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Ticker GRBK (NYSE)
Price USD 63.78
Sector Homebuilder, Consumer Durables
Website <https://investors.greenbrickpartners.com>



Green Brick Partners is a US Homebuilder based in Plano, Texas with operations in Texas, Florida and Georgia. Co-founded in 2006 by Jim Brickman and Greenlight's David Einhorn, Green Brick maintains the industry's highest margins by focusing on self-developing land primarily in infill neighbourhoods.

Q2 2025 earnings

USD millions	Q2 2025	Q2 2024	% change
Home closings	1,042	987	5.6%
Average sales price \$000s	525	554	-5.2%
Revenue	549	561	-2.1%
Operating income	112	139	-19.4%
Net income	89	115	-22.6%
EPS common shareholders	1.85	2.32	-20.3%
Net new orders (units)	908	855	6.2%
Cancellation rate	9.9%	9.2%	0.7%
Operating margin	20.4%	24.8%	-4.4%
Net debt / equity	10.2%	11.8%	-1.6%
Equity	1,749	1,653	5.8%
RoE (annualised)	20.4%	27.8%	-7.4%

Quarterly Results Trend

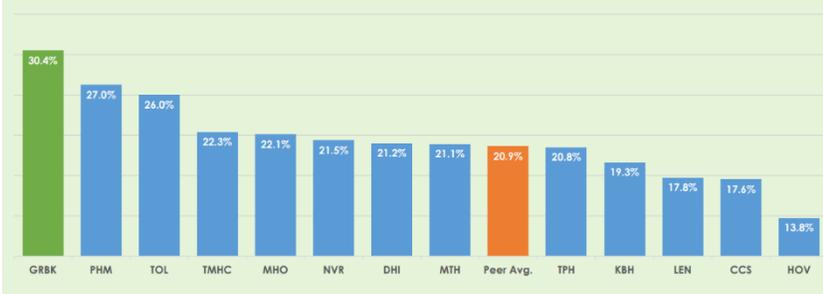
Quarterly Completions & ASP



Revenue & Operating Margin



Gross Margin Percentage (Most Recently Reported Quarter)



Debt-to-Total Capital (as of 6/30/25)



Financial Highlights

- Homes delivered increased 5.6% YoY to 1,042 deliveries, a quarterly record.
- Revenue was down 2.1% to \$549m as average sales price dropped 5.2% to \$525k. Green Brick estimate about 2% of the drop was due to product mix and the rest was due to increased use of incentives.
- The drop in average sales price resulted in a 4.1% decline in gross margin to 30.4%, although Green Brick's gross margin remained the highest in the industry.
- Net new home orders increased 6.2% YoY to 908, a record for a second quarter.
- Operating margin was down 4.4%, nearly entirely attributable to the drop in gross margin.
- Net income was down 22.6% YoY, driven almost entirely by margin compression.
- Balance sheet remains strong with \$112m cash, \$291m debt, \$1,977m inventory and expected to generate around \$280m FCF in 2025. Net debt / equity dropped YoY to 10.2%.
- Year to date, \$109m has been spent on land acquisition and \$139m on land development. Guidance is for \$300m to be spent on land development for 2025, up 46% on FY 2024.
- Cancellation rate of 9.9% was among the lowest in the industry.
- Share repurchases of \$44m in Q2 and \$60m year to date.

Operational Highlights

- Total lots owned and controlled increased 20.7% YoY to 40,200 (approximately 8 years of deliveries).
- Net decline of 3 communities from 105 at the end of Q2 2024 to 102 at the end of Q2 2025.
- Average construction cycle time improved to under 5 months.

Management Comments

- Jim Brickman, CEO: "Our performance remained resilient despite a softer housing market, and underscores the strength of our land acquisition and self-development strategy. New homes delivered increased 5.6% year-over-year to 1,042 units, a record for any second quarter. The growth in deliveries was offset by a lower average sales price primarily as a result of increased discounts and incentives."
- Green Brick anticipate minimal impact from tariffs in 2025 but acknowledge there is significant uncertainty beyond 2025.

Ben Jones Investments Outlook

- Record volumes is a positive sign of ongoing demand, despite higher mortgage rates. However, higher use of incentives may push homebuilders to moderate completions growth in the medium term.
- The decline in operating margins is not unusual in higher rate environments and the decline is from historically high margins. Green Brick still maintains the highest margins in the industry despite lower sales prices through increased incentives.
- We still see Green Brick as undervalued based on a long-run operating margin of 16%, a level that is still lower than the current margin.
- Green Brick has a strong balance sheet that ensures it can comfortably weather any housing market deterioration, while taking advantage of better land buying opportunities that would inevitably accompany a downturn.
- We still see the US as having a fundamental housing shortage that will help support property prices through periods of higher rates.

- Historically, higher rates driven by higher inflation tend to support real home prices as nominal home prices keep pace with inflation.
- Given the caution around higher rates and tariffs, we like homebuilders that are undervalued, have above average margins, and strong balance sheets. Green Brick ticks all three boxes in our view.