



PulteGroup Inc. (PHM)

Updated February 2nd, 2026 by Quinn Mohammed

Key Metrics

Current Price:	\$127	5 Year CAGR Estimate:	4.1%	Market Cap:	\$24 B
Fair Value Price:	\$97	5 Year Growth Estimate:	9.0%	Ex-Dividend Date¹:	03/18/2026
% Fair Value:	131%	5 Year Valuation Multiple Estimate:	-5.3%	Dividend Payment Date¹:	04/02/2026
Dividend Yield:	0.8%	5 Year Price Target	\$149	Years Of Dividend Growth:	7
Dividend Risk Score:	B	Sector:	Consumer Discretionary	Rating:	Hold

Overview & Current Events

PulteGroup was founded in 1950 by Bill Pulte. The company has delivered more than 800,000 homes across the United States. It is the nation's third largest homebuilder and has operations in over 45 major cities. The company is marketed under the following brands: Pulte, Centex, Del Webb, DiVosta, American West, and John Wieland Homes and Neighborhoods. The company caters to the needs of first-time, move-up, luxury and active adult homebuyers. PulteGroup trades on the NYSE under the ticker PHM and is based in Georgia, Atlanta. In 2025, PulteGroup recorded \$17 billion in home sale revenues.

PulteGroup reported fourth quarter 2025 results on January 29th, 2026, for the period ending December 31st, 2025. Home sale revenue for the quarter was \$4.5 billion, a 5% year-over-year decrease. The company generated net income of \$502 million, or \$2.56 per share, a 42% decrease from \$4.43 a year ago.

Net new orders increased by 4% to 6,428 homes. The net new order value was flat from the prior year at \$3.5 billion. Gross margin as a percentage of home sales was 24.7%, down 80 basis points from the year-ago quarter. And the quarter-end backlog decreased by 16% to 8,495 homes valued at \$5.3 billion, 19% lower than the prior year. Average sales price decreased by 1% from the prior year, to \$573,000.

The company repurchased 2.4 million of its common shares in the fourth quarter for \$300 million. At the quarter-end, the company had \$2.0 billion in cash and a debt-to-capital ratio of 11.2%.

PulteGroup expects to close 5,700 to 6,100 homes in the first quarter of 2026, and 28,500 to 29,000 homes for the full year.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$1.67	\$2.24	\$3.41	\$3.66	\$5.18	\$7.43	\$11.01	\$11.72	\$14.69	\$11.12	\$10.20	\$15.69
DPS	\$0.36	\$0.36	\$0.38	\$0.45	\$0.50	\$0.57	\$0.61	\$0.68	\$0.82	\$0.88	\$1.04	\$1.46
Shares²	319.1	286.8	277.1	270.2	266.5	259.9	236.2	221.2	209.8	199.5	200.0	180.0

PulteGroup has improved its earnings-per-share at an impressive growth rate in the last ten and five years, boasting a 23% and 17% CAGR, respectively.

The housing market which PulteGroup operates in is still hot, as demand is high, and the supply is very limited. PHM has many brands which allow them to sell to a variety of clientele interested in purchasing housing. Notably, around 60% of closings are attributed to move-up and active-adult buyers, who typically represent higher-margin transactions. The company has a backlog of home orders to construct, but home closings in the most recent period were 3% lower than last year. Cancellations were also up to 12% from 10% in the year-ago quarter.

The increasing average sale price continues to add to the company's earnings growth. Finally, the company's share count has been reduced by more than 5% annually in the last ten years, which significantly increases the earnings-per-share as

¹ Estimate

² In millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



PulteGroup Inc. (PHM)

Updated February 2nd, 2026 by Quinn Mohammed

earnings are spread across fewer outstanding shares. Furthermore, in FY25, PulteGroup repurchased 10.6M shares for \$1.2 billion, representing 5.2% of its shares.

We estimate the company can deliver 9.0% EPS growth through 2031. The increase in interest rates and resultant mortgage rates heavily impacted new order levels and cancellations in the first part of 2023, but rates dropped in 2024 and 2025, and we see demand for housing is still very strong, bolstered by population growth. In fact, PulteGroup estimates that the U.S. has a shortage of several million homes.

The corporation’s dividend has grown by 12% on average over the past five years, and we estimate it will grow at around 7% in the next five years.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	11.3	11.3	8.4	9.0	7.5	8.8	5.1	6.0	9.4	10.3	12.5	9.5
Avg. Yld.	1.9%	1.4%	1.3%	1.4%	1.3%	1.0%	1.3%	0.9%	0.6%	0.8%	0.8%	1.0%

Pulte’s price-to-earnings multiple is above our estimate of fair value today at 12.5 based on 2026 forecasted earnings, implying a moderate negative change in the valuation. PHM is not an income stock with its yield of just 0.8%, and we expect the yield to remain around here as the company prefers to repurchase shares and invest in the business.

Safety, Quality, Competitive Advantage, & Recession Resiliency

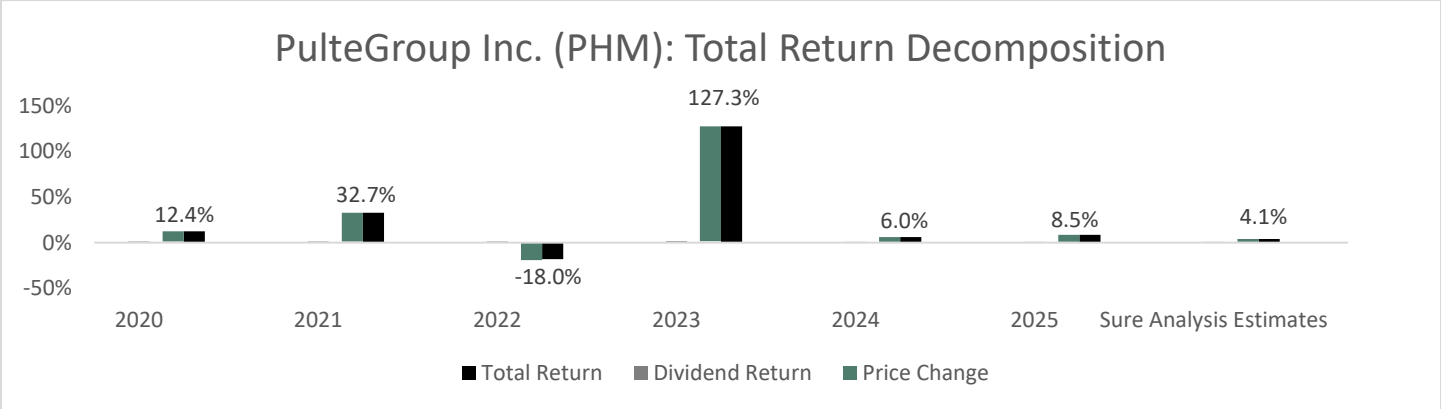
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	22%	16%	11%	12%	10%	8%	6%	6%	6%	8%	10%	9%

The payout ratio remains exceptionally low so the dividend is safe and should continue to grow in the years to come at roughly the rate of earnings. However, PulteGroup is more interested in investing for growth than it is in becoming an income stock. PulteGroup is not recession resistant and was clobbered in the Great Financial Crisis. In fact, the corporation reported higher net income per share in 2005 than it did in 2020. From 2007 to 2011, the company reported net losses and slashed its dividend to zero. While the company is benefiting from strong demand today, interest rates and housing demand can cause volatile earnings in a recession. We don’t see any significant competitive advantage over its peers, but we like the fact that PHM has different banners catering to a variety of client types.

Final Thoughts & Recommendation

We see PulteGroup as a strong company in the homebuilding market, and PHM is forecasted to generate 4.1% total annual returns over the next five years, comprised of the 0.8% starting yield and 9.0% EPS growth, partly offset by 5.3% P/E multiple compression. We are maintaining PulteGroup as a hold.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



PulteGroup Inc. (PHM)

Updated February 2nd, 2026 by Quinn Mohammed

Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	7,677	85,78	10,188	102,13	11,036	13,927	16,229	16060	17950	17,310
Gross Profit	1,948	1,863	2,373	2,397	2,778	3,782	4,834	4719	5221	4,573
Gross Margin	25.4%	21.7%	23.3%	23.5%	25.2%	27.2%	29.8%		29.1%	26.4%
SG&A Exp.	957	892	1,012	1,044	1,011	1,209	1,381	1313	1321	1,574
D&A Exp.	54	51	49	54	66	70	71	81	89	112.51
Operating Profit	977	957	1,348	1,339	1,747	2,557	3,442	3396	3900	2,999
Operating Margin	12.7%	11.2%	13.2%	13.1%	15.8%	18.4%	21.2%		21.7%	17.3%
Net Profit	603	447	1,022	1,017	1,407	1,946	2,617	2602	3083	2,219
Net Margin	7.9%	5.2%	10.0%	10.0%	12.7%	14.0%	16.1%		17.2%	12.8%
Free Cash Flow	29	631	1,389	1,018	1,726	931	556	2105	1562	1,749
Income Tax	331	492	326	323	322	564	822	2602	923	692.59

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	10,178	9,687	10,173	10,716	12,205	13,353	14,797	16090	17360	18,050
Cash & Equivalents	699	273	1,110	1,218	2,582	1,779	1,053	1807	1613	2,009
Accounts Receivable	307	213	153	118	69	57	44	27		0
Inventories	6,771	7,147	7,253	7,681	7,722	9,048	11,326	11800	12670	12,930
Goodwill & Int. Ass.	155	141	127	125	163	147	136	125	115	26.21
Total Liabilities	5,519	5,533	5,355	5,257	5,636	5,863	5,882	5704	5242	5,063
Accounts Payable	405	394	352	436	511	621	566	619	728	724.88
Long-Term Debt	3,461	3,445	3,376	3,092	3,164	2,655	2,632	2462	2145	2,163
Shareholder's Equity	4,659	4,154	4,818	5,458	6,570	7,490	8,914	10380	12120	0
LTD/E Ratio	0.74	0.83	0.70	0.57	0.48	0.35	0.30	0.24	0.18	0.1666

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	6.2%	4.5%	10.3%	9.7%	12.3%	15.2%	18.6%	16.9%	18.4%	12.5%
Return on Equity	12.8%	10.1%	22.8%	19.8%	23.4%	27.7%	31.9%	27.0%	27.4%	17.7%
ROIC	7.9%	5.7%	12.9%	12.1%	15.4%	19.6%	24.1%	21.3%	22.7%	15.0%
Shares Out.	319.1	286.8	277.1	270.2	266.5	259.9	236.2	221.2	209.8	199.54
Revenue/Share	22.44	27.96	35.77	37.10	40.96	53.58	68.72	72.62	85.53	86.76
FCF/Share	0.08	2.06	4.88	3.70	6.41	3.58	2.35	9.52	7.45	8.763

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

Disclaimer

Nothing presented herein is, or is intended to constitute, specific investment advice. Nothing in this research report should be construed as a recommendation to follow any investment strategy or allocation. Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While Sure Dividend has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. There is a risk of loss from an investment in marketable securities. Past performance is not a guarantee of future performance.