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

FORM 8-K

CURRENT REPORT

PURSUANT TO REQUIREMENTS CONTAINED IN THE INDENTURE, DATED AS OF JANUARY 23, 2020 GOVERNING THE 6.625% SENIOR NOTES DUE 2028 ISSUED BY ASHTON WOODS USA L.L.C., IN THE INDENTURE, DATED AS OF MARCH 27, 2019 GOVERNING THE 9.875% SENIOR NOTES DUE 2027 ISSUED BY ASHTON WOODS USA L.L.C., AND IN THE INDENTURE, DATED AS OF AUGUST 8, 2017 GOVERNING THE 6.750% SENIOR NOTES DUE 2025 ISSUED BY ASHTON WOODS USA L.L.C.

Date of Report (Date of earliest event reported): February 21, 2020

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 21, 2020, 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 2020 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 2020.

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 21, 2020

ASHTON WOODS USA L.L.C.

By: /s/ Cory Boydston

Cory Boydston

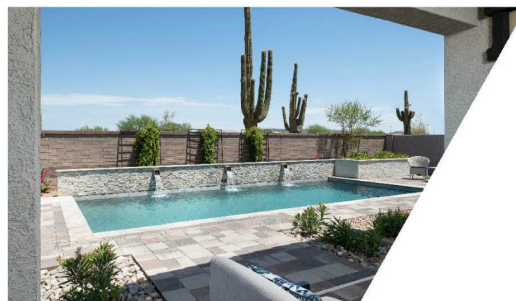
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Ashton Woods USA L.L.C. Investor presentation dated February 2020.

Ashton Woods

February 2020



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 EBITDA and earnings adjusted to exclude certain amounts, along with ratios using these non-GAAP financial measures. These measures are commonly used to compare operating results between periods or companies, but are not generally accepted accounting principles (GAAP).

Cory Boydston - CFO



- Joined Ashton Woods in 2009
- 33 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 BMC Holdings, Inc. (NASDAQ: BMCH)

Zack Sawyer - CAO



- Joined Ashton Woods in 2008
- 12 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



COMPANY OVERVIEW

ASHTON **AW** WOODS.

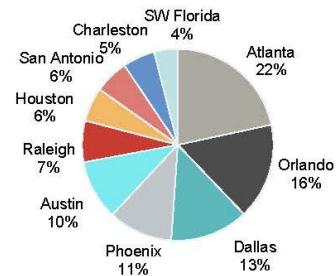
- **3rd largest private homebuilder and 18th largest homebuilder overall in the U.S.¹**
 - Majority-owned by Great Gulf Group since Company's founding in 1989
 - 30+ years of operating history
 - ~45,000 homes sold
 - 946 employees across 10 operating divisions
- **Award winning brands**
 - Ashton Woods, offering luxury 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 with no market representing more than 22% of LTM revenues
- **Summary financial statistics²**
 - LTM revenues of \$1.8bn
 - LTM EBITDA of \$115mm
 - Total assets of \$1.3bn

Geographic focus



Diversified presence in high-growth Sunbelt and Southeast markets

LTM revenue by operating division²



¹ Professional Builder Magazine, based on revenues for 2018; ² For the 12 months ended 11/30/19

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 the beginning of the most recent housing downturn

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 40 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:** 3rd 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 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 \$69,796 in option selections for the twelve months ended Nov 30, 2019
- National recognition through awards for the industry's Best Interior Model Merchandising and Best Design Center



Affordable entry level homes

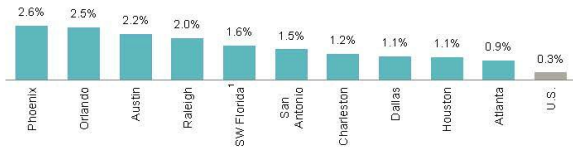
- Ashton Woods began offering entry-level homes under the Starlight Homes brand in FY 2017
- Driven by significant opportunity to convert renters into first-time homebuyers and capture move-down buyers
- Focus on land sites near dense rental populations and close proximity to transportation arteries
- 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 represents 37% of closings and 24% of revenue for the 12 months ended November 30, 2019



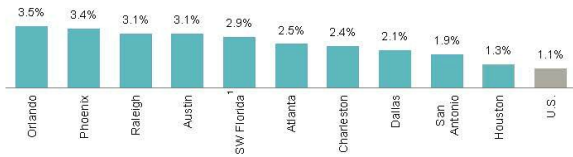
FOCUS ON HIGH GROWTH SUNBELT AND SOUTHEAST U.S. REGIONS

- Our markets are characterized by robust population and employment growth trends
- We are active in 7 of the top 10 U.S. markets as ranked by number of single-unit housing permits

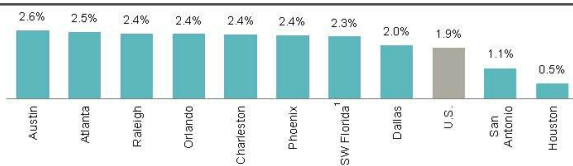
Total population growth (2019 vs. 2018)



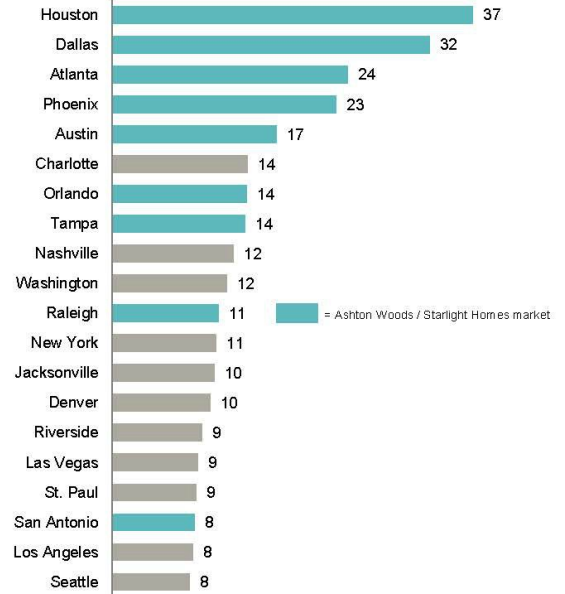
Projected employment growth (2020E)



Median household income (2020E – 2025E CAGR)



U.S. MSAs by number of single family permits ('000)²



Source: Bureau of Labor Statistics, U.S. Census Bureau, JBREC estimates
¹ Southwest Florida markets include Naples, Sarasota and Tampa, figure shown represents average of these three markets; ² Data as of November 2019

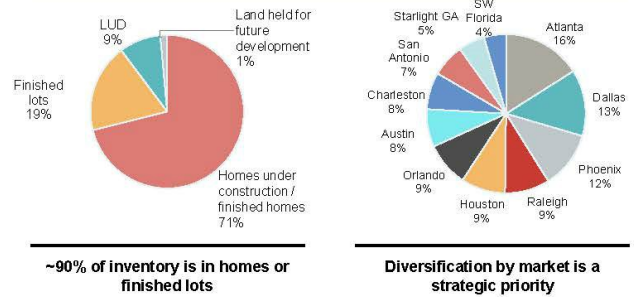
Source: U.S. Census Bureau

ATTRACTIVE LAND PORTFOLIO AND FOCUS ON OPTIONED LOTS

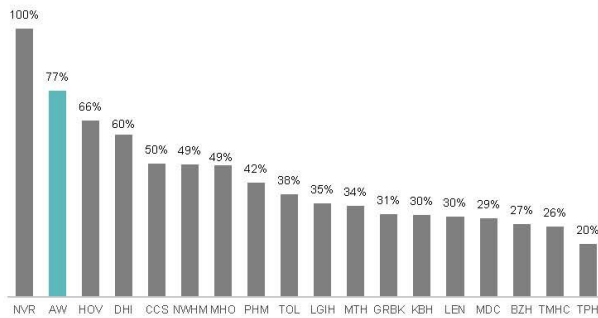
Highlights

- 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
 - 77% optioned as of 11/30/19 as compared to 74% as of 11/30/18
- Over 90% of our \$1.0bn inventory balance at 11/30/19 was highly developed, either in the form of finished homes, homes under construction, or finished lots
- Own or control lots for 100% of projected FY 2020, 2021 and 2022 sales

Book value of inventory as of 11/30/19 (\$1.0bn)



% 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 11/30/19

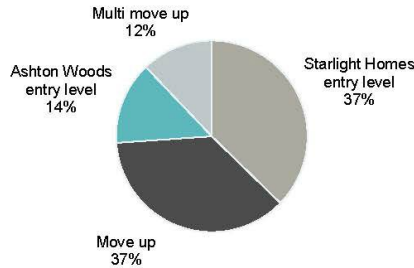
	ASHTON AW WOODS	STARLIGHT HOME	Total
Owned lots	4,255	4,748	9,003
Optioned lots	12,478	17,533	30,011
Total	16,733	22,281	39,014
<i>% of total</i>	<i>43%</i>	<i>57%</i>	<i>100%</i>
Years supply owned	1.4	4.4	1.9
Years supply controlled	5.0	12.7	7.4

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 low \$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
 - Our emergence as the industry’s design leader and ability to deliver personalization in a production model has attracted a buyer who spends an average of \$70K¹ per home in option selections
- Addition of Starlight Homes brand in FY 2017 enhances appeal to first-time buyers in locations with dense apartment populations and proximity to transportation arteries



Closings by buyer type²



¹ For the 12 months ended 11/30/19

² Based on homes closed for the last 12 months ended 11/30/19

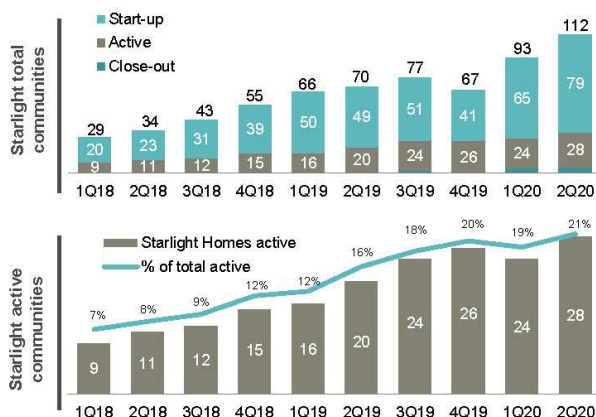
³ For three months ended 11/30/19

ASP (\$000s)³

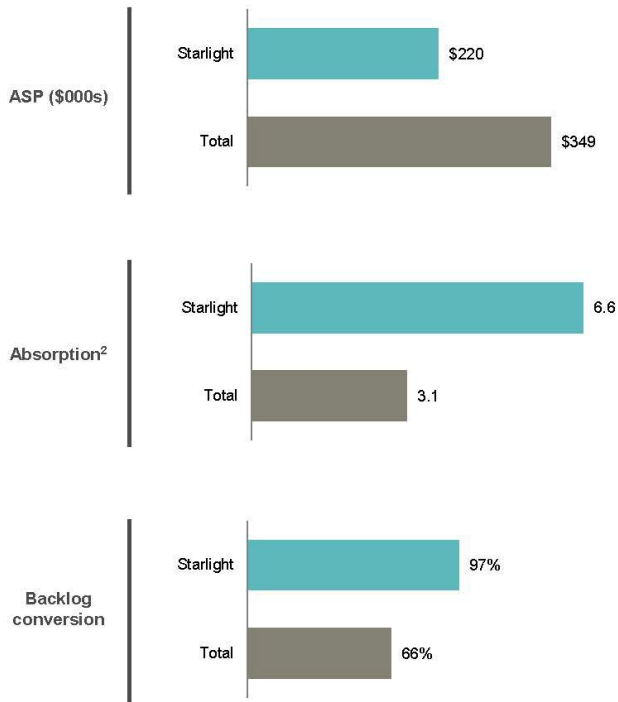


MOMENTUM IN STARLIGHT HOMES ENTRY LEVEL PRODUCT OFFERING

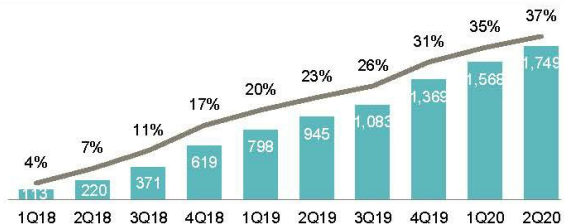
Starlight communities



Select Starlight operating metrics vs. total company¹



Starlight LTM closings and % of total closings



¹ Based on quarter ended 11/30/19

² Based on average monthly sales per average active communities. Average active communities is calculated using the average of the August 31st and November 30th quarter ended active community numbers

- Strong momentum in new wholesale 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 line was launched in FY 2019 as part of the Starlight entry-level brand
- Wholesale represented 13% of total company orders and 6% of total company deliveries in FY 2020 Q2
- Product benefits from standardized construction and limited sales and marketing costs
- Business is driving incremental growth and improvement in operating metrics

Wholesale year-over-year growth



TOP-TIER MANAGEMENT TEAM WITH SIGNIFICANT INDUSTRY EXPERIENCE

- Highly seasoned senior leadership team with significant industry and company tenure
- Deep division-level talent in all of our markets with key localized expertise and relationships

	Years			Years	
	Industry	AWH		Industry	AWH
Kenneth Balogh <i>President & Chief Executive Officer</i>	27	10	Ken Newman <i>SVP of Construction Operations</i>	34	2
Cory Boydston <i>Chief Financial Officer</i>	33	10	Lindsay Motley <i>Division President, Austin</i>	19	2
Ryan Lewis <i>Chief Operating Officer</i>	21	7	Robert Norton <i>Division President, Charleston</i>	16	6
Deborah Danzig <i>Chief Legal Officer</i>	14	8	Tom Houser <i>Division President, Dallas</i>	43	6
Thad DiGiuro <i>SVP of Land Acquisition & Strategy</i>	19	17	Paul Sims <i>Division President, Houston</i>	40	10
Jay Kallos <i>SVP of Architecture</i>	27	13	John Remy <i>Division President, Atlanta</i>	31	20
Tony Albachiera <i>SVP of Sales</i>	24	6	Scott Moore <i>Division President, Phoenix</i>	26	14
Carrie Schonberg <i>Chief Marketing Officer</i>	8	8	Mike Reynolds <i>Division President, Raleigh</i>	13	3
Zack Sawyer <i>SVP / Chief Accounting Officer</i>	12	12	Damon Lyles <i>Division President, San Antonio</i>	44	8
Karin Shaban <i>SVP of Human Resources</i>	12	8	Darryl Colwell <i>Division Manager, Southwest Florida</i>	33	2
Scott Lyon <i>SVP of Financial Services</i>	21	9	Average	25	9
Adam Weaver <i>SVP of Purchasing</i>	25	7			



FINANCIAL SUMMARY

ASHTON **AW** WOODS.

SIGNIFICANT MOMENTUM ACROSS FINANCIAL METRICS

	FY 2020 Q2 vs. FY 2019 Q2 (quarterly)	FY 2020 YTD vs. FY 2019 YTD ¹
Net New Orders	✓ 72% increase in net new orders	✓ 63% increase in net new orders
Absorption ²	✓ 60% increase in absorption	✓ 52% increase in absorption
Homes Delivered	✓ 20% increase in homes delivered	✓ 19% increase in homes delivered
Revenue	✓ 16% increase in revenue	✓ 9% increase in revenue
EBITDA	✓ 38% increase in EBITDA	✓ 3% increase in EBITDA
Net Debt / Net Book Cap ³	✓ 80bps decline in net debt / net capitalization	
Cancellation Rate ⁴	✓ 1,090bps decrease	✓ 730bps decrease

¹ Six months ended November 30

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

³ 11/30/2019 compared to 11/30/2018 period end

⁴ Includes benefit from lower cancellation rate on wholesale business

HISTORICAL FINANCIAL PERFORMANCE SUMMARY

\$ in millions, except as noted	Year ended May 31,			LTM period ended 11/30/19
	2017	2018	2019	
Operations:				
Net new orders (#)	3,001	3,800	4,138	5,133
% growth	13.3%	26.6%	8.9%	34.3%
Absorption ¹	1.9	2.4	2.6	3.2
Closings	2,810	3,643	4,357	4,691
% growth	4.7%	29.6%	19.6%	16.1%
Closing ASP (\$'000)	\$431	\$405	\$382	\$365
Summary financials:				
Homebuilding revenue	\$1,212	\$1,475	\$1,666	\$1,713
% growth	5.8%	21.7%	12.9%	7.1%
Total revenue	\$1,218	\$1,478	\$1,696	\$1,759
% growth	6.0%	21.3%	14.7%	9.5%
Homebuilding gross margin (%)	18.2%	17.2%	16.8%	16.6%
Adjusted homebuilding gross margin (%)	20.1%	19.1%	19.1%	18.9%
SG&A as % of HB revenue	13.2%	12.4%	12.7%	13.0%
EBITDA (\$)	\$90	\$103	\$114	\$115
% growth	1.1%	14.4%	10.7%	(5.7%)
Adjusted EBITDA (\$) ²	\$90	\$108	\$116	\$117
% growth	1.1%	20.0%	7.4%	(4.1%)
Pre-tax income	\$42	\$52	\$61	\$56
Summary balance sheet:				
Total debt	\$437	\$493	\$515	\$661
Total equity	313	348	387	395
Total assets	973	1,063	1,130	1,294

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

² Includes adjustments of \$0.0mm, \$5.3mm, \$2.5mm and \$2.5mm for loss from early extinguishment of debt for FY 2017, FY 2018, FY 2019 and LTM respectively (reconciliation on page 22)

Balance sheet commentary

- Ample liquidity of \$430mm
- 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

Pro forma capitalization (\$mm)

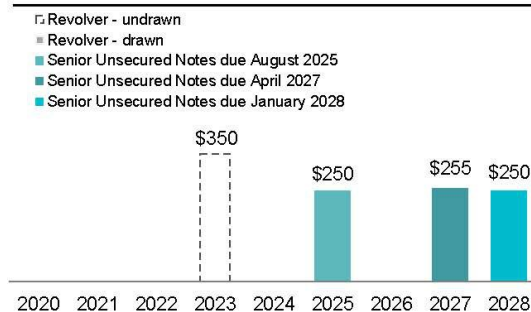
	Pro forma
Cash and Cash Equivalents	\$80
Senior Secured Revolving Credit Facility	-
6.750% Senior Unsecured Notes due August 2025	250
9.875% Senior Unsecured Notes due April 2027	255
6.625% Senior Unsecured Notes due January 2028	250
Discount and deferred costs	(10)
Total Debt	\$745
Book Value of Equity	395
Total Capitalization	\$1,140
Credit Statistics	
Total Debt / Book Cap	66%
Net Debt / Net Book Cap	63%
Cash + Inventory / Total Debt	1.5x
EBITDA / LTM Interest Incurred	1.9x

Leverage over time (net debt to net cap)



¹ As of 11/30/19 pro forma for the offering (reflects principal amount of notes)

Pro forma debt maturity schedule (\$mm)¹



Diversified and disciplined growth

- Continue to focus on current strong markets and grow market share
- 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
- 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 (\$000s)

	Years ended May 31,			LTM period
	2017	2018	2019	ending 11/30/2019
Home sales revenues	\$1,212,140	\$1,474,683	\$1,665,997	\$1,713,262
Cost of sales – homes	991,351	1,221,597	1,386,429	1,429,716
Home gross margin	\$220,789	\$253,086	\$279,568	\$283,546
Add: Inventory impairments	594	331	3,157	1,679
Interest amortized to cost of sales	21,955	27,710	34,860	38,831
Adjusted home gross margin	\$243,338	\$281,127	\$317,585	\$324,056
Ratio of home gross margin to home sales revenues	18.2%	17.2%	16.8%	16.6%
Ratio of adj. home gross margin to home sales revenues	20.1%	19.1%	19.1%	18.9%

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

Reconciliation of net income to EBITDA (\$000s)

	Years ended May 31,			LTM ending
	2017	2018	2019	11/30/2019
Net income	\$41,609	\$52,470	\$60,593	\$56,146
Depreciation and amortization	14,209	11,360	10,483	10,104
Interest amortized to cost of sales	21,955	27,710	34,860	38,831
Interest expensed	12,547	11,640	7,591	9,824
EBITDA	\$90,320	\$103,180	\$113,527	\$114,905
Loss from early extinguishment of debt	-	5,263	2,489	2,489
Adjusted EBITDA	\$90,320	\$108,443	\$116,016	\$117,394




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