

ModernGraham Valuation

Company Name:

PulteGroup, Inc.

Company Ticker PHM

Date of Analysis

3/30/2018



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 | \$8,447,853,610 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 3.57 | Pass |
| 3. Earnings Stability | Positive EPS for 10 years prior | | Fail |
| 4. Dividend Record | Dividend Payments for 10 years prior | | Fail |
| | Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end | -181.87% | Fail |
| 5. Earnings Growth | | | |
| 6. Moderate PEmg Ratio | PEmg < 20 | 15.10 | Pass |
| 7. Moderate Price to Assets | PB Ratio < 2.5 OR PB*PEmg < 50 | 2.08 | 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 | 3.57 | Pass |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1 | 0.64 | 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 | | Fail |
| | Score | | |

Suitability

| | |
|---------------------|------------|
| Defensive | No |
| Enterprising | Yes |

Stage 2: Determination of Intrinsic Value

| | |
|-----------------------------|----------------|
| EPSmg | \$1.95 |
| MG Growth Estimate | -0.74% |
| MG Value | \$13.73 |
| MG Value based on 3% Growth | \$28.31 |
| MG Value based on 0% Growth | \$16.60 |
| Market Implied Growth Rate | 3.30% |

MG Opinion

| | |
|----------------------|-------------------|
| Current Price | \$29.49 |
| % of Intrinsic Value | 214.85% |
| Opinion | Overvalued |
| MG Grade | B- |

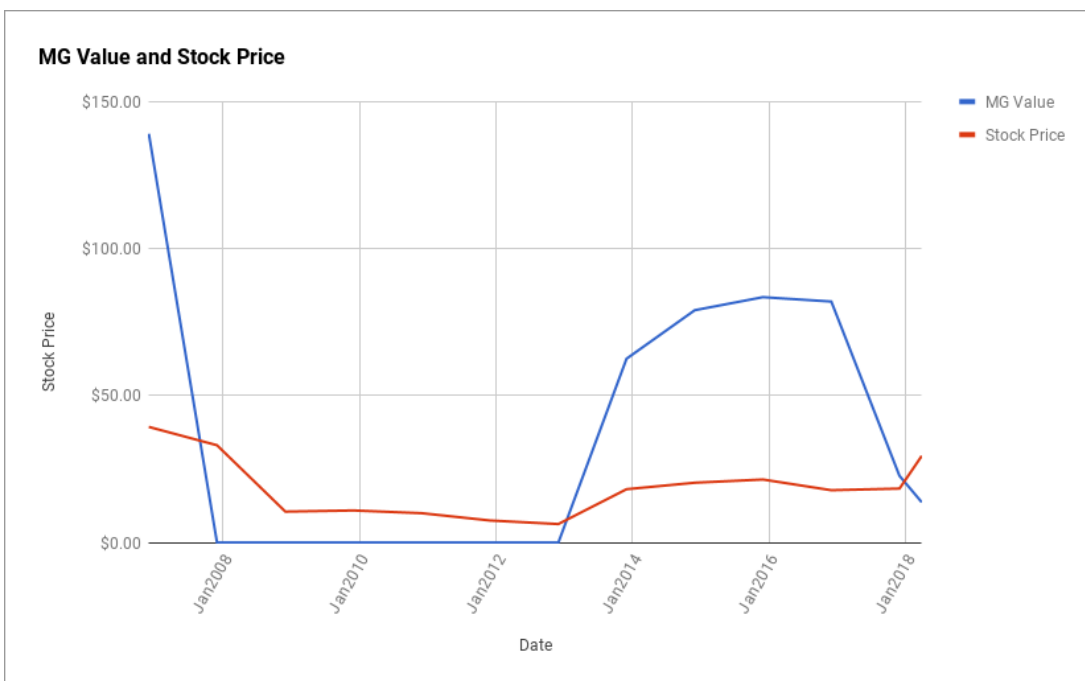
Stage 3: Information for Further Research

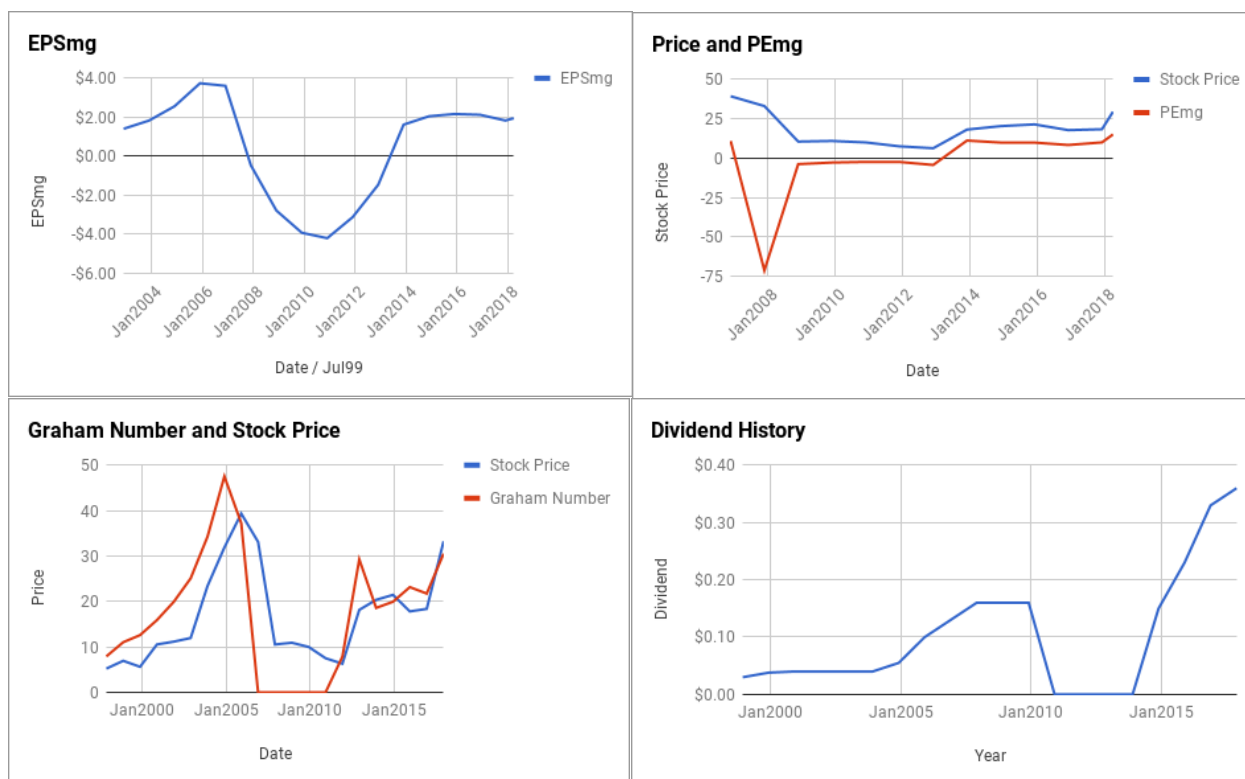
| | |
|--|---------|
| Net Current Asset Value (NCAV) | \$6.55 |
| Graham Number | \$30.53 |
| PEmg | 15.10 |
| Current Ratio | 3.57 |
| PB Ratio | 2.08 |
| Current Dividend | \$0.36 |
| Dividend Yield | 1.22% |
| Number of Consecutive Years of Dividend Growth | 5 |

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 | | Next Fiscal Year Estimate | |
| Dec2017 | \$2.86 | Dec2017 | \$1.95 |
| Dec2016 | \$1.44 | Dec2016 | \$1.83 |
| Dec2015 | \$1.75 | Dec2015 | \$2.13 |
| Dec2014 | \$1.36 | Dec2014 | \$2.17 |
| Dec2013 | \$1.26 | Dec2013 | \$2.05 |
| Dec2012 | \$6.72 | Dec2012 | \$1.62 |
| Dec2011 | \$0.54 | Dec2011 | -\$1.46 |
| Dec2010 | -\$0.55 | Dec2010 | -\$3.12 |
| Dec2009 | -\$2.90 | Dec2009 | -\$4.19 |
| Dec2008 | -\$3.94 | Dec2008 | -\$3.92 |
| Dec2007 | -\$5.81 | Dec2007 | -\$2.78 |
| Dec2006 | -\$8.94 | Dec2006 | -\$0.46 |
| Dec2005 | \$2.66 | Dec2005 | \$3.61 |
| Dec2004 | \$5.68 | Dec2004 | \$3.75 |
| Dec2003 | \$3.79 | Dec2003 | \$2.57 |
| Dec2002 | \$2.48 | Dec2002 | \$1.83 |
| Dec2001 | \$1.84 | Dec2001 | \$1.41 |
| Dec2000 | \$1.50 | Balance Sheet Information | |
| Dec1999 | \$1.12 | 12/1/2017 | |
| Dec1998 | \$1.02 | Total Current Assets | \$7,453,298,000 |
| | \$0.58 | Total Current Liabilities | \$2,087,852,000 |
| | | Long-Term Debt | \$3,444,771,000 |
| | | Total Assets | \$9,686,649,000 |
| | | Intangible Assets | \$140,992,000 |
| | | Total Liabilities | \$5,532,623,000 |
| | | Shares Outstanding (Diluted Average) | 293,314,000 |





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.

Recommended Reading:

Other
ModernGraham
posts about the
company

- [10 Most Undervalued Companies for the Enterprising Investor – June 2016](#)
- [10 Low PE Stocks for the Enterprising Investor – June 2016](#)
- [10 Most Undervalued Companies for the Enterprising Investor – May 2016](#)
- [10 Low PE Stocks for the Enterprising Investor – May 2016](#)
- [10 Companies Benjamin Graham Would Invest In Today – March 2016](#)

Other
ModernGraham
posts about related
companies

- [Cummins Inc Valuation – March 2018 \\$CMI](#)
- [Johnson Controls International PLC Valuation – March 2018 \\$JCI](#)
- [Flowserve Corp Valuation – February 2018 \\$FSL](#)
- [Corning Inc Valuation – February 2018 \\$GLW](#)
- [Home Depot Inc Valuation – February 2018 \\$HD](#)
- [Caterpillar Inc Valuation – February 2018 \\$CAT](#)
- [Eagle Materials Inc Valuation – Initial Coverage \\$EXP](#)
- [Louisiana-Pacific Corp Valuation – Initial Coverage \\$LPX](#)
- [Lowe's Companies Inc Valuation – March 2017 \\$LOW](#)
- [Cavco Industries Inc Valuation – Initial Coverage \\$CVCO](#)