

Investor Presentation

Raymond James 44th Annual Institutional Investors Conference

PULTEGROUP®

Forward-Looking Statements

This presentation includes “forward-looking statements.” These statements are subject to a number of risks, uncertainties and other factors that could cause our actual results, performance, prospects or opportunities, as well as those of the markets we serve or intend to serve, to differ materially from those expressed in, or implied by, these statements. You can identify these statements by the fact that they do not relate to matters of a strictly factual or historical nature and generally discuss or relate to forecasts, estimates or other expectations regarding future events. Generally, the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “plan,” “project,” “may,” “can,” “could,” “might,” “should,” “will” and similar expressions identify forward-looking statements, including statements related to any potential impairment charges and the impacts or effects thereof, expected operating and performing results, planned transactions, planned objectives of management, future developments or conditions in the industries in which we participate and other trends, developments and uncertainties that may affect our business in the future.

Such risks, uncertainties and other factors include, among other things: interest rate changes and the availability of mortgage financing; competition within the industries in which we operate; including as it relates to our ability to take pricing actions to offset rising expenses; the availability and cost of land and other raw materials used by us in our Homebuilding operations; the impact of any changes to our strategy in responding to the cyclical nature of the industry, including any changes regarding our land positions and the levels of our land spend; the availability and cost of insurance covering risks associated with our businesses; shortages and the cost of labor; weather related slowdowns; slow growth initiatives and/or local building moratoria; governmental regulation directed at or affecting the housing market, the homebuilding industry or construction activities; uncertainty in the mortgage lending industry, including revisions to underwriting standards and repurchase requirements associated with the sale of mortgage loans; the interpretation of or changes to tax, labor and environmental laws which could have a greater impact on our effective tax rate or the value of our deferred tax assets than we anticipate; economic changes nationally or in our local markets, including inflation, deflation, changes in consumer confidence and preferences and the state of the market for homes in general; legal or regulatory proceedings or claims; our ability to generate sufficient cash flow in order to successfully implement our capital allocation priorities; required accounting changes; terrorist acts and other acts of war; the negative impact of the COVID-19 pandemic on our financial position and ability to continue our Homebuilding or Financial Services activities at normal levels or at all in impacted areas; the duration, effect and severity of the COVID-19 pandemic; the measures that governmental authorities take to address the COVID-19 pandemic which may precipitate or exacerbate one or more of the above-mentioned and/or other risks and significantly disrupt or prevent us from operating our business in the ordinary course for an extended period of time; and other factors of national, regional and global scale, including those of a political, economic, business and competitive nature. See PulteGroup's Annual Report on Form 10-K for the fiscal year ended December 31, 2022, and other public filings with the Securities and Exchange Commission (the "SEC") for a further discussion of these and other risks and uncertainties applicable to our businesses. PulteGroup undertakes no duty to update any forward-looking statement, whether as a result of new information, future events or changes in PulteGroup's expectations.

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Agenda

- Company Profile
- The Successes and Challenges of 2022
- Responding to Market Changes
- Summary

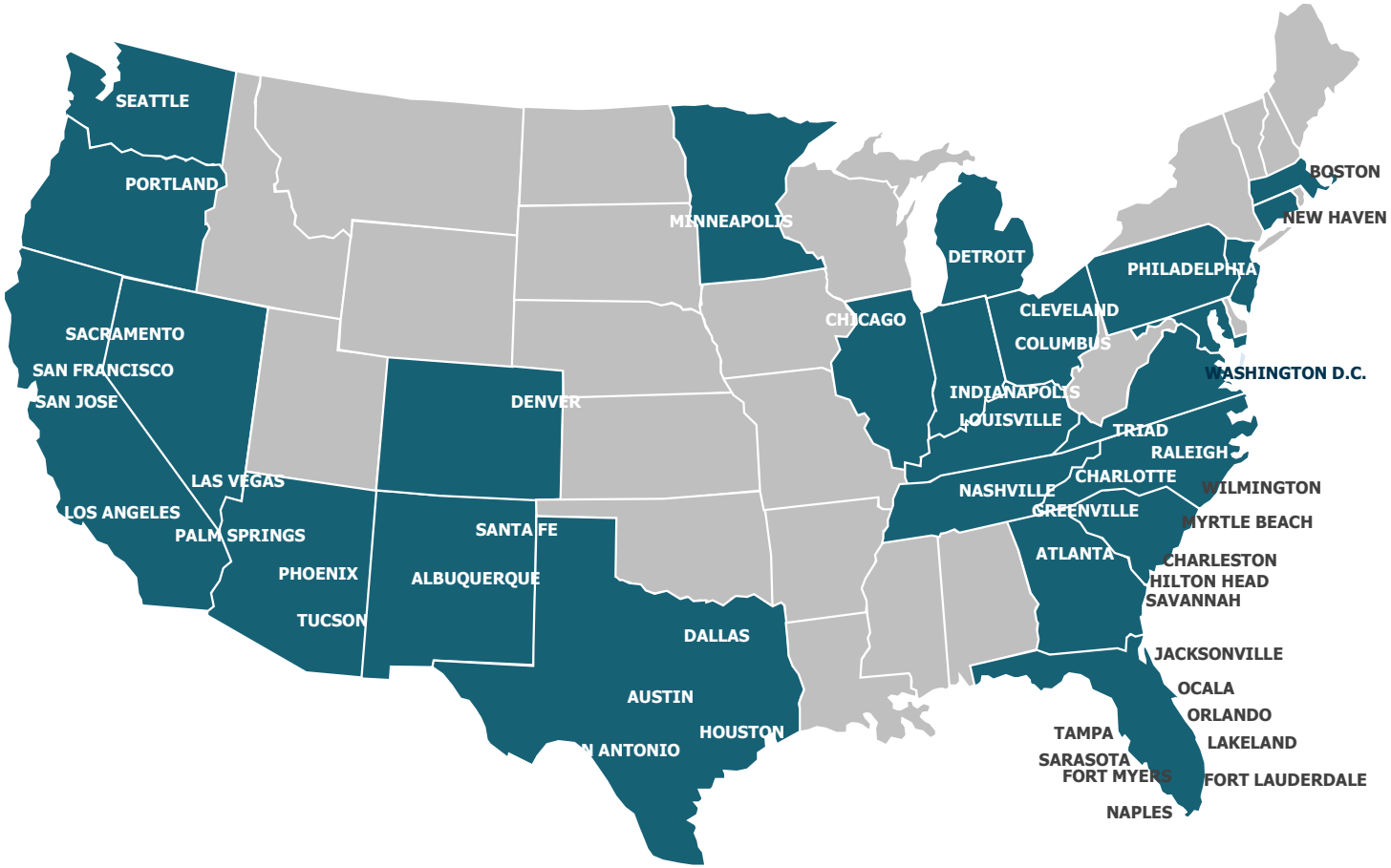


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Company Profile

Nation's 3rd Largest Builder With a Broad and Balanced Geographic Footprint



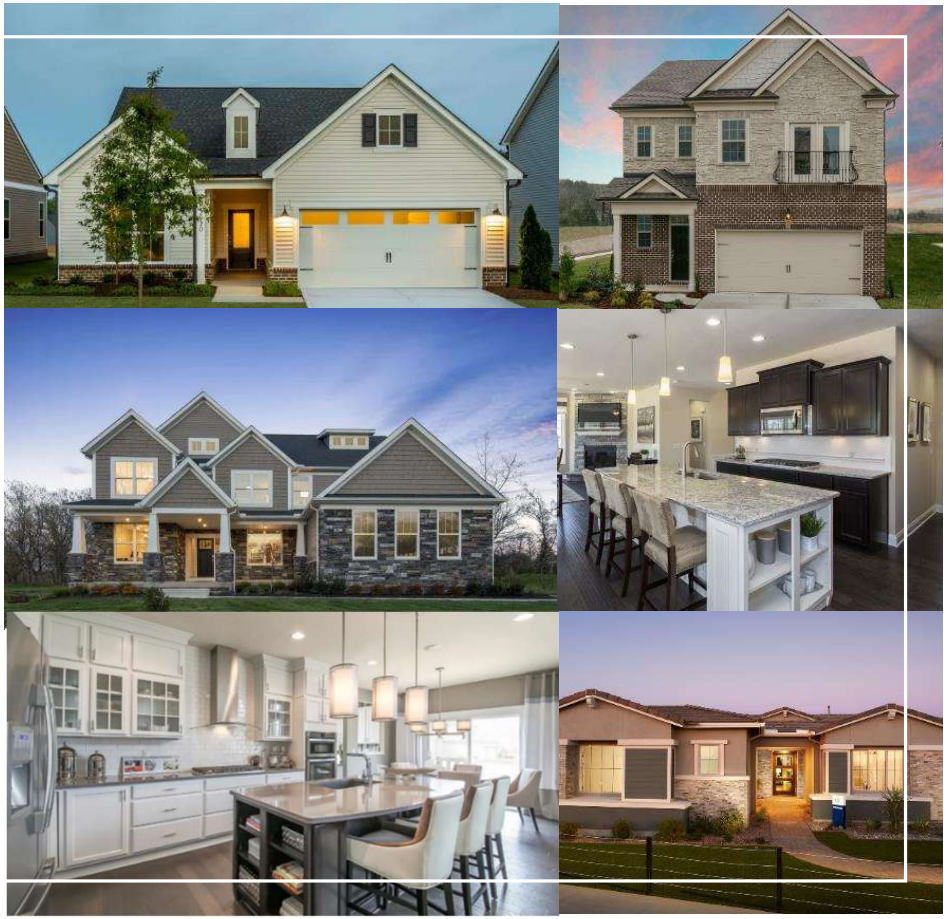
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Industry Leading Brand Names

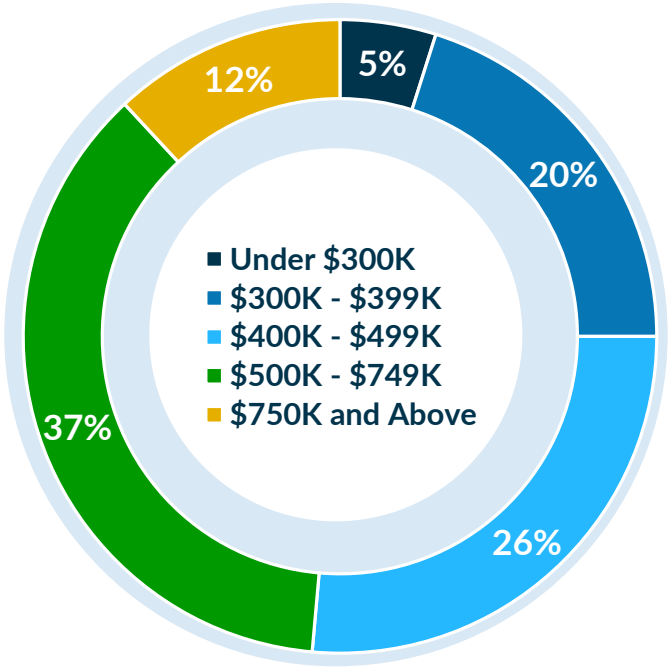


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Serving a Variety of Price Points



2022 Closings by Price Point



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Focused on Delivering High Returns Over the Housing Cycle

- Drive superior homebuilding profitability
  - Disciplined underwriting process
  - Build to Order operating model
  - More efficient construction processes
  - Strategic pricing methodology
  - Importance of gross margin as a critical driver of returns
- Increase use of land options
- Strategic expansion into new markets

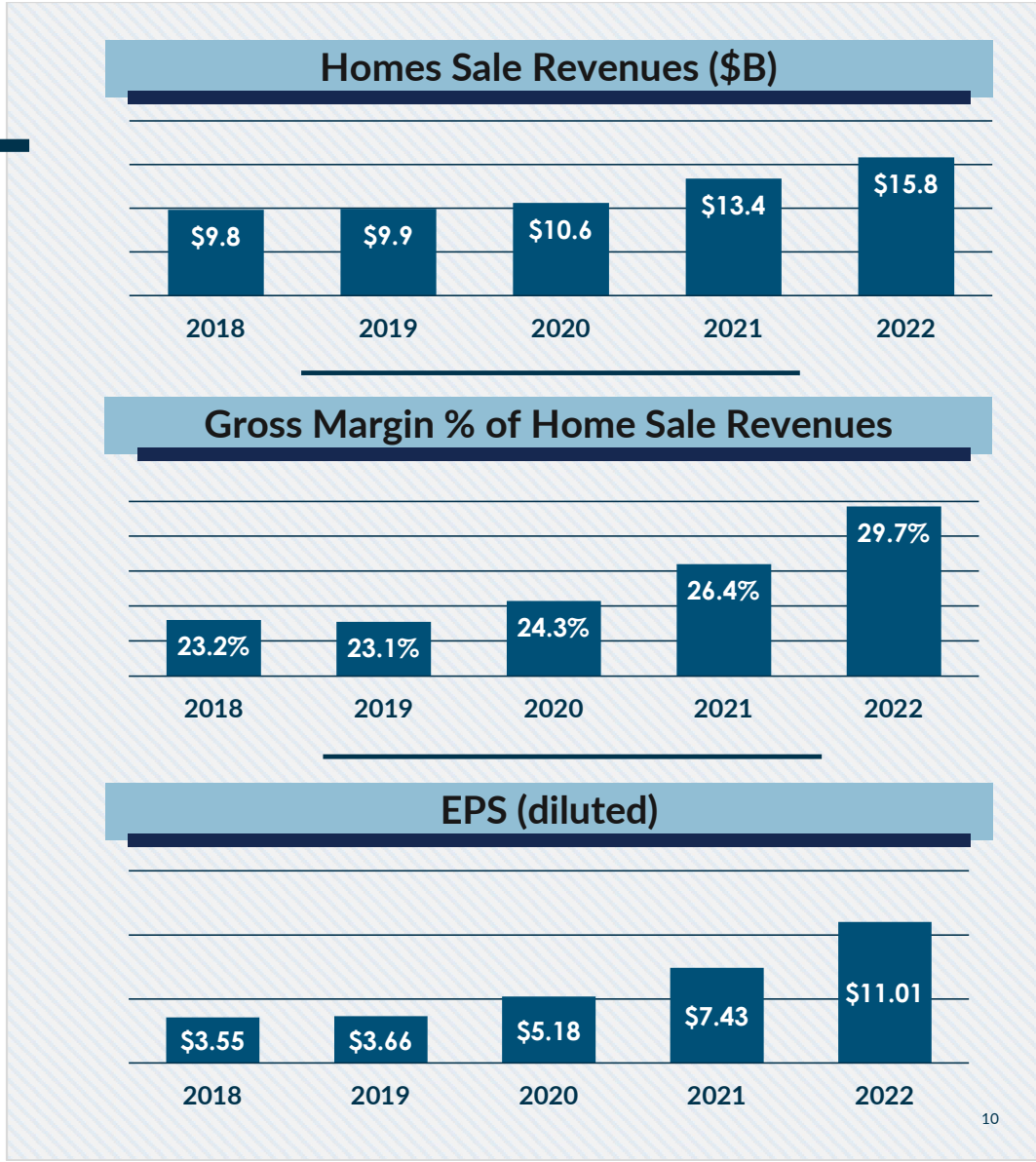
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The Successes & Challenges of 2022

The Successes of 2022

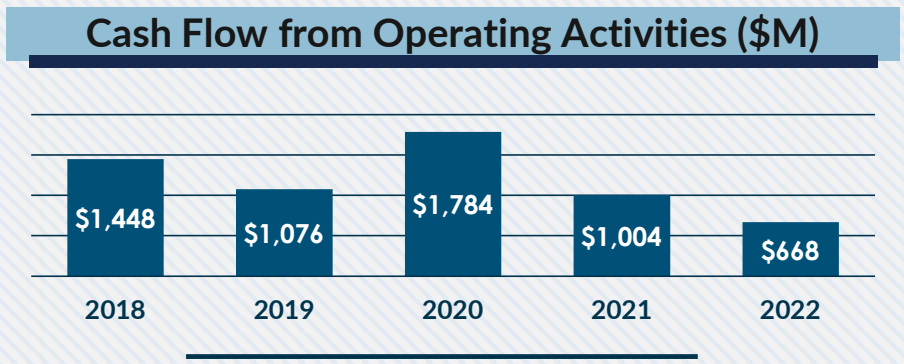
- Strong gains in homebuilding operations
  - 29,111 homes delivered
  - $15.8 billion in home sale revenues
  - 29.7% home sale gross margin
  - 48% increase in YOY reported EPS

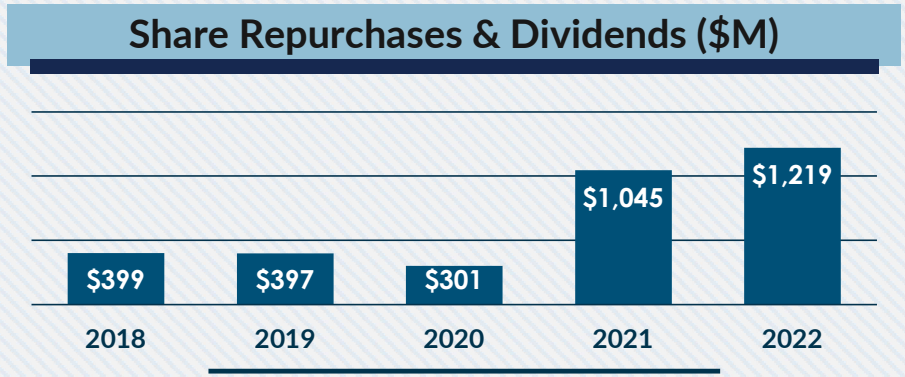


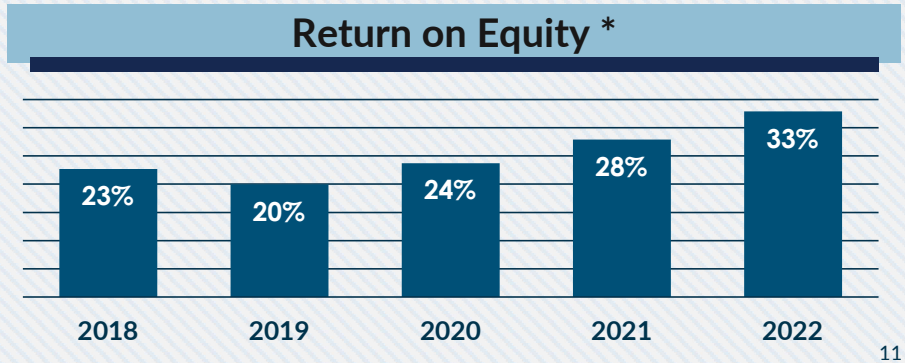
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The Successes of 2022

- Higher returns and increased capital deployment
  - $4.5 billion invested in land acq./dev.
  - $1.2 billion returned to shareholders
  - 18.7% debt-to-capital ratio
  - 32.9% return on equity







* Annual ROE calculated as annual net income / trailing avg. 5 quarters' equity

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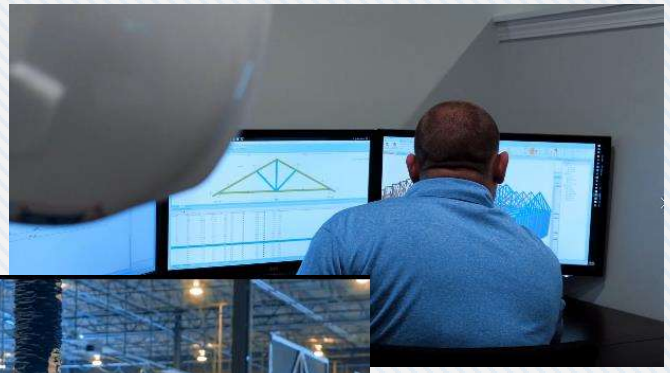
The Successes of 2022

- Expanded homebuilding presence in new markets

Denver	Sacramento	Portland, OR
Greenville, SC	Columbia, SC	

- Opened new off-site manufacturing facility (ICG) in Florence, SC
- Named a Fortune 100 Best Company to Work For

Increasing Off-site Manufacturing Capabilities



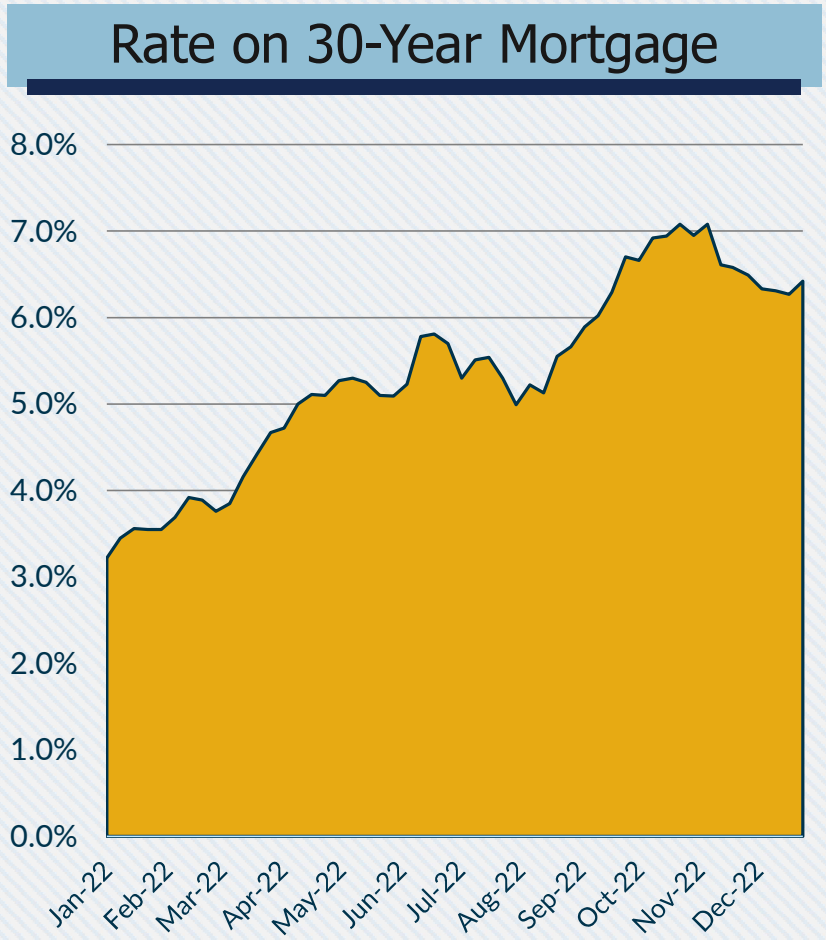




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The Challenges of 2022

- Fed raised rates 7 times
  - Rate on 30-year mortgage doubles in 9 months; rate peaked above 7.0%
  - National new and existing home sales dropped by 16% and 18%, respectively, from prior year
  - Single-family starts dropped 11% to 1.0 million
- Interest rate volatility pushes consumers toward "quick move-in" homes
- Supply chain disruptions increase build costs and extend construction cycle times



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Responding to Market Changes

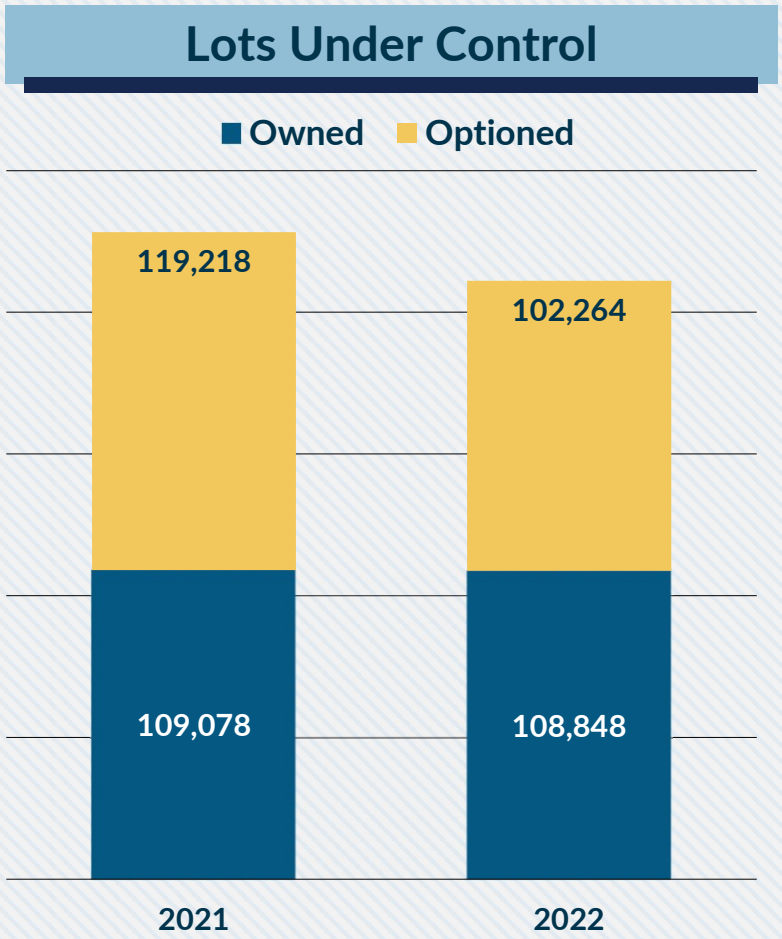
Adapting to Market Changes: Production

- Focus on turning assets while intelligently managing starts
  - Near-term need to consistently start homes
    - Meet buyer preference for "quick move-in" homes
    - Helpful in working with trades and suppliers
    - Balancing starts with sales pace
- Start cadence should yield ~25,000 homes available to close in FY 2023
  - Specs may exceed historic range of 25-35% of units under production
  - Prepared to adjust starts cadence up or down in response to market conditions
- Expect cycle times to remain extended in 2023
  - Cycle times have effectively doubled from pre-COVID to 160+ days
  - Working with suppliers and trades to improve costs and availability

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Adapting to Market Changes: Land

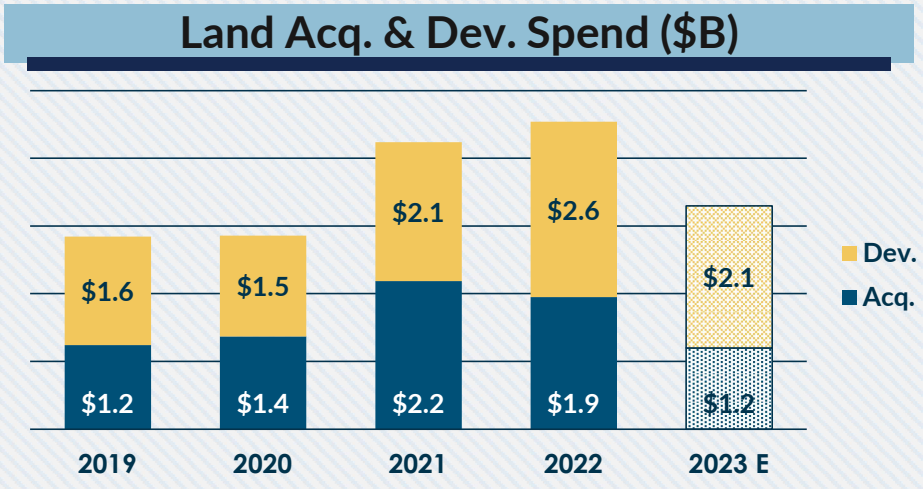
- Actively managing land pipeline
  - Lots under control down 8% from prior year
    - Walked from 52,000 optioned lots in 2022
    - Wrote off $64M rather than invest an incremental $2.1B
- Expect to invest $3.3B in land acquisition and development in 2023
  - 65% of spend for development of existing land assets
  - Land spend down from $4.5 billion in 2022
- 2023 community count expected to increase 5% - 10% over 2022

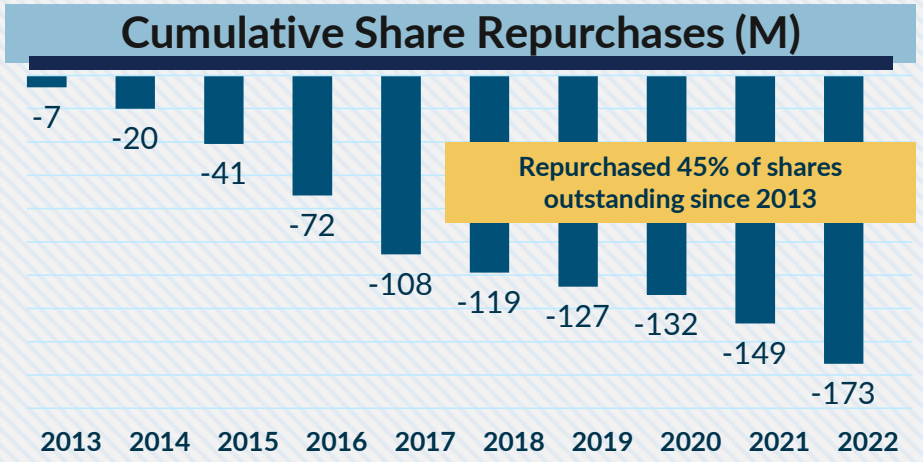


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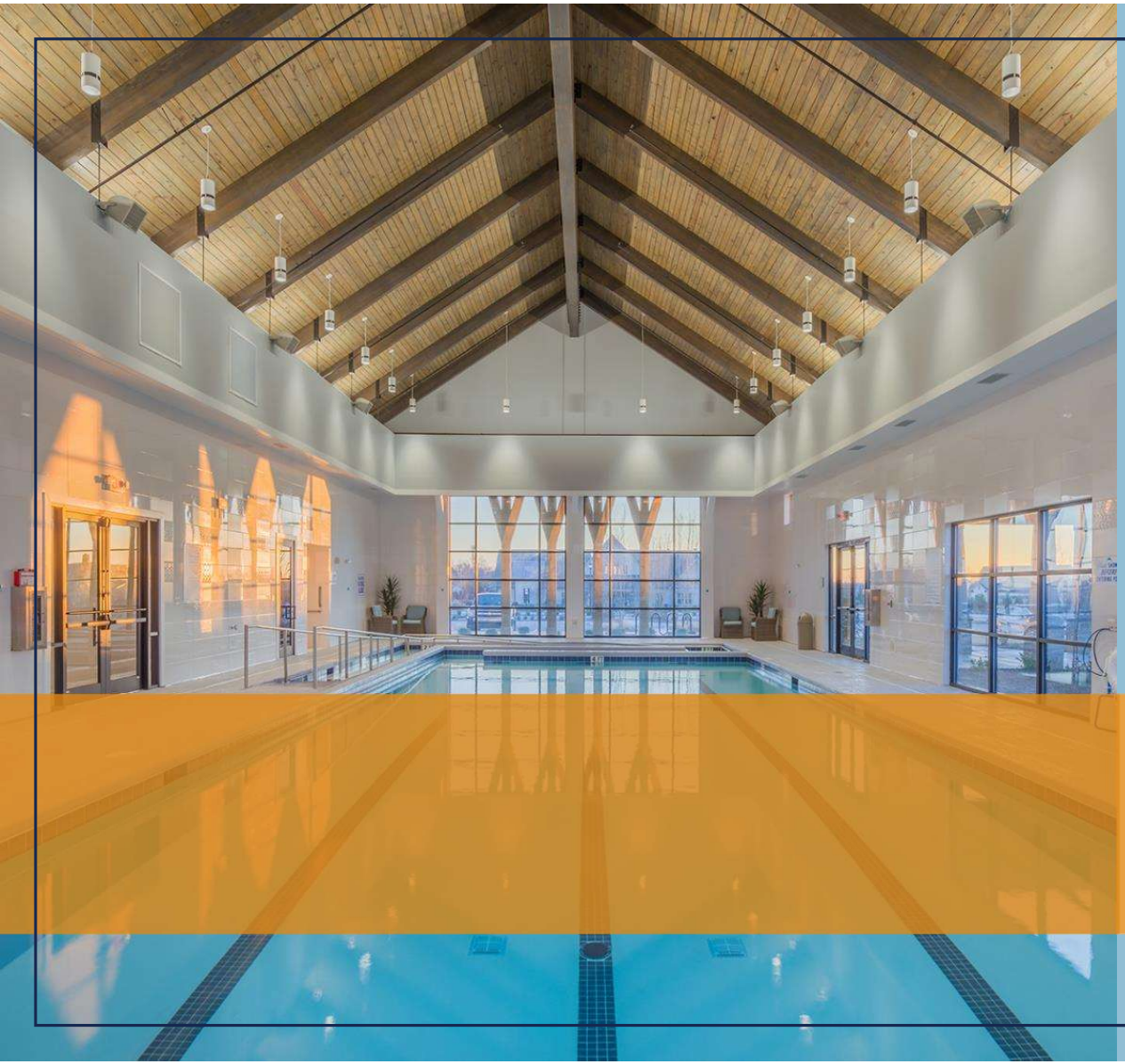
Adapting to Market Changes: Capital Allocation

- Intelligently invest in the business
  - Look for opportunities in an evolving land market
  - Evaluate M&A transactions that meet strategic criteria
- Fund and appropriately grow our dividend
- Continue to systematically repurchase common shares
- Manage overall capital structure to maintain appropriate debt levels





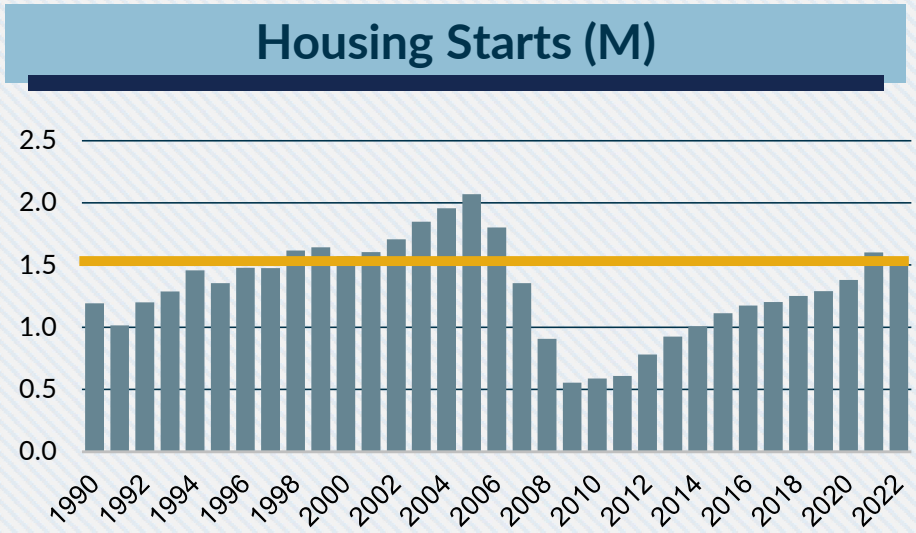
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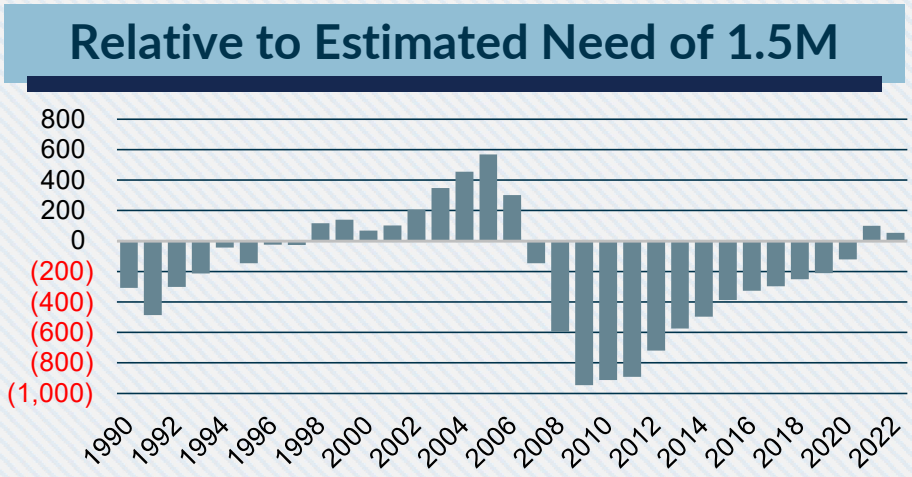


Favorable Long-term Demand Dynamics

Structural Housing Deficit of Millions of Houses

- Population growth drives sustained need for new housing stock
- Supportive demographic trends with aging of Millennial and Gen Z
  - Peak of Millennial generation entering prime homebuying age
- Country has routinely underbuilt relative estimated need of 1.5 million starts annually

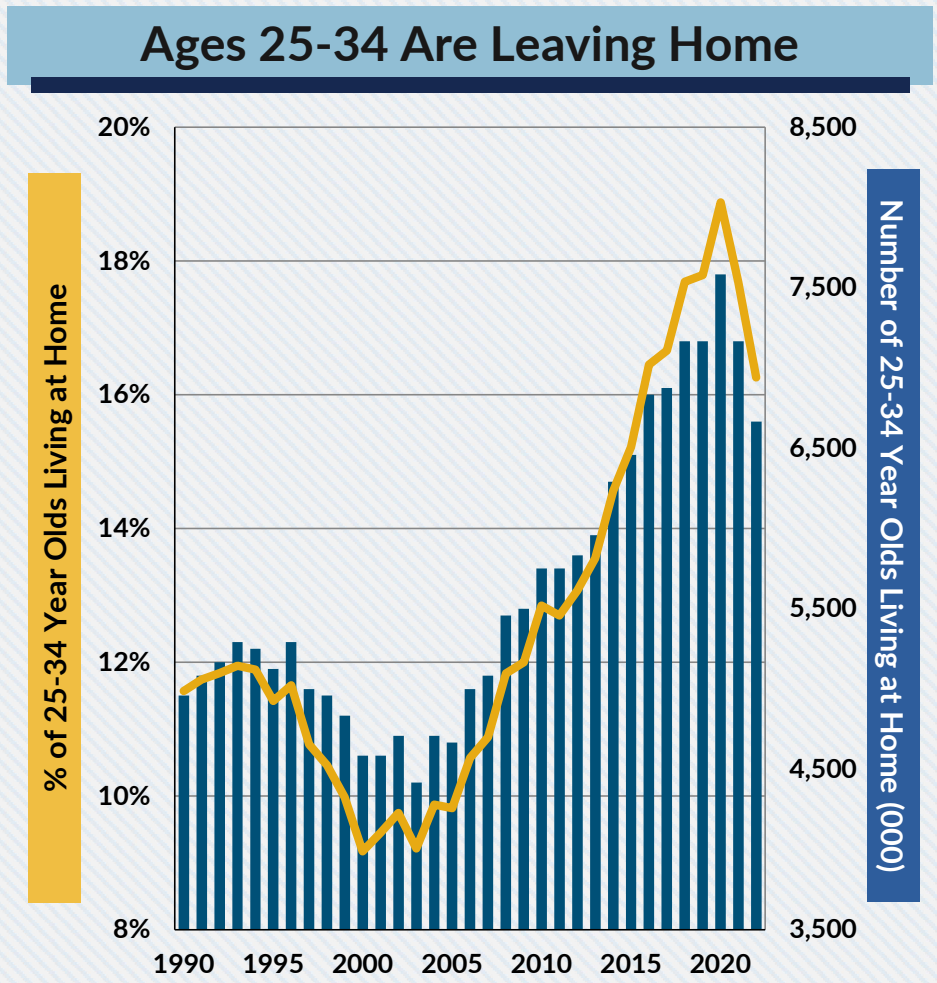




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The Kids are Moving Out

- Improved finances and jobs enabling those aged 25-34 to live on their own
  - Rate for those age 25-34 living at home remains well above historic average
- High apartment lease rates keep the cost of buying vs. renting very competitive



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Conclusion

Summary

- Delivered outstanding 2022 financial results
- Well positioned to navigate dynamic market conditions
- Intelligently managing pricing, production and investment
- Working to lower costs and shorten build cycle
- Continue to appropriately fund capital allocation priorities
  - Invest in the business
  - Fund our dividend
  - Share repurchase
  - Debt paydown

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