



# GREEN BRICK PARTNERS

## Q1 2018 INVESTOR CALL PRESENTATION

MAY 7, 2018



# FORWARD LOOKING STATEMENTS

This presentation and the oral statements made by representatives of the Company during the course of this presentation that are not historical facts are forward-looking statements. These statements are often, but not always, made through the use of words or phrases such as “may,” “will,” “should,” “could,” “would,” “predicts,” “potential,” “continue,” “expects,” “anticipates,” “future,” “outlook,” “strategy,” “positioned,” “intends,” “plans,” “believes,” “projects,” “estimates” and similar expressions, as well as statements in the future tense. Although the Company believes that the assumptions underlying these statements are reasonable, individuals considering such statements for any purpose are cautioned that such forward-looking statements are inherently uncertain and necessarily involve risks that may affect the Company’s business prospects and performance, causing actual results to differ from those discussed during the presentation, and any such difference may be material. Factors that could cause actual results to differ from those anticipated are discussed in the Company’s annual and quarterly reports filed with the SEC.

Any forward-looking statements made are subject to risks and uncertainties, many of which are beyond management’s control. These risks include the risks described in the Company’s filings with the SEC. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, the Company’s actual results and plans could differ materially from those expressed in any forward-looking statements.

Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. These forward-looking statements are made only as of the date hereof. The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information or future events.

The Company presents Basic Adjusted EPS, Diluted Adjusted EPS, Basic and Diluted Adjusted weighted-average number of shares outstanding, GRBK Pre-tax Income and Adjusted Homebuilding Gross Margin. The Company believes these and similar measures are useful to management and investors in evaluating its operating performance and financing structure. The Company also believes these measures facilitate the comparison of their operating performance and financing structure with other companies in the industry. Because these measures are not calculated in accordance with Generally Accepted Accounting Principles (“GAAP”), they may not be comparable to other similarly titled measures of other companies and should not be considered in isolation or as a substitute for, or superior to, financial measures prepared in accordance with GAAP.

# MANAGEMENT PRESENTERS

## **Jim Brickman**

### ***Chief Executive Officer***

- Over 40 years in real estate development and homebuilding.
- Co-founded JBGL with Greenlight Capital in 2008. JBGL was merged into Green Brick in 2014.
- Previously served as Chairman and CEO of Princeton Homes and Princeton Realty Corp.

## **Jed Dolson**

### ***President of Texas Region***

- Over 15 years of land development and property acquisition.
- Head of GRBK land acquisitions since 2010.
- Masters Degree in Engineering, Stanford University, and Registered Engineer, State of Texas.

## **Rick Costello**

### ***Chief Financial Officer***

- Over 26 years of financial and operating experience in all aspects of real estate management.
- Previously served as CFO and COO of GL Homes, as AVP of finance of Paragon Group and as an auditor for KPMG.
- Received his M.B.A from Northwestern University's Kellogg School.

## **Summer Loveland**

### ***Chief Accounting Officer***

- Over 20 years of experience in the accounting and financial reporting services industry.
- Previously served as Chief Financial Officer of the Dallas Police and Fire Pension System
- Certified Public Accountant licensed in the states of Texas and California.

# MARKET UPDATE

## National Economic Overview Top Job Growth Markets Ranked by Change in Employment – February 2018

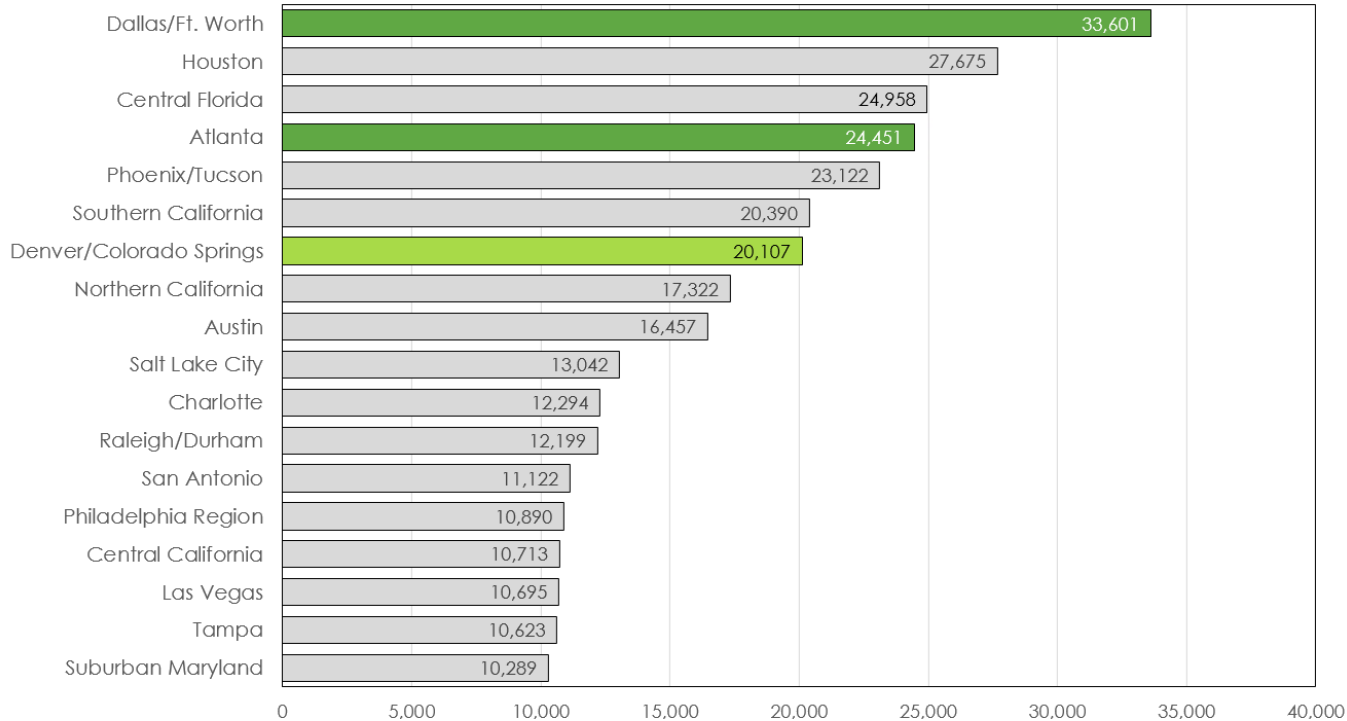
Rank	MSA	Total Employment	Annual Job Growth	Annual Job Growth %
1	New York-Newark-Jersey City, NY-NJ-PA	9,623,600	124,200	1.3%
2	Dallas-Fort Worth-Arlington, TX	3,639,100	96,000	2.7%
3	Los Angeles-Long Beach-Anaheim, CA	6,086,800	93,400	1.6%
4	Houston-The Woodlands-Sugar Land, TX	3,058,500	67,100	2.2%
5	Seattle-Tacoma-Bellevue, WA	2,022,600	60,900	3.1%
6	Phoenix-Mesa-Scottsdale, AZ	2,079,300	60,000	3.0%
7	Riverside-San Bernadino-Ontario, CA	1,481,000	55,600	3.9%
8	Atlanta-Sandy Springs-Roswell, GA	2,734,400	52,600	2.0%
9	San Francisco-Oakland-Hayward, CA	2,410,100	45,600	1.9%
10	Washington-Arlington-Alexandria, DC-VA-MD	3,278,100	44,800	1.4%
11	Orlando-Kissimmee-Sanford, FL	1,281,800	43,800	3.5%
12	Austin-Round Rock, TX	1,054,900	37,300	3.7%
13	Denver-Aurora-Lakewood, CO	1,469,100	36,900	2.6%
14	Chicago-Naperville-Elgin, IL-IN-WI	4,629,300	32,000	0.7%
15	San Jose-Sunnyvale-Santa Clara, CA	1,111,100	31,200	2.9%

Source: Metrostudy -  
MetroUSA

# MARKET UPDATE

We are less than 2.0% of the starts in two of the largest housing markets, giving us significant opportunity for growth

National Housing Market  
Annual Starts by Market – February 2018

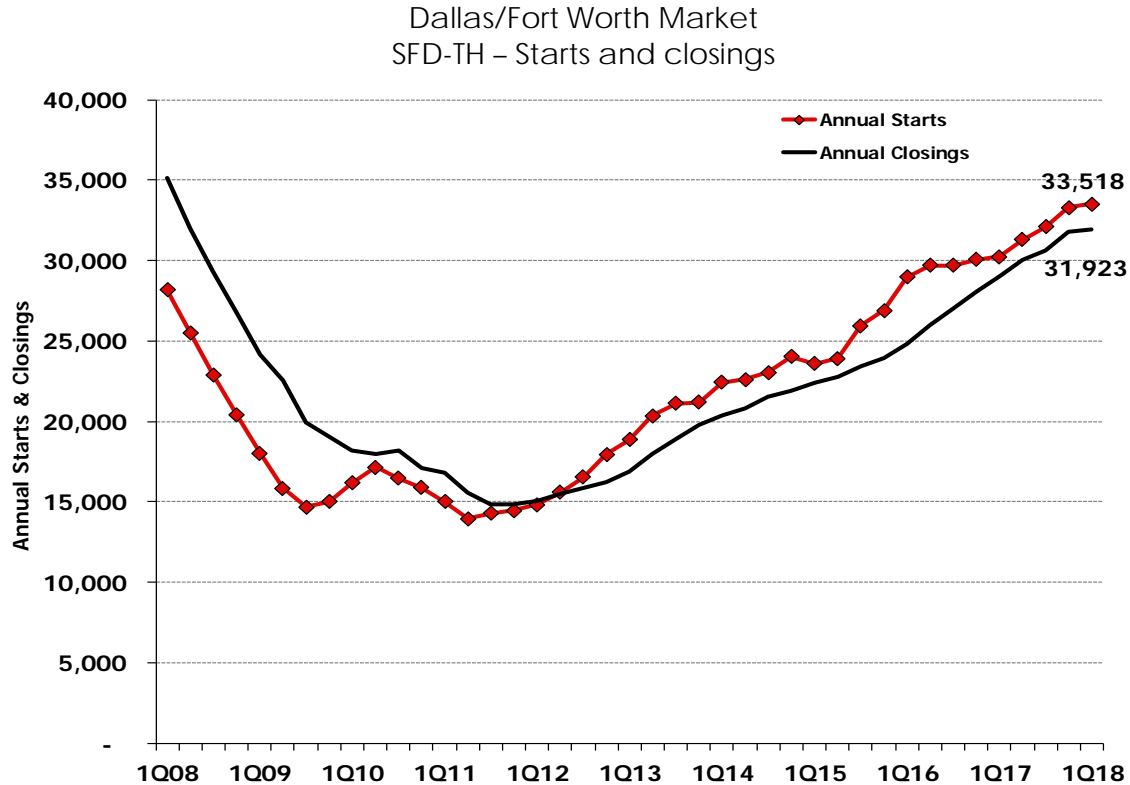


GRBK has also entered the Colorado Springs market through our investment in Challenger Homes.

Source: Metrostudy - MetroUSA

# MARKET UPDATE

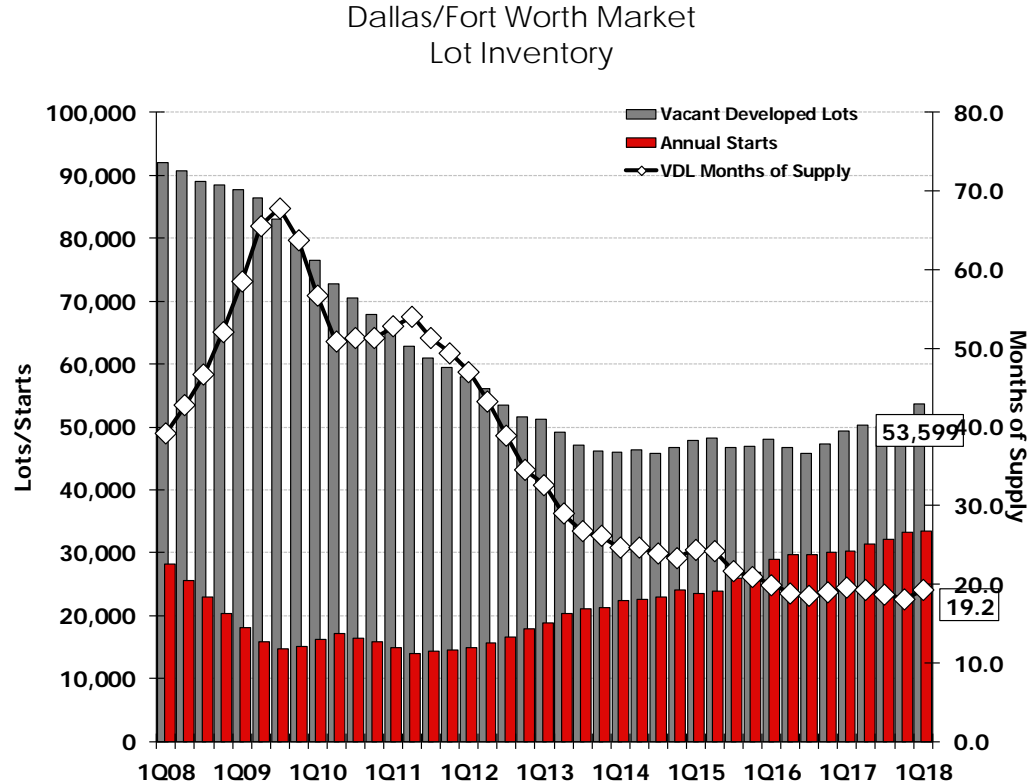
Dallas market continues 6-year expansion but is still well below the 2006 peak of more than 50,000 starts



Source: Metrostudy - MetroUSA

# MARKET UPDATE

GRBK has nearly 4,600 lots in Dallas where the market continues its 7-year trend of constrained supply

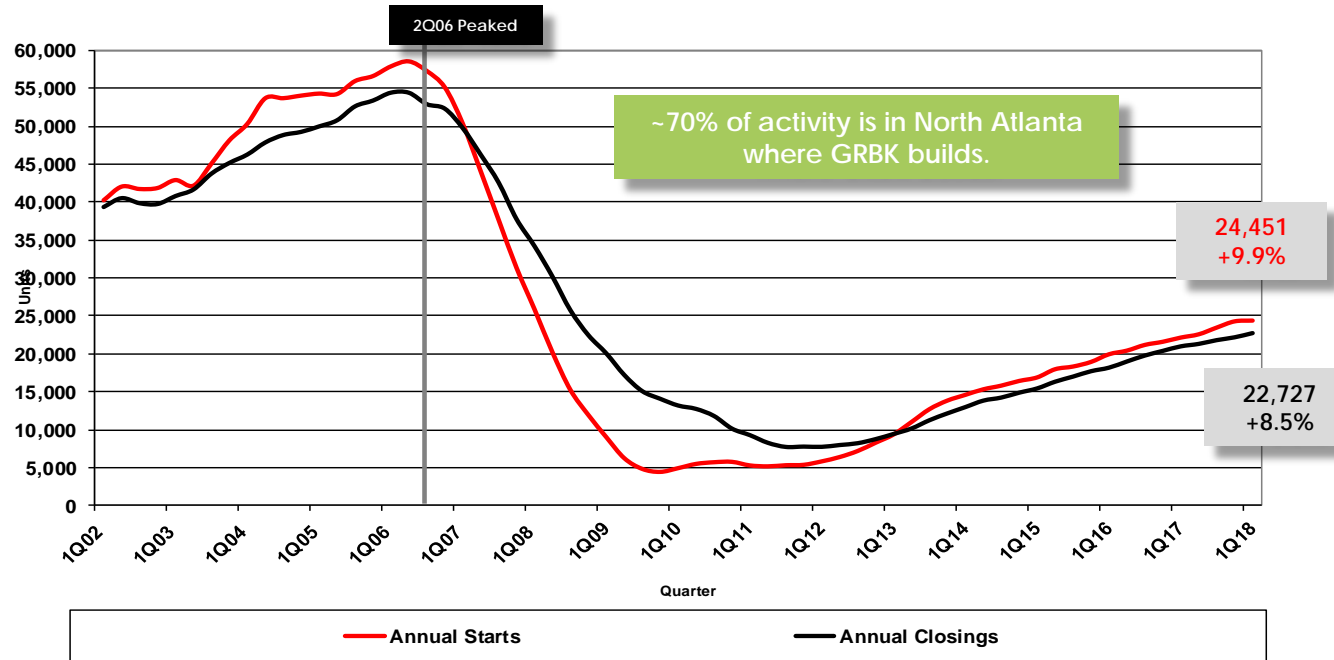


Source: Metrostudy - MetroUSA

# MARKET UPDATE

The Atlanta market also continues to expand but is still well below prior peak

Atlanta Region 16 Year History  
Annual Construction Starts and Closings



Source: Metrostudy - MetroUSA



# GREEN BRICK AT A GLANCE

- We are a diversified homebuilding and land development company.
- We build and deliver homes through our controlled builders in which we own a 50% to 80% controlling interest as well as our investment in unconsolidated builder partners.
- We sell lots and provide lot acquisition and vertical construction financing to most of our controlled builders.
- Currently focused on high growth metropolitan areas in Texas, Georgia, Colorado, and Florida.
- Attractive land position of approximately 6,300 well-located residential lots as of March 31, 2017.
- Over 76% of our residential lots are owned.
- Virtually all of our owned lots are owned at the corporate level vs. at the controlled builder level.

## Controlled Builders

### Texas

CB JENI Homes	➔	Townhomes, single family
Normandy Homes	➔	Single family
Southgate Homes	➔	Luxury homes
Centre Living Homes	➔	Townhomes, contractor on luxury homes

### Products Offered

### Georgia

The Providence Group	➔	Townhomes, single family, luxury homes
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### Florida

GRBK GH0 Homes	➔	Age-targeted single family, patio homes, luxury homes, townhomes
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## Unconsolidated Builder Partners

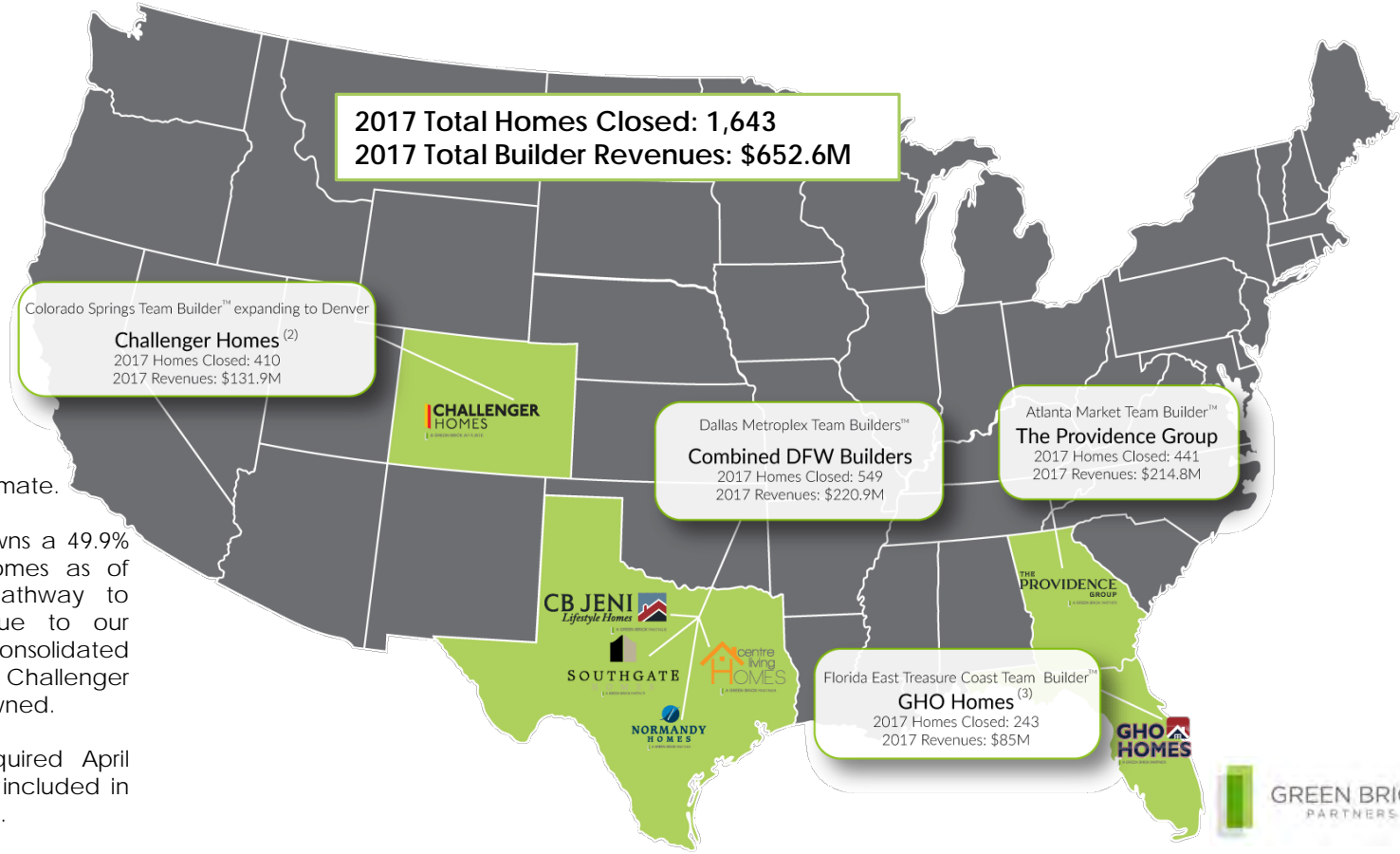
### Colorado

Challenger Homes	➔	Townhomes, single family
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### Products offered

# MARKET UPDATE

Homes Closed and Revenues by Builder for Full Year 2017<sup>(1)(2)(3)</sup>



(1) All amounts are approximate.

(2) Green Brick Partners owns a 49.9% interest in Challenger Homes as of August 2017, with a pathway to controlled ownership. Due to our minority interest, our consolidated financials do not include Challenger units, revenues, and lots owned.

(3) GHO Homes was acquired April 2018. 2017 results are not included in our consolidated financials.

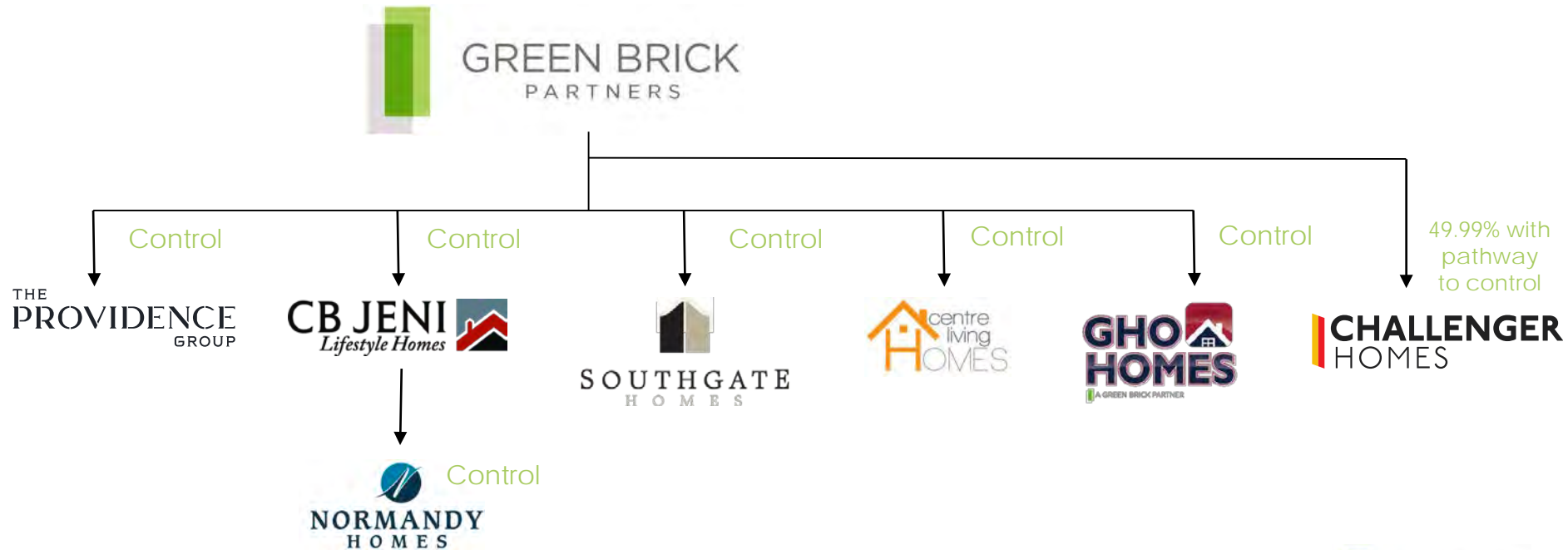
# GRBK GHO HOMES

- On April 26th, 2018, GRBK closed on its acquisition of an 80% ownership of GHO Homes.
- With this investment, Green Brick has expanded into Florida's Treasure Coast and has expanded its network of Team Builders™ to seven.
- Green Brick Partners has purchased all of the assets of GHO Homes and affiliates and retains controlling ownership of GHO Homes through an investment in a newly formed entity, GRBK GHO Homes, LLC.
- Bill Handler will continue serving as President and will be a 20% partner in GRBK GHO Homes, LLC.
- In 2017, GHO Homes closed approximately 243 homes, generating over \$85 million in annual revenue.
- In May 2018, GHO Homes was recognized by Builder Magazine as the fastest growing builder in their Next 100 list of the largest builders in the country.
- The acquisition will expand Green Brick's footprint by geography, price point, and target market.



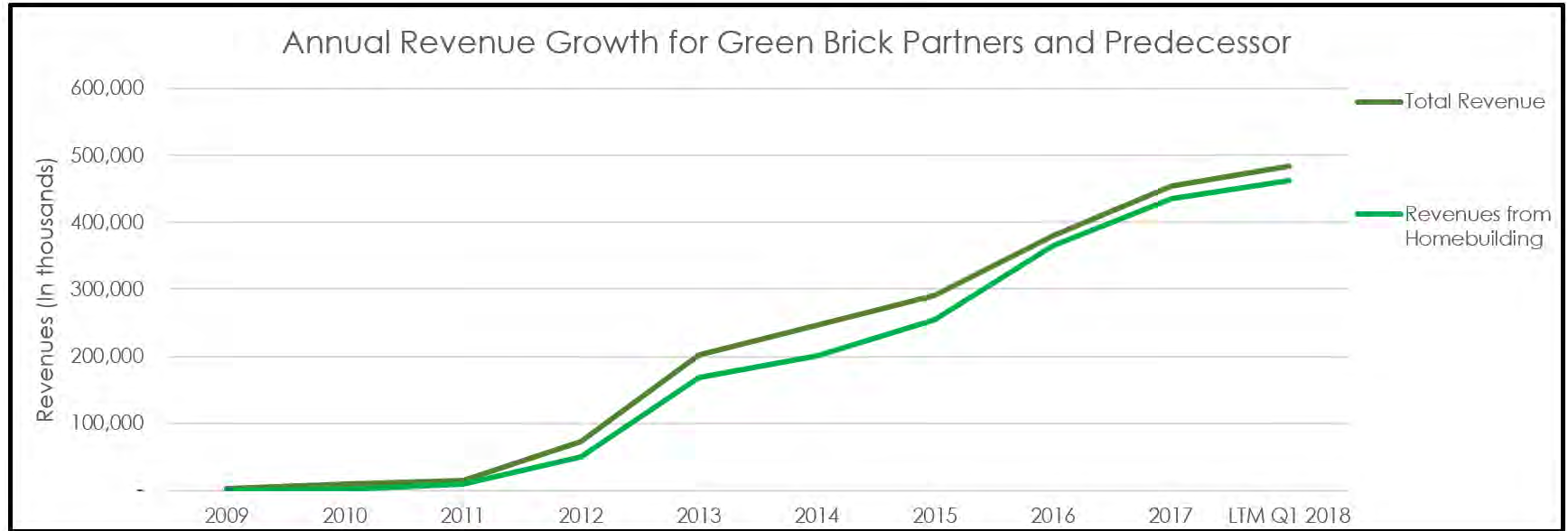
# CORPORATE STRUCTURE

- We are a diversified homebuilding and land development company with strong sponsor ownership and controlling interests in our aligned homebuilders.



# GRBK: A TRUE GROWTH STORY

We have the strong balance sheet and operational excellence for continued growth

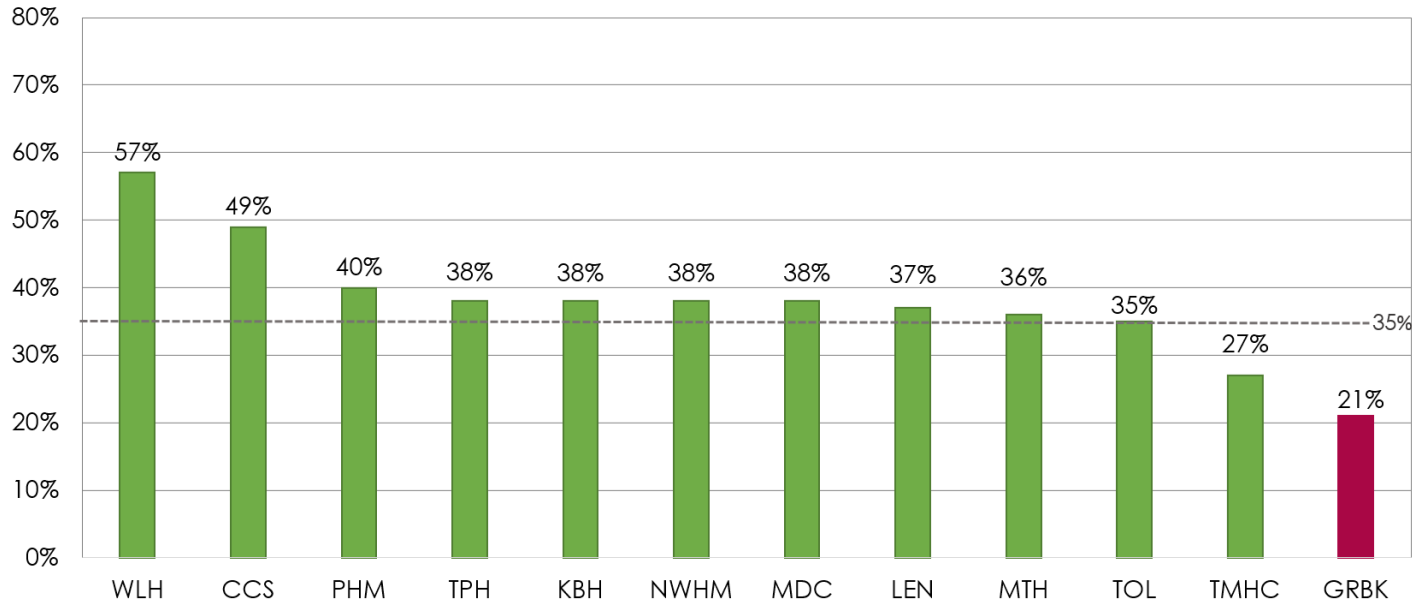


# BALANCE SHEET STRENGTH

GRBK has one of the lowest debt-to-capital ratios amongst public builders. We have the capital to continue growing profitably.

- GRBK net debt to capital is about 20.5% versus an average 40% for covered public builders
- GRBK's eventual target is approximately 30 to 35%

Net Debt to Total Capital Q1 2018



Source: Company filings. data for comparative companies is reported as of April 27, 2018; "Net Debt" equals Total Debt minus Cash.

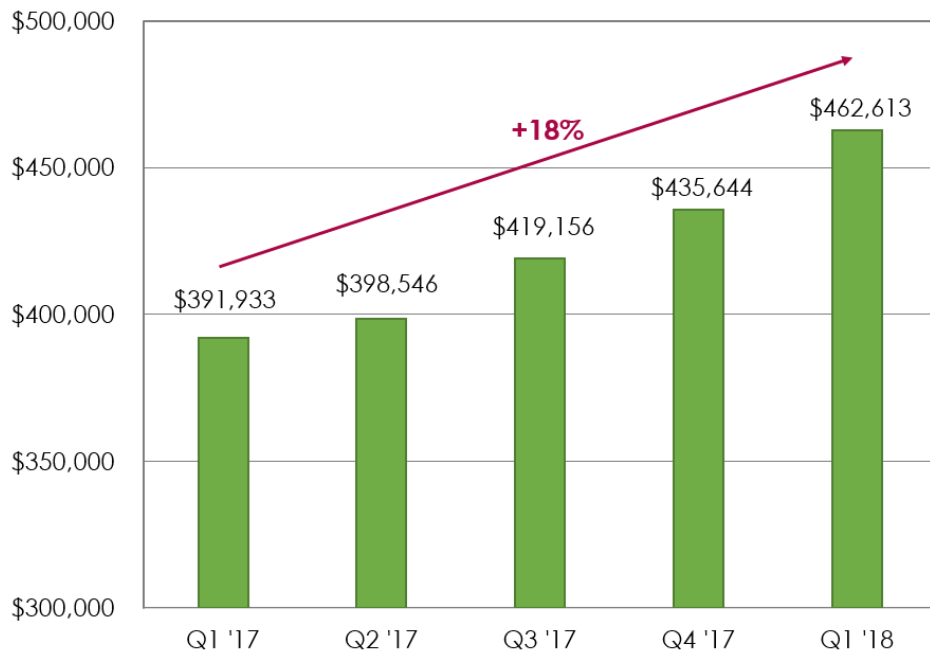
# FINANCIAL HIGHLIGHTS

## Unaudited

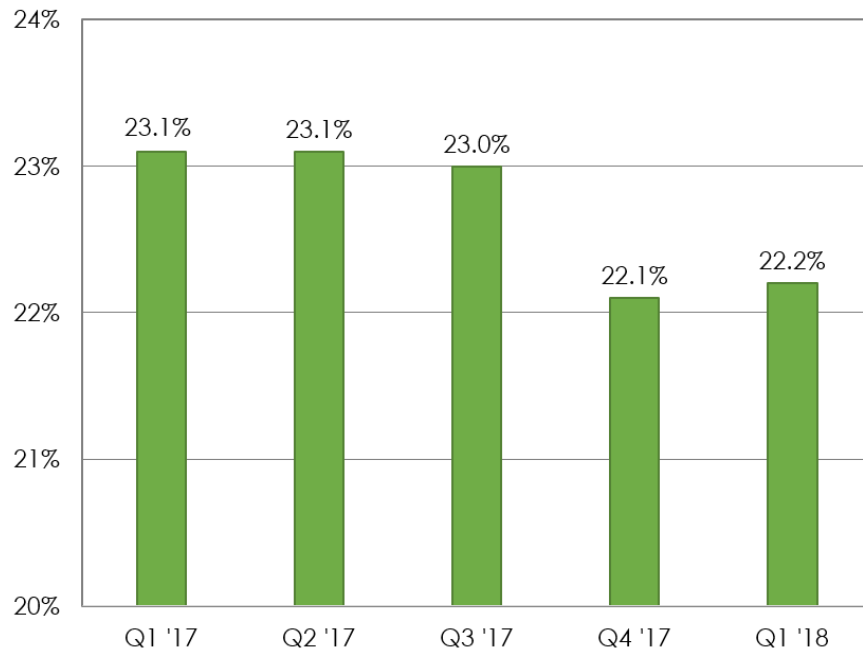
	Q1 2018	Q1 2017	17 vs 18 Q1 Increase
<i>Home Closings - Units</i>	267	226	18%
<i>Net New Orders</i>	434	287	51%
<i>Homebuilding Revenues (\$'s in thousands)</i>	\$120,366	\$93,397	29%
<i>3rd Party Lot Closings (\$'s in thousands)</i>	\$7,899	\$5,940	33%
<i>Total Revenues (\$'s in thousands)</i>	\$128,265	\$99,337	29%
<i>GRBK Pre-Tax Income (\$'s in thousands)</i>	\$14,538	\$10,052	45%
<i>EPS</i>	\$0.22	\$0.13	69%
<i>Backlog (\$'s in thousands)</i>	\$226,516	\$145,164	56%
<i>Homebuilding Gross Margin</i>	21.5%	21.0%	
<i>Adjusted Gross Margin</i>	22.1%	21.7%	
<i>GRBK Pre-Tax / Homebuilding Revenues</i>	12.1%	10.8%	
<i>Total Lots</i>	6,318	4,956	27%
<i>Units Under Construction</i>	760	625	22%
<i>Last 12 Months Starts</i>	1,188	993	20%

# OPERATIONAL HIGHLIGHTS

## LTM Adjusted Gross Margins



## LTM GRBK Pre-Tax Income to Homebuilding Revenues





# NON-GAAP RECONCILIATION

## GRBK Pre-tax Income as a Percentage of Homebuilding Revenues

(Unaudited, in thousands)	12 Months Ended Mar 31, 2017	12 Months Ended Jun 30, 2017	12 Months Ended Sep 30, 2017	12 Months Ended Dec 31, 2017	12 Months Ended Mar 31, 2018
LTM Net income attributable to Green Brick	\$26,859	\$27,805	\$30,842	\$14,970	\$19,976
LTM Income tax provision attributable to Green Brick	<u>\$17,693</u>	<u>\$17,829</u>	<u>\$19,541</u>	<u>\$38,896</u>	<u>\$38,376</u>
LTM GRBK Pre-tax income	\$44,552	\$45,634	\$50,383	\$53,866	\$58,352
<b>LTM Sale of Residential Units</b>	<b>\$391,933</b>	<b>\$398,546</b>	<b>\$419,156</b>	<b>\$435,644</b>	<b>\$462,613</b>
LTM GRBK Pre-tax income as a % of Homebuilding Revenues	11.4%	11.5%	12.0%	12.4%	12.6%

(Unaudited, in thousands)	3 Months Ended Mar 31, 2017	3 Months Ended Mar 31, 2018
Net income attributable to Green Brick	\$6,197	\$11,203
Income tax provision attributable to Green Brick	<u>\$3,855</u>	<u>\$3,335</u>
GRBK Pre-tax income	\$10,052	\$14,538
<b>Sale of Residential Units</b>	<b>\$93,397</b>	<b>\$120,366</b>
GRBK Pre-tax income as a % of Homebuilding Revenues	10.8%	12.1%

# NON-GAAP RECONCILIATION

## Adjusted Homebuilding Gross Margin Reconciliation

(Unaudited, in thousands)	12 Months Ended Mar 31, 2017	12 Months Ended June 30, 2017	12 Months Ended Sep 30, 2017	12 Months Ended Dec 31, 2017	12 Months Ended Mar 31, 2018
Sale of Residential Units	\$391,933	\$398,546	\$419,156	\$435,644	\$462,613
Homebuilding gross margin	\$87,922	\$89,429	\$93,637	\$93,579	\$99,800
Add back: Capitalized Interest charged to cost of sales	\$2,441	\$2,492	\$2,639	\$2,630	\$2,784
<b>Adjusted homebuilding gross margin</b>	<b>\$90,363</b>	<b>\$91,921</b>	<b>\$96,276</b>	<b>\$96,209</b>	<b>\$102,584</b>
Adjusted gross margin percentage	23.1%	23.1%	23.0%	22.1%	22.2%



GREEN BRICK  
PARTNERS

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