

# Lennar Corporation (LEN)

Industrials- Home Developers

April 22, 2026

Stock Rating

**SELL**

## Investment Thesis

We initiate coverage on Lennar Corporation (NYSE: LEN) with a SELL rating and a price target of \$96, representing an implied upside of approximately 2.0% from the previous close of \$94.12. The Henry Fund originally purchased LEN in December 2024 at \$155, and the stock has since declined by over 39% as the margin compression thesis we model has materialized faster than initially expected. With the stock offering minimal upside to our target, no margin of safety against meaningful execution risk, and superior risk-adjusted opportunities available elsewhere in the industrials sector, we see little reason to continue holding LEN at current levels.

### Drivers of Thesis

- **Volume Over Margin Trap** — Buydown subsidies guarantee inventory turns but structurally suppress margins with no relief until rates decline.
- **Priced for a Recovery It Has Not Earned** — Trading at intrinsic value with minimal ROIC upside and no margin of safety against execution risk.
- **Structurally Disadvantaged Buyer Mix** — Entry-level focus leaves Lennar the most rate-sensitive major builder while peers like PulteGroup avoid buydowns entirely.

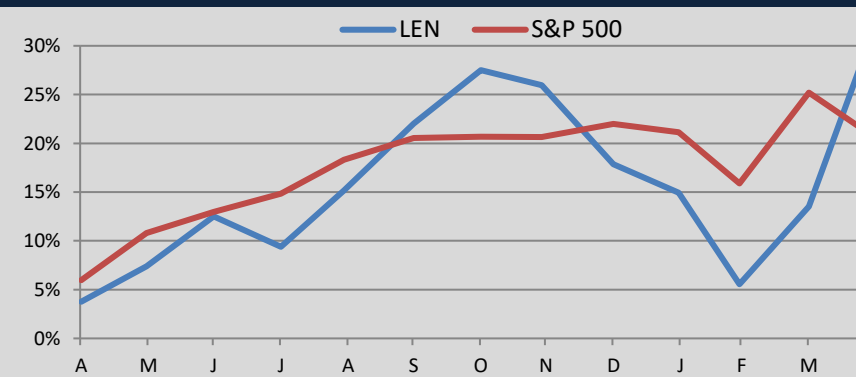
### Risks to Thesis

- **Rate Normalization** — A faster Fed pivot eliminates buydown costs and pulls the margin recovery forward.
- **Millrose Outperformance** — Faster-than-expected capital efficiency gains could prompt a multiple re-rating that the current price target does not reflect.

## Earnings Estimates

Year	2023	2024	2025	2026E	2027E	2028E
EPS	\$13.91	\$13.90	\$7.98			
HF est. growth	-11.33%	-0.05%	-42.64%	-6.39%	10.04%	13.50%

## 12 Month Performance



## Target Price

\$96

Henry Fund DCF	\$93.98
Henry Fund DDM	\$80.80
Relative Multiple	\$106

### Price Data

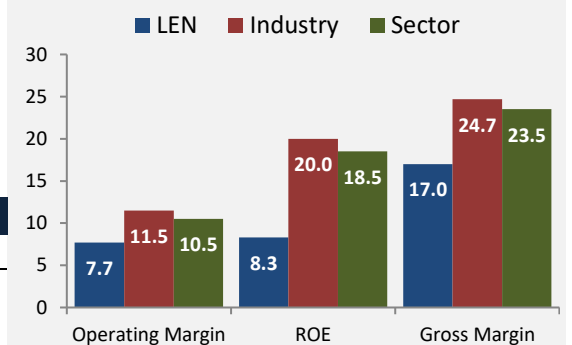
Current Price	\$94.12
52wk Range	\$83.03– \$144.24
Consensus 1yr Target	\$104.42

### Key Statistics

Market Cap (B)	\$28.03
Shares Outstanding (M)	215.77
Institutional Ownership	95.88%
Beta	1.46
Dividend Yield	1.75%
Est. 5yr Growth	5.3%
Price/Earnings (TTM)	16.44
Price/Earnings (FY1)	12.36
Price/Sales (TTM)	0.99
Price/Book (mrq)	1.48

### Profitability

Operating Margin	7.65%
Profit Margin	6.08%
Return on Assets (TTM)	5.43%
Return on Equity (TTM)	8.26%



## Company Description

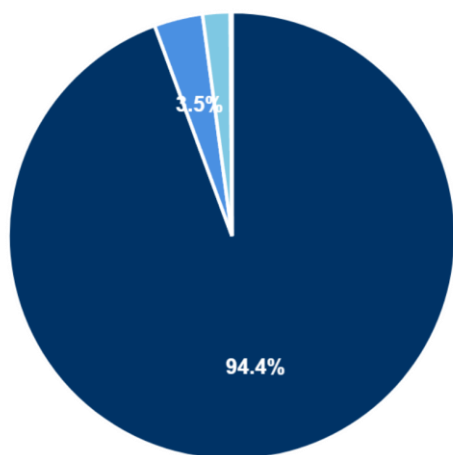
Lennar Corporation was founded in 1954 and has become one of the nation's largest and most prominent home builders, headquartered in Miami, Florida. The company operates within a very broad section of the housing market by constructing affordable, luxury, 55+ communities, and more.

## COMPANY DESCRIPTION

Lennar operates through 4 primary business segments: Homebuilding, Financial Services, Multifamily, and Lennar Other. Through its homebuilding segment, Lennar constructs and markets both detached and attached single-family residences while actively managing land acquisition and development. Their customer base spans across the entire spectrum by capturing first-time buyers, upgrade-seekers, active adults, and the luxury market. To complement the home purchasing process, the Financial Services Sector supplies essential mortgage financing, closing, title, and insurance products directly to consumers. Lennar also goes beyond just single-family ownership with the Multifamily division that oversees the nationwide development, construction, and management of residential rental properties. Finally, the Lennar Other segment consists of strategic real estate investments and asset management. The entirety of Lennar’s revenue is generated domestically within the United States market.

■ Homebuilding 94.4% (\$32.3B)   
 ■ Financial Services 3.5% (\$1.2B)  
■ Multifamily 2.0% (\$0.68B)   
 ■ Lennar Other 0.1% (\$0.04B)

**2025 Revenue by Segment**



Looking at the revenue breakdown, Lennar took a slight hit overall in 2025, dropping 3.5% year over year to \$34.19 billion. This was mostly driven by the core Homebuilding segment, which fell 4.8 percent to \$32.27 billion. But this drop was not because demand dried up. It was a direct result of their pricing strategy. Lennar ramped up operational volume, delivering 82,141 homes in 2025 compared to 79,827 the year prior. They just sacrificed the

top line average selling price to keep inventory turning by using those mortgage buydowns.

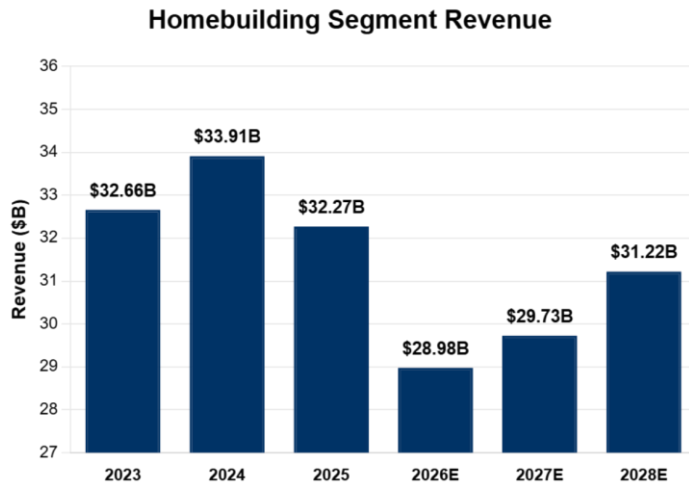
Because they pushed so much volume through those financing incentives, the Financial Services segment had a strong year. Revenue there jumped 8.0% to \$1.20 billion since Lennar captured many buyer loan originations. Outside of single-family homes, the Multifamily segment saw a sharp revenue rebound, with revenue surging 65.4% to \$680.6 million. Finally, the Lennar Other segment, which houses their real estate tech and asset management investments, shot up over 186% to \$41.6 million, bouncing back sharply from a rough 2024.

### Homebuilding Segment

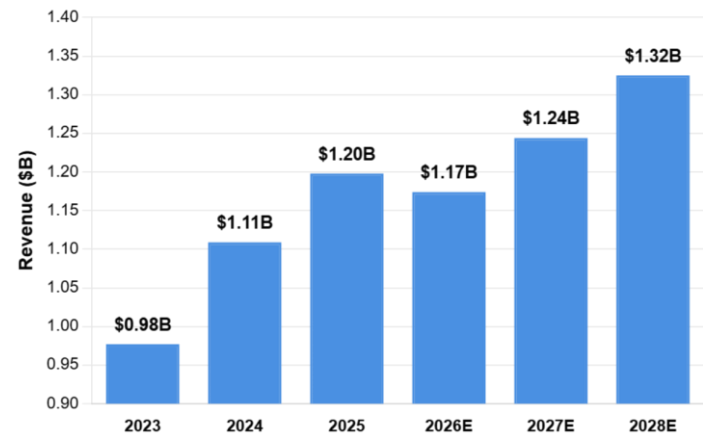
The Homebuilding segment is obviously the core engine of the business, focusing entirely on building and selling single-family attached and detached homes. They cater to a wide spectrum of the market, covering first-time buyers, move-up buyers, active adults, and the luxury tier. In fiscal 2025, Lennar successfully delivered 82,141 homes, which is a solid increase from the 79,827 homes they delivered in 2024. But at the same time, the average sales price of a Lennar home intentionally dropped to roughly \$390,800 in 2025, down from \$423,100 in 2024. This perfectly reflects management executing an aggressive volume over margin strategy, using pricing adjustments and financing incentives to make sure inventory keeps turning in a tough affordability environment. Beyond the traditional buyer categories, Lennar is also capturing the growing multigenerational living trend through its Next Gen floor plans, which essentially build a self-contained suite within the home to accommodate aging parents or adult children,

broadening the addressable buyer pool without requiring a separate product line or community type.

much of the lending volume for their own deliveries.



### Financial Services Revenue



The forecast tells a much more cautious story. Homebuilding revenue is expected to fall sharply to \$28.98 billion in 2026 as management continues to sacrifice average sales price, which is projected to decline further to roughly \$371,500, just to keep deliveries moving against an affordability wall. Deliveries are forecasted to dip to approximately 78,000 homes in 2026 before slowly recovering, reaching an estimated 90,372 units by 2030. Even so, average sales prices are only expected to modestly recover to around \$386,900 by 2030, keeping a structural ceiling on revenue growth. Segment revenue is only projected to reach \$34.96 billion by 2030, implying a compound annual growth rate of just 1.6% from 2025 levels. The "everything included" pricing model now acts as a high-cost floor that limits profitability because organic affordability for buyers remains out of reach.

In 2025, Financial Services revenue climbed to \$1.20 billion, up from \$1.11 billion in 2024. Because this segment is structurally tied to the volume of homes Lennar builds, it has proven to be incredibly lucrative, consistently operating at roughly a 51% operating margin. Looking ahead, revenue is expected to dip modestly to \$1.17 billion in 2026 in line with the pullback in home deliveries, before recovering steadily to \$1.24 billion in 2027 and reaching approximately \$1.49 billion by 2030. The segment is projected to grow at a roughly 5-6% annual clip through the back half of the forecast as delivery volumes are rebuilt and Lennar's in-house origination model continues to capture an outsized share of buyer financing.

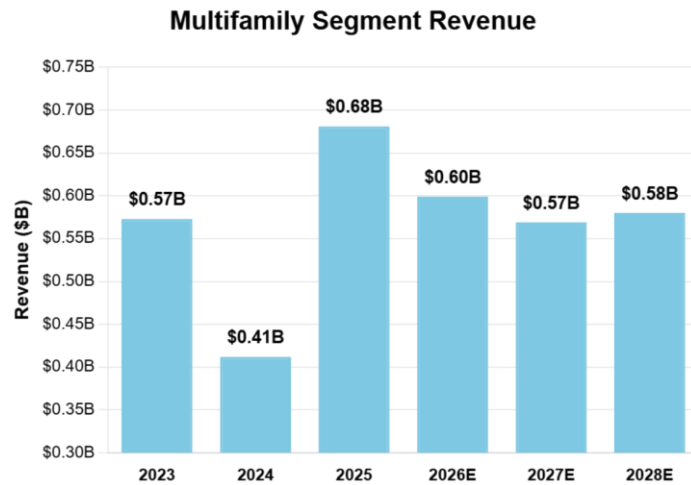
## Financial Services

The Financial Services segment, operated primarily through Lennar Mortgage, provides conventional, Federal Housing Administration, and Veterans Affairs loans almost exclusively to its homebuyers. This segment is central to the current sales strategy. By keeping mortgage originations in-house, Lennar can seamlessly offer aggressive interest rate buydowns to buyers, capturing

## Multifamily Segment

The Multifamily segment focuses on the development, construction, and management of Class A rental properties nationwide. While the segment historically focused on building and quickly selling apartment communities, it has recently made significant changes to

align with the broader corporate strategy of reducing capital commitments.

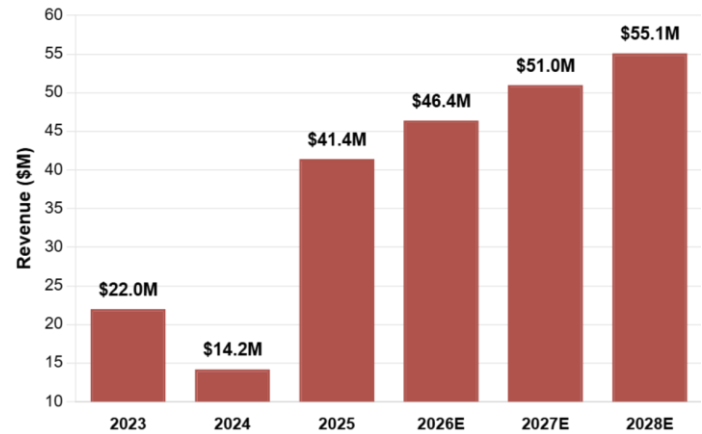


In 2025, Multifamily revenue rebounded sharply to \$680.6 million, up from \$411.5 million in 2024, though top-line growth does not tell the full story, as the segment still incurred approximately \$750 million in expenses and continued to operate at a loss. The rental market, particularly in the Sunbelt, is currently dealing with a heavy oversupply of new apartments, which has suppressed rental rate growth and tightened margins across the entire industry. The model projects a meaningful step back in 2026, with revenue declining to approximately \$599 million, followed by a further dip to around \$569 million in 2027 as the dynamic oversupply continues to weigh on the segment. A gradual recovery is expected through the latter part of the forecast, with revenue reaching roughly \$634 million by 2030 as the supply issues recover. Until that clearing happens, the segment is likely to remain a drag on consolidated results.

## Lennar Other Segment

The Lennar Other segment serves as the venture capital and asset management wing, holding strategic investments in real estate technology companies like Opendoor, Blend Labs, and Sunnova. Because these investments are held at fair value, this segment is highly impacted by market volatility, which frequently impacts the bottom line.

## Lennar Other Segment Revenue



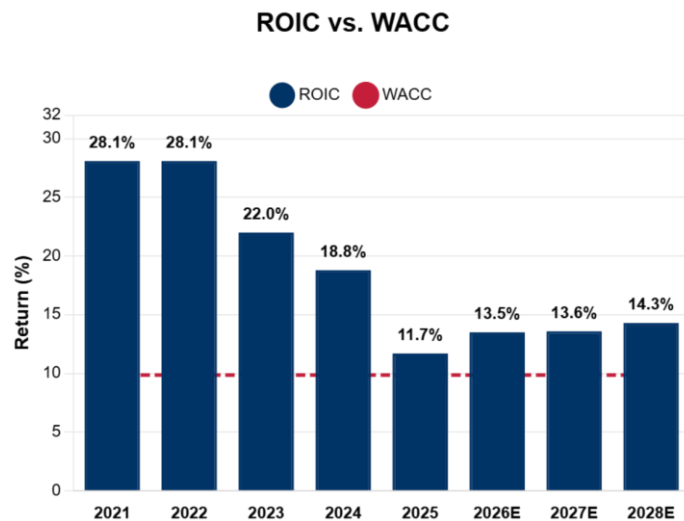
In 2025, the segment saw revenue recover to \$41.4 million, a sharp increase from the \$14.2 million recorded during a tough 2024. Despite this top-line recovery, the segment remains a cost center, posting roughly \$179 million in expenses in 2025 due to investment write-downs and operational overhead.

Looking forward, the model projects steady incremental growth for this segment, forecasting \$46.4 million in revenue in 2026 and scaling to approximately \$60.8 million by 2030. While this segment operates at a standalone loss, the true value of Lennar Other lies in its synergies. By investing in housing tech startups, Lennar can integrate new software into its own supply chain and mortgage operations, structurally lowering corporate SG&A expenses and streamlining the homebuying experience across the broader company. That said, with the segment's expense base holding near \$180 million through the forecast period, these synergies need to materialize more concretely to justify the continued capital commitment, which is a risk that weighs into our sell rating and \$96 price target.

## ROIC

ROIC is the most honest scorecard for a homebuilder because it captures both how profitable the business is and how efficiently it deploys the massive amount of capital it needs to keep land, homes under construction, and finished inventory moving through the pipeline. For Lennar, the ROIC story over the past four years is essentially two different businesses stitched together, and understanding that split is important for framing where the stock is today.

Back in 2021 and 2022, Lennar had operating margins of 18.7% and 20.0%, respectively, driven by a historic combination of tight supply, surging demand, and pricing power that the homebuilding industry had never seen before, which reflected the deep land and inventory positions the company was carrying heading into the boom. When you put those two things together, ROIC in that window was exceptional, and it was the kind of return profile that is very hard to sustain without the same demand tailwinds propping it up.



The decrease since then has been sharp. By 2023, the NOPAT margin had already compressed to 15.7% as rising rates started choking buyer demand. In 2024, it fell further to 13.1%. Then in 2025, it dropped all the way to 7.8%, the lowest point in the historical window, as the mortgage buydown strategy fully kicked in and started eating into profitability. That is roughly a 12% collapse in operating margin over four years, almost entirely driven by the intentional decision to subsidize buyer financing rather than let volume fall. On the invested capital side, IC as a percentage of revenue compressed from around 71% in 2022 down to roughly 54% in 2025, which mechanically boosts IC turnover and partially offsets the margin hit to ROIC. But that compression in the IC ratio is largely a function of revenue holding up reasonably well through 2024, while inventory management improved. If deliveries slow meaningfully in 2026 and inventory does not draw down along, that turnover benefit reverses.

Looking into the forecast, operating margins are projected to stabilize and gradually recover, reaching 8.2% in 2026 and climbing back toward 8.8% by 2030. That is a real improvement, but still a far cry from the 18 to 20% range

Lennar was putting up at peak. The IC turnover assumption in the model holds invested capital below historical averages through the forecast period, which provides a structural tailwind to ROIC on paper. But again, that assumption depends on inventory staying lean relative to revenue, which is a cleaner story in a recovering volume environment than in a stagnating one. The ROIC recovery the model implies is real but slow, and it is one of the core reasons the stock does not look compelling at current levels despite trading near our \$96 price target.

## Invested Capital

Lennar's invested capital base is overwhelmingly driven by one thing, and that is inventory. For a homebuilder, that is completely expected, but the magnitude of it shapes everything about how you analyze the balance sheet and the capital efficiency of the business. Inventory has historically represented somewhere between 53 and 64 cents of every dollar of revenue, making it by far the largest component of invested capital and the single biggest lever on IC turnover.

Working capital more broadly is the dominant piece of the equation. Beyond inventory itself, short-term receivables have been relatively stable at around 4.7 to 4.8% of revenue, and accounts payable and other current liabilities partially offset the working capital build on the asset side. Net working capital as a standalone measure ran between roughly 1.66x and 2.07x revenue in the 2022 to 2024 historical window, reflecting how capital-intensive the build and sell cycle is. When demand is strong and homes are moving fast, that working capital churns efficiently. When demand softens and homes sit on lots longer, the capital gets tied up, and turnover slows.

Fixed capital is a relatively minor part of the story. Net PPE as a percentage of revenue has been declining, running from about 1.5% in 2022 down to around 3.0% in 2025 in dollar terms, but shrinking as a fraction of the business. Lennar is not a capital-intensive manufacturer in the traditional sense because it outsources most of its actual construction labor to subcontractors and does not own heavy equipment or large factory footprints. Depreciation runs around \$128 to \$134 million annually, which is modest relative to the scale of the business, and capex guidance has been minimal. This is one of the cleaner aspects of the capital structure.

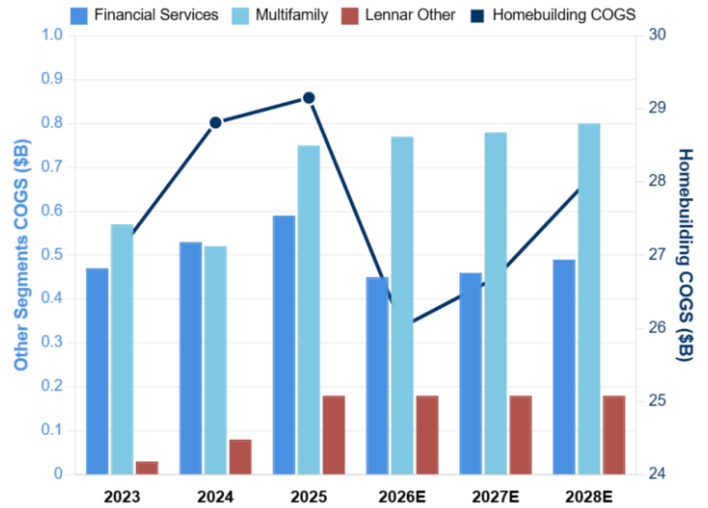
Intangible capital is the third component worth flagging. Goodwill and intangibles have sat at roughly 10.2 to 11.8% of revenue throughout the historical window, largely reflecting past acquisitions. These assets do not generate a direct return on their own, and they inflate the invested capital base without contributing to operating income, which is a drag on reported ROIC. The model holds intangibles relatively flat in dollar terms through the forecast period as no major acquisitions are assumed, so their dilutive effect on IC turnover gradually fades as revenue grows.

The most important trend to watch going forward is whether the inventory ratio stays in line with what the model assumes. The forecast has inventory as a percentage of revenue dropping meaningfully in 2026 to around 38.5% before recovering toward 47 to 48% in the later forecast years. That initial compression is the biggest single driver of the IC turnover improvement in the model. If Lennar pulls back on starts aggressively enough to match the lower delivery volume in 2026, it is achievable. But if construction timelines lag or demand recovers faster than the market expects and Lennar needs to rebuild its lot pipeline quickly, that inventory ratio climbs back up and the turnover benefit evaporates.

### Cost Structure Analysis

Looking at the cost breakdown, Lennar's expenses are heavily dominated by the Homebuilding operations. But the real story here is not just about lumber or labor getting more expensive, it is all about that intentional volume over margin strategy.

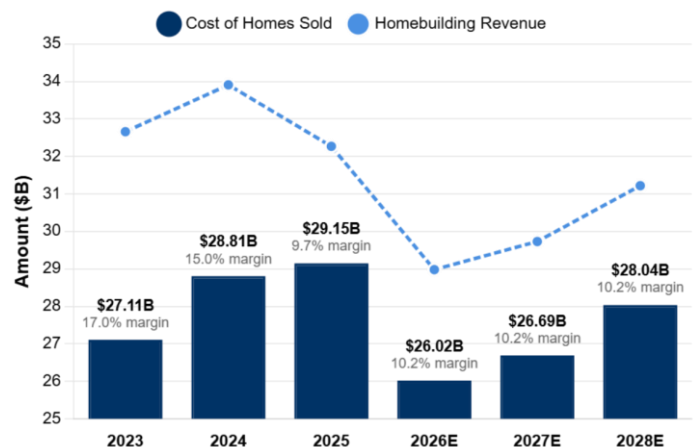
### Cost of Goods Sold by Segment



### Homebuilding

The Cost of Homes Sold is by far the largest expense category in the business, representing approximately 85.3% of total Homebuilding revenue in 2025, up from 81.3% in 2024. That roughly 4 percentage point deterioration in the cost ratio is almost entirely attributable to one thing: mortgage buydowns. Lennar is spending tens of thousands of dollars in cash upfront per house to fund three two one interest rate buydowns for buyers, which is a calculated hit to profitability just to keep inventory moving. Base construction and supply chain costs have largely stabilized since the pandemic, so this margin compression is not a structural materials problem. It is a deliberate pricing decision.

### Homebuilding: COGS vs Revenue

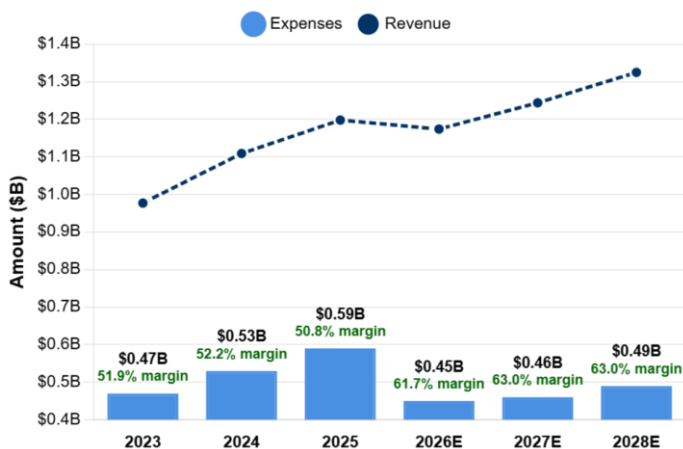


This cost is also largely variable in nature. As average selling prices fall, the dollar amount Lennar spends per buydown scale with the loan size, meaning lower-priced homes provide some relief on the buydown cost per unit. For 2026, the forecast has the Cost of Homes Sold dropping to \$26.02 billion, which mirrors the sharper-than-expected decline in both deliveries and average selling price. The cost ratio is projected to hold near 84.5% through 2027 before gradually improving in the back half of the decade as rates decline and buydown subsidies become unnecessary. That is where the operating leverage story lives. Once those incentive costs come out of the equation, the revenue from recovering delivery volumes and stabilizing prices drops almost directly to operating income without a proportional increase in the cost base.

### Financial Services

Financial Services has the most attractive cost structure in the entire company. In 2025, the segment spent \$585.7 million to generate \$1.20 billion in revenue, producing an operating margin of roughly 51%. The primary expense here is interest expense and loan origination costs, both of which are largely variable and scale directly with loan volume. Because Lennar funnels nearly all its homebuyers into the in-house mortgage arm, customer acquisition costs are essentially zero, which is what makes the margin so unusually high for a lending operation.

Financial Services: Expenses vs Revenue



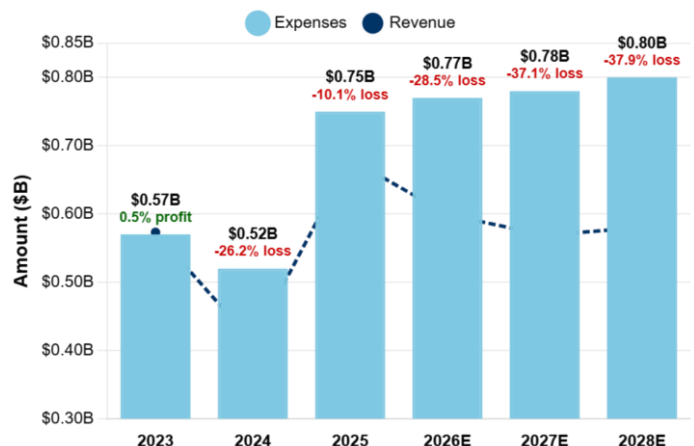
The model has 2026 segment expenses falling to \$452.7 million alongside the near-term dip in deliveries, with

margins staying comfortably above 50% throughout the forecast period. As automated underwriting and digital closing technology continue to roll out, the segment demonstrates clear operating leverage. Loan volume is expected to recover toward 2025 levels and beyond, but headcount and fixed infrastructure costs are not growing at the same pace. Expenses only reach \$546.0 million by 2030 against \$1.49 billion in projected revenue, implying margin expansion of roughly 3 to 4 percentage points over the forecast horizon purely from fixed cost absorption.

### Multifamily and Lennar Other

Both segments are currently cost centers with negative operating margins, and understanding why matters for the consolidated picture. The Multifamily segment recorded \$750.0 million in expenses against only \$680.6 million in revenue in 2025, generating an operating loss. A large portion of these costs are fixed, tied to construction timelines, management contracts, and debt service on properties that cannot be quickly offloaded. The Sunbelt apartment market is oversupplied right now, which has suppressed rental rates and forced strategic write-downs as Lennar attempts to exit non-core joint ventures. Expenses are projected at \$765.4 million in 2026 and remain in the \$803 to \$844 million range through 2030, meaning this segment is not expected to turn profitable within the forecast window. There is no meaningful operating leverage here until the supply overhang clears.

Multifamily: Expenses vs Revenue



The Lennar Other segment posted \$179.5 million in expenses in 2025 against only \$41.4 million in revenue, with the gap driven almost entirely by fair value write-downs on housing tech investments like Opendoor and

Blend Labs that struggled badly in the public markets. These are largely non-cash charges, but they flow through the income statement and distort the consolidated cost picture. The forecast holds expenses roughly flat at approximately \$179.8 million in 2026, stepping up only incrementally to \$184.1 million by 2030. At the consolidated level, SG&A declines from \$2.68 billion in 2025 to \$2.40 billion in 2026 in line with lower revenue, which does reflect some variable cost flexibility in the near term. The bigger question is whether the tech investment synergies that are supposed to structurally lower SG&A over time materialize. If they do not, the operating leverage that the margin recovery story in 2028 through 2030 depends on becomes much harder to achieve, and that is a key risk to our sell rating.

### Debt Maturity Analysis

Lennar currently holds roughly \$4.08 billion in total debt as of the end of fiscal 2025. Management was highly proactive this past year, issuing new 5.20% senior notes due 2030 to completely pay off their maturing 2025 obligations and drawing on a new \$1.71 billion term loan due in 2028. Because of these refinancing moves, their upcoming obligations are very well staggered. The primary sources for repaying this debt will be operating cash flow or simply rolling it over through new debt issuances at prevailing rates.

When comparing this maturity schedule to their cash generation capacity, near-term default risk is negligible. Lennar maintains a stable balance sheet and strong credit ratings, and the financial models project continued operating cash flow generation even through the tighter margin environment discussed earlier. The more relevant financial risk is not solvency but refinancing cost, specifically whether the 2026 and 2027 maturities get rolled at meaningfully higher coupons than the legacy paper they replace, which would create a quiet drag on free cash flow in exactly the years the model is counting on margin recovery to kick in.

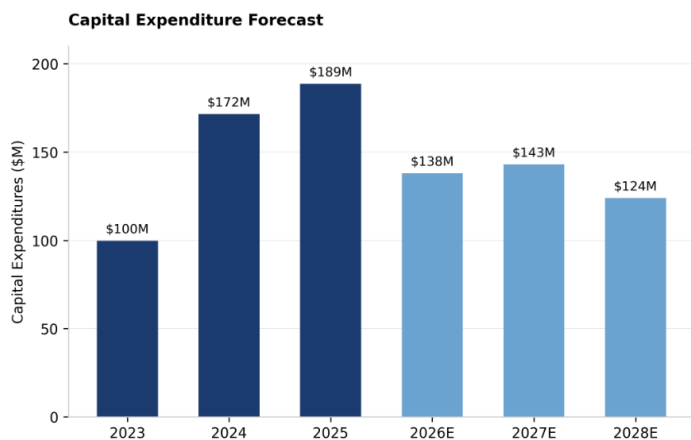
#### Five-Year Debt Maturity Schedule

Fiscal Year	Coupon (%)	Payment (\$mil)
2026	5.25%	\$400.61
2027	4.75/5.00%	\$1049.44
2028	Floating	1710.00
2030	5.20%	\$694.17
Thereafter		\$230.48
<b>Total</b>		<b>\$4084.70</b>

Source: Lennar 10-K

### RECENT DEVELOPMENTS

Lennar recently executed a major strategic shift by spinning billions in land assets into a new entity called Millrose Properties. This move officially cements their transition to a land-light operating model. Rather than keeping billions of dollars tied up in raw land on the balance sheet, Lennar now controls almost all its future community sites through option contracts. This development is the main reason the forecast projects capital expenditures dropping significantly through 2030. It dramatically lowers balance sheet risk and ensures that even if housing demand slows down, they are not stuck paying holding costs on undeveloped land.



Lennar also recently acquired Rausch Coleman Homes, a builder heavily concentrated in the South and Midwest. This acquisition perfectly aligns with the demographic shift of millennials and first-time buyers migrating to more affordable states. This development is the core driver behind the projection that Lennar will consistently deliver over 82,000 homes annually over the next few years. By absorbing Rausch Coleman, Lennar immediately captured a huge pipeline of entry-level inventory. This allows them to scale their volume over margin strategy across entirely

new geographic markets and capture the largest available pool of sidelined consumer demand.

What started as a temporary fix to elevated interest rates has now become a permanent strategic advantage for Lennar. They have fully institutionalized the three-two-one mortgage rate buydown through their in-house Financial Services segment. Instead of waiting for the Federal Reserve to cut rates, Lennar is spending large amounts of upfront cash to buy down mortgage rates for its customers, effectively locking smaller regional builders out of the market. While this strategy successfully guarantees that inventory turns over rapidly, it is the exact reason the model forecasts gross margins remaining structurally suppressed through 2026. Profit margins are not expected to organically recover until macroeconomic interest rates drop and these expensive financing incentives are no longer required to clear inventory.

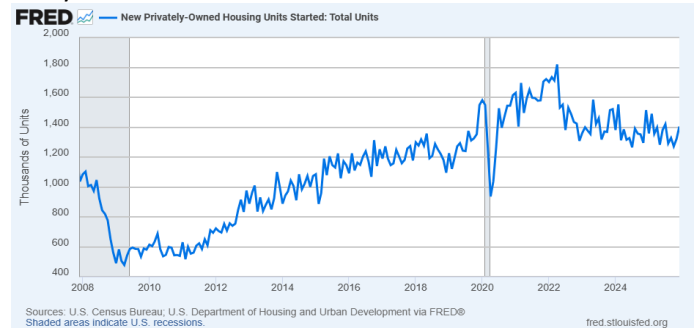
## INDUSTRY TRENDS

Figuring out the housing market means ignoring the daily interest rate changes and focusing on the big picture. The long-term volume numbers for our Lennar model rely on three main trends that show where the entire industry is heading over the next decade.

### Industry Trend #1

The biggest thing shaping the industry today is just a massive lack of housing supply. If you pull the FRED data for New Privately Owned Housing Units Started, it is obvious that the US simply has not built enough homes to keep up with population growth since the 2008 financial crisis. The country has spent over fifteen years underbuilding, and that deficit is not going away anytime soon. So while high interest rates have temporarily slowed demand over the last couple of years, the actual underlying need for millions of new homes has not gone

away.

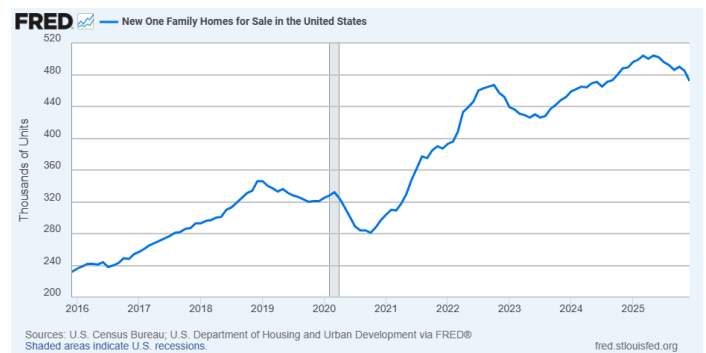
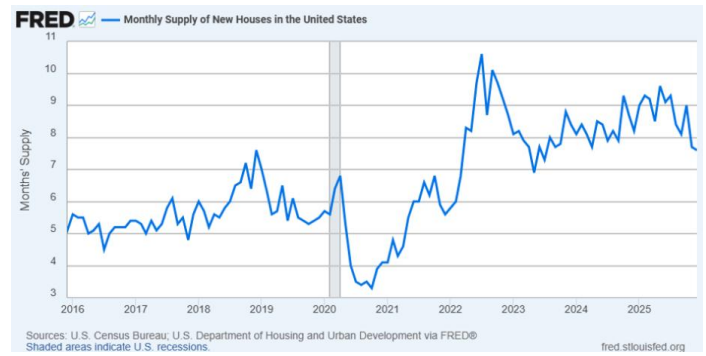
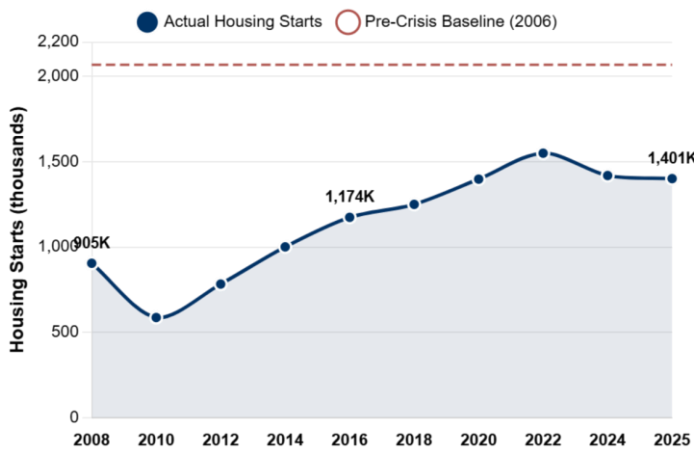


This structural deficit supports the long-run volume assumptions in the model and explains why Lennar's delivery pipeline remains credible over the forecast horizon. But it is worth being clear that this tailwind is widely understood and already reflected in how the entire homebuilding sector trades. A structural housing shortage does not automatically translate into margin expansion for Lennar specifically, especially when the company is currently sacrificing profitability just to keep that volume moving. The deficit creates a floor for demand. It does not

solve the affordability problem that is compressing margins today.

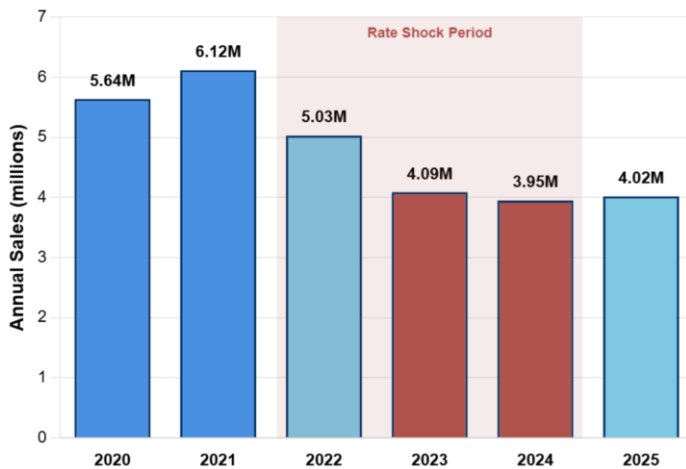
This artificially crushes the supply of existing homes, pushing buyers straight to new home builders.

### U.S. Housing Starts — Structural Supply Deficit



### Industry Trend #2

#### Existing Home Sales — Rate Lock-In Effect



The second major trend is that the existing home market is essentially frozen. Millions of current homeowners refinanced their mortgages down to three or four percent during the pandemic. Since current rates are way higher, those people are completely locked in and refuse to sell.

When you look at the FRED data for New Housing Inventory and Months' Supply of New Housing, you can see builders taking advantage of this dynamic. Mega builders like Lennar are essentially the only option for buyers who absolutely must move, and they are using in-house financing to offer mortgage buydowns to make sure their inventory clears while the resale market stays stuck. The risk within this trend for the sell thesis is that it is inherently temporary. The moment rates drop meaningfully, the rate lock effect unwinds, millions of existing homes come back onto the market, and the supply advantage new builders currently enjoy gets competed away. That normalization is not captured in a peer multiple comparison that benchmarks Lennar against where the group trades today, and it is one of the reasons the relative valuation implied price of around \$106 deserves a significant discount to the DCF price target.

### Industry Trend #3

The last trend is a demographic inevitability that the market tends to underappreciate because it gets conflated with the cyclical affordability story. Roughly 4.1 million millennials are hitting peak first-time homebuying age

every single year right now, making this the largest first-time buyer cohort in American history. These buyers have not disappeared. They have just been pushed to the sidelines by a combination of high rates, elevated prices, and a frozen resale market. That demand is real, and it is building, and when affordability conditions improve modestly, the release of that pressure is going to disproportionately benefit builders focused on entry-level and affordable products.

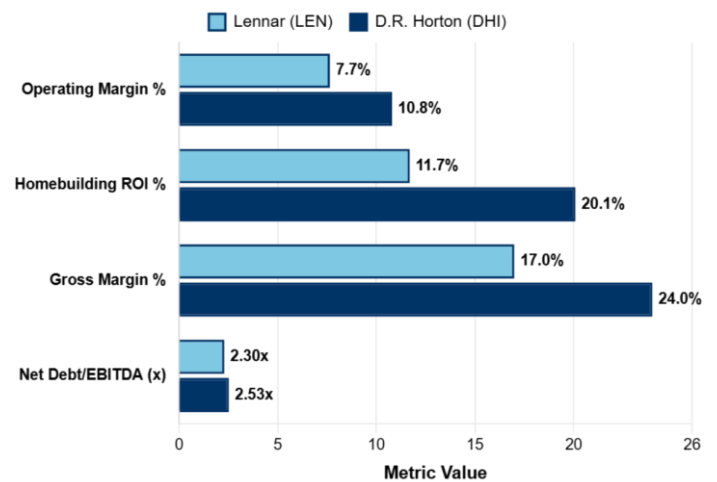
Lennar is logically positioned for this wave through the Rausch Coleman acquisition and its aggressive push into the affordable South and Midwest markets, where millennials are migrating in search of a cheaper cost of living. The Everything's Included model and the smaller lot community format are exactly the right product for this buyer. The issue is execution cost. Capturing this demographic right now requires Lennar to keep subsidizing mortgage rates at the expense of gross margin, and the timeline for when those subsidies become unnecessary is uncertain. The demographic tailwind is not in question. The question is whether the stock at current prices already reflects the payoff and given that the DCF implies essentially no upside from here, the answer is that the market has largely figured this out already.

Understanding how Lennar is positioning itself for the future requires looking at how they stack up against the other major players. Evaluating gross margin, ROIC, and capital efficiency across the peer group makes the strategic differences very clear, and more importantly, it helps frame whether Lennar's growth is going to create value going forward or just generate revenue at suboptimal returns.

### DR Horton

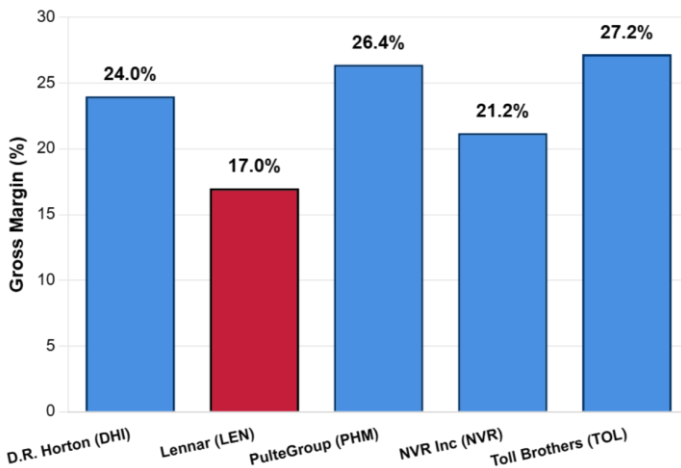
DR Horton is the biggest builder by volume and the most direct competitor to Lennar. They run the same volume over margin playbook, heavily targeting first-time and affordable homebuyers, and their national scale gives them enormous purchasing power with suppliers and subcontractors that helps keep construction costs extremely low.

#### Peer Comparison — D.R. Horton (DHI)



### MARKETS AND COMPETITION

#### Homebuilder Peer Comparison - Gross Margin %



For fiscal year 2025, DR Horton generated revenues of \$34.3 billion and a pre-tax profit margin of 13.8%. That margin compression from prior years tells basically the same story as Lennar: both companies are sacrificing profitability to keep inventory moving in a tough affordability environment. Where DR Horton has a meaningful edge right now is capital efficiency. Their homebuilding return on inventory for fiscal 2025 came in at 20.1%, which is a cleaner metric for a volume builder than traditional ROIC because it strips out the financial services noise. That number still reflects compression from

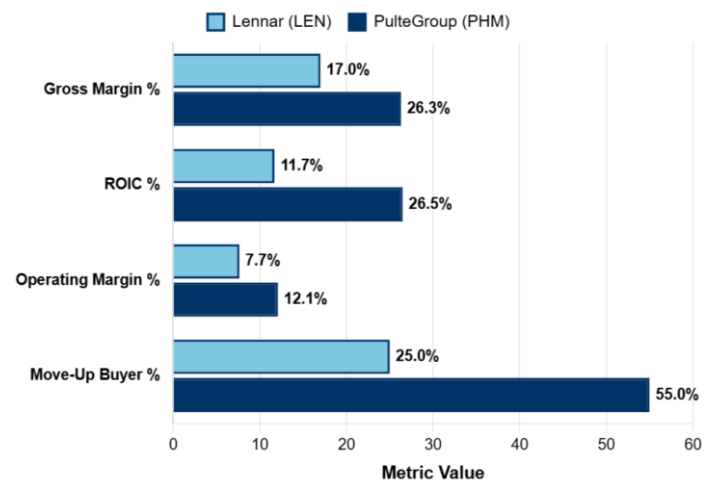
prior years but holds up better than Lennar's trajectory, which is a problem. DR Horton is executing the same strategy with a tighter cost structure and a stronger balance sheet, and that competitive gap is one of the reasons Lennar's incremental growth in 2026 does not look like it is going to generate returns above the cost of capital.

## PulteGroup

PulteGroup takes a somewhat different angle. They still build entry-level homes but lean heavily into move-up buyers and active adult communities through their Del Webb brand. That product mix toward a wealthier demographic that pays with larger down payments or cash is what allows them to consistently hold wider margins without spending as aggressively on rate buydowns to close sales. PulteGroup's full-year 2025 gross margin came in at 26.3%, down from 28.9% in 2024, but even at the compressed level, that is still roughly 11 percentage points above where Lennar's homebuilding margins are tracking. That gap is entirely a function of buyer mix. Pulte's customers are simply less rate sensitive, which means Pulte gets to keep more of each sale instead of handing it back to the mortgage market. PulteGroup's ROIC hit a record 26.5% in 2024 before the affordability headwinds kicked in, and even with the 2025 compression, they are running a structurally more profitable business per dollar of invested capital than Lennar is right now. The tradeoff is slower inventory turns and less volume scale, but in the current rate environment, Pulte's buyer demographic is a

genuine competitive advantage that Lennar simply does not have access to with its entry-level focus.

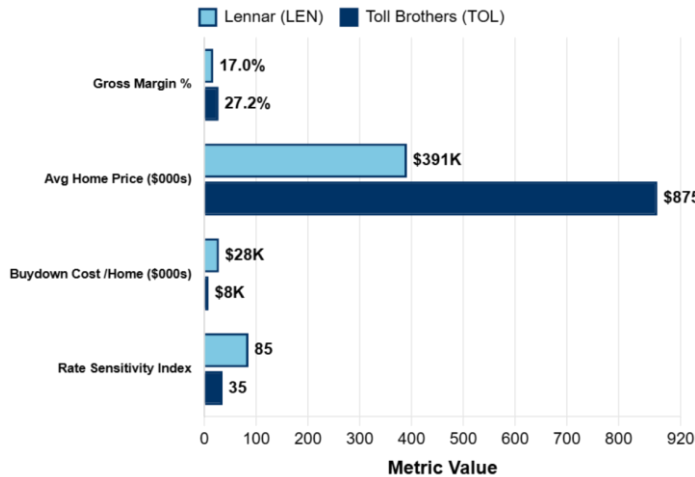
### Peer Comparison — PulteGroup (PHM)



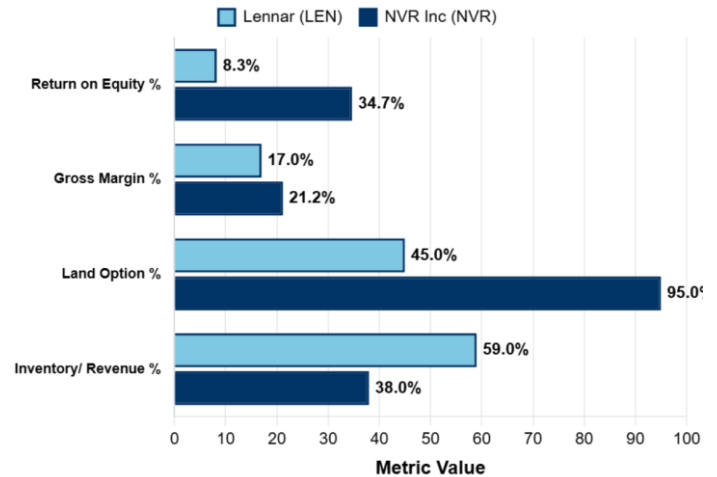
## Toll Brothers

Toll Brothers represents the pure luxury end of the market, and their financials look completely different from the volume builders. For their full fiscal year 2025, Toll Brothers reported home sales revenues of \$10.84 billion with a gross margin of 25.6%. Those margins hold up substantially better than Lennar's because Toll's buyers are wealthy enough that a 7% mortgage rate is an inconvenience rather than a dealbreaker, so Toll does not have to spend nearly as much on financing incentives to close a sale. The tradeoff is capital efficiency. Their custom homes sit on the balance sheet for an extended period, tying up a lot of cash relative to revenue, and their total addressable market is much smaller. Lennar's everything-is-included model deliberately avoids this trap by keeping home designs standardized and inventory turning fast. The other thing worth noting is that Toll's buyer demographic is more sensitive to wealth effects than to interest rates specifically. A meaningful stock market correction or a recession that hits high-income earners could freeze their sales entirely while expensive custom inventory sits unsold, which is a completely different risk profile than what Lennar carries.

**Peer Comparison — Toll Brothers (TOL)**



**Peer Comparison — NVR Inc (NVR)**



**NVR Inc**

NVR is the benchmark for capital efficiency in the entire homebuilding sector. Their model is built around controlling lots through option contracts rather than owning raw land outright, which keeps the balance sheet lean and allows them to generate returns on equity that no land-heavy builder can match. NVR's return on equity reached a sector leading 34.7% in 2025, which is roughly double the industry average and reflects the structural advantage of not having billions tied up in depreciating land during a downturn. That said, the model is not without its own vulnerabilities. NVR's gross margin compressed from 23.4% to 21% through 2025, and new orders fell 16% with cancellation rates spiking, showing that pricing power erodes regardless of your capital structure when affordability conditions are this stretched. Even NVR had to lean into rate buydowns and incentives in the back half of 2025. What the land light model protects you from is balance sheet impairment risk, not demand risk. And that distinction matters a lot for evaluating where Lennar is headed.

This is exactly why the Millrose Properties spinoff is the most strategically significant thing Lennar has done in years. By moving billions in raw land off the balance sheet and controlling future community sites through option contracts, Lennar is explicitly trying to close the capital efficiency gap with NVR. The model forecasts capital expenditures declining meaningfully through 2030 as a direct result of this transition, and if Lennar executes it well, the incremental ROIC on new growth should improve substantially even without a full margin recovery. The Rausch Coleman acquisition reinforces this thesis by immediately adding a large pipeline of entry-level communities across the South and Midwest, the exact geographies where millennial and first-time buyer demand has been migrating, without requiring Lennar to build that footprint organically from scratch.

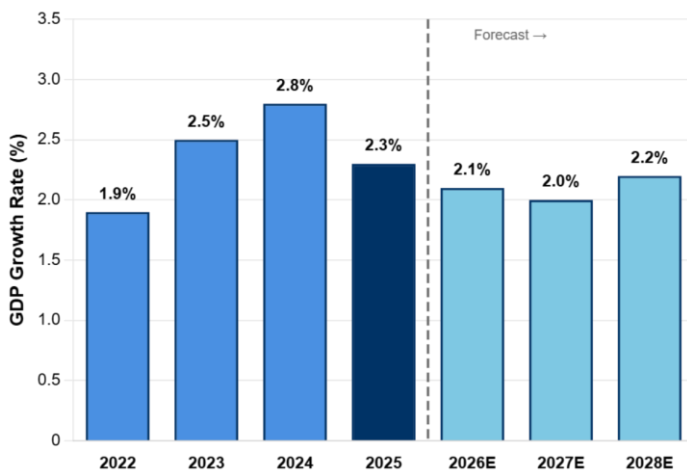
The core competitive question in this thesis, though, is whether Lennar's growth over the next four years is going to create value, meaning whether incremental returns on new investment clear the roughly 9.9% WACC used in the model. Right now, the answer is not convincingly yes. With operating margins forecast at 8.2% in 2026 and the NOPAT margin recovery expected to be slow and rate-dependent, Lennar is in a window where it is growing revenue but not necessarily growing economic profit at the same rate. The Millrose transition and the buydown strategy institutionalization are both moving in the right direction, but the financial proof of that transition will not show up

clearly in the numbers until interest rates cooperate. Until that happens, the stock at current levels is pricing in a recovery that carries real execution risk, and that is a large part of the foundation for our sell rating.

## ECONOMIC OUTLOOK

The macro backdrop matters here because the entire margin recovery story built into the back half of the forecast is rate-dependent. The ten-year Treasury yield is the single most important variable for Lennar, specifically because it sets the floor for the thirty-year fixed mortgage rate, which is what determines whether Lennar needs to keep subsidizing buydowns or can finally let buyers finance themselves. Near-term consensus has the ten-year averaging around 4.20% over the next six months before gradually declining toward 3.96% over a two-year horizon. That trajectory supports the model's assumption that buydown costs remain a meaningful drag through 2026 before slowly easing, which is exactly why gross margins are not projected to recover in any meaningful way until 2028 and beyond. The rate relief is coming, but it is coming slowly, and that timing gap is a real risk in the current valuation.

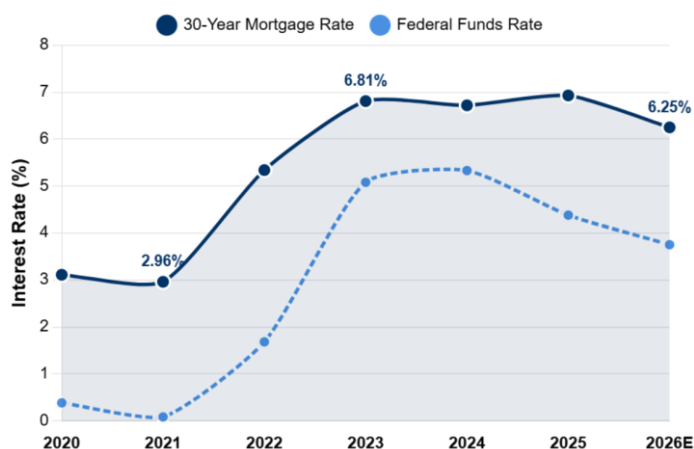
**U.S. Real GDP Growth — Economic Outlook**



On the construction cost side, the picture is one of the cleaner parts of the outlook. With CPI inflation expected to stabilize around 3%, the extreme supply chain dislocations from the pandemic are effectively over. Lumber, concrete, and labor costs are behaving predictably again, which gives

Lennar's purchasing team real visibility when locking in material contracts. For a builder operating at Lennar's scale, cost predictability is almost as valuable as cost reduction because it allows management to plan starts and margins without building in a large uncertainty buffer. This dynamic supports the assumption that the Cost of Homes Sold ratio holds roughly flat through the forecast period rather than deteriorating further, and it means the margin recovery when rates do come down should be relatively clean rather than offset by a new cost shock.

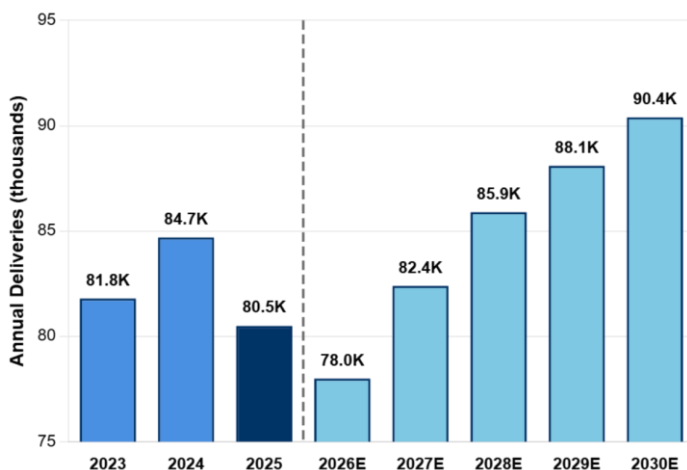
**Mortgage Rates & Federal Funds Rate**



What is worth flagging, though, is that this macro setup is also the primary risk to the sell thesis. If the ten-year yield drops faster than consensus expects and mortgage rates fall toward 6% sooner, Lennar's buydown expense evaporates ahead of schedule, deliveries could come in above the 78,000 unit forecast for 2026, and the margin recovery the model places in 2028 gets pulled forward. That is the scenario where the stock works against this rating. The bear case is not that the macro falls apart. It is that the current stock price already reflects a reasonably optimistic outcome, leaving very little margin of safety at these levels if execution on the Millrose transition takes longer than expected or rate relief is delayed further.

## VALUATION

Lennar Home Delivery Forecast



Lennar Average Selling Price — Affordability Pressure



### Revenue and Growth Assumptions

Top-line growth in the model is driven entirely by unit volume rather than price recovery. Annual deliveries are expected to dip to approximately 78,000 homes in 2026 before gradually rebuilding toward 90,372 units by 2030, reflecting a slower demand recovery than the prior model assumed. Average selling price is intentionally modeled lower in the near term, declining to roughly \$371,500 in 2026, as management continues using price cuts and financing incentives to keep inventory turning. The Rausch Coleman acquisition provides an immediate pipeline of entry-level communities across the South and Midwest that supports the delivery recovery in the back half of the forecast without requiring Lennar to build that footprint organically. Financial Services revenue scales directly with homebuilding volume, recovering from \$1.17 billion in 2026 toward \$1.49 billion by 2030. Multifamily and Lennar Other are held to conservative, slow growth projections that reflect the ongoing oversupply headwinds and the highly uncertain fair value movements in the tech investment portfolio.

### Operating Expenses and Profit Margins

The Cost of Homes Sold stays elevated relative to revenue through 2026 and 2027, holding at approximately 84.5% of homebuilding revenue. This is not a materials or labor problem. Construction cost inflation has largely stabilized, and base building costs are predictable. The compression is almost entirely a financing subsidy issue, with Lennar spending heavily upfront on mortgage buydowns to clear inventory in an environment where organic buyer affordability remains stretched. Gross margins are not expected to recover in any meaningful way until the ten-year Treasury yield moves sustainably below 4% and those buydown incentives are no longer necessary to close sales. SG&A as a percent of revenue is modeled to stay in line with historical norms, declining from \$2.68 billion in 2025 to \$2.40 billion in 2026 alongside the revenue dip and then scaling back toward \$2.90 billion by 2030. The internal tech synergies from the Lennar Other segment are assumed to provide incremental operating cost efficiency over the forecast period, though that assumption carries real execution risk.

### Capital Expenditures

Capital expenditures are modeled to decline meaningfully over the forecast horizon as the Millrose Properties transition matures. By moving raw land off the balance sheet and controlling future community sites through option contracts, Lennar dramatically reduces the cash required to fund growth. This is the single biggest structural change to the capital model relative to the prior report. With a staggered debt maturity schedule and no senior note maturities creating near-term pressure, capital

structure risk is low, which supports the assumption that excess free cash flow gets returned to shareholders through continued share repurchases. Shares outstanding are modeled declining from approximately 252 million in 2026 toward 202 million by 2030 as buybacks compound over the forecast window.

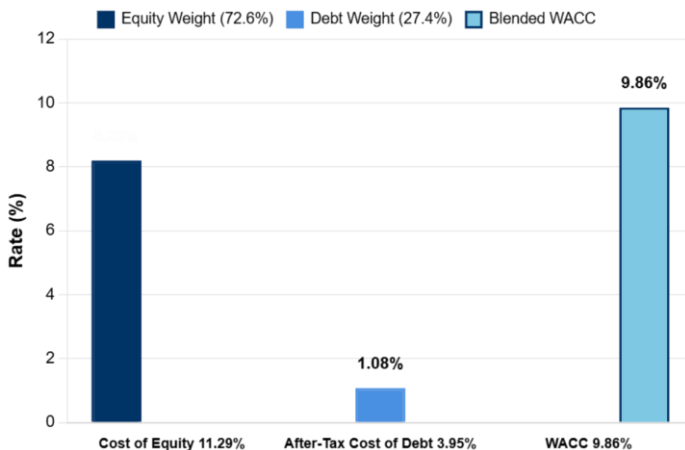
## Weighted Average Cost of Capital

CV Growth of NOP1AT	WACC						
	8.36%	8.86%	9.36%	9.86%	10.36%	10.86%	11.36%
93.98	123.89	113.12	104.11	96.46	89.89	84.19	79.19
3.20%	121.02	111.11	102.73	95.54	89.32	83.87	79.07
2.80%	118.54	109.36	101.51	94.73	88.80	83.59	78.97
2.40%	116.37	107.81	100.42	93.99	88.34	83.34	78.88
2.00%	114.46	106.43	99.45	93.33	87.92	83.10	78.79
1.60%	112.76	105.19	98.57	92.72	87.53	82.89	78.71
1.20%	111.24	104.08	97.77	92.18	87.18	82.69	78.64
0.80%							

The WACC is the foundation of both the DCF and economic profit models, and getting it right is crucial because even small changes to the discount rate have an outsized impact on the continuing value. The model arrives at a WACC of 9.86%, blending the cost of equity and the after-tax cost of debt based on Lennar's current capital structure.

- Cost of Equity: 11.29% (72.6% weight)
- After-Tax Cost of Debt: 3.95% (27.4% weight)
- WACC: 9.86%

### WACC Calculation — Cost of Capital Breakdown



## Cost of Equity and Beta Benchmark

The cost of equity is built from three inputs. The ten-year Treasury yield of 4.293% serves as the risk-free rate, appropriately matching the long-term forecast horizon of the model. The standard Henry Fund equity risk premium of 5.00% captures the expected excess return of equities over the risk-free rate. That produces a cost of equity of 11.29%.

The beta of 1.40 deserves some explanation because it is a deliberate forward-looking adjustment rather than a simple trailing average. Lennar's five-year historical beta has run in the 1.5 to 1.6 range, reflecting the heavy land balance sheet that makes the stock highly sensitive to both interest rate moves and broader economic cycles. A company that owns billions in raw land is inherently more volatile than one that controls lots through options, because in a downturn, that land sits on the balance sheet, depreciating while construction activity slows. The Millrose Properties spinoff materially changes this dynamic. By transitioning to a land-light operating model, Lennar is structurally reducing the balance sheet cyclicality that historically drove the elevated beta. A 1.40 beta reflects that in-progress transition, a modest but justifiable downward adjustment from the trailing figure that acknowledges the business Lennar is becoming rather than anchoring entirely to historical data that increasingly misrepresents the forward risk profile.

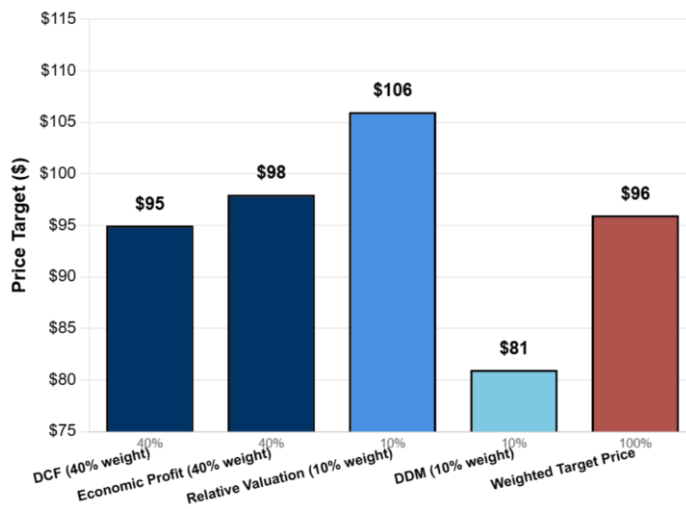
## Cost of Debt

The pre-tax cost of debt is modeled at 5.00%, derived from the implied yield to maturity on Lennar's existing long-term bonds. Lennar's strong investment-grade credit rating and liquid balance sheet keep borrowing costs competitive even in the current elevated rate environment. After applying the 21% marginal tax rate, the

after-tax cost of debt feeds into the WACC at a modest level, given Lennar's relatively conservative leverage.

## DCF and EP

### Valuation Methodology — Price Target Breakdown



The models return an implied price of \$93.98 as of today, below the current trading price of \$94.12 and consistent with our \$96 price target and sell rating. The model uses a WACC of 9.86%, a continuing value ROIC of 11.72%, and a long-term NOPLAT growth rate of 2.0%. Free cash flow turns negative in 2026 at approximately negative \$664 million as the revenue dips, and continued land transition spending weighs on near-term cash generation, before recovering to \$1.58 billion in 2027 and stabilizing in the \$1.36 to \$1.46 billion range through 2030. Discounting those cash flows plus the continuing value of \$26.17 billion produces a total operating asset value of \$20.65 billion. After adding \$10.87 billion in long-term investments, subtracting \$6.14 billion in total debt, and adjusting for excess cash and noncontrolling interests, the equity value lands at \$23.59 billion, or \$93.98 per share. The fact that the stock is essentially trading right at intrinsic value with limited upside and meaningful execution risk on the margin recovery thesis is precisely what drives the sell rating.

## Relative Valuation

The relative valuation model tells a more complicated story. Using 2026 forward P/E multiples across a peer group of DR Horton at 15.1x, PulteGroup at 12.7x, NVR at 17.3x, Toll Brothers at 11.6x, and KB Home at 17.0x, the peer group average comes to approximately 14.7x.

Applying that multiple to Lennar's earnings produces an implied price of roughly \$110 on a 2026 basis and approximately \$102 on a 2027 basis, which the model blends to a relative valuation target of around \$106. On the surface, that looks like meaningful upside from current levels, but you must be careful with how much weight you put on it. NVR trades at a structural premium because the land-light model it pioneered genuinely deserves a higher multiple than a traditional land-heavy builder, and KB Home's multiple is elevated relative to near-term earnings that are depressed. Both skew the peer average upward in a way that flatters Lennar's relative positioning. The DCF is the more honest framework here because it forces you to model the path to normalized earnings rather than assuming the market re-rates Lennar to peer multiples in a single step.

## DDM

The DDM produces an implied price of \$80.80 and receives only a 10% weighting in the final price target. The model is structurally limited for Lennar because they only pay a flat \$2.00 dividend per share against forecast EPS of \$7.47 in 2026, implying a payout ratio of about 27%. Homebuilders do not distribute their earnings, they reinvest them into land pipelines, community development, and share buybacks. A model that only captures the \$2.00 dividend completely ignores the other \$5.47 of earnings per share being deployed to create value elsewhere in the business. The DDM is simply the wrong tool for this kind of company, and the depressed output reflects that structural mismatch rather than any genuine insight into Lennar's intrinsic value. It earns a seat at the table only because it provides a conservative floor estimate, and a small weight acknowledges that floor without letting it affect the final valuation.

## Conclusion

The model arrives at a price target of \$96, driven primarily by the DCF and economic profit frameworks, which together carry the most weight in the final recommendation. The core argument is straightforward. Lennar is trading essentially at intrinsic value with meaningful execution risk on both sides of the thesis and very little margin of safety to absorb a miss.

Wall Street continues to price in a faster margin recovery than the fundamentals support. This model takes a more conservative view, assuming Lennar must keep spending

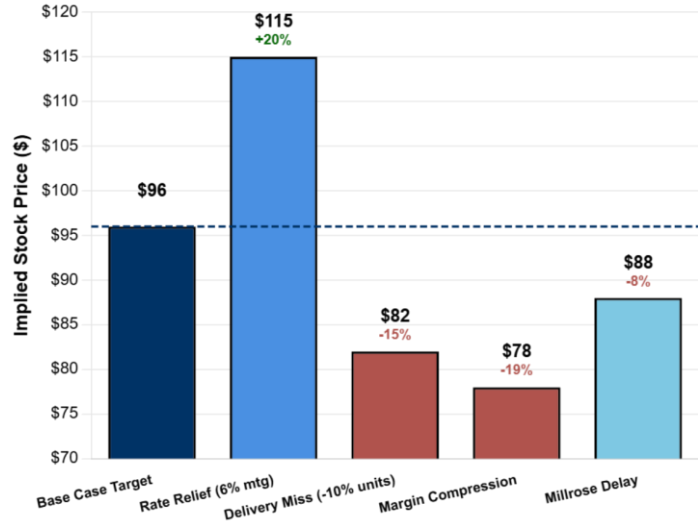
heavily on mortgage buydowns through 2026 and into 2027 just to defend delivery volume against DR Horton and a frozen resale market. Until the ten-year Treasury yield moves sustainably below 4%, those subsidies do not go away, and gross margins do not recover in any meaningful way.

The relative valuation produces a blended target of around \$106 using peer forward P/E multiples, but that figure deserves a significant haircut given that NVR and KB Home skew the peer average upward, and a P/E comparison anchored to a transitional earnings year overstates normalized value. The DDM receives a 10% weight and produces an \$80.80 implied price, serving only as a conservative floor given that a flat \$2.00 dividend captures almost nothing about Lennar's actual earnings power.

Weighting the DCF and EP models most heavily alongside the partial DDM allocation and discounted credit to the relative valuation produces the final blended price target of \$96. The Millrose transition and the Rausch Coleman acquisition are both strategically sound moves that improve the long-run capital efficiency and delivery pipeline of the business. But the financial proof of that transition will not show up in the numbers until interest rates cooperate and buydown costs normalize. The stock at current levels is pricing in a recovery that still carries real timing and execution risk, and that is not a position worth holding when better risk-adjusted opportunities exist elsewhere in the sector.

## RISKS

### Key Risk Scenarios — Price Impact Analysis



### Financial Risks

The most immediate financial risk sitting on the balance sheet right now is the 5.25% senior notes due in 2026. Lennar has senior notes maturing in both 2026 at 5.25% and two tranches in 2027 at 5.00% and 4.75%, meaning a meaningful chunk of the debt stack needs to be refinanced or repaid within the forecast window. Homebuilding debt to total capital currently sits at 11.0% with total liquidity of \$5.4 billion, which is a genuinely strong position and suggests the near-term maturity wall is manageable. But the risk is not insolvency, it is refinancing cost. If the rate environment stays elevated when these notes come due, Lennar rolls them at a meaningfully higher coupon than the legacy paper they are replacing, and that incremental interest expense is a quiet drag on the free cash flow that the model is counting on to fund share buybacks through the forecast period. The model assumes the debt stack gets refinanced smoothly and the capital structure stays roughly flat, and that assumption is probably fine, but it is worth flagging that the 2026 and 2027 maturities arrive right in the window where the margin recovery has not yet kicked in.

Beyond the maturity schedule, the negative free cash flow projected for 2026 at roughly negative \$664 million is itself a financial risk worth being honest about. The model recovers in 2027 and beyond, but a company generating negative free cash flow while simultaneously trying to fund share repurchases and service debt is dependent on its

liquidity cushion holding up. If deliveries come in below the 78,000 unit forecast or average selling prices compress further, that liquidity buffer erodes faster than the model assumes.

## Operating Risks

The operating leverage within in Lennar's business model right now is probably the single biggest risk in the entire thesis. The volume over margin strategy works if volume holds up. Lennar has deliberately moved to a high fixed cost operating posture by institutionalizing the mortgage buydown program, scaling community counts through the Rausch Coleman acquisition, and building out the Millrose option contract pipeline. All that infrastructure carries a cost regardless of how many homes close in each quarter. If demand stalls, cancellation rates spike, or affordability conditions deteriorate further, and the 78,000-delivery forecast for 2026 misses to the downside, those fixed costs do not scale down proportionally. A 10% shortfall in deliveries does not produce a 10% decline in operating income. It produces something much worse because the buy-down costs, SG&A, and corporate overhead keep running while revenue shrinks. This is the core reason the NOPAT margin at 7.8% in 2025 looks so fragile compared to the 18 to 20% peak margins Lennar was generating just three years ago. The operating model has very little cushion right now.

The Millrose transition also introduces its own operating risk that does not get talked about enough. Controlling lots through option contracts rather than owning them outright gives you balance sheet protection, but it also gives you less flexibility to accelerate starts when demand returns. If the housing market recovers faster than expected and Lennar needs to ramp production quickly, they are dependent on Millrose and third-party developers having the right lots ready at the right price. A land light model is a better model in a downturn. It is a more constrained model in a recovery.

## Competitive Risks

The competitive environment is getting harder, not easier. DR Horton is running the same volume playbook with a lower cost structure and a stronger balance sheet, and they closed more homes in fiscal 2025 at a better pre-tax margin than Lennar did. PulteGroup is holding 26% gross margins by leaning into move-up buyers who do not need rate subsidies to close a sale. Both of those peers are

taking share in ways that are structurally advantaged relative to where Lennar is positioned right now. On the luxury end, Toll Brothers is insulated from the affordability crisis entirely because their buyers are not rate sensitive. Lennar sits in the middle of all of this, heavily committed to entry-level buyers who are the most rate-sensitive demographic in the market, at a time when buying down rates for those customers is eating most of the gross profit on each sale. If any of the larger competitors decide to get more aggressive on pricing or financing incentives specifically to target Lennar's geographic markets, the volume assumptions in the model get stressed quickly.

## Regulatory and Geopolitical Risks

The tariff environment is a real and underappreciated risk for Lennar specifically. A meaningful portion of building materials, including lumber, steel, aluminum, and certain fixtures, has exposure to import tariffs that have been volatile and unpredictable. The model assumes construction cost stability going forward based on the post-pandemic normalization of supply chains, but a new round of tariff escalation on Canadian lumber or imported materials disrupts that assumption directly. Unlike a manufacturer that can hedge input costs over long-time horizons, a homebuilder locks in construction costs at the start of each home and cannot easily reprice a house that is already under contract. Lennar's scale gives them better supplier negotiating leverage than most, but it does not make them immune to a sudden cost shock mid-construction cycle.

On the regulatory side, zoning reform remains a slow-moving but important variable. A significant portion of the housing deficit that underpins the long-term demand story depends on municipalities loosening land use restrictions to allow more density and faster permitting. If that reform stalls at the local level, the supply of entitled lots that Lennar needs to feed its community pipeline becomes more constrained and more expensive, which directly pressures the land light model's cost assumptions. The Millrose spinoff helps at the balance sheet level, but it does not solve a permitting bottleneck if one emerges.

Taken together, these risks paint a picture of a company navigating a genuinely difficult window where the operating model is under pressure, the competitive environment is not getting easier, and the macro recovery that the margin thesis depends on is uncertain in both timing and magnitude. None of these individually are fatal

to the business. Lennar is a well-run company with strong liquidity and a credible long-term strategy. But at a stock price that is essentially at intrinsic value with a limited margin of safety, you do not need a disaster to make this a bad investment. You just need things to take a little longer than the model assumes, and right now, there are a lot of ways that could happen.

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**Page 1:**

- **Comparative Metrics Chart** (Operating Margin, ROE, Gross Margin: LEN vs. Industry vs. Sector)
  - **Data Source:** FactSet, GuruFocus, LEN 10-K, Damodaran (NYU Stern), DR Horton 10-K, PulteGroup 10-K, NVR 10-K, Toll Brothers 10-K

**Page 2:**

- **2025 Revenue by Segment** (Donut chart)
  - **Data Source:** LEN 10-K, LEN Valuation Model

**Page 3:**

- **Homebuilding Segment Revenue** (2023-2028E bar chart)
  - **Data Source:** LEN Valuation Model, LEN 10-K

- **Financial Services Revenue** (2023-2028E bar chart)
  - **Data Source:** LEN Valuation Model, LEN 10-K

**Page 4:**

- **Multifamily Segment Revenue** (2023-2028E bar chart)
  - **Data Source:** LEN Valuation Model, LEN 10-K
- **Lennar Other Segment Revenue** (2023-2028E bar chart)
  - **Data Source:** LEN Valuation Model, LEN 10-K

**Page 5:**

- **ROIC vs. WACC** (2021-2028E bar chart)
  - **Data Source:** LEN Valuation Model

**Page 6:**

- **Cost of Goods Sold by Segment** (Line and bar chart)
  - **Data Source:** LEN Valuation Model, LEN 10-K segment disclosures
- **Homebuilding: COGS vs Revenue** (2023-2028E bar and line chart)
  - **Data Source:** LEN Valuation Model, LEN 10-K

**Page 7:**

- **Financial Services: Expenses vs Revenue** (2023-2028E bar and line chart)
  - **Data Source:** LEN Valuation Model, LEN 10-K

- **Multifamily: Expenses vs Revenue (2023-2028E bar chart)**
  - **Data Source:** LEN Valuation Model, LEN 10-K

**Page 8:**

- **Five-Year Debt Maturity Schedule (Table)**
  - **Data Source:** LEN 10-K, LEN Valuation Model
- **Capital Expenditure Forecast (2023-2028E bar chart)**
  - **Data Source:** LEN Valuation Model, LEN Cash Flow Forecast Sheet

**Page 9:**

- **U.S. Housing Starts — Structural Supply Deficit (2008-2025 line chart)**
  - **Data Source:** U.S. Census Bureau, FRED Database

**Page 10:**

- **Existing Home Sales — Rate Lock-In Effect (2020-2025 bar chart)**
  - **Data Source:** U.S. Census Bureau, FRED Database
- **Monthly Supply of New Houses in the United States (2016-2025 line chart)**
  - **Data Source:** FRED Database, U.S. Department of Housing and Urban Development
- **New One-Family Houses for Sale in the United States (2016-2025 line chart)**
  - **Data Source:** FRED Database, U.S. Department of Housing and Urban Development

**Page 11:**

- **Homebuilder Peer Comparison - Gross Margin % (Bar chart)**
  - **Data Source:** DR Horton 10-K, PulteGroup 10-K, NVR 10-K, Toll Brothers 10-K, LEN 10-K, FactSet
- **Peer Comparison — D.R. Horton (DHI) (Horizontal bar chart)**
  - **Data Source:** DR Horton 10-K, FactSet, S&P Global Market Intelligence

**Page 12:**

- **Peer Comparison — PulteGroup (PHM) (Horizontal bar chart)**
  - **Data Source:** PulteGroup 10-K, FactSet
- **Peer Comparison — Toll Brothers (TOL) (Horizontal bar chart)**
  - **Data Source:** Toll Brothers 10-K, FactSet

**Page 13:**

- **Peer Comparison — NVR Inc (NVR) (Horizontal bar chart)**
  - **Data Source:** NVR 10-K, FactSet

**Page 14:**

- **U.S. Real GDP Growth — Economic Outlook (2022-2028E bar chart)**
  - **Data Source:** Bureau of Economic Analysis, consensus forecasts
- **Mortgage Rates & Federal Funds Rate (2020-2026E line chart)**
  - **Data Source:** Mortgage Bankers Association, Federal Reserve Board, FRED Database

**Page 15:**

- **Lennar Home Delivery Forecast** (2023-2030E bar chart)
  - **Data Source:** LEN Valuation Model, LEN Management Guidance
- **Lennar Average Selling Price — Affordability Pressure** (2023-2030E line chart)
  - **Data Source:** LEN Valuation Model, LEN 10-K

**Page 16:**

- **Valuation Methodology — Price Target Breakdown** (Bar chart)
  - **Data Source:** LEN Valuation Model (DCF 40%, Economic Profit 40%, Relative Valuation 10%, DDM 10%)
- **WACC Calculation — Cost of Capital Breakdown** (Stacked bar chart)
  - **Data Source:** LEN Valuation Model, 10-Year Treasury yield, LEN 10-K

**Page 18:**

- **Key Risk Scenarios — Price Impact Analysis** (Bar chart with scenarios)
  - **Data Source:** LEN Valuation Model sensitivity analysis

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## Lennar

### *Key Assumptions of Valuation Model*

Ticker Symbol	LEN
Current Share Price	\$94.45
Current Model Date	4/22/2026
FY End (month/day)	Dec. 31
Last FYE Date	11/30/2025
Next FYE Date	11/30/2026
Pre-Tax Cost of Debt	5.00%
Beta	1.40
Risk-Free Rate	4.29%
Equity Risk Premium	5.00%
CV Growth of NOPLAT	2.00%
CV Growth of EPS	2.00%
Current Dividend Yield	1.64%
Forecasted Marginal Tax Rate	21.00%
Forecasted Effective Tax Rate	24.50%
Cost of Equity	11.29%
WACC	9.86%
Normal Cash Estimate (% sales)	2.00%

**Lennar**

*Sensitivity Tables*

Cost of Equity	93.98
	9.79%
	10.29%
	10.79%
	11.29%
	11.79%
	12.29%
	12.79%

CV Growth of NOPLAT	93.98
	3.20%
	2.80%
	2.40%
	2.00%
	1.60%
	1.20%
	0.80%

Beta

1.25	1.30	1.35	1.40	1.45	1.50	1.55
101.36	98.60	95.99	93.52	91.17	88.94	86.81
101.52	98.76	96.15	93.67	91.32	89.08	86.96
101.69	98.93	96.31	93.83	91.47	89.23	87.10
101.86	99.09	96.47	93.98	91.62	89.38	87.24
102.03	99.25	96.63	94.14	91.77	89.52	87.39
102.19	99.41	96.78	94.29	91.92	89.67	87.53
102.36	99.58	96.94	94.44	92.07	89.82	87.67

WACC

8.36%	8.86%	9.36%	9.86%	10.36%	10.86%	11.36%
123.89	113.12	104.11	96.46	89.89	84.19	79.19
121.02	111.11	102.73	95.54	89.32	83.87	79.07
118.54	109.36	101.51	94.73	88.80	83.59	78.97
116.37	107.81	100.42	93.99	88.34	83.34	78.88
114.46	106.43	99.45	93.33	87.92	83.10	78.79
112.76	105.19	98.57	92.72	87.53	82.89	78.71
111.24	104.08	97.77	92.18	87.18	82.69	78.64

**Lennar**

*Revenue Decomposition*

<i>Fiscal Years Ending Dec. 31</i>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Revenue by Segment:					
Homebuilding	25,545.24	31,951.34	32,660.99	33,906.43	32,266.68
		25.08%	2.22%	3.81%	-4.84%
Financial Services	898.75	809.68	976.86	1,109.26	1,198.20
		-9.91%	20.65%	13.55%	8.02%
Multifamily	665.23	865.60	573.49	411.54	680.63
		30.12%	-33.75%	-28.24%	65.39%
Lennar Other	21.46	44.39	22.04	14.23	41.43
		106.89%	-50.36%	-35.44%	191.23%
Total	27,130.68	33,671.01	34,233.37	35,441.45	34,186.93
		24.11%	1.67%	3.53%	-3.54%
Homebuilding Segment:					
New Home Unit Deliveries	59,730.00	66,225.00	72,747.00	79,827.00	82,141.00
		10.87%	9.85%	9.73%	2.90%
Average Sales Price (\$'000)	424.00	480.00	446.00	423.14	390.76
		13.21%	-7.08%	-5.13%	-7.65%
Implied Homebuilding Revenue	25,325.52	31,788.00	32,445.16	33,778.15	32,097.24
		25.52%	2.07%	4.11%	-4.98%
Unconsolidated Entities	179.44	79.81	64.19	164.09	78.23
		-55.52%	-19.57%	155.63%	-52.32%
Costs:					
Homebuilding	20,502.54	25,161.30	27,223.65	28,809.46	26,606.29
		22.72%	8.20%	5.83%	-7.65%
Financial Services	407.73	426.38	467.40	532.08	585.73
		0.26%	0.26%	0.24%	0.21%
Multifamily	652.81	848.93	573.66	521.46	750.01
		30.04%	-32.43%	-9.10%	43.83%
Lennar Other	30.96	32.26	27.68	79.50	179.45
		4.20%	-14.20%	187.21%	125.72%
SG&A	1,796.70	1,964.24	2,231.03	2,480.31	2,678.34
		9.32%	13.58%	11.17%	7.98%

2026E	2027E	2028E	2029E	2030E
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28,977.00	29,725.80	31,223.98	32,960.03	34,964.00
-10.20%	2.58%	5.04%	5.56%	6.08%
1,174.00	1,244.00	1,325.00	1,404.50	1,488.77
-2.02%	5.96%	6.51%	6.00%	6.00%
598.95	569.00	580.38	603.60	633.78
-12.00%	-5.00%	2.00%	4.00%	5.00%
46.40	51.04	55.13	57.88	60.78
12.00%	10.00%	8.00%	5.00%	5.00%
30,796.35	31,589.85	33,184.49	35,026.01	37,147.33
-9.92%	2.58%	5.05%	5.55%	6.06%

78,000.00	80,340.00	83,553.60	86,895.74	90,371.57
-5.04%	3.00%	4.00%	4.00%	4.00%
371.50	370.00	373.70	379.31	386.89
-4.93%	-0.40%	1.00%	1.50%	2.00%
28,977.00	29,725.80	31,223.98	32,960.03	34,964.00
-9.72%	2.58%	5.04%	5.56%	6.08%
93.40	108.69	109.78	110.88	111.98
19.39%	16.37%	1.00%	1.00%	1.00%

26,022.92	26,693.42	28,040.89	29,596.98	31,389.49
-2.19%	2.58%	5.05%	5.55%	6.06%
452.65	464.31	487.75	514.82	546.00
0.13%	0.23%	0.23%	0.22%	0.21%
765.41	784.44	803.93	823.91	844.39
2.05%	2.49%	2.49%	2.49%	2.49%
179.82	180.87	181.93	182.99	184.06
0.21%	0.58%	0.58%	0.58%	0.58%
2,402.12	2,464.01	2,588.39	2,732.03	2,897.49
-10.31%	2.58%	5.05%	5.55%	6.06%

**Lennar**

*Income Statement*

<b>Fiscal Years Ending Dec. 31</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>
Total Revenue	\$27,131	\$33,671	\$34,233	\$35,441	\$34,187	\$30,796	\$31,590	\$33,184	\$35,026	\$37,147
Homebuilding Rev	\$25,545	\$31,951	\$32,661	\$33,906	\$32,267	\$28,977	\$29,726	\$31,224	\$32,960	\$34,964
Financial Services Rev	\$898.7	\$809.7	\$976.9	\$1,109.3	\$1,198.2	\$1,174.0	\$1,244.0	\$1,325.0	\$1,404.5	\$1,488.8
Multifamily Rev	\$665.2	\$865.6	\$573.5	\$411.5	\$680.6	\$599.0	\$569.0	\$580.4	\$603.6	\$633.8
Lennar Other Rev	\$21.5	\$44.4	\$22.0	\$14.2	\$41.4	\$46.4	\$51.0	\$55.1	\$57.9	\$60.8
Total Costs and Expenses	\$22,052	\$26,950	\$28,867	\$30,786	\$31,519	\$28,274	\$28,986	\$30,389	\$32,005	\$33,863
Cost of Homes Sold	\$20,417	\$25,074	\$27,113	\$28,808	\$29,150	\$26,023	\$26,693	\$28,041	\$29,597	\$31,389
Financial Services Expenses	\$407.7	\$426.4	\$467.4	\$532.1	\$585.7	\$452.7	\$464.3	\$487.8	\$514.8	\$546.0
Multifamily Expenses	\$652.8	\$848.9	\$573.7	\$521.5	\$750.0	\$765.4	\$784.4	\$803.9	\$823.9	\$844.4
Lennar Other	\$31.0	\$32.3	\$27.7	\$79.5	\$179.5	\$179.8	\$180.9	\$181.9	\$183.0	\$184.1
Corp. G&A	\$398.4	\$414.5	\$501.3	\$649.0	\$636.7	\$646.7	\$656.9	\$667.2	\$677.7	\$688.3
Charitable Foundation	\$59.8	\$66.4	\$73.1	\$80.2	\$82.6	\$78.0	\$80.3	\$83.6	\$86.9	\$90.4
Depreciation	\$86.0	\$87.1	\$110.2	\$115.5	\$134.3	\$128.0	\$126.0	\$124.0	\$122.0	\$120.0
Operating Income	\$5,078.4	\$6,721.2	\$5,366.5	\$4,655.2	\$2,667.8	\$2,522.8	\$2,603.6	\$2,795.2	\$3,020.7	\$3,284.7
<b>Equity in earnings (loss) from unconsolidated entities</b>	\$56.8	(\$56.1)	(\$144.6)	\$164.1	\$78.2	\$93.4	\$108.7	\$109.8	\$110.9	\$112.0
<b>Other income (expense), net and other gains (losses)</b>	\$180.8	(\$15.3)	\$30.5	\$225.9	(\$62.4)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Lennar Other Tech Gains (losses)</b>	\$510.8	(\$655.1)	(\$50.2)	\$25.2	\$130.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total gains (losses)	\$748.4	(\$726.5)	(\$164.3)	\$415.2	\$146.0	\$93.4	\$108.7	\$109.8	\$110.9	\$112.0
Earnings (loss) before income taxes	\$5,826.8	\$5,994.8	\$5,202.3	\$5,070.4	\$2,813.8	\$2,616.2	\$2,712.3	\$2,905.0	\$3,131.6	\$3,396.7
Provision (benefit) for income taxes	\$1,362.5	\$1,366.1	\$1,241.0	\$1,217.3	\$705.6	\$655.9	\$680.0	\$728.3	\$785.1	\$851.5
Net Earnings	\$4,464.3	\$4,628.7	\$3,961.3	\$3,853.1	\$2,108.3	\$1,960.3	\$2,032.3	\$2,176.7	\$2,346.5	\$2,545.1
Less: net earnings attributable to noncontrolling interests	(\$26.4)	(\$34.4)	(\$22.8)	(\$35.1)	(\$30.1)	(\$16.7)	(\$17.3)	(\$18.5)	(\$19.9)	(\$21.6)
Net income to Common Shareholders	\$4,437.9	\$4,594.3	\$3,938.5	\$3,818.0	\$2,078.2	\$1,943.7	\$2,015.0	\$2,158.2	\$2,326.6	\$2,523.5
Other Comprehensive income (loss), net of tax:	(\$0.5)	\$3.8	\$2.5	\$2.7	(\$1.5)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total comprehensive income attributable to Lennar	\$4,437.4	\$4,598.1	\$3,941.0	\$3,820.7	\$2,076.6	\$1,943.7	\$2,015.0	\$2,158.2	\$2,326.6	\$2,523.5
Basic and diluted earnings per share	\$14.3	\$15.7	\$13.9	\$13.9	\$8.0	\$7.5	\$8.2	\$9.3	\$10.6	\$12.2
Weighted average shares outstanding - basic	\$310.8	\$293.1	\$283.3	\$274.8	\$260.4	\$260.3	\$245.1	\$231.3	\$218.6	\$207.1
<b>Total Shares Outstanding</b>	\$312.7	\$299.4	\$289.8	\$280.9	\$268.2	\$252.3	\$237.9	\$224.6	\$212.6	\$201.6
Dividend Per Share	\$1.0	\$1.5	\$1.5	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0
Dividends Paid	310.8	439.65	424.98	549.6	520.8	\$520.5	\$490.1	\$462.5	\$437.2	\$414.2

**Lennar**

*Balance Sheet*

<b>Fiscal Years Ending Dec. 31</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>
<b>Assets</b>									
Cash and Short- Term Investments	\$2,933.8	\$4,792.7	\$6,557.5	\$4,978.4	\$3,804.8	(\$974.0)	(\$1,415.8)	(\$1,915.9)	(\$2,306.5)
Short Term Recievables	\$1,296.8	\$1,614.3	\$1,696.2	\$1,652.6	\$1,470.9	\$1,447.1	\$1,484.4	\$1,559.3	\$1,645.8
Inventories	\$19,169.4	\$21,862.5	\$18,897.7	\$20,312.4	\$11,841.3	\$15,613.8	\$16,016.1	\$16,824.5	\$17,758.2
Other Current Assets	\$21.9	\$23.0	\$13.5	\$11.8	\$25.9	\$18.3	\$18.8	\$19.8	\$20.9
<b>Total Current Assets</b>	<b>\$23,421.9</b>	<b>\$28,292.5</b>	<b>\$27,164.8</b>	<b>\$26,955.2</b>	<b>\$17,142.9</b>	<b>\$16,105.1</b>	<b>\$16,103.5</b>	<b>\$16,487.7</b>	<b>\$17,118.3</b>
Net PPE	\$495.5	\$505.1	\$550.6	\$791.4	\$911.8	\$921.8	\$938.8	\$938.8	\$951.8
Total Long Term Investments	\$3,223.0	\$2,753.2	\$4,585.6	\$6,470.6	\$9,339.9	\$10,869.1	\$10,977.8	\$11,087.6	\$11,198.5
Intangible Assets	\$3,632.1	\$3,632.1	\$3,632.1	\$3,632.1	\$3,632.1	\$3,632.1	\$3,632.1	\$3,632.1	\$3,632.1
Other Assets	\$2,435.2	\$2,801.5	\$3,301.3	\$3,463.5	\$3,403.8	\$2,874.4	\$2,948.5	\$3,097.3	\$3,269.2
Deferred Tax Assets									
<b>Total Assets</b>	<b>\$33,207.8</b>	<b>\$37,984.3</b>	<b>\$39,234.3</b>	<b>\$41,312.8</b>	<b>\$34,430.4</b>	<b>\$34,402.6</b>	<b>\$34,600.7</b>	<b>\$35,243.5</b>	<b>\$36,169.9</b>
<b>Liabilities and Shareholders Equity</b>									
ST Debt and Curr Portion LT debt	\$2,332.9	\$2,275.9	\$2,553.8	\$2,431.2	\$2,207.2	\$2,086.2	\$2,139.9	\$2,248.0	\$2,372.7
Accounts Payable	\$1,321.2	\$1,616.1	\$1,631.4	\$1,839.4	\$1,812.5	\$1,535.3	\$1,574.9	\$1,654.4	\$1,746.2
Other Current Liabilities	\$976.6	\$1,967.6	\$2,540.9	\$3,563.9	\$1,476.4	\$1,924.1	\$1,973.7	\$2,073.3	\$2,188.4
<b>Total CL</b>	<b>\$4,630.7</b>	<b>\$5,859.5</b>	<b>\$6,726.1</b>	<b>\$7,834.6</b>	<b>\$5,496.0</b>	<b>\$5,545.6</b>	<b>\$5,688.5</b>	<b>\$5,975.7</b>	<b>\$6,307.3</b>
Long-Term Debt	\$4,209.0	\$4,082.1	\$2,584.5	\$2,020.2	\$3,932.0	\$3,715.2	\$3,782.4	\$3,902.5	\$4,040.8
Provision for risks and charges	\$546.1	\$628.1	\$660.6	\$723.6	\$737.5	\$677.5	\$695.0	\$730.1	\$770.6
Accumulated Other Comprehensive Income	\$34.0	\$29.3	\$29.5	\$29.7	\$29.8	\$29.4	\$29.4	\$29.4	\$29.4
Other Liabilities	\$2,825.6	\$3,174.2	\$2,561.1	\$2,713.2	\$2,124.3	\$2,537.2	\$2,602.5	\$2,733.9	\$2,885.6
<b>Total Liabilities</b>	<b>\$12,245.5</b>	<b>\$13,773.2</b>	<b>\$12,561.8</b>	<b>\$13,321.2</b>	<b>\$12,319.6</b>	<b>\$12,505.0</b>	<b>\$12,797.9</b>	<b>\$13,371.5</b>	<b>\$14,033.7</b>
<b>Equities</b>									
Common Equity	\$8,807.9	\$5,417.8	\$5,570.0	\$5,729.4	\$5,909.7	\$5,909.7	\$5,909.7	\$5,909.7	\$5,909.7
Retained Earnings	\$14,685.3	\$18,861.4	\$22,369.4	\$25,753.1	\$22,471.5	\$23,894.6	\$25,419.5	\$27,115.2	\$29,004.5
Unrealized Gain	(\$1.3)	\$2.4	\$4.9	\$7.5	\$6.0	\$6.0	\$6.0	\$6.0	\$6.0
Treasury Stock	(\$2,709.4)	(\$210.4)	(\$1,393.1)	(\$3,649.6)	(\$6,457.6)	(\$8,110.6)	(\$9,747.6)	(\$11,392.6)	(\$13,037.6)
Accumulated Minority Interest	\$179.9	\$139.9	\$121.3	\$151.1	\$181.2	\$197.9	\$215.1	\$233.6	\$253.6
<b>Total Equity</b>	<b>\$20,962.3</b>	<b>\$24,211.1</b>	<b>\$26,672.5</b>	<b>\$27,991.6</b>	<b>\$22,110.8</b>	<b>\$21,897.6</b>	<b>\$21,802.8</b>	<b>\$21,872.0</b>	<b>\$22,136.2</b>
<b>Total Liabilities and Equity</b>	<b>\$33,207.8</b>	<b>\$37,984.3</b>	<b>\$39,234.3</b>	<b>\$41,312.8</b>	<b>\$34,430.4</b>	<b>\$34,402.6</b>	<b>\$34,600.7</b>	<b>\$35,243.5</b>	<b>\$36,169.9</b>

**2030E**

(\$2,560.9)

\$1,745.5

\$18,833.7

\$22.1

\$18,040.4

\$966.8

\$11,310.5

\$3,632.1

\$3,467.2

\$37,416.9

\$2,516.4

\$1,851.9

\$2,320.9

\$6,689.3

\$4,198.5

\$817.2

\$29.4

\$3,060.4

\$14,794.8

\$5,909.7

\$31,113.8

\$6.0

(\$14,682.6)

\$275.2

\$22,622.1

\$37,416.9

**Lennar***Historical Cash Flow Statement*

<b>Fiscal Years Ending Dec. 31</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Operating Activities					
Net Income	913.09	771.75	1,717.51	1,842.12	2,467.55
Depreciation & Amortization	50.22	66.32	91.18	92.20	94.55
Deferred Taxes	97.49	91.05	268.04	235.49	92.08
Funds from Operations	1,516.06	1,391.55	2,243.38	2,715.09	3,092.43
Changes in Working Capital	-694.78	-201.85	-185.39	-827.07	1,319.10
Net Operating Cash Flow	821.28	1,189.70	2,057.99	1,888.02	4,411.53
Investing Activities					
Capital Expenditures	-78.35	-113.07	-130.44	-86.50	-72.75
Net Assets from acquisitions	-128.14	-685.48	-1192.85	-43.73	-42.35
Sale of Fixed Assets & Businesses	123.51	152.68	428.98	131.61	225.53
Purchase/Sale of Investments	-438.06	-581.62	-151.97	-405.72	-478.72
Other Funds	-15.06	81.75	4.19	2.38	1.64
Net Investing Cash Flow	-536.08	-1145.73	-1042.09	-401.96	-366.65
Financing Activities					
Cash Dividends Paid	-35.32	-37.61	-49.16	-51.45	-195.04
Change in Capital Stock	-0.43	-26.33	-296.77	-522.58	-321.52
Sale of Common & Preferred Stock	19.47	0.72	3.06	0.49	0.00
Issuance/Reduction of Debt, Net	-95.11	1129.30	-1774.98	-1035.46	-2294.14
Other Funds	7.04	197.52	-3.54	-3.85	229.87
Net Financing Cash Flow	-104.36	1263.60	-2121.39	-1612.86	-2580.84
Net Change in Cash	180.84	1,307.57	-1,105.49	-126.79	1,464.04

2021	2022	2023	2024	2025
4,456.55	4,648.50	3,961.29	3,967.66	2,108.30
85.95	87.08	110.16	115.53	134.31
191.63	-246.65	-67.97	60.43	77.30
4,545.86	5,985.45	4,707.85	4,631.85	2,885.26
-1,650.90	-2,321.36	571.54	-1,997.38	-2,386.91
2,894.96	3,664.09	5,279.38	2,634.48	498.35
-65.17	-57.21	-99.80	-171.50	-188.63
-24.61	-91.33	-71.27	-46.65	-274.37
114.55	66.50	34.36	81.56	182.93
-446.99	-495.60	-190.04	-423.59	117.67
0.02	1.40	0.00	0.00	114.66
-422.20	-576.24	-326.75	-560.19	-47.74
-309.78	-438.04	-430.56	-548.82	-520.96
-1430.21	-1039.31	-1182.71	-2256.46	-1808.37
0.00	0.00	0.00	0.00	0.00
-1078.98	-214.01	-1197.54	-830.24	1704.99
369.17	463.59	-386.66	-19.49	-985.75
-2449.81	-1227.77	-3197.47	-3655.02	-1610.08
22.95	1,860.09	1,755.17	-1,580.73	-1,159.48

**Lennar***Forecasted Cash Flow Statement*

<b>Fiscal Years Ending Dec. 31</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>
<b>Operating Cash Flows:</b>					
Net Income	\$1,943.7	\$2,015.0	\$2,158.2	\$2,326.6	\$2,523.5
Depreciation	\$128.0	\$126.0	\$124.0	\$122.0	\$120.0
Change in AR	\$23.8	(\$37.3)	(\$74.9)	(\$86.5)	(\$99.7)
Change in Inventory	(\$3,772.5)	(\$402.3)	(\$808.5)	(\$933.7)	(\$1,075.5)
Changes in Other Current Assets	\$7.6	(\$0.5)	(\$0.9)	(\$1.1)	(\$1.3)
Changes in AP	(\$277.2)	\$39.6	\$79.5	\$91.8	\$105.8
Changes in Other Current Liabilities	\$447.8	\$49.6	\$99.6	\$115.1	\$132.5
<b>Total Operating Cash Flows</b>	<b>(\$1,498.9)</b>	<b>\$1,790.1</b>	<b>\$1,577.0</b>	<b>\$1,634.1</b>	<b>\$1,705.3</b>
<b>Investing Cash Flows:</b>					
CapEx	(\$138.0)	(\$143.0)	(\$124.0)	(\$135.0)	(\$135.0)
Changes in Other Assets	\$529.3	(\$74.1)	(\$148.8)	(\$171.9)	(\$198.0)
Changes in Other Liabilities	\$412.8	\$65.4	\$131.4	\$151.7	\$174.8
Changes in Long-Term Investments	(\$1,529.2)	(\$108.7)	(\$109.8)	(\$110.9)	(\$112.0)
Changes in Provisions	(\$60.0)	\$17.5	\$35.1	\$40.5	\$46.7
Changes in Intangible Assets	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Investing Cash Flow</b>	<b>(\$785.0)</b>	<b>(\$242.9)</b>	<b>(\$216.2)</b>	<b>(\$225.5)</b>	<b>(\$223.5)</b>
<b>Financing Cash Flows</b>					
Changes in Short-Term Debt	(\$121.0)	\$53.8	\$108.0	\$124.7	\$143.7
Changes in Long-Term Debt	(\$216.7)	\$67.2	\$120.0	\$138.3	\$157.7
Dividends Paid	(\$520.5)	(\$490.1)	(\$462.5)	(\$437.2)	(\$414.2)
Repurchase of Treasury Stock	(\$1,653.0)	(\$1,637.0)	(\$1,645.0)	(\$1,645.0)	(\$1,645.0)
Minority Interest	\$16.7	\$17.3	\$18.5	\$19.9	\$21.6
Changes in Common Equity	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Changes in Unrealized Gain	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Financing Cash Flows</b>	<b>(\$2,494.6)</b>	<b>(\$1,988.9)</b>	<b>(\$1,860.9)</b>	<b>(\$1,799.2)</b>	<b>(\$1,736.2)</b>
Increase in Cash	(\$4,778.4)	(\$441.7)	(\$500.1)	(\$390.6)	(\$254.4)
Beginning Cash & Cash Equivalent	\$3,804.4	(\$974.0)	(\$1,415.8)	(\$1,915.9)	(\$2,306.5)
<b>End of Period Cash &amp; Cash Equivalent</b>	<b>(\$974.0)</b>	<b>(\$1,415.8)</b>	<b>(\$1,915.9)</b>	<b>(\$2,306.5)</b>	<b>(\$2,560.9)</b>

**Lennar***Common Size Income Statement*

<b>Fiscal Years Ending Dec. 31</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total Revenue	100.00%	100.00%	100.00%
Homebuilding Rev	94.16%	94.89%	95.41%
Financial Services Rev	3.31%	2.40%	2.85%
Multifamily Rev	2.45%	2.57%	1.68%
Lennar Other Rev	0.08%	0.13%	0.06%
Total Costs and Expenses	81.28%	80.04%	84.32%
Cost of Homes Sold	75.25%	74.47%	79.20%
Financial Services Expenses	1.50%	1.27%	1.37%
Multifamily Expenses	2.41%	2.52%	1.68%
Lennar Other	0.11%	0.10%	0.08%
Corp. G&A	1.47%	1.23%	1.46%
Charitable Foundation	0.22%	0.20%	0.21%
Operating Income	18.72%	19.96%	15.68%
<b>Equity in earnings (loss) from unconsolidated entities</b>	0.21%	-0.17%	-0.42%
<b>Other income (expense), net and other gains (losses)</b>	0.67%	-0.05%	0.09%
<b>Lennar Other Tech Gains (losses)</b>	1.88%	-1.95%	-0.15%
Earnings (loss) before income taxes	21.48%	17.80%	15.20%
Provision (benefit) for income taxes	5.02%	4.06%	3.63%
Net Earnings	16.45%	13.75%	11.57%
Less: net earnings attributable to noncontrolling interests	-0.10%	-0.10%	-0.07%
Net income to Common Shareholders	16.36%	13.64%	11.50%
Other Comprehensive income (loss), net of tax:	0.00%	0.01%	0.01%
Total comprehensive income attributable to Lennar	16.36%	13.66%	11.51%
Basic and diluted earnings per share	0.05%	0.05%	0.04%

2024	2025	2026E	2027E	2028E	2029E	2030E
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
95.67%	94.38%	94.09%	94.10%	94.09%	94.10%	94.12%
3.13%	3.50%	3.81%	3.94%	3.99%	4.01%	4.01%
1.16%	1.99%	1.94%	1.80%	1.75%	1.72%	1.71%
0.04%	0.12%	0.15%	0.16%	0.17%	0.17%	0.16%
86.87%	92.20%	91.81%	91.76%	91.58%	91.38%	91.16%
81.28%	85.27%	84.50%	84.50%	84.50%	84.50%	84.50%
1.50%	1.71%	1.47%	1.47%	1.47%	1.47%	1.47%
1.47%	2.19%	2.49%	2.48%	2.42%	2.35%	2.27%
0.22%	0.52%	0.58%	0.57%	0.55%	0.52%	0.50%
1.83%	1.86%	2.10%	2.08%	2.01%	1.93%	1.85%
0.23%	0.24%	0.25%	0.25%	0.25%	0.25%	0.24%
13.13%	7.80%	0.42%	0.40%	0.37%	0.35%	0.32%
0.46%	0.23%	0.00%	0.00%	0.00%	0.00%	0.00%
0.64%	-0.18%	0.30%	0.34%	0.33%	0.32%	0.30%
0.07%	0.38%	0.00%	0.00%	0.00%	0.00%	0.00%
14.31%	8.23%	8.50%	8.81%	9.43%	10.17%	11.03%
3.43%	2.06%	2.13%	0.00%	0.00%	0.00%	0.00%
10.87%	6.17%	6.37%	2.15%	2.19%	2.24%	2.29%
			6.43%	6.56%	6.70%	6.85%
-0.10%	-0.09%	-0.05%	-0.06%	-0.06%	-0.06%	-0.07%
10.77%	6.08%	6.31%	6.54%	7.01%	7.55%	8.19%
0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10.78%	6.07%	6.31%	6.54%	7.01%	7.55%	8.19%
0.04%	0.02%	0.02%	0.03%	0.03%	0.03%	0.04%

**Lennar**

*Common Size Balance Sheet*

<b>Fiscal Years Ending Dec. 31</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Assets</b>					
Cash and Short- Term Investments	10.81%	14.23%	19.16%	14.05%	11.13%
Short Term Recievables	4.78%	4.79%	4.95%	4.66%	4.30%
Inventories	70.66%	64.93%	55.20%	57.31%	34.64%
Other Current Assets	0.08%	0.07%	0.04%	0.03%	0.08%
Total Current Assets	86.33%	84.03%	79.35%	76.06%	50.14%
Net PPE	1.47%	1.50%	1.61%	2.23%	2.67%
<b>Total Long Term Investments</b>	<b>11.88%</b>	<b>8.18%</b>	<b>13.39%</b>	<b>18.26%</b>	<b>27.32%</b>
<b>Intangible Assets</b>					
Other Assets	8.98%	8.32%	9.64%	9.77%	9.96%
Deferred Tax Assets	0.00%	0.00%	0.00%	0.00%	0.00%
Total Assets	122.40%	112.81%	114.61%	116.57%	100.71%
<b>Liabilities and Shareholders Equity</b>					
Liabilities and Shareholders Equity	0.00%	0.00%	0.00%	0.00%	0.00%
ST Debt and Curr Portion LT debt	8.60%	6.76%	7.46%	6.86%	6.46%
Accounts Payable	4.87%	4.80%	4.77%	5.19%	5.30%
Other Current Liabilities	3.60%	5.84%	7.42%	10.06%	4.32%
Total CL	17.07%	17.40%	19.65%	22.11%	16.08%
<b>Long-Term Debt</b>					
Long-Term Debt	15.51%	12.12%	7.55%	5.70%	11.50%
Provision for risks and charges	2.01%	1.87%	1.93%	2.04%	2.16%
Deferred Tax Liabilities	0.00%	0.00%	0.00%	0.00%	0.00%
Other Liabilities	10.41%	9.43%	7.48%	7.66%	6.21%
<b>Total Liabilities</b>	<b>45.14%</b>	<b>40.91%</b>	<b>36.69%</b>	<b>37.59%</b>	<b>36.04%</b>
<b>Equities</b>					
Common Equity	32.46%	16.09%	16.27%	16.17%	17.29%
<b>Retained Earnings</b>	<b>54.13%</b>	<b>56.02%</b>	<b>65.34%</b>	<b>72.66%</b>	<b>65.73%</b>
Unrealized Gain	0.00%	0.01%	0.01%	0.02%	0.02%
Treasury Stock	-9.99%	-0.62%	-4.07%	-10.30%	-18.89%
Accumulated Minority Interest	0.66%	0.42%	0.35%	0.43%	0.53%
Total Equity	77.26%	71.90%	77.91%	78.98%	64.68%
Total Liabilities and Equity	122.40%	112.81%	114.61%	116.57%	100.71%

2026E	2027E	2028E	2029E	2030E
-2.85%	-4.14%	-5.60%	-6.75%	-7.49%
4.23%	4.34%	4.56%	4.81%	5.11%
45.67%	46.85%	49.21%	51.94%	55.09%
0.05%	0.06%	0.06%	0.06%	0.06%
47.11%	47.10%	48.23%	50.07%	52.77%
2.70%	2.75%	2.75%	2.78%	2.83%
31.79%	32.11%	32.43%	32.76%	33.08%
10.62%	10.62%	10.62%	10.62%	10.62%
8.41%	8.62%	9.06%	9.56%	10.14%
0.00%	0.00%	0.00%	0.00%	0.00%
100.63%	101.21%	103.09%	105.80%	109.45%
0.00%	0.00%	0.00%	0.00%	0.00%
6.10%	6.26%	6.58%	6.94%	7.36%
4.49%	4.61%	4.84%	5.11%	5.42%
5.63%	5.77%	6.06%	6.40%	6.79%
16.22%	16.64%	17.48%	18.45%	19.57%
10.87%	11.06%	11.42%	11.82%	12.28%
1.98%	2.03%	2.14%	2.25%	2.39%
0.00%	0.00%	0.00%	0.00%	0.00%
7.42%	7.61%	8.00%	8.44%	8.95%
36.58%	37.44%	39.11%	41.05%	43.28%
17.29%	17.29%	17.29%	17.29%	17.29%
69.89%	74.35%	79.31%	84.84%	91.01%
0.02%	0.02%	0.02%	0.02%	0.02%
-23.72%	-28.51%	-33.32%	-38.14%	-42.95%
0.58%	0.63%	0.68%	0.74%	0.81%
64.05%	63.78%	63.98%	64.75%	66.17%
100.63%	101.21%	103.09%	105.80%	109.45%

**Lennar**

*Value Driver Estimation*

<b>Fiscal Years Ending Dec. 31</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>NOPLAT:</b>				
Revenue	27,130.68	33,671.01	34,233.37	35,441.45
COGS	22,052.25	26,949.77	28,866.82	30,786.22
EBIT	5,078.43	6,721.24	5,366.55	4,655.23
Income Tax Provision	1,362.51	1,366.07	1,241.01	1,217.25
Plus: Tax on Interest Expense	4.23	4.02	3.24	3.94
Less: Taxes on unconsolidated entities	11.92	-11.78	-30.37	34.46
Less: Taxes from Gains (Losses)	157.17	-152.56	-34.49	87.18
Adjusted Taxes	1,197.65	1,534.43	1,309.11	1,099.55
<b>NOPLAT</b>	<b>3,880.78</b>	<b>5,186.81</b>	<b>4,057.43</b>	<b>3,555.68</b>
<b>Invested Capital (IC):</b>				
Operating Current Assets:				
Normal Cash	542.61	673.42	684.67	708.83
Plus: Short Term Recievables	1,296.85	1,614.28	1,696.21	1,652.56
Plus: Inventories	19,169.40	21,862.45	18,897.67	20,312.43
Plus: Other Current Assets	21.93	23.05	13.48	11.80
Operating Current Liabilities:				
Less: Accounts Payable	1,321.25	1,616.13	1,631.40	1,839.44
Less: Other Current Liabilities	976.60	1,967.55	2,540.89	3,563.93
<b>NOWC</b>	<b>18,732.94</b>	<b>20,589.52</b>	<b>17,119.73</b>	<b>17,282.24</b>
Plus: Net PPE	495.52	505.06	550.60	791.45
Plus: Intangible Assets	3,632.06	3,632.06	3,632.06	3,632.06
Plus: Other Assets	2,435.24	2,801.47	3,301.27	3,463.49
Less: Other Liabilities	2,825.65	3,174.16	2,561.15	2,713.18
<b>Invested Capital IC</b>	<b>22,470.11</b>	<b>24,353.94</b>	<b>22,042.51</b>	<b>22,456.05</b>
<b>Free Cash Flow (FCF):</b>				
NOPLAT	3,880.78	5,186.81	4,057.43	3,555.68
Change in IC		1,883.83	-2,311.43	413.53
<b>FCF</b>		<b>\$ 3,303</b>	<b>\$ 6,369</b>	<b>\$ 3,142</b>
<b>Return on Invested Capital (ROIC):</b>				
NOPLAT	3,880.78	5,186.81	4,057.43	3,555.68
Beginning IC		22,470.11	24,353.94	22,042.51
<b>ROIC</b>		<b>23.08%</b>	<b>16.66%</b>	<b>16.13%</b>
<b>Economic Profit (EP):</b>				

Beginning IC	22,470.11	24,353.94	22,042.51
x (ROIC - WACC)	13.22%	6.80%	6.27%
<b>EP</b>	<b>2971.10</b>	<b>1655.96</b>	<b>1382.14</b>

	2025	2026E	2027E	2028E	2029E	2030E
	34,186.93	30,796.35	31,589.85	33,184.49	35,026.01	37,147.33
	31,519.11	28,273.53	28,986.27	30,389.27	32,005.30	33,862.66
	2,667.82	2,522.82	2,603.57	2,795.22	3,020.71	3,284.67
	705.56	655.89	679.96	728.28	785.09	851.54
	2.91	0	0	0	0	0
	16.42	19.61	22.83	23.05	23.28	23.52
	30.66	19.61	22.83	23.05	23.28	23.52
	661.39	616.66	634.31	682.18	738.52	804.51
	<b>2,006.44</b>	<b>1,906.16</b>	<b>1,969.26</b>	<b>2,113.04</b>	<b>2,282.19</b>	<b>2,480.16</b>
	683.74	615.93	631.80	663.69	700.52	742.95
	1,470.86	1,447.08	1,484.36	1,559.29	1,645.82	1,745.50
	11,841.26	15,613.75	16,016.05	16,824.54	17,758.19	18,833.70
	25.93	18.34	18.81	19.76	20.86	22.12
	1,812.48	1,535.32	1,574.88	1,654.38	1,746.19	1,851.94
	1,476.38	1,924.14	1,973.72	2,073.35	2,188.41	2,320.94
	<b>10,732.93</b>	<b>14,235.64</b>	<b>14,602.43</b>	<b>15,339.55</b>	<b>16,190.80</b>	<b>17,171.38</b>
	911.85	921.85	938.85	938.85	951.85	966.85
	3,632.06	3,632.06	3,632.06	3,632.06	3,632.06	3,632.06
	3,403.77	2,874.43	2,948.49	3,097.33	3,269.21	3,467.20
	2,124.33	2,537.17	2,602.54	2,733.91	2,885.63	3,060.39
	<b>16,556.27</b>	<b>19,126.80</b>	<b>19,519.29</b>	<b>20,273.87</b>	<b>21,158.29</b>	<b>22,177.10</b>
	2,006.44	1,906.16	1,969.26	2,113.04	2,282.19	2,480.16
	-5,899.78	2,570.53	392.48	754.59	884.41	1,018.81
\$	<b>7,906</b>	\$ <b>(664)</b>	\$ <b>1,577</b>	\$ <b>1,358</b>	\$ <b>1,398</b>	\$ <b>1,461</b>
	2,006.44	1,906.16	1,969.26	2,113.04	2,282.19	2,480.16
	22,456.05	16,556.27	19,126.80	19,519.29	20,273.87	21,158.29
	<b>8.93%</b>	<b>11.51%</b>	<b>10.30%</b>	<b>10.83%</b>	<b>11.26%</b>	<b>11.72%</b>

22,456.05	16,556.27	19,126.80	19,519.29	20,273.87	21,158.29
-0.93%	1.65%	0.44%	0.96%	1.40%	1.86%
<b>-207.89</b>	<b>273.60</b>	<b>83.22</b>	<b>188.30</b>	<b>283.05</b>	<b>393.80</b>

## Lennar

### Weighted Average Cost of Capital (WACC) Estimation

#### Cost of Equity:

Risk-Free Rate	4.29%
Beta	1.40
Equity Risk Premium	5.00%
<b>Cost of Equity</b>	<b>11.29%</b>

#### Cost of Debt:

Risk-Free Rate	4.29%
Implied Default Premium	0.71%
Pre-Tax Cost of Debt	5.00%
Marginal Tax Rate	21%
<b>After-Tax Cost of Debt</b>	<b>3.95%</b>

#### Market Value of Common Equity:

Total Shares Outstanding	268.23
Current Stock Price	\$94.45
<b>MV of Equity</b>	<b>25,334.68</b>

#### MV Weights

80.49%

#### Market Value of Debt:

Short-Term Debt Current Portion of LTD	2,207.17
Long-Term Debt	3,931.99
PV of Operating Leases	
<b>MV of Total Debt</b>	<b>6,139.15</b>

19.51%

#### Market Value of the Firm

31,473.84

100.00%

Estimated WACC

9.86%

**Lennar**

*Discounted Cash Flow (DCF) and Economic Profit (EP) Valuation Models*

Key Inputs:

CV Growth of NOPLAT	2.00%
CV Year ROIC	11.72%
WACC	9.86%
Cost of Equity	11.29%

<b>Fiscal Years Ending Dec. 31</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>
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**DCF Model:**

Free Cash Flow (FCF)	-664.4	1576.8	1358.5	1397.8	1461.3
Continuing Value (CV)					26168.1
PV of FCF	-604.7	1306.4	1024.5	959.6	17964.0

Value of Operating Assets:	20649.7
Non-Operating Adjustments	
Excess Cash	-1590.0
Long-Term Investments	10869.1
Less: Total Debt	6139.2
Less: NCI	197.9

Value of Equity	23591.9
Shares Outstanding	260.3
Intrinsic Value of Last FYE	\$ 90.65
<b>Implied Price as of Today</b>	<b>\$ 93.98</b>

**EP Model:**

Economic Profit (EP)	273.6	83.2	188.3	283.0	393.8
Continuing Value (CV)					5009.8
PV of EP	249.0	69.0	142.0	194.3	3439.1

Total PV of EP	4093.4
Invested Capital (last FYE)	16556.3
Value of Operating Assets:	20649.7
Non-Operating Adjustments	
Excess Cash	-1590.0
Long-Term Investments	10869.1
<b>Less: Total Debt</b>	<b>6139.2</b>
<b>Less: NCI</b>	<b>197.9</b>

Value of Equity	23591.9
Shares Outstanding	260.3
Intrinsic Value of Last FYE	\$ 90.65
<b>Implied Price as of Today</b>	<b>\$ 93.98</b>

## Lennar

Dividend Discount Model (DDM) or Fundamental P/E Valuation Model

<b>Fiscal Years Ending</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>
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EPS	\$ 7.47	\$ 8.22	\$ 9.33	\$ 10.64	\$ 12.18
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### Key Assumptions

CV growth of EPS	2.00%
CV Year ROE	11.40%
Cost of Equity	11.29%

### Future Cash Flows

P/E Multiple (CV Year)					8.87
EPS (CV Year)					\$ 12.18
Future Stock Price					\$ 108.11
Dividends Per Share	2	2	2	2	2
Discounted Cash Flows	1.80	1.61	1.45	1.30	71.77

Intrinsic Value as of Last FYE \$ 77.94

**Implied Price as of Today \$ 80.80**

## Lennar

### Relative Valuation Models

Ticker	Company	Price	EPS		P/E 26	P/E 27
			2026E	2027E		
DHI	D.R. Horton	\$161.18	\$10.65	\$12.03	15.13	13.40
PHM	PulteGroup	\$127.56	\$10.04	\$11.12	12.71	11.47
NVR	NVR, Inc.	\$6,610.77	\$382.87	\$451.43	17.27	14.64
TOL	Toll Brothers	\$148.02	\$12.75	\$14.14	11.61	10.47
KBH	KB Home	\$55.58	\$3.27	\$4.54	17.00	12.24
Average					<b>14.74</b>	<b>12.44</b>
LEN	Lennar	\$94.45	\$7.47	\$8.22	12.6	11.5

### Implied Relative Value:

P/E (EPS26)	\$ 110.10
P/E (EPS27)	\$ 102.33

**Lennar***Key Management Ratios*

<b>Fiscal Years Ending Dec. 31</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
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**Liquidity Ratios:**

Current Ratio (Current Assets/Current Liabilities)	5.06	4.83	4.04
Cash Ratio (Cash/Current Liabilities)	0.63	0.82	0.97
Quick Ratio (Cash & Short-Term Investments/Current Liabilities)	0.63	0.82	0.97

**Asset-Management Ratios:**

Receivables Turnover (Revenue/AR)	20.92	20.86	20.18
Inventory Turnover (COGS/Inv.)	1.07	1.15	1.43
Total Asset Turnover (Revenue/Total Asset)	0.82	0.89	0.87

**Financial Leverage Ratios:**

Debt to Asset Ratio (Total Debt/Total Asset)	0.20	0.17	0.13
Debt to Capital Ratio (Total Debt/Total Liabilities & Equity)	0.20	0.17	0.13
Debt to EBIT (Total Debt/Operating Income)	1.29	0.95	0.96
Debt to Equity (Total Debt/Total Equity)	0.31	0.26	0.19

**Profitability Ratios:**

Return on Equity (NI/Beg TSE)		21.92%	16.27%
Profit Margin (Net Income/Revenue)	16.36%	13.64%	11.50%
Return on Assets (Net Income/Total Assets)	13.36%	12.10%	10.04%

**Payout Policy Ratios:**

Dividend Payout Ratio (Dividend/EPS)	7.00%	9.57%	10.79%
Total Payout Ratio ((Divs. + Repurchases)/NI)	0.68	0.14	0.46
Dividend Yield	1.06%	1.59%	1.59%



	2021	2022	2023	2024	2025	2026E
<b>NOPLAT:</b>						
Cost of Homes Sold	75.25%	74.47%	79.20%	81.28%	85.27%	84.50%
Financial Services Expenses	1.50%	1.27%	1.37%	1.50%	1.71%	1.47%
Multifamily Expenses	2.41%	2.52%	1.68%	1.47%	2.19%	2.49%
Lennar Other	0.11%	0.10%	0.08%	0.22%	0.52%	0.58%
Corp. G&A	1.47%	1.23%	1.46%	1.83%	1.86%	2.10%
Charitable Foundation	0.22%	0.20%	0.21%	0.23%	0.24%	0.25%
Depreciation	0.32%	0.26%	0.32%	0.33%	0.39%	0.42%
Operating Income	18.72%	19.96%	15.68%	13.13%	7.80%	8.19%

	2021	2022	2023	2024	2025	2026E
Normal Cash		1.61%	1.97%	1.93%	2.07%	2.22%
Plus: Short Term Recievables		3.85%	4.72%	4.79%	4.83%	4.78%
Plus: Inventories		56.93%	63.86%	53.32%	59.42%	38.45%
Plus: Other Current Assets		0.07%	0.07%	0.04%	0.03%	0.08%
Operating Current Liabilities:						
Less: Accounts Payable		3.92%	4.72%	4.60%	5.38%	5.89%
Less: Other Current Liabilities		2.90%	5.75%	7.17%	10.42%	4.79%
<b>NOWC</b>						
Plus: Net PPE		1.47%	1.48%	1.55%	2.32%	2.96%
Plus: Intangible Assets		10.79%	10.61%	10.25%	10.62%	11.79%
Plus: Other Assets		7.23%	8.18%	9.31%	10.13%	11.05%
Less: Other Liabilities		8.39%	9.27%	7.23%	7.94%	6.90%
Invested Capital IC		66.73%	71.14%	62.19%	65.69%	53.76%

	2021	2022	2023	2024	2025	2026E
Normal Cash		62.05	50.84	51.76	48.23	45.04
Plus: Short Term Recievables		25.96	21.21	20.89	20.69	20.94
Plus: Inventories		1.76	1.57	1.88	1.68	2.60
Plus: Other Current Assets		1,535.60	1,485.44	2,628.99	2,897.44	1,187.67
Operating Current Liabilities:						
Less: Accounts Payable		25.48	21.18	21.72	18.59	16.99
Less: Other Current Liabilities		34.48	17.40	13.95	9.59	20.86
<b>NOWC</b>		1.80	1.66	2.07	1.98	2.87
Plus: Net PPE		67.95	67.78	64.37	43.20	33.77
Plus: Intangible Assets		9.27	9.43	9.76	9.41	8.48
Plus: Other Assets		13.83	12.22	10.74	9.87	9.05
Less: Other Liabilities		11.92	10.79	13.84	12.60	14.50
Invested Capital IC		1.50	1.41	1.61	1.52	1.86

2027E	2028E	2029E	2030E
84.50%	84.50%	84.50%	84.50%
1.47%	1.47%	1.47%	1.47%
2.48%	2.42%	2.35%	2.27%
0.57%	0.55%	0.52%	0.50%
2.08%	2.01%	1.93%	1.85%
0.25%	0.25%	0.25%	0.24%
0.40%	0.37%	0.35%	0.32%
8.24%	8.42%	8.62%	8.84%

2027E	2028E	2029E	2030E
1.95%	1.90%	1.89%	1.89%
4.58%	4.47%	4.45%	4.43%
49.43%	48.26%	48.03%	47.80%
0.06%	0.06%	0.06%	0.06%
4.86%	4.75%	4.72%	4.70%
6.09%	5.95%	5.92%	5.89%
2.92%	2.83%	2.68%	2.56%
11.50%	10.95%	10.37%	9.78%
9.10%	8.89%	8.84%	8.80%
8.03%	7.84%	7.81%	7.77%
60.55%	58.82%	57.88%	56.96%

2027E	2028E	2029E	2030E
51.29	52.52	52.77	53.03
21.83	22.36	22.46	22.57
2.02	2.07	2.08	2.09
1,722.33	1,763.83	1,772.25	1,780.76
20.58	21.07	21.17	21.27
16.42	16.81	16.89	16.97
2.22	2.27	2.28	2.29
34.27	35.35	37.31	39.03
8.70	9.14	9.64	10.23
10.99	11.25	11.31	11.36
12.45	12.75	12.81	12.87
1.65	1.70	1.73	1.76