

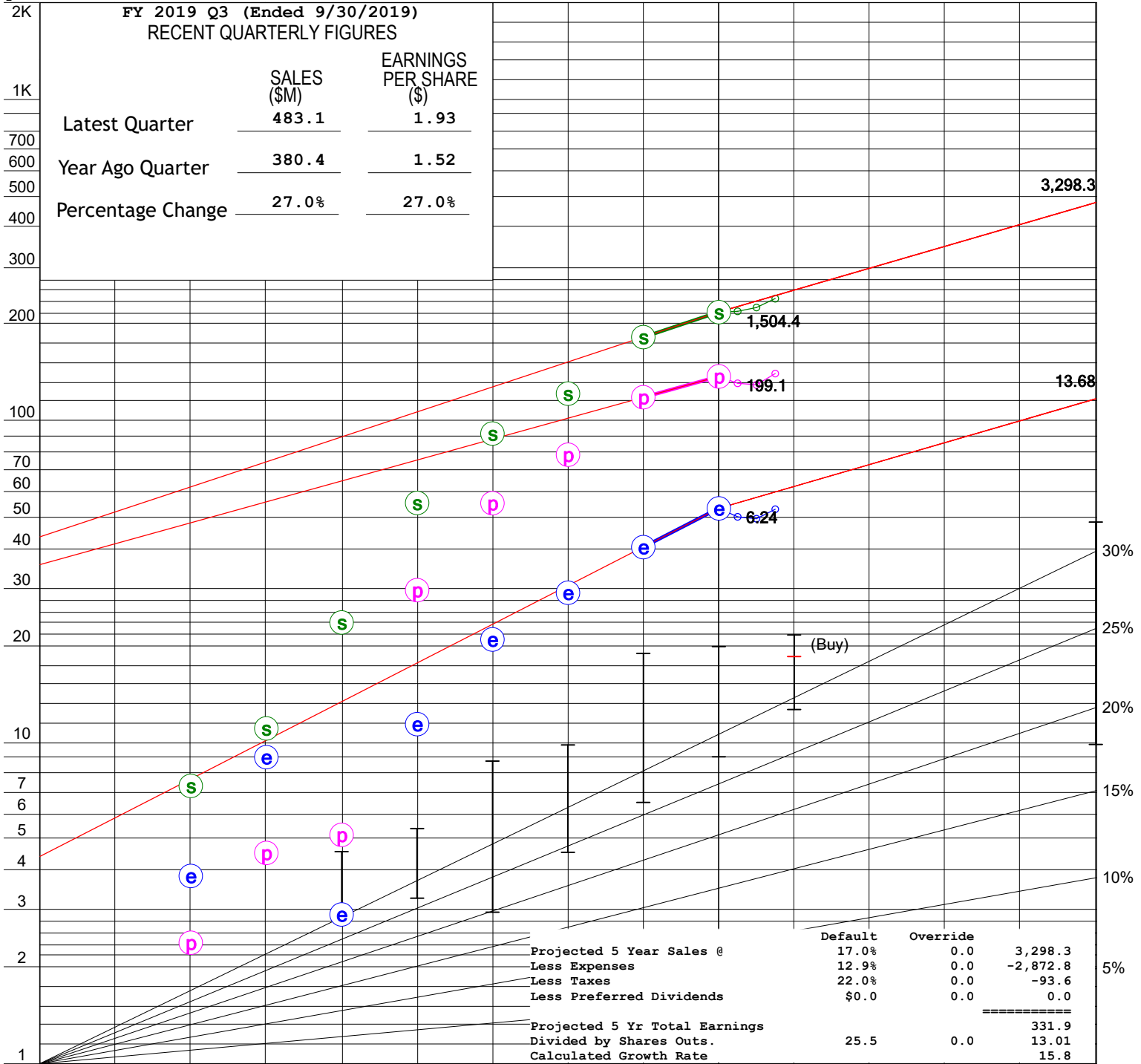


# Stock Study

Company	LGI Homes Inc	Price Date	01/10/20
Study by	BCG	Data Date	01/10/20
Sector	Consumer Cyclical	Last Judgment	01/04/20
Industry	Residential Construction	Data Source	BI
Preferred(\$M)	0.0	Reference	Morningsta
Diluted(M Shares)	25.5	% Insiders	4.6
Total Debt(\$M)	756.7	% Institutions	95.1
% Tot Debt to Tot Cap	55.0	Quality	

## 1 Growth Analysis

NAS: LGIH



(1) Historical Sales Growth	19.6 %	(3) Historical Earnings Per Share Growth	17.0 %	www.iclub.com
(2) Estimated Future Sales Growth	17.0 %	(4) Estimated Future Earnings Per Share Growth	17.0 %	
(5) Sales Growth R <sup>2</sup>	-0.96 1.00	(6) Earnings Per Share Growth R <sup>2</sup>	-0.83 1.00	

## 2 QUALITY ANALYSIS

Company **LGI Homes Inc** (LGIH)

01/10/20

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	5 YEAR AVG.	TREND UP / DOWN
<b>A</b> % Pre-tax Profit on Sales			6.8	8.6	4.6	11.2	12.7	13.6	13.6	13.2	12.9	UP
<b>B</b> % ROE (Beginning Yr)				NMF	NMF	73.2	26.0	30.8	30.5	30.5	38.2	DOWN
<b>C</b> % LT Debt to Equity	0.0	0.0	0.0	0.0	93.9	108.6	128.1	117.2	97.1	97.4	109.7	DOWN

## 3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE (P/E) **76.30 (12.3)** 52-WEEK HIGH (P/E) **89.00 (14.4)** 52-WEEK LOW (P/E) **52.16 (8.4)**

Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield
1 2014	22.2	13.5	1.33	16.7	10.2	0.000	0.0	0.0
2 2015	36.1	12.2	2.44	14.8	5.0	0.000	0.0	0.0
3 2016	40.5	18.7	3.41	11.9	5.5	0.000	0.0	0.0
4 2017	78.0	26.8	4.73	16.5	5.7	0.000	0.0	0.0
5 2018	81.9	37.2	6.24	13.1	6.0	0.000	0.0	0.0
6 AVERAGE		21.7		14.6	6.5		0.0	
AVERAGE P/E RATIO		10.6	PROJECTED P/E RATIO		10.5	TTM EPS		6.20
CURRENT P/E RATIO		12.3	PEG RATIO		0.6	FTM EPS		7.25
RELATIVE VALUE		116.6%	PROJ. RELATIVE VALUE		99.7%	AVG TTM + FTM EPS		6.73

## 4 EVALUATING REWARD and RISK over the next 5 years

### A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS

Selected High P/E **14.6** X Estimated High Earnings/Share **13.68** = Forecast High Price \$ **199.7**

### B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS

(a) Sel. Low P/E **6.5** (as adj.) X Estimated Low Earnings/Share **6.24** = \$ **40.6**

(b) Average 5-Year Low Price = **21.7**

(c) Recent Severe Low Price = **26.8**

(d) Price Dividend Will Support = Present Divd. ÷ High Yield = **0.00 ÷ 0.000** = **0.0**

Selected Estimated Low Price = \$ **40.6**

### C PRICE RANGES

Forecast High Price **199.7** - Estimated Low Price **40.6** = Range **159.1** 25% of Range = **39.8**

BUY (Lower 25% of Range) = **40.6** to **80.4**

MAYBE (Middle 50% of Range) = **80.4** to **159.9**

SELL (Upper 25% of Range) = **159.9** to **199.7**

Current Price **76.30** is in the **Buy** Range

### D REWARD/RISK ANALYSIS (Potential Gain vs. Risk of Loss)

(Forecast High Price **199.7** - Current Price **76.30**) ÷ (Current Price **76.30** - Estimated Low Price **40.6**) = **3.5** To 1

## 5 TOTAL RETURN ANALYSIS

### A CURRENT YIELD

Present Full Year's Dividend \$ **0.000** ÷ Current Price of Stock \$ **76.30** = **0.0** % Present Yield or % Returned on Purchase Price

### B AVERAGE YIELD - USING FORECAST HIGH P/E

Avg. % Payout **0.0** ÷ Forecast High P/E **14.6** = Avg. Yield **0.0**

### AVERAGE YIELD - USING FORECAST AVERAGE P/E

Avg. % Payout **0.0** ÷ Forecast Avg P/E **10.6** = Avg. Yield **0.0**

### C % COMPOUND ANNUAL TOTAL RETURN - USING FORECAST HIGH P/E

Average Yield **0.0** % + Annual Appreciation **21.2** % = Compound Annual Total Return **21.2** %

### D % PROJECTED AVERAGE RETURN - USING FORECAST AVERAGE P/E

Average Yield **0.0** % + Annual Appreciation **13.6** % = Projected Average Total Return **13.6** %



# Quarterly Trend Analysis

Company LGI Homes Inc (LGIH)

QUARTERLY DATA									LAST 12 MONTHS DATA								
PERIOD	EPS		PRE-TAX PROFIT			SALES		INCOME TAX RATE	EPS \$	PRE-TAX PROFIT		SALES MIL	INCOME TAX		% CHANGE		
	\$	% CHANGE	\$ MIL	% SALES	% CHANGE	\$ MIL	% CHANGE			\$ MIL	% SALES		\$ MIL	% RATE	EPS	PRE-TAX PROFIT	SALES
03/14								34.5						12.1			
06/14								34.5						19.6			
09/14								34.5						27.1			
12/14	0.34		11.57	10.7		108.42		34.9						34.6			
03/15	0.33		11.72	9.7		120.69		34.3						34.6			
06/15	0.66		21.25	13.4		158.83		34.2						34.5			
09/15	0.76		23.22	13.3		173.96		33.6	2.09	67.76	12.1	561.9	23.2	34.2			
12/15	0.75	120.6	24.09	13.6	108.2	176.76	63.0	34.7	2.50	80.28	12.7	630.2	27.5	34.2			
03/16	0.57	72.7	17.83	11.0	52.1	162.46	34.6	34.4	2.74	86.39	12.9	672.0	29.6	34.2			
06/16	0.96	45.5	31.41	14.1	47.8	222.72	40.2	34.2	3.04	96.55	13.1	735.9	33.0	34.2			
09/16	0.86	13.2	29.49	13.6	27.0	216.30	24.3	34.0	3.14	102.82	13.2	778.3	35.3	34.3	50.2	51.7	38.5
12/16	1.01	34.7	34.95	14.8	45.1	236.83	34.0	33.6	3.40	113.67	13.6	838.3	38.7	34.0	36.0	41.6	33.0
03/17	0.52	-8.8	16.84	10.3	-5.5	162.91	0.3	30.1	3.35	112.69	13.4	838.8	37.1	33.0	22.3	30.4	24.8
06/17	1.39	44.8	48.64	15.0	54.9	324.18	45.6	33.8	3.78	129.92	13.8	940.2	42.7	32.9	24.3	34.6	27.8
09/17	1.40	62.8	50.88	13.9	72.5	365.90	69.2	33.8	4.32	151.31	13.9	1,089.8	49.6	32.8	37.6	47.2	40.0
12/17	1.43	41.6	55.04	13.6	57.5	404.98	71.0	35.3	4.74	171.40	13.6	1,258.0	56.9	33.2	39.4	50.8	50.1
03/18	1.10	111.5	31.23	11.2	85.4	279.02	71.3	12.6	5.32	185.79	13.5	1,374.1	53.6	28.9	58.8	64.9	63.8
06/18	1.90	36.7	62.67	14.9	28.8	419.85	29.5	24.0	5.83	199.82	13.6	1,469.7	52.8	26.4	54.2	53.8	56.3
09/18	1.52	8.6	48.99	12.9	-3.7	380.37	4.0	23.0	5.95	197.93	13.3	1,484.2	46.9	23.7	37.7	30.8	36.2
12/18	1.72	20.3	56.21	13.2	2.1	425.16	5.0	24.1	6.24	199.10	13.2	1,504.4	41.7	20.9	31.6	16.2	19.6
03/19	0.73	-33.6	21.69	7.5	-30.5	287.59	3.1	15.5	5.87	189.57	12.5	1,513.0	41.1	21.7	10.3	2.0	10.1
06/19	1.82	-4.2	60.54	13.1	-3.4	461.83	10.0	23.9	5.79	187.43	12.1	1,555.0	40.5	21.6	-0.7	-6.2	5.8
09/19	1.93	27.0	64.73	13.4	32.1	483.08	27.0	23.8	6.20	203.17	12.3	1,657.7	44.3	21.8	4.2	2.6	11.7
12/19								22.0						21.3			

A B C D E F G H I J K L M N O P Q R S T

Trailing 4 quarters

# Quarterly Trend Graph

Company LGI Homes Inc (LGIH)

