

PulteGroup™

Investor Presentation
Citi Basic Materials Conference
November 30, 2016

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,” “project,” “may,” “can,” “could,” “might,” “will” and similar expressions identify forward-looking statements, including statements related to 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; continued volatility in the debt and equity markets; competition within the industries in which PulteGroup operates; the availability and cost of land and other raw materials used by PulteGroup in its 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; the availability and cost of insurance covering risks associated with PulteGroup's 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; economic changes nationally or in PulteGroup's 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; 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, 2015, 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.

Presentation Agenda

- Favorable Market Dynamics
- PulteGroup Overview
  - ✓ Company Profile and Strategic Focus
  - ✓ Defined Land Investment Process
- Unmatched Capacity to Serve Distinct Buyer Groups

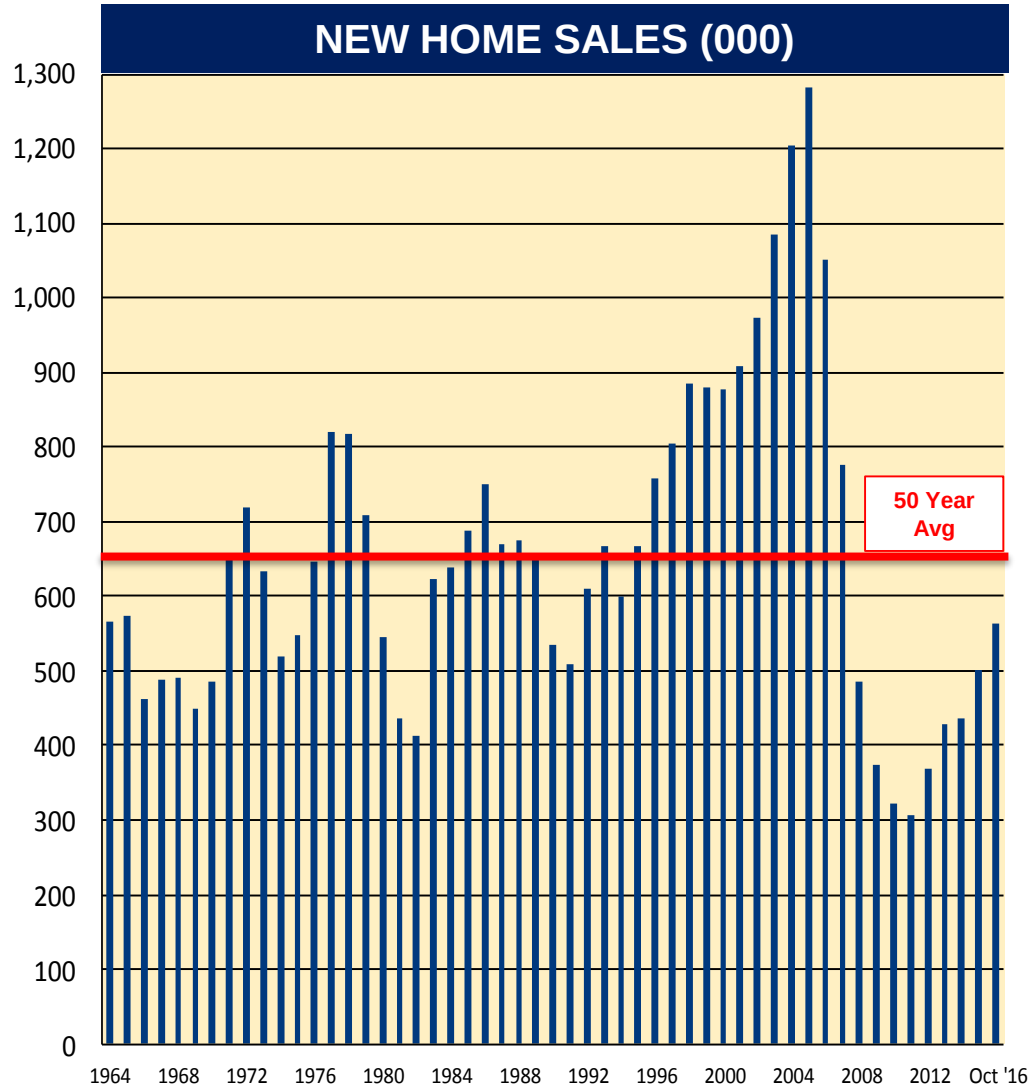


Favorable Market Dynamics

PulteGroup

Housing Recovery Remains on Track

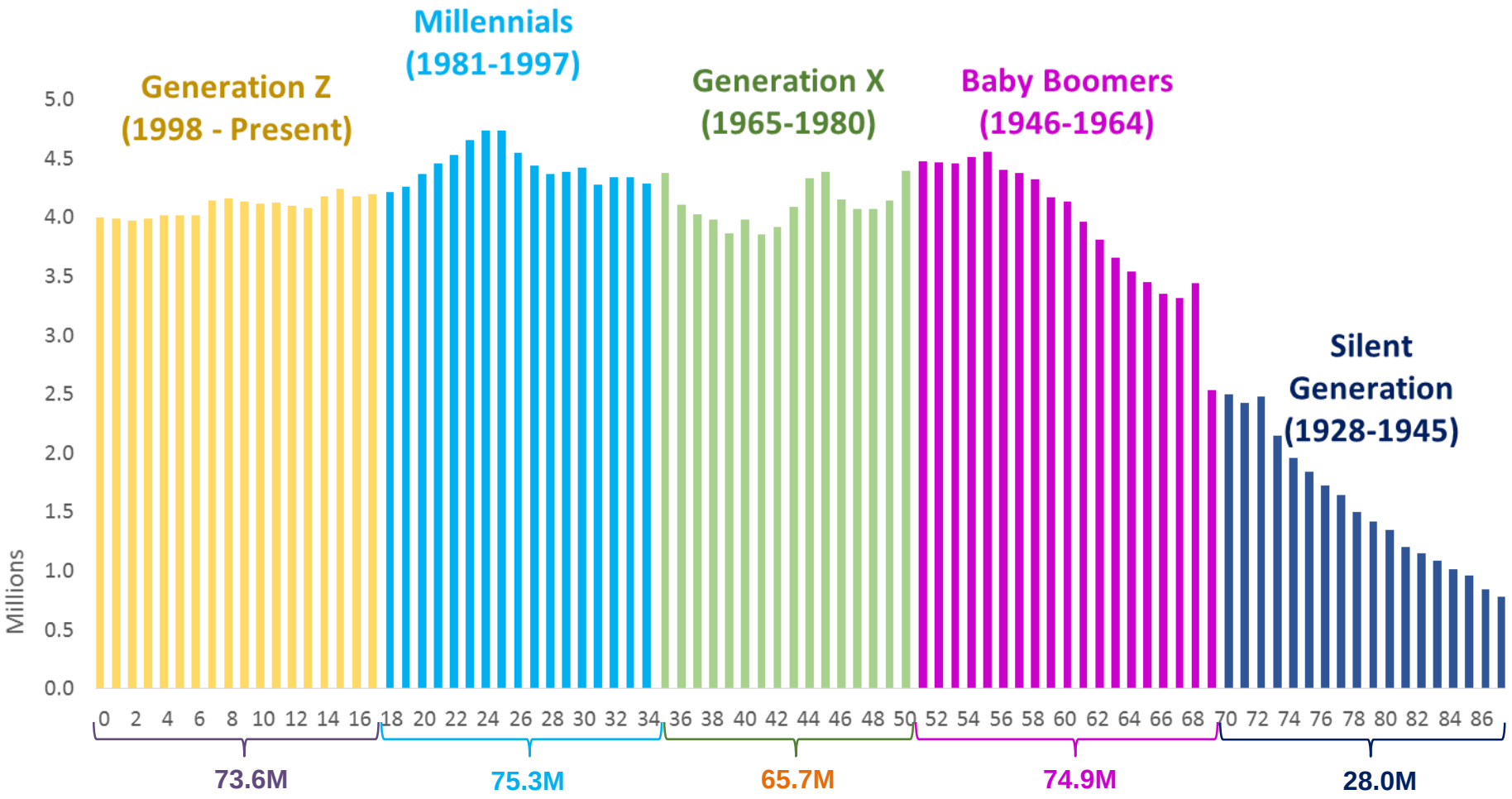
- 2016 sales on track toward a YOY increase of 10-15%
  - ✓ Nov 2016 new home sales of 563,000 is more than 10% below 50 year average
- Factors continue to support sustained growth in housing demand
  - ✓ Favorable demographics and pent-up demand
  - ✓ Low inventory of new and existing homes
  - ✓ Rising rental rates
  - ✓ Historically low interest rates



Source: U.S. Census

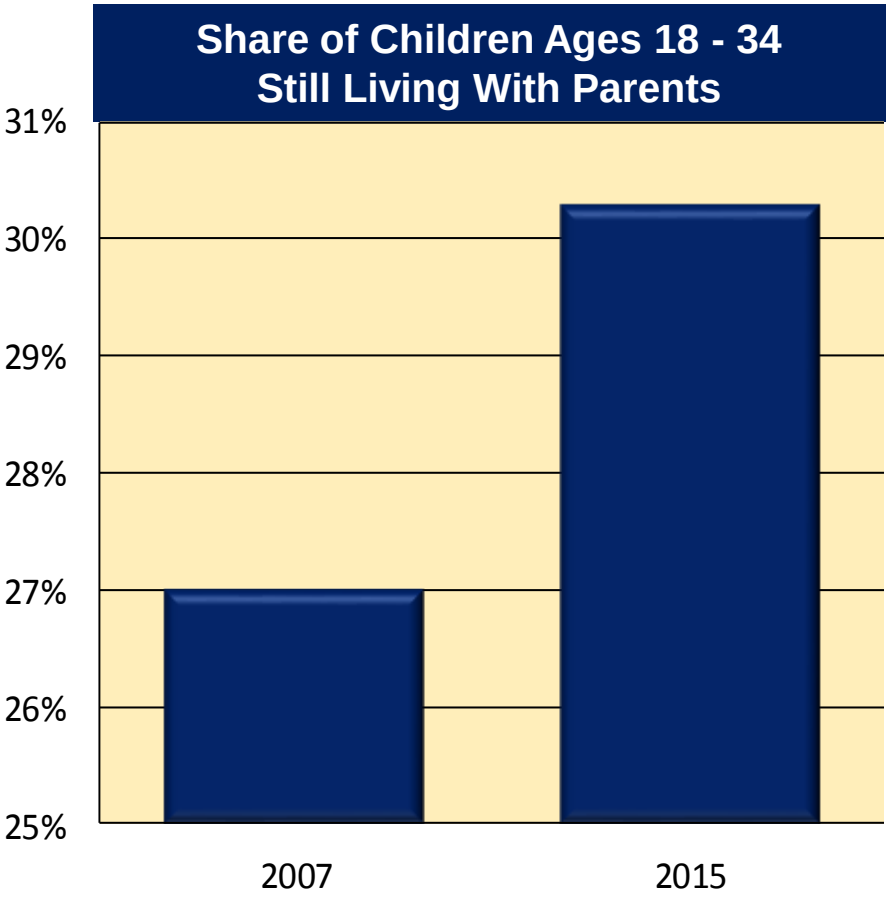
Unique Housing Opportunities Across Demographic Spectrum

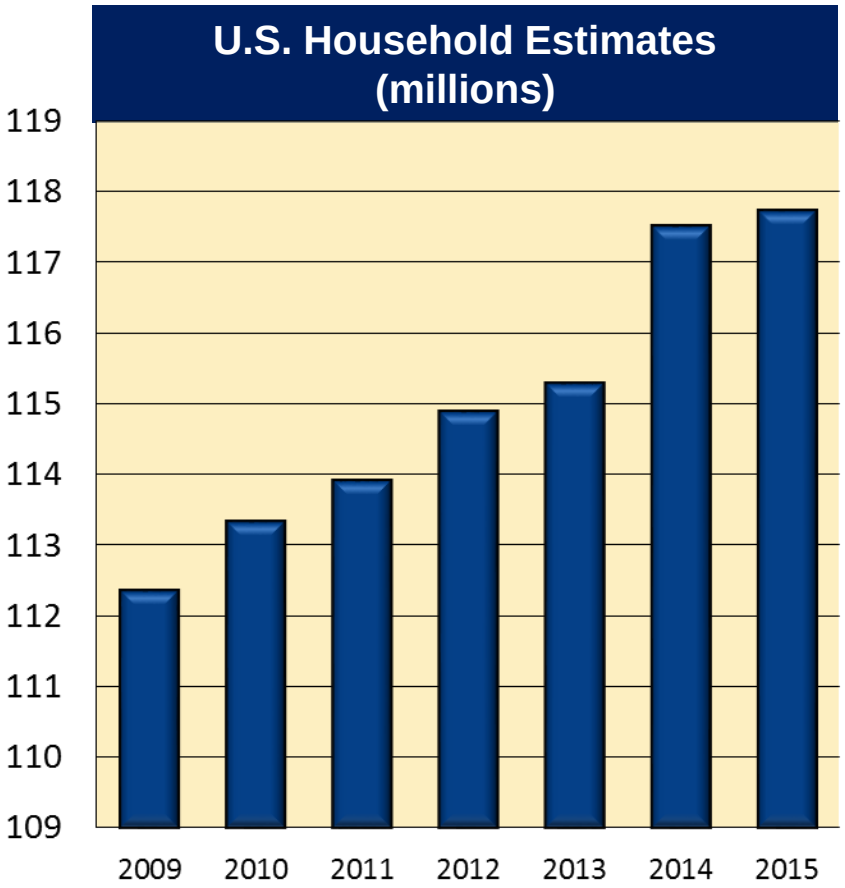
U.S. 2015 Population by Age



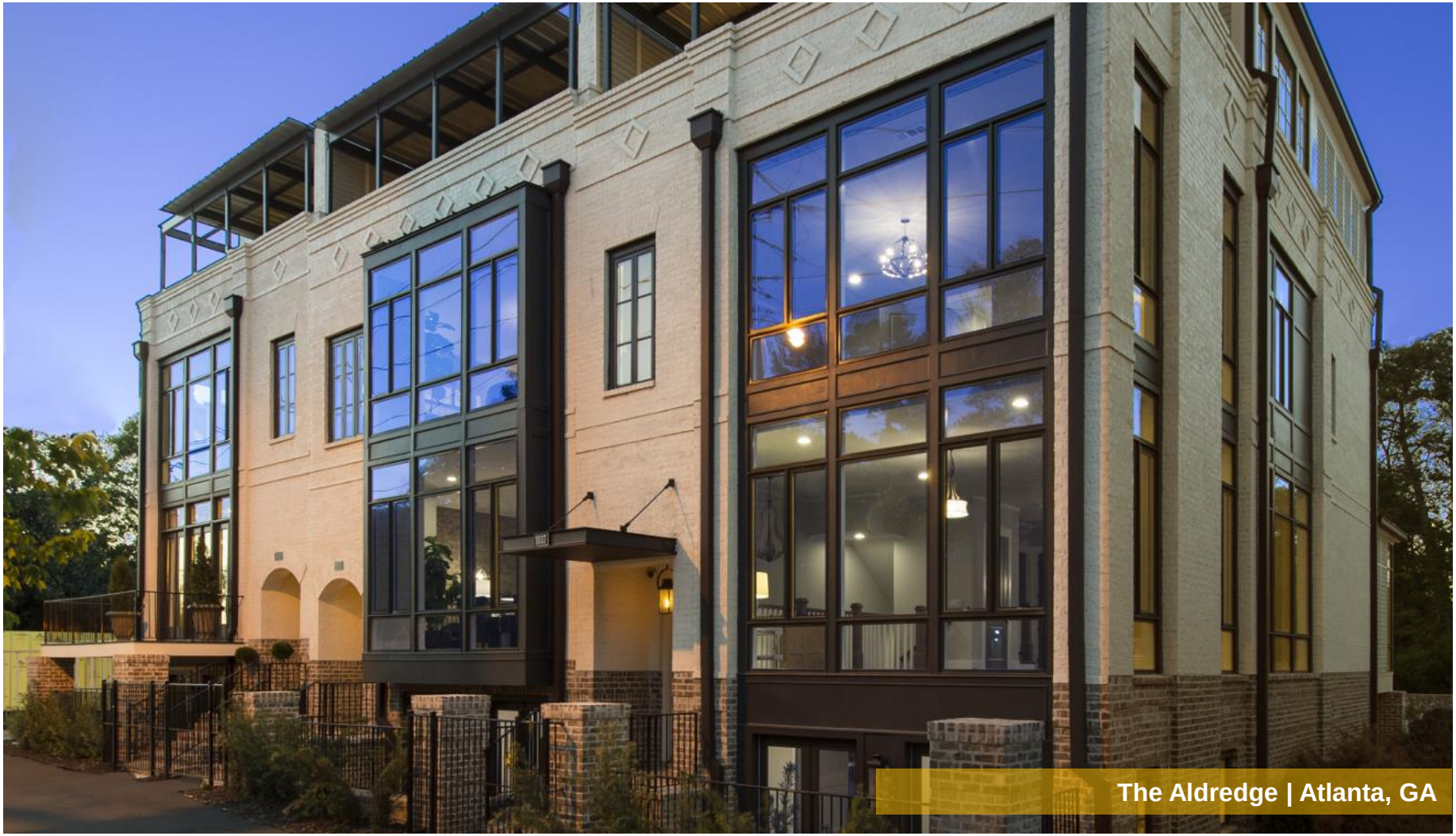
*Census.gov – projected population by single age, 2014 – 2060 (2015 Projection)

Supports for Sustained Growth in Demand





PulteGroup Overview



- Among the nation's largest homebuilders with operations in approximately 50 major metro markets
- Delivered over 655,000 homes since being founded in 1950
- Diversified product offering serving all major buyer groups
  - ✓ Portfolio of strong brand helps to define product offerings in the marketplace
- Unmatched presence in active adult market through Del Webb brand









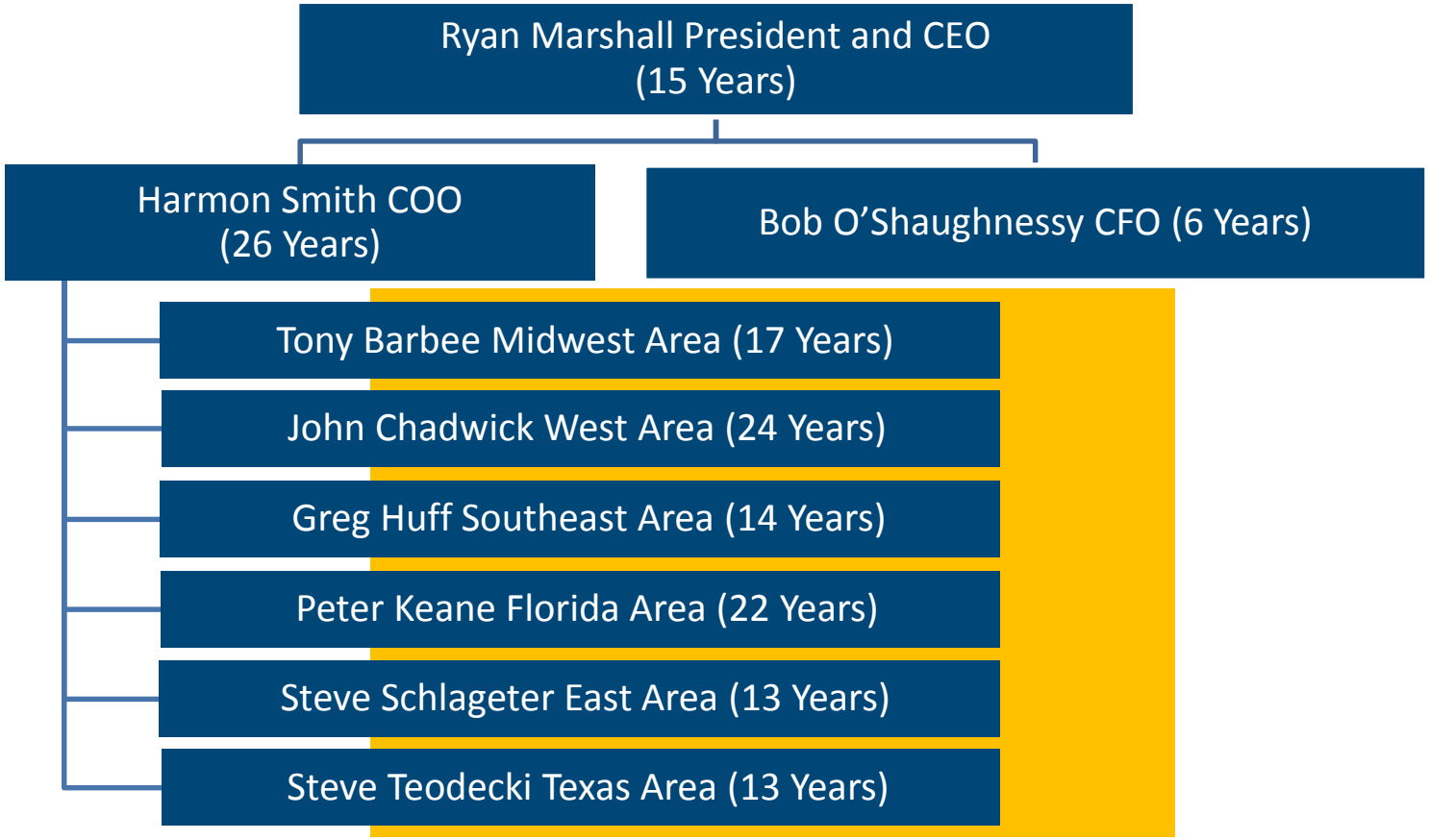


Leadership Transition Completed

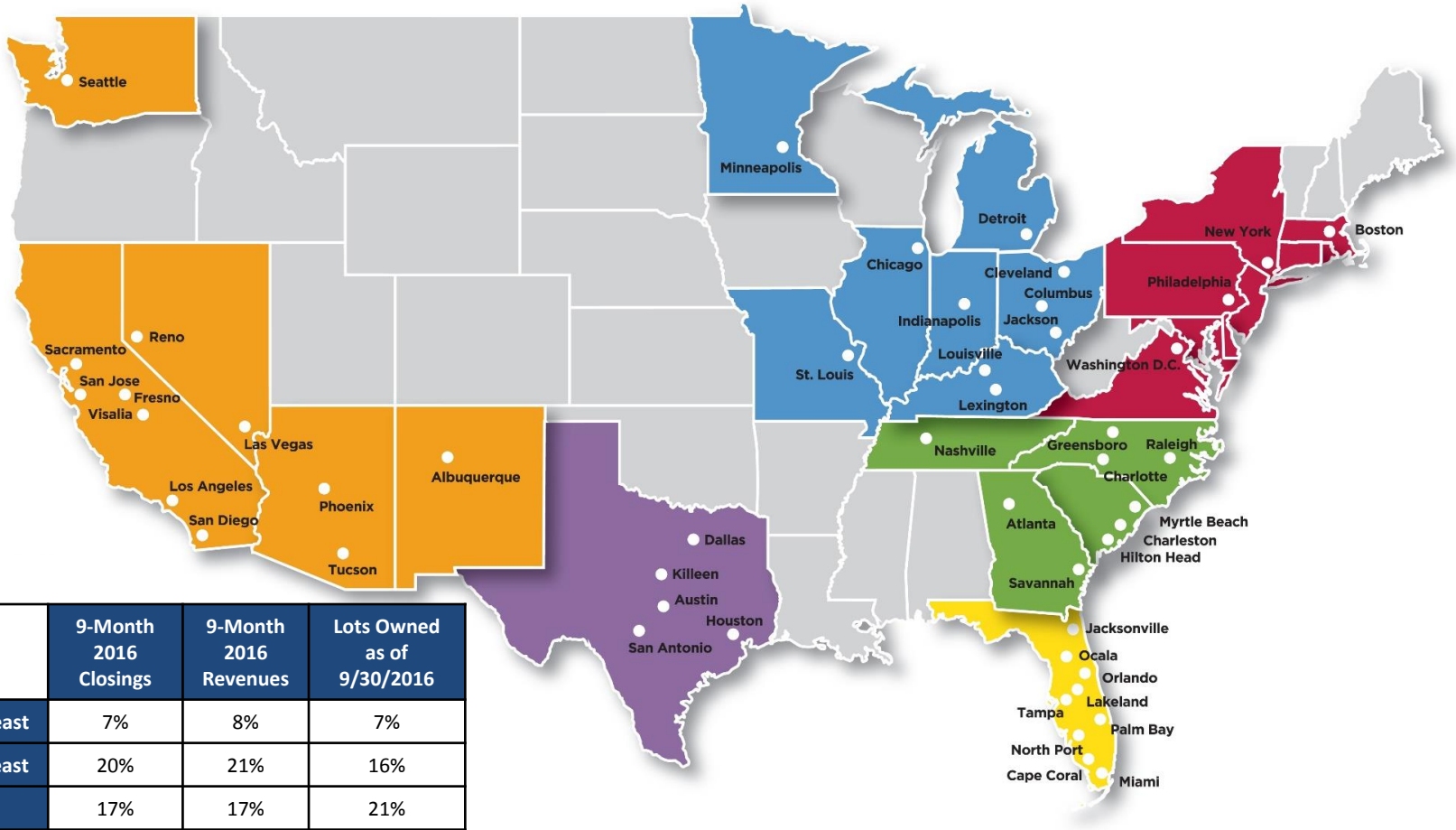
- Company President Ryan Marshall named CEO effective Sept 8, 2016
  - ✓ Strong operations background built during 15 year career with PulteGroup
  - ✓ Managed many of the Company's largest homebuilding operations
  - ✓ Most recently served as Company President with responsibility for homebuilding operations and its marketing and strategy departments
  - ✓ Previous roles included EVP of Homebuilding Operations, Area President for the Southeast Area, Area President for Florida, Division President in both South Florida and Orlando



Experienced Homebuilding Team



Operating in 50 of the Country's Top Metro Markets



	9-Month 2016 Closings	9-Month 2016 Revenues	Lots Owned as of 9/30/2016
Northeast	7%	8%	7%
Southeast	20%	21%	16%
Florida	17%	17%	21%
Midwest	17%	16%	12%
Texas	19%	15%	14%
West	20%	23%	30%

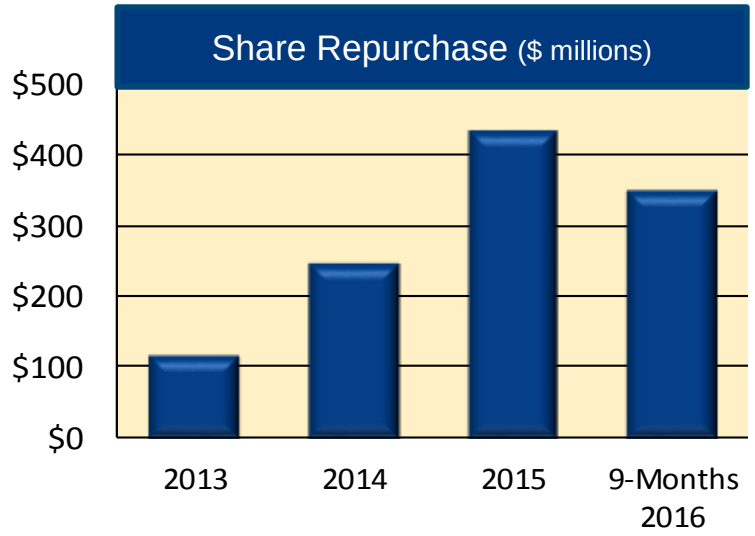
Diversified Across Primary Consumer Groups

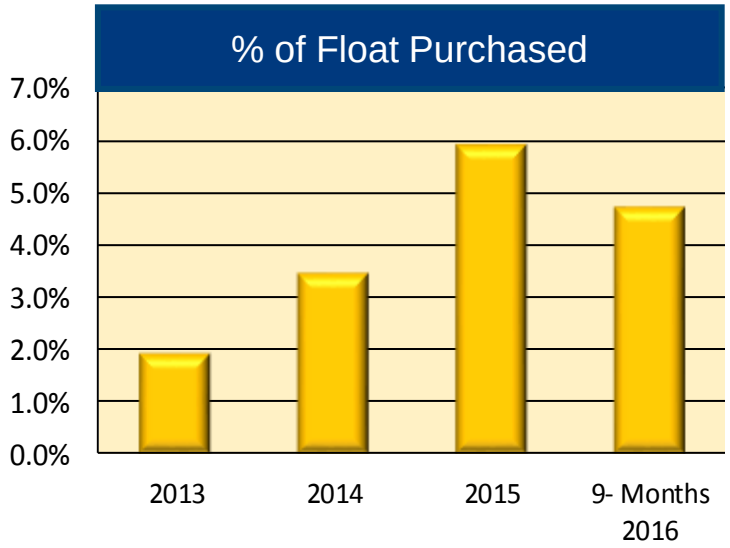
First Time	Move Up	Active Adult
		
29%	43%	28%

9-Month 2016 Closings by Buyer Group

Capital Allocation Priorities Aligned with Delivering Strong Returns Over the Housing Cycle

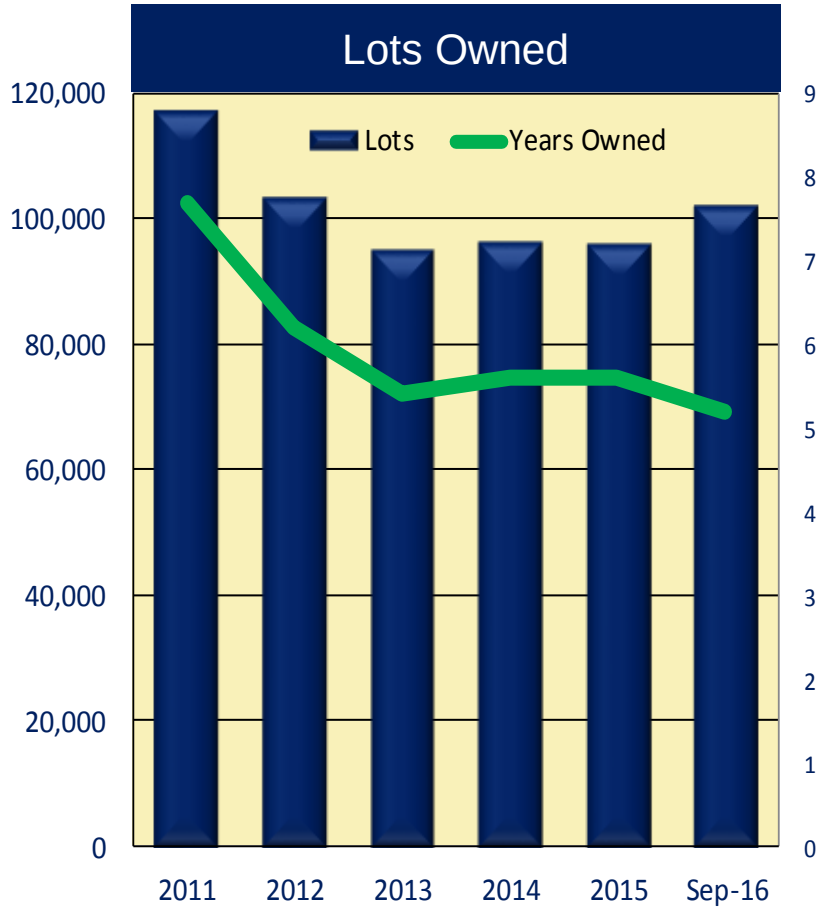
- Priority #1: Invest in core business, including opportunistic M&A, to maintain or grow relative market share
- Priority #2: Return funds through an established dividend
- Priority #3: Routinely return excess capital to shareholders via share buybacks





Land Pipeline Supports Business Growth

- Increased investment beginning in 2013 enabling growth in 2016
  - ✓ 5.2 years of supply based on TTM closings
  - ✓ Additional 43,000 lots controlled via options
- Q3 2016 investment of $266 million for land acquisition
  - ✓ Approved 3,100 lots for purchase with average community size below 100 homes
  - ✓ Focus on investing in faster turning, shorter duration projects
  - ✓ First-time buyers focus on closer-in and more urban locations likely at the upper end of the price range
  - ✓ Investing in smaller active adult projects that are less capital intensive
  - ✓ Harvesting prior investments in legacy Del Webb communities



Disciplined Land Investment Process

- Project Feasibility Report
  - ✓ Comprehensive review and analysis completed for every transaction
    1. Project overview
    2. Financial Summary including risk scoring
    3. Market and submarket analysis
    4. Marketing assessment and financial reviews
    5. House costs and pricing
    6. Sales production and closing schedules
    7. Land analysis including entitlement and development timelines
    8. Contract structure
    9. Soils and environment

- Feasibility report completed for every project
- Asset Management Committee reviews and approves every transaction to validate assumptions, stress test financials and identify opportunities to enhance project returns and/or reduce risks

Consistent Assessment of Project Risk

IRR Threshold	18% 18% 18% 18% 18%	19% 19% 20% 20% 21%	21% 22% 22% 23% 24% 25%	26% 27% 28% 29% 30%
Score	13 14 15 16 17	18 19 20 21 22	23 24 25 26 27 28	29 30 31 32 33

- Four major categories to determine risk profile
  1. Strategic Marketing
     - ✓ Location, marketability, supply & demand
  2. Execution Risk
     - ✓ Entitlement, development, product, recent performance
  3. Deal structure
     - ✓ Takedown structure, years supply, exit costs
  4. Operational metrics
     - ✓ Pace, price and sensitivity
- Process provides common language for assessing projects across operations

Unmatched Capacity to Serve Distinct Buyer Groups



First-Time Buyer Strategy

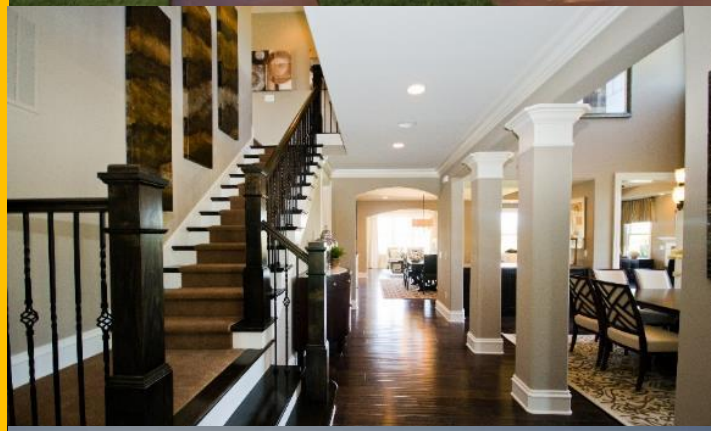
- Investing in first-time buyer projects that generate acceptable returns
  - ✓ Focus on closer-in communities; not betting on outlying, albeit lower cost, land positions
- Ongoing work to lower overall product costs, but not targeting the lower price points of the segment
- Growing opportunity serving first-time buyers looking for a more urban location
  - ✓ Older Millennials seeking closer-in locations and willing to accept attached product
  - ✓ Better financial profile with greater access to mortgage market than entry-level buyer
  - ✓ Opportunities to target this buyer in many markets across the country



Sustained Strength of the Move-Up Buyer

- Multiyear strength as buyer group realizes better wage growth and credit availability
- Majority of Company's land investment targeted toward move-up buyers
  - ✓ Ongoing mix shift toward the move-up buyer continues to raise ASP's
  - ✓ Wieland assets target move-up and luxury buyers
- Keeping average project size small
  - ✓ Closer-in projects with an expected cycle time of 36 to 48 months from acquisition to build out
- Continue to develop innovative new floor plans and product features

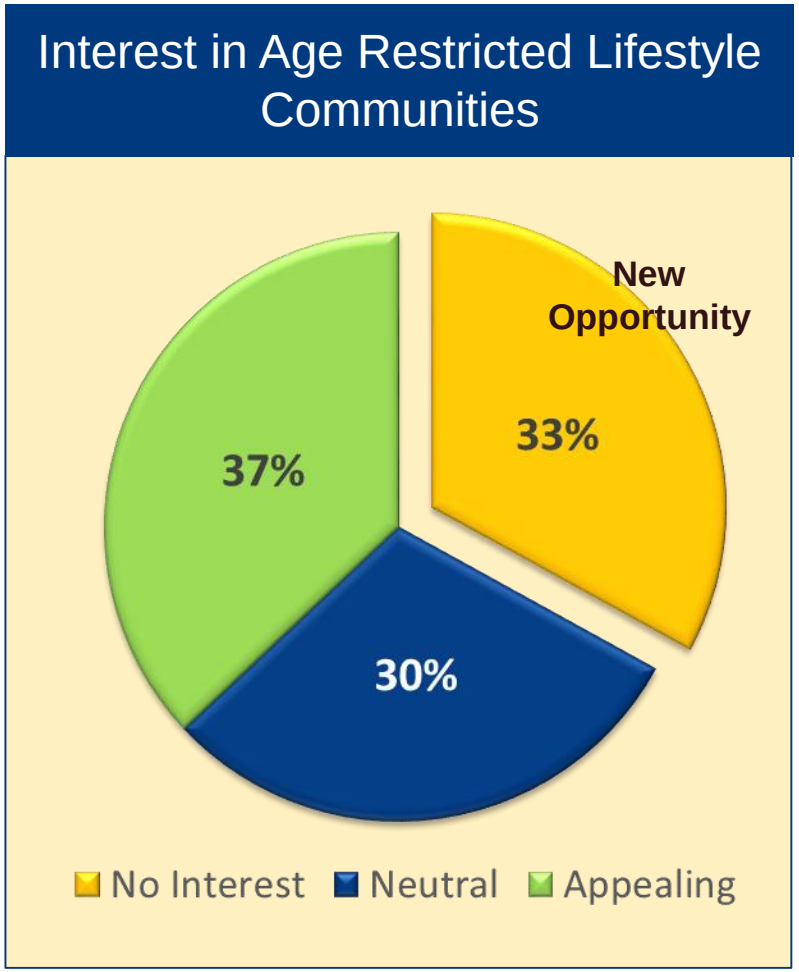






Expanding Penetration of Active Adult Market

- Changing profile of active adult projects;
  - ✓ 500 to 1,500 lots with right-sized amenity
  - ✓ Faster turning and less capital intensive communities
- Legacy investment in large, highly amenitized Del Webb communities
  - ✓ Continue to work down investment and redeploy capital
  - ✓ Highest gross margins, so high pace is important
- Assessing opportunities to expand penetration of active adult market
  - ✓ Potential to offer small, non-age restricted communities
  - ✓ Focus on product with “lite” or no amenities
  - ✓ Would not carry the Del Webb brand
  - ✓ Municipalities often more receptive to community profile given lower impact on local infrastructure



In Summary

- Among the nation’s largest and most diversified homebuilders
- Operating in a market demonstrating favorable overall dynamics
- Articulated strategy focused on long-term success with disciplined land investment practices
- Unmatched ability to serve all major buyer groups



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