

Edgar Filing: LGI Homes, Inc. - Form 10-Q

LGI Homes, Inc.
Form 10-Q
August 07, 2018

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 June 30, 2018

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 46-3088013
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

1450 Lake Robbins Drive, Suite 430, The Woodlands, Texas 77380
(Address of principal executive offices) (Zip code)
(281) 362-8998

(Registrant's Telephone Number, Including Area Code)

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 ☐ Accelerated filer ☐

Non-accelerated filer ☐ Smaller reporting company ☐

Emerging growth company ☐

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 ☒

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As of August 3, 2018, there were 22,632,991 shares of the registrant's common stock, par value \$.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)

	June 30, 2018	December 31, 2017
ASSETS		
Cash and cash equivalents	\$48,886	\$67,571
Accounts receivable	31,746	44,706
Real estate inventory	1,062,696	918,933
Pre-acquisition costs and deposits	29,562	18,866
Property and equipment, net	1,675	1,674
Other assets	11,168	14,196
Deferred tax assets, net	2,168	1,928
Goodwill	12,018	12,018
Total assets	\$1,199,919	\$1,079,892
LIABILITIES AND EQUITY		
Accounts payable	\$19,893	\$12,020
Accrued expenses and other liabilities	56,805	102,831
Notes payable	554,539	475,195
Total liabilities	631,237	590,046
COMMITMENTS AND CONTINGENCIES		
EQUITY		
Common stock, par value \$0.01, 250,000,000 shares authorized, 23,632,991 shares issued and 22,632,991 shares outstanding as of June 30, 2018 and 22,845,580 shares issued and 21,845,580 shares outstanding as of December 31, 2017	236	228
Additional paid-in capital	233,598	229,680
Retained earnings	351,398	276,488
Treasury stock, at cost, 1,000,000 shares	(16,550)	(16,550)
Total equity	568,682	489,846
Total liabilities and equity	\$1,199,919	\$1,079,892

See accompanying notes to the consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Home sales revenues	\$419,847	\$324,178	\$698,871	\$487,089
Cost of sales	310,082	237,830	519,847	357,242
Selling expenses	29,301	24,193	52,250	40,300
General and administrative	18,302	13,680	33,742	24,945
Operating income	62,162	48,475	93,032	64,602
Other income, net	(509)	(167)	(866)	(882)
Net income before income taxes	62,671	48,642	93,898	65,484
Income tax provision	15,063	16,443	18,988	21,505
Net income	\$47,608	\$32,199	\$74,910	\$43,979
Earnings per share:				
Basic	\$2.11	\$1.49	\$3.34	\$2.05
Diluted	\$1.90	\$1.39	\$3.01	\$1.91