

KB Home (KBH)

\$63.33 (Stock Price as of 12/05/2025)

Price Target (6-12 Months): **\$67.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 09/05/25)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

4-Sell

Zacks Style Scores:

VGM: D

Value: C

Growth: F

Momentum: C

Summary

Shares of KB Home have outperformed the industry in the past six months. The company's long-term prospects remain strong, supported by strategic initiatives that drive growth, including a strong Built-to-Order model, improved build times, disciplined land investments, and cost-saving measures enhancing operational efficiency. In the third quarter of fiscal 2025, KB Home added 32 new communities — its highest in over a year — and expects to end the year with 260 active selling communities. However, a soft housing market due to pricing pressures and affordability concerns across key regions is weighing on KB Home's profitability structure. In response to lower-than-expected order activity, the company has adopted a cautious stance and revised its full-year housing revenue guidance downward.

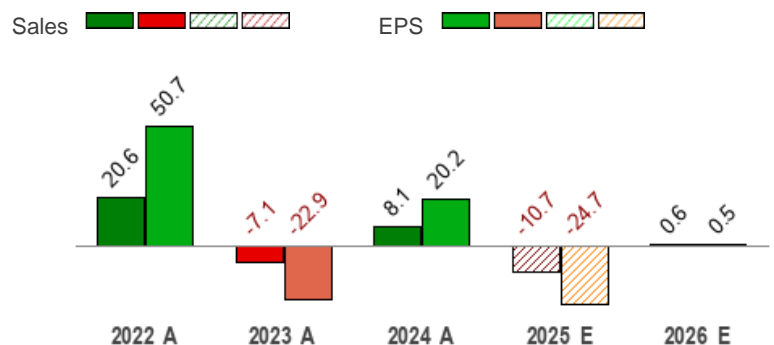
Price, Consensus & Surprise⁽¹⁾



Data Overview

52 Week High-Low	\$80.37 - \$48.90
20 Day Average Volume (sh)	746,307
Market Cap	\$4.1 B
YTD Price Change	-3.6%
Beta	1.40
Dividend / Div Yld	\$1.00 / 1.6%
Industry	Building Products - Home Builders
Zacks Industry Rank	Bottom 11% (215 out of 243)

Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Last EPS Surprise	7.3%
Last Sales Surprise	1.5%
EPS F1 Est- 4 week change	-0.1%
Expected Report Date	12/18/2025
Earnings ESP	0.0%

Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	1,294 E	1,516 E	1,677 E	1,741 E	6,228 E
2025	1,392 A	1,530 A	1,620 A	1,647 E	6,189 E
2024	1,468 A	1,710 A	1,753 A	2,000 A	6,930 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	1.22 E	1.49 E	1.75 E	1.92 E	6.39 E
2025	1.49 A	1.50 A	1.61 A	1.76 E	6.36 E
2024	1.76 A	2.15 A	2.04 A	2.52 A	8.45 A

*Quarterly figures may not add up to annual.

P/E TTM	8.4
P/E F1	10.0
PEG F1	-0.8
P/S TTM	0.6

(1) The data in the charts and tables, except the estimates, is as of 12/05/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/05/2025.

Overview

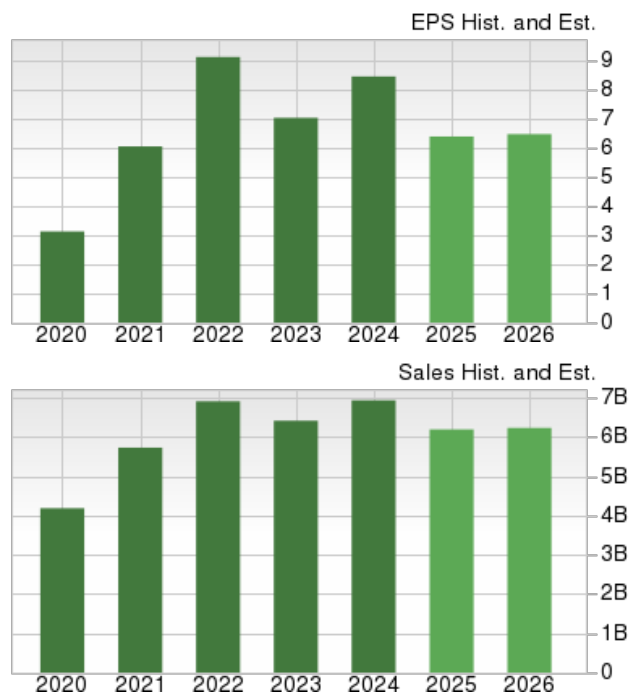
Based in Los Angeles, CA, KB Home is a well-known homebuilder in the United States and one of the largest in the state. The company's revenues are generated from Homebuilding (accounting for 99.6% of fiscal 2024 total revenues) and Financial Services (0.4%) operations.

The company's Homebuilding operations include building and designing homes that cater to first-time, move-up and active adult homebuyers on acquired or developed lands. KB Home also builds attached and detached single-family homes, townhomes and condominiums.

There are four main reportable segments within the homebuilding reporting segment based on geographical presence: West Coast (comprising Washington, California and Idaho), Southwest (comprising Arizona and Nevada), Central (comprising Colorado and Texas) and Southeast (including Florida and North Carolina). KB Home's Financial Services operations offer mortgage banking, title and insurance services to homebuyers. This segment earns revenues mainly from insurance commissions and the provision of title services.

KB Home ended the third quarter of fiscal 2025 with \$330.6 million of homebuilding cash and cash equivalents compared with \$598 million in fiscal 2024. The company has a total liquidity of \$1.16 billion, including \$831.7 million of available capacity under the unsecured revolving credit facility, with \$250 million in outstanding cash borrowings.

The board also authorized the repurchase of up to \$1 billion of the company's outstanding common stock, replacing a prior authorization. During the first nine months of fiscal 2025, the company repurchased 7.8 million of its outstanding common stock for \$438.5 million. As of Aug. 31, 2025, it had \$261.5 million remaining under the repurchase authorization.



As of 12/05/2025



As of 12/05/2025

Reasons To Buy:

▲ **Initiatives to Drive Growth:** Since 2016, KB Home has been pursuing a Returns-Focused Growth Plan that is designed to drive revenues and homebuilding operating income margin, return on invested capital, return on equity and leverage ratio. The plan's main components are executing the company's core business strategy, improving asset efficiency and monetizing significant deferred tax assets.

KB Home continues to advance multiple initiatives aimed at driving sustainable growth and strengthening its competitive position. The company is emphasizing operational efficiency, disciplined land investment and cost optimization, alongside efforts to enhance customer satisfaction through improved affordability, transparency and personalization. During the third quarter of fiscal 2025, KB Home demonstrated strong execution by adding 32 new communities — its highest quarterly total in more than a year — and expects to end the fiscal year with 260 active selling communities, with further expansion planned for early 2026 to capture the spring selling season. The company also achieved a 10-day sequential reduction in build times, bringing the average down to 130 calendar days, among its best levels in over a decade.

Additionally, management is pursuing cost-saving measures through national purchasing initiatives, value engineering and studio simplification, resulting in a 2% sequential decline and a 3% year-over-year reduction in direct costs for the fiscal third quarter. The company remained focused on providing the most compelling value while addressing buyer sensitivity to interest rates and monthly payments. Since most buyers prioritize securing a home at the best price, KB Home carefully adjusted pricing on a community-by-community basis to stimulate demand and increase the selling pace.

▲ **Built-to-Order Approach Gives Competitive Advantage:** KB Home's Built-to-Order (BTO) process provides buyers with a wide range of choices in the major aspects of their future home, along with a personalized customer experience through in-house community teams. This highly consumer-centric approach helps homebuyers design a home with the features and amenities of their choice. Not only has this approach given KB Home a competitive advantage over its peers, but it has also led to low-cost production. The company follows a strategy of initiating construction only after a purchase agreement has been executed. This reduces inventory risk, enhances efficiencies in construction and provides greater visibility as well as predictability on future deliveries.

In the fiscal fourth quarter, KB Home plans to prioritize BTO homes while strategically selling through its remaining inventory. Management restated its goal of returning to the company's long-term historical mix of about 70% BTO houses, up from the current 50%. This model not only fosters customer satisfaction — KBH ranks #1 nationally on TrustBuilder and achieved a record 96% score on AvidCX — but also generates higher margins, with BTO homes delivering 250-500 basis points more gross margin than inventory homes. The company has made notable strides in reducing its build cycle to 130 days in the fiscal third quarter, with BTO homes averaging 122 days — approaching its 120-day target. Shorter build times improve asset turnover, enhance customer appeal and reduce costs. Sequential and year-over-year declines in direct construction costs (down about 2% sequentially and 3% year over year) highlight KBH's cost discipline and value-engineering efforts. Apart from KB Home's focus on first-time and affordable first-move-up buyers, this strategic business model also prioritizes second-move-up buyers and empty nesters who make different choices in the same community. Moving forward, the company aims to continue with these improvements to support better inventory turnover, lower mortgage concession costs and a more efficient selling process.

▲ **Aggressive Land Acquisition Strategy:** The company invests aggressively in land acquisition and development, mainly in high-end locations, which is critical for community count as well as top-line growth. This has eventually helped the company in reducing debt. It remains optimistic that this blend of rising active inventory while reducing its annual interest incurred is expected to boost future gross margin and returns. During the third quarter of fiscal 2025, KB Home invested \$514 million in land acquisition and development, with nearly 80% allocated to development and fees on land the company already owned — underscoring its focus on maximizing returns from existing assets. In the first nine months of 2025, land investment totaled more than \$1.9 billion compared to \$210 million in the corresponding period of 2024, reinforcing the company's intent to sustain future community growth while maintaining capital discipline. As of the end of the third quarter of fiscal 2025, KBH owned or controlled over 65,000 lots, with approximately 42% under option control, reflecting a healthy and flexible land pipeline. This land base is strategically concentrated in markets that demonstrate strong long-term economic and demographic growth. Operating in 49 markets across nine states, KB Home has carefully positioned itself in regions with long-term economic and demographic growth potential, including California, Texas, Florida and North Carolina. This footprint provides resilience against regional slowdowns while offering substantial volume expansion opportunities over the long run.

▲ **Sufficient Liquidity & Shareholder Value:** KB Home ended the third quarter of fiscal 2025 with \$330.6 million of homebuilding cash and cash equivalents, down from \$598 million reported at the end of fiscal 2024. Yet, the company had enough total liquidity of \$1.16 billion, including \$831.7 million of available capacity under its revolving credit facility, with \$250 million of cash borrowings outstanding. Coming to the company's approach toward maintaining shareholder value. For the nine months, KBH repurchased approximately 7.8 million shares of its outstanding common stock for \$438.5 million (or \$56.30 per share). As of Aug. 31, 2025, it had \$261.5 million remaining under the repurchase authorization. Moreover, the book value per share of \$60.25 increased 11% year over year. KB Home believes that its ongoing focus on accelerating profitable growth and expanding its returns by leveraging its larger scale, strong community portfolio, and compelling BTO business model positions it well for expanding its book value per share and enhancing long-term stockholder value.

A returns-focused growth plan, a Built-to-Order approach and accretive land acquisition strategies are expected to drive the company's growth.

Reasons To Sell:

- ▼ **Market Conditions and Fiscal 2025 Expectations:** KB Home is still experiencing softness after a slower start to the 2025 spring selling season, reflecting lower consumer confidence due to macroeconomic and geopolitical uncertainties. Homebuyers are taking longer to finalize purchases, impacting net sales. Delays in planned community openings until late in the first quarter or early in the second quarter further affected results. Even though mortgage rates eased modestly in the fiscal third quarter, overall affordability remains constrained, limiting buyers' purchasing power. The cancellation rate rose to 17%, up from 15% in the prior year, indicating fragile buyer confidence. Management acknowledged that demand remains below internal sales goals, with absorption rates moderating to 3.8 net orders per community per month compared with 4.1 last year. In the third quarter of fiscal 2025, net orders declined 4.4% year over year to 2,950 units, with order value down to \$1.31 billion from the year-ago quarter's value of \$1.54 billion. Our model expects total net orders to decline 9% to 11,909 units for fiscal year 2025.

Cyclical business nature, higher construction, land and labor costs, and supply-related limitations are headwinds.

The company continues to navigate affordability concerns and shifting market conditions as consumer confidence declines. Given the softer selling environment, the company has again lowered its revenue guidance for fiscal 2025. The company now expects housing revenues to be in the \$6.1-\$6.2 billion band (compared with prior expectations of \$6.3-\$6.5 billion).

- ▼ **Cyclical Nature of Business:** The housing industry is cyclical and affected by consumer confidence levels, prevailing economic conditions and interest rates. The federal government's actions related to economic stimulus, taxation and borrowing limits could affect consumer confidence and spending levels, which could hurt both the economy and the housing market.

Currently, the U.S. housing industry remains challenging owing to unfavorable interest rates, inflation, and consumer sentiment. The Fed began to increase rates in early 2022 to counter the high ongoing inflation scenario in the market, and it started moving toward the 2% target. As of Oct. 29, 2025, the Federal Reserve (Fed) cut its benchmark federal funds rate by 0.25 percentage points, pulling the benchmark down to a range of 3.75%-4.00% from its earlier 4.00%-4.25%. Earlier, the Fed had signaled two more rate cuts for the year, but recent remarks from Chair Jerome Powell reflected a more cautious tone. Policymakers now appear divided on further action, suggesting the possibility of a pause ahead. For the U.S. housing market, this shift limits hopes of additional relief, as inflation, high mortgage rates and affordability pressures continue to weigh on demand.

- ▼ **High Costs & Expenses:** KB Home has been facing a high-cost environment for quite some time now. An increase in construction costs, wage inflation and land costs is denting the margins of the company. In the third quarter of fiscal 2025, KB Home's adjusted housing gross margin and adjusted homebuilding operating margin declined 180 bps to 18.9% and 210 bps to 8.8%, respectively, year over year. This was primarily driven by price reductions and other homebuyer concessions, higher relative land costs, geographic mix and reduced operating leverage.

For fiscal 2025, KB Home now expects the adjusted homebuilding operating income margin to be approximately 8.9%, down from the 11.5% reported in fiscal 2024. It now expects the housing gross margin to be between 19.2% and 19.3%, down from 21% in fiscal 2024. Our model expects the housing gross margin to be 19.2% and the adjusted homebuilding operating margin to be 8.9% for the fiscal year 2025.

- ▼ **Supply Constraints:** Several years of production deficits during the housing downturn limited the supply of both rental and new homes in the country. At present, a shortage of buildable lots, skilled labor and available capital for smaller builders is limiting home production, thereby lowering the inventory of homes, both new and existing.

Limited capital for land and land development has left entitled lands in short supply, while growing demand drove land prices higher. The labor market is tightened with the limited availability of labor, which is arresting the rapid growth in housing production. If the supply picture does not improve, prices could go up, affecting affordability.

Last Earnings Report

KBH Q3 Earnings & Revenues Beat Estimates, Both Decline Y/Y

KB Home reported third-quarter fiscal 2025 results. The quarter's earnings and total revenues surpassed the Zacks Consensus Estimate but decreased on a year-over-year basis.

The company's quarterly results highlighted ongoing challenges in a difficult housing market, reflecting pricing pressures across key regions. Macroeconomic headwinds such as persistent cost inflation and the impact of tariffs on construction materials. In response to weaker demand and the shortfall in orders, management adopted a cautious stance and revised its fiscal 2025 housing revenue guidance downward.

However, KB Home is focused on expanding its build-to-order mix, reducing build times and enhancing customer satisfaction through affordable prices and personalization while maintaining strict cost controls. With a healthy balance sheet, significant cash flow and capital returns to shareholders, the company is positioning itself for improved margins and long-term growth once market conditions stabilize.

KBH's Q3 Earnings & Revenue Discussion

The company reported adjusted earnings per share (EPS) of \$1.61, beating the Zacks Consensus Estimate of \$1.50 by 7.3%. In the year-ago quarter, it reported an adjusted EPS of \$2.04.

Revenues of \$1.62 billion also surpassed the consensus mark of \$1.6 billion by 1.5% but decreased 7.4% year over year.

KB Homes' Segmental Details

Homebuilding: The segment's revenues of \$1.61 billion declined 7.6% from the prior-year quarter's level of \$1.75 billion. The number of homes delivered was 3,393 units, down 6.6% from the year-ago period's level of 3,631 units. The average selling price (ASP) decreased 1.1% from a year ago to \$475,700.

Net orders declined 4.4% from the prior year to 2,950 units. The value of net orders was also down to \$1.31 billion from the year-ago quarter's value of \$1.54 billion. Absorption or monthly net orders per community decreased to 3.8 from 4.1 year over year.

The cancellation rate, as a percentage of gross orders, was 17% compared with 15% in the year-ago period.

The quarter-end backlog totaled 4,333 homes, down from the year-ago figure of 5,724 homes. Further, potential housing revenues from the backlog declined 31.9% from the prior-year period to \$2 billion.

The average community count was up year over year by 3% to 259, and the ending community count was up 4% to 264.

Within homebuilding, the housing gross margin (excluding inventory-related charges) contracted 180 basis points (bps) year over year to 18.9%. The contraction was primarily driven by pricing reductions, higher relative land costs, and an unfavorable geographic mix, partially offset by lower construction expenses.

In the quarter, selling, general, and administrative expenses (SG&A), as a percentage of housing revenues, contracted 20 bps to 10%, caused by decreased operating leverage.

Homebuilding operating margin (excluding inventory-related charges) was 8.8%, down from 10.9%.

Financial Services: The segment's revenues declined 9.3% year over year to \$6 million. The downtrend was due to lower insurance commission revenues and equity in the income of the company's mortgage banking joint venture.

KB Home's Financial Position

KB Home had homebuilding cash and cash equivalents of \$330.6 million as of Aug. 31, 2025, down from \$598 million reported at the end of fiscal 2024. The company had a total liquidity of \$1.16 billion, including \$831.7 million of available capacity under its revolving credit facility, with \$250 million of cash borrowings outstanding.

As of the end of the third-quarter fiscal 2025, the debt-to-capital ratio was 33.2, up from 29.4 at the end of fiscal 2024.

For the nine months, KBH repurchased approximately 7.8 million shares of its outstanding common stock for \$438.5 million (or \$56.30 per share). As of Aug. 31, 2025, it had \$261.5 million remaining under the repurchase authorization.

KB Home Revises FY25 Guidance

For fiscal 2025, the company now expects housing revenues to be in the \$6.1-\$6.2 billion band (compared with prior expectations of \$6.3-\$6.5 billion). ASP is currently estimated to be approximately \$483,000 compared to the previous range of \$480,000 to \$490,000. In fiscal 2024, KBH reported housing revenues of \$6.9 billion with an ASP of \$486,900.

Assuming no inventory-related charges, the housing gross margin is now expected to be between 19.2% and 19.3%, compared with the prior range of 19.0% to 19.4%. Last year, the company reported a housing gross margin of 21%. Homebuilding's operating margin (assuming no

FY Quarter Ending **11/30/2024**

Earnings Reporting Date	Sep 24, 2025
Sales Surprise	1.50%
EPS Surprise	7.33%
Quarterly EPS	1.61
Annual EPS (TTM)	7.55

inventory-related charges) is projected at approximately 8.9% compared to the prior expectation of 8.6-9.0%, indicating a decline from the 11.5% reported in fiscal 2024.

SG&A expenses, as a percentage of housing revenues, are now expected to be in the range of 10.2-10.3%, compared to the prior expected range of 10.2% to 10.6%. In fiscal 2024, SG&A expenses, as a percentage of housing revenues, were 10%.

It projects an effective tax rate of approximately 23% (the prior expectation was 24%). The company increased the ending community count to about 260 (prior expectation was 250).

Valuation

KB Home's shares are up 24.3% in the past six months and down 18.2% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 22.6%, and the Zacks Construction sector is up 10.1% in the past six months. Over the past year, the Zacks sub-industry is down 11.8%, and the sector is down 6.6%.

The S&P 500 index is up 17% past six months and 15.2% in the past year.

The stock is currently trading at 10.04X forward 12-month earnings, which compares to 12.7X for the Zacks sub-industry, 19.44X for the Zacks sector, and 23.53X for the S&P 500 index.

Over the past five years, the stock has traded as high as 10.3X and as low as 2.44X, with a 5-year median of 7.57X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$67 price target reflects 10.48X forward 12-month earnings.

The table below shows the summary valuation data for KBH.

Valuation Multiples - KBH					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	10.04	12.7	19.44	23.53
	5-Year High	10.3	12.7	19.5	23.82
	5-Year Low	2.44	4.2	8.92	15.73
	5-Year Median	7.57	9.16	15.23	21.19
P/B TTM	Current	1.07	1.49	4.88	8.53
	5-Year High	1.71	1.95	5.43	9.16
	5-Year Low	0.63	0.86	2.96	6.6
	5-Year Median	1.13	1.42	4.41	8.04
P/S F12M	Current	0.67	1.12	2.82	5.33
	5-Year High	0.92	1.45	3.11	5.5
	5-Year Low	0.29	0.59	1.55	3.83
	5-Year Median	0.61	1.04	2.26	5.04

As of 12/04/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 11% (215 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Century Communities,...(CCS)	Neutral	2
D.R. Horton, Inc. (DHI)	Neutral	3
M/I Homes, Inc. (MHO)	Neutral	3
Meritage Homes Corpo...(MTH)	Neutral	3
PulteGroup, Inc. (PHM)	Neutral	3
Tri Pointe Homes Inc...(TPH)	Neutral	3
Dream Finders Homes,...(DFH)	Underperform	4
Taylor Morrison Home...(TMHC)	Underperform	5

Industry Comparison⁽¹⁾ Industry: Building Products - Home Builders

	KBH	X Industry	S&P 500	MHO	MTH	TMHC
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Underperform
Zacks Rank (Short Term)	4	-	-	3	3	5
VGM Score	D	-	-	D	D	C
Market Cap	4.10 B	3.19 B	38.93 B	3.49 B	5.09 B	6.10 B
# of Analysts	5	3	22	3	11	5
Dividend Yield	1.58%	0.00%	1.45%	0.00%	2.38%	0.00%
Value Score	C	-	-	A	B	B
Cash/Price	0.08	0.09	0.04	0.21	0.14	0.06
EV/EBITDA	4.20	6.08	14.51	5.09	6.01	6.60
PEG Ratio	-0.76	1.89	2.19	NA	NA	NA
Price/Book (P/B)	1.05	1.23	3.45	1.11	0.96	0.98
Price/Cash Flow (P/CF)	6.68	7.57	15.08	6.36	6.44	6.54
P/E (F1)	9.96	12.16	19.92	8.24	10.72	8.03
Price/Sales (P/S)	0.63	0.84	2.99	0.78	0.84	0.73
Earnings Yield	10.22%	8.23%	5.00%	12.14%	9.33%	12.46%
Debt/Equity	0.00	0.19	0.57	0.29	0.35	0.35
Cash Flow (\$/share)	9.49	8.68	8.99	20.99	11.22	9.54
Growth Score	F	-	-	F	F	D
Hist. EPS Growth (3-5 yrs)	NA%	9.65%	8.13%	13.86%	10.45%	22.22%
Proj. EPS Growth (F1/F0)	-24.73%	-15.85%	8.50%	-17.76%	-68.56%	-5.93%
Curr. Cash Flow Growth	10.45%	8.87%	6.96%	20.65%	6.29%	12.53%
Hist. Cash Flow Growth (3-5 yrs)	18.29%	15.85%	7.31%	31.55%	23.95%	22.38%
Current Ratio	2.13	4.20	1.19	7.15	1.95	7.02
Debt/Capital	0.00%	16.55%	38.15%	22.76%	25.70%	26.12%
Net Margin	7.92%	7.92%	12.82%	10.56%	8.96%	10.16%
Return on Equity	12.91%	12.91%	17.00%	15.72%	10.37%	15.23%
Sales/Assets	0.94	0.91	0.53	0.96	0.80	0.89
Proj. Sales Growth (F1/F0)	-10.70%	-2.40%	5.77%	-2.80%	-7.10%	-2.40%
Momentum Score	C	-	-	C	D	B
Daily Price Chg	-1.34%	-0.45%	0.19%	-0.70%	-0.41%	-0.45%
1 Week Price Chg	4.33%	5.56%	0.31%	5.30%	3.97%	3.18%
4 Week Price Chg	4.09%	3.92%	2.10%	4.30%	7.81%	5.28%
12 Week Price Chg	-3.87%	-10.35%	4.35%	-13.32%	-8.33%	-10.35%
52 Week Price Chg	-19.36%	-15.96%	12.81%	-16.17%	-20.02%	-9.36%
20 Day Average Volume	746,307	241,808	2,743,849	195,157	805,617	803,646
(F1) EPS Est 1 week change	-0.13%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	-0.13%	0.00%	0.05%	0.00%	-0.56%	0.00%
(F1) EPS Est 12 week change	-4.12%	-3.80%	0.68%	-4.73%	-8.07%	-3.47%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.00%	-0.03%	0.00%

Analyst Earnings Model⁽²⁾

KB Home (KBH)

In \$MM, except per share data

	2022A FY FY Ends November 30th Nov-22	2023A FY Nov-23	2024A FY Nov-24	1QA 28-Feb-25	2QA 31-May-25	2025E 3QA 31-Aug-25	4QE 30-Nov-25	FY Nov-25	1QE 28-Feb-26	2QE 31-May-26	2026E 3QE 31-Aug-26	4QE 30-Nov-26	FY Nov-26	2027E FY Nov-27
Income Statement														
Total Revenue	\$6,903.8	\$6,410.6	\$6,930.1	\$1,391.8	\$1,529.6	\$1,620.5	\$1,647.2	\$6,189.0	\$1,294.1	\$1,515.9	\$1,677.0	\$1,741.2	\$6,228.2	\$6,544.0
YoY % Chng	20.6%	(7.1%)	8.1%	(5.2%)	(10.5%)	(7.5%)	(17.6%)	(10.7%)	(7.0%)	(0.9%)	3.5%	5.7%	0.6%	5.1%
Depreciation & Amortization	\$34.6	\$39.8	\$40.8	\$9.7	\$10.1	\$10.3	\$9.6	\$39.7	\$8.3	\$9.6	\$9.8	\$9.8	\$37.4	\$37.0
YoY % Chng	10.0%	14.9%	2.4%	(4.8%)	(2.5%)	0.2%	(3.1%)	(2.5%)	(14.1%)	(5.4%)	(5.1%)	1.7%	(5.7%)	(1.3%)
Pre-Tax Income	\$1,072.1	\$771.3	\$850.9	\$139.4	\$142.4	\$143.2	\$151.0	\$576.0	\$104.2	\$124.5	\$144.3	\$155.7	\$528.7	\$570.7
YoY % Chng	54.2%	(28.1%)	10.3%	(20.2%)	(35.6%)	(31.0%)	(39.0%)	(32.3%)	(25.2%)	(12.6%)	0.7%	3.1%	(8.2%)	8.0%
Income Tax	\$255.4	\$181.1	\$195.9	\$29.8	\$34.5	\$33.4	\$35.2	\$132.9	\$24.5	\$29.3	\$33.9	\$36.6	\$124.2	\$134.1
YoY % Chng	95.6%	(29.1%)	8.2%	(17.2%)	(34.5%)	(33.3%)	(38.4%)	(32.2%)	(17.8%)	(15.2%)	1.5%	4.0%	(6.5%)	8.0%
Tax Rate	23.8%	23.5%	23.0%	21.4%	24.2%	23.3%	23.3%	23.1%	23.5%	23.5%	23.5%	23.5%	23.5%	23.5%
Net Income	\$816.7	\$590.2	\$655.0	\$109.6	\$107.9	\$109.8	\$115.8	\$443.1	\$79.7	\$95.2	\$110.4	\$119.1	\$404.4	\$436.6
YoY % Chng	44.6%	(27.7%)	11.0%	(21.0%)	(35.9%)	(30.2%)	(39.2%)	(32.4%)	(27.3%)	(11.7%)	0.5%	2.8%	(8.7%)	8.0%
Distributed Earnings Allocated to Participating Securities	\$0.3	\$0.4	\$0.5	\$0.1	\$0.1	\$0.1	\$0.1	\$0.5	\$0.1	\$0.1	\$0.1	\$0.1	\$0.5	\$0.5
YoY % Chng	5.9%	54.1%	27.6%	(3.4%)	(21.4%)	(21.0%)	(6.6%)	(13.9%)	0.9%	0.0%	0.9%	0.0%	0.4%	0.0%
Undistributed Earnings Allocated to Participating Securities	\$3.9	\$3.9	\$4.3	\$0.6	\$0.6	\$0.6	\$0.6	\$2.4	\$0.6	\$0.6	\$0.6	\$0.6	\$2.4	\$2.4
YoY % Chng	65.0%	(1.1%)	11.4%	(39.5%)	(48.2%)	(40.4%)	(49.6%)	(44.8%)	3.7%	0.0%	(7.1%)	0.0%	(1.0%)	0.0%
Undistributed Earnings Reallocated to Participating Securities	\$3.8	\$3.7	\$4.2	\$0.6	\$0.6	\$0.6	\$0.6	\$2.3	\$0.6	\$0.6	\$0.6	\$0.6	\$2.3	\$2.3
YoY % Chng	66.1%	(1.4%)	11.6%	(38.9%)	(47.7%)	(39.9%)	(49.0%)	(44.2%)	4.1%	0.0%	(6.8%)	0.0%	(0.8%)	0.0%
Basic Shares Outstanding	86.9	80.8	74.8	71.5	70.0	66.4	64.2	68.0	63.2	62.2	61.2	60.2	61.7	57.7
YoY % Chng	(3.9%)	(6.9%)	(7.5%)	(5.7%)	(7.5%)	(10.9%)	(12.1%)	(9.0%)	(11.7%)	(11.2%)	(7.8%)	(6.2%)	(9.3%)	(6.5%)
Diluted Shares Outstanding	89.3	83.4	77.0	73.0	71.2	67.7	65.5	69.4	64.5	63.5	62.5	61.5	63.0	59.0
YoY % Chng	(4.5%)	(6.7%)	(7.7%)	(6.7%)	(8.5%)	(11.6%)	(12.7%)	(9.8%)	(11.6%)	(10.8%)	(7.7%)	(6.1%)	(9.1%)	(6.3%)
Basic EPS	\$9.35	\$7.25	\$8.70	\$1.52	\$1.53	\$1.64	\$1.79	\$6.48	\$1.25	\$1.52	\$1.79	\$1.97	\$6.53	\$7.54
YoY % Chng	50.3%	(22.5%)	20.0%	(16.0%)	(30.8%)	(21.9%)	(30.7%)	(25.5%)	(17.7%)	(0.6%)	9.3%	9.7%	0.7%	15.5%
Diluted EPS	\$9.09	\$7.03	\$8.45	\$1.49	\$1.50	\$1.61	\$1.76	\$6.36	\$1.22	\$1.49	\$1.75	\$1.92	\$6.39	\$7.37
YoY % Chng	51.2%	(22.7%)	20.2%	(15.3%)	(30.2%)	(21.1%)	(30.3%)	(24.8%)	(17.8%)	(0.8%)	8.9%	9.5%	0.5%	15.3%
Dividend per Share	\$0.60	\$0.70	\$0.95	\$0.25	\$0.25	\$0.25	\$0.25	\$1.00	\$0.25	\$0.30	\$0.30	\$0.30	\$1.15	\$1.35
YoY % Chng	0.0%	16.7%	35.7%	25.0%	0.0%	0.0%	0.0%	5.3%	0.0%	20.0%	20.0%	20.0%	15.0%	17.4%
Homebuilding														
Housing Revenue	\$6,880.4	\$6,370.4	\$6,898.7	\$1,387.0	\$1,524.7	\$1,614.0	\$1,641.9	\$6,167.6	\$1,289.9	\$1,511.7	\$1,671.7	\$1,736.8	\$6,210.1	\$6,528.9
YoY % Chng	20.8%	(7.4%)	8.3%	(4.9%)	(10.4%)	(7.6%)	(17.6%)	(10.6%)	(7.0%)	(0.9%)	3.6%	5.8%	0.7%	5.1%
Land Revenue	\$0.0	\$10.7	\$3.6	\$0.0	\$0.0	\$0.5	\$0.1	\$0.6	\$0.1	\$0.2	\$0.2	\$0.2	\$0.7	\$0.7
YoY % Chng			(66.6%)					(83.3%)			(55.3%)	48.0%	13.6%	1.0%
Total Homebuilding Revenue	\$6,880.4	\$6,381.1	\$6,902.2	\$1,387.0	\$1,524.7	\$1,614.5	\$1,642.0	\$6,168.2	\$1,290.1	\$1,511.9	\$1,671.9	\$1,736.9	\$6,210.8	\$6,529.5
YoY % Chng	20.6%	(7.3%)	8.2%	(5.1%)	(10.4%)	(7.5%)	(17.6%)	(10.6%)	(7.0%)	(0.8%)	3.6%	5.8%	0.7%	5.1%
Gross Profit	\$1,667.0	\$1,350.8	\$1,450.8	\$279.6	\$294.7	\$293.3	\$292.9	\$1,160.5	\$226.8	\$266.6	\$297.3	\$312.9	\$1,103.6	\$1,170.8
YoY % Chng	34.9%	(19.0%)	7.4%	(11.3%)	(18.0%)	(18.6%)	(29.6%)	(18.9%)	(9.5%)	(9.5%)	1.3%	6.8%	(4.9%)	6.1%
Pre-Tax Income	\$1,033.6	\$731.8	\$802.0	\$131.8	\$134.2	\$134.5	\$142.2	\$542.8	\$97.2	\$117.0	\$136.1	\$148.1	\$498.5	\$542.4
YoY % Chng	57.3%	(29.2%)	9.6%	(19.2%)	(35.4%)	(31.5%)	(39.4%)	(32.3%)	(26.3%)	(12.8%)	1.2%	4.2%	(8.2%)	8.8%
Financial Services														
Total Financial Services Revenue	\$23.4	\$29.5	\$27.8	\$4.7	\$4.9	\$6.0	\$5.2	\$20.8	\$4.1	\$4.0	\$5.0	\$4.3	\$17.4	\$14.5
YoY % Chng	17.7%	26.1%	(5.7%)	(22.0%)	(41.3%)	(9.3%)	(24.1%)	(25.2%)	(14.2%)	(17.2%)	(16.2%)	(17.9%)	(16.4%)	(16.8%)
Pre-Tax Income	\$38.5	\$39.5	\$48.9	\$7.5	\$8.2	\$8.7	\$8.8	\$33.2	\$7.0	\$7.4	\$8.1	\$7.6	\$30.2	\$28.3
YoY % Chng	0.0%	2.7%	23.8%	(35.0%)	(38.5%)	(20.7%)	(32.6%)	(32.1%)	(7.1%)	(8.8%)	(6.4%)	(13.7%)	(9.1%)	(6.1%)

Zacks Stock Rating System

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Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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Value Score	C
Growth Score	F
Momentum Score	C
VGM Score	D

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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