
Not filed with the U.S. Securities and Exchange Commission

FORM 8-K

CURRENT REPORT

PURSUANT TO THE INDENTURE GOVERNING THE COMPANY'S 6.750% SENIOR NOTES DUE 2025, THE INDENTURE GOVERNING THE COMPANY'S 9.875% SENIOR NOTES DUE 2027, AND THE INDENTURE GOVERNING THE COMPANY'S 6.625% SENIOR NOTES DUE 2028

Date of Report (Date of earliest event reported): February 24, 2021

ASHTON WOODS USA L.L.C.

(Exact name of Registrant as Specified in Charter)

Nevada

(State or Other Jurisdiction of Incorporation)

3820 Mansell Road, Suite 400, Alpharetta, GA

(Address of principal executive offices)

(770) 998-9663

(Registrant's telephone number, including area code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12(b) under the Exchange Act (17 CFR 240.14a-12(b))
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 8.01 **Other Events**

On and after February 24, 2021, Ashton Woods USA L.L.C. (the "Company") intends to use the Investor Presentation provided herewith at conferences and in meetings with investors, analysts, and others. A copy of the Investor Presentation dated February and March 2021 is attached hereto as Exhibit 99.1.

Item 9.01 **Financial Statements and Exhibits**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Ashton Woods USA L.L.C Investor presentation dated February and March 2021.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: February 24, 2021

ASHTON WOODS USA L.L.C.

By: /s/ Cory Boydston

Cory Boydston

Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Ashton Woods USA L.L.C Investor presentation dated February and March 2021.

Ashton Woods

February and
March 2021



AW
ASHTON WOODS.

This presentation and associated discussion include forward-looking statements as characterized in the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to: our expectations about trends in the housing or homebuilding markets; or for Ashton Woods in particular, plans to protect our balance sheet and leverage ratios, maintain liquidity, reduce inventory, lot supply, debt, overhead and costs, results of option contract renegotiations, sales of land or joint venture interests, the level of non-cash impairment charges we may incur, expectations for cash flow, as well as the timing of these items or their related metrics, and our future opportunities and operations of Ashton Woods. When used in this presentation, the words "estimate", "expect", "anticipate", "project", "plan", "intend", "believe", "forecast", "will", and variations of such words or similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon the expectations of management under current assumptions at the time of the presentation. These expectations, beliefs, and projections are expressed in good faith and we believe there is a reasonable basis for them. However, we cannot offer any assurance that our expectations, beliefs, and projections will actually be achieved. The Company makes no commitment and disclaims any duty to update or revise any forward-looking statements to reflect future events or changes in our expectations. There are a number of risks and uncertainties that could cause our actual results to differ materially from the forward-looking statements contained in this presentation.

This presentation presents non-GAAP financial measures, including adjusted home gross margin, and adjusted EBITDA and net debt to net book capitalization, along with ratios using these non-GAAP financial measures. See the appendix for a reconciliation of these measures to the most comparable measure under generally accepted accounting principles (GAAP). These measures are commonly used to compare operating results between periods or companies, but are not GAAP and should not be used as substitutes for GAAP measures.

Cory Boydston - CFO



- Joined Ashton Woods in 2009
- 34 years of industry experience
- Prior positions include:
 - Vice President of Finance and CFO at Lennar Corp.
 - Senior Vice President and CFO at Starwood Land Ventures
 - Senior Vice President of Finance and Treasurer at Beazer Homes
- Founder – Women’s Housing Leadership Group
- Serves on Board of Directors and Audit Committee of Builders FirstSource

Zack Sawyer - CAO



- Joined Ashton Woods in 2008
- 13 years of industry experience
- Prior to joining Ashton Woods, worked in the audit department at KPMG Atlanta
- Named to 2019 Professional Builder’s Forty under 40
- Serves on Board of Directors for HouseProud Atlanta



COMPANY OVERVIEW

ASHTON **AW** WOODS.

■ **2nd largest private homebuilder and 18th largest homebuilder overall in the U.S.¹**

- Majority-owned by Great Gulf Group since Company's founding in 1989
- 31+ years of operating history
- ~50,000 homes delivered
- 912 employees

■ **Award winning brands**

- Ashton Woods, offering design and personalization
- Starlight Homes, offering affordable entry level homes

■ **Established presence in attractive housing markets**

- Operations in 12 MSAs in 6 states across the Southeastern and Southwestern U.S.
 - Arizona, Florida, Georgia, North Carolina, South Carolina, and Texas
- Geographic footprint focused on markets with favorable economic, demographic, and employment trends
- Well-diversified geographically with no market representing more than 16% of LTM home sales revenues

■ **Summary financial statistics²**

- LTM revenues of \$1.9bn
- LTM EBITDA of \$188.6mm
- Total assets of \$1.6bn

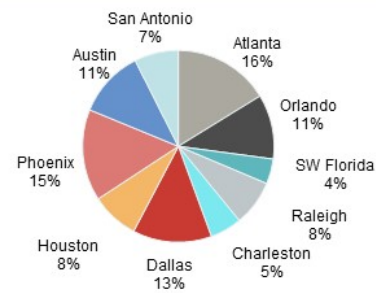
¹ Builder Magazine, based on closings for 2019; ² For the 12 months ended 11/30/2020

Geographic focus



Diversified presence in high-growth Sunbelt and Southeast markets

LTM home sales revenue by operating division²



One of North America's most innovative and diversified real estate development companies

History

- Founded in 1975 and headquartered in Toronto, Canada, Great Gulf has grown from its roots as a successful regional homebuilder into one of North America's premier real estate organizations
- Great Gulf specializes in residential, commercial, industrial/retail, and resort development, spanning the entire real estate spectrum from land acquisition to development and construction

Relationship with Ashton Woods

- Founded Ashton Woods in 1989
- Currently owns 88% of Ashton Woods equity
- ~\$125mm of equity contributions to the Company from Great Gulf and minority investors since 2009

Overview


- Experienced management team
 - Great Gulf's roots are as a state-of-the-art builder, contractor, and land developer
 - Depth and breadth of management expertise
- Consistently delivers strong project returns
 - Over 45 years of development expertise
 - Solid and reputable track record with partners

Companies

 **GREAT GULF** ■ **Great Gulf Homes:** Low-rise residential developments

 **GREAT GULF** ■ **Great Gulf High Rise:** Residential condo developments

 **FIRST GULF** ■ **First Gulf:** Commercial developer and general contractor of retail, office, and industrial properties

 **TUCKER HIRISE** ■ **Tucker HiRise:** Residential high rise condo general contractor

 **ASHTON WOODS** ■ **Ashton Woods:** 2nd largest private homebuilder in the U.S.

 **H+ME TECHNOLOGY** ■ **Home Technology:** Innovative wall, floor, and roof panel systems for residential builders

 **taboo** ■ **Taboo Resort, Golf & Conference Centre**



KEY CREDIT HIGHLIGHTS

ASHTON **AW** WOODS.

Focus on high-growth Sunbelt and Southeast regions

Best-in-class homebuilder brands

Diversified and award-winning product offerings

Significant momentum in entry level space

Growing new SFR / wholesale business

Attractive land portfolio

Top-tier management team with significant industry experience



High-end design and personalization

- The Ashton Woods brand is targeted towards home buyers who have a preference for and willingness to pay a premium for premium design and a high degree of personalization
- Ashton Woods Design Studios enable design consultants to take buyers' inspiration and vision and translate them into beautiful and stylish homes
- Brand offers a personal, collaborative, and empowering homebuilding experience
- Ashton Woods homebuyers spent an average of \$62K in option selections for the six months ended Nov 30, 2020
- National recognition through awards for the industry's Best Interior Model Merchandising and Best Design Center



Affordable entry level homes

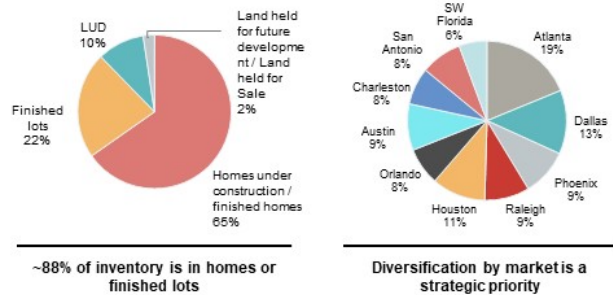
- Ashton Woods began offering entry-level homes under the Starlight Homes brand in FY 2017
- Driven by significant opportunity to convert renters into first-time homebuyers and capture move-down buyers
- Focus on land sites near dense rental populations and close proximity to transportation arteries
- High-efficiency building process – simplified design drives lower cycle times and higher asset turns
- Targeted, data-driven marketing strategy designed to continually optimize for cost / lead and cost / sale
- Starlight Homes represented 43% of closings and 29% of revenue for the 12 months ended November 30, 2020

ATTRACTIVE LAND PORTFOLIO AND FOCUS ON OPTIONED LOTS

Highlights

- Diversified portfolio in well-established markets
- Strategic focus on optioned lots allows for flexibility in deployment of capital and limits unused inventory dollars on balance sheet
 - 73% optioned as of 11/30/2020 compared to 77% as of 11/30/2019
- 88% of our \$998mm inventory balance at 11/30/2020 was highly developed, either in the form of finished homes, homes under construction, or finished lots
- We control lots for 100% of projected FY 2021, 2022 and 2023 sales

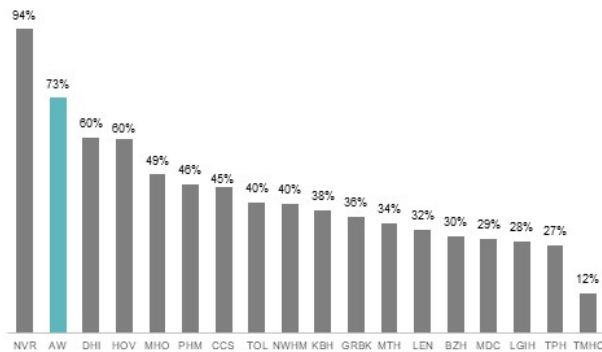
Book value of inventory as of 11/30/2020 (\$998mm)



~88% of inventory is in homes or finished lots

Diversification by market is a strategic priority

% of lots optioned¹



Note: Ashton Woods owned lots includes lots with homes under construction
¹ Source: Most recent company filings

Owned and controlled lots as of 11/30/2020

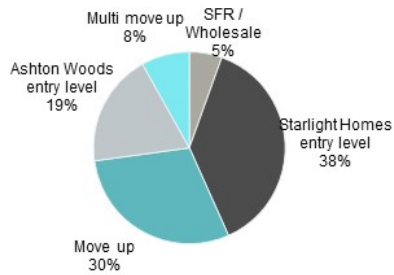
	ASHTON AW WOODS	STARLIGHT HOMES	Total
Owned lots	5,027	6,047	11,074
Optioned lots	12,707	16,621	29,328
Total	17,734	22,668	40,402
% of total	44%	56%	100%
Years supply owned	1.6	2.5	2.0
Years supply controlled	5.5	9.3	7.2

DIVERSIFIED PRODUCT OFFERINGS

- The Company has expanded its customer base, enhanced growth and improved profitability by diversifying its product portfolio in each market without a significant increase in overhead costs, including through the addition of Starlight Homes
- Prices range from mid-\$100 thousands to over \$1 million, with different products and features intended to meet the expectations and demands of different consumer segments
- For our Ashton Woods brand, in-depth analysis of homebuyer segments has driven us to focus on financially attractive target consumers – specifically, buyers who have a preference for and willingness to pay a premium for high design and personalization
 - Industry’s design leader and ability to deliver personalization in a production model has attracted a buyer who spends an average of \$62K¹ per home in option selections
- Addition of Starlight Homes brand in FY 2017 enhances appeal to first-time buyers in locations with dense rental populations and proximity to transportation arteries



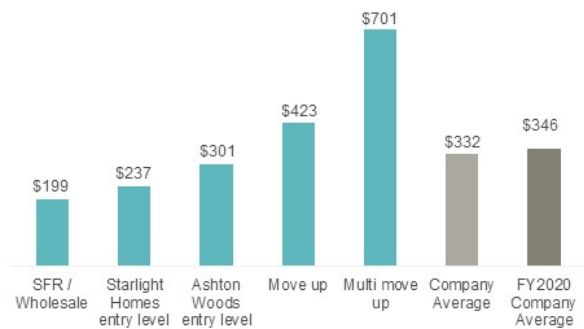
Closings by buyertype²



¹ For the six months ended 11/30/2020

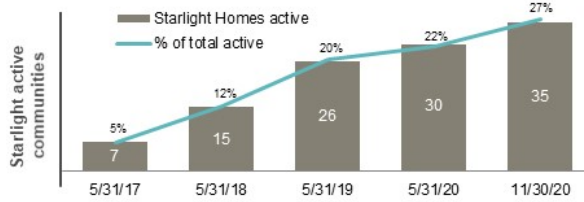
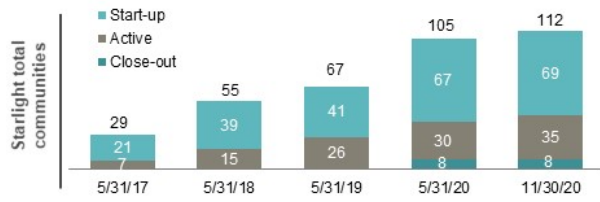
² Based on homes closed for the 12 months ended 11/30/2020

ASP (\$000s)¹

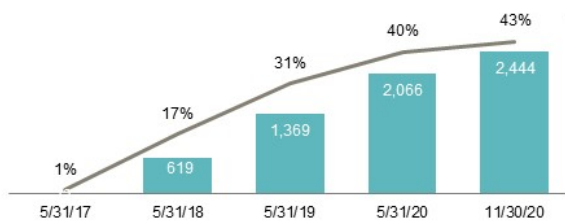


STARLIGHT HOMES ENTRY LEVEL PRODUCT OFFERING

Starlight communities



Starlight LTM closings and % of total closings

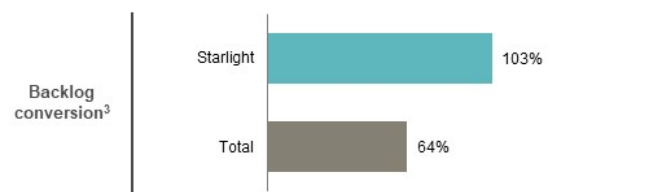
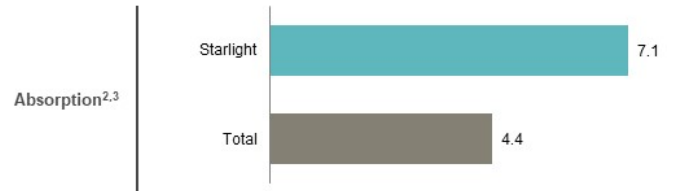
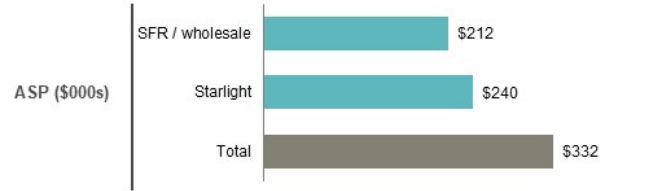


¹ Based on quarter ended 11/30/20

² Based on average monthly sales per average active communities

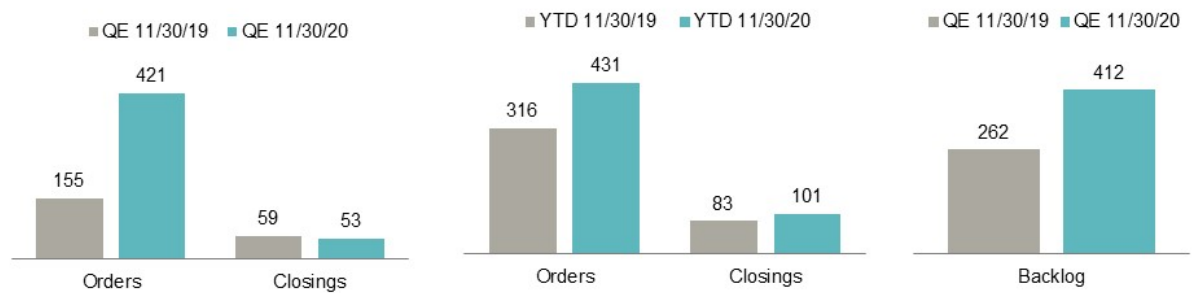
³ Excludes SFR / wholesale

Select Starlight operating metrics vs. total company¹



- Strong momentum in wholesale / SFR business in which homes, communities and land are sold to single family rental companies and investors
- Opportunities to build phases or whole communities, either as part of our regular homebuilding operations or as a contract developer or builder
 - Company does not own or manage any single family rental properties
- Business was launched in FY 2019 as part of the Starlight entry-level brand
- Wholesale represented 20% of total company orders and 4% of total company deliveries in QE 11/30/20
- Product benefits from largely standardized construction and limited sales and marketing costs
- Business is driving incremental growth and improvement in operating metrics

Wholesale year-over-year growth





FINANCIAL SUMMARY

ASHTON **AW** WOODS.

SIGNIFICANT MOMENTUM ACROSS FINANCIAL METRICS

	QE 11/30/20 vs. QE 11/30/19	YTD 11/30/20 vs. YTD 11/30/19 ¹
Net New Orders	✓ 74% increase in net new orders	✓ 56% increase in net new orders
Absorption ²	✓ 77% increase in absorption	✓ 56% increase in absorption
Homes Delivered	✓ 31% increase in homes delivered	✓ 25% increase in homes delivered
Revenue	✓ 20% increase in revenue	✓ 18% increase in revenue
EBITDA	✓ 105% increase in EBITDA	✓ 109% increase in EBITDA
Net Debt / Net Book Cap ³	✓ 1,060bps decline in net debt / net book capitalization	

¹ Six months ended November 30

² Based on average monthly net new orders divided by average number of active communities for the three and six months ended November 30

³ 11/30/2020 compared to 11/30/2019 period end

HISTORICAL FINANCIAL PERFORMANCE SUMMARY

\$ in millions, except as noted	Year ended May 31,			LTM period
	2018	2019	2020	ended 11/30/20
Operations:				
Net New Orders	3,800	4,138	5,309	6,764
Absorption ¹	2.4	2.6	3.3	4.2
Closings	3,643	4,357	5,109	5,643
Closing ASP (\$000)	\$405	\$382	\$346	\$338
Summary financials:				
Homebuilding revenue	\$1,475	\$1,666	\$1,767	\$1,909
Total revenue	\$1,478	\$1,696	\$1,816	\$1,951
Adjusted homebuilding gross margin (%)	19.1%	19.1%	20.3%	21.8%
SG&A as % of HB revenue	12.4%	12.7%	13.3%	12.7%
Adjusted EBITDA (\$) ²	\$108	\$116	\$141	\$189

¹ Based on average monthly net new orders divided by average number of active communities

² Includes adjustments of \$5.3mm and \$2.5mm for loss from early extinguishment of debt for FY 2018 and FY 2019 respectively (reconciliation on page 20)

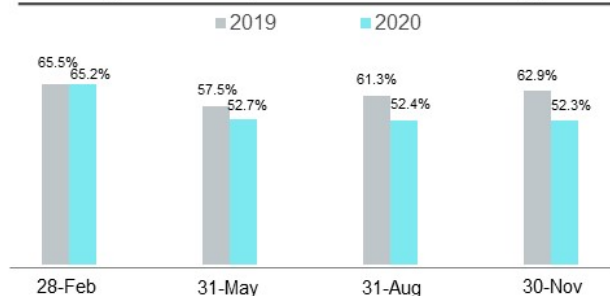
Balance sheet commentary

- Ample liquidity of \$464mm
- Well staggered debt maturity profile
- No off balance sheet debt
- Strategy to reduce leverage and lower risk as housing cycle matures while pursuing prudent growth

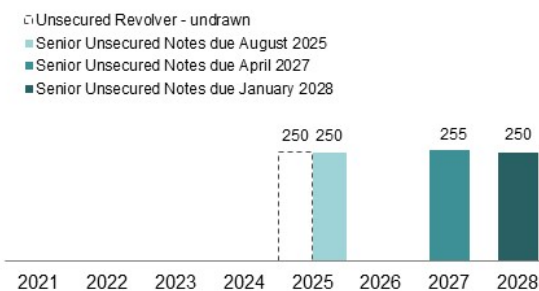
Capitalization (\$mm)

	As of 11/30/2020
Cash and Cash Equivalents	\$214
Senior Secured Revolving Credit Facility	-
6.750% Senior Unsecured Notes due August 2025	250
9.875% Senior Unsecured Notes due April 2027	255
6.625% Senior Unsecured Notes due January 2028	250
Discount and deferred costs	(12)
Total Debt	\$743
Book Value of Equity	493
Total Capitalization	\$1,236
Credit Statistics	
Total Debt / Book Cap	61%
Net Debt / Net Book Cap	52%
Cash + Inventory / Total Debt	1.6x
EBITDA / LTM Interest Incurred	3.0x

Leverage over time (net debt to net book cap)



Pro forma debt maturity schedule (\$mm)¹



¹ Revolving Credit Facility amended in February 2021 to set maturity in 2025 and reduce capacity from \$350MM to \$250MM

Diversified and disciplined growth

- Maintain an appropriate supply of land in key markets for future build out
- Continue to balance lot ownership and control through option contracts
- Continue to optimize portfolio of entry-level, move-up, and multi move-up communities
- Continue to leverage our recognizable brand name associated with high levels of quality, design, and personalization
- Continue to scale platform to enhance operational efficiency and cycle time reductions and generate better capital efficiency



APPENDIX

ASHTON **AW** WOODS.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Reconciliation of home gross margin to adjusted home gross margin (\$ millions)

	Years ended May 31,			LTM period
	2018	2019	2020	ending 11/30/2020
Home sales revenues	\$1,474.7	\$1,666.0	\$1,767.1	\$1,909.5
Cost of sales – homes	1,221.6	1,386.4	1,449.6	1,537.2
Home gross margin	\$253.1	\$279.6	\$317.4	\$372.3
Add: Inventory impairments	0.3	3.2	2.7	2.4
Interest amortized to cost of sales	27.7	34.9	39.1	40.8
Adjusted home gross margin	\$281.1	\$317.6	\$359.3	\$415.5
Ratio of home gross margin to home sales revenues	17.2%	16.8%	18.0%	19.5%
Ratio of adj. home gross margin to home sales revenues	19.1%	19.1%	20.3%	21.8%

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (CONT'D)

Reconciliation of net income to EBITDA and Adjusted EBITDA (\$ millions)

	Years ended May 31,			LTM ending
	2018	2019	2020	11/30/2020
Net income	\$52.5	\$60.6	\$75.8	\$116.2
Depreciation and amortization	11.4	10.5	9.6	9.0
Interest amortized to cost of sales	27.7	34.9	39.1	40.8
Interest expensed	11.6	7.6	16.0	22.7
EBITDA	\$103.2	\$113.5	\$140.6	\$188.6
Loss from early extinguishment of debt	5.3	2.5	-	-
Adjusted EBITDA	\$108.4	\$116.0	\$140.6	\$188.6

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (CONT'D)

Reconciliation of debt to cap to net debt to net book cap (\$ millions)

	Fiscal Period Ending							
	2/28/2019	5/31/2019	8/31/2019	11/30/2019	2/29/2020	5/31/2020	8/31/2020	11/30/2020
Total debt	\$678.8	\$523.7	\$608.4	\$670.4	\$759.7	\$759.7	\$759.0	\$755.0
Members' equity	357.2	387.1	383.3	394.6	405.4	450.4	464.2	493.5
Total capitalization	1,036.0	910.8	991.7	1,065.0	1,165.1	1,210.2	1,223.3	1,248.5
Debt to cap	65.5%	57.5%	61.3%	62.9%	65.2%	62.8%	62.0%	60.5%
Cash and cash equivalents	0.2	0.2	0.0	0.1	1.8	258.4	247.8	214.1
Net debt to net book cap	65.5%	57.5%	61.3%	62.9%	65.2%	52.7%	52.4%	52.3%




ASHTON WOODS.