ModernGraham Valuation

Company Name: PulteGroup, Inc.

Company Ticker PHM

Date of Analysis 7/17/2016

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	$7,048,677,284	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.83	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-122.20%	Fail
6. Moderate PEmg Ratio	PEmg < 20	9.90	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.50	Pass

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	3.83	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.60	Pass
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	$2.06
MG Growth Estimate	15.00%
MG Value	**$79.18**
MG Value based on 3% Growth	$29.82
MG Value based on 0% Growth	$17.48
Market Implied Growth Rate	0.70%

MG Opinion

Current Price	$20.37
% of Intrinsic Value	25.73%
Opinion	**Undervalued**
MG Grade	**B+**

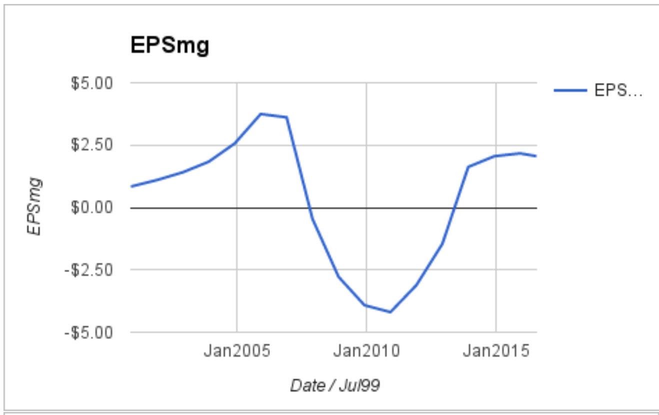
Stage 3: Information for Further Research

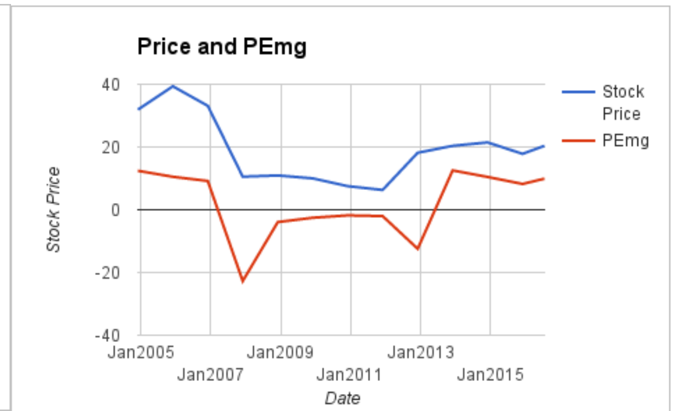
Net Current Asset Value (NCAV)	$6.14
Graham Number	$21.69
PEmg	9.90
Current Ratio	3.83
PB Ratio	1.50
Current Dividend	$0.34
Dividend Yield	1.67%
Number of Consecutive Years of Dividend Growth	4

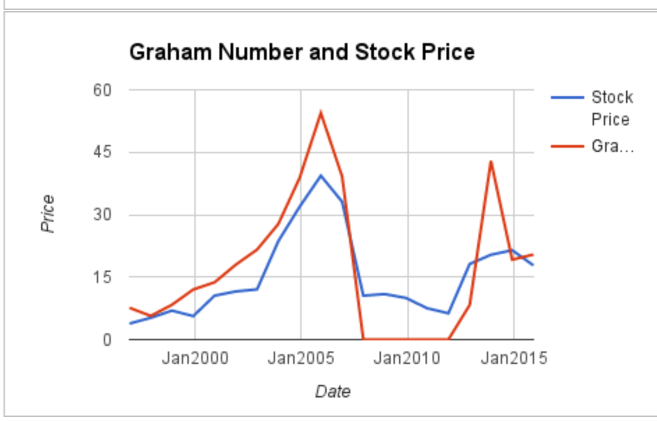
Useful Links:

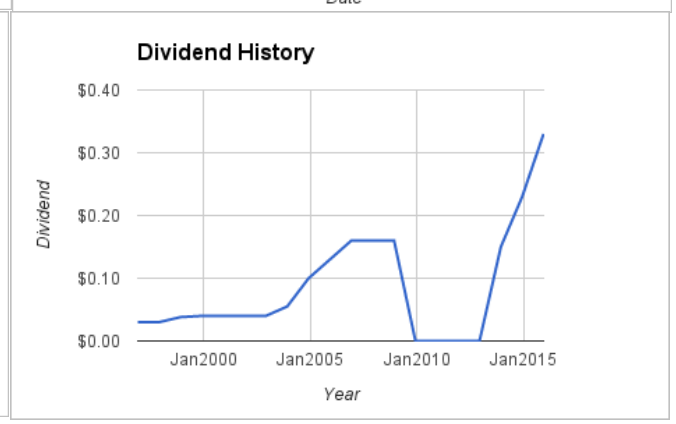
ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History			**EPSmg History**		
Next Fiscal Year Estimate		$1.53	Next Fiscal Year Estimate		$2.06
	Dec2015	$1.36		Dec2015	$2.17
	Dec2014	$1.26		Dec2014	$2.05
	Dec2013	$6.72		Dec2013	$1.62
	Dec2012	$0.54		Dec2012	-$1.46
	Dec2011	-$0.55		Dec2011	-$3.12
	Dec2010	-$2.90		Dec2010	-$4.19
	Dec2009	-$3.94		Dec2009	-$3.92
	Dec2008	-$5.81		Dec2008	-$2.78
	Dec2007	-$8.94		Dec2007	-$0.46
	Dec2006	$2.66		Dec2006	$3.61
	Dec2005	$5.68		Dec2005	$3.75
	Dec2004	$3.79		Dec2004	$2.57
	Dec2003	$2.49		Dec2003	$1.84
	Dec2002	$1.84		Dec2002	$1.41
	Dec2001	$1.50		Dec2001	$1.10
	Dec2000	$1.12		Dec2000	$0.84
	Dec1999	$1.02	**Balance Sheet Information**		**3/1/2016**
	Dec1998	$0.58	Total Current Assets		$7,220,594,000
	Dec1997	$0.30	Total Current Liabilities		$1,883,976,000
	Dec1996	$0.58	Long-Term Debt		$3,185,977,000
			Total Assets		$9,843,480,000
			Intangible Assets		$163,185,000
			Total Liabilities		$5,069,953,000
			Shares Outstanding (Diluted Average)		350,477,000









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.

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Martin Marietta Materials Inc Valuation – February 2016 Update $MLM
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