income before income taxes	\$ 26,701	\$ 91,852	\$ 74,465	\$ 191,829				

(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.

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
Assets:		
Central	\$ 1,194,037	\$ 1,096,500
Southeast	803,848	733,339
Northwest	605,698	567,088
West	841,281	759,042
Florida	484,240	480,921
Corporate ⁽¹⁾	110,727	121,644
Total assets	<u>\$ 4,039,831</u>	<u>\$ 3,758,534</u>

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

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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.

Business Overview

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 75,000 homes.

We are engaged in the design, construction and sale of new homes in the following markets:

West	Northwest	Central	Midwest	Florida	Southeast	Mid-Atlantic
Phoenix, AZ	Seattle, WA	Houston, TX	Minneapolis, MN	Tampa, FL	Atlanta, GA	Washington, D.C.
Tucson, AZ	Portland, OR	Dallas Ft. Worth, TX		Orlando, FL	Charlotte, NC	Norfolk, VA
Albuquerque, NM	Denver, CO	San Antonio, TX		Fort Myers, FL	Raleigh, NC	Richmond, VA
Las Vegas, NV		Austin, TX		Jacksonville, FL	Wilmington, NC	Baltimore, MD
Northern CA		Oklahoma City, OK		Fort Pierce, FL	Winston-Salem, NC	
Southern CA				Daytona Beach, FL	Columbia, SC	
Salt Lake City, UT				Sarasota, FL	Greenville, SC	
					Birmingham, AL	
					Nashville, TN	

Our third quarter 2025 results were achieved against a challenging macroeconomic backdrop that included elevated mortgage rates, persistent inflation, and a government shutdown. Throughout the quarter, we continued executing on our strategy of delivering affordable homes to entry-level buyers across our markets. Although mortgage rates have trended downward since June, they continue to be a key pressure point for entry-level buyers. Additionally, subdued consumer sentiment continues to impact buyers’ willingness to purchase new homes. In response, we continued offering affordable, move-in ready homes supported by financial incentives and discounts on older inventory. These strategies are designed to bridge the ongoing affordability gap and make homeownership accessible to as many customers as possible.

For the nine months ended September 30, 2025, we closed 3,384 homes, compared to 4,495 homes during the nine months ended September 30, 2024.

We sell homes under the LGI Homes and Terrata Homes brands. Our 141 active communities at September 30, 2025 included 14 Terrata Homes communities. At September 30, 2024, we had 138 active communities, including 18 Terrata Homes communities.

For additional discussion regarding our business and operations, see Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations in Part II of our Annual Report on Form 10-K for the fiscal year ended December 31, 2024. For additional discussion regarding risks associated with our business and operations, see Item 1A. Risk Factors in Part I of our Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Recent Developments**Impact of October 2025 U.S. Government Shutdown**

During October 2025, the U.S. federal government experienced a partial shutdown that affected several agencies and regulatory functions. While LGI Homes’ core operations continued uninterrupted, we have identified certain areas where the shutdown may have implications for our business and financial reporting:

Government-Backed Mortgage Programs: LGI Homes serves a significant number of entry-level and first-time homebuyers who utilize federally backed mortgage programs, including FHA and VA loans. During the shutdown, we observed delays in loan processing and approvals, which may impact the timing of certain home closings and backlog conversion in future periods. In addition to delays in FHA and VA loan processing, the government shutdown has impacted USDA loan

programs, which are a critical financing option for many of our entry-level buyers in rural and suburban markets. The disruption in USDA loan approvals may result in delayed closings and increased cancellations.

Economic Data Availability: The shutdown disrupted the release of key economic indicators, including employment and inflation data, which are typically used to inform our market outlook and strategic planning. As a result, our forward-looking statements and guidance may reflect increased uncertainty.

Affordable Housing and Development Approvals: For communities involving federal funding or oversight, including certain affordable housing initiatives, we may experience delays in approvals and contract processing. While these delays were not material to our results for the third quarter of 2025, extended disruptions could affect future development timelines and revenue recognition.

We continue to monitor the situation closely and will provide updates in future filings should the shutdown or its effects materially impact our operations, financial condition, or results of operations.

Key Results

Key financial results as of and for the three months ended September 30, 2025, as compared to the three months ended September 30, 2024, were as follows:

- Home sales revenues decreased 39.2% to \$396.6 million from \$651.9 million.
- Homes closed decreased 39.4% to 1,065 homes from 1,757 homes.
- Average sales price per home closed increased 0.4% to \$372,424 from \$371,004.
- Gross margin as a percentage of home sales revenues decreased to 21.5% from 25.1%.
- Adjusted gross margin (non-GAAP) as a percentage of home sales revenues decreased to 24.5% from 27.2%.
- Net income before income taxes decreased 70.9% to \$26.7 million from \$91.9 million.
- Net income decreased 71.7% to \$19.7 million from \$69.6 million.
- EBITDA (non-GAAP) as a percentage of home sales revenues decreased to 9.8% from 16.2%.

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

Key financial results as of and for the nine months ended September 30, 2025, as compared to the nine months ended September 30, 2024, were as follows:

- Home sales revenues decreased 25.1% to \$1.2 billion from \$1.6 billion.
- Homes closed decreased 24.7% to 3,384 homes from 4,495 homes.
- Average sales price per home closed decreased 0.6% to \$363,929 from \$366,007.
- Gross margin as a percentage of home sales revenues decreased to 21.9% from 24.7%.
- Adjusted gross margin (non-GAAP) as a percentage of home sales revenues decreased to 24.6% from 26.7%.
- Net income before income taxes decreased 61.2% to \$74.5 million from \$191.8 million.
- Net income decreased 62.0% to \$55.2 million from \$145.2 million.
- EBITDA (non-GAAP) as a percentage of home sales revenues decreased to 8.8% from 13.6%.

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

We owned and controlled 62,564 lots at September 30, 2025 as compared to 64,756 lots at June 30, 2025 and 70,899 lots at December 31, 2024.

Results of Operations

The following table sets forth our results of operations for the three and nine months ended September 30, 2025 and 2024:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
(dollars in thousands, except per share data and average home sales price)				
Statement of Income Data:				
Home sales revenues	\$ 396,632	\$ 651,854	\$ 1,231,537	\$ 1,645,202
Expenses:				
Cost of sales	311,520	488,362	962,104	1,239,425
Selling expenses	35,661	55,196	119,602	149,196
General and administrative	27,967	27,991	88,570	90,022
Operating income	21,484	80,305	61,261	166,559
Other income, net	(5,217)	(11,547)	(13,204)	(25,270)
Net income before income taxes	26,701	91,852	74,465	191,829
Income tax provision	6,997	22,277	19,234	46,628
Net income	\$ 19,704	\$ 69,575	\$ 55,231	\$ 145,201
Basic earnings per share	\$ 0.85	\$ 2.96	\$ 2.38	\$ 6.17
Diluted earnings per share	\$ 0.85	\$ 2.95	\$ 2.37	\$ 6.15
Other Financial and Operating Data:				
Average community count	142.0	133.3	145.3	126.1
Community count at end of period	141	138	141	138
Home closings	1,065	1,757	3,384	4,495
Average sales price per home closed	\$ 372,424	\$ 371,004	\$ 363,929	\$ 366,007
Gross margin ⁽¹⁾	\$ 85,112	\$ 163,492	\$ 269,433	\$ 405,777
Gross margin % ⁽²⁾	21.5 %	25.1 %	21.9 %	24.7 %
Adjusted gross margin ⁽³⁾	\$ 97,115	\$ 177,603	\$ 303,390	\$ 439,098
Adjusted gross margin % ⁽²⁾⁽³⁾	24.5 %	27.2 %	24.6 %	26.7 %
EBITDA ⁽⁴⁾	\$ 38,883	\$ 105,636	\$ 108,625	\$ 224,296
EBITDA margin % ⁽²⁾⁽⁴⁾	9.8 %	16.2 %	8.8 %	13.6 %

(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 adjusted gross margin as gross margin less capitalized interest and adjustments resulting from the application of purchase accounting included in the cost of sales. Our management believes this information is useful because it isolates the impact that capitalized interest and purchase accounting adjustments have on gross margin. However, because adjusted gross margin information excludes capitalized interest and purchase accounting adjustments, which have real economic effects and could impact our results, the utility of adjusted gross margin information as a measure of our operating performance may be limited. In addition, other companies may not calculate adjusted gross margin information in the same manner that we do. Accordingly, adjusted gross margin information should be considered only as a supplement to gross margin information 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 is a non-GAAP financial measure used by management as a supplemental measure 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. Our management believes that the presentation of 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 provides an indicator of general economic performance that is 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 this measure is useful for comparing general operating performance from period to period. Other companies may define this measure differently and, as a result, our measure of EBITDA may not be directly comparable to the measures of other companies. Although we use EBITDA as a financial measure to assess the performance of our business, the use of this measure is limited because it does not include certain material costs, such as interest and taxes, necessary to operate our business. EBITDA should be considered in addition to, and not as a substitute for, net income in accordance with GAAP as a measure of performance. Our presentation of 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 is limited as an analytical tool, and you should not consider this measure in isolation or as a substitute for analysis of our results as reported under GAAP. Please see “[—Non-GAAP Measures](#)” for reconciliations of EBITDA to net income, which is the GAAP financial measure that our management believes to be most directly comparable.

Three Months Ended September 30, 2025 Compared to Three Months Ended September 30, 2024

Homes 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 three months ended September 30, 2025 and 2024, and our community count by reportable segment as of September 30, 2025 and 2024, were as follows (revenues in thousands):

	Three Months Ended September 30, 2025						As of September 30, 2025
	Revenues	Home Closings	ASP	Average Community Count	Average Monthly Absorption Rate	Community Count at End of Period	
Central	\$ 99,355	307	\$ 323,632	45.0	2.3	45	
Southeast	101,419	299	339,194	32.3	3.1	32	
Northwest	49,408	109	453,284	14.7	2.5	14	
West	91,699	203	451,719	25.7	2.6	25	
Florida	54,751	147	372,456	24.3	2.0	25	
Total	\$ 396,632	1,065	\$ 372,424	142.0	2.5	141	

	Three Months Ended September 30, 2024						As of September 30, 2024
	Revenues	Home Closings	ASP	Average Community Count	Average Monthly Absorption Rate	Community Count at End of Period	
Central	\$ 164,439	509	\$ 323,063	45.7	3.7	47	
Southeast	155,205	466	333,058	27.3	5.7	29	
Northwest	83,061	150	553,740	14.3	3.5	15	
West	150,646	361	417,302	23.0	5.2	24	
Florida	98,503	271	363,480	23.0	3.9	23	
Total	\$ 651,854	1,757	\$ 371,004	133.3	4.4	138	

Home sales revenues for the three months ended September 30, 2025 were \$396.6 million, a decrease of \$255.2 million, or 39.2%, from \$651.9 million for the three months ended September 30, 2024. The decrease in home sales revenues was primarily due to a 39.4% decrease in the number of homes closed during the three months ended September 30, 2025 as compared to the three months ended September 30, 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 three months ended September 30, 2025 as compared to the three months ended September 30, 2024. The overall increase in average community count relates to timing associated with new community openings, offset by the close out of some communities and transition between certain active communities during the three months ended September 30, 2025 as compared to the three months ended September 30, 2024. The average sales price per home closed during the three months ended September 30, 2025 was \$372,424, an increase of \$1,420, or 0.4%, from the average sales price per home closed of \$371,004 for the three months ended September 30, 2024. The increase in the average sales price per home closed was primarily due to geographic mix and a decrease in sales incentives. 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 three months ended September 30, 2025 was \$54.5 million in wholesale revenues resulting from 163 home closings, representing 15.3% of the 1,065 total number of homes closed during the three months ended September 30, 2025. Included within our home sales revenues for the three months ended September 30, 2024 was \$49.5 million in wholesale revenues resulting from 160 home closings, representing 9.1% of the 1,757 total number of homes closed during the three months ended September 30, 2024. The increase in home closings as a percentage of revenues through our wholesale channel was primarily related to lower retail demand during the three months ended September 30, 2025 as compared to the three months ended September 30, 2024.

- Home sales revenues in our Central reportable segment decreased by \$65.1 million, or 39.6%, during the three months ended September 30, 2025 as compared to the three months ended September 30, 2024, primarily due to a 39.7% 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 and a decrease in the average community count.
- Home sales revenues in our Southeast reportable segment decreased by \$53.8 million, or 34.7%, during the three months ended September 30, 2025 as compared to the three months ended September 30, 2024, primarily due to a 35.8% 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 \$33.7 million, or 40.5%, during the three months ended September 30, 2025 as compared to the three months ended September 30, 2024, primarily due to a 27.3% decrease in the number of homes closed and an 18.1% 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 \$58.9 million, or 39.1%, during the three months ended September 30, 2025 as compared to the three months ended September 30, 2024, primarily due to a 43.8% decrease in the number of homes closed, partially offset by an 8.2% 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 \$43.8 million, or 44.4%, during the three months ended September 30, 2025, as compared to the three months ended September 30, 2024, primarily due to a 45.8% 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.

Cost of Sales and Gross Margin (home sales revenues less cost of sales). Cost of sales for the three months ended September 30, 2025 was \$311.5 million, a decrease of \$176.8 million, or 36.2%, from \$488.4 million for the three months ended September 30, 2024. This overall decrease was primarily due to a 39.4% decrease in the number of homes closed. Gross margin for the three months ended September 30, 2025 was \$85.1 million, a decrease of \$78.4 million, or 47.9%, from \$163.5 million for the three months ended September 30, 2024. Gross margin as a percentage of home sales revenues was 21.5% for the three months ended September 30, 2025 and 25.1% for the three months ended September 30, 2024. The decrease in gross margin as a percentage of home sales revenues was primarily due to higher lot costs, higher capitalized interest and higher indirect overhead, partially offset by the impact of lower sales incentives offered during the three months ended September 30, 2025 as compared to the three months ended September 30, 2024.

Selling Expenses. Selling expenses for the three months ended September 30, 2025 were \$35.7 million, a decrease of \$19.5 million, or 35.4%, from \$55.2 million for the three months ended September 30, 2024. The decrease in selling expenses was primarily due to a decrease in the number of homes closed for the three months ended September 30, 2025 as compared to the three months ended September 30, 2024. Sales commissions decreased to \$15.2 million for the three months ended September 30, 2025 from \$27.6 million for the three months ended September 30, 2024, primarily due to a decrease in the number of homes closed. Selling expenses as a percentage of home sales revenues were 9.0% and 8.5% for the three months ended September 30, 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 three months ended September 30, 2025 as compared to the three months ended September 30, 2024.

General and Administrative. General and administrative expenses for the three months ended September 30, 2025 were \$28.0 million, which was consistent with \$28.0 million for the three months ended September 30, 2024. General and administrative expenses as a percentage of home sales revenues were 7.1% and 4.3% during the three months ended September 30, 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 three months ended September 30, 2025 as compared to the three months ended September 30, 2024.

Other Income, Net. Other income, net of other expenses was \$5.2 million for the three months ended September 30, 2025, a decrease of \$6.3 million from \$11.5 million for the three months ended September 30, 2024. The decrease in other income, net of other expenses, primarily reflects the decrease in income associated with our investment in unconsolidated entities and the decrease in interest income recognized.

Operating Income and Net Income before Income Taxes. Operating income for the three months ended September 30, 2025 was \$21.5 million, a decrease of \$58.8 million, or 73.2%, from \$80.3 million for the three months ended September 30, 2024. Net income before income taxes for the three months ended September 30, 2025 was \$26.7 million, a decrease of \$65.2 million, or 71.0%, from \$91.9 million for the three months ended September 30, 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 and other costs associated with the increase in average community count during the three months ended September 30, 2025 as compared to the three months ended September 30, 2024. Our reportable segments contributed to net income before income taxes during the three months ended September 30, 2025 as follows: Central - \$9.1 million, or 34.2%; Southeast - \$10.7 million, or 40.1%; Northwest - \$(0.8) million, or (2.9%); West - \$9.7 million, or 36.4%; and Florida - \$(1.1) million, or (4.1)%.

Income Taxes. Income tax provision for the three months ended September 30, 2025 was \$7.0 million, a decrease of \$15.3 million, or 68.7%, from income tax provision of \$22.3 million for the three months ended September 30, 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 26.2% for the three months ended September 30, 2025 from 24.3% for the three months ended September 30, 2024 was primarily a result of an increase in the rate for state income taxes, net of the federal benefit, and the compensation limitation under Section 162(m) of the Internal Revenue Code, as amended.

Net Income. Net income for the three months ended September 30, 2025 was \$19.7 million, a decrease of \$49.9 million, or 71.7%, from \$69.6 million for the three months ended September 30, 2024. The decrease in net income was primarily attributed to an overall decrease in the number of homes closed, home sales revenues and gross margin during the three months ended September 30, 2025 as compared to the three months ended September 30, 2024.

Nine Months Ended September 30, 2025 Compared to Nine Months Ended September 30, 2024

Homes 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 nine months ended September 30, 2025 and 2024 were as follows (revenues in thousands):

Nine Months Ended September 30, 2025						
	Revenues	Home Closings	ASP	Average Community Count	Average Monthly Absorption Rate	
Central	\$ 313,487	997	\$ 314,430	47.8	2.3	
Southeast	353,211	1,067	331,032	31.8	3.7	
Northwest	137,132	274	500,482	15.8	1.9	
West	258,994	592	437,490	25.3	2.6	
Florida	168,713	454	371,615	24.6	2.1	
Total	\$ 1,231,537	3,384	\$ 363,929	145.3	2.6	

Nine Months Ended September 30, 2024						
	Revenues	Home Closings	ASP	Average Community Count	Average Monthly Absorption Rate	
Central	\$ 441,609	1,363	\$ 323,998	43.8	3.5	
Southeast	407,068	1,231	330,681	26.2	5.2	
Northwest	187,253	344	544,340	13.6	2.8	
West	351,880	848	414,953	20.7	4.6	
Florida	257,392	709	363,035	21.8	3.6	
Total	\$ 1,645,202	4,495	\$ 366,007	126.1	4.0	

Home sales revenues for the nine months ended September 30, 2025 were \$1.2 billion, a decrease of \$413.7 million, or 25.1%, from \$1.6 billion for the nine months ended September 30, 2024. The decrease in home sales revenues was primarily due to a 24.7% decrease in the number of homes closed and a decrease in the average sales price per home closed during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 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 nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024. The overall increase in average community count relates to timing associated with new community openings, offset by the close out of some communities and transition between certain active communities during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024. The average sales price per home closed during the nine months ended September 30, 2025 was \$363,929, a decrease of \$2,078, or 0.6%, from the average sales price per home closed of \$366,007 for the nine months ended September 30, 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 nine months ended September 30, 2025 was \$180.4 million in wholesale revenues resulting from 579 home closings, representing 17.1% of the 3,384 total number of homes closed during the nine months ended September 30, 2025. Included within our home sales revenues for the nine months ended September 30, 2024 was \$113.7 million in wholesale revenues resulting from 379 home closings, representing 8.4% of the 4,495 total number of homes closed during the nine months ended September 30, 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 nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024.

- Home sales revenues in our Central reportable segment decreased by \$128.1 million, or 29.0%, during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024, primarily due to a 26.9% decrease in the number of homes closed and a 3.0% 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 Southeast reportable segment decreased by \$53.9 million, or 13.2%, during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024, primarily due to a 13.3% 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 \$50.1 million, or 26.8%, during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024, primarily due to a 20.3% decrease in the number of homes closed and an 8.1% 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 \$92.9 million, or 26.4%, during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024, primarily due to a 30.2% decrease in the number of homes closed, partially offset by a 5.4% 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.
- Home sales revenues in our Florida reportable segment decreased by \$88.7 million, or 34.5%, during the nine months ended September 30, 2025, as compared to the nine months ended September 30, 2024, primarily due to a 36.0% decrease in the number of homes closed, partially offset by a 2.4% 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 nine months ended September 30, 2025 was \$962.1 million, a decrease of \$277.3 million, or 22.4%, from \$1.2 billion for the nine months ended September 30, 2024. This overall decrease was primarily due to a 24.7% decrease in the number of homes closed. Gross margin for the nine months ended September 30, 2025 was \$269.4 million, a decrease of \$136.3 million, or 33.6%, from \$405.8 million for the nine months ended September 30, 2024. Gross margin as a percentage of home sales revenues was 21.9% for the nine months ended September 30, 2025 and 24.7% for the nine months ended September 30, 2024. The decrease in gross margin as a percentage of home sales revenues during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024 was primarily due to a lower average sales price per home closed, a higher number of wholesale closings, higher lot costs, higher capitalized interest and higher indirect overhead as a percentage of revenue, partially offset by a decrease in sales incentives offered during the nine months ended September 30, 2025.

Selling Expenses. Selling expenses for the nine months ended September 30, 2025 were \$119.6 million, a decrease of \$29.6 million, or 19.8%, from \$149.2 million for the nine months ended September 30, 2024. The decrease in selling expenses was primarily due to a decrease in the number of homes closed for the nine months ended September 30, 2025 as compared to the three months ended September 30, 2024. Sales commissions decreased to \$48.1 million during the nine months ended September 30, 2025 from \$72.2 million for the nine months ended September 30, 2024, primarily due to a decrease in the number of homes closed. Selling expenses as a percentage of home sales revenues were 9.7% and 9.1% for the nine months ended September 30, 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 nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024.

General and Administrative. General and administrative expenses for the nine months ended September 30, 2025 were \$88.6 million, a decrease of \$1.5 million, or 1.7%, from \$90.0 million for the nine months ended September 30, 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 7.2% and 5.5% for the nine months ended September 30, 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 nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024.

Other Income, Net. Other income, net of other expenses was \$13.2 million for the nine months ended September 30, 2025, a decrease of \$12.1 million from \$25.3 million for the nine months ended September 30, 2024. The decrease in other income, net of other expenses, primarily reflects the decrease in 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 nine months ended September 30, 2025 was \$61.3 million, a decrease of \$105.3 million, or 63.2%, from \$166.6 million for the nine months ended September 30,

2024. Net income before income taxes for the nine months ended September 30, 2025 was \$74.5 million, a decrease of \$117.4 million, or 61.2%, from \$191.8 million for the nine months ended September 30, 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 and the increase in other costs associated with the increase in average community count during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024. Our reportable segments contributed to net income before income taxes during the nine months ended September 30, 2025 as follows: Central - \$15.1 million, or 20.3%; Southeast - \$37.0 million, or 49.7%; Northwest - \$2.6 million, or 3.5%; West - \$23.0 million, or 30.8%; and Florida - \$(1.6) million, or (2.2)%.

Income Taxes. Income tax provision for the nine months ended September 30, 2025 was \$19.2 million, a decrease of \$27.4 million, or 58.8%, from income tax provision of \$46.6 million for the nine months ended September 30, 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 25.8% for the nine months ended September 30, 2025 from 24.3% for the nine months ended September 30, 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 nine months ended September 30, 2025 was \$55.2 million, a decrease of \$90.0 million, or 62.0%, from \$145.2 million for the nine months ended September 30, 2024. The decrease in net income was primarily attributed to overall lower number of homes closed, home sales revenues and gross margin during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 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 Quarterly Report on Form 10-Q relating to adjusted gross margin and EBITDA.

Adjusted Gross Margin

Adjusted gross margin is a non-GAAP financial measure used by management as a supplemental measure in evaluating operating performance. We define adjusted gross margin as gross margin less capitalized interest and adjustments resulting from the application of purchase accounting included in the cost of sales. Our management believes this information is useful because it isolates the impact that capitalized interest and purchase accounting adjustments have on gross margin. However, because adjusted gross margin information excludes capitalized interest and purchase accounting adjustments, which have real economic effects and could impact our results, the utility of adjusted gross margin information as a measure of our operating performance may be limited. In addition, other companies may not calculate adjusted gross margin information in the same manner that we do. Accordingly, adjusted gross margin information should be considered only as a supplement to gross margin information as a measure of our performance.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Home sales revenues	\$ 396,632	\$ 651,854	\$ 1,231,537	\$ 1,645,202
Cost of sales	311,520	488,362	962,104	1,239,425
Gross margin	85,112	163,492	269,433	405,777
Capitalized interest charged to cost of sales	11,004	12,954	31,107	30,187
Purchase accounting adjustments ⁽¹⁾	999	1,157	2,850	3,134
Adjusted gross margin	\$ 97,115	\$ 177,603	\$ 303,390	\$ 439,098
Gross margin % ⁽²⁾	21.5 %	25.1 %	21.9 %	24.7 %
Adjusted gross margin % ⁽²⁾	24.5 %	27.2 %	24.6 %	26.7 %

(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

EBITDA is a non-GAAP financial measure used by management as a supplemental measure 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. Our management believes that the presentation of 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 provides an indicator of general economic performance that is 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 this measure is useful for comparing general operating performance from period to period. Other companies may define this measure differently and, as a result, our measure of EBITDA may not be directly comparable to the measures of other companies. Although we use EBITDA as a financial measure to assess the performance of our business, the use of this measure is limited because it does not include certain material costs, such as interest and taxes, necessary to operate our business. EBITDA should be considered in addition to, and not as a substitute for, net income in accordance with GAAP as a measure of performance. Our presentation of 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 is limited as an analytical tool, and you should not consider this measure in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- (i) it does not reflect every cash expenditure, future requirements for capital expenditures or contractual commitments, including for purchase of land;
- (ii) it does 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 does not reflect any cash requirements for such replacements or improvements;
- (iv) it does not adjust for all non-cash income or expense items that are reflected in our statements of cash flows;
- (v) it does 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 it differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, our EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business or as a measure of cash that will be available to us to meet our obligations. We compensate for these limitations by using our 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. EBITDA is not intended as an alternative to net income as an indicator of our operating performance, as an alternative to any other measure of performance in conformity with GAAP or as an alternative to cash flows as a measure of liquidity. You should therefore not place undue reliance on our EBITDA calculated using these measures.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income	\$ 19,704	\$ 69,575	\$ 55,231	\$ 145,201
Income tax provision (benefit)	6,997	22,277	19,234	46,628
Depreciation and amortization	1,178	830	3,053	2,280
Capitalized interest charged to cost of sales	11,004	12,954	31,107	30,187
EBITDA	\$ 38,883	\$ 105,636	\$ 108,625	\$ 224,296
EBITDA margin % ⁽¹⁾	9.8 %	16.2 %	8.8 %	13.6 %

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

Net Debt to Capital Ratio Reconciliation

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 the Company's financial leverage and its 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):

	September 30, 2025	December 31, 2024
Total debt (Notes payable)	\$ 1,751,427	\$ 1,480,718
Total equity	2,079,374	2,037,228
Total capital	\$ 3,830,801	\$ 3,517,946
Debt to capital ratio	45.7 %	42.1 %
Total debt (Notes payable)	\$ 1,751,427	\$ 1,480,718
Less: Cash and cash equivalents	61,979	53,197
Net debt	\$ 1,689,448	\$ 1,427,521
Total equity	2,079,374	2,037,228
Total net capital	\$ 3,768,822	\$ 3,464,749
Net debt to capital ratio ⁽¹⁾	44.8 %	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.

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 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.

Our net orders decreased for the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024 primarily due to lower demand in the first six months of the year. The number of homes in our backlog at September 30, 2025 increased 19.9% compared to September 30, 2024. The increase generally relates to management’s focus on newly implemented sales initiatives, an increase in sales personnel and an increase in community count, partially offset by ongoing affordability constraints and the limited use of incentives during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024.

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

Backlog Data	Nine Months Ended September 30,	
	2025 ⁽⁴⁾	2024 ⁽⁵⁾
Net orders ⁽¹⁾	4,098	4,993
Cancellation rate ⁽²⁾	28.1 %	21.6 %
Ending backlog – homes ⁽³⁾	1,305	1,088
Ending backlog – value ⁽³⁾	\$ 498,713	\$ 417,798

- (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 September 30, 2025, we had 60 units related to bulk sales agreements associated with our wholesale business.
- (5) As of September 30, 2024, we had 212 units related to bulk sales agreements associated with our wholesale business.

Land Acquisition Policies and Development

We had 141 and 151 active communities as of September 30, 2025 and December 31, 2024, respectively. Generally, it takes us three to four years to turn raw or undeveloped land into an active community. To mitigate our exposure to real estate inventory risks, we have utilized, on a limited and strategic basis, land banking financing arrangements.

Our lot inventory decreased to 62,564 owned or controlled lots as of September 30, 2025 from 70,899 owned or controlled lots as of December 31, 2024, primarily related to our discipline in the evaluation and selective approval of new land deals and strategic lot sales in select markets.

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 a corresponding obligation was established within our accrued liabilities, as discussed in [Note 3](#), “Accrued Expenses and Other Liabilities” to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, to recognize this relationship. While we are not legally obligated to repurchase the balance of the lots, we will be 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.

The table below shows (i) home closings by reportable segment for the nine months ended September 30, 2025 and (ii) our owned or controlled lots by reportable segment as of September 30, 2025.

Reportable Segment	Nine Months Ended September 30, 2025	As of September 30, 2025		
	Home Closings	Owned⁽¹⁾	Controlled	Total
Central	997	19,299	715	20,014
Southeast	1,067	13,689	2,666	16,355
Northwest	274	6,064	1,223	7,287
West	592	8,745	3,530	12,275
Florida	454	5,351	1,282	6,633
Total	3,384	53,148	9,416	62,564

- (1) Of the 53,148 owned lots as of September 30, 2025, 36,316 were raw/under development lots and 16,832 were finished lots.

Homes in Inventory

When entering a new community, 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 September 30, 2025, we had a total of 2,801 completed homes, including information centers, and 895 homes in progress.

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

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 September 30, 2025, we had \$62.0 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 September 30, 2025, our net debt to capital ratio was 44.8%. 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 September 30, 2025, we were in compliance with all of the covenants contained in the Credit Agreement, 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 Loan Agreement. As of September 30, 2025, \$367.9 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 Quarterly Report on Form 10-Q, 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.

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 September 30, 2025, the borrowing base under the Credit Agreement was \$2.1 billion, of which the maximum available to borrow was \$2.1 billion. As of September 30, 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 \$1.7 billion, \$27.0 million of letters of credit were outstanding and \$367.9 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 September 30, 2025, the Applicable Margin was 1.95%, and SOFR was 4.16%, 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, limit the amount of our additional debt and our ability to make certain investments. At September 30, 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 "Loan Agreement") with Evergreen Residential Capital, LLC, as lender. The 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 Loan Agreement.

As of September 30, 2025, the total amount of borrowings outstanding under the 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 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 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 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 Loan Agreement, the lender will be able to accelerate the maturity of the loan and exercise other rights and remedies. At September 30, 2025, we were in compliance with all of the covenants contained in the 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 \$423.1 million as of September 30, 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 September 30, 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 September 30, 2025, we did not repurchase any shares of our common stock. During the nine months ended September 30, 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 September 30, 2024, we did not repurchase any shares of our common stock. During the nine months ended September 30, 2024, we repurchased 172,990 shares of our common stock at a total cost, including commissions and excise taxes, of \$18.0 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 2022. As of September 30, 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 \$226.7 million during the nine months ended September 30, 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 nine months ended September 30, 2025 was primarily driven by cash outflow of \$347.3 million in real estate inventory, which was primarily related to our homes under construction and land acquisitions and development level of activity and a \$12.8 million decrease in the net change in accrued expenses and other liabilities, partially offset by the \$45.7 million increase in the net change in other assets and the \$22.9 million increase in the net change related to pre-acquisition costs and deposits, accounts receivable and compensation expense for equity awards.

Net cash used in operating activities was \$200.7 million during the nine months ended September 30, 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 nine months ended September 30, 2024 was primarily driven by cash outflow from the \$390.9 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 \$145.2 million and the \$21.7 million increase in the net change in accounts payable.

Investing Activities

Net cash provided by investing activities was \$14.3 million during the nine months ended September 30, 2025, primarily due to \$10.2 million in proceeds from the sale of property and equipment and \$8.6 million in return of capital, partially offset by an additional \$3.6 million investment in unconsolidated entities.

Net cash used in investing activities was \$6.6 million during the nine months ended September 30, 2024, primarily due to additional investment in unconsolidated entities.

Financing Activities

Net cash provided by financing activities was \$221.2 million during the nine months ended September 30, 2025, primarily driven by \$594.6 million of borrowings under the Credit Agreement, offset by \$323.0 million of repayments on our credit agreement then in effect and payments of \$24.2 million related to a financing arrangement with a third-party land banker. In

addition, during the nine months ended September 30, 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 \$219.3 million during the nine months ended September 30, 2024, primarily driven by \$507.7 million of borrowings under our credit agreement then in effect, offset by \$214.0 million of repayments on our credit agreement then in effect and payments of \$60.3 million related to a financing arrangement with a third-party land banker. In addition, during the nine months ended September 30, 2024, we repurchased \$18.0 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 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 our Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Material Cash Requirements

As of September 30, 2025, there have been no material changes to our known contractual and other obligations appearing in the “Material Cash Requirements” section of *Management’s Discussion and Analysis of Financial Condition and Results of Operations* included in our [Annual Report on Form 10-K](#) for the fiscal year ended December 31, 2024.

Critical Accounting Policies and 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 the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. On an ongoing basis, management evaluates such estimates and judgments and makes adjustments as deemed necessary. Actual results could differ from these estimates using different estimates and assumptions, or if conditions are significantly different in the future.

We believe that there have been no significant changes to our critical accounting policies and estimates during the nine months ended September 30, 2025 as compared to those disclosed in *Management’s Discussion and Analysis of Financial Condition and Results of Operations* included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

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 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, townhouses, 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 the ongoing U.S. government shutdown and any future U.S. government shutdown;
- other risks and uncertainties inherent in our business;
- other factors we discuss under the section entitled “[Management’s Discussion and Analysis of Financial Condition and Results of Operations](#)”; and
- the risk factors set forth in our [Annual Report on Form 10-K](#) for the fiscal year ended December 31, 2024.

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 Quarterly Report on Form 10-Q.

ITEM 3. 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 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](#)" above.

We are exposed to market risks related to fluctuations in interest rates on our outstanding variable rate indebtedness. As of September 30, 2025, we had \$623.6 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 September 30, 2025 was SOFR plus 1.95%. At September 30, 2025, SOFR was 4.16%, 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 \$6.2 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 4. 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 September 30, 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.

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error and mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management's override of controls.

The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, a control may become inadequate because of changes in conditions or because the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

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 September 30, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors we previously disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

ITEM 5. OTHER INFORMATION

Change in Control Plan

On October 30, 2025, the Board, upon the recommendation of the Compensation Committee of the Board, authorized and approved a change in control plan (the “CIC Plan”) covering the executive officers of the Company and certain other officers of the Company. Under the CIC Plan, participants in the CIC Plan are entitled to a lump-sum payment and a continuation of benefits upon a termination by the Company without cause or such participant’s resignation due to a material change in employment on or within two years following a change in control. Upon a termination by the Company without cause or resignation due to a material change in employment on or within two years following a change in control, Mr. Lipar is entitled to a lump-sum payment equal to three times the sum of his base salary and annual cash bonus (at target), and Messrs. Snider, Merdian and Garber are entitled to a lump-sum payment equal to two times the sum of their respective base salary and annual cash bonus (at target), and each of Messrs. Lipar, Snider, Merdian and Garber is entitled to benefits continuation coverage for 18 months after termination. The Company expects to amend Mr. Lipar’s employment agreement so that the severance benefits set forth in the CIC Plan would replace the severance benefits currently included in Mr. Lipar’s employment agreement.

Rule 10b5-1 Trading Arrangements

On August 21, 2025, Michael Snider, Chief Operating Officer of the Company, adopted a “Rule 10b5-1 trading arrangement,” as defined in Item 408(a) of Regulation S-K, that is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act. Subject to meeting the stock price conditions set forth therein and pursuant to the terms thereof, Mr. Snider’s Rule 10b5-1 trading arrangement provides for the sale, between November 24, 2025 and November 23, 2026, of a maximum number of shares of the Company’s common stock that would generate proceeds of up to \$2.0 million. Mr. Snider’s Rule 10b5-1 trading arrangement will be in effect until the earlier of (i) November 23, 2026 and (ii) the completion of all sales contemplated thereunder.

Except as set forth above, during the three months ended September 30, 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.

ITEM 6. EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
3.1**	Certificate of Incorporation of LGI Homes, Inc. (incorporated by reference to Exhibit 3.1 to the Registration Statement on Form S-1 (File No. 33-190853) of LGI Homes, Inc. filed with the SEC on August 28, 2013).
3.2**	Certificate of Amendment of Certificate of Incorporation of LGI Homes, Inc. (incorporated 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).
3.3**	Bylaws of LGI Homes, Inc. (incorporated by reference to Exhibit 3.2 to the Registration Statement on Form S-1 (File No. 333-190853) of LGI Homes, Inc. filed with the SEC on August 28, 2013).
10.1**	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 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).
31.1*	CEO Certification, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	CFO Certification, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
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.

** Previously filed.

† 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.

SIGNATURES

Pursuant to the requirements 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: November 4, 2025

/s/ Eric Lipar

Eric Lipar

Chief Executive Officer and Chairman of the Board

November 4, 2025

/s/ Charles Merdian

Charles Merdian

Chief Financial Officer and Treasurer

**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 Quarterly Report of LGI Homes, Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 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.

November 4, 2025

/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 Quarterly Report of LGI Homes, Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 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.

November 4, 2025

/s/ Charles Merdian

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