

ModernGraham Valuation

Company Name:

Lennar Corporation

Company Ticker

LEN

Date of Analysis

5/13/2016



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$8,993,573,396	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	399,747,243,487,321.00	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-145.82%	Fail
5. Earnings Growth	PEmg < 20	13.57	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	0.02	Pass
7. Moderate Price to Assets			

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	399,747,243,487,321.00	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	49.53	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.21
MG Growth Estimate	15.00%
MG Value	\$123.71
MG Value based on 3% Growth	\$46.59
MG Value based on 0% Growth	\$27.31
Market Implied Growth Rate	2.53%

MG Opinion

Current Price	\$43.59
% of Intrinsic Value	35.23%
Opinion	Undervalued
MG Grade	B-

Stage 3: Information for Further Research

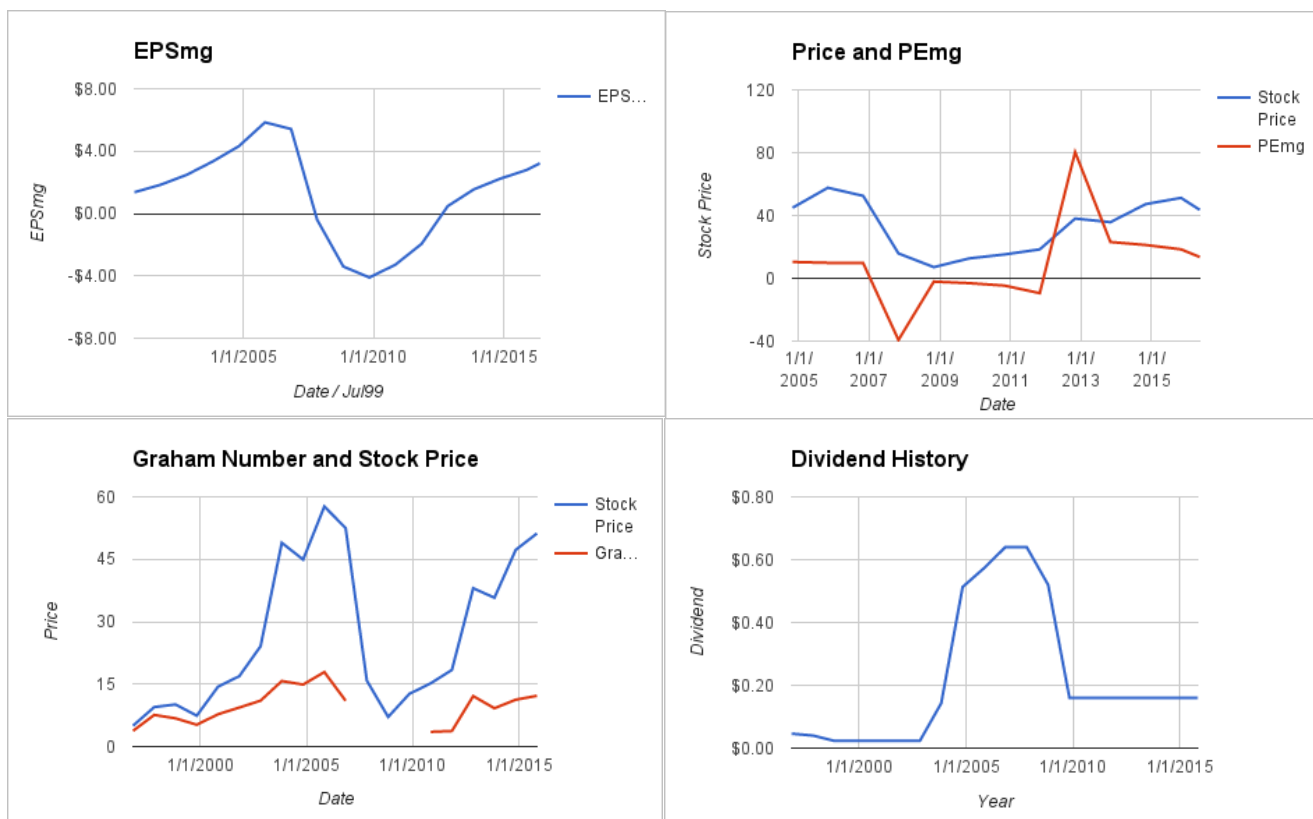
Net Current Asset Value (NCAV)	-\$1,603.74
Graham Number	\$11.74
PEmg	13.57
Current Ratio	399,747,243,487,321.00
PB Ratio	0.02
Current Dividend	\$0.16
Dividend Yield	0.37%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.71	Next Fiscal Year Estimate	\$3.21
11/1/2015	\$3.46	11/1/2015	\$2.78
11/1/2014	\$2.80	11/1/2014	\$2.23
11/1/2013	\$2.15	11/1/2013	\$1.55
11/1/2012	\$3.11	11/1/2012	\$0.47
11/1/2011	\$0.48	11/1/2011	-\$1.95
11/1/2010	\$0.51	11/1/2010	-\$3.28
11/1/2009	-\$2.45	11/1/2009	-\$4.10
11/1/2008	-\$7.00	11/1/2008	-\$3.40
11/1/2007	-\$12.31	11/1/2007	-\$0.40
11/1/2006	\$3.69	11/1/2006	\$5.42
11/1/2005	\$8.23	11/1/2005	\$5.84
11/1/2004	\$5.70	11/1/2004	\$4.32
11/1/2003	\$4.65	11/1/2003	\$3.34
11/1/2002	\$3.51	11/1/2002	\$2.48
11/1/2001	\$2.73	11/1/2001	\$1.84
11/1/2000	\$1.66	11/1/2000	\$1.36
11/1/1999	\$1.25	Balance Sheet Information Total Current Assets \$22,723,000 Total Current Liabilities \$0 Long-term Debt \$1,125,527,000 Total Assets \$2,284,464,000 Intangible Assets \$145,917,000 Total Liabilities \$1,033,081,000 Shares Outstanding (Diluted Average) 630,000	
11/1/1998	\$1.25		
11/1/1997	\$1.12		
11/1/1996	\$1.22		





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other
ModernGraham
posts about the
company

[12 Best Stocks For Value Investors This Week – 11/14/15](#)
[Lennar Corporation Valuation – November 2015 Update \\$LEN](#)
[The Best Companies of the Construction Industry – October 2015](#)
[The 20 Best Stocks For Value Investors This Week – 8/15/15](#)
[Lennar Corporation Analysis – August 2015 Update \\$LEN](#)

Other
ModernGraham
posts about related
companies

[Quanta Services Inc Valuation – February 2016 \\$PWR](#)
[Martin Marietta Materials Inc Valuation – February 2016 Update \\$MLM](#)
[Fluor Corp Valuation – February 2016 Update \\$FLR](#)
[Jacobs Engineering Group Inc Valuation – January 2016 Update \\$JEC](#)
[D.R. Horton Inc Valuation – January 2016 Update \\$DHI](#)
[Lowe's Companies Inc Valuation – January 2016 Update \\$LOW](#)
[Martin Marietta Materials Inc Valuation – February 2016 Update \\$MLM](#)
[Fluor Corp Valuation – February 2016 Update \\$FLR](#)
[Jacobs Engineering Group Inc Valuation – January 2016 Update \\$JEC](#)
[Lowe's Companies Inc Valuation – January 2016 Update \\$LOW](#)