



Legacy Housing Corporation Reports 2020 Third Quarter Results

November 16, 2020

BEDFORD, Texas, Nov. 16, 2020 (GLOBE NEWSWIRE) -- Legacy Housing Corporation (NASDAQ: LEGH) today announced its financial results for the third quarter ended September 30, 2020.

Financial Highlights:

- Revenue for the third quarter of 2020 was \$43.7 million, which was an increase of \$1.8 million and a 4.3% improvement from the net revenue of \$41.9 million in the third quarter of 2019.
- Interest income from both the consumer loan and mobile home park loan portfolios in the third quarter of 2020 was \$6.4 million, a 13.0% increase from the \$5.7 million recorded in the third quarter of 2019.
- Income from operations in the third quarter of 2020 was \$10.8 million, which was a \$2.8 million increase and a 34.5% improvement from the \$8.1 million reported in the third quarter of 2019. On a trailing twelve month basis, income from operations has increased by \$10.4 million or 31.4%.
- Selling, general and administrative expense in the third quarter of 2020 was \$4.5 million, a 28.1% decrease of \$1.8 million from the \$6.3 million in the third quarter of 2019. This was due to a reduction in payroll costs, bad debt expense and loan loss provision, warranty service costs, and consulting and professional expenses.
- Total inventory was reduced by \$2.3 million or 5.7% to \$38.0 million in the third quarter of 2020 compared to \$40.3 million in the third quarter of 2019.
- Net income in the third quarter of 2020 increased by \$2.3 million to \$8.4 million or 37.6% compared to \$6.1 million in third quarter 2019.
- Earnings per share for the third quarter of 2020, based on diluted weighted average shares outstanding, was \$0.35 on 24,214,279 diluted outstanding shares versus \$0.25 on 24,338,839 diluted outstanding shares for the comparable quarter in 2019.
- Curtis D. Hodgson, Executive Chairman of the Board, commented, "We are pleased with the results of the third quarter of 2020, especially in our ability to outperform 2019 earnings results despite the challenges of 2020. Demand for mobile housing remains strong as we look to finishing out the remainder of the year. Over the last twelve months, we have increased tangible book value by \$1.42 per share."

This shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Company's securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

Management Conference Call – November 17 at 10 AM (Central Time)

Senior management will discuss the results of the third quarter of 2020 in a live webcast and conference call on Tuesday, November 17, 2020 at 10:00 AM Central Time. To register and participate in the webcast, please go to <https://edge-media-server.com/mmc/p/zc7af25t> which will also be accessible via www.legacyhousingUSA.com under the Investors link. In order to dial in, please call in at (866) 952-6347 and enter Conference ID 8382528 when prompted. Please try to join the webcast or call at least ten minutes prior to the scheduled start time.

About Legacy Housing Corporation

Legacy Housing Corporation builds, sells and finances manufactured homes and "tiny houses" that are distributed through a network of independent retailers and company-owned stores and are sold directly to manufactured housing communities. We are the fourth largest producer of manufactured homes in the United States as ranked by number of homes manufactured based on the information available from the Manufactured Housing Institute. With current operations focused primarily in the southern United States, we offer our customers an array of quality homes ranging in size from approximately 390 to 2,667 square feet consisting of 1 to 5 bedrooms, with 1 to 3 1/2 bathrooms. Our homes range in price, at retail, from approximately \$22,000 to \$120,000.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of the Securities and Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control. As a result, our actual results or performance may differ materially from anticipated results or performance. Legacy Housing undertakes no obligation to update any such forward-looking statements after the date hereof, except as required by law. Investors should not place any reliance on

any such forward-looking statements.

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LEGACY HOUSING CORPORATION
BALANCE SHEETS (in thousands)
(Unaudited)

	September 30 2020	December 31, 2019
Assets		
Cash and cash equivalents	\$ 1,643	\$ 1,724
Inventories	27,852	27,228
Prepaid expenses and other current assets	26,175	24,015
Total current assets	55,670	52,967
Property, plant and equipment, net	22,445	21,038
Consumer loans, net of deferred financing fees and allowance for loan losses	103,406	99,048
Notes receivable from mobile home parks ("MHP")	116,842	81,375
Other assets and non-current inventory	30,017	29,192
Total assets	\$ 328,380	\$ 283,620
Liabilities and Stockholders' Equity		
Total current liabilities, excluding debt	\$ 28,139	\$ 23,073
Total long-term debt, including current portion	43,820	30,861
Other long-term liabilities	7,764	7,297
Total stockholder's equity	248,657	222,389
Total liabilities and stockholders' equity	\$ 328,380	\$ 283,620

LEGACY HOUSING CORPORATION
STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)
(Unaudited)

	Three Months Ended September 30		Six Months Ended September 30	
	2020	2019	2020	2019
Net revenue:				
Product sales	\$ 36,566	\$ 35,355	\$ 106,940	\$ 106,671
Consumer and MHP loans interest	6,428	5,688	18,919	16,330
Other	749	893	2,163	2,650
Total net revenue	43,743	41,936	128,022	125,651
Operating expenses:				
Cost of product sales	27,839	27,504	78,387	77,265
Selling, general administrative expenses	4,525	6,293	14,202	18,928
Dealer incentive	550	85	929	534
Income from operations	10,829	8,054	34,504	28,924
Other expense	103	(21)	1,100	(249)
Income before income tax expense	10,932	8,033	35,604	28,675
Income tax expense	(2,486)	(1,895)	(8,097)	(6,691)
Net income	\$ 8,446	\$ 6,138	\$ 27,507	\$ 21,984
Weighted average shares outstanding:				
Basic	24,192,157	24,317,143	24,237,402	24,400,534
Diluted	24,214,279	24,338,839	24,243,927	24,421,355
Net income per share:				
Basic	\$ 0.35	\$ 0.25	\$ 1.13	\$ 0.90
Diluted	\$ 0.35	\$ 0.25	\$ 1.13	\$ 0.90



Source: Legacy Housing Corporation