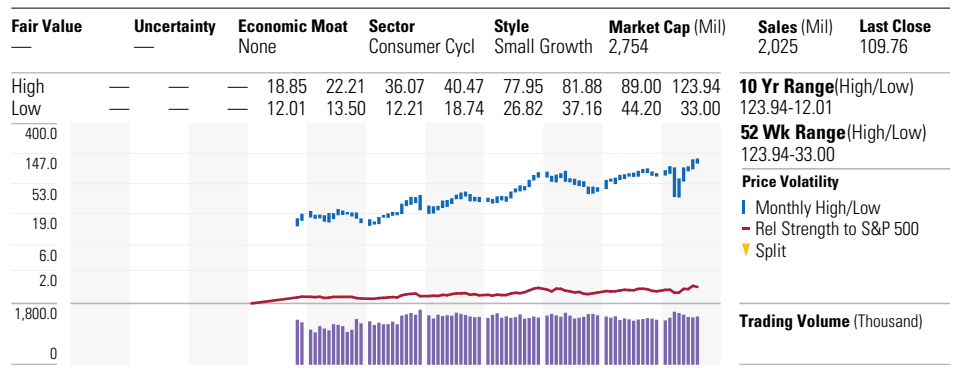


LGI Homes Inc LGIH

LGI Homes Inc is engaged in the design, construction, and sale of new homes in markets. The company current product offerings include entry-level homes, including both detached homes and townhomes, and move-up homes sold, which are sold under LGI Homes brand, and luxury series homes, which are sold under the Terrata Homes brand. It offers a set number of floor plans in each community with features that include upgrades, such as granite countertops, appliances, and ceramic tile flooring.



Growth Rates (Compound Annual)

| Grade: B | 1 Yr | 3 Yr | 5 Yr | 10 Yr |
|--------------------|------|------|------|-------|
| Revenue % | 22.2 | 29.9 | 36.8 | — |
| Operating Income % | 13.7 | 26.9 | 40.0 | — |
| Earnings/Share % | 12.5 | 27.2 | 39.5 | — |
| Dividends % | — | — | — | — |
| Book Value/Share % | 15.4 | 26.0 | 29.4 | — |
| Stock Total Return | 44.9 | 33.8 | 33.9 | — |
| +/- Industry | 9.5 | 17.0 | 20.5 | — |
| +/- Market | 27.3 | 20.2 | 21.5 | — |

Profitability Analysis

| Grade: A | Current | 5 Yr Avg | Ind | Mkt |
|----------------------|---------|----------|------|-------|
| Return on Equity % | 25.9 | 25.4 | 15.9 | 26.8 |
| Return on Assets % | 13.6 | 11.3 | 8.1 | 9.1 |
| Revenue/Employee \$K | 2124.9 | 1624.9 | — | 861.7 |
| Fixed Asset Turns | 1225.5 | 722.4 | 45.2 | 6.0 |
| Inventory Turns | 1.1 | 1.0* | 1.1 | 13.7 |
| Gross Margin % | 23.9 | 25.5 | 19.2 | 44.7 |
| Operating Margin % | 13.3 | 13.0 | 10.7 | 19.4 |
| Net Margin % | 10.5 | 9.3 | 8.4 | 16.8 |
| Free Cash Flow/Rev % | 6.0 | — | 9.5 | 20.5 |
| R&D/Rev % | — | — | — | — |

Financial Position (USD)

| Grade: C | 12-19 \$Mil | 06-20 \$Mil |
|---------------------|-------------|-------------|
| Cash | 38 | 49 |
| Inventories | 1500 | 1458 |
| Receivables | 56 | 58 |
| Current Assets | 1594 | 1566 |
| Fixed Assets | 2 | 2 |
| Intangibles | 12 | 12 |
| Total Assets | 1666 | 1636 |
| Payables | 68 | 82 |
| Short-Term Debt | 296 | 296 |
| Current Liabilities | 375 | 93 |
| Long-Term Debt | 395 | 588 |
| Total Liabilities | 821 | 718 |
| Total Equity | 845 | 919 |

Valuation Analysis

| | Current | 5 Yr Avg | Ind | Mkt |
|----------------------|---------|----------|------|------|
| Price/Earnings | 13.1 | 12.2 | 12.5 | 25.2 |
| Forward P/E | 11.6 | — | — | 38.0 |
| Price/Cash Flow | 22.8 | — | 9.9 | 14.5 |
| Price/Free Cash Flow | 22.9 | — | 10.4 | 39.9 |
| Dividend Yield % | — | — | 0.7 | 2.0 |
| Price/Book | 3.0 | 2.3 | 2.0 | 3.5 |
| Price/Sales | 1.4 | 1.0 | 1.0 | 6.0 |
| PEG Ratio | — | — | — | 3.5 |

*3Yr Avg data is displayed in place of 5 Yr Avg

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | YTD | Stock Performance |
|-------------------------|------|------|------|-------|------|-------|-------|-------|-------|-------|-------|-------------------------|
| Total Return % | — | — | — | — | — | — | — | — | — | — | — | Total Return % |
| +/- Market | — | — | — | — | — | — | — | — | — | — | — | +/- Market |
| +/- Industry | — | — | — | — | — | — | — | — | — | — | — | +/- Industry |
| Dividend Yield % | — | — | — | — | — | — | — | — | — | — | — | Dividend Yield % |
| Market Cap \$Mil | — | — | — | — | — | — | — | — | — | — | — | Market Cap \$Mil |
| Revenue \$Mil | — | 50 | 76 | 163 | 383 | 630 | 838 | 1258 | 1504 | 1838 | 2025 | Revenue \$Mil |
| Gross Margin % | — | 27.3 | 28.5 | 25.5 | 26.8 | 26.5 | 26.4 | 25.5 | 25.3 | 23.8 | 23.9 | Gross Margin % |
| Oper Income \$Mil | — | 4 | 8 | 12 | 42 | 80 | 111 | 170 | 200 | 228 | 270 | Oper Income \$Mil |
| Operating Margin % | — | 7.4 | 10.9 | 7.4 | 11.1 | 12.6 | 13.3 | 13.5 | 13.3 | 12.4 | 13.3 | Operating Margin % |
| Net Income \$Mil | — | 3 | 10 | 22 | 28 | 53 | 75 | 113 | 155 | 179 | 213 | Net Income \$Mil |
| Earnings Per Share \$ | — | — | 1.05 | 0.34 | 1.33 | 2.44 | 3.41 | 4.73 | 6.24 | 7.02 | 8.35 | Earnings Per Share \$ |
| Dividends \$ | — | — | — | — | — | — | — | — | — | — | — | Dividends \$ |
| Shares Mil | — | 7 | 6 | 21 | 21 | 22 | 22 | 24 | 25 | 25 | 26 | Shares Mil |
| Book Value Per Share \$ | — | — | — | 1.82 | 9.39 | 11.06 | 15.51 | 20.45 | 26.97 | 30.64 | 36.62 | Book Value Per Share \$ |
| Oper Cash Flow \$Mil | — | 10 | -5 | -54 | -173 | -89 | -108 | -68 | -117 | -42 | 123 | Oper Cash Flow \$Mil |
| Cap Spending \$Mil | — | 0 | 0 | -1 | -1 | -1 | -1 | -1 | 0 | -1 | -1 | Cap Spending \$Mil |
| Free Cash Flow \$Mil | — | 9 | -5 | -55 | -174 | -90 | -109 | -69 | -117 | -43 | 122 | Free Cash Flow \$Mil |
| Return on Assets % | — | 14.3 | 28.1 | 5.3 | 8.6 | 10.0 | 10.5 | 12.0 | 12.6 | 11.7 | 13.6 | Return on Assets % |
| Return on Equity % | — | 25.8 | 50.8 | 7.5 | 16.3 | 24.6 | 24.9 | 26.8 | 27.1 | 23.8 | 25.9 | Return on Equity % |
| Asset Turnover | — | 2.15 | 2.21 | 1.22 | 1.16 | 1.19 | 1.17 | 1.33 | 1.22 | 1.20 | 1.30 | Asset Turnover |
| Net Margin % | — | 6.6 | 12.7 | 4.4 | 7.4 | 8.4 | 9.0 | 9.0 | 10.3 | 9.7 | 10.5 | Net Margin % |
| Financial Leverage | — | 1.8 | 1.8 | 1.3 | 2.4 | 2.5 | 2.3 | 2.2 | 2.1 | 2.0 | 1.8 | Financial Leverage |
| Long-Term Debt \$Mil | — | 6 | 15 | 36 | 216 | 305 | 400 | 475 | 358 | 395 | 588 | Long-Term Debt \$Mil |
| Total Equity \$Mil | — | 13 | 25 | 164 | 182 | 247 | 355 | 490 | 656 | 845 | 919 | Total Equity \$Mil |
| Debt/Equity | — | 0.49 | 0.59 | 0.22 | 1.18 | 1.23 | 1.13 | 0.97 | 0.55 | 0.47 | 0.65 | Debt/Equity |
| Working Capital \$Mil | — | 16 | 33 | 185 | 385 | 549 | 757 | 956 | 971 | 1219 | 1473 | Working Capital \$Mil |
| Price/Earnings | — | — | — | 28.2 | 21.2 | 11.8 | 9.2 | 17.3 | 7.6 | 11.5 | 13.1 | Price/Earnings |
| P/E vs. Market | — | — | — | 0.0 | 0.0 | 0.0 | — | — | 0.0 | 0.0 | 0.5 | P/E vs. Market |
| Price/Sales | — | — | — | 2.9 | 0.9 | 0.9 | 0.8 | 1.6 | 0.8 | 1.1 | 1.4 | Price/Sales |
| Price/Book | — | — | — | 9.8 | 1.6 | 2.2 | 1.9 | 3.7 | 1.7 | 2.3 | 3.0 | Price/Book |
| Price/Cash Flow | — | — | — | -13.1 | -1.9 | -7.8 | -4.7 | -15.5 | -11.4 | -15.1 | 22.8 | Price/Cash Flow |

Quarterly Results (USD)

| | Sep | Dec | Mar | Jun |
|-----------------------|-------|-------|-------|-------|
| Revenue \$ | 483.0 | 605.0 | 454.0 | 481.0 |
| Most Recent | 483.0 | 605.0 | 454.0 | 481.0 |
| Previous | 380.0 | 425.0 | 287.0 | 461.0 |
| Rev Growth % | 27.0 | 42.5 | 58.1 | 4.3 |
| Most Recent | 27.0 | 42.5 | 58.1 | 4.3 |
| Previous | 4.0 | 5.0 | 3.1 | 10.0 |
| Earnings Per Share \$ | 1.93 | 2.52 | 1.67 | 2.21 |
| Most Recent | 1.93 | 2.52 | 1.67 | 2.21 |
| Previous | 1.52 | 1.72 | 0.73 | 1.82 |

Close Competitors

| | Mkt Cap \$Mil | Rev \$Mil | P/E | ROE% |
|-----------------------------------|---------------|-----------|-----|------|
| Delaware Smid Cap Growth A | — | — | — | 4.08 |
| Wasatch Small Cap Growth Investor | — | — | — | 2.59 |
| Vanguard Total Stock Mkt Idx Inv | — | — | — | 2.43 |

Major Fund Holders

| | % of shares |
|-----------------------------------|-------------|
| Delaware Smid Cap Growth A | 4.08 |
| Wasatch Small Cap Growth Investor | 2.59 |
| Vanguard Total Stock Mkt Idx Inv | 2.43 |

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