PulteGroup Inc. (PHM)

Updated July 24th, 2026 by Quinn Mohammed

Key Metrics

Current Price:	$128	**5 Year CAGR Estimate:**	8.5%	**Market Cap:**	$23 B
Fair Value Price:	$97	**5 Year Growth Estimate:**	14.0%	**Ex-Dividend Date[1]:**	09/16/2026
% Fair Value:	132%	**5 Year Valuation Multiple Estimate:**	-5.5%	**Dividend Payment Date[1]:**	10/02/2026
Dividend Yield:	0.8%	**5 Year Price Target**	$186	**Years Of Dividend Growth:**	7
Dividend Risk Score:	A	**Sector:**	Consumer Discretionary	**Rating:**	Hold

Overview & Current Events

PulteGroup was founded in 1950 by Bill Pulte. The company has delivered more than 875,000 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 second quarter 2026 results on June 22nd, 2026, for the period ending June 30th, 2026. Home sale revenue for the quarter was $3.8 billion, an 11% decrease year-over-year. The company generated net income of $472 million, or $2.48 per share, an 18% decrease from $3.03 a year ago.

Net new orders increased by 6% to 7,536 homes. Net new order value also increased 5% to $4.1 billion. Gross margin as a percentage of home sales was 25.0%, down 200 basis points from the year-ago quarter. Quarter-end backlog increased by 2% to 10,966 homes valued at $6.8 billion, 1% lower than the prior year. Average sales price decreased by 3% from the prior year, to $544,000.

The company repurchased 3.1 million shares in the second quarter for $373 million. At quarter-end, the company had $1.4 billion in cash and a debt-to-capital ratio of 12.3%.

PulteGroup expects to close 7,000 to 7,400 homes in the third 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	***$10.19***	***$19.62***
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***
Shares[2]	319.1	286.8	277.1	270.2	266.5	259.9	236.2	221.2	209.8	199.5	***190.0***	***163.2***

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 the supply is very limited, and demand remains resilient. 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 8% lower than last year. Cancelations were down to 13% from 15% in the year-ago quarter.

The average sale price has historically supported the company's earnings growth over the medium and long term, even though recent price declines have temporarily reduced that contribution. Additionally, the company's share count has

[1] Estimate
[2] In millions
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been reduced by more than 5% annually over the last ten years, which significantly increases the earnings-per-share as 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 14.0% 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, and while rates dropped in 2024 and 2025, demand hasn't bounced back quite as expected. Even so, PulteGroup estimates that the U.S. has a shortage of several million homes, thus supply remains constrained.

The corporation's dividend has grown by 12% on average over the past five years, and we estimate it will grow at around 8% 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	***12.6***	***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%***	***0.8%***

Pulte's price-to-earnings multiple is above our estimate of fair value today at 12.6 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

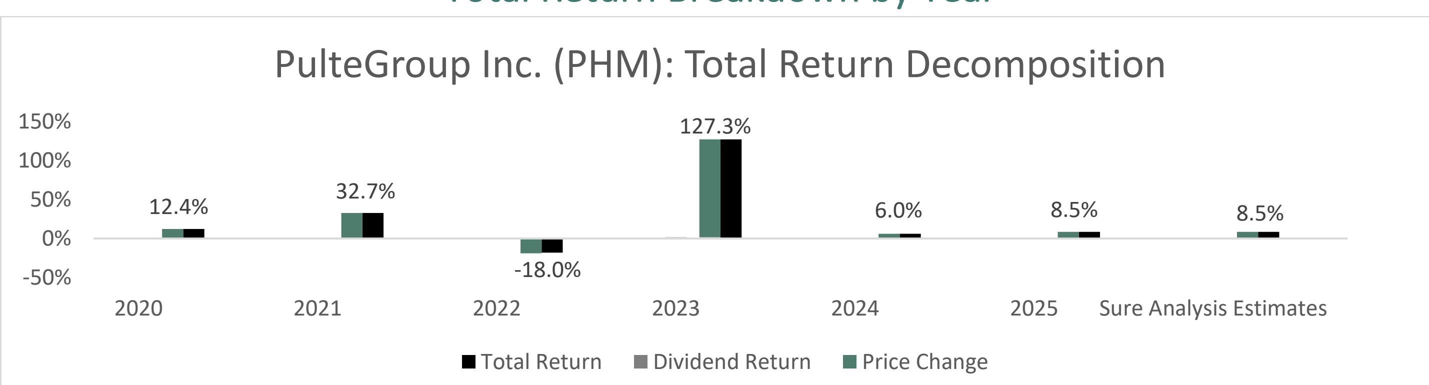
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	22%	16%	11%	12%	10%	8%	6%	6%	6%	8%	***10%***	***8%***

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 8.5% total annual returns over the next five years, comprised of the 0.8% starting yield and 14.0% EPS growth, partly offset by 5.5% P/E multiple compression. We are maintaining PulteGroup as a hold.

Total Return Breakdown by Year



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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	113
Operating Profit	977	957	1,348	1,339	1,747	2,557	3,442	3396	3900	2999
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	1749
Income Tax	331	492	326	323	322	564	822	2602	923	693

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.	155	141	127	125	163	147	136	125	115	26
Total Liabilities	5,519	5,533	5,355	5,257	5,636	5,863	5,882	5704	5242	5063
Accounts Payable	405	394	352	436	511	621	566	619	728	725
Long-Term Debt	3,461	3,445	3,376	3,092	3,164	2,655	2,632	2462	2145	2163
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	0.17

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	287	277	270	267	260	236	221	210	200
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	8.76

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