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Form 10-Q
July 07, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended May 31, 2017.

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from [] to [].

Commission File No. 001-09195

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(Exact name of registrant as specified in its charter)

Delaware 95-3666267

(State of incorporation) (IRS employer identification number)

10990 Wilshire Boulevard

Los Angeles, California 90024

(310) 231-4000

(Address and telephone number of principal executive offices)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company) Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of May 31, 2017.

There were 85,548,203 shares of the registrant's common stock, par value \$1.00 per share, outstanding on May 31, 2017. The registrant's grantor stock ownership trust held an additional 9,153,296 shares of the registrant's common stock on that date.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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CONSOLIDATED STATEMENTS OF OPERATIONS

(In Thousands, Except Per Share Amounts – Unaudited)

	Three Months Ended May 31,		Six Months Ended May 31,	
	2017	2016	2017	2016
Total revenues	\$1,002,794	\$811,050	\$1,821,390	\$1,489,421
Homebuilding:				
Revenues	\$1,000,072	\$808,462	\$1,816,318	\$1,484,204
Construction and land costs	(846,596)	(688,714)	(1,544,676)	(1,257,532)
Selling, general and administrative expenses	(103,917)	(93,810)	(196,806)	(181,742)
Operating income	49,559	25,938	74,836	44,930
Interest income	202	134	400	286
Interest expense	—	(1,970)	(6,307)	(5,667)
Equity in income (loss) of unconsolidated joint ventures	(596)	(825)	135	(1,428)
Homebuilding pretax income	49,165	23,277	69,064	38,121
Financial services:				
Revenues	2,722	2,588	5,072	5,217
Expenses	(816)	(871)	(1,635)	(1,730)
Equity in income (loss) of unconsolidated joint ventures	911	(197)	940	(784)
Financial services pretax income	2,817	1,520	4,377	2,703
Total pretax income	51,982	24,797	73,441	40,824
Income tax expense	(20,200)	(9,200)	(27,400)	(12,100)
Net income	\$31,782	\$15,597	\$46,041	\$28,724
Earnings per share:				
Basic	\$.37	\$.18	\$.54	\$.33
Diluted	\$.33	\$.17	\$.49	\$.31
Weighted average shares outstanding:				
Basic	85,445	84,196	85,285	86,704
Diluted	97,732	94,720	96,975	97,060
Cash dividends declared per common share	\$.025	\$.025	\$.050	\$.050
See accompanying notes.				

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CONSOLIDATED BALANCE SHEETS
(In Thousands – Unaudited)

	May 31, 2017	November 30, 2016
Assets		
Homebuilding:		
Cash and cash equivalents	\$348,588	\$ 592,086
Receivables	234,712	231,665
Inventories	3,488,204	3,403,228
Investments in unconsolidated joint ventures	64,000	64,016
Deferred tax assets, net	711,885	738,985
Other assets	99,996	91,145
	4,947,385	5,121,125
Financial services	11,410	10,499
Total assets	\$4,958,795	