

LGI Homes, Inc.
Form 10-Q
November 12, 2014

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

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended September 30, 2014.

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, 77380
Texas (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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes " No ý

As of November 10, 2014, there were 20,763,449 shares of the registrant's common stock, par value \$.01 per share, issued and outstanding.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

LGI HOMES, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	September 30, 2014 (Unaudited)	December 31, 2013
ASSETS		
Cash and cash equivalents	\$46,161	\$54,069
Accounts receivable	9,713	5,402
Real estate inventory	291,988	141,983
Pre-acquisition costs and deposits	12,729	3,703
Deferred taxes, net	467	288
Property and equipment, net	1,373	845
Other assets	4,730	1,992
Goodwill and intangible assets, net	12,543	12,728
Total assets	\$379,704	\$221,010
LIABILITIES AND EQUITY		
Accounts payable	\$15,449	\$14,001
Accrued expenses and other liabilities	17,747	7,100
Notes payable	160,188	35,535
Total liabilities	193,384	56,636
COMMITMENTS AND CONTINGENCIES		
EQUITY		
Common stock, par value \$0.01, 250,000,000 shares authorized, 20,763,449 issued and outstanding	208	208
Additional paid-in capital	158,325	157,056
Retained earnings	27,787	7,110
Total equity	186,320	164,374
Total liabilities and equity	\$379,704	\$221,010

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 September		Nine Months Ended September	
	30,		30,	
	2014	2013	2014	2013
Revenues:				
Home sales	\$92,516	\$37,035	\$274,848	\$95,033
Management and warranty fees	—	1,007	—	2,309
Total revenues	92,516	38,042	274,848	97,342
Cost of sales	67,256	27,083	201,661	69,225
Selling expenses	9,239	3,589	25,788	9,082
General and administrative	6,115	4,052	16,557	9,078
Income from unconsolidated LGI/GTIS Joint Ventures	—	(1,976)) —	(2,920)
Operating income	9,906	5,294	30,842	12,877
Interest expense, net	—	(41)) —	(47)
Other income, net	628	34	663	56
Net income before income taxes	10,534	5,287	31,505	12,886
Income tax provision	(3,488)) (137)) (10,828)) (273)
Net income	7,046	5,150	20,677	12,613
Loss attributable to non-controlling interests				