Kenan–Flagler Business School

ALPHA CHALLENGE

The University of North Carolina

December 4, 2025

Team Number: 5

Student Names: Yandy Ngai, Ali Almail, Nate Chou

Investment Recommendation

LONG: Green Brick Partners (**GRBK**) at a **1yr price target of $86.04**, representing a **31.83% upside** and against analyst consensus of $66.5. Stock is currently trading at $65.27

Investment Theses

Thesis 1: Defensive Play — GRBK Outperforms Peers with a Strong Balance Sheet and Margin Discipline

- GRBK combines high margin execution with one of the cleanest balance sheets in the sector; positioning it as a low leverage, high return defensive compounder in a cyclical industry.

Thesis 2: GRBK's concentration in durable, high-demand, supply-constrained markets such as Dallas, Austin, and Atlanta underpins superior absorption, sustained pricing power, and margin durability.

- GRBK's land-led model in supply constrained Sunbelt markets converts conservative book value into repeatable margin leadership and embedded asset appreciation.

Ticker	Name	Mkt Cap (USD)	P/E	EV/EBITDA	EV/EBIT	EV/Rev	P/BV	Gross Margin	Leverage Ratio
GRBK	Green Brick Partners Inc	2,731,967,296	9.4 x	6.4 x	7.8 x	1.5 x	1.6 x	33.5%	15.30%
TMHC	Taylor Morrison Home	5,796,071,944	8.5 x	7.1 x	7.5 x	1.0 x	0.9 x	24.4%	26.74%
MTH	Meritage Homes	4,717,249,369	9.6 x	8.1 x	9.6 x	0.9 x	0.9 x	24.9%	25.98%
KBH	KB Home	3,940,283,435	10.0 x	8.8 x	11.1 x	1.0 x	1.0 x	21.0%	29.41%
MHO	M/I Homes	3,348,839,548	8.3 x	6.3 x	6.6 x	0.8 x	1.1 x	24.7%	33.38%
TPH	Tri Pointe Homes	2,715,270,970	12.8 x	7.5 x	12.5 x	1.0 x	0.8 x	23.3%	30.63%
CCS	Century Communities	1,762,469,654	9.7 x	9.2 x	12.9 x	0.7 x	0.7 x	21.5%	36.03%
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LGIH	LGI Homes	1,078,486,343	10.3 x	15.3 x	21.0 x	1.4 x	0.5 x	24.2%	42.70%

As of 11/7

Valuation

Base Case

Price Target	86.04
Upside	31.83%

Bull Case

Price Target	111.77
Upside	71.24%

Covid Case

Price Target	82.83
Upside	26.90%

Bear Case

Price Target	68.51
Upside	4.96%

Very Bear Case

Price Target	43.96
Upside	-32.65%

Financial Data

Current Price ($)	65.27	**Revenue ($MM)**	2,099
Market Cap ($MM)	2,731	**Gross Margin (%)**	32
EV ($MM)	3,012	**EBITDA ($MM)**	477
52W High / Low ($)	77.93 / 50.57	**EPS ($)**	8.45

Our Estimates vs Consensus

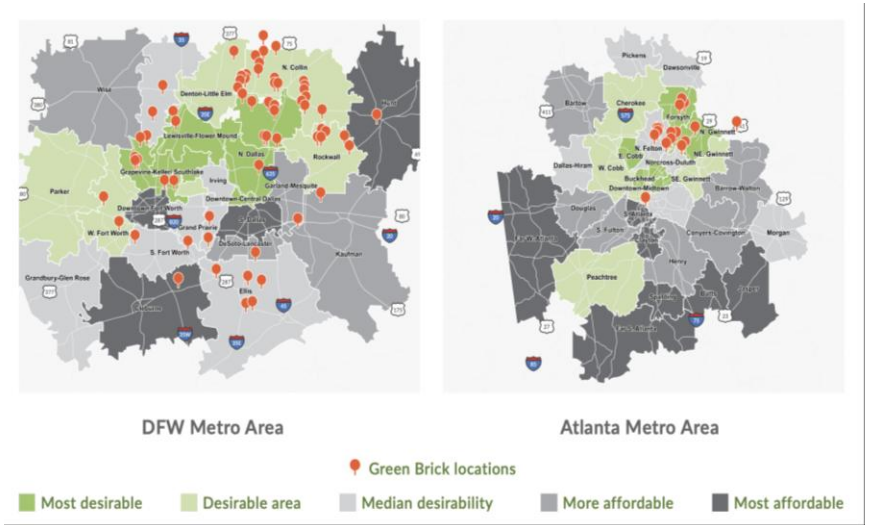
	2025		2026		2027
	Forecast	Consensus	Forecast	Consensus	Forecast
Revenue	2,113	2,010	2,198	2,029	2,286
Growth	*1%*	*-4%*	*4%*	*1%*	*8%*
Gross Margin	32%	31%	29%	30%	29%
Growth	*-168 bps*	*-800 bps*	*-241 bps*	*-85 bps*	*-241 bps*

Company and Industry Overview

GRBK is a high-quality and underfollowed home builder. The company's unique land strategy coupled with comparatively strong historical balance sheets makes GRBK a compelling defensive investment

Company Background

GRBK is a land developer and homebuilder primarily operating in Dallas-Fort Worth (TX), Austin (TX), Atlanta (GA) and the Treasure Coast (FL)



Full-service one-stop-shop solution through Green Brick Title, Green Brick Insurance and GRBK Mortgage

Builder-Developer Model: acquire high quality land, self-develop into buildable lots, and construct the homes through its 7 subsidiary builders

- Allows GRBK to develop and deliver finished lots within 1-2 years of acquisition with significant control. As of FY24, ~98% of lots were self-developed and 87% of lots were owned

Industry:

- Zoning law complexity, time and capital barriers
- Home builders generally deploy a 'land light' strategy
- Limited resale supply
- Fragmented buyers

Top 5 Market Share in DFW (2024):

DHI	18.7%
LEN	12.6%
GRBK	**6.6%**
Highland	4.8%
Bloomfield	4.6%

Revenue Breakdown:

Revenues	2022	2023	2024
Builder Operations – Central	1,181.4	1,270.6	1,489.6
Builder Operations – Southeast	529.9	499.1	580.7
Land Development	46.5	8.0	28.7
Total Revenues	**1,757.8**	**1,777.7**	**2,098.9**

Thesis 1: Defensive Play (1/4)

GRBK outperform peers with healthier financials in a defensive sector benefiting from macro tailwinds

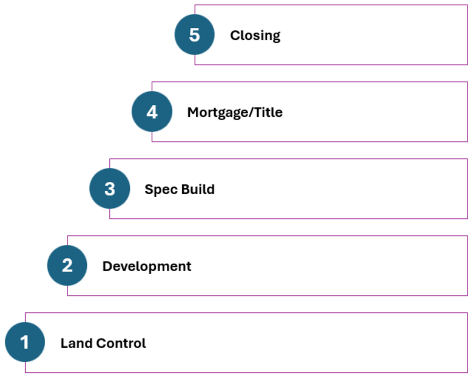
Business Model Drives Structural Margin Advantage

Builder-Developer Model:
- Decentralized approach taps into each builder's market niche advantages
- Better control of lot delivery, scheduling and cost
- Lower capital paid to providers of off-balance sheet financing

Spec/Quick-Move-In Builds:
- 76% of GRBK's homes under construction were spec units v/s. peers with lower % and Build-To-Order models

- GRBK bought a lot of land in previous years (2023-2024), which will see revenue flow through in the next 1-2 years
- Peers with full-on financial services (title and mortgage companies) only account for 1% of revenue
- Green Brick Mortgage **enables pricing flexibility** through rate buydowns

Pricing Power:



- Self-developed infill / infill-adjacent
- Simplified spec platform (Trophy) leading to shorter cycles, predictable costs and low cancellations

Strong Balance Sheet

Figure 1: Debt Distribution

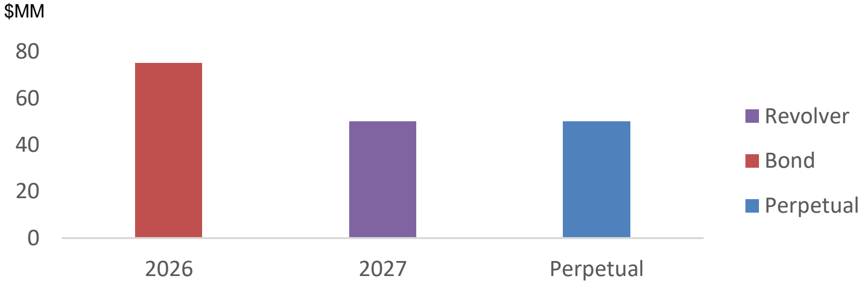


Figure 2: Leverage Ratios

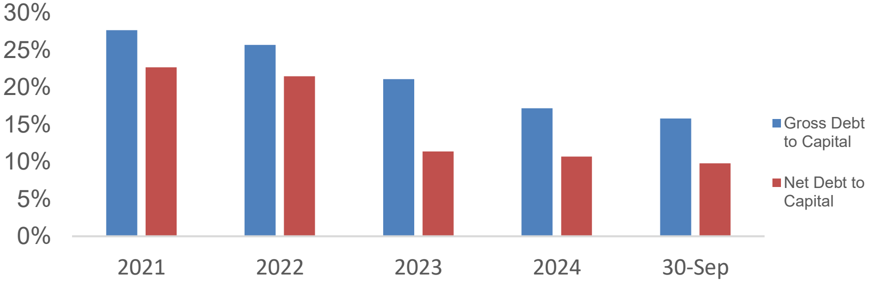
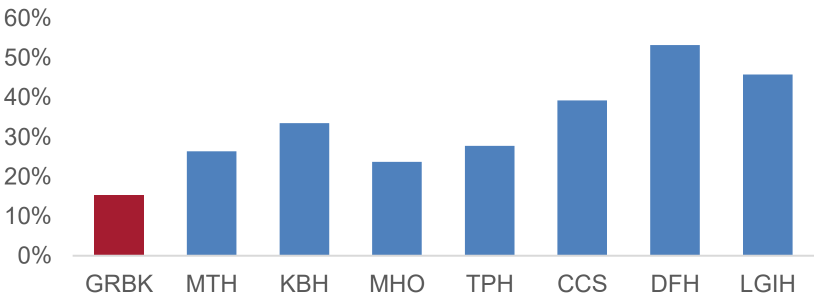


Figure 3: Current Leverage Ratio against Peers

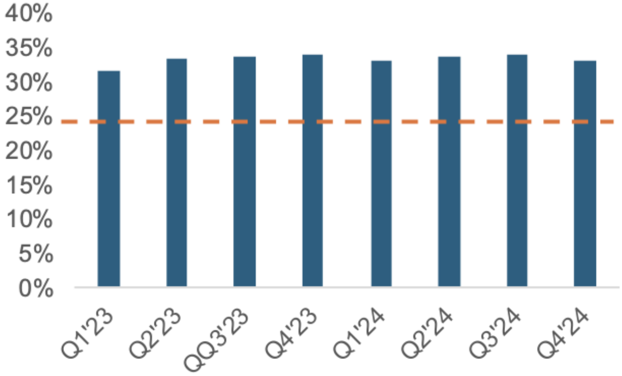


Thesis 1: Defensive Play (2/4)

GRBK outperform peers with healthier financials in a defensive sector benefiting from macro tailwinds

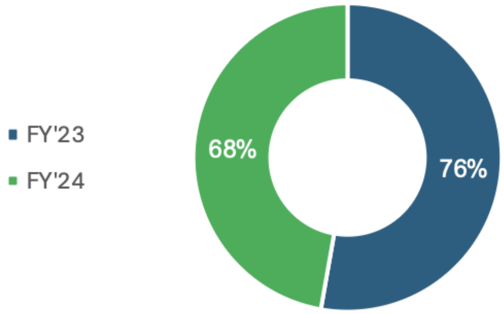
Gross Margins

Status: >30% (sustainability target)
Captures land-first + standardized spec advantage



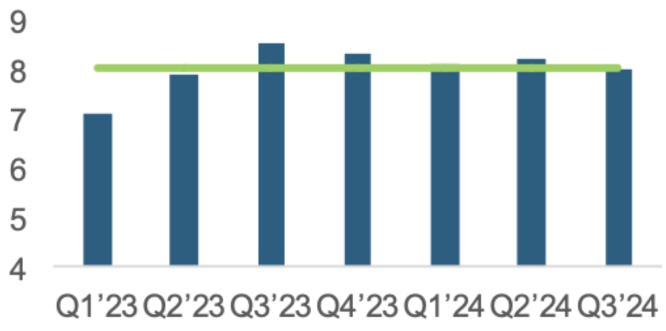
Spec Mix

Status: Mid-60s % target (balanced inventory)
Keeps pace with demand, reduces backlog risk, supports consistent turns



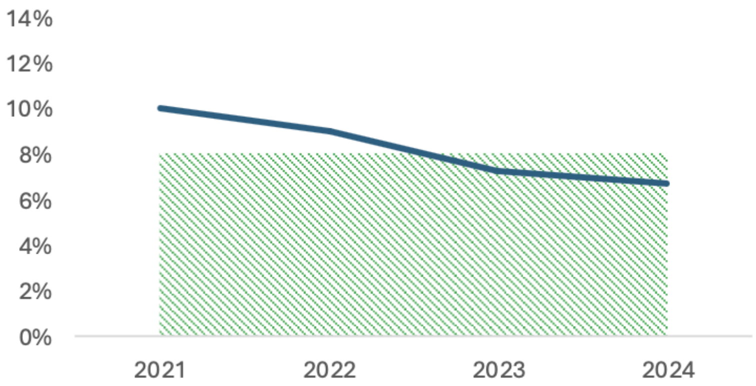
Absorptions

Status: ≥8 sales / community / quarter
Velocity proof; enables price discipline



Cancellation Rate

Status: <8%
Confirms payment-first selling + captive mortgage execution



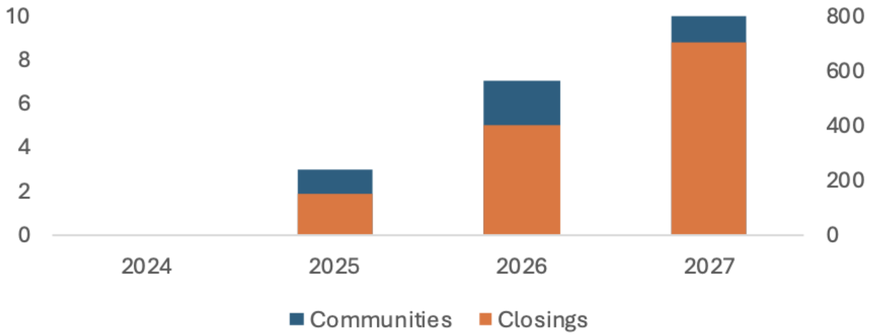
Thesis 1: Defensive Play (3/4)

GRBK outperform peers with healthier financials in a defensive sector benefiting from macro tailwinds

Houston Ramp

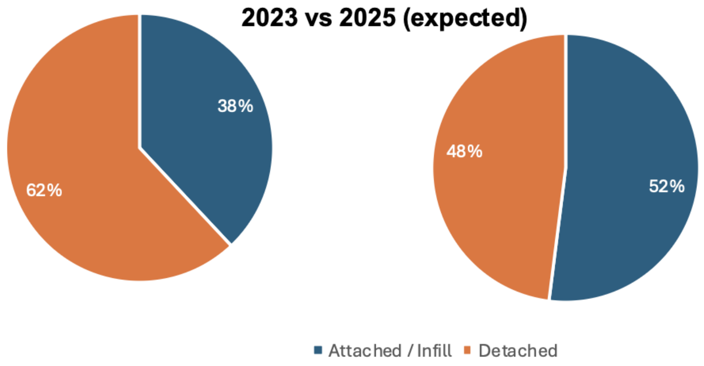
DFW-like Economics

1. Community count build
2. Absorptions < 8/quarter within 2-3 quarters
3. Gross Margin converges to ~30% as trades stabilize



Atlanta Mix Upgrade

1. Higher attach mix
2. Front-foot pricing lift
3. Cycle-time 10-15 days on standardized plans

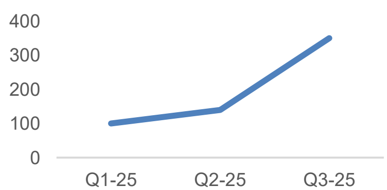


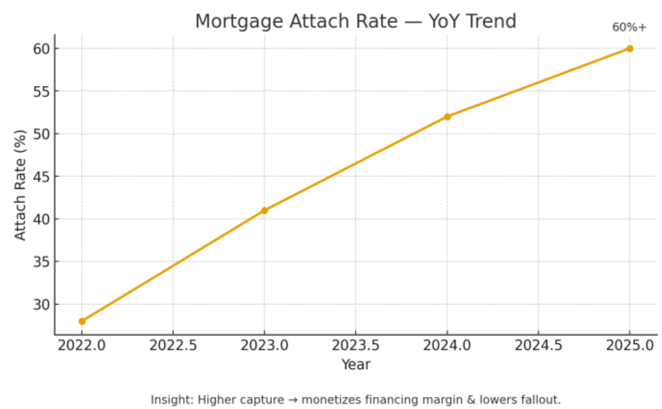
Mortgage Rates

Lowering mortgage rates fuels housing demand

Mortgage Rate Forecast				
Forecaster	**Q3 2025**	**Q4 2025**	**Q1 2026**	**Q2 2026**
Fannie Mae	6.3%	6.1%	6.0%	5.9%
Mortgage Bankers Association	6.7%	6.6%	6.5%	6.5%

Green Brick Mortgages Loans Funded and Closed:





**Sources: Fannie Mae, Mortgage Bankers Association, US Census Bureau, Zillow*

Thesis 1: Defensive Play (4/4)

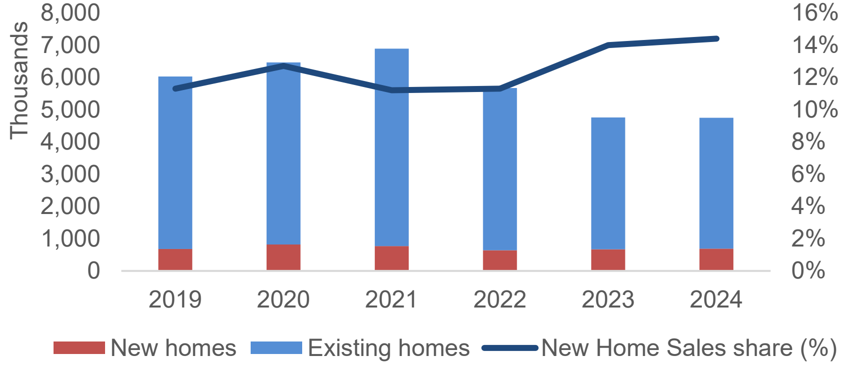
GRBK outperform peers with healthier financials in a defensive sector benefiting from macro tailwinds

Structural Underbuilding of Homes

Housing Shortage Fueling Home Demand

- Shortage of 4-7 million homes
- Supply constrained in desirable areas
- Builders with land banks and entitlements are advantaged
- Resale homes are often less available, making new home value proposition strong

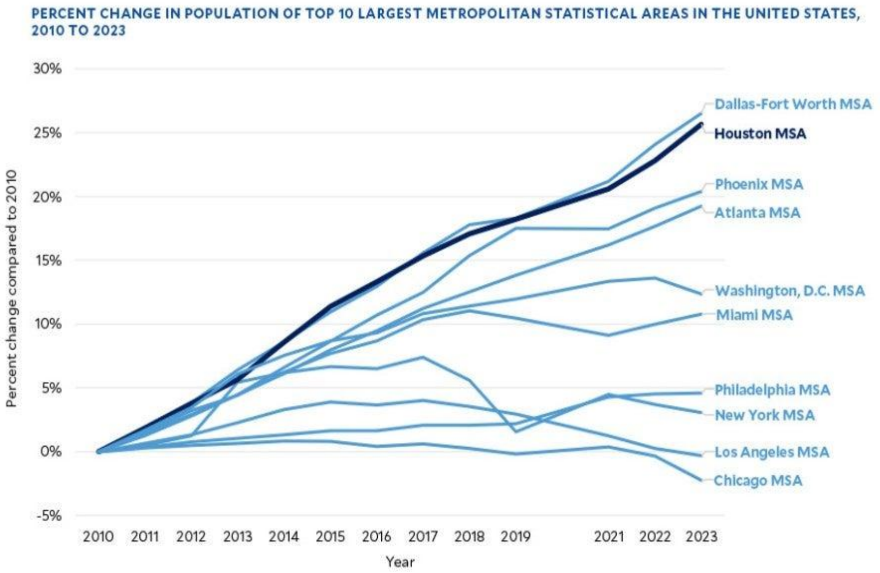
Figure 1: Sales – New Homes vs Existing



Demographic Trends Driving Demand

Sunbelt Migration and Employment Growth

- Demographic shift to Sunbelt states
- Corporate relocations and expansions help stabilize job bases and support housing demand
- DFW: fastest growing in 2024
- Houston (new GRBK entry): up-and-coming demand, GRBK well-positioned to capitalize



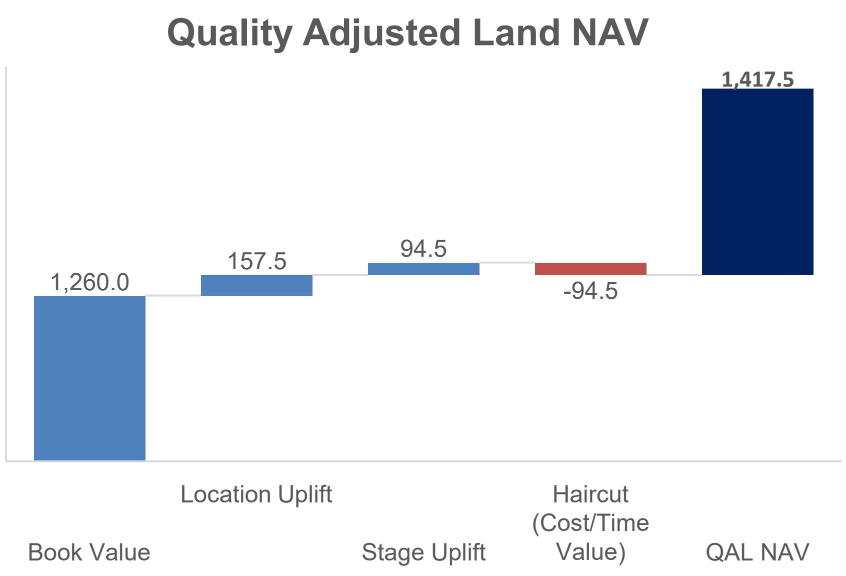
**Sources: Fannie Mae, Mortgage Bankers Association, US Census Bureau, Zillow*

Thesis 2: Land Value

Land Value is often overlooked in homebuilder valuation

The Dirt Is Worth More Than Book

- GAAP land book ≈ $1.26B; carried at cost with impairments only
- A and A- locations in TX and ATL support finished-lot comps above book
- ~98% self-developed lots capture developer spread that peers pay away
- Quality-Adjusted NAV indicates $100–200M “hidden reserve” after haircuts



Land Control Converts Into Durable Margin

- ~98% of lots are self-developed rather than purchased finished from third parties.
  - Owning entitlement and horizontal work captures the developer spread that many peers give away.
  - Standardized community templates reduce per-lot cost variance and schedule slippage.
- 92% of owned + controlled lots sit in DFW, Austin, and Houston.
  - These metros lead the U.S. on net in-migration, job growth, and new-home absorption.
  - Concentration in A and A- submarkets supports pricing power and faster turns.

Every dollar of land basis contains an embedded 20 – 25 % developer spread that peers pay away

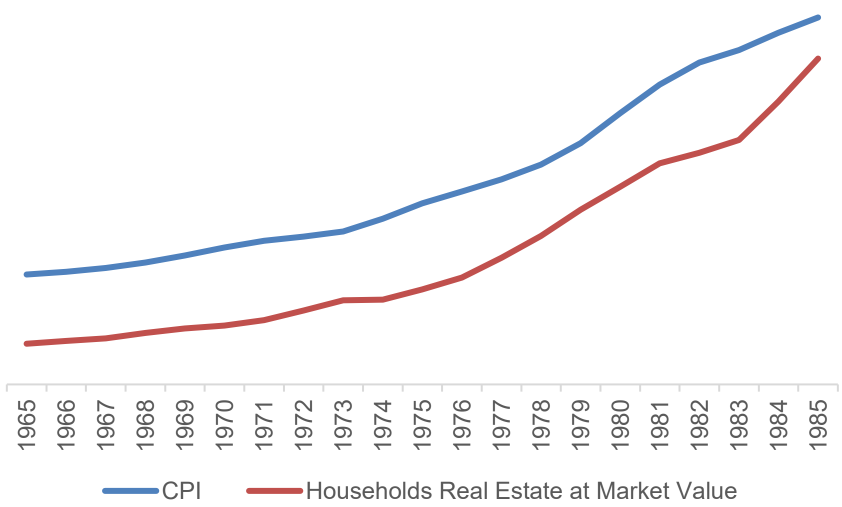
Submarket	GRBK Land Basis / Lot	Market Finished-Lot Price	Developer Spread	Comment
DFW North	$85K	$105K	23%	GRBK self-develops, captures margin
Austin	$90K	$112K	24%	Entitlement stage, short turn
Atlanta	$70K	$88K	26%	Infill-townhome focus

Thesis 2: Land Value

Land Control Converts Into Durable Margin

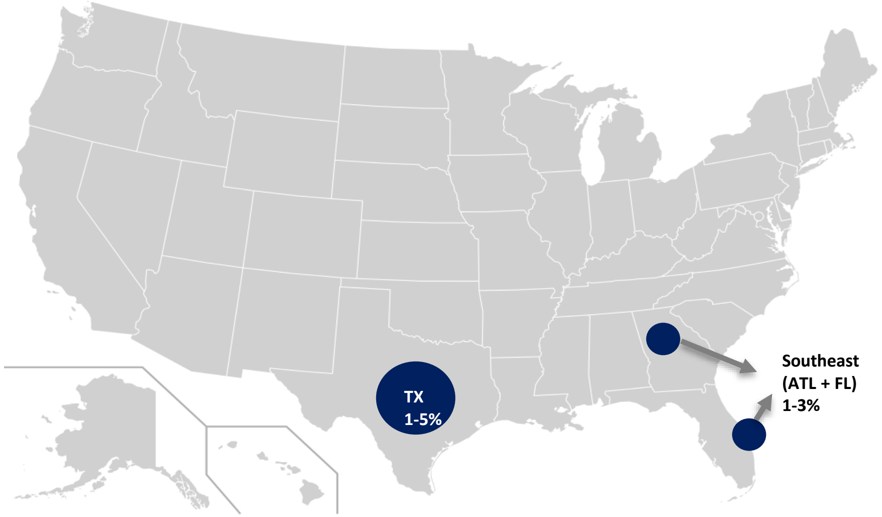
History doesn't repeat but it rhymes

- Sticky Inflation Backdrop (CPI):
  - CPI remains elevated, signaling persistent inflation.
  - Sticky inflation keeps replacement and carrying costs rising.
  - Nominal land and home prices tend to drift higher
- Household Real Estate Wealth (Market Value):
  - FRED data show steady growth in household real estate wealth since the 1960s.Rising nominal home and land values strengthen household balance sheets.
  - This "wealth base" supports ongoing demand for new homes and finished lots.
  - Strong household asset values give buyers room to absorb higher nominal pricing.



Land Hedge – History Rhymes

Submarket	GRBK presence	Appreciation expectation	Rationale
DFW (infill/arm)	High	2–4% annual	Strong migration, balanced lot supply, infill premium.
Houston (early-ramp)	Medium → high	2–5% annual	Building out; infill deals active; supply still tight (especially infill) in many ZIPs. Builders Land Source+1
Austin (mid-premium)	Medium	1–3% annual	More supply loosening; premium basis already elevated; upside smaller.
Southeast (Atlanta, FL Treasure Coast)	Lower weighting	1–3% annual	Emerging markets in GRBK's book; national lot supply loosening.



Sources: Real Estate Expert

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Valuation Summary

DCF indicates 32% upside for base case, 71% for bull case and 5% for bear case.
Additional scenarios indicate 33% downside for very bear case and a 27% upside for a Covid case

Base Case	2026	2027	2028	2029	2030	TV
Net Income	$ 321	$ 333	$ 347	$ 361	$ 375	
D&A	$ -	$ -	$ -	$ -	$ -	
less: Δ NWC (WCInv)	$ -	$ -	$ -	$ -	$ -	
less: Capex (FCInv)	$ -	$ -	$ -	$ -	$ -	
FCFX	**$ 321**	**$ 333**	**$ 347**	**$ 361**	**$ 375**	
plus: Int*(1-t)	$ -	$ -	$ -	$ -	$ -	
FCFF (FXFX + Int*(1-t)	**$ 321**	**$ 333**	**$ 347**	**$ 361**	**$ 375**	**$ 4,136**
plus: Net Borrowing	$ -	$ -	$ -	$ -	$ -	$ -
FCFE (FCFX + Net Borrowing)	**$ 321**	**$ 333**	**$ 347**	**$ 361**	**$ 375**	**$ 3,662**
PV of FCFF (Enterprise Value)	$ 321	$ 294	$ 272	$ 254	$ 240	$ 2,647
PV of FCFE (Market Cap)	$ 321	$ 291	$ 267	$ 247	$ 230	$ 2,246
Implied Price	**$ 86.04**					
Upside	**31.8%**					

DCF Drivers	2026	2027	2028	2029	2030	TV
Proportion Debt	15%	16%	17%	19%	20%	20%
Proportion Equity	85%	84%	83%	81%	80%	80%
Cost of Debt	11.0%	10.5%	10.0%	9.5%	9.0%	9.0%
Cost of Equity	15.0%	14.5%	14.0%	13.5%	13.0%	13.0%
Tax %	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
WACC	**14.1%**	**13.5%**	**13.0%**	**12.4%**	**11.8%**	**11.8%**

Bull Case	2026	2027	2028	2029	2030	TV
Net Income	$ 414	$ 414	$ 410	$ 451	$ 497	
D&A	$ -	$ -	$ -	$ -	$ -	
less: Δ NWC (WCInv)	$ -	$ -	$ -	$ -	$ -	
less: Capex (FCInv)	$ -	$ -	$ -	$ -	$ -	
FCFX	**$ 414**	**$ 414**	**$ 410**	**$ 451**	**$ 497**	
plus: Int*(1-t)	$ -	$ -	$ -	$ -	$ -	
FCFF (FXFX + Int*(1-t)	**$ 414**	**$ 414**	**$ 410**	**$ 451**	**$ 497**	**$ 5,474**
plus: Net Borrowing	$ -	$ -	$ -	$ -	$ -	$ -
FCFE (FCFX + Net Borrowing)	**$ 414**	**$ 414**	**$ 410**	**$ 451**	**$ 497**	**$ 4,847**
PV of FCFF (Enterprise Value)	$ 414	$ 365	$ 322	$ 318	$ 318	$ 3,504
PV of FCFE (Market Cap)	$ 414	$ 362	$ 316	$ 309	$ 305	$ 2,973
Implied Price	**$ 111.77**					
Upside	**71.2%**					

Bear Case	2026	2027	2028	2029	2030	TV
Net Income	$ 174	$ 241	$ 308	$ 308	$ 308	
D&A	$ -	$ -	$ -	$ -	$ -	
less: Δ NWC (WCInv)	$ -	$ -	$ -	$ -	$ -	
less: Capex (FCInv)	$ -	$ -	$ -	$ -	$ -	
FCFX	**$ 174**	**$ 241**	**$ 308**	**$ 308**	**$ 308**	
plus: Int*(1-t)	$ -	$ -	$ -	$ -	$ -	
FCFF (FXFX + Int*(1-t)	**$ 174**	**$ 241**	**$ 308**	**$ 308**	**$ 308**	**$ 3,451**
plus: Net Borrowing	$ -	$ -	$ -	$ -	$ -	$ -
FCFE (FCFX + Net Borrowing)	**$ 174**	**$ 241**	**$ 308**	**$ 308**	**$ 308**	**$ 3,010**
PV of FCFF (Enterprise Value)	$ 174	$ 212	$ 242	$ 218	$ 198	$ 2,220
PV of FCFE (Market Cap)	$ 174	$ 211	$ 237	$ 211	$ 189	$ 1,846
Implied Price	**$ 68.51**					
Upside	**5.0%**					

Risks & Mitigants

Risk	Perceived Risk Level	Mitigants
Material/Labor Shortage		Standardized plans; multi-trade agreements and preferred vendor programs; dual-sourcing for key items; pull-forward orders on long-lead items
Concentration Risk		Diversify by spreading lots across different counties/states; stagger community openings; maintain GA/FL pipeline; have ample cash & undrawn revolver to absorb local shocks
Cyclical Demand		Use spec/quick-move-in houses and captive-mortgage buydowns to lock in sales; keep SG&A variable and maintain low leverage
Rates relapse		Offer extended rate-locks and tiered buydowns; shift mix toward smaller footprints / value-engineered plans; keep a pipeline of near-ready spec homes so buyers can close quickly
Land Impairment		Maintain regular impairment stress tests by submarket; use phased developments or JVs
Execution Risk (Houston)		Seasoned local division leadership; trade base built from DFW relationships; pilot with a few communities first – replicate Trophy plans and specs; hire strong local leadership and tradesmen
Weather/Insurance		Fortify construction standards (impact windows, roof systems) and build above code; elevation/drainage design; maintain price-point/margin buffers specific to FL developments; have strong storm-response playbook
Key-man Risk		Active succession planning; deep bench; use equity-based retention; a decentralized divisional model so know-how isn't concentrated

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Growth	*-168 bps*	*-800 bps*	*-241 bps*	*-85 bps*	*-241 bps*

Appendix: Revenue Breakdown – Base Case

Rev Split Margins										
Builder Operations - Central	41.9%	52.9%	49.0%	45.3%	50.1%	66.1%	67.0%	67.2%	71.5%	71.0%
Builder Operations - Southeast	0.0%	43.3%	46.9%	48.4%	45.9%	29.4%	28.4%	30.1%	28.1%	27.7%
Land Development	12.7%	3.8%	4.1%	6.4%	3.9%	4.4%	4.6%	2.6%	0.4%	1.4%
Builder Operations - Georgia	45.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Builder Operations - Central	122.0	206.8	224.7	282.2	396.9	645.5	940.0	1,181.4	1,270.6	1,489.6
Builder Operations - Southeast	0	169.2	214.9	301.6	363.7	287.3	398.2	529.9	499.1	580.7
Land Development	36.9	14.9	18.7	39.8	31.1	43.3	64.6	46.5	8.0	28.7
Builder Operations - Georgia	132.3	0	0	0	0	0	0	0	0	0
Total Revenues	**291.1**	**391.0**	**458.3**	**623.6**	**791.7**	**976.0**	**1,402.9**	**1,757.8**	**1,777.7**	**2,098.9**
Gross Profit Before Tax										
Builder Operations - Central	30.0	51.0	64.4	75.0	88.5	172.3	271.8	393.7	424.5	524.4
Builder Operations - Southeast	-	37.8	57.8	82.9	92.1	77.1	110.2	156.8	166.3	215.0
Land Development	9.6	4.6	5.5	9.3	8.1	10.9	9.4	13.4	3.3	4.4
Corporate, Other and Unallocated	(9.1)	(5.7)	(9.3)	(13.1)	(19.5)	(25.7)	(29.3)	(40.9)	(45.9)	(40.3)
Builder Operations - Georgia	31.7	-	-	-	-	-	-	-	-	-
Total Gross Profit Before Tax	**62.3**	**87.7**	**118.5**	**154.2**	**169.1**	**234.6**	**362.1**	**523.0**	**548.2**	**703.5**
	0.21	0.22	0.26	0.25	0.21	0.24	0.26	0.30	0.31	0.34
Net Profit Before Tax										
Builder Operations - Central	19.9	34.9	36.2	36.2	34.8	99.6	178.8	281.8	291.3	372.6
Builder Operations - Southeast	-	24.6	34.6	46.3	46.3	41.1	69.6	107.7	112.6	154.8
Land Development	5.1	3.6	4.3	8.4	13.5	9.5	8.8	13.1	5.1	5.9
Corporate, Other and Unallocated	(12.1)	(12.6)	(10.9)	(9.3)	(10.2)	(7.4)	(0.1)	(6.1)	(17.7)	(21.4)
Builder Operations - Georgia	21.7	-	-	-	-	-	-	-	-	-
Total Net Profit Before Tax	**34.7**	**50.6**	**64.2**	**81.7**	**84.3**	**142.8**	**257.0**	**396.5**	**391.3**	**511.9**

Appendix: Income Statement – Base Case

Income Statement	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Revenue	$ 792	$ 976	$ 1,403	$ 1,758	$ 1,778	$ 2,099	$ 2,113	$ 2,198	$ 2,286	$ 2,377	$ 2,472	$ 2,571
COGS	$ 622	$ 741	$ 1,041	$ 1,235	$ 1,230	$ 1,395	$ 1,440	$ 1,551	$ 1,613	$ 1,677	$ 1,745	$ 1,814
Gross Profit	**$ 169**	**$ 235**	**$ 362**	**$ 523**	**$ 548**	**$ 704**	**$ 673**	**$ 647**	**$ 673**	**$ 700**	**$ 728**	**$ 757**
SG&A	$ 98	$ 112	$ 134	$ 164	$ 193	$ 227	$ 233	$ 234	$ 243	$ 253	$ 263	$ 273
D&A	$ 3	$ 4	$ 3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Operating Income	**$ 69**	**$ 119**	**$ 225**	**$ 359**	**$ 355**	**$ 477**	**$ 439**	**$ 413**	**$ 430**	**$ 447**	**$ 465**	**$ 483**
Other Income	$ 10	$ 17	$ 20	$ 26	$ 17	$ 5	$ 2	$ -	$ -	$ -	$ -	$ -
Income Tax Expense	$ 20	$ 25	$ 53	$ 82	$ 85	$ 95	$ 91	$ 87	$ 90	$ 94	$ 98	$ 101
Minority Interest	$ (6)	$ (4)	$ (14)	$ (22)	$ (22)	$ (36)	$ (33)	$ -	$ -	$ -	$ -	$ -
Plug	$ 6	$ 7	$ 12	$ 12	$ 19	$ 30	$ 22	$ (6)	$ (6)	$ (6)	$ (6)	$ (7)
Net Income	**$ 59**	**$ 114**	**$ 190**	**$ 292**	**$ 285**	**$ 382**	**$ 339**	**$ 321**	**$ 333**	**$ 347**	**$ 361**	**$ 375**
Pref. Dividends and Other Adj.	$ -	$ -	$ 0	$ 3	$ 3	$ 3	$ 3	$ -	$ -	$ -	$ -	$ -
Adj. Net Income	**$ 59**	**$ 114**	**$ 190**	**$ 289**	**$ 282**	**$ 379**	**$ 336**	**$ 321**	**$ 333**	**$ 347**	**$ 361**	**$ 375**

Appendix: Balance Sheet – Base Case

Assets	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Cash and Equivalents	$ 33	$ 19	$ 77	$ 77	$ 180	$ 142	$ 142	$ 649	$ 917	$ 1,199	$ 1,495	$ 1,806
Accounts Receivable	$ 5	$ 5	$ 7	$ 5	$ 11	$ 14	$ 40	$ -	$ -	$ -	$ -	$ -
Inventory	$ 754	$ 845	$ 1,204	$ 1,423	$ 1,533	$ 1,938	$ 2,100	$ 1,972	$ 2,051	$ 2,133	$ 2,218	$ 2,307
Restricted Cash	$ 4	$ 14	$ 16	$ 17	$ 20	$ 18	$ 33	$ -	$ -	$ -	$ -	$ -
Other Current Assets	$ 15	$ 22	$ 26	$ 24	$ 17	$ 14	$ 14	$ -	$ -	$ -	$ -	$ -
Current Assets	**$ 811**	**$ 906**	**$ 1,330**	**$ 1,545**	**$ 1,760**	**$ 2,125**	**$ 2,330**	**$ 2,621**	**$ 2,968**	**$ 3,332**	**$ 3,713**	**$ 4,112**
Gross Property, Plant & Equipment	$ 14	$ 14	$ 16	$ 15	$ 22	$ 23	-	$ -	$ -	$ -	$ -	$ -
Accumulated Depreciation	$ (6)	$ (8)	$ (8)	$ (9)	$ (8)	$ (10)	-	$ -	$ -	$ -	$ -	$ -
Net Property, Plant & Equipment	$ 8	$ 6	$ 7	$ 6	$ 14	$ 14	$ 14	$ -	$ -	$ -	$ -	$ -
Long-term Investments	$ 30	$ 46	$ 56	$ 74	$ 85	$ 61	$ 85	$ -	$ -	$ -	$ -	$ -
Goodwill	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ -	$ -	$ -	$ -	$ -
Other Intangibles	$ 1	$ 1	$ 1	$ 0	$ 0	$ 0	$ 0	$ -	$ -	$ -	$ -	$ -
Deferred Tax Assets, LT	$ 15	$ 15	$ 16	$ 16	$ 15	$ 14	$ 14	$ -	$ -	$ -	$ -	$ -
Other Long-Term Assets	$ 10	$ 14	$ 12	$ 12	$ 28	$ 36	$ 38	$ -	$ -	$ -	$ -	$ -
Plug	$ (8)	$ (6)	$ (7)	$ (6)	$ (14)	$ (14)	$ -	$ 11	$ 19	$ 25	$ 29	$ 29
Total Assets	**$ 876**	**$ 989**	**$ 1,422**	**$ 1,656**	**$ 1,903**	**$ 2,250**	**$ 2,481**	**$ 2,631**	**$ 2,987**	**$ 3,357**	**$ 3,741**	**$ 4,141**

Liabiliites & Equity	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Accounts Payable	$ 30	$ 25	$ 46	$ 52	$ 54	$ 60	$ 91	$ -	$ -	$ -	$ -	$ -
Accrued Exp.	$ 21	$ 34	$ 52	$ 73	$ 73	$ 93	$ 88	$ -	$ -	$ -	$ -	$ -
Other Current Liabilities	$ 28	$ 45	$ 74	$ 47	$ 67	$ 54	$ 14	$ -	$ -	$ -	$ -	$ -
Current Liabilities	$ -	$ -	$ 2	$ -	$ -	$ 2	$ 61	$ 238	$ 248	$ 258	$ 268	$ 279
Current Liabilities	**$ 79**	**$ 103**	**$ 173**	**$ 172**	**$ 194**	**$ 208**	**$ 254**	**$ 238**	**$ 248**	**$ 258**	**$ 268**	**$ 279**
Long-Term Debt	$ 238	$ 220	$ 335	$ 368	$ 347	$ 337	$ 340	$ 316	$ 329	$ 342	$ 356	$ 370
Long-Term Leases	$ 4	$ 3	$ 3	$ 4	$ 8	$ 7	$ 8	$ -	$ -	$ -	$ -	$ -
Other Non-Current Liabilities	$ 5	$ 0	-	-	-	-	-	$ -	$ -	$ -	$ -	$ -
Total Liabilities	**$ 326**	**$ 326**	**$ 511**	**$ 544**	**$ 549**	**$ 552**	**$ 602**	**$ 554**	**$ 577**	**$ 600**	**$ 624**	**$ 649**
Common Stock	$ 1	$ 1	$ 1	$ 0	$ 0	$ 0	$ 0	$ -	$ -	$ -	$ -	$ -
Additional Paid In Capital	$ 291	$ 293	$ 290	$ 259	$ 256	$ 245	$ 246	$ 246	$ 246	$ 246	$ 246	$ 246
Retained Earnings	$ 235	$ 350	$ 540	$ 754	$ 997	$ 1,333	$ 1,510	$ 1,831	$ 2,165	$ 2,511	$ 2,872	$ 3,247
Treasury Stock	$ (3)	$ (3)	$ (3)	-	-	-	-	$ -	$ -	$ -	$ -	$ -
Minority Interest	$ 27	$ 23	$ 36	$ 50	$ 53	$ 73	$ 75	$ -	$ -	$ -	$ -	$ -
Plug	$ 0	$ 0	$ 48	$ 48	$ 48	$ 48	$ 48	$ -	$ -	$ -	$ -	$ -
Total Equity	**$ 550**	**$ 663**	**$ 911**	**$ 1,112**	**$ 1,354**	**$ 1,698**	**$ 1,879**	**$ 2,077**	**$ 2,410**	**$ 2,757**	**$ 3,118**	**$ 3,493**
Total Liabilities And Equity	**$ 876**	**$ 989**	**$ 1,422**	**$ 1,656**	**$ 1,903**	**$ 2,250**	**$ 2,481**	**$ 2,631**	**$ 2,987**	**$ 3,357**	**$ 3,741**	**$ 4,141**

Appendix: Statement of Cash Flows – Base Case

Cash Flow	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Net Income	$ 59	$ 114	$ 190	$ 289	$ 282	$ 379	$ 336	$ 321	$ 333	$ 347	$ 361	$ 375
Depreciation & Amort.	$ 3	$ 4	$ 3	$ 2	$ 3	$ 5	$ 5	$ -	$ -	$ -	$ -	$ -
(Gain) Loss From Sale Of Assets	$ 0	$ 0	$ 0	$ (0)	$ 0	$ 0	$ 0	$ -	$ -	$ -	$ -	$ -
(Gain) Loss On Sale Of Invest.	-	-	-	-	-	$ (11)	$ -	$ -	$ -	$ -	$ -	$ -
(Income) Loss on Equity Invest.	$ (5)	$ (6)	$ (9)	$ (14)	$ (5)	$ 3	$ 10	$ -	$ -	$ -	$ -	$ -
Stock-Based Compensation	$ 2	$ 2	$ 3	$ 3	$ 7	$ 8	$ 12	$ 8	$ 8	$ 8	$ 9	$ 9
Other Operating Activities	$ 13	$ 6	$ 14	$ 22	$ 23	$ 37	$ 37	$ 31	$ 32	$ 33	$ 34	$ 36
Change in Acc. Receivable	$ 0	$ (1)	$ (2)	$ 2	$ (5)	$ (3)	$ (29)	$ (40)	$ -	$ -	$ -	$ -
Change In Inventories	$ (84)	$ (90)	$ (358)	$ (218)	$ (109)	$ (403)	$ (181)	$ 128	$ (79)	$ (82)	$ (85)	$ (89)
Change in Acc. Payable	$ 4	$ (6)	$ 21	$ 6	$ 3	$ 5	$ 24	$ 91	$ -	$ -	$ -	$ -
Change in Other Net Operating Assets	$ (14)	$ 12	$ 45	$ (5)	$ 12	$ 3	$ (54)	$ -	$ -	$ -	$ -	$ -
Plug	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ -	$ -	$ -	$ -	$ -
Cash from Operations	$ (22)	$ 35	$ (92)	$ 88	$ 210	$ 23	$ 159	$ 538	$ 294	$ 306	$ 318	$ 331
Capital Expenditure	$ (3)	$ (3)	$ (2)	$ (2)	$ (8)	$ (4)	$ (4)	$ -	$ -	$ -	$ -	$ -
Cash Acquisitions	-	-	-	-	-	-	-	$ -	$ -	$ -	$ -	$ -
Divestitures	-	-	-	-	-	-	-	$ -	$ -	$ -	$ -	$ -
Invest. in Marketable & Equity Securt.	$ (5)	$ (10)	$ -	$ (5)	$ (6)	$ 32	$ (36)	$ -	$ -	$ -	$ -	$ -
Net (Inc.) Dec. in Loans Originated/Sold	-	-	-	-	-	-	-	$ -	$ -	$ -	$ -	$ -
Plug	$ -	$ -	$ -	$ -	$ -	$ 0	$ -	$ -	$ -	$ -	$ -	$ -
Other Investing Activities	-	-	-	-	-	-	-	$ -	$ -	$ -	$ -	
Cash from Investing	$ (8)	$ (13)	$ (2)	$ (7)	$ (13)	$ 28	$ (40)	$ -	$ -	$ -	$ -	$ -
Total Debt Issued	$ 299	$ 403	$ 975	$ 434	$ 22	$ 121	$ 277	$ (407)	$ (250)	$ (263)	$ (277)	$ (291)
Total Debt Repaid	$ (260)	$ (421)	$ (858)	$ (402)	$ (44)	$ (132)	$ (235)	$ -	$ -	$ -	$ -	$ -
Other Financing Activities	$ (10)	$ (7)	$ (10)	$ (12)	$ (22)	$ (20)	$ (27)	$ -	$ -	$ -	$ -	$ -
Plug	$ (3)	$ (1)	$ 47	$ (105)	$ (51)	$ (63)	$ (67)	$ -	$ -	$ -	$ -	$ -
Cash from Financing	$ 26	$ (26)	$ 154	$ (85)	$ (94)	$ (94)	$ (52)	$ (407)	$ (250)	$ (263)	$ (277)	$ (291)

Appendix: Income Statement – Bull Case

Income Statement	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Revenue	$ 792	$ 976	$ 1,403	$ 1,758	$ 1,778	$ 2,099	$ 2,113	$ 2,324	$ 2,557	$ 2,813	$ 3,094	$ 3,403
COGS	$ 622	$ 741	$ 1,041	$ 1,235	$ 1,230	$ 1,395	$ 1,440	$ 1,545	$ 1,752	$ 1,985	$ 2,183	$ 2,402
Gross Profit	**$ 169**	**$ 235**	**$ 362**	**$ 523**	**$ 548**	**$ 704**	**$ 673**	**$ 779**	**$ 805**	**$ 828**	**$ 911**	**$ 1,002**
SG&A	$ 98	$ 112	$ 134	$ 164	$ 193	$ 227	$ 233	$ 247	$ 272	$ 299	$ 329	$ 362
D&A	$ 3	$ 4	$ 3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Operating Income	**$ 69**	**$ 119**	**$ 225**	**$ 359**	**$ 355**	**$ 477**	**$ 439**	**$ 532**	**$ 533**	**$ 529**	**$ 582**	**$ 640**
Other Income	$ 10	$ 17	$ 20	$ 26	$ 17	$ 5	$ 2	$ -	$ -	$ -	$ -	$ -
Income Tax Expense	$ 20	$ 25	$ 53	$ 82	$ 85	$ 95	$ 91	$ 112	$ 112	$ 111	$ 122	$ 134
Minority Interest	$ (6)	$ (4)	$ (14)	$ (22)	$ (22)	$ (36)	$ (33)	$ -	$ -	$ -	$ -	$ -
Plug	$ 6	$ 7	$ 12	$ 12	$ 19	$ 30	$ 22	$ (6)	$ (7)	$ (7)	$ (8)	$ (9)
Net Income	**$ 59**	**$ 114**	**$ 190**	**$ 292**	**$ 285**	**$ 382**	**$ 339**	**$ 414**	**$ 414**	**$ 410**	**$ 451**	**$ 497**
Pref. Dividends and Other Adj.	$ -	$ -	$ 0	$ 3	$ 3	$ 3	$ 3	$ -	$ -	$ -	$ -	$ -
Adj. Net Income	**$ 59**	**$ 114**	**$ 190**	**$ 289**	**$ 282**	**$ 379**	**$ 336**	**$ 414**	**$ 414**	**$ 410**	**$ 451**	**$ 497**

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Appendix: Balance Sheet – Bull Case

Assets	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Cash and Equivalents	$ 33	$ 19	$ 77	$ 77	$ 180	$ 142	$ 142	$ 649	$ 917	$ 1,199	$ 1,495	$ 1,806
Accounts Receivable	$ 5	$ 5	$ 7	$ 5	$ 11	$ 14	$ 40	$ -	$ -	$ -	$ -	$ -
Inventory	$ 754	$ 845	$ 1,204	$ 1,423	$ 1,533	$ 1,938	$ 2,100	$ 1,972	$ 2,051	$ 2,133	$ 2,218	$ 2,307
Restricted Cash	$ 4	$ 14	$ 16	$ 17	$ 20	$ 18	$ 33	$ -	$ -	$ -	$ -	$ -
Other Current Assets	$ 15	$ 22	$ 26	$ 24	$ 17	$ 14	$ 14	$ -	$ -	$ -	$ -	$ -
Current Assets	**$ 811**	**$ 906**	**$ 1,330**	**$ 1,545**	**$ 1,760**	**$ 2,125**	**$ 2,330**	**$ 2,621**	**$ 2,968**	**$ 3,332**	**$ 3,713**	**$ 4,112**
Gross Property, Plant & Equipment	$ 14	$ 14	$ 16	$ 15	$ 22	$ 23	-	$ -	$ -	$ -	$ -	$ -
Accumulated Depreciation	$ (6)	$ (8)	$ (8)	$ (9)	$ (8)	$ (10)	-	$ -	$ -	$ -	$ -	$ -
Net Property, Plant & Equipment	$ 8	$ 6	$ 7	$ 6	$ 14	$ 14	$ 14	$ -	$ -	$ -	$ -	$ -
Long-term Investments	$ 30	$ 46	$ 56	$ 74	$ 85	$ 61	$ 85	$ -	$ -	$ -	$ -	$ -
Goodwill	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ -	$ -	$ -	$ -	$ -
Other Intangibles	$ 1	$ 1	$ 1	$ 0	$ 0	$ 0	$ 0	$ -	$ -	$ -	$ -	$ -
Deferred Tax Assets, LT	$ 15	$ 15	$ 16	$ 16	$ 15	$ 14	$ 14	$ -	$ -	$ -	$ -	$ -
Other Long-Term Assets	$ 10	$ 14	$ 12	$ 12	$ 28	$ 36	$ 38	$ -	$ -	$ -	$ -	$ -
Plug	$ (8)	$ (6)	$ (7)	$ (6)	$ (14)	$ (14)	$ -	$ 11	$ 19	$ 25	$ 29	$ 29
Total Assets	**$ 876**	**$ 989**	**$ 1,422**	**$ 1,656**	**$ 1,903**	**$ 2,250**	**$ 2,481**	**$ 2,631**	**$ 2,987**	**$ 3,357**	**$ 3,741**	**$ 4,141**

Liabiliites & Equity	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Accounts Payable	$ 30	$ 25	$ 46	$ 52	$ 54	$ 60	$ 91	$ -	$ -	$ -	$ -	$ -
Accrued Exp.	$ 21	$ 34	$ 52	$ 73	$ 73	$ 93	$ 88	$ -	$ -	$ -	$ -	$ -
Other Current Liabilities	$ 28	$ 45	$ 74	$ 47	$ 67	$ 54	$ 14	$ -	$ -	$ -	$ -	$ -
Current Liabilities	$ -	$ -	$ 2	$ -	$ -	$ 2	$ 61	$ 238	$ 248	$ 258	$ 268	$ 279
Current Liabilities	**$ 79**	**$ 103**	**$ 173**	**$ 172**	**$ 194**	**$ 208**	**$ 254**	**$ 238**	**$ 248**	**$ 258**	**$ 268**	**$ 279**
Long-Term Debt	$ 238	$ 220	$ 335	$ 368	$ 347	$ 337	$ 340	$ 316	$ 329	$ 342	$ 356	$ 370
Long-Term Leases	$ 4	$ 3	$ 3	$ 4	$ 8	$ 7	$ 8	$ -	$ -	$ -	$ -	$ -
Other Non-Current Liabilities	$ 5	$ 0	-	-	-	-	-	$ -	$ -	$ -	$ -	$ -
Total Liabilities	**$ 326**	**$ 326**	**$ 511**	**$ 544**	**$ 549**	**$ 552**	**$ 602**	**$ 554**	**$ 577**	**$ 600**	**$ 624**	**$ 649**
Common Stock	$ 1	$ 1	$ 1	$ 0	$ 0	$ 0	$ 0	$ -	$ -	$ -	$ -	$ -
Additional Paid In Capital	$ 291	$ 293	$ 290	$ 259	$ 256	$ 245	$ 246	$ 246	$ 246	$ 246	$ 246	$ 246
Retained Earnings	$ 235	$ 350	$ 540	$ 754	$ 997	$ 1,333	$ 1,510	$ 1,831	$ 2,165	$ 2,511	$ 2,872	$ 3,247
Treasury Stock	$ (3)	$ (3)	$ (3)	-	-	-	-	$ -	$ -	$ -	$ -	$ -
Minority Interest	$ 27	$ 23	$ 36	$ 50	$ 53	$ 73	$ 75	$ -	$ -	$ -	$ -	$ -
Plug	$ 0	$ 0	$ 48	$ 48	$ 48	$ 48	$ 48	$ -	$ -	$ -	$ -	$ -
Total Equity	**$ 550**	**$ 663**	**$ 911**	**$ 1,112**	**$ 1,354**	**$ 1,698**	**$ 1,879**	**$ 2,077**	**$ 2,410**	**$ 2,757**	**$ 3,118**	**$ 3,493**
Total Liabilities And Equity	**$ 876**	**$ 989**	**$ 1,422**	**$ 1,656**	**$ 1,903**	**$ 2,250**	**$ 2,481**	**$ 2,631**	**$ 2,987**	**$ 3,357**	**$ 3,741**	**$ 4,141**

Appendix: Statement of Cash Flows – Bull Case

Cash Flow	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Net Income	59	114	190	289	282	379	336	321	333	347	361	375
Depreciation & Amort.	3	4	3	2	3	5	5	-	-	-	-	-
(Gain) Loss From Sale Of Assets	0	0	0	(0)	0	0	0	-	-	-	-	-
(Gain) Loss On Sale Of Invest.	-	-	-	-	-	(11)	-	-	-	-	-	-
(Income) Loss on Equity Invest.	(5)	(6)	(9)	(14)	(5)	3	10	-	-	-	-	-
Stock-Based Compensation	2	2	3	3	7	8	12	8	8	8	9	9
Other Operating Activities	13	6	14	22	23	37	37	31	32	33	34	36
Change in Acc. Receivable	0	(1)	(2)	2	(5)	(3)	(29)	(40)	-	-	-	-
Change In Inventories	(84)	(90)	(358)	(218)	(109)	(403)	(181)	128	(79)	(82)	(85)	(89)
Change in Acc. Payable	4	(6)	21	6	3	5	24	91	-	-	-	-
Change in Other Net Operating Assets	(14)	12	45	(5)	12	3	(54)	-	-	-	-	-
Plug	0	0	0	0	0	0	0	-	-	-	-	-
Cash from Operations	(22)	35	(92)	88	210	23	159	538	294	306	318	331
Capital Expenditure	(3)	(3)	(2)	(2)	(8)	(4)	(4)	-	-	-	-	-
Cash Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-
Divestitures	-	-	-	-	-	-	-	-	-	-	-	-
Invest. in Marketable & Equity Securt.	(5)	(10)	-	(5)	(6)	32	(36)	-	-	-	-	-
Net (Inc.) Dec. in Loans Originated/Sold	-	-	-	-	-	-	-	-	-	-	-	-
Plug	-	-	-	-	-	0	-	-	-	-	-	-
Other Investing Activities	-	-	-	-	-	-	-	-	-	-	-	
Cash from Investing	(8)	(13)	(2)	(7)	(13)	28	(40)	-	-	-	-	-
Total Debt Issued	299	403	975	434	22	121	277	(407)	(250)	(263)	(277)	(291)
Total Debt Repaid	(260)	(421)	(858)	(402)	(44)	(132)	(235)	-	-	-	-	-
Other Financing Activities	(10)	(7)	(10)	(12)	(22)	(20)	(27)	-	-	-	-	-
Plug	(3)	(1)	47	(105)	(51)	(63)	(67)	-	-	-	-	-
Cash from Financing	26	(26)	154	(85)	(94)	(94)	(52)	(407)	(250)	(263)	(277)	(291)

Appendix: Income Statement – Bear Case

Income Statement	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Revenue	$ 792	$ 976	$ 1,403	$ 1,758	$ 1,778	$ 2,099	$ 2,113	$ 2,113	$ 2,113	$ 2,113	$ 2,113	$ 2,113
COGS	$ 622	$ 741	$ 1,041	$ 1,235	$ 1,230	$ 1,395	$ 1,440	$ 1,662	$ 1,576	$ 1,491	$ 1,491	$ 1,491
Gross Profit	**$ 169**	**$ 235**	**$ 362**	**$ 523**	**$ 548**	**$ 704**	**$ 673**	**$ 452**	**$ 537**	**$ 622**	**$ 622**	**$ 622**
SG&A	$ 98	$ 112	$ 134	$ 164	$ 193	$ 227	$ 233	$ 225	$ 225	$ 225	$ 225	$ 225
D&A	$ 3	$ 4	$ 3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Operating Income	**$ 69**	**$ 119**	**$ 225**	**$ 359**	**$ 355**	**$ 477**	**$ 439**	**$ 227**	**$ 312**	**$ 397**	**$ 397**	**$ 397**
Other Income	$ 10	$ 17	$ 20	$ 26	$ 17	$ 5	$ 2	$ -	$ -	$ -	$ -	$ -
Income Tax Expense	$ 20	$ 25	$ 53	$ 82	$ 85	$ 95	$ 91	$ 48	$ 66	$ 83	$ 83	$ 83
Minority Interest	$ (6)	$ (4)	$ (14)	$ (22)	$ (22)	$ (36)	$ (33)	$ -	$ -	$ -	$ -	$ -
Plug	$ 6	$ 7	$ 12	$ 12	$ 19	$ 30	$ 22	$ (5)	$ (5)	$ (5)	$ (5)	$ (5)
Net Income	**$ 59**	**$ 114**	**$ 190**	**$ 292**	**$ 285**	**$ 382**	**$ 339**	**$ 174**	**$ 241**	**$ 308**	**$ 308**	**$ 308**
Pref. Dividends and Other Adj.	$ -	$ -	$ 0	$ 3	$ 3	$ 3	$ 3	$ -	$ -	$ -	$ -	$ -
Adj. Net Income	**$ 59**	**$ 114**	**$ 190**	**$ 289**	**$ 282**	**$ 379**	**$ 336**	**$ 174**	**$ 241**	**$ 308**	**$ 308**	**$ 308**

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Appendix: Balance Sheet – Bear Case

Assets	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Cash and Equivalents	$ 33	$ 19	$ 77	$ 77	$ 180	$ 142	$ 142	$ 591	$ 806	$ 1,091	$ 1,396	$ 1,704
Accounts Receivable	$ 5	$ 5	$ 7	$ 5	$ 11	$ 14	$ 40	$ -	$ -	$ -	$ -	$ -
Inventory	$ 754	$ 845	$ 1,204	$ 1,423	$ 1,533	$ 1,938	$ 2,100	$ 1,896	$ 1,896	$ 1,896	$ 1,896	$ 1,896
Restricted Cash	$ 4	$ 14	$ 16	$ 17	$ 20	$ 18	$ 33	$ -	$ -	$ -	$ -	$ -
Other Current Assets	$ 15	$ 22	$ 26	$ 24	$ 17	$ 14	$ 14	$ -	$ -	$ -	$ -	$ -
Current Assets	**$ 811**	**$ 906**	**$ 1,330**	**$ 1,545**	**$ 1,760**	**$ 2,125**	**$ 2,330**	**$ 2,487**	**$ 2,702**	**$ 2,987**	**$ 3,292**	**$ 3,600**
Gross Property, Plant & Equipment	$ 14	$ 14	$ 16	$ 15	$ 22	$ 23	-	$ -	$ -	$ -	$ -	$ -
Accumulated Depreciation	$ (6)	$ (8)	$ (8)	$ (9)	$ (8)	$ (10)	-	$ -	$ -	$ -	$ -	$ -
Net Property, Plant & Equipment	$ 8	$ 6	$ 7	$ 6	$ 14	$ 14	$ 14	$ -	$ -	$ -	$ -	$ -
Long-term Investments	$ 30	$ 46	$ 56	$ 74	$ 85	$ 61	$ 85	$ -	$ -	$ -	$ -	$ -
Goodwill	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ 1	$ -	$ -	$ -	$ -	$ -
Other Intangibles	$ 1	$ 1	$ 1	$ 0	$ 0	$ 0	$ 0	$ -	$ -	$ -	$ -	$ -
Deferred Tax Assets, LT	$ 15	$ 15	$ 16	$ 16	$ 15	$ 14	$ 14	$ -	$ -	$ -	$ -	$ -
Other Long-Term Assets	$ 10	$ 14	$ 12	$ 12	$ 28	$ 36	$ 38	$ -	$ -	$ -	$ -	$ -
Plug	$ (8)	$ (6)	$ (7)	$ (6)	$ (14)	$ (14)	$ -	$ 11	$ 19	$ 25	$ 29	$ 29
Total Assets	**$ 876**	**$ 989**	**$ 1,422**	**$ 1,656**	**$ 1,903**	**$ 2,250**	**$ 2,481**	**$ 2,498**	**$ 2,721**	**$ 3,012**	**$ 3,321**	**$ 3,629**

Liabiliites & Equity	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Accounts Payable	$ 30	$ 25	$ 46	$ 52	$ 54	$ 60	$ 91	$ -	$ -	$ -	$ -	$ -
Accrued Exp.	$ 21	$ 34	$ 52	$ 73	$ 73	$ 93	$ 88	$ -	$ -	$ -	$ -	$ -
Other Current Liabilities	$ 28	$ 45	$ 74	$ 47	$ 67	$ 54	$ 14	$ -	$ -	$ -	$ -	$ -
Current Liabilities	$ -	$ -	$ 2	$ -	$ -	$ 2	$ 61	$ 229	$ 229	$ 229	$ 229	$ 229
Current Liabilities	**$ 79**	**$ 103**	**$ 173**	**$ 172**	**$ 194**	**$ 208**	**$ 254**	**$ 229**	**$ 229**	**$ 229**	**$ 229**	**$ 229**
Long-Term Debt	$ 238	$ 220	$ 335	$ 368	$ 347	$ 337	$ 340	$ 339	$ 321	$ 304	$ 304	$ 304
Long-Term Leases	$ 4	$ 3	$ 3	$ 4	$ 8	$ 7	$ 8	$ -	$ -	$ -	$ -	$ -
Other Non-Current Liabilities	$ 5	$ 0	-	-	-	-	-	$ -	$ -	$ -	$ -	$ -
Total Liabilities	**$ 326**	**$ 326**	**$ 511**	**$ 544**	**$ 549**	**$ 552**	**$ 602**	**$ 568**	**$ 550**	**$ 533**	**$ 533**	**$ 533**
Common Stock	$ 1	$ 1	$ 1	$ 0	$ 0	$ 0	$ 0	$ -	$ -	$ -	$ -	$ -
Additional Paid In Capital	$ 291	$ 293	$ 290	$ 259	$ 256	$ 245	$ 246	$ 246	$ 246	$ 246	$ 246	$ 246
Retained Earnings	$ 235	$ 350	$ 540	$ 754	$ 997	$ 1,333	$ 1,510	$ 1,684	$ 1,925	$ 2,234	$ 2,542	$ 2,850
Treasury Stock	$ (3)	$ (3)	$ (3)	-	-	-	-	$ -	$ -	$ -	$ -	$ -
Minority Interest	$ 27	$ 23	$ 36	$ 50	$ 53	$ 73	$ 75	$ -	$ -	$ -	$ -	$ -
Plug	$ 0	$ 0	$ 48	$ 48	$ 48	$ 48	$ 48	$ -	$ -	$ -	$ -	$ -
Total Equity	**$ 550**	**$ 663**	**$ 911**	**$ 1,112**	**$ 1,354**	**$ 1,698**	**$ 1,879**	**$ 1,930**	**$ 2,171**	**$ 2,479**	**$ 2,788**	**$ 3,096**
Total Liabilities And Equity	**$ 876**	**$ 989**	**$ 1,422**	**$ 1,656**	**$ 1,903**	**$ 2,250**	**$ 2,481**	**$ 2,498**	**$ 2,721**	**$ 3,012**	**$ 3,321**	**$ 3,629**

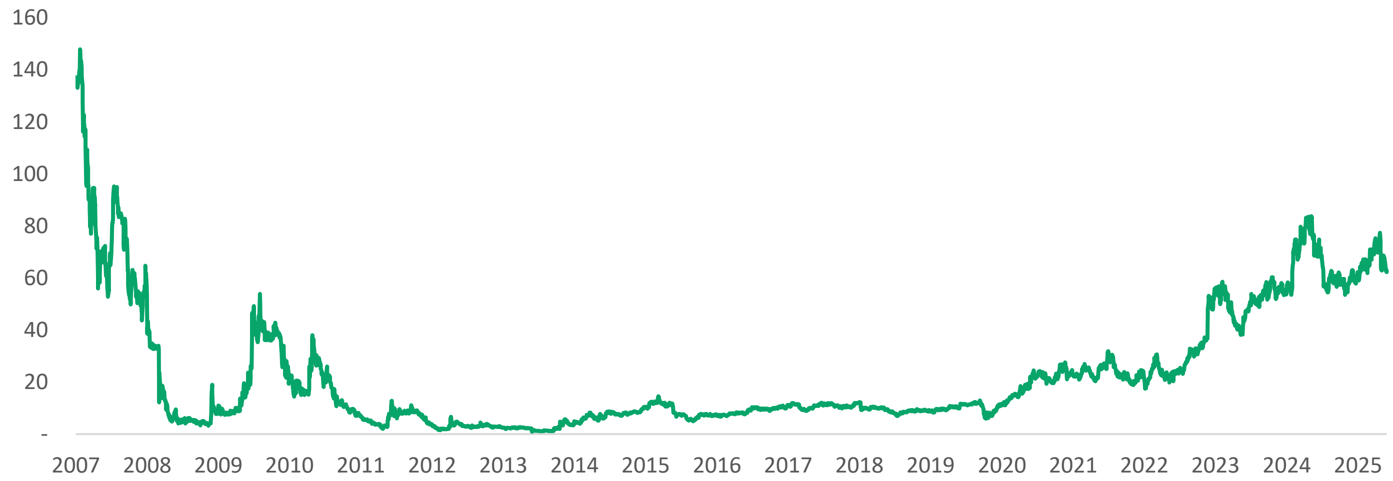
Appendix: Statement of Cash Flows – Bear Case

Cash Flow	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Net Income	$ 59	$ 114	$ 190	$ 289	$ 282	$ 379	$ 336	$ 174	$ 241	$ 308	$ 308	$ 308
Depreciation & Amort.	$ 3	$ 4	$ 3	$ 2	$ 3	$ 5	$ 5	$ -	$ -	$ -	$ -	$ -
(Gain) Loss From Sale Of Assets	$ 0	$ 0	$ 0	$ (0)	$ 0	$ 0	$ 0	$ -	$ -	$ -	$ -	$ -
(Gain) Loss On Sale Of Invest.	-	-	-	-	-	$ (11)	$ -	$ -	$ -	$ -	$ -	$ -
(Income) Loss on Equity Invest.	$ (5)	$ (6)	$ (9)	$ (14)	$ (5)	$ 3	$ 10	$ -	$ -	$ -	$ -	$ -
Stock-Based Compensation	$ 2	$ 2	$ 3	$ 3	$ 7	$ 8	$ 12	$ 7	$ 7	$ 7	$ 7	$ 7
Other Operating Activities	$ 13	$ 6	$ 14	$ 22	$ 23	$ 37	$ 37	$ 29	$ 29	$ 29	$ 29	$ 29
Change in Acc. Receivable	$ 0	$ (1)	$ (2)	$ 2	$ (5)	$ (3)	$ (29)	$ (40)	$ -	$ -	$ -	$ -
Change In Inventories	$ (84)	$ (90)	$ (358)	$ (218)	$ (109)	$ (403)	$ (181)	$ 204	$ -	$ -	$ -	$ -
Change in Acc. Payable	$ 4	$ (6)	$ 21	$ 6	$ 3	$ 5	$ 24	$ 91	$ -	$ -	$ -	$ -
Change in Other Net Operating Assets	$ (14)	$ 12	$ 45	$ (5)	$ 12	$ 3	$ (54)	$ -	$ -	$ -	$ -	$ -
Plug	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ -	$ -	$ -	$ -	$ -
Cash from Operations	$ (22)	$ 35	$ (92)	$ 88	$ 210	$ 23	$ 159	$ 466	$ 278	$ 345	$ 345	$ 345
Capital Expenditure	$ (3)	$ (3)	$ (2)	$ (2)	$ (8)	$ (4)	$ (4)	$ -	$ -	$ -	$ -	$ -
Cash Acquisitions	-	-	-	-	-	-	-	$ -	$ -	$ -	$ -	$ -
Divestitures	-	-	-	-	-	-	-	$ -	$ -	$ -	$ -	$ -
Invest. in Marketable & Equity Securt.	$ (5)	$ (10)	$ -	$ (5)	$ (6)	$ 32	$ (36)	$ -	$ -	$ -	$ -	$ -
Net (Inc.) Dec. in Loans Originated/Sold	-	-	-	-	-	-	-	$ -	$ -	$ -	$ -	$ -
Plug	$ -	$ -	$ -	$ -	$ -	$ 0	$ -	$ -	$ -	$ -	$ -	$ -
Other Investing Activities	-	-	-	-	-	-	-	$ -	$ -	$ -	$ -	
Cash from Investing	$ (8)	$ (13)	$ (2)	$ (7)	$ (13)	$ 28	$ (40)	$ -	$ -	$ -	$ -	$ -
Total Debt Issued	$ 299	$ 403	$ 975	$ 434	$ 22	$ 121	$ 277	$ (366)	$ (215)	$ (285)	$ (305)	$ (308)
Total Debt Repaid	$ (260)	$ (421)	$ (858)	$ (402)	$ (44)	$ (132)	$ (235)	$ -	$ -	$ -	$ -	$ -
Other Financing Activities	$ (10)	$ (7)	$ (10)	$ (12)	$ (22)	$ (20)	$ (27)	$ -	$ -	$ -	$ -	$ -
Plug	$ (3)	$ (1)	$ 47	$ (105)	$ (51)	$ (63)	$ (67)	$ -	$ -	$ -	$ -	$ -
Cash from Financing	$ 26	$ (26)	$ 154	$ (85)	$ (94)	$ (94)	$ (52)	$ (366)	$ (215)	$ (285)	$ (305)	$ (308)

Appendix: Debt Structure

Credit Facility	CCY	Out ($MM)	Px	Coupon	Yield to Worst	OAS
Preferred	USD	50	-	5.75	-	-
Total Preferred		**50**				
Revolver - 2027 Maturity	USD	50	-	6.62	-	-
Total Unsecured Loans		**50**				
GRBK 4 8/8/2026	USD	75	99.47	4	4.682	102.3
Total Senior Unsecured Bonds		**75**				
Total Debt Outstanding		**175**				

Appendix: Historical Price



**Stock price history for GRBK before 2013 largely reflects the pre-merger BIOF entity and is not representative of today's homebuilding business*

Appendix: Top Holdings

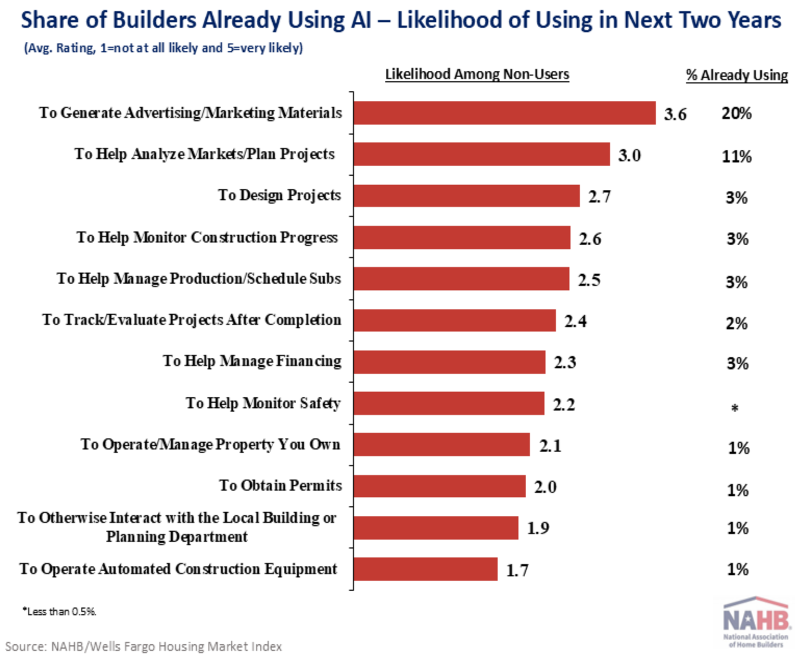
Name	Position	Market Value	% Out.
DME Capital Management LP	9,467,383	593,699,588	21.73
Blackrock Inc	4,708,801	295,288,918	10.81
Vanguard Group Inc/The	2,173,542	136,302,819	4.99
Brickman James R	1,937,322	121,489,463	4.45
FMR LLC	1,645,227	103,172,185	3.78
Dimensional Fund Advisors LP	1,528,319	95,840,884	3.51
State Street Corp	1,451,060	90,995,973	3.33
David Einhorn**	869,110	54,501,888	1.99
Geode Capital Management LLC	757,077	47,476,299	1.74
Salem Investment Counselors Inc	648,637	40,676,026	1.49

**as of Nov 10*
***also the Chairman of the Board*

Alt-Thesis: AI-Driven Growth

Homebuilding industry has been slow to AI adoption. Expansion of AI implementation along the homebuilding value chain will unlock material growth opportunities

Current AI Adoption in Home Building



Potential Opportunities to be Unlocked

Quicker Decisions:
- Standardization, interpretation and review of local zoning laws
  - *More than 440000 ways describing what is allowed to do with land*
- Land acquisition analysis
- Data-assisted land underwriting
- Risk analysis

Uncover 'Hidden' Opportunities:
- Uncover off-market land parcels, undervalued opportunities
- Dynamic pricing
- Data-assisted land underwriting

$34bn of operating efficiencies gain in the real estate industry

Signs of Early Adoption

- DHI's partnership with Prophetic AI
- KB Home's in-house AI chatbox for 24/7 homebuyer response
- Ananda Development's partnership with ALICE technologies generating 32% cost savings on construction planning
- Maronda Home's partnership with OpenHouse AI on demand forecasting and product mix
- Bean Co. Homes saved 30 staff hours/week and doubled project volume with adaptive AI
- T2H reduced 50% acquisition and feasibility site assessments
- Esperanza Homes: 50% conversion from bot-driven appointments to signed contracts

**Sources: Morgan Stanley Research, National Housing Conference, JLL*

Appendix: Management & Capital Allocation

James Brickman
Co-Founder, CEO and Director

Founded JBGL post-GFC, built GRBK via 2014 reverse-merger with permanent capital; 40+ years in homebuilding and land development

Jed Dolson
President and COO

Appointed in 2020, architect of Trophy Signature Homes; scaled Texas ops; now leading Houston launch

Jeffery Cox
CFO

Appointed in 2025 after Rick Costello's resignation. 20 years in the industry, leads Green Brick Mortgage

Bobby Samuel III
Executive VP of Land

Promoted from National VP of Land in 2025. Centralizes land underwriting & development to sustain "own the lots" advantage

Capital Allocation:
- Reinvest in land acquisition and development
- No dividends
- Share Buybacks

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Appendix: Incentives

Performance Metric	Objectives/Structures	Behavioral Focus
Operational and Financial Performance Relative To Peers	• Based on relative performance to peers for ○ Home Closings Revenue Growth ○ Homebuilding Gross Margin ○ Return on Assets • Represents 25% of AIP opportunity • Up to 50%, at option of Committee, may be paid in equity.	• Provides incentive to maximize performance even in strong real estate cycles. • Rewards achievement of key metrics that contribute to long-term value
Earnings Per Share	• Based on absolute EPS performance • Rigorous Target set at above prior year actual results • Represents 25% of AIP opportunity • Up to 50%, at option of Committee, may be paid in equity.	• Provides incentive to deliver annual profitability that drives stockholder value.
Relative TSR	• Based on relative TSR performance against peer group and S&P 500 • Represents 20% of AIP opportunity for each NEO other than GC • Up to 50%, at option of Committee, may be paid in equity.	• Promotes alignment with stockholders
Strategic Objectives	• Tied to position and responsibility • Based on strategic objectives • Represents 30% (or 50% for GC) of AIP opportunity • Up to 50%, at option of Committee, may be paid in equity.	• Rewards operational and initiatives that drive long-term growth.

Performance Results:

Builder	Homebuilding Gross Margin %	Home Closings Revenue Growth %	Return on Assets (Annualized)
Green Brick Partners	**30.9%**	**4.2%**	**15.8%**
Beazer Homes	20.1%	-7.2%	6.8%
Century Communities	21.2%	-18.0%	6.6%
M/I Homes	23.5%	-2.4%	12.0%
Hovnanian	19.7%	-7.4%	7.7%
Tri Pointe Homes	22.3%	-14.9%	7.1%
Lennar	23.3%	2.1%	10.2%
Toll Brothers, Inc.	26.9%	1.6%	11.1%
PulteGroup, Inc.	29.3%	0.3%	16.9%

	Earnings Per Share ($)	Earned %
Maximum	$4.00	200%
Target	$3.52	100%
Threshold	$3.00	50%
ACTUAL	$6.14	

Metric	Weight	2023 Results	Earned %
TSR Trailing One-Year	6.67%	89 Percent	200%
TSR Trailing Three-Year	6.67%	56 Percent	130%
TSR Trailing Five-Year	6.67%	56 Percent	130%

Appendix: Comparison of Cumulative Ten Year Total Return

	Security	Currency	Price Change	Total Return	Difference	Annual Eq
1)	GRBK US Equity	USD	757.48%	757.48%	486.58%	24.17%
2)	RAY Index	USD	214.69%	270.91%	--	14.12%
3)	SPSIHOTR Index	USD	224.29%	224.29%	-46.62%	12.58%
4)						
5)						
6)						

1M 3M 6M YTD 1Y 2Y 3Y 5Y 10Y