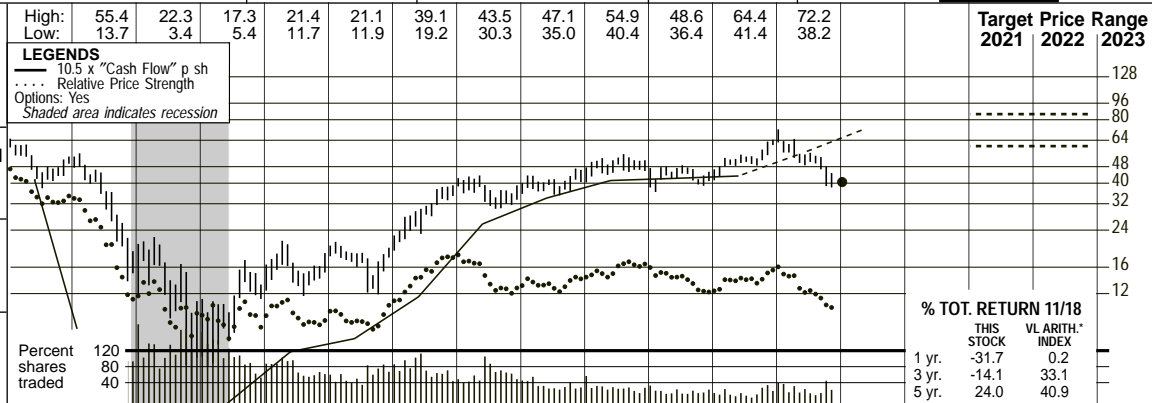


LENNAR CORP. NYSE-LEN

RECENT PRICE **40.47** P/E RATIO **7.1** 8.5 24.0 RELATIVE P/E RATIO **0.45** DIV'D YLD **0.4%** VALUE LINE

TIMELINESS 3 Lowered 11/9/18
SAFETY 3 Raised 3/30/12
TECHNICAL 4 Raised 12/14/18
BETA 1.20 (1.00 = Market)



2021-23 PROJECTIONS
 Price Gain Ann'l Total
 High 85 (+110%) 21%
 Low 60 (+50%) 11%

Insider Decisions
 F M A M J J A S O
 to Buy 0 0 0 0 0 0 0 0 0
 Options to Buy 0 0 0 0 0 0 0 0 0
 to Sell 0 0 0 0 0 0 0 0 0

Institutional Decisions
 10/2018 20/2018 30/2018
 to Buy 386 310 298
 to Sell 185 244 255
 Hld's(000) 281322 283047 280605

Percent shares traded
 120
 80
 40

% TOT. RETURN 11/18
 THIS STOCK VL ARITH. INDEX
 1 yr. -31.7 0.2
 3 yr. -14.1 33.1
 5 yr. 24.0 40.9

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
50.25	55.33	65.92	86.29	100.84	62.46	27.94	16.54	16.15	16.11	21.01	28.47	37.20	43.99	45.78	52.70	58.90	66.90	Sales per sh ^A	76.60
4.07	5.01	6.28	8.77	3.96	d11.57	d6.57	d2.11	.61	.70	1.10	2.45	3.24	3.93	4.02	4.13	5.30	6.95	"Cash Flow" per sh	7.85
3.44	4.56	5.59	8.01	3.62	d12.07	d6.86	d2.40	.50	.48	.84	2.11	2.75	3.39	3.85	3.86	5.35	6.55	Earnings per sh ^{A B}	7.25
.02	.15	.50	.56	.63	.63	.51	.16	.16	.16	.16	.16	.16	.16	.16	.16	.16	.16	Div'ds Decl'd per sh ^C	.28
15.30	20.27	25.43	32.68	35.34	23.44	16.02	12.96	13.70	14.03	17.48	19.99	23.08	26.23	29.38	32.81	43.50	49.70	Book Value per sh	70.85
145.66	160.99	159.35	160.71	161.32	163.08	163.77	188.59	190.37	192.17	195.38	208.50	209.14	215.37	239.16	239.96	330.25	325.00	Common Shs Outst'g ^D	310.00
6.9	6.9	8.1	7.1	14.0	--	--	--	30.4	35.9	33.0	17.5	14.3	14.1	11.5	13.0	10.2		Avg Ann'l P/E Ratio	10.0
.38	.39	.43	.38	.76	--	--	--	1.93	2.25	2.10	.98	.75	.71	.60	.64	.55		Relative P/E Ratio	.55
.1%	.5%	1.1%	1.0%	1.2%	1.7%	3.5%	1.5%	1.0%	.9%	.6%	4%	4%	3%	4%	3%	3%		Avg Ann'l Div'd Yield	.4%

CAPITAL STRUCTURE as of 8/31/18
 Total Debt \$10.6 bill. Due in 5 Yrs \$5.5 bill.
 LT Debt \$9.6 bill. LT Interest \$490 mill.
 (Long-term interest earned: 5.3X) (41% of Cap'l)

Leases, Uncapitalized: Annual rentals \$37.9 mill.
No Defined Benefit Pension Plan

Pfd Stock None
Common Stock 330,285,218 shs.
 (Incl. 37,744,394 Class B shs. w/ 10 votes each)
MARKET CAP: \$13.4 billion (Large Cap)

4575.4	3119.4	3074.0	3095.4	4104.7	5935.1	7779.8	9474.0	10950	12646	19450	21750	Sales (\$mill) ^A	23750
NMF	NMF	4.7%	4.7%	8.5%	12.1%	12.3%	11.9%	12.0%	11.1%	12.0%	13.5%	Operating Margin	13.0%
--	--	--	--	25.3%	26.0%	35.2%	32.3%	31.4%	33.4%	26.0%	25.0%	Income Tax Rate	24.0%
d1109	d417.1	95.3	92.2	187.6	479.7	638.9	802.9	911.8	924.3	1655	2165	Net Profit (\$mill)	2325
NMF	NMF	3.1%	3.0%	4.6%	8.1%	8.2%	8.5%	8.3%	7.3%	8.5%	10.0%	Net Profit Margin	9.8%
2080.3	1503.3	1491.3	1334.7	1625.0	2269.1	3082.3	3957.2	3951.7	4676.3			Homes Inventory (\$mill)	
2419.7	2584.6	2678.3	3025.8	3446.7	4331.9	4654.3	4783.4	5227.2	6184.6			Land Inventory (\$mill)	
4655.1	4576.6	4728.4	4610.1	5315.3	6440.7	7453.7	8116.9	8183.9	10679	15300	15400	Working Cap'l (\$mill)	1875
2544.9	2761.4	3898.9	4158.9	4605.7	4691.4	5313.5	5796.9	4576.0	6410.0	9500	8500	Long-Term Debt (\$mill)	8700
2623.0	2443.5	2608.9	2696.5	3414.8	4168.9	4827.0	5648.9	7026.0	7872.3	14370	16210	Shr. Equity (\$mill)	21960
NMF	NMF	2.5%	2.5%	3.5%	6.6%	7.3%	8.0%	8.9%	7.4%	8.0%	10.0%	Return on Total Cap'l	8.5%
NMF	NMF	3.7%	3.4%	5.5%	11.5%	13.2%	14.2%	13.0%	11.7%	11.5%	13.5%	Return on Shr. Equity	10.5%
NMF	NMF	2.5%	2.3%	4.6%	10.8%	12.6%	13.6%	12.5%	11.3%	11.0%	13.0%	Retained to Com Eq	10.0%
NMF	NMF	31%	32%	16%	6%	5%	4%	4%	4%	3%	2%	All Div'ds to Net Prof	4%

CURRENT POSITION	2016	2017	8/31/18
Cash Assets	1362.5	2694.1	1083.5
Receivables	780.0	756.6	623.4
Inventory F	9178.9	10860.9	17569.1
Current Assets	11321.4	14311.6	19276.0
Accts Payable	596.5	754.7	1109.2
Debt Due	1699.6	1562.5	966.6
Other	841.4	1315.6	1837.3
Current Liab.	3137.5	3632.8	3913.1

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '15-'17
of change (per sh)	-5.5%	21.5%	8.5%
Sales	26.5%	38.0%	12.0%
"Cash Flow"	--	43.5%	12.0%
Earnings	-12.5%	--	10.0%
Dividends	-5%	14.5%	15.5%
Book Value			

Fiscal Year Ends	Feb.28	May 31	Aug.31	Nov.30	Full Fiscal Year
2015	1644.1	2392.6	2491.7	2945.6	9474.0
2016	1993.7	2745.8	2833.9	3376.6	10950.0
2017	2337.4	3261.9	3261.5	3785.6	12646.4
2018	2980.8	5459.1	5672.6	5337.5	19450
2019	3550	5750	6000	6450	21750

Fiscal Year Ends	Feb.28	May 31	Aug.31	Nov.30	Full Fiscal Year
2015	.49	.78	.94	1.19	3.39
2016	.62	.93	.99	1.31	3.85
2017	.56	.91	1.06	1.29	3.86
2018	1.11	1.00	1.30	1.94	5.35
2019	1.22	1.28	1.80	2.25	6.55

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	.04	.04	.04	.04	.16
2015	.04	.04	.04	.04	.16
2016	.04	.04	.04	.04	.16
2017	.04	.04	.04	.04	.16
2018	.04	.04	.04	.04	.16

BUSINESS: Lennar Corp. builds single- and multi-family homes predominately in the eastern, central, and western regions of the United States. The company's average fiscal 2017 home price was \$450,000, versus \$362,000 in fiscal 2016. Homebuilding accounted for 89% of revenues in fiscal 2017. Operates two other businesses: Lennar Financial Services and Lennar Multifamily. Acquired CalAtlantic Group, 2/18. Sold Rialto Investments, 12/18. Has over 10,000 employees. Stuart Miller owns 58.0% of Class B shares. Off./dir. own 2.0% of Class A common stock; GAMCO Investors, 9.8%; The Vanguard Group, 7.2% (3/18 Proxy). CEO: Stuart Miller. Pres.: Rick Beckwith. Inc.: DE. Address: 700 N.W. 107th Ave., Miami, FL 33172. Tel.: 305-559-4000. Internet: www.lennar.com.

Fiscal 2018 (ended November 30th) was a busy and productive year for Lennar Corporation. During the 12-month campaign, the company became the largest U.S. homebuilder after its acquisition of CalAtlantic Group, and once again delivered strong operating results. We estimate that share earnings climbed 35% to 40% for the full fiscal year, with solid demand for new homes and a higher average selling price the main catalysts. **The outlook for fiscal 2019 took a bit of a hit in recent months.** Like many of its peers, Lennar has witnessed some slowing in its new order growth, especially in many of its California communities. Affordability concerns, prompted by higher home prices and rising borrowing costs, have made buyers more skittish recently. This, combined with the prospect of higher land, labor, and raw materials prices, will likely weigh some on near-term bottom-line results. Accordingly, we have shaved \$0.30 a share off our fiscal 2019 forecast, which now sits at \$6.55. **Lennar's history of being proactive has prompted some recent strategic changes.** The company is transitioning to

a more asset light balance sheet, which would probably reduce its operating risk if the housing market were to weaken. The company hopes to accomplish such by increasing the optioned portion of its land position, from 25% to 40%, over the next few years. Too, earlier this month, Lennar completed the sale of a portion of Rialto Investments (distressed assets) business. The plan is to use the funds from the sale and the cost savings from the aforementioned CalAtlantic integration to reduce its debt, buy back stock, and fund homebuilding operations. We think this more conservative approach may prove astute if the slowing in demand were to continue. **Lennar stock does not stand out for Timeliness.** Nevertheless, it still represents one of the better ways to play the homebuilding industry. We think the stock's recent valuation does not reflect the growth potential of the CalAtlantic deal. The company's immense size also will give it a competitive advantage in negotiating more favorable labor and raw materials deals, helping to support margins, especially during trying times.

William G. Ferguson December 21, 2018

(A) Fisc. yr. ends Nov. 30th. (B) Dil. eqs. Excl. n/r gain (loss): '12, \$2.25; '17, (48¢); '18 Q1-Q3, (47¢). Excl. disc ops.: '05, 6¢. Earnings may not sum to total due to rounding. Next eqs. rpt. due mid-January. (C) Div'ds. historically paid in early Feb., early May, late July, and late October. (D) In mill., adj. for split. (E) Qtrly eqs. may not sum to total due to shr. count change. (F) Specific identification.

Company's Financial Strength	B++
Stock's Price Stability	80
Price Growth Persistence	60
Earnings Predictability	55