WESTPEAK RESEARCH ASSOCIATION

Taylor Morrison Home Corp (NYSE: TMHC)

Consumer Cyclical – Residential Construction

Nailed It

January 25, 2024

Taylor Morrison Home Corporation (TMHC) is a leading national homebuilder, established in 2007 and headquartered in Scottsdale, Arizona. Specializing in constructing single-family and multifamily homes, TMHC caters to a wide range of buyers, from first-time homeowners to luxury market clients, operating under brands like Taylor Morrison and Darling Homes.

Thesis

TMHC is strategically positioned to achieve strong earnings growth, supported by strong sustained demand and use of land optioning strategies. These factors are expected to drive improvements in operating margins and sustain sales growth.

Moreover, TMHC trades at a significant discount to peers, with a 2024E P/E of 7.8 and a P/B of 1.21, compared to peer averages of 8.4 and 1.6 respectively. We view this valuation as highly attractive, particularly given our positive outlook for the company's earnings growth.

Valuation

We recommend a BUY rating for Taylor Morrison Home Corp, with an expected return of 12.81%. Our analysis resulted in a target price of $73.90, derived from the EV/EBIT exit multiple and perpetuity growth approaches in the DCF analysis, as well as the P/E and EV/EBITDA multiples from our Comparable Companies Analysis. The perpetuity growth approach is weighted at 50% and the exit multiple approach at 20%, while the P/E and EV/EBITDA multiples were weighted 15% each.

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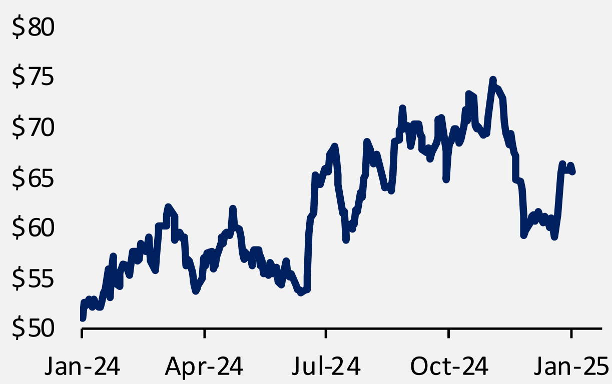
Equity Research	**USA**
Price Target	**USD$ 73.90**
Rating	Buy
Share Price (Jan. 25 Close)	USD$ 65.53
Total Return	12.81%

Key Statistics	
52 Week H/L	$74.80/$44.52
Market Capitalization	$7.64B
Average Daily Trading Volume	$823,620
Net Debt	$1.97B
Enterprise Value	$8.90B
Net Debt/EBIT	5.93x
Diluted Shares Outstanding	105,600
Free Float	97.14%
Dividend Yield	0%

WestPeak’s Forecast

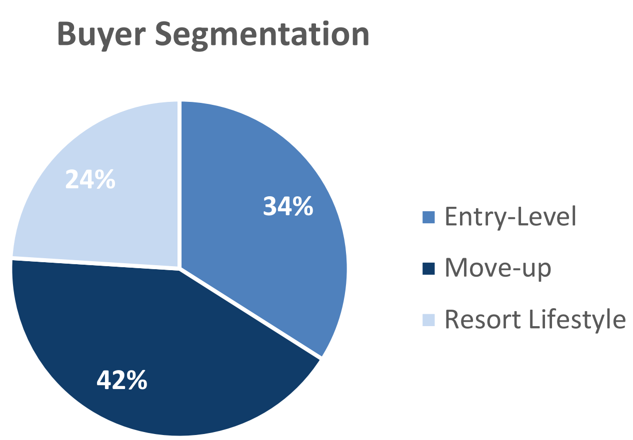
	2025E	**2026E**	**2027E**
Revenue	$8.60B	$9.28B	$10B
EBIT	$1.29B	$1.47B	$1.60B
Net Income	$949M	$1.08B	$1.18B
EPS	$9.16	$10.47	$11.39
P/E	7.29x	7.39x	6.70x
EV/EBIT	7.15x	6.26x	5.75x

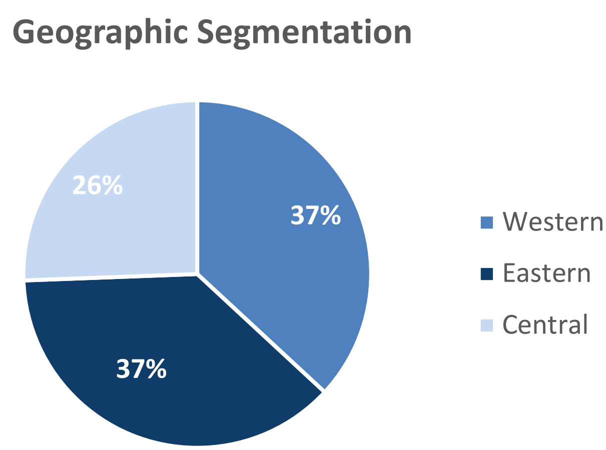
1-Year Price Performance



Company Overview

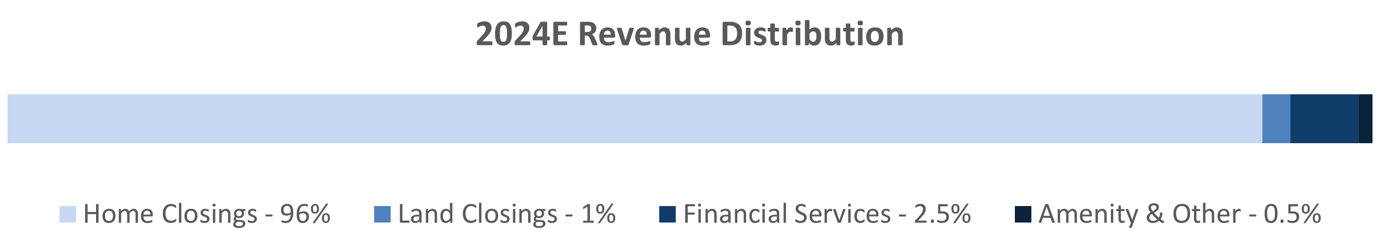
Taylor Morrison Home Corporation (NYSE: TMHC) is a leading national homebuilder and land developer headquartered in Scottsdale, Arizona. Founded when Taylor Woodrow and Morrison Homes merged in 2007, TMHC has established itself as one of the largest players in the U.S. housing industry, focusing on the design, construction, and sale of single-family and multi-family homes.





The company's core business will generate an estimated 96% of its revenue in 2024, reflecting its strong emphasis on homebuilding. TMHC's operations are divided into three geographic segments: West, Central, and East, each encompassing key regional markets. TMHC serves a diverse customer base, offering entry-level, move-up, luxury, and resort-style housing options "Taylored" to various buyer needs, with home closings spread relatively evenly across buyer and geographic segments.

In addition to its primary homebuilding operations, TMHC offers a suite of financial services designed to enhance the overall customer experience. These services include mortgage lending, title insurance, and closing settlement services, all of which facilitate smoother transactions for homebuyers. By integrating these financial solutions into its offerings, TMHC helps streamline the purchasing process and provides additional value to its customers while setting it apart from homebuilders with a more limited set of offerings.



TMHC operates across four primary revenue segments, each contributing to its overall financial performance in distinct ways. The largest segment, Home Closing Revenue, accounts for 96% of TMHC's total revenue. This revenue is generated from the sale of homes and is recognized upon the completion of escrow, reflecting the core of TMHC's homebuilding operations and its primary business focus.

The second segment, Land Closings Revenue, represents 1% of TMHC's total revenue. This revenue stream arises from TMHC's strategic land acquisition and development activities. Typically, TMHC purchases lots with the intent to build and sell homes, but it also acquires land for development and later sells portions to other developers or municipalities, diversifying its land-related income.

Financial Services Revenue, making up 2.5% of TMHC's total revenue, is derived from a range of activities that support its homebuilding operations. This includes mortgage origination fees, gains and losses on the sale of mortgage loans, and hedging activities, all of which enhance TMHC's ability to offer comprehensive financial solutions to homebuyers.

Finally, the Amenity & Other Revenue segment contributes 0.5% of TMHC's total revenue. This segment includes income from the operation of amenities such as golf courses, clubhouses, and fitness centers, which are funded by club dues and member fees. These amenities, along with the financial services, complement TMHC's core homebuilding operations, creating a well-rounded suite of offerings that improves the homebuying experience and distinguishes the company from its competitors.

Industry Analysis

TMHC operates in the United States homebuilding industry, which was estimated to be worth $145.2bn in 2023. The performance of homebuilding is strongly tied to macroeconomic conditions and factors such as employment, interest rates, and consumer confidence. Interest rate hikes beginning in 2022 caused housing starts to decline due to increased borrowing costs deterring potential homebuyers. As a result, homebuilders have undertaken fewer projects, and most players in the industry have seen limited growth.

The industry is also fragmented, with thousands of small to mid-sized local builders alongside larger public companies like TMHC. While the largest players are gradually consolidating their market share, even the top 10 homebuilders only account for approximately 30-40% of the U.S. market. This fragmented structure creates opportunities for smaller builders to thrive in specific niches or regions but also limits the ability of any one company to dominate the national market. TMHC, with its diversified geographic footprint and balanced operations, is well-positioned to navigate these competitive dynamics, especially compared to more regionally concentrated builders.

Regulatory and zoning constraints limit supply of land, particularly in urban areas where housing demand is high. Local regulations and lengthy permitting processes can significantly increase construction timelines and costs, especially in states like California, where housing demand far outpaces supply. The industry is also plagued by labor shortages. Construction workers are in short supply, with 41% of the construction workforce set to retire by 2031.

The U.S. homebuilding industry faces a significant housing deficit, with estimates suggesting a shortfall of several million homes due to years of underbuilding and population growth. This supply-demand imbalance creates a favorable backdrop for homebuilding stocks, as sustained demand for new housing supports long-term growth potential. However, rising interest rates and affordability challenges could temper near-term performance, making the industry's trajectory sensitive to macroeconomic conditions.

Current Environment Favours New Builds

The "lock-in effect" is a factor limiting housing turnover. During Covid-19, many homeowners financed their properties at historically low mortgage rates, often around 3%, compared to a consensus average rate of 6.5% by 2025. This significant rate gap makes selling and refinancing financially unattractive for these homeowners, reducing the supply of homes in the resale market. Consequently, demand is shifting toward new construction, creating a more favorable environment for homebuilders.

TMHC's Current Place within the Industry

Similar to many other homebuilders, TMHC faced many challenges in recent years due to the high-interest rate environment reducing the amount of homebuying activity and pushing down home prices. TMHC's average home price fell from $637,000 to $600,000. This pushed down sales and margins. This resulted in $7.4B in revenue for FY2023 showing an almost 10% decrease YoY and gross margins around 24%.

TMHC remains valued at a discount due to slower than average growth in recent years. However, home orders improved in the low single digits for the first two quarters of 2024, but revenue grew 26% YoY in Q3 with home orders increasing 9%. Gross Margins improved to 24.8%, which was 80 basis points above guidance. The sales increase was attributed to expectations of a lower rate environment and improved consumer sentiment related to cooling inflation and expectations of a soft landing. Margins improvements were attributed to operating leverage from higher than expected home closings and unexpected homes closings in the Bay area, which is a high margin area that typically sees reduced use of financial incentives.

Incentives are the lowest they have been in two years; this contrasts with peers who have had to increase their use of incentives. TMHC can reduce use due to high demand in the areas they operate. Increased demand is further illustrated by decreasing cancellation rates, which were down to 9.3% in Q3 2024, down from 11.3% the year prior. This decline in cancellation rates indicates a strengthening housing market, as fewer buyers are backing out of purchases, reflecting increased consumer confidence and stable demand.

Competitive Advantage

Diverse Customer Base

TMHC demonstrates significant diversification, serving a broad and balanced range of homebuyers across its geographic and buyer segments. This enables the company to compete effectively against other builders and adapt to market conditions, helping to shield it from volatility in specific segments. TMHC boasts only an average local market share of

~5% across 19 markets in 11 states, indicating a balanced footprint compared to competitors with heavier geographic reliance. This is highly valuable given the current economic volatility and uncertainty. TMHC's broad geographic presence sets it apart from most homebuilders, which often concentrate their operations in specific regions, making them more vulnerable to localized market fluctuations.

Consumer-Centric Approach

TMHC offers both spec homes, homes constructed without a specific buyer to meet anticipated market demand, and to-be-built homes, which are not constructed until a buyer has purchased them. This approach allows TMHC to meet varied consumer demand. Consumers who value speed can opt for spec homes which can be delivered much quicker, while consumers who want to place more emphasis on customization can opt for to-be-built homes. This also makes the maximum pool of potential buyers for TMHC much larger, giving the company a higher ceiling for growth. Additionally, TMHC can upsell to-be-built home buyers on customization options which are highly profitable. These contribute significantly to its margins, averaging $101,000 per home in the third quarter, representing 17% of the average closing price.

TMHC's ability to cater to a variety of buyers through both speed and customization options sets it apart from competitors, solidifying its position as a versatile and consumer-focused homebuilder. This dual approach also helps protect TMHC from segment-specific and market risks, as it can adapt to changing economic conditions—such as higher demand for spec homes when interest rates are low or increased demand for customized homes in stable markets.

Large-Scale Operations

Being the 7th largest homebuilder in the United States, TMHC benefits greatly from its large-scale operations. Large homebuilders benefit from their scale, better access to capital, and superior supply chains. This allows public homebuilders to offer deals that smaller competitors simply can’t afford through home prices and incentive options.

Catalysts

Strategic Partnership with Kennedy Lewis

In October 2024, TMHC announced a strategic partnership with land bank Kennedy Lewis to expand its use of land banking strategies for managing inventory. TMHC plans to use land banking strategies among other methods to increase the share of inventory controlled through off-balance sheet mechanisms from 56% in Q3 2024 to a target of 60-65%.

Land banking arrangements allow TMHC to acquire land in stages, helping the company minimize financial exposure and conserve cash or financing capacity. Under this model, TMHC transfers its purchase rights for specific land deals to third-party entities, which then acquire and develop the land using their equity or debt financing. TMHC secures an option to purchase the lots in staged takedowns through a small, non-refundable cash deposit. TMHC will also make interest payments to the land banker depending on the value of the lots it has the right to purchase.

While TMHC is not obligated to buy the lots, forfeiting the deposit or incurring penalties is possible if it chooses not to proceed. These arrangements enable TMHC to access lots without owning the underlying land or assuming the risks of undeveloped holdings. Additionally, the financial obligations and liabilities remain with the third-party entities, keeping these assets off TMHC's balance sheet. This approach helps TMHC manage financial and market risks while ensuring a steady supply of lots for future development.

TMHC currently uses land banking to control 5,822 which is 12% of controlled inventory. TMHC has the right to purchase $968.4MM worth of lots currently controlled by land banks. This collaboration allows TMHC to continue increasing its exposure to land banking services, which improve capital efficiency and reduce financial exposure. This partnership will provide TMHC with approximately $1 billion in additional financing to acquire additional lots for development, which represents 103% of current land banking inventory. The expected impact on margins due to interest payments and forfeited deposits is estimated to remain below 2%.

This use of this model allows TMHC to control significant portions of its lot supply without the need for large upfront investments, thereby freeing up capital for higher-return activities like home construction. The partnership also mitigates risk by transferring the responsibility of holding undeveloped land during market downturns to Kennedy Lewis. This catalyst is expected to be fully realized into 2025 as TMHC continues to increase its use of land optioning agreements, further enhancing its financial flexibility and operational efficiency.

Investment Theses

Land-Light Strategy

TMHC's strategy to control a greater percentage of its land supply through off-balance sheet structures will significantly enhance TMHC's ability to generate free cash flows. By leveraging land optioning and partnerships with land bankers like Kennedy Lewis, TMHC minimizes the need for substantial upfront investments in land, freeing up capital to focus on higher-return activities such as home construction.

Controlling a higher percentage of lots reduces capital intensity, as TMHC only pays for land when it's ready to develop, allowing it to have less capital tied up in operations. Rather than tying up cash in undeveloped land that may not produce returns for years, TMHC can channel resources into building homes, which deliver revenue more quickly with higher margins.

The reduction of risks associated with rising land costs also protects TMHC's profitability and enhances its risk profile as an investment. By locking in land prices through options or agreements, the company avoids exposure to price inflation while retaining the flexibility to adjust to changing market conditions. This strategic control of land improves its return on invested capital by limiting the amount of capital tied up in non-productive assets, directly supporting the generation of free cash flows.

With net leverage at a record low of 1.85x and no debt maturing until 2027, TMHC can deploy additional capital toward operational expansion or share buybacks and is well-positioned to pursue growth opportunities and share buybacks while maintaining strong financial stability. Analysts are currently predicting that TMHC's ROIC will end 2024 at 14.05% and end

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2025 around 13.5-13.75%. Upon analysis we believe that if TMHC can meet its goal of 60-65% controlled inventory they will be able to raise ROIC to 14.25% in 2025. We anticipate the increased ability to generate cash flows as a result of improved capital efficiency will appreciate TMHC's share price.

Strategic Submarket Positioning

TMHC's gross margins are dependent on the demand in the areas they operate. Higher demand means TMHC can lower their use of financial incentives which negatively impact gross margins. TMHC's high exposure to Texas and Florida (accounting for a combined 52.2% of home sales) has raised concerns about rising inventory levels, which the market perceives as indicative of potential overbuilding and weakening demand. Home listings in Texas are currently up 28% YTD and 22% YTD in Florida.

However, TMHC has strategically positioned itself within high-demand, low-competition submarkets in these regions. Notably, only 17% of TMHC's listings are considered competitive within a three-mile radius when factors such as square footage, price, product type, and vintage are considered. This strategic focus has allowed TMHC to maintain strong sales growth despite broader market concerns in the past year. In Florida, sales in key markets such as Naples have grown by over 30%. Additionally, TMHC has reported that use of discounts in Florida has decreased significantly compared to prior quarters, reflecting resilient demand despite high levels of inventory. Similarly, in Texas, TMHC reported nearly 20% sales growth and 30% higher absorption rates in Austin, while Houston saw a 50% year-over-year reduction in discounting alongside significantly improved sales paces.

Rising inventory has not affected TMHC's sales, with home closings expected to grow 10% year over year. We expect this to continue going forward due to the lack of competitive listings key regions. TMHC strategically operates in high demand and low competition submarkets. This has driven their strong growth despite concerns for the broader regions. It is estimated that only 17% of listings are considered competitive to listings within a three-mile radius of TMHC communities, taking into consideration square footage, price, product type and vintage factors.

Diverse Customer Base

TMHC's diverse customer base provides resilience against headwinds in specific market segments, enabling it to maintain strong margins despite challenging economic conditions.

For example, catering to first-time homebuyers is particularly costly in the current high-interest rate environment, as builders often need to offer incentives, such as rate buydowns, to help these buyers secure affordable financing. These incentives, while necessary to drive demand in the entry-level segment, can significantly pressure gross margins. However, TMHC has successfully mitigated this impact due to its balanced customer mix, with a limited proportion of its sales coming from the entry-level segment.

TMHC also has high levels of geographic diversity. This improves TMHC's risk-to-return profile as an investment by reducing its exposure to localized economic downturns or housing market fluctuations. Geographic diversity allows TMHC to balance performance across regions, capitalizing on growth in strong markets while mitigating the impact of potential weaknesses in others. Additionally, operating in multiple regions enables the company to adapt to varying demand drivers and consumer preferences, contributing to more stable and predictable cash flows over time. This stability supports the company's ability to sustain long-term profitability.

Many homebuilders have business models that are heavily reliant on specific states or buyer segments, making their performance highly sensitive to localized economic conditions or demographic trends. For example, certain players such as NVR and M/I Homes are heavily concentrated in 1-2 states where housing demand is strong, but they become vulnerable to regional economic slowdowns, regulatory changes, or natural disasters that can disrupt construction and sales.

Similarly, builders that concentrate primarily on one buyer segment—such as first-time homebuyers or luxury buyers—face risks if demand in that segment weakens. For instance, a sharp rise in mortgage rates might disproportionately affect first-time homebuyers, while luxury builders could struggle in a recession when higher-end buyers tighten their spending.

By contrast, TMHC's balanced approach to serving multiple buyer segments—such as entry-level, move-up, and lifestyle buyers—and operating across a wide geographic footprint allows it to smooth out these risks. This strategic flexibility positions TMHC to outperform in the current housing market, where affordability remains a key concern due to elevated mortgage rates. By avoiding overreliance on any single buyer segment or geographic market, TMHC can continue to drive consistent home sales and maintain strong margins despite broader economic uncertainty.

Valuation

Discounted Cash Flow Assumptions

Revenue Forecasts

With mortgage rates projected to remain steady in 2025, we anticipate that TMHC's revenue growth will largely mirror that of 2024. Looking ahead to 2026 expected declines in interest rates should enhance mortgage accessibility for a broader segment of Americans, accelerating revenue growth to 8%. We expect revenue growth to gradually slow to 6% by 2029.

COGS

Taylor Morrison Home Corporation's (TMHC) cost of goods sold (COGS) is influenced by its use of sales incentives, which are closely tied to housing demand. With mortgage rates projected to remain around 6.3% throughout 2025, we anticipate that TMHC will maintain its current level of incentives to stimulate sales. Consequently, we forecast the COGS percentage to stay near the 2024 level of 76.25% through 2025. Looking ahead to 2026, as mortgage rates are expected to decline to approximately 5.9%, reducing the necessity for sales incentives, we project a slight improvement in COGS to 75%.

WACC

The company's weighted average cost of capital of 9.6% was calculated using a cost of equity of 11.3% and a cost of debt of 5.3% taken from Bloomberg Terminal. To calculate the cost of equity, we used a risk-free rate of 4.48%, an expected market return of 10.25%, and a beta of 1.17.

Perpetuity Growth Rate

Given the cyclical nature of TMHC's business model, we allocated 50% weight in our valuation to the Perpetuity Growth Method, using 3% as our terminal growth rate. We chose 3% because this reflects the long-term growth rate for the average value of lots, based on our analysis of land inventory and deposits.

Terminal EV/EBIT Multiple

We used 7.72x as our EV/EBIT Multiple, taken as the mean from our set of comparable companies using 2024E EBITDA. We gave the EV/EBIT Multiple method a 20% weight in our target price valuation.

Risks

Overall, we view TMHC as having a highly favourable risk profile, especially for a company operating in the homebuilding industry. However, there are three key risks to our BUY Rating.

Land Price Volatility

TMHC's working capital demonstrates significant sensitivity to fluctuations in land prices. Consequently, the company's capacity to generate free cash flows is directly impacted by upward movements in land costs. A pronounced increase in land prices could precipitate substantial working capital outflows, as TMHC allocates greater resources to acquire developable lots, thereby elevating the capital invested in its operations and exerting downward pressure on ROIC.

Labour Shortages & Aging Workforce

The construction industry continues to face a tight labor market, exacerbated by an aging workforce and limited new entrants into skilled trades. This could lead to project delays, increased labor costs, and difficulty maintaining TMHC's operational efficiency, potentially impacting margins and delivery schedules. The ongoing labor shortages and aging workforce could pressure TMHC's ability to execute its land-light strategy efficiently and sustain its strong margins in key submarkets. Rising labor costs and potential project delays may reduce the benefits of its capital-efficient approach, impacting free cash flow generation and overall return on invested capital.

Softer than Expected Demand across Key Markets (CA, FL, TX)

Key markets such as California, Florida, and Texas are critical drivers of TMHC's growth. A slowdown in demand due to regional market dynamics, increased competition, or affordability issues could result in lower-than-expected closings and revenue growth, challenging the company's ability to meet its guidance. However, given the sheer size and economic diversity of these states, with multiple high-growth metro areas and distinct housing submarkets, TMHC has ample opportunity to shift focus within these regions to mitigate localized slowdowns. This makes a broad-based decline across all TMHC's key markets unlikely, as demand fluctuations tend to be regional rather than statewide.

Recommendation - BUY

We recommend a BUY rating for Taylor Morrison Home Corporation (TMHC), supported by submarket positioning, improving returns on invested capital, and compelling valuation relative to peers. TMHC's land-light strategy, supported by its strategic partnership with Kennedy Lewis, enhances capital efficiency and reduces financial exposure, positioning the company to generate strong free cash flows. Additionally, its focus on high-demand, low-competition submarkets has allowed TMHC to achieve above-average sales growth while minimizing reliance on incentives.

Despite broader challenges in the housing market, such as labor shortages and affordability concerns, TMHC has demonstrated resilience through its diversified customer base and geographic footprint. With revenue and margins steadily improving, TMHC is poised to benefit from a more favorable interest rate environment in the coming years. Weighing perpetuity growth at 50%, the exit multiple approach at 20% and P/E and EV/EBITDA multiples at 15% each, we assign a price target of $73.90, representing a 12.81% total return. We placed greater weight on the perpetuity growth method due to the cyclical nature of TMHC's business, as it better captures the long-term growth potential of the company amidst housing market fluctuations, while the lower weights on comparable multiples reflect the difficulty in finding pure-play peers given TMHC's unique operational and geographic diversity.

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Appendix 1 – Income Statement

Income Statement	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	4,762,059	6,129,320	7,501,265	8,224,917	7,417,831	8,003,779	8,599,216	9,277,202	10,008,928	10,702,239	11,340,533
Home Closing COGS	3,836,857	4,887,757	5,713,905	5,904,458	5,451,401	5,819,000	6,303,959	6,726,896	7,251,685	7,790,257	8,257,673
Land Closing COGS	32,871	64,432	83,853	63,644	55,218	78,823	77,424	81,296	85,360	89,628	94,110
Financial Services Expenses	51,806	88,910	101,848	83,960	93,990	109,357	120,400	126,420	132,740	139,378	146,346
Amenity & Other Expenses	17,155	44,002	53,778	80,489	34,149	37,910	39,969	41,967	44,065	46,269	48,582
Total COGS	3,937,969	5,085,101	5,953,384	6,132,551	5,634,758	6,045,089	6,541,752	6,976,578	7,513,851	8,065,532	8,546,711
Gross Profit	824,090	1,044,219	1,547,881	2,092,366	1,783,073	1,958,689	2,057,464	2,300,624	2,495,078	2,636,707	2,793,822
Sales & Marketing Costs	320,420	377,496	400,376	398,074	418,134						
G&A	169,851	194,879	267,966	245,138	280,573						
SG&A	490,271	572,375	668,342	643,212	698,707	778,877	808,326	872,057	940,839	1,006,010	1,066,010
EBIT	333,819	471,844	879,539	1,449,154	1,084,366	1,179,813	1,249,138	1,428,567	1,554,238	1,630,697	1,727,812
D&A	31,424	37,336	39,980	33,839	33,406	40,920	36,977	39,892	43,038	46,020	48,764
EBITDA	365,243	509,180	919,519	1,482,993	1,117,772	1,220,733	1,286,115	1,468,459	1,597,277	1,676,716	1,776,576
Interest Income, net	(2,673)	(1,606)	3,792	17,674	(12,577)	7,423	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
Other Expense, net	7,226	23,092	23,769	38,497	87,567	3,837	-	-	-	-	-
Net Loss (income) from unconsolidated entities	(9,509)	(11,176)	(11,130)	14,184	(8,757)	(6,086)	-	-	-	-	-
Transaction & Corporate Reorganization Expenses	10,697	127,170	-	-	-	-	-	-	-	-	-
Gain/Loss of Extinguishment on Debt, net	5,806	10,247	-	(13,876)	295	-	-	-	-	-	-
EBT	322,272	324,117	863,108	1,392,675	1,017,838	1,174,639	1,257,138	1,436,567	1,562,238	1,638,697	1,735,812
Tax Expense	67,358	74,590	180,741	336,428	248,097	286,074	307,999	351,959	382,748	401,481	425,274
Net Income before non-controlling interests	254,914	249,527	682,367	1,056,247	769,741	888,564	949,139	1,084,608	1,179,490	1,237,216	1,310,538
Net Income Attributable to non-controlling interests	(262)	(6,088)	(19,341)	(3,447)	(812)	(1,691)	-	-	-	-	-
Net Income	254,652	243,439	663,026	1,052,800	768,929	886,873	949,139	1,084,608	1,179,490	1,237,216	1,310,538
Common Shares Outstanding	106,997	131,011	126,077	114,982	108,424	103,600	103,600	103,600	103,600	103,600	103,600
Diluted Shares Outstanding	108,289	132,370	128,019	116,221	110,145	105,600	105,600	105,600	105,600	105,600	105,600
Earnings per share											
Basic Earnings per share	2.38	1.90	5.26	9.16	7.09	8.56	9.16	10.47	11.39	11.94	12.65
Diluted Earnings Per Shares	2.35	1.89	5.18	9.06	6.98	8.40	8.99	10.27	11.17	11.72	12.41

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Appendix 2 – Cash Flow Statement

Cumulative Cash Flow Statement	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Operating Activities											
Net Income	254,914	249,527	682,367	1,056,247	769,741	888,564	949,139	1,084,608	1,179,490	1,237,216	1,310,538
D&A	31,424	37,336	39,980	33,839	33,406	40,920	36,977	39,892	43,038	46,020	48,764
Equity in income of unconsolidated entities	(9,509)	(11,176)	(11,130)	14,184	(8,757)	(6,086)	-	-	-	-	-
Stock Compensation Expense	14,763	32,129	19,943	26,901	26,095	17,016	-	-	-	-	-
Loss on Extinguishment of Debt	5,806	10,247	-	(14,508)	295	-	-	-	-	-	-
Distributions of earnings from unconsolidated entities	10,473	11,564	-	(13,876)	9,230	-	-	-	-	-	-
Lease Expense	9,087	16,785	10,740	5,270	24,808	11,265	-	-	-	-	-
Debt issuance costs/premium ammoritization	1,173	(1,852)	17,885	27,420	3,315	16,089	-	-	-	-	-
Deferred Income Taxes	2,655	50,582	539	2,260	(169)	2,223	-	-	-	-	-
Inventory Impairments	9,384	9,611	86,838	83,584	11,791	(8,175)	-	-	-	-	-
Land Held for Land Impariments	-	4,347	4,663	24,870	(14,829)	-	-	-	-	-	-
Chicago assets held for sale valuation adjustments	9,942	-	-	-	-	2,325	-	-	-	-	-
Change in Urban Form assets due to sale	-	-	20,440	42,046	-	6,782	-	-	-	-	-
Cash flow from operations before Working Capital	340,112	409,100	872,265	1,288,237	854,926	970,923	986,116	1,124,500	1,222,528	1,283,236	1,359,302
					-						
Real estate inventory and land deposits	990	535,238	(343,127)	(50,792)	(78,575)	(450,310)	(110,095)	(468,122)	(772,686)	(465,544)	(493,895)
Mortgages held for sale, prepaid expenses and other assets	(26,614)	(35,878)	(511,220)	5,789	31,012	(225,216)	(23,439)	(26,031)	6,056	(24,266)	(22,340)
Customer deposits	1,896	132,446	174,448	(73,613)	(86,005)	112,339	33,484	37,187	(8,651)	34,666	31,915
Income taxes payable	73,113	62,329	197,121	(61,849)	84,811	118,855	-	-	-	-	-
A/P, estimated development liability, accrued expenses & other	3,719	20,047	(12,841)	-	-	33,884	25,842	20,878	(6,253)	24,826	21,653
Net cash provided by operating activities	393,216	1,123,282	376,646	1,107,772	806,169	560,475	911,908	688,413	440,994	852,917	896,635
					-	-	-	-	-	-	-
					-	-	-	-	-	-	-
Cash Flows from Investing Activities					-	-	-	-	-	-	-
PP&E	(30,118)	(37,760)	(21,199)	(30,581)	(33,426)	(48,191)	(85,992)	(92,772)	(100,089)	(107,022)	(113,405)
Payments for Business Acquisitions	-	(279,048)	31,915	-	-	18,599	-	-	-	-	-
Distribution of capital from unconsolidated entities	23,584	40,062	(74,976)	125,275	824	(74,647)	-	-	-	-	-
Investments of capital into unconsolidated entities	(12,766)	(36,058)	-	(109,574)	(64,589)	-	-	-	-	-	-
Payments to acquire investments & securities	-	-	(10,000)	-	-	-	-	-	-	-	-
Net Cash Used in Investing Activities	(19,300)	(312,804)	(74,260)	(14,880)	(97,191)	(104,239)	(85,992)	(92,772)	(100,089)	(107,022)	(113,405)
Cash Flows from Finanacing Activities											
Increase in Loans Payable and Other Borrowings	26,740	93,440	130,493	38,202	7,103	-	-	-	500,000	-	-
Repayments of Loans Payable & Other Borrowings	(30,383)	(141,103)	(124,786)	(71,172)	(20,747)	(52,093)	-	-	-	-	-
Borrowings on Revolving Credit Facility	315,000	830,000	131,529	381,019	-	100,000	-	-	-	-	-
Payments on Revolving Credit Facility	(515,000)	(830,000)	(100,000)	(412,548)	-	(100,000)	-	-	-	-	-
Borrowings on Mortgage Warehouse	1,145,799	2,448,980	3,327,954	2,662,241	3,007,682	2,588,250	-	-	-	-	-
Repayments on Mortgage Warehouse	(1,152,919)	(2,489,867)	(3,041,356)	(2,770,056)	(3,160,290)	(2,508,383)	-	-	-	-	-
Proceeds from the Issuance of senior notes	950,000	500,000	-	-	-	-	-	-	-	-	-
Repayments of Senior Notes	(963,252)	(861,775)	-	(622,780)	(350,000)	(7,442)	-	-	(527,070)	(450,000)	-
Payment of deferred financing costs	(11,603)	(6,351)	-	-	-			-	-	-	-
Proceeds from stock option exercises	13,238	9,579	23,331	6,697	17,013	(1,382)	-	-	-	-	-
Payment of principle portion of finance lease	-	(1,325)	(1,345)	(1,344)	(1,316)	(257,691)	-	-	-	-	-
Repurchase of common stock, net	(157,439)	(103,332)	(281,420)	(376,275)	(127,959)	-	-	-	-	-	-
Payment of taxes related to net share settlement of equity awards	(1,585)	(9,228)	(5,420)	(5,320)	-	(577)	-	-	-	-	-
Cash & distributions to non-controlling interests of consolidated joint ventures	4,201	(8,291)	(59,135)	(31,261)	-	-	-	-	-	-	-
Payment to Acquire non-controlling interests	-	(35,668)	-	-	-	-	-	-	-	-	-
Net Cash Used in Financing Activities	(377,203)	(604,941)	(155)	(1,202,597)	(628,514)	(239,318)	-	-	(27,070)	(450,000)	-
Beginning Cash Balance	331,859	328,572	534,109	836,340	726,635	807,099	1,024,017	1,849,933	2,445,574	2,759,409	3,055,304
Net Change in Cash	(3,287)	205,537	302,231	(109,705)	80,464	216,918	825,916	595,641	313,835	295,895	783,229
Ending Cash Balance	328,572	534,109	836,340	726,635	807,099	1,024,017	1,849,933	2,445,574	2,759,409	3,055,304	3,838,533

Appendix 3 – Balance Sheet

Balance Sheet	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Assets											
Cash & Cash Equivalents	328,572	534,109	836,340	726,635	807,099	1,024,017	1,849,933	2,445,574	2,759,409	3,055,304	3,838,533
Real Estate Inventory	3,986,544	5,332,426	5,499,521	5,370,876	5,545,446	6,004,449	6,080,727	6,509,810	7,247,919	7,689,317	8,157,596
Land Deposits	39,810	125,625	229,535	263,356	203,217	289,043	322,859	361,898	396,475	420,621	446,237
Mortage Loans Held for Sale	190,880	201,177	467,534	346,364	193,344	306,898	330,337	356,368	350,312	374,578	396,919
Derivative Assets	2,099	5,294	2,110	1,090	-	-	-	-	-	-	-
Lease right of use assets	36,663	73,222	85,863	90,446	75,203	69,083	69,083	69,083	69,083	69,083	69,083
Prepaid Expenses & Other Assets	85,515	242,744	314,986	264,302	290,925	336,051	336,051	336,051	336,051	336,051	336,051
Other receivables net	70,447	96,241	150,864	191,504	184,518	207,595	207,595	207,595	207,595	207,595	207,595
Investments in unconsolidated entities	128,759	127,955	171,406	282,900	346,192	397,061	397,061	397,061	397,061	397,061	397,061
Deferred tax assets	140,466	238,078	151,240	67,656	67,825	67,825	67,825	67,825	67,825	67,825	67,825
Property & Equipment, Net	86,503	97,927	155,181	202,398	295,121	334,978	383,994	436,874	493,925	554,927	619,568
Goodwill	149,428	663,197	663,197	663,197	663,197	663,197	663,197	663,197	663,197	663,197	663,197
Total Assets	5,245,686	7,737,995	8,727,777	8,470,724	8,672,087	9,700,198	10,708,663	11,851,336	12,988,852	13,835,559	15,199,665
				6,991,221	7,095,298						
Liabilities											
A/P	164,580	215,047	253,348	269,761	263,481	297,656	323,498	344,376	338,123	362,949	384,602
Accrued Expenses & Other	325,368	430,067	525,209	490,253	549,074	577,501	577,501	577,501	577,501	577,501	577,501
Operating Lease Liabilities	42,317	83,240	96,172	100,174	84,999	79,426	79,426	79,426	79,426	79,426	79,426
Income taxes Payable	3,719	12,841	-	-	-	-	-	-	-	-	-
Customer Deposits	167,328	311,257	485,705	412,092	326,087	438,426	471,910	509,098	500,446	535,112	567,027
Estimated development liabilities	36,705	40,625	38,923	43,753	27,440	19,241	19,241	19,241	19,241	19,241	19,241
Senior notes, net	1,635,008	2,452,365	2,452,322	1,816,303	1,468,695	1,470,014	1,470,014	1,470,014	1,442,944	992,944	992,944
Loans Payable & other borrowings	182,531	348,741	404,386	361,486	394,943	439,878	439,878	439,878	439,878	439,878	439,878
Revolving Credit Facility Borrowings	-	-	31,529	-	-	-	-	-	-	-	-
Mortgage warehouse borrowings	123,233	127,289	413,887	306,072	153,464	233,331	233,331	233,331	233,331	233,331	233,331
Liabilities attributable to real estate not onwed	19,185	122,773	55,314	23,971	71,618	175,245	175,245	175,245	175,245	175,245	175,245
Total Liabilities	2,699,974	4,144,245	4,756,795	3,823,865	3,339,801	3,730,718	3,790,044	3,848,110	3,806,136	3,415,627	3,469,195
				1,272,280							
Shareholder's Equity											
Common stock	1	1	1	1	1	1	1	1	1	1	1
APIC	2,097,995	2,926,773	2,997,211	3,025,489	3,068,597	3,078,171	3,078,171	3,078,171	3,078,171	3,078,171	3,078,171
Treasury stock	(343,524)	(446,856)	(760,863)	(1,137,138)	(1,265,097)	(1,525,465)	(1,525,465)	(1,525,465)	(1,525,465)	(1,525,465)	(1,525,465)
						-					
Retained Earnings	782,350	1,025,789	1,688,815	2,741,615	3,510,544	4,397,417	5,346,556	6,431,164	7,610,654	8,847,870	10,158,408
Accumulated & other comprehensive income	884	(1,166)	689	359	896	896	896	896	896	896	896
Total Stockholder's equity attributable to TMHC	2,537,706	3,504,541	3,925,853	4,630,326	5,314,941	5,951,020	6,900,159	7,984,767	9,164,257	10,401,473	11,712,011
Non-controlling interest	8,006	89,209	45,129	16,533	17,345	18,459	18,459	18,459	18,459	18,459	18,459
Total Stockolder's Equity	2,545,712	3,593,750	3,970,982	4,646,859	5,332,286	5,969,479	6,918,618	8,003,226	9,182,716	10,419,932	11,730,470
Total Stockholder's Equity + Liabilities	5,245,686	7,737,995	8,727,777	8,470,724	8,672,087	9,700,198	10,708,663	11,851,336	12,988,852	13,835,559	15,199,665

Appendix 4 – Margin Analysis

Margin Analysis	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
COGS, % of revenue	82.69%	82.96%	79.37%	74.56%	75.96%	75.53%	76.07%	75.20%	75.07%	75.36%	75.36%
Gross Margin	17.31%	17.04%	20.63%	25.44%	24.04%	24.47%	23.93%	24.80%	24.93%	24.64%	24.64%
Gross Profit Growth		26.71%	48.23%	35.18%	-14.78%	9.85%	5.04%	11.82%	8.45%	5.68%	5.96%
Home closings COGS, % of home closings Revenue	82.99%	83.36%	79.68%	74.84%	76.15%	75.69%	76.25%	75.34%	75.20%	75.50%	75.50%
Home closings gross margin	17.01%	16.64%	20.32%	25.16%	23.85%	24.31%	23.75%	24.66%	24.80%	24.50%	24.50%
Land Closings COGS, % of land closings Revenue	121.38%	98.72%	84.32%	78.50%	90.56%	99.41%	93.00%	93.00%	93.00%	93.00%	93.00%
Home closings gross margin	-21.38%	1.28%	15.68%	21.50%	9.44%	0.59%	7.00%	7.00%	7.00%	7.00%	7.00%
Financial services COGS, % of financial services Revenue	55.82%	57.06%	61.87%	61.97%	58.63%	56.27%	59.00%	57.97%	59.00%	59.00%	59.00%
Financial services gross margin	44.18%	42.94%	38.13%	38.03%	41.37%	43.73%	41.00%	42.03%	41.00%	41.00%	41.00%
Amenity & other COGS, % of amenity & other Revenue	91.84%	98.72%	81.76%	67.65%	90.60%	89.63%	90.00%	90.08%	90.00%	90.00%	90.00%
Home closings gross margin	8.16%	1.28%	18.24%	32.35%	9.40%	10.37%	10.00%	9.92%	10.00%	10.00%	10.00%
SG&A, % of revenue, %	10.30%	9.34%	8.91%	7.82%	9.42%	9.73%	9.40%	9.40%	9.40%	9.40%	9.40%
EBITDA Margin	7.67%	8.31%	12.26%	18.03%	15.07%	15.25%	14.96%	15.83%	15.96%	15.67%	15.67%
EBIT Margin	7.01%	7.70%	11.73%	17.62%	14.62%	14.74%	14.53%	15.40%	15.53%	15.24%	15.24%
Net Margin	5.35%	3.97%	8.84%	12.80%	10.37%	11.08%	11.04%	11.69%	11.78%	11.56%	11.56%
Effective Tax Rate	20.90%	23.01%	20.94%	24.16%	24.37%	24.35%	24.50%	24.50%	24.50%	24.50%	24.50%

Appendix 5 – Working Capital Analysis

Working Capital Analysis	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Current Assets											
Real estate inventory, % of Revenue	83.71%	87.00%	73.31%	65.30%	74.76%	75.02%	70.71%	70.17%	72.41%	71.85%	71.93%
Land deposits, % of Revenue	0.84%	2.05%	3.06%	3.20%	2.74%	3.61%	3.75%	3.90%	3.96%	3.93%	3.93%
Mortgage loans held for sale, % of Revenue	4.01%	3.28%	6.23%	4.21%	2.61%	3.83%	3.84%	3.84%	3.50%	3.50%	3.50%
Current Liabilities											
Customer deposits, % of Revenue	3.51%	5.08%	6.47%	5.01%	4.40%	5.48%	5.49%	5.49%	5.00%	5.00%	5.00%
Accounts payable, % of COGS	4.18%	4.23%	4.26%	4.40%	4.68%	4.92%	4.95%	4.94%	4.50%	4.50%	4.50%
Income taxes payable, % of Revenue	0.08%	0.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
LTM Homes Delivered, # of homes	9,964	12,524	13,699	12,647	11,495	12,725	13,616	14,433	15,154	15,609	16,077
Y/Y Homes Delivered Growth, %		25.69%	9.38%	-7.68%	-9.11%	10.70%	7.00%	6.00%	5.00%	3.00%	3.00%
Total Homebuilding Owned Lots, # of lots	42,606	53,379	48,013	44,067	34,077	33,085	32,678	33,917	35,613	36,681	37,781
Total Controlled Lots, # of lots	11,273	21,905	28,762	30,842	38,285	47,082	51,059	55,566	59,102	60,875	62,701
Total Homebuilding Lots	53,879	75,284	76,775	74,909	72,362	80,167	83,737	89,482	94,714	97,556	100,482
Average value per owned lot, $k/lot	$93.12	$97.60	$113.39	$121.34	$160.63	$176.69	$180.66	$191.67	$197.42	$203.34	$209.44
Y/Y Average value per owned lot growth, %		4.81%	16.18%	7.01%	32.39%	10.00%	2.25%	3.00%	3.00%	3.00%	3.00%
Average value per controlled lot, $k/lot	$1.70	$5.60	$1.92	$0.78	$1.87	$3.37	$3.47	$3.57	$3.68	$3.79	$3.90
Y/Y Average value per controlled lot growth, %		229.33%	-65.69%	-59.59%	140.69%	80.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Homebuilding owned lots supply, years	4.28	4.26	3.50	3.48	2.96	2.60	2.40	2.35	2.35	2.35	2.35
Homebuilding controlled lots supply, years	1.13	1.75	2.10	2.44	3.33	3.70	3.75	3.85	3.90	3.90	3.90
Homebuildings lots supply, years	5.41	6.01	5.60	5.92	6.30	6.30	6.15	6.20	6.25	6.25	6.25
% of Supply Owned	79.08%	70.90%	62.54%	58.83%	47.09%	41.27%	39.02%	37.90%	37.60%	37.60%	37.60%
Owned Inventory	3,967,359	5,209,653	5,444,207	5,346,905	5,473,828	5,845,914	5,903,645	6,311,316	7,030,459	7,458,614	7,912,844
Real Estate Not Owned	19,185	122,773	55,314	23,971	71,618	158,535	177,082	198,494	217,459	230,703	244,752
Total Real Estate Inventory	3,986,544	5,332,426	5,499,521	5,370,876	5,545,446	6,004,449	6,080,727	6,509,810	7,247,919	7,689,317	8,157,596
Land Deposits per Lot Controlled, k$/lot	3.53	5.73	7.98	8.54	5.31	6.14	6.32	6.51	6.71	6.91	7.12
Y/Y Land Deposits per Lot Controlled growth, %		62.40%	39.15%	7.00%	-37.84%	15.66%	3.00%	3.00%	3.00%	3.00%	3.00%
Land Deposits	39,810	125,625	229,535	263,356	203,217	289,043	322,859	361,898	396,475	420,621	446,237

Appendix 6 – DCF

Discounted Cash Flow Analysis

Discount Rate Calculation

All Figures in thousands USD

Cost of Equity	
Risk-free Rate	4.5%
Expected Market Return	10.3%
Market Risk Premium	**5.8%**
Levered Beta	1.20
Cost of Equity	**11.4%**
Cost of Debt	
Pre-tax Cost of Debt	5.3%
Effective Tax Rate	24.5%
Cost of Debt	**4.0%**
WACC	
Market Value of Equity	6,914,688
Market Value of Debt	2,222,649
Total Capitalization	**9,137,337**
Cost of Equity	11.4%
Cost of Debt	4.0%
WACC	**9.6%**

Free Cash Flow

	31-Dec-25	*31-Dec-26*	*31-Dec-27*	*31-Dec-28*	*31-Dec-29*
All Figures in thousands USD	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**
EBIT	**1,249,138**	**1,428,567**	**1,554,238**	**1,630,697**	**1,727,812**
Less: Tax Expense	(306,039)	(349,999)	(380,788)	(399,521)	(423,314)
Add: Depreciation and Amortization	36,977	39,892	43,038	46,020	48,764
Less: Capital Expenditures	(85,992)	(92,772)	(100,089)	(107,022)	(113,405)
Less: Change in Net Working Capital	(74,208)	(436,087)	(781,534)	(430,318)	(462,668)
Unlevered Free Cash Flow	**819,876**	**589,601**	**334,865**	**739,855**	**777,189**
Discount Factor	0.90	0.82	0.74	0.67	0.60
Present Value of Unlevered Free Cash Flow	**741,165**	**481,827**	**247,383**	**494,099**	**469,203**

Valuation

Perpetuity Growth Rate	
Perpetuity Growth Rate	3.00%
PV Sum of UFCF	2,433,678
Terminal Value	7,322,034
Enterprise Value	**9,755,712**
Add: Cash	256,400
Less: Debt	2,222,649
Less: Other EV Adjustments	(18,459)
Equity Value	**7,807,922**
Shares Outstanding	105,600
Implied Share Price	**73.94**
Current Share Price	65.53
Total Return	**12.8%**

Exit Multiple Method	
Exit Multiple	7.72x
PV Sum of UFCF	2,433,678
Terminal Value	8,048,925
Enterprise Value	**10,482,603**
Add: Cash	256,400
Less: Debt	2,222,649
Less: Other EV Adjustments	(18,459)
Equity Value	**8,534,813**
Shares Outstanding	105,600
Implied Share Price	**80.82**
Current Share Price	65.53
Total Return	**23.3%**

Terminal Growth Rate	WACC 11.6%	10.6%	9.6%	8.6%	7.6%
1.00%	41.08	48.12	56.78	67.71	81.92
1.50%	43.15	50.78	60.28	72.43	88.54
2.50%	47.98	57.09	68.75	84.20	105.69
3.00%	50.81	60.86	73.94	91.67	117.06
3.50%	53.99	65.17	79.99	100.59	131.20
4.00%	57.59	70.13	87.12	111.46	149.27
4.50%	61.70	75.90	95.65	124.97	173.16

Terminal EV/EBIT Multiple	WACC 11.6%	10.6%	9.6%	8.6%	7.6%
6.72	$62.5	$66.7	$70.9	$75.4	$80.1
7.22	$67.0	$71.3	$75.9	$80.6	$85.6
7.72	$71.4	$76.0	$80.8	$85.9	$91.1
8.22	$75.8	$80.7	$85.8	$91.1	$96.6
8.72	$80.2	$85.3	$90.7	$96.3	$102.1

Beta Calculations

Mean Comp Set Beta	0.97
Tax Rate	24.50%
Debt	2,222,649
Equity	6,914,688
Mean Beta Relevered	1.20

Appendix 7 – Comparable Companies Analysis

Comparable Company Analysis

(Figures in thousands USD)

Company	Ticker	Equity Value	Enterprise Value	EV/EBIT 2023A EV/EBIT	EV/EBIT 2024A EV/EBIT	EV/EBIT 2025A EV/EBIT	P/E 2023A P/E	P/E 2024E P/E	P/E 2025E P/E	P/B TTM P/B
Meritage Homes Corporation	NYSE:MTH	2,969,456	3,509,356	3.89	3.55	3.52	4.06	3.81	3.78	0.42
KB Home	NYSE:KBH	5,122,716	6,436,905	8.23	8.29	7.60	9.51	7.92	7.34	1.28
Tri Pointe Homes	NYSE:TPH	3,532,911	3,856,554	9.33	7.02	7.24	10.82	7.83	8.06	1.09
Toll Brothers Inc	NYSE:TOL	14,048,131	16,120,409	9.37	8.06	8.35	10.58	9.11	9.20	1.89
Pultegroup Inc	NYSE:PHM	24,110,484	24,421,980	7.25	6.77	6.86	9.87	8.55	8.58	2.08
M/I Homes Inc	NYSE:MHO	4,708,966	4,991,026	8.50	6.93	6.88	10.18	8.33	7.99	1.65
DR Horton Inc	NYSE: DHI	50,882,378	51,815,378	8.67	8.41	9.52	10.34	9.97	10.71	2.00
NVR Inc	NYSE: NVR	26,979,842	25,483,742	13.99	12.70	12.79	17.70	16.47	15.90	6.32
Taylor Morrison Homes Corporat	**NYSE:TMHC**	**6,914,688**	**8,899,396**	**8.21**	**7.54**	**7.12**	**9.38**	**7.80**	**7.29**	**1.21**
Median					**7.54**	**7.42**		**8.44**	**8.32**	**1.77**
Mean					**7.72**	**7.84**		**8.41**	**7.21**	**1.62**
High					**12.70**	**12.79**		**16.47**	**15.90**	**2.08**
Low					**3.55**	**3.52**		**3.81**	**3.78**	**0.42**

	EV/EBIT Implied Price		P/E Implied Price	
Median	$65.77	$69.31	$70.86	$69.89
Mean	$67.76	$74.35	$70.66	$60.59
High	$123.49	$132.88	$138.33	$133.52
Low	$21.25	$23.15	$31.96	$31.72

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