

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 September 30, 2024

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 number: 001-33530

Green Brick Partners, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

20-5952523

(IRS Employer Identification Number)

5501 Headquarters Drive, Suite 300W

Plano , TX 75024

(Address of principal executive offices, including Zip Code)

(469) 573-6755

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	GRBK	The New York Stock Exchange
Depository Shares (each representing a 1/1000th interest in a share of 5.75% Series A Cumulative Perpetual Preferred Stock, par value \$0.01 per share)	GRBK PRA	The New York Stock Exchange

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, 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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit 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 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 ☐ 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 Act). Yes ☐ No ☒

The number of shares of the Registrant's common stock outstanding as of October 25, 2024 was 44,498,248.

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

GREEN BRICK PARTNERS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)
(Unaudited)

	September 30, 2024	December 31, 2023
ASSETS		
Cash and cash equivalents	\$ 80,069	\$ 179,756
Restricted cash	24,579	19,703
Receivables	11,329	10,632
Inventory	1,918,046	1,533,223
Investments in unconsolidated entities	59,356	84,654
Right-of-use assets - operating leases	7,535	7,255
Property and equipment, net	6,901	7,054
Earnest money deposits	13,869	16,619
Deferred income tax assets, net	15,307	15,306
Intangible assets, net	303	367
Goodwill	680	680
Other assets	34,096	27,583
Total assets	<u>\$ 2,172,070</u>	<u>\$ 1,902,832</u>
LIABILITIES AND EQUITY		
Liabilities:		
Accounts payable	\$ 67,346	\$ 54,321
Accrued expenses	165,900	96,457
Customer and builder deposits	45,065	43,148
Lease liabilities - operating leases	8,600	7,898
Borrowings on lines of credit, net	(1,718)	(2,328)
Senior unsecured notes, net	298,994	336,207
Notes payable	—	12,981
Total liabilities	584,187	548,684
Commitments and contingencies		
Redeemable noncontrolling interest in equity of consolidated subsidiary	42,841	36,135
Equity:		
Green Brick Partners, Inc. stockholders' equity		
Preferred stock, \$0.01 par value: 5,000,000 shares authorized; 2,000 issued and outstanding as of September 30, 2024 and December 31, 2023, respectively	47,603	47,603
Common stock, \$0.01 par value: 100,000,000 shares authorized; 44,498,248 issued and outstanding as of September 30, 2024 and 45,005,175 issued and outstanding as of December 31, 2023, respectively	445	450
Additional paid-in capital	243,199	255,614
Retained earnings	1,229,490	997,037
Total Green Brick Partners, Inc. stockholders' equity	1,520,737	1,300,704
Noncontrolling interests	24,305	17,309
Total equity	1,545,042	1,318,013
Total liabilities and equity	<u>\$ 2,172,070</u>	<u>\$ 1,902,832</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

GREEN BRICK PARTNERS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Residential units revenue	\$ 522,859	\$ 415,923	\$ 1,513,281	\$ 1,320,730
Land and lots revenue	801	3,055	18,348	6,598
Total revenues	523,660	418,978	1,531,629	1,327,328
Cost of residential units	351,666	277,446	1,005,162	915,600
Cost of land and lots	431	2,519	16,981	5,174
Total cost of revenues	352,097	279,965	1,022,143	920,774
Total gross profit	171,563	139,013	509,486	406,554
Selling, general and administrative expenses	(57,740)	(46,884)	(165,912)	(142,058)
Equity in income of unconsolidated entities	992	1,345	4,770	11,265
Other income, net	4,161	4,612	25,442	13,709
Income before income taxes	118,976	98,086	373,786	289,470
Income tax expense	23,078	20,975	71,816	63,154
Net income	95,898	77,111	301,970	226,316
Net income attributable to noncontrolling interests	6,787	4,955	24,200	14,710
Net income attributable to Green Brick Partners, Inc.	\$ 89,111	\$ 72,156	\$ 277,770	\$ 211,606
Net income attributable to Green Brick Partners, Inc. per common share:				
Basic	\$ 1.99	\$ 1.58	\$ 6.18	\$ 4.60
Diluted	\$ 1.98	\$ 1.56	\$ 6.12	\$ 4.55
Weighted average common shares used in the calculation of net income attributable to Green Brick Partners, Inc. per common share:				
Basic	44,457	45,320	44,614	45,543
Diluted	44,530	45,792	45,019	45,988

The accompanying notes are an integral part of these condensed consolidated financial statements.

GREEN BRICK PARTNERS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In thousands, except share data)
(Unaudited)

For the three months ended September 30, 2024 and 2023:

	Common Stock		Preferred Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Total GRBK Stockholders' Equity	Non controlling Interests	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount					
Balance at June 30, 2024	44,897,775	\$ 449	2,000	\$ 47,603	(303,324)	\$ (17,192)	\$ 246,863	\$ 1,161,512	\$ 1,439,235	\$ 24,518	\$ 1,463,753
Issuance of common stock under the 2024 Omnibus Incentive Plan, net of forfeitures	2,302	—	—	—	—	—	—	—	—	—	—
Withholdings from share-based compensation awards	(826)	—	—	—	—	—	(59)	—	(59)	—	(59)
Amortization of deferred share-based compensation	—	—	—	—	—	—	572	—	572	—	572
Dividends	—	—	—	—	—	—	—	(719)	(719)	—	(719)
Stock repurchases	—	—	—	—	(97,679)	(5,445)	—	—	(5,445)	—	(5,445)
Treasury stock retirement	(401,003)	(4)	—	—	401,003	22,637	(2,219)	(20,414)	—	—	—
Change in fair value of redeemable noncontrolling interest	—	—	—	—	—	—	(1,958)	—	(1,958)	—	(1,958)
Distributions	—	—	—	—	—	—	—	—	—	(5,000)	(5,000)
Net income	—	—	—	—	—	—	—	89,111	89,111	4,787	93,898
Balance at September 30, 2024	44,498,248	\$ 445	2,000	\$ 47,603	—	\$ —	\$ 243,199	\$ 1,229,490	\$ 1,520,737	\$ 24,305	\$ 1,545,042

	Common Stock		Preferred Stock		Additional Paid-in Capital	Retained Earnings	Total GRBK Stockholders' Equity	Non controlling Interests	Total Stockholders' Equity
	Shares	Amount	Shares	Amount					
Balance at June 30, 2023	45,378,678	\$ 454	2,000	\$ 47,696	\$ 256,965	\$ 868,962	\$ 1,174,077	\$ 16,148	\$ 1,190,225
Issuance of common stock under the 2014 Omnibus Equity Incentive Plan, net of forfeitures	(314)	—	—	—	—	—	—	—	—
Amortization of deferred share-based compensation	—	—	—	—	363	—	363	—	363
Dividends	—	—	—	—	—	(718)	(718)	—	(718)
Change in fair value of redeemable noncontrolling interest	—	—	—	—	(569)	—	(569)	—	(569)
Expiration of prepaid offering costs	—	—	—	(93)	—	—	(93)	—	(93)
Distributions	—	—	—	—	—	—	—	(3,000)	(3,000)
Net income	—	—	—	—	—	72,156	72,156	3,283	75,439
Balance at September 30, 2023	45,378,364	\$ 454	2,000	\$ 47,603	\$ 256,759	\$ 940,400	\$ 1,245,216	\$ 16,431	\$ 1,261,647

The accompanying notes are an integral part of these condensed consolidated financial statements.

GREEN BRICK PARTNERS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In thousands, except share data) (Unaudited)

For the nine months ended September 30, 2024 and 2023:

	Common Stock		Preferred Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Total GRBK Stockholders' Equity	Non controlling Interests	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount					
Balance at December 31, 2023	45,005,175	\$ 450	2,000	\$ 47,603	—	\$ —	\$ 255,614	\$ 997,037	\$ 1,300,704	\$ 17,309	\$ 1,318,013
Issuance of common stock under the 2024 Omnibus Incentive Plan, net of forfeitures	639,079	7	—	—	—	—	5,843	—	5,850	—	5,850
Withholdings from share-based compensation awards	(285,347)	(3)	—	—	—	—	(11,334)	—	(11,337)	—	(11,337)
Amortization of deferred share-based compensation	—	—	—	—	—	—	1,865	—	1,865	—	1,865
Dividends	—	—	—	—	—	—	—	(2,156)	(2,156)	—	(2,156)
Stock repurchases	—	—	—	—	(860,659)	(48,035)	—	—	(48,035)	—	(48,035)
Treasury stock retirement	(860,659)	(9)	—	—	860,659	48,035	(4,865)	(43,161)	—	—	—
Change in fair value of redeemable noncontrolling interest	—	—	—	—	—	—	(3,924)	—	(3,924)	—	(3,924)
Distributions	—	—	—	—	—	—	—	—	—	(11,785)	(11,785)
Net income	—	—	—	—	—	—	—	277,770	277,770	18,781	296,551
Balance at September 30, 2024	44,498,248	\$ 445	2,000	\$ 47,603	—	\$ —	\$ 243,199	\$ 1,229,490	\$ 1,520,737	\$ 24,305	\$ 1,545,042

	Common Stock		Preferred Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings	Total GRBK Stockholders' Equity	Non controlling Interests	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount					
Balance at December 31, 2022	46,032,930	\$ 460	2,000	\$ 47,696	—	\$ —	\$ 259,410	\$ 754,341	\$ 1,061,907	\$ 20,908	\$ 1,082,815
Issuance of common stock under the 2014 Omnibus Equity Incentive Plan, net of forfeitures	208,882	2	—	—	—	—	5,230	—	5,232	—	5,232
Withholdings from vesting of restricted stock awards	(59,857)	—	—	—	—	—	(1,976)	—	(1,976)	—	(1,976)
Amortization of deferred share-based compensation	—	—	—	—	—	—	1,393	—	1,393	—	1,393
Dividends	—	—	—	—	—	—	—	(2,156)	(2,156)	—	(2,156)
Stock repurchases	—	—	—	—	803,591	(27,991)	—	—	(27,991)	—	(27,991)
Treasury stock retirement	(803,591)	(8)	—	—	(803,591)	27,991	(4,592)	(23,391)	—	—	—
Expiration of prepaid offering costs	—	—	—	(93)	—	—	—	—	(93)	—	(93)
Change in fair value of redeemable noncontrolling interest	—	—	—	—	—	—	(2,706)	—	(2,706)	—	(2,706)
Distributions	—	—	—	—	—	—	—	—	—	(14,056)	(14,056)
Net income	—	—	—	—	—	—	—	211,606	211,606	9,579	221,185
Balance at September 30, 2023	45,378,364	\$ 454	2,000	\$ 47,603	—	\$ —	\$ 256,759	\$ 940,400	\$ 1,245,216	\$ 16,431	\$ 1,261,647

The accompanying notes are an integral part of these condensed consolidated financial statements.

GREEN BRICK PARTNERS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2024	2023
Cash flows from operating activities:		
Net income	\$ 301,970	\$ 226,316
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	3,624	2,442
Loss (gain) on disposal of property and equipment, net	75	(70)
Share-based compensation expense	7,715	6,333
Equity in income of unconsolidated entities	(4,770)	(11,265)
Allowances for option deposits and pre-acquisition costs	185	54
Gain on sale of investment in unconsolidated entity	(10,718)	—
Distributions of income from unconsolidated entities	2,664	10,489
Changes in operating assets and liabilities:		
Increase in receivables	(697)	(4,667)
Increase in inventory	(383,927)	(38,602)
Decrease in earnest money deposits	2,750	5,697
Increase in other assets	(6,275)	(6,835)
Increase in accounts payable	13,026	4,761
Increase in accrued expenses	69,438	19,920
Increase in customer and builder deposits	1,918	18,126
Net cash (used in) provided by operating activities	(3,022)	232,699
Cash flows from investing activities:		
Proceeds from sale of investment in unconsolidated entity	63,960	—
Investments in unconsolidated entities	(25,838)	(5,210)
Purchase of property and equipment, net of disposals	(3,482)	(4,789)
Net cash provided by (used in) investing activities	34,640	(9,999)
Cash flows from financing activities:		
Borrowings from lines of credit	26,000	22,000
Repayments of lines of credit	(26,000)	(42,000)
Repayments of senior unsecured notes	(37,500)	—
Proceeds from notes payable	—	63
Repayments of notes payable	(12,981)	(1,687)
Payments of debt issuance costs	—	(73)
Payments of withholding tax on vesting of restricted stock awards	(11,335)	(1,976)
Repurchases of common stock	(48,035)	(27,991)
Dividends paid	(2,156)	(2,156)
Net proceeds from issuance of preferred shares	—	(93)
Distributions to redeemable noncontrolling interest	(2,637)	(1,840)
Distributions to noncontrolling interests	(11,785)	(14,056)
Net cash used in financing activities	(126,429)	(69,809)
Net (decrease) increase in cash and cash equivalents and restricted cash	(94,811)	152,891
Cash and cash equivalents and restricted cash, beginning of period	199,459	93,270
Cash and cash equivalents and restricted cash, end of period	\$ 104,648	\$ 246,161
Supplemental disclosure of cash flow information:		
Cash paid for income taxes, net of refunds	\$ 28,216	\$ 65,802

The accompanying notes are an integral part of these condensed consolidated financial statements.

GREEN BRICK PARTNERS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles (“GAAP”) as set forth in the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”) and applicable regulations of the Securities and Exchange Commission (“SEC”), but do not include all of the information and footnotes required for complete financial statements. The condensed consolidated balance sheet as of December 31, 2023 was derived from the audited consolidated financial statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023. In the opinion of management, the accompanying unaudited condensed consolidated financial statements for the periods presented reflect all adjustments of a normal, recurring nature necessary to fairly state our financial position, results of operations and cash flows. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and accompanying notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023.

Operating results for the three and nine months ended September 30, 2024 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2024 or subsequent periods due to seasonal variations and other factors.

Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of Green Brick Partners, Inc., its controlled subsidiaries, (together, the “Company”, “our”, “we”, or “Green Brick”) and variable interest entities (“VIEs”) in which Green Brick Partners, Inc. or one of its controlled subsidiaries is deemed to be the primary beneficiary.

All intercompany balances and transactions have been eliminated in consolidation.

The Company uses the equity method of accounting for its investments in unconsolidated entities over which it exercises significant influence but does not have a controlling interest. Under the equity method, the Company’s share of the unconsolidated entities’ earnings or losses, if any, is included in the condensed consolidated statements of income.

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with GAAP requires management of the Company to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes, including the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

For a complete set of the Company’s significant accounting policies, refer to Note 1 of the Company’s Annual Report on Form 10-K for the year ended December 31, 2023.

Recent Accounting Pronouncements

Changes to U.S. GAAP are established by the FASB in the form of Accounting Standard Updates (“ASUs”) to the FASB ASC. We consider the applicability and impact of all ASUs and any not listed below were assessed and determined to be not applicable or are not expected to have a material impact on our consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09 (“ASU 2023-09”) Income Taxes (Topic 740): Improvements to Income Tax Disclosures. ASU 2023-09 requires public companies to annually disclose specific categories in the income tax rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than 5 percent of the amount computed by multiplying pretax income or loss by the applicable statutory income tax rate). ASU 2023-09 will be effective for the annual reporting periods in fiscal years beginning after December 15, 2024. The Company is currently evaluating ASU 2023-09 and does not expect it to have a material effect on the Company’s consolidated financial statements.

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In November 2023, the FASB issued ASU 2023-07, “Improvements to Reportable Segment Disclosures” (“ASU 2023-07”). ASU 2023-07 requires disclosure of (i) significant segment expenses that are regularly provided to the chief operating decision maker (“CODM”) and included within the segment measure of profit or loss, (ii) an amount and description of its composition for other segment items to reconcile to segment profit or loss, and (iii) the title and position of the entity’s CODM. ASU 2023-07 will be applied retrospectively and is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Company is currently reviewing the impact that the adoption of ASU 2023-07 may have on its Consolidated Financial Statements and disclosures.

2. INVENTORY

A summary of inventory is as follows (in thousands):

	September 30, 2024	December 31, 2023
Homes completed or under construction	\$ 689,488	\$ 559,488
Land and lots - developed and under development	1,206,257	921,241
Land held for future development ⁽¹⁾	14,946	48,991
Land held for sale	7,355	3,503
Total inventory	\$ 1,918,046	\$ 1,533,223

- (1) Land held for future development consists of raw land parcels where development activities have been postponed due to market conditions or other factors. All applicable carrying costs, including property taxes, are expensed as incurred.

As of September 30, 2024, the Company reviewed the performance and outlook for all of its communities and land inventory for indicators of potential impairment and performed a detailed impairment analysis when such indicators were identified. As of September 30, 2024, one selling community had an indicator of impairment with a carrying value of approximately \$18.5 million. For the three and nine months ended September 30, 2024, the Company recorded a \$1.3 million impairment adjustment to reduce the carrying value of the impaired community to fair value. For the three and nine months ended September 30, 2023, the Company did not record an impairment adjustment to reduce the carrying value of communities or land inventory to fair value.

A summary of interest costs incurred, capitalized and expensed is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Interest capitalized at beginning of period	\$ 25,234	\$ 22,599	\$ 24,126	\$ 22,752
Interest incurred	3,375	3,641	10,298	11,008
Interest charged to cost of revenues	(2,864)	(2,971)	(8,679)	(10,491)
Interest capitalized at end of period	\$ 25,745	\$ 23,269	\$ 25,745	\$ 23,269
Capitalized interest as a percentage of inventory	1.3 %	1.6 %		

3. INVESTMENT IN UNCONSOLIDATED ENTITIES

A summary of the Company's investments in unconsolidated entities is as follows (in thousands):

	September 30, 2024	December 31, 2023
GBTM Sendera, LLC	\$ 21,985	\$ 19,866
EJB River Holdings, LLC	12,812	10,867
Rainwater Crossing Single-Family, LLC	12,714	—
TMGB Magnolia Ridge, LLC	11,005	—
BHome Mortgage, LLC	840	1,255
GB Challenger, LLC ⁽¹⁾	—	52,666
Total investment in unconsolidated entities	\$ 59,356	\$ 84,654

(1) Effective February 1, 2024, the Company sold its ownership interest in GB Challenger, LLC for approximately \$64.0 million in cash.

Sale of GB Challenger Ownership Interest

Effective February 1, 2024, the Company sold its ownership interest in GB Challenger, LLC ("Challenger") to the entity that already held the controlling interest in Challenger for approximately \$64.0 million in cash. A gain on this sale of \$10.7 million is included in other income, net in the condensed consolidated statements of income.

Rainwater Crossing Single-Family, LLC Joint Venture

In February 2024, GRBK Edgewood, LLC ("GRBK Edgewood") established a joint venture ("JV"), Rainwater Crossing Single-Family, LLC ("Rainwater Crossing"), with Rainwater Single Family S-CORP to develop a tract of land in Celina, Texas. Both parties hold a 50% ownership interest in Rainwater Crossing. The Company evaluated the JV agreements and determined that Rainwater Crossing is a VIE and the Company has a variable interest in this entity, but the Company is not its primary beneficiary. Specifically, the Company determined that it does not direct the activities that most significantly impact the entity's economic performance as key decisions are subject to the approval of a management committee where both members are equally represented. Therefore, the Company's investment in Rainwater Crossing is treated as an unconsolidated investment under the equity method of accounting and is included in investments in unconsolidated entities in the Company's condensed consolidated balance sheets.

As of September 30, 2024, the Company's maximum exposure to loss as a result from its involvement with Rainwater Crossing was approximately \$24.9 million, representing its \$12.7 million investment and the Company's remaining commitment to contribute to the joint venture \$12.2 million in quarterly payments through March 31, 2029. The Company is also required to fund the remaining development costs related to this project.

TMGB Magnolia Ridge, LLC Joint Venture

In September 2024, TMGB Magnolia Ridge, LLC ("Magnolia Ridge") was formed by GRBK Edgewood and TM Magnolia Ridge, LLC ("TM Magnolia Ridge") with the purpose to acquire and develop a tract of land in Denton County, Texas. Both parties hold a 50% ownership interest in Magnolia Ridge.

During the three months ended September 30, 2024, Magnolia Ridge received two initial contributions of \$11.0 million from its two members, GRBK Edgewood and TM Magnolia Ridge. Per the Magnolia Ridge company agreement, GRBK Edgewood and TM Magnolia Ridge share equally in the profits and losses of Magnolia Ridge, with the exception of certain customary fees.

Following the analysis of the above facts and provisions of the Magnolia Ridge company agreement, the Company has determined that Magnolia Ridge is a JV to be evaluated under the voting interest model. Therefore, the Company's investment in Magnolia Ridge is treated as an unconsolidated investment under the equity method of accounting and is included in investments in unconsolidated entities in the Company's condensed consolidated balance sheets.

As of September 30, 2024, the Company's maximum exposure to loss as a result of its involvement with Magnolia Ridge, was \$33.5 million representing the Company's investment in Magnolia Ridge of \$11.0 million and up to a \$22.5 million completion guarantee on the JV's revolving loan to fund its development activities.

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A summary of the unaudited condensed financial information of the unconsolidated entities as of September 30, 2024 and December 31, 2023 that are accounted for by the equity method is as follows (in thousands):

	September 30, 2024	December 31, 2023
Assets:		
Cash	\$ 9,309	\$ 23,549
Accounts receivable	707	4,207
Bonds and notes receivable	12,211	2,838
Loans held for sale, at fair value	2,901	7,452
Inventory	101,678	182,550
Other assets	2,043	6,425
Total assets	<u>\$ 128,849</u>	<u>\$ 227,021</u>
Liabilities:		
Accounts payable	\$ 4,453	\$ 7,151
Accrued expenses and other liabilities	1,976	10,265
Notes payable	16,071	49,701
Total liabilities	<u>22,500</u>	<u>67,117</u>
Owners' equity:		
Green Brick	57,262	80,968
Others	49,087	78,936
Total owners' equity	<u>106,349</u>	<u>159,904</u>
Total liabilities and owners' equity	<u>\$ 128,849</u>	<u>\$ 227,021</u>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenues	\$ 6,498	\$ 66,782	\$ 44,315	\$ 199,852
Costs and expenses	4,499	66,844	34,686	179,990
Net earnings (loss) of unconsolidated entities	<u>\$ 1,999</u>	<u>\$ (62)</u>	<u>\$ 9,629</u>	<u>\$ 19,862</u>
Company's share in net earnings of unconsolidated entities	\$ 992	\$ 1,345	\$ 4,770	\$ 11,265

A summary of the Company's share in net earnings by unconsolidated entity is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
EJB River Holdings, LLC	655	770	1,945	1,844
BHome Mortgage, LLC	337	646	1,896	1,980
GB Challenger, LLC ⁽¹⁾	<u>\$ —</u>	<u>\$ (71)</u>	<u>\$ 929</u>	<u>\$ 7,441</u>
Total net earnings (loss) from unconsolidated entities	<u>\$ 992</u>	<u>\$ 1,345</u>	<u>\$ 4,770</u>	<u>\$ 11,265</u>

(1) Effective February 1, 2024, the Company sold its ownership interest in GB Challenger, LLC for approximately \$64.0 million in cash.

4. ACCRUED EXPENSES

A summary of the Company's accrued expenses is as follows (in thousands):

	September 30, 2024	December 31, 2023
Federal income tax payable ⁽¹⁾	\$ 39,328	\$ —
Real estate development reserve to complete ⁽²⁾	35,349	26,063
Warranty reserve	29,031	23,474
Accrued compensation	21,660	14,960
Accrued property tax payable	15,944	5,003
Other accrued expenses	24,588	26,957
Total accrued expenses	<u>\$ 165,900</u>	<u>\$ 96,457</u>

- (1) On May 28, 2024, the Internal Revenue Service (IRS) announced tax relief for individuals and businesses in certain Texas counties that were affected by severe weather on April 26, 2024. For the affected taxpayers, the IRS extended the due date to November 1, 2024 for any estimated income tax payments due on or after April 26, 2024.
- (2) The Company's real estate development reserve to complete consists of estimated future costs to complete the development of its communities.

Warranties

Warranty accruals are included within accrued expenses on the condensed consolidated balance sheets. Warranty activity during the three and nine months ended September 30, 2024 and 2023 consisted of the following (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Warranty accrual, beginning of period	\$ 27,139	\$ 20,824	\$ 23,474	\$ 17,945
Warranties issued	3,082	2,568	9,208	7,489
Changes in liability for existing warranties	264	57	515	608
Payments made	(1,454)	(1,440)	(4,166)	(4,033)
Warranty accrual, end of period	<u>\$ 29,031</u>	<u>\$ 22,009</u>	<u>\$ 29,031</u>	<u>\$ 22,009</u>

5. DEBT

Lines of Credit

Borrowings on lines of credit outstanding, net of debt issuance costs, as of September 30, 2024 and December 31, 2023 consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
Secured Revolving Credit Facility	\$ —	\$ —
Unsecured Revolving Credit Facility	—	—
Debt issuance costs, net of amortization	(1,718)	(2,328)
Total borrowings on lines of credit, net	<u>\$ (1,718)</u>	<u>\$ (2,328)</u>

Secured Revolving Credit Facility

The Company is party to a revolving credit facility (the "Secured Revolving Credit Facility") with Inwood National Bank, which provides for an aggregate commitment amount of \$35.0 million. The Secured Revolving Credit Facility matures on May 1, 2025 and it carries a minimum interest rate of 3.15%. The entire unpaid principal balance and any accrued but unpaid interest is due and payable on the maturity date.

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As of September 30, 2024 there were no letters of credit outstanding under our Secured Revolving Credit Facility and the net available commitment amount was \$35.0 million.

Unsecured Revolving Credit Facility

The Company is party to a credit agreement, providing for a senior, unsecured revolving credit facility (the “Unsecured Revolving Credit Facility”). On December 8, 2023, the Company entered into the Eleventh Amendment to this credit agreement which was amended to revise certain financial covenants in order to appropriately reflect the Company’s size and growth. The Eleventh Amendment also extends the maturity of \$300.0 million of the commitments under the credit facility through December 14, 2026, with the remaining \$25.0 million commitment expiring December 14, 2025.

Outstanding balances under the Unsecured Revolving Credit Facility are guaranteed on an unsecured senior basis by the Company’s significant subsidiaries and certain other subsidiaries.

Senior Unsecured Notes

Senior Unsecured Notes, net of debt issuance costs, as of September 30, 2024 and December 31, 2023 consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
4.00% senior unsecured notes due in 2026 (“2026 Notes”)	\$ 62,500	\$ 75,000
3.35% senior unsecured notes due in 2027 (“2027 Notes”)	37,500	37,500
3.25% senior unsecured notes due in 2028 (“2028 Notes”)	100,000	125,000
3.25% senior unsecured notes due in 2029 (“2029 Notes”)	100,000	100,000
Debt issuance costs, net of amortization	(1,006)	(1,293)
Total senior unsecured notes, net	<u>\$ 298,994</u>	<u>\$ 336,207</u>

The Senior Unsecured Notes are guaranteed on an unsecured senior basis by the Company’s significant subsidiaries and certain other subsidiaries. Optional prepayment of each of the Senior Unsecured Notes is allowed with a payment of a “make-whole” penalty which fluctuates depending on market interest rates. Interest is payable quarterly in arrears.

2026 Notes

Principal on the 2026 Notes of \$12.5 million is due on August 8, 2025 and the remaining principal amount of \$50.0 million is due on August 8, 2026.

2027 Notes

The aggregate principal amount of the 2027 Notes is due on August 26, 2027.

2028 Notes

Principal on the 2028 Notes is due in increments of \$25.0 million annually on February 25 in each of 2025, 2026, 2027, and 2028.

2029 Notes

Principal on the 2029 Notes of \$30.0 million is due on December 28, 2028 and the remaining principal amount of \$70.0 million is due on December 28, 2029.

Our debt instruments require us to maintain specific financial covenants, each of which we were in compliance with as of September 30, 2024.

6. REDEEMABLE NONCONTROLLING INTEREST

The Company has a noncontrolling interest attributable to the 20% minority interest in GRBK GHO Homes, LLC (“GRBK GHO”) owned by its Florida-based partner that is included as redeemable noncontrolling interest in equity of consolidated subsidiary in the Company’s condensed consolidated financial statements.

On March 23, 2023, the Company and the minority partner amended the operating agreement of GRBK GHO to change the start of the put and purchase options from April 2024 to April 2027. Refer to Note 2 in the Notes to the Consolidated Financial

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Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 for details on the put/call structure of this agreement.

The following tables show the changes in redeemable noncontrolling interest in equity of consolidated subsidiary during the three and nine months ended September 30, 2024 and 2023 (in thousands):

	Three Months Ended September 30,	
	2024	2023
Redeemable noncontrolling interest, beginning of period	\$ 38,883	\$ 32,995
Net income attributable to redeemable noncontrolling interest partner	2,000	1,672
Distributions of income to redeemable noncontrolling interest partner	—	—
Change in fair value of redeemable noncontrolling interest	1,958	569
Redeemable noncontrolling interest, end of period	<u>\$ 42,841</u>	<u>\$ 35,236</u>

	Nine Months Ended September 30,	
	2024	2023
Redeemable noncontrolling interest, beginning of period	\$ 36,135	\$ 29,239
Net income attributable to redeemable noncontrolling interest partner	5,419	5,131
Distributions of income to redeemable noncontrolling interest partner	(2,637)	(1,840)
Change in fair value of redeemable noncontrolling interest	3,924	2,706
Redeemable noncontrolling interest, end of period	<u>\$ 42,841</u>	<u>\$ 35,236</u>

7. STOCKHOLDERS' EQUITY

2022 Share Repurchase Program

During the nine month period ended September 30, 2024, the Company completed discrete open market repurchases under the 2022 Repurchase Plan of 65,481 shares for approximately \$3.4 million, excluding excise tax. The Company completed the repurchases under the 2022 Repurchase Plan on March 15, 2024. The repurchased shares were subsequently retired.

2023 Share Repurchase Program

On April 27, 2023, the board of directors (the "Board") approved a new stock repurchase program (the "2023 Repurchase Plan") that authorizes the Company to purchase, from time to time, up to an additional \$100.0 million of our outstanding common stock through open market repurchases in compliance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and/or in privately negotiated transactions based on market and business conditions, applicable legal requirements and other factors. Shares repurchased will be retired. The 2023 Repurchase Plan has no time deadline and will continue until otherwise modified, completed, or terminated by the Board at any time in its sole discretion.

During the three and nine months ended September 30, 2024, the Company repurchased 97,679 and 795,178 shares, respectively, for approximately \$5.4 million and \$44.1 million, excluding excise tax. As of September 30, 2024, the remaining dollar value of shares that may be repurchased under the 2023 Repurchase Plan was \$55.9 million, excluding excise tax. As of September 30, 2024, all repurchased shares were retired.

Preferred Stock

The table below presents a summary of the perpetual preferred stock outstanding at September 30, 2024 and December 31, 2023.

Series	Description	Initial date of issuance	Total Shares Outstanding ⁽¹⁾	Liquidation Preference per Share (in dollars)	Carrying Value (in thousands)	Per Annum Dividend Rate	Redemption Period
Series A ⁽¹⁾	5.75% Cumulative Perpetual	December 2021	2,000	\$ 25	\$ 50,000	5.75 %	n/a

(1) Ownership is held in the form of Depositary Shares, each representing a 1/1,000th interest in a share of preferred stock, paying a quarterly cash dividend, if and when declared.

Dividends

Dividends paid on our Series A Preferred Stock were \$0.7 million and \$2.2 million for each of the three and nine months ended September 30, 2024 and 2023.

On October 25, 2024, the Board declared a quarterly cash dividend of \$0.359 per depositary share on the Company's preferred stock. The dividend is payable on December 13, 2024 to stockholders of record as of December 1, 2024.

8. SHARE-BASED COMPENSATION

The 2014 Omnibus Equity Incentive Plan and the 2024 Omnibus Incentive Plan, are administered by the Board and allow for the grant of stock awards ("SAs"), restricted stock awards ("RSAs"), performance restricted stock units ("PRSUs"), restricted stock units ("RSUs"), stock options and other stock based awards.

2024 Omnibus Incentive Plan

On June 11, 2024, the Green Brick Partners, Inc. 2024 Omnibus Incentive Plan was approved by the stockholders of the Company. As of June 11, 2024, no further awards may be made under the 2014 Omnibus Equity Incentive Plan.

Share-Based Award Activity

During the nine months ended September 30, 2024, the Company granted SAs to executive officers, RSAs to non-employee members of the Board, and PRSUs to employees. The SAs granted to the executive officers were 100% vested and non-forfeitable on the grant date. Non-vested stock awards are usually granted with a one-year vesting for non-employee directors, two-year cliff vesting for employee RSAs, and three-year cliff vesting for PRSUs. The fair value of all share awards were recorded as share-based compensation expense on the grant date and over the vesting period, respectively. Stock options were also exercised by an executive officer during the nine months ended September 30, 2024. The Company withheld 285,347 shares of common stock from executive officers and employees at a total cost of \$11.3 million to satisfy statutory minimum tax requirements upon grant of the SAs, vesting of RSAs, and exercise of stock options.

A summary of share-based awards activity during the nine months ended September 30, 2024 is as follows:

	Number of Shares (in thousands)	Weighted Average Grant Date Fair Value per Share
Unvested, December 31, 2023	92	\$ 33.56
Granted	187	\$ 53.04
Vested	(152)	\$ 46.52
Forfeited	(1)	\$ 37.12
Unvested, September 30, 2024	126	\$ 46.84

Stock Options

A summary of stock options activity during the nine months ended September 30, 2024 is as follows:

	Number of Shares (in thousands)	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Options outstanding, December 31, 2023	500	\$ 7.49	0.82	\$ 22,225
Granted	—	—	—	—
Exercised	(500)	7.49	—	23,160
Forfeited	—	—	—	—
Options outstanding, September 30, 2024	—	\$ —	—	\$ —
Options exercisable, September 30, 2024	—	\$ —	—	\$ —

Share-Based Compensation Expense

Share-based compensation expense was \$0.6 million and \$0.3 million for the three months ended September 30, 2024 and 2023, respectively. For the nine months ended September 30, 2024 and 2023, share-based compensation expense was \$7.7 million and \$6.3 million, respectively.

As of September 30, 2024, the estimated total remaining unamortized share-based compensation expense related to unvested RSAs and PRSUs, net of forfeitures, was \$3.6 million, which is expected to be recognized over a weighted-average period of 2.0 years.

9. REVENUE RECOGNITION

Disaggregation of Revenue

The following reflects the disaggregation of revenue by primary geographic market, type of customer, product type, and timing of revenue recognition for the three and nine months ended September 30, 2024 and 2023 (in thousands):

	Three Months Ended September 30, 2024		Three Months Ended September 30, 2023	
	Residential units revenue	Land and lots revenue	Residential units revenue	Land and lots revenue
<u>Primary Geographical Market</u>				
Central	\$ 389,697	\$ 801	\$ 293,640	\$ 2,580
Southeast	133,162	—	122,283	475
Total revenues	<u>\$ 522,859</u>	<u>\$ 801</u>	<u>\$ 415,923</u>	<u>\$ 3,055</u>
<u>Type of Customer</u>				
Homebuyers	\$ 522,859	\$ —	\$ 415,923	\$ —
Homebuilders and Multi-family Developers	—	801	—	3,055
Total revenues	<u>\$ 522,859</u>	<u>\$ 801</u>	<u>\$ 415,923</u>	<u>\$ 3,055</u>
<u>Product Type</u>				
Residential units	\$ 522,859	\$ —	\$ 415,923	\$ —
Land and lots	—	801	—	3,055
Total revenues	<u>\$ 522,859</u>	<u>\$ 801</u>	<u>\$ 415,923</u>	<u>\$ 3,055</u>
<u>Timing of Revenue Recognition</u>				
Transferred at a point in time	\$ 522,859	\$ 801	\$ 415,827	\$ 3,055
Transferred over time ⁽¹⁾	—	—	96	—
Total revenues	<u>\$ 522,859</u>	<u>\$ 801</u>	<u>\$ 415,923</u>	<u>\$ 3,055</u>

(1) Revenue recognized over time represents revenue from mechanic's lien contracts.

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	Nine Months Ended September 30, 2024		Nine Months Ended September 30, 2023	
	Residential units revenue	Land and lots revenue	Residential units revenue	Land and lots revenue
<u>Primary Geographical Market</u>				
Central	\$ 1,094,102	\$ 18,348	\$ 960,258	\$ 6,123
Southeast	419,179	—	360,472	475
Total revenues	<u>\$ 1,513,281</u>	<u>\$ 18,348</u>	<u>\$ 1,320,730</u>	<u>\$ 6,598</u>
<u>Type of Customer</u>				
Homebuyers	\$ 1,513,281	\$ —	\$ 1,320,730	\$ —
Homebuilders and Multi-family Developers	—	18,348	—	6,598
Total revenues	<u>\$ 1,513,281</u>	<u>\$ 18,348</u>	<u>\$ 1,320,730</u>	<u>\$ 6,598</u>
<u>Product Type</u>				
Residential units	\$ 1,513,281	\$ —	\$ 1,320,730	\$ —
Land and lots	—	18,348	—	6,598
Total revenues	<u>\$ 1,513,281</u>	<u>\$ 18,348</u>	<u>\$ 1,320,730</u>	<u>\$ 6,598</u>
<u>Timing of Revenue Recognition</u>				
Transferred at a point in time	\$ 1,512,901	\$ 18,348	\$ 1,319,393	\$ 6,598
Transferred over time ⁽¹⁾	380	—	1,337	—
Total revenues	<u>\$ 1,513,281</u>	<u>\$ 18,348</u>	<u>\$ 1,320,730</u>	<u>\$ 6,598</u>

(1) Revenue recognized over time represents revenue from mechanic's lien contracts.

Contract Balances

Opening and closing contract balances included in customer and builder deposits on the condensed consolidated balance sheets are as follows (in thousands):

	September 30, 2024	December 31, 2023
Customer and builder deposits	\$ 45,065	\$ 43,148

The difference between the opening and closing balances of customer and builder deposits results from the timing difference between the customers' payments of deposits and the Company's delivery of the home, net of any forfeitures from terminations of contracts.

The amount of deposits on residential units and land and lots held as of the beginning of the period and recognized as revenue during the three and nine months ended September 30, 2024 and 2023 are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Homebuyer deposits recognized as revenue	\$ 18,190	\$ 13,537	\$ 38,797	\$ 25,329

Transaction Price Allocated to the Remaining Performance Obligations

The aggregate amount of transaction price allocated to the remaining performance obligations on our land sale and lot option contracts is \$5.6 million. The Company will recognize the remaining revenue when the lots are taken down, or upon closing for the sale of a land parcel. The Company expects to recognize revenue of \$5.0 million in the remainder of 2024 and \$0.6 million in 2025.

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The timing of lot takedowns is contingent upon a number of factors, including customer and business needs, the number of lots being purchased, receipt of acceptance of the plat by the municipality, weather-related delays, and agreed-upon lot takedown schedules.

Our contracts with homebuyers have a duration of less than one year. As such, the Company uses the practical expedient as allowed under ASC 606, *Revenue from Contracts with Customers*, and therefore has not disclosed the transaction price allocated to remaining performance obligations as of the end of the reporting period.

10. SEGMENT INFORMATION

Operational results of each reportable segment are not necessarily indicative of the results that would have been achieved had the reportable segment been an independent, stand-alone entity during the periods presented. Financial information related to the Company's reportable segments is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<u>Revenues:</u> ⁽¹⁾				
Builder operations				
Central	\$ 389,697	\$ 293,640	\$ 1,094,212	\$ 960,258
Southeast	133,162	122,758	419,179	360,947
Total builder operations	522,859	416,398	1,513,391	1,321,205
Land development	801	2,580	18,238	6,123
Total revenues	\$ 523,660	\$ 418,978	\$ 1,531,629	\$ 1,327,328
<u>Gross profit:</u>				
Builder operations				
Central	\$ 134,759	\$ 108,699	\$ 386,959	\$ 318,982
Southeast	47,749	40,931	153,271	120,128
Total builder operations	182,508	149,630	540,230	439,110
Land development	447	737	1,527	2,283
Corporate, other and unallocated ⁽²⁾	(11,392)	(11,354)	(32,271)	(34,839)
Total gross profit	\$ 171,563	\$ 139,013	\$ 509,486	\$ 406,554
<u>Income before income taxes:</u>				
Builder operations				
Central	\$ 95,223	\$ 76,967	\$ 275,547	\$ 219,784
Southeast	33,601	27,204	109,812	81,969
Total builder operations	128,824	104,171	385,359	301,753
Land development	361	1,148	2,376	3,063
Corporate, other and unallocated ⁽³⁾	(10,209)	(7,233)	(13,949)	(15,346)
Income before income taxes	\$ 118,976	\$ 98,086	\$ 373,786	\$ 289,470

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	September 30, 2024	December 31, 2023
<u>Inventory:</u>		
Builder operations		
Central	\$ 743,588	\$ 645,987
Southeast	348,393	314,087
Total builder operations	1,091,981	960,074
Land development	777,154	529,711
Corporate, other and unallocated ⁽⁴⁾	48,911	43,438
Total inventory	\$ 1,918,046	\$ 1,533,223
<u>Goodwill:</u>		
Builder operations - Southeast	\$ 680	\$ 680

- (1) The sum of Builder operations Central and Southeast segments' revenues does not equal residential units revenue included in the condensed consolidated statements of income in periods when our builders have revenues from land or lot closings. No land or lot closings revenue was recognized for the three months ended September 30, 2024. For the nine months ended September 30, 2024, land and lot closings revenue was \$0.1 million, while \$0.5 million was recognized for the three and nine months ended September 30, 2023.
- (2) Corporate, other and unallocated gross loss is comprised of capitalized overhead and capitalized interest adjustments that are not allocated to builder operations and land development segments.
- (3) Corporate, other and unallocated income (loss) before income taxes includes results from Green Brick Title, LLC, Ventana Insurance, LLC, GRBK Mortgage, LLC, and investments in unconsolidated subsidiaries, in addition to capitalized cost adjustments that are not allocated to operating segments.
- (4) Corporate, other and unallocated inventory consists of capitalized overhead and interest related to homes under construction and land under development.

11. INCOME TAXES

The Company's income tax expense for the three and nine months ended September 30, 2024 was \$23.1 million and \$71.8 million, respectively, compared to \$21.0 million and \$63.2 million in the prior year periods. The effective tax rate was 19.4% and 19.2% for the three and nine months ended September 30, 2024, respectively, compared to 21.4% and 21.8% in the comparable prior year periods. The change in the effective tax rate for the three and nine months ended September 30, 2024 is primarily due to an improved rate benefit in the Energy Efficient Homes Tax credit as compared to pre-tax book income, lower state tax rates, and a discrete tax benefit for equity compensation deductions.

12. EARNINGS PER SHARE

The Company's RSAs have the right to receive forfeitable dividends on an equal basis with common stock and its PRSUs do not participate in dividends with common stock. As such, these stock awards are not considered participating securities that must be included in the calculation of net income per share using the two-class method.

Basic earnings per common share is computed by dividing net income allocated to common stockholders by the weighted average number of common shares outstanding during each period, adjusted for non-vested shares of RSAs and PRSUs during each period. Net income applicable to common stockholders is net income adjusted for preferred stock dividends including dividends declared and cumulative dividends related to the current dividend period that have not been declared as of period end. Diluted earnings per share is calculated using the treasury stock method and includes the effect of all dilutive securities, including stock options, RSAs and PRSUs.

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The computation of basic and diluted net income attributable to Green Brick Partners, Inc. per share is as follows (in thousands, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income attributable to Green Brick Partners, Inc.	\$ 89,111	\$ 72,156	\$ 277,770	\$ 211,606
Preferred dividends	(719)	(719)	(2,156)	(2,156)
Net income applicable to common stockholders	88,392	71,437	275,614	209,450
Weighted-average number of common shares outstanding - basic	44,457	45,320	44,614	45,543
Basic net income attributable to Green Brick Partners, Inc. per common share	\$ 1.99	\$ 1.58	\$ 6.18	\$ 4.60
Weighted-average number of common shares outstanding - basic	44,457	45,320	44,614	45,543
Dilutive effect of stock options and restricted stock awards	73	472	405	445
Weighted-average number of common shares outstanding - diluted	44,530	45,792	45,019	45,988
Diluted net income attributable to Green Brick Partners, Inc. per common share	\$ 1.98	\$ 1.56	\$ 6.12	\$ 4.55

The following shares which could potentially dilute earnings per share in the future are not included in the determination of diluted net income attributable to Green Brick Partners, Inc. per common share (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Antidilutive options to purchase common stock and restricted stock awards	—	—	(3)	(24)

13. FAIR VALUE MEASUREMENTS

Fair Value of Financial Instruments

The Company's financial instruments, none of which are held for trading purposes, include cash and cash equivalents, restricted cash, receivables, earnest money deposits, other assets, accounts payable, accrued expenses, customer and builder deposits, borrowings on lines of credit, senior unsecured notes, and notes payable.

Per the fair value hierarchy, level 1 financial instruments include cash and cash equivalents, restricted cash, receivables, earnest money deposits, other assets, accounts payable, accrued expenses, and customer and builder deposits due to their short-term nature. The Company estimates that, due to the short-term nature of the underlying financial instruments or the proximity of the underlying transaction to the applicable reporting date, the fair value of level 1 financial instruments does not differ materially from the aggregate carrying values recorded in the condensed consolidated financial statements as of September 30, 2024 and December 31, 2023.

Level 2 financial instruments include borrowings on lines of credit, senior unsecured notes, and notes payable. Due to the short-term nature and floating interest rate terms, the carrying amounts of borrowings on lines of credit are deemed to approximate fair value. The estimated fair value of the senior unsecured notes was \$289.7 million and \$322.5 million as of September 30, 2024 and December 31, 2023, respectively. The aggregate principal balance of the senior unsecured notes was \$300.0 million as of September 30, 2024 and \$337.5 million as of December 31, 2023.

There were no transfers between the levels of the fair value hierarchy for any of our financial instruments during the three and nine months ended September 30, 2024 and 2023.

14. RELATED PARTY TRANSACTIONS

During the three and nine months ended September 30, 2024 and 2023, the Company had the following related party transactions in the normal course of business.

Corporate Officers

Trevor Brickman, the son of Green Brick's Chief Executive Officer, is the President of CLH20, LLC ("Centre Living"). Green Brick's ownership interest in Centre Living is 90% and Trevor Brickman's ownership interest is 10%. Green Brick has 90% voting control over the operations of Centre Living. As such, 100% of Centre Living's operations are included within our condensed consolidated financial statements.

GRBK GHO

GRBK GHO leases office space from entities affiliated with the president of GRBK GHO. During the three and nine months ended September 30, 2024 and 2023, GRBK GHO incurred de minimis and \$0.1 million rent expense, respectively, under such lease agreements. As of September 30, 2024 and December 31, 2023, there were no amounts due to the affiliated entities related to such lease agreements.

GRBK GHO receives title closing services on the purchase of land and third-party lots from an entity affiliated with the president of GRBK GHO. During the three and nine months ended September 30, 2024 and 2023, GRBK GHO incurred de minimis fees related to such title closing services. As of September 30, 2024, and December 31, 2023, no amounts were due to the title company affiliate.

15. COMMITMENTS AND CONTINGENCIES

Letters of Credit and Performance Bonds

During the ordinary course of business, certain regulatory agencies and municipalities require the Company to post letters of credit or performance bonds related to development projects. As of September 30, 2024 and December 31, 2023, letters of credit and performance bonds outstanding were \$16.8 million and \$13.5 million, respectively. The Company does not believe that it is likely that any material claims will be made under a letter of credit or performance bond in the foreseeable future.

Operating Leases

The Company has leases associated with office and design center space in Georgia, Texas, and Florida that, at the commencement date, have a lease term of more than 12 months and are classified as operating leases. The exercise of any extension options available in such operating lease contracts is not reasonably certain.

Operating lease cost of \$0.4 million and \$1.2 million for the three and nine months ended September 30, 2024, respectively, and \$0.6 million and \$1.4 million for the three and nine months ended September 30, 2023, respectively, is included in selling, general and administrative expenses in the condensed consolidated statements of income. Cash paid for amounts included in the measurement of operating lease liabilities was \$0.3 million and \$0.6 million for the three and nine months ended September 30, 2024, respectively, and \$0.4 million and \$1.3 million in the prior year periods.

As of September 30, 2024, the weighted-average remaining lease term and the weighted-average discount rate used in calculating the Company's lease liabilities were 6.1 years and 7.5%, respectively.

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The future annual undiscounted cash flows in relation to the operating leases and a reconciliation of such undiscounted cash flows to the operating lease liabilities recognized in the condensed consolidated balance sheet as of September 30, 2024 are presented below (in thousands):

Remainder of 2024	\$	410
2025		1,827
2026		1,748
2027		1,722
2028		1,689
Thereafter		3,420
Total future lease payments		10,816
Less: Interest		2,216
Present value of lease liabilities	\$	8,600

The Company elected the short-term lease recognition exemption for all leases that, at the commencement date, have a lease term of 12 months or less and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. For such leases, the Company does not recognize right-of-use assets or lease liabilities and instead recognizes lease payments in the condensed consolidated income statements on a straight-line basis. Short-term lease cost of \$0.2 million and \$0.6 million for the three and nine months ended September 30, 2024, respectively, and \$0.2 million and \$0.7 million for the comparable prior year periods, is included in selling, general and administrative expenses in the condensed consolidated statements of income.

Legal Matters

Lawsuits, claims and proceedings may be instituted or asserted against us in the normal course of business. The Company is also subject to local, state and federal laws and regulations related to land development activities, house construction standards, sales practices, title company regulations, employment practices and environmental protection. As a result, the Company may be subject to periodic examinations or inquiry by agencies administering these laws and regulations.

The Company records an accrual for legal claims and regulatory matters when they are probable of occurring and a potential loss is reasonably estimable. The Company accrues for these matters based on facts and circumstances specific to each matter and revises these estimates when necessary.

In view of the inherent difficulty of predicting outcomes of legal claims and related contingencies, the Company generally cannot predict their ultimate resolution, related timing or eventual loss. If evaluations indicate loss contingencies that could be material are not probable, but are reasonably possible, the Company will disclose their nature with an estimate of the possible range of losses or a statement that such loss is not reasonably estimable. We believe that the disposition of legal claims and related contingencies will not have a material adverse effect on our results of operations and liquidity or on our financial condition.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements concern expectations, beliefs, projections, plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts and typically include the words "anticipate," "believe," "consider," "estimate," "expect," "feel," "forecast," "intend," "objective," "plan," "predict," "projection," "seek," "strategy," "target," "will" or other words of similar meaning. Forward-looking statements in this Quarterly Report include statements concerning, (a) our balance sheet strategies, operational strength and margin performance; (b) our operational goals and strategies and their anticipated benefits, including expansion into new markets; (c) our land and lot acquisition and development strategies and their expected impact on our results; (d) the sufficiency of our capital resources to support our business strategy and to service our debt; (e) our strategies to utilize leverage to invest in our business; (f) our target debt to total capitalization ratio and the benefits of the same; (g) our expectations regarding future cash needs and access to additional growth capital; (h) seasonal factors and the impact of seasonality in future quarters; (i) buyer expectations for interest rates; (j) the use of proceeds from the sale of our interest in Challenger and (k) beliefs regarding the impact of accounting standards and legal claims and related contingencies. These forward-looking statements reflect our current views about future events and involve estimates and assumptions which may be affected by risks and uncertainties in our business, as well as other external factors, which could cause future results to materially differ from those expressed or implied in any forward-looking statement. These risks include, but are not limited to: (1) general economic conditions, seasonality, cyclicalities and competition in the homebuilding industry; (2) changes in macroeconomic conditions, including increasing interest rates and inflation that could adversely impact demand for new homes or the ability of potential buyers to qualify; (3) shortages, delays or increased costs of raw materials and increased demand for materials, or increases in other operating costs, including costs related to labor, real estate taxes and insurance, which in each case exceed our ability to increase prices; (4) significant periods of inflation or deflation; (5) a shortage of qualified labor; (6) an inability to acquire land in our markets at anticipated prices or difficulty in obtaining land-use entitlements; (7) our inability to successfully execute our strategies, including the successful development of our communities within expected time frames, the growth and expansion of our Trophy brand; and expansion of our financial services offerings; (8) a failure to recruit, retain or develop highly skilled and competent employees; (9) the geographic concentration of our operations; (10) government regulation risks; (11) adverse changes in the availability or volatility of mortgage financing; (12) severe weather events or natural disasters; (13) difficulty in obtaining sufficient capital to fund our growth; (14) our ability to meet our debt service obligations; (15) a decline in the value of our inventories and resulting write-downs of the carrying value of our real estate assets; (16) our ability to adequately self-insure; and (17) changes in accounting standards that adversely affect our reported earnings or financial condition.

Please see "Risk Factors" located in Part I, Item 1A in our Annual Report on Form 10-K for the year ended December 31, 2023 for a further discussion of these and other risks and uncertainties which could affect our future results. We undertake no obligation to revise any forward-looking statements to reflect events or circumstances after the date of those statements or to reflect the occurrence of anticipated or unanticipated events, except to the extent we are legally required to disclose certain matters in SEC filings or otherwise.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission (“SEC”) on February 29, 2024 and our condensed consolidated financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q.

Overview and Outlook

Our key financial and operating metrics are home deliveries, home closings revenue, average sales price of homes delivered, net new home orders, which refers to sales contracts executed reduced by the number of sales contracts canceled during the relevant period, and homebuilding gross margin. Our results for each key financial and operating metric, as compared to the same period in 2023, are provided below:

	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2024
Home deliveries	Increased by 26.8%	Increased by 20.3%
Home closings revenue	Increased by 25.7%	Increased by 14.7%
Average sales price of homes delivered	Decreased by 0.8%	Decreased by 4.7%
Net new home orders	Increased by 11.3%	Increased by 4.7%
Homebuilding gross margin percentage	Decreased by 60 bps	Increased by 290 bps

Our strong operating results continued to be driven by our superior infill and infill-adjacent locations in high-growth markets, reduced cycle times, and the strong demand for new homes in our markets. Our average active selling communities increased 22.1% for the quarter while the average sales price of homes delivered decreased 0.8%. We maintained a strong homebuilding gross margin of 32.7%.

Three Months Ended September 30, 2024 Compared to the Three Months Ended September 30, 2023

Residential Units Revenue and New Homes Delivered

The table below represents residential units revenue and new homes delivered for the three months ended September 30, 2024 and 2023 (dollars in thousands):

	Three Months Ended September 30,			
	2024	2023	Change	%
Home closings revenue	\$ 522,859	\$ 415,827	\$ 107,032	25.7%
Mechanic’s lien contracts revenue	—	96	(96)	(100.0)%
Residential units revenue	\$ 522,859	\$ 415,923	\$ 106,936	25.7%
New homes delivered	956	754	202	26.8%
Average sales price of homes delivered	\$ 546.9	\$ 551.5	\$ (4.6)	(0.8)%

The 25.7% increase in residential units revenue was primarily driven by the 26.8% increase in new homes delivered partially offset by a 0.8% decrease in average sales price of new homes delivered for the three months ended September 30, 2024. The increase in new homes delivered is attributable to the limited competition in our infill and infill-adjacent community sites, our reduced cycle times, and the continued low supply of existing and new home inventory in our markets.

New Home Orders and Backlog

The table below represents new home orders and backlog related to our builder operations segments, excluding mechanic's lien contracts (dollars in thousands):

	Three Months Ended September 30,		Change	%
	2024	2023		
Net new home orders	877	788	89	11.3 %
Revenue from net new home orders	\$ 454,358	\$ 452,436	\$ 1,922	0.4 %
Average selling price of net new home orders	\$ 518.1	\$ 574.2	\$ (56.1)	(9.8)%
Cancellation rate	8.5 %	6.1 %	2.4 %	39.3 %
Absorption rate per average active selling community per quarter	8.4	9.2	(0.8)	(8.7)%
Average active selling communities	105	86	19	22.1 %
Active selling communities at end of period	106	86	20	23.3 %
Backlog revenue	\$ 581,848	\$ 622,560	\$ (40,712)	(6.5)%
Backlog units	809	916	(107)	(11.7)%
Average sales price of backlog	\$ 719.2	\$ 679.7	\$ 39.5	5.8 %

Net new home orders increased 11.3% over the prior year period and our average active selling communities increased 22.1% due to the continued opening of new communities. As a result, our absorption rate per average active selling community decreased 8.7% year over year, which was primarily due to the impact of what we believe is buyer expectations for the expected drop in short-term rates to result in lower mortgage rates. Revenue from net new home orders was substantially in line with the prior year period.

Backlog revenue refers to homes under sales contracts that have not yet closed at the end of the respective period, and absorption rate refers to the rate at which net new home orders are contracted per average active selling community during the respective period. Sales contracts may be canceled prior to closing for a number of reasons, including the inability of the homebuyer to obtain suitable mortgage financing. Accordingly, backlog may not be indicative of our future revenue.

Backlog revenue decreased by 6.5% due to a 11.7% decrease in backlog units offset by a 5.8% increase in the average sales price of backlog units.

Our cancellation rate, which refers to sales contracts canceled divided by sales contracts executed during the relevant period, was 8.5% for the three months ended September 30, 2024, compared to 6.1% for the three months ended September 30, 2023. Our cancellation rate remained in a historically low range under 10.0% since December 31, 2022.

Residential Units Gross Margin

The table below represents the components of residential units gross margin (dollars in thousands):

	Three Months Ended September 30,		2023	
	2024			
Residential units revenue	\$ 522,859	100.0 %	\$ 415,923	100.0 %
Cost of residential units	351,666	67.3 %	277,446	66.7 %
Residential units gross margin	\$ 171,193	32.7 %	\$ 138,477	33.3 %

Residential units revenue increased by \$106.9 million or 25.7% for the three months ended September 30, 2024, mainly due to an increase in homes delivered of 26.8% and partially offset by a decrease in the average sales price of homes delivered. Cost of residential units as a percent of residential units revenue for the three months ended September 30, 2024 was relatively unchanged at 67.3% compared to 66.7% in the same period in the previous year.

Residential units gross margin for the three months ended September 30, 2024 decreased 60 bps to 32.7%, from 33.3% for the three months ended September 30, 2023. The decrease in residential units gross margin is attributable to product mix and higher incentives.

Selling, General and Administrative Expenses

The table below represents the components of selling, general and administrative expenses (dollars in thousands):

	Three Months Ended September 30,		As Percentage of Segment Revenue	
	2024	2023	2024	2023
Builder operations	\$ 55,339	\$ 46,709		
Corporate, other and unallocated (income) expense	2,320	69		
Net builder operations	57,659	46,778	11.0 %	11.2 %
Land development	81	106	10.1 %	4.1 %
Total selling, general and administrative expenses	\$ 57,740	\$ 46,884	11.0 %	11.2 %

Selling, general and administrative expenses as a percentage of revenue decreased by 0.2% for the three months ended September 30, 2024 due to an increase in builder operations revenues with better leveraging of overhead costs.

Builder Operations

Selling, general and administrative expenses as a percentage of revenue for builder operations decreased by 0.2% for the three months ended September 30, 2024 due to an increase in builder operations revenues with better leveraging of our overhead costs. Builder operations expenditures include salary expenses, sales commissions, and community costs such as advertising and marketing expenses, rent, professional fees, and non-capitalized property taxes.

Corporate, Other and Unallocated

Selling, general and administrative expenses for the corporate, other and unallocated non-operating segment for the three months ended September 30, 2024 were \$2.3 million, compared to \$0.1 million for the three months ended September 30, 2023. Corporate, other and unallocated expenses generally include capitalized overhead adjustments that are not allocated to builder operations segments.

Equity in Income of Unconsolidated Entities

Equity in income of unconsolidated entities decreased to \$1.0 million, for the three months ended September 30, 2024, compared to \$1.3 million for the three months ended September 30, 2023. See Note 3 to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for a summary of Green Brick's share in net earnings by unconsolidated entity.

Other Income, Net

Other income, net, was \$4.2 million for the three months ended September 30, 2024, compared to \$4.6 million for the three months ended September 30, 2023.

Income Tax Expense

Income tax expense was \$23.1 million for the three months ended September 30, 2024 compared to \$21.0 million for the three months ended September 30, 2023. The increase was substantially due to higher taxable income partially offset by a lower effective tax rate, lower state tax rates, and a discrete tax benefit for equity compensation deductions. See Note 11 to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for a discussion on the Company's income tax expense for the three months ended September 30, 2024.

Nine Months Ended September 30, 2024 Compared to the Nine Months Ended September 30, 2023

Residential Units Revenue and New Homes Delivered

The table below represents residential units revenue and new homes delivered for the nine months ended September 30, 2024 and 2023 (dollars in thousands):

	Nine Months Ended September 30,		Change	%
	2024	2023		
Home closings revenue	\$ 1,512,901	\$ 1,319,393	\$ 193,508	14.7%
Mechanic's lien contracts revenue	380	1,337	(957)	(71.6)%
Residential units revenue	\$ 1,513,281	\$ 1,320,730	\$ 192,551	14.6%
New homes delivered	2,764	2,298	466	20.3%
Average sales price of homes delivered	\$ 547.4	\$ 574.1	\$ (26.7)	(4.7)%

The \$192.6 million increase in residential units revenue was driven by the 20.3% increase in new homes delivered partially offset by a 4.7% decrease in the average sales price of homes delivered for the nine months ended September 30, 2024. The increase in new homes delivered was primarily driven by an increase in active selling communities and home starts and an improvement in cycle times. The 4.7% decrease in the average sales price of homes delivered for the nine months ended September 30, 2024 was a result of closing out infill communities and opening new communities in surrounding infill-adjacent areas.

New Home Orders

The table below represents new home orders and backlog related to our builder operations segments, excluding mechanic's lien contracts (dollars in thousands):

	Nine Months Ended September 30,		Change	%
	2024	2023		
Net new home orders	2,803	2,677	126	4.7 %
Revenue from net new home orders	\$ 1,539,549	\$ 1,572,859	\$ (33,310)	(2.1)%
Average selling price of net new home orders	\$ 549.3	\$ 587.5	\$ (38.2)	(6.5)%
Cancellation rate	7.1 %	6.5 %	0.6 %	9.2 %
Absorption rate per average active selling community per quarter	9.3	10.8	(1.5)	(13.9)%
Average active selling communities	100	83	17	20.5 %
Active selling communities at end of period	106	86	20	23.3 %

Net new home orders increased 4.7% over the prior year period while our average active selling communities increased 20.5%. As a result, our absorption rate per average active selling community decreased 13.9% year over year, which was primarily due to the impact of increased mortgage rates, the metering of sales in certain infill communities, what we believe is the return of pre-pandemic seasonality that began in the second quarter, and buyer expectations for the expected drop in short-term rates to result in lower mortgage rates. The 2.1% decrease in revenue from net new home orders is primarily attributable to a higher mix of sales from newer, infill adjacent communities at lower average selling prices and fewer sales from closed-out, infill communities where we typically face more limited competition and have higher sales prices .

Our cancellation rate, which refers to sales contracts canceled divided by sales contracts executed during the relevant period, was 7.1% for the nine months ended September 30, 2024, compared to 6.5% for the nine months ended September 30, 2023. Our cancellation rate remained in a historically low range under 10.0% since December 31, 2022.

Residential Units Gross Margin

The table below represents the components of residential units gross margin (dollars in thousands):

	Nine Months Ended September 30,			
	2024		2023	
Residential units revenue	\$	1,513,281	100.0 %	\$ 1,320,730 100.0 %
Cost of residential units		1,005,162	66.4 %	915,600 69.3 %
Residential units gross margin	\$	508,119	33.6 %	\$ 405,130 30.7 %

Residential units revenue increased \$192.6 million or 14.6% during the nine months ended September 30, 2024 due to the increase in home deliveries of 20.3%, partially offset by lower average sales prices. Cost of residential units as a percent of residential units revenue was 66.4% for the nine months ended September 30, 2024 compared to 69.3% for the nine months ended September 30, 2023 due to a combination of lower direct construction costs and lower lot costs associated with the higher mix of deliveries from infill-adjacent communities.

Residential units gross margin for the nine months ended September 30, 2024 increased 290 bps to 33.6%, from 30.7% for the nine months ended September 30, 2023. The increase in residential units gross margin is attributable to product mix and limited competition in our infill and infill-adjacent community sites.

Land and Lots Revenue

The table below represents lots closed and land and lots revenue (dollars in thousands):

	Nine Months Ended September 30,			
	2024	2023	Change	%
Lots revenue	\$ 5,644	\$ 5,569	\$ 75	1.3 %
Land revenue	12,704	1,029	11,675	1,134.6 %
Land and lots revenue	\$ 18,348	\$ 6,598	\$ 11,750	178.1 %
Lots closed	79	55	24	43.6 %
Average sales price of lots closed	\$ 71.4	\$ 101.3	\$ (29.9)	(29.5)%

From time to time we will opportunistically sell finished lots to other homebuilders when we determine that we have excess capacity in specific neighborhoods or submarkets. Land revenue represents sales of two tracts of commercial land during the nine months ended September 30, 2024.

Selling, General and Administrative Expenses

The table below represents the components of selling, general and administrative expenses (dollars in thousands):

	Nine Months Ended September 30,		As Percentage of Segment Revenue	
	2024	2023	2024	2023
Builder operations	\$ 159,655	\$ 141,688		
Corporate, other and unallocated (income) expense	6,033	65		
Net builder operations	165,688	141,753	10.9 %	10.7 %
Land development	224	305	1.2 %	5.0 %
Total selling, general and administrative expenses	\$ 165,912	\$ 142,058	10.8 %	10.7 %

Selling, general and administrative expenses as a percentage of revenue was 10.8% for the nine months ended September 30, 2024, which is substantially in line with 10.7% for the nine months ended September 30, 2023.

Builder Operations

Selling, general and administrative expenses as a percentage of revenue for builder operations increased from 10.7% to 10.9% mainly due to an increase in salary expenses. Builder operations expenditures include salary expenses, sales

commissions, and community costs such as advertising and marketing expenses, rent, professional fees, and non-capitalized property taxes.

Corporate, Other and Unallocated

Selling, general and administrative expenses for the corporate, other and unallocated non-operating segment for the nine months ended September 30, 2024 were \$6.0 million and de minimis for the nine months ended September 30, 2023. The increase was driven by incentive compensation and salary expenses during the nine months ended September 30, 2024. Corporate, other and unallocated expenses generally include capitalized overhead adjustments that are not allocated to builder operations segments.

Equity in Income of Unconsolidated Entities

Equity in income of unconsolidated entities decreased to \$4.8 million, or 57.7%, for the nine months ended September 30, 2024, compared to \$11.3 million for the nine months ended September 30, 2023. The decrease is mainly due to the sale of our ownership interest in Challenger during the three months ended March 31, 2024, wherein, we recognized only one month of net earnings from this investment compared to nine months in the prior year. See Note 3 to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for a summary of Green Brick's share in net earnings by unconsolidated entity.

Other Income, Net

Other income, net, increased to \$25.4 million for the nine months ended September 30, 2024, compared to \$13.7 million for the nine months ended September 30, 2023. The increase was primarily due to a \$10.7 million gain in the sale of our investment in Challenger.

Income Tax Expense

Income tax expense was \$71.8 million for the nine months ended September 30, 2024 compared to \$63.2 million for the nine months ended September 30, 2023. The increase was substantially due to higher taxable income partially offset by a lower effective tax rate, lower state tax rates, and a discrete tax benefit for equity compensation deductions. See Note 11 to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for a discussion on the Company's income tax expense for the nine months ended September 30, 2024.

Lots Owned and Controlled

The following table presents the lots we owned or controlled, including lot option contracts, as of September 30, 2024 and December 31, 2023. Owned lots are those for which we hold title, while controlled lots are those for which we have the contractual right to acquire title but we do not currently own.

	September 30, 2024			December 31, 2023		
	Central	Southeast	Total	Central	Southeast	Total
<i><u>Lots owned</u></i>						
Finished lots	4,070	726	4,796	4,014	964	4,978
Lots in communities under development	20,942	1,887	22,829	9,122	1,335	10,457
Land held for future development ⁽¹⁾	3,800	—	3,800	8,366	—	8,366
Total lots owned	28,812	2,613	31,425	21,502	2,299	23,801
<i><u>Lots controlled</u></i>						
Lots under third party option contracts	851	—	851	1,169	—	1,169
Land under option for future acquisition and development	1,656	223	1,879	1,710	460	2,170
Lots under option through unconsolidated development joint ventures	2,627	270	2,897	1,210	331	1,541
Total lots controlled	5,134	493	5,627	4,089	791	4,880
Total lots owned and controlled ⁽²⁾	33,946	3,106	37,052	25,591	3,090	28,681
Percentage of lots owned	84.9 %	84.1 %	84.8 %	84.0 %	74.4 %	83.0 %

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(1) Land held for future development consist of raw land parcels where development activities have been postponed due to market conditions or other factors.

(2) Total lots excludes lots with homes under construction.

The following table presents additional information on the lots we controlled as of September 30, 2024 and December 31, 2023:

	September 30, 2024	December 31, 2023
Total lots owned ⁽¹⁾	31,425	23,801
Land under option for future acquisition and development	1,879	2,170
Lots under option through unconsolidated development joint ventures	2,897	1,541
Total lots self-developed	36,201	27,512
Self-developed lots as a percentage of total lots owned and controlled ⁽¹⁾	97.7 %	95.9 %

(1) Total lots owned includes finished lot purchases, which were less than 1.8% of total lots self-developed as of September 30, 2024.

Liquidity and Capital Resources Overview

As of September 30, 2024 and December 31, 2023, we had \$80.1 million and \$179.8 million of unrestricted cash and cash equivalents, respectively. Our historical cash management strategy includes redeploying net cash from the sale of home inventory to acquire and develop land and lots that represent opportunities to generate desired margins and returns, and using cash to make additional investments in business acquisitions, joint ventures, share repurchases, or other strategic activities.

Our principal uses of capital for the nine months ended September 30, 2024 were home construction, land purchases, land development, repayments of debt, operating expenses, share repurchases, and payment of routine liabilities. Historically, we have used funds generated by operations and available borrowings to meet our short-term working capital requirements. We remain focused on generating positive margins in our homebuilding operations and acquiring desirable land positions in order to maintain a strong balance sheet and remain poised for continued growth.

Cash flows for each of our communities depend on the community's stage in the development cycle. Early stages of development or expansion require significant cash outlays for land acquisitions, entitlements and other approvals, roads, utilities, general landscaping and other amenities, and home construction. These costs are a component of our inventory and are not recognized in our statement of income until a home closes. In the later stages of community life cycle, cash inflows may significantly exceed earnings reported for financial statement purposes, as the cash outflows associated with home construction and land development previously occurred.

Effective February 1, 2024, we sold our ownership interest in GB Challenger, LLC ("Challenger") to the entity that already held the controlling interest in Challenger for approximately \$64.0 million in cash. We have been using and intend to continue to use the proceeds from the transaction for investment in and expansion of opportunities with those builders in which we hold a controlling or one-hundred percent (100%) ownership interest, particularly including the growth and expansion of our Trophy Signature Homes brand into the Austin and Houston markets and other potential new markets.

Our debt to total capitalization ratio, which is calculated as the sum of borrowings on lines of credit, the senior unsecured notes, and notes payable, net of debt issuance costs ("total debt"), divided by the total capitalization, which equals the sum of Green Brick Partners, Inc. stockholders' equity and total debt, was approximately 16.4% as of September 30, 2024.

Additionally, as of September 30, 2024, our net debt to total capitalization ratio, which is a non-GAAP financial measure, remained low at 12.5%. It is our intent to prudently employ leverage to continue to invest in our land acquisition, development and homebuilding activities.

Reconciliation of a Non-GAAP Financial Measure

In this Quarterly Report on Form 10-Q, we utilize a financial measure of net debt to total capitalization ratio that is a non-GAAP financial measure as defined by the SEC. Net debt to total capitalization is calculated as total debt less cash and cash equivalents, divided by the sum of total Green Brick Partners, Inc. stockholders' equity and total debt less cash and cash equivalents. We present this measure because we believe it is useful to management and investors in evaluating the Company's financing structure. We also believe this measure facilitates the comparison of our financing structure with other companies in our industry. Because this measure is not calculated in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), it may not be comparable to other similarly titled measures of other companies and should not be considered in isolation or as a substitute for, or superior to, financial measures prepared in accordance with GAAP.

The closest GAAP financial measure to the net debt to total capitalization ratio is the debt to total capitalization ratio. The following table represents a reconciliation of the net debt to total capitalization ratio as of September 30, 2024 (dollars in thousands):

	Gross	Cash and cash equivalents	Net
Total debt, net of debt issuance costs	\$ 297,276	\$ (80,069)	\$ 217,207
Total Green Brick Partners, Inc. stockholders' equity	1,520,737	—	1,520,737
Total capitalization	\$ 1,818,013	\$ (80,069)	\$ 1,737,944
Debt to total capitalization ratio	16.4 %		
Net debt to total capitalization ratio	12.5 %		

Key Sources of Liquidity

The Company's key sources of liquidity were funds generated by operations and borrowings during the nine months ended September 30, 2024.

Cash Flows

The following summarizes our primary sources and uses of cash during the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023:

- *Operating activities.* Net cash used for operating activities for the nine months ended September 30, 2024 was \$3.0 million, compared to \$232.7 million provided by operating activities during the nine months ended September 30, 2023. The net cash outflows for the nine months ended September 30, 2024 were primarily driven by an increase in inventory of \$383.9 million, partially offset by \$300.7 million of cash generated from business operations and the deferral of expense payments through a \$82.5 million increase in accrued expenses and accounts payable.
- *Investing activities.* Net cash provided by investing activities for the nine months ended September 30, 2024 was \$34.6 million, compared to net cash used of \$10.0 million during the nine months ended September 30, 2023. The cash inflows for the nine months ended September 30, 2024 were primarily from proceeds of \$64.0 million from the sale of our interest in Challenger in February 2024, partially offset by \$25.8 million used in other investments in unconsolidated entities.
- *Financing activities.* Net cash used in financing activities for the nine months ended September 30, 2024 was \$126.4 million, compared to net cash used of \$69.8 million during the nine months ended September 30, 2023. The cash outflows were primarily related to share repurchases of \$48.0 million, repayments of our senior unsecured notes of \$37.5 million and notes payable of \$13.0 million.

Debt Instruments

Secured Revolving Credit Facility – As of September 30, 2024 and December 31, 2023, we had no amounts outstanding under our \$35.0 million Secured Revolving Credit Facility. Borrowings under the Secured Revolving Credit Facility bear interest at a floating rate per annum equal to the rate announced by Bank of America, N.A. as its "Prime Rate" less 0.25%,

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subject to a minimum rate. As amended, this credit agreement matures on May 1, 2025 and carries a minimum interest rate of 3.15%.

Unsecured Revolving Credit Facility – As of September 30, 2024 and December 31, 2023, we had no amounts outstanding under our Unsecured Revolving Credit Facility. Outstanding advances under the Unsecured Revolving Credit Facility accrue interest at the benchmark rate plus 2.5%. As amended, \$300.0 million of the commitments under the credit facility mature on December 14, 2026, with the remaining \$25.0 million of the commitments expiring December 14, 2025.

Senior Unsecured Notes - As of September 30, 2024, we had four series of senior unsecured notes outstanding which were each issued pursuant to a note purchase agreement. The aggregate principal amount of senior unsecured notes outstanding was \$299.0 million as of September 30, 2024 compared to \$336.2 million as of December 31, 2023, net of issuance costs.

- In August 2019, we issued \$75.0 million of senior unsecured notes (the “2026 Notes”) of which \$62.5 million is outstanding as of September 30, 2024. Interest accrues at an annual rate of 4.0% and is payable quarterly. Principal on the 2026 Notes of \$12.5 million is due on August 8, 2025 and the remaining principal amount of \$50.0 million is due on August 8, 2026.
- In August 2020, we issued \$37.5 million of senior unsecured notes (the “2027 Notes”). Interest accrues at an annual rate of 3.35% and is payable quarterly. Principal on the 2027 Notes is due on August 26, 2027.
- In February 2021, we issued \$125.0 million of senior unsecured notes (the “2028 Notes”) of which \$100.0 million is outstanding as of September 30, 2024. Interest accrues at an annual rate of 3.25% and is payable quarterly. Principal on the 2028 Notes is due in increments of \$25.0 million annually on February 25 in each of 2025, 2026, 2027, and 2028.
- In December 2021, we issued \$100.0 million of senior unsecured notes (the “2029 Notes”). Interest accrues at an annual rate of 3.25% and is payable quarterly. A required principal prepayment of \$30.0 million is due on December 28, 2028. The remaining unpaid principal balance is due on December 28, 2029.

Optional prepayment is allowed with payment of a “make-whole” premium that fluctuates depending on market interest rates. Interest is payable quarterly in arrears.

Our debt instruments require us to maintain specific financial covenants, each of which we were in compliance with as of September 30, 2024. Specifically, under the most restrictive covenants, we are required to maintain the following:

- a minimum interest coverage (consolidated EBITDA to interest incurred) of no less than 2.0 to 1.0. As of September 30, 2024, our interest coverage on a last 12 months’ basis was 33.16 to 1.0;
- a Consolidated Tangible Net Worth of no less than approximately \$960.0 million. As of September 30, 2024, our Consolidated Tangible Net Worth was \$1,519.8 million; and
- a maximum debt to total capitalization rolling average ratio of no more than 40.0%. As of September 30, 2024, we had a rolling average ratio of 17.3%.

As of September 30, 2024, we believe that our cash on hand, capacity available under our lines of credit and cash flows from operations for the next twelve months will be sufficient to service our outstanding debt during the next twelve months and fund our operations. For additional information on our lines of credit, senior unsecured notes, and notes payable, refer to Note 5 to the condensed consolidated financial statements located in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Preferred Equity

As of September 30, 2024 and December 31, 2023, we had 2,000,000 Depositary Shares issued and outstanding, each representing 1/1000 of a share of our 5.75% Series A Cumulative Perpetual Preferred Stock (the “Series A Preferred Stock”). We will pay cumulative cash dividends on the Series A Preferred Stock, when and as declared by the Board, at the rate of 5.75% of the \$25,000 liquidation preference per share. Dividends will be payable quarterly in arrears. During the nine months ended September 30, 2024, we paid dividends of \$2.2 million on the Series A Preferred Stock. On October 25, 2024, the Board declared a quarterly cash dividend of \$0.359 per depositary share on the Series A Preferred Stock. The dividend is payable on December 13, 2024 to stockholders of record as of December 1, 2024.

Off-Balance Sheet Arrangements and Contractual Obligations

Land and Lot Option Contracts

In the ordinary course of business, we enter into land purchase contracts in order to procure lots for the construction of our homes in the future. We are subject to customary obligations associated with such contracts. These purchase contracts typically require an earnest money deposit, and the purchase of properties under these contracts is generally contingent upon satisfaction of certain requirements, including obtaining applicable property and development entitlements.

We also utilize option contracts with lot sellers as a method of acquiring lots in staged takedowns, which are the schedules that dictate when lots must be purchased to help manage the financial and market risk associated with land holdings, and to reduce the use of funds from our corporate financing sources. Lot option contracts generally require us to pay a non-refundable deposit for the right to acquire lots over a specified period of time at pre-determined prices that typically include escalations in lot prices over time.

Our utilization of lot option contracts is dependent on, among other things, the availability of land sellers willing to enter into these arrangements, the availability of capital to finance the development of optioned lots, general housing market conditions and local market dynamics. Options may be more difficult to procure from land sellers in strong housing markets and are more prevalent in certain geographic regions.

We generally have the right, at our discretion, to terminate our obligations under both purchase contracts and option contracts by forfeiting the earnest money deposit with no further financial responsibility to the seller.

As of September 30, 2024, the Company had earnest money deposits of \$10.2 million at risk associated with contracts to purchase raw land and finished lots representing 3,380 total lots past feasibility studies with an aggregate purchase price of approximately \$166.4 million.

Guarantees

In certain of our unconsolidated joint ventures, the joint ventures enter into loan agreements, whereby we or one of our subsidiaries will provide the joint venture lenders with customary completion guarantees subject to usual non-recourse terms.

Seasonality

The homebuilding industry experiences seasonal fluctuations in quarterly operating results and capital requirements. We typically experience the highest new home order activity in spring and summer, although this activity is highly dependent on the number of active selling communities, timing of new community openings, interest rates and other market factors. Since it typically takes four to seven months to construct a new home, we normally deliver more homes in the second half of the year as spring and summer home orders are delivered. Because of this seasonality, home starts, construction costs and related cash outflows have historically been highest in the second and third quarters, and the majority of cash receipts from home deliveries occur typically during the second half of the year.

Critical Accounting Policies

Our critical accounting policies are described in Part II, Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in our Annual Report on Form 10-K for the year ended December 31, 2023.

Recent Accounting Pronouncements

See Note 1 to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for recent accounting pronouncements.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer (“CEO”) and principal financial officer (“CFO”), we conducted an evaluation of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on this evaluation, our CEO and CFO concluded that

our disclosure controls and procedures were effective as of September 30, 2024 in providing reasonable assurance that information required to be disclosed in the reports we file, furnish, submit or otherwise provide to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that information required to be disclosed in reports filed by us under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, in such a manner as to allow timely decisions regarding the required disclosures.

Changes in Internal Control over Financial Reporting

During the three months ended September 30, 2024, there were no changes in our internal controls that have materially affected or are reasonably likely to have a material effect on our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of equity securities by the issuer

The following table provides information about repurchases of our common stock during the three months ended September 30, 2024:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs ⁽¹⁾
July 1 - July 31, 2024	97,679	\$ 55.19	97,679	\$ 55,867,000
August 1 - August 31, 2024	—	—	—	55,867,000
September 1 - September 30, 2024	—	—	—	55,867,000
Total	<u>97,679</u>	<u>55.19</u>	<u>97,679</u>	<u>\$ 55,867,000</u>

- (1) On April 27, 2022, the Board authorized a \$100.0 million stock repurchase program (the “2022 Repurchase Plan”). On April 27, 2023, the Board approved a stock repurchase program authorizing us to repurchase, from time to time, up to an additional \$100.0 million of our outstanding common stock (the “2023 Repurchase Plan”). The 2023 Repurchase Plan has no expiration and will continue until otherwise modified, completed, or terminated by the Board at any time in its sole discretion. There were no other repurchase plans as of September 30, 2024. Repurchases through March 15, 2024 were executed pursuant to the 2022 Repurchase Plan, which was fully utilized as of that date. Repurchases of approximately \$44.2 million subsequent to March 15, 2024, were executed pursuant to the 2023 Repurchase Plan. As of September 30, 2024, the remaining dollar value of shares that may yet be purchased under the 2023 Repurchase Plan was approximately \$55.9 million, excluding excise tax.

ITEM 5. OTHER INFORMATION

Insider trading arrangements and policies

During the three months ended September 30, 2024, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

Number	Description
31.1*	Certification of the Company’s Chief Executive Officer Pursuant To Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 7241).
31.2*	Certification of the Company’s Chief Financial Officer Pursuant To Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 7241).
32.1*	Certification of the Company’s Chief Executive Officer Pursuant To Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).
32.2*	Certification of the Company’s Chief Financial Officer Pursuant To Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).
101.INS**	XBRL Instance Document. The Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH**	XBRL Taxonomy Extension Schema Document.
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document.
104**	Cover Page Interactive Data File (embedded within the Inline XBRL document contained in Exhibit 101).

* Filed with this Form 10-Q.

** Submitted electronically herewith.

SIGNATURES

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.

GREEN BRICK PARTNERS, INC.

/s/ James R. Brickman

By: James R. Brickman

Its: Chief Executive Officer

/s/ Richard A. Costello

By: Richard A. Costello

Its: Chief Financial Officer

Date: October 30, 2024

Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, James R. Brickman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Green Brick Partners, Inc. for the period ended September 30, 2024;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 30, 2024

By: /s/ James R. Brickman

Name: James R. Brickman

Title: Chief Executive Officer

Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Richard A. Costello, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Green Brick Partners, Inc. for the period ended September 30, 2024;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 30, 2024

By: /s/ Richard A. Costello
Name: Richard A. Costello
Title: Chief Financial Officer

Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Green Brick Partners, Inc. (the “Company”) on Form 10-Q for the period ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, James R. Brickman, Chief Executive Officer of the Company, certify to my knowledge, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 30, 2024

By: /s/ James R. Brickman

Name: James R. Brickman

Title: Chief Executive Officer

Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Green Brick Partners, Inc. (the “Company”) on Form 10-Q for the period ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Richard A. Costello, Chief Financial Officer of the Company, certify to my knowledge, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 30, 2024

By: /s/ Richard A. Costello

Name: Richard A. Costello

Title: Chief Financial Officer