

ModernGraham Valuation

Company Name:

Lennar Corporation

Company Ticker LEN

Date of Analysis

4/17/2018



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	\$18,312,413,895	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	15.97	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	-900.14%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	15.50	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.12	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	15.97	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.61	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
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.71
MG Growth Estimate	10.50%
MG Value	\$109.52
MG Value based on 3% Growth	\$53.82
MG Value based on 0% Growth	\$31.55
Market Implied Growth Rate	3.50%

MG Opinion

Current Price	\$57.53
% of Intrinsic Value	52.53%
Opinion	Undervalued
MG Grade	B-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$21.30
Graham Number	\$55.75
PEmg	15.50
Current Ratio	15.97
PB Ratio	1.12
Current Dividend	\$0.16
Dividend Yield	0.27%
Number of Consecutive Years of Dividend Growth	0

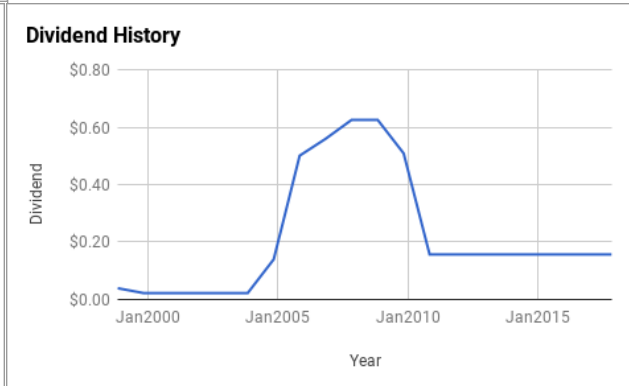
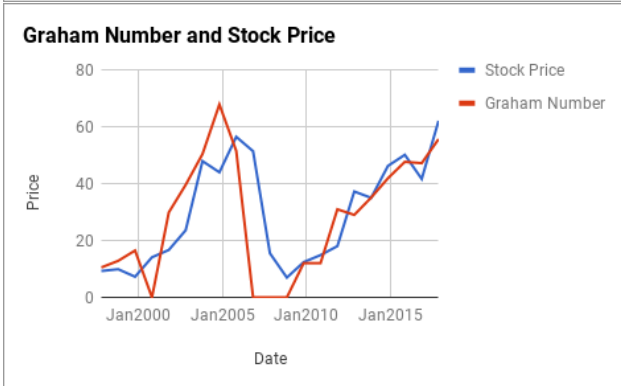
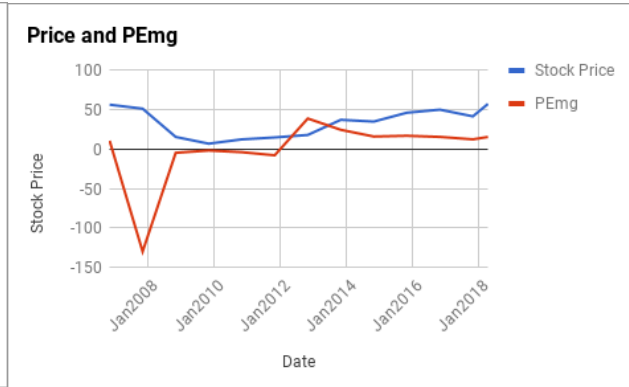
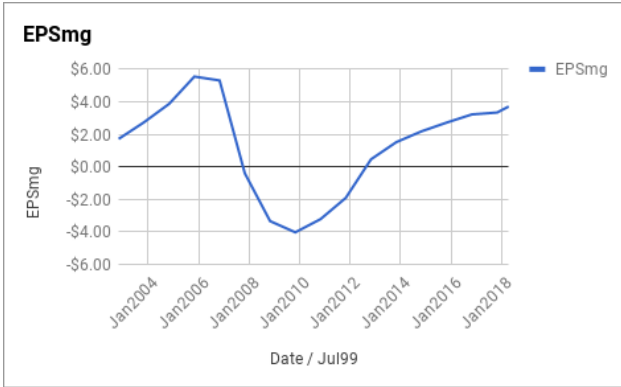
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.21	Next Fiscal Year Estimate	\$3.71
Nov2017	\$3.38	Nov2017	\$3.34
Nov2016	\$3.86	Nov2016	\$3.22
Nov2015	\$3.39	Nov2015	\$2.72
Nov2014	\$2.75	Nov2014	\$2.18
Nov2013	\$2.11	Nov2013	\$1.52
Nov2012	\$3.05	Nov2012	\$0.46
Nov2011	\$0.47	Nov2011	-\$1.91
Nov2010	\$0.50	Nov2010	-\$3.22
Nov2009	-\$2.40	Nov2009	-\$4.03
Nov2008	-\$6.87	Nov2008	-\$3.34
Nov2007	-\$12.07	Nov2007	-\$0.40
Nov2006	\$3.62	Nov2006	\$5.31
Nov2005	\$8.07	Nov2005	\$5.55
Nov2004	\$5.59	Nov2004	\$3.87
Nov2003	\$4.56	Nov2003	\$2.73
Nov2002	\$3.44	Nov2002	\$1.72
Nov2001	\$0.00	Balance Sheet Information 2/1/2018	
Nov2000	\$1.62	Total Current Assets	\$20,302,526,000
Nov1999	\$1.22	Total Current Liabilities	\$1,270,902,000
Nov1998	\$1.22	Long-Term Debt	\$11,593,659,000
		Total Assets	\$27,944,023,000
		Intangible Assets	\$3,644,105,000
		Total Liabilities	\$14,883,093,000
		Shares Outstanding (Diluted Average)	254,448,000





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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