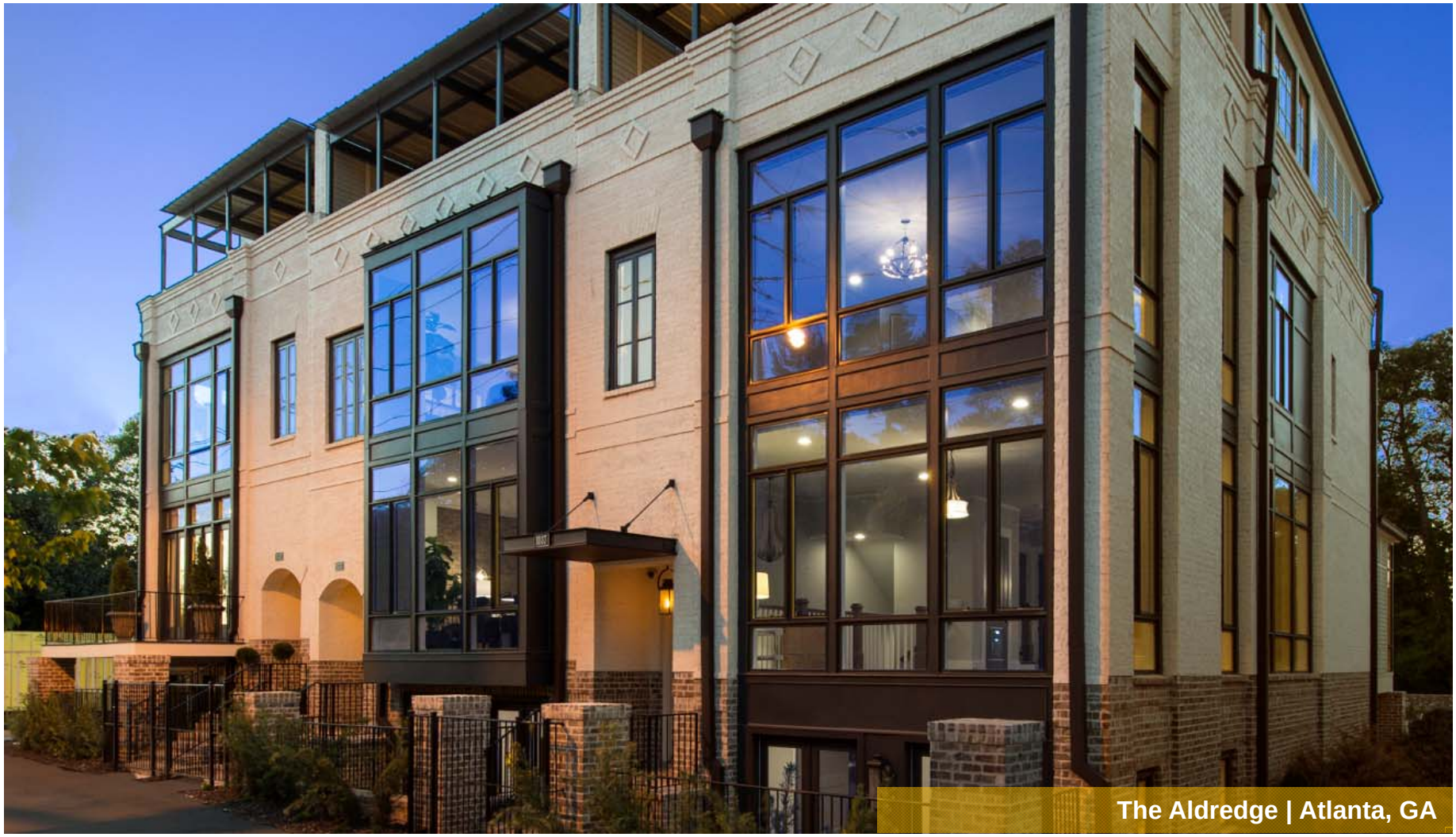


PulteGroup™

Fourth Quarter 2016 Earnings

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 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; 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; 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; 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.

PulteGroup, Inc. Executives



Ryan Marshall

President and CEO



Bob O'Shaughnessy

Executive Vice President and CFO



Jim Ossowski

Vice President, Finance and Controller



Jim Zeumer

Vice President, Investor Relations



Review of Q4 2016 Results

PulteGroup

Q4 2016 Highlights

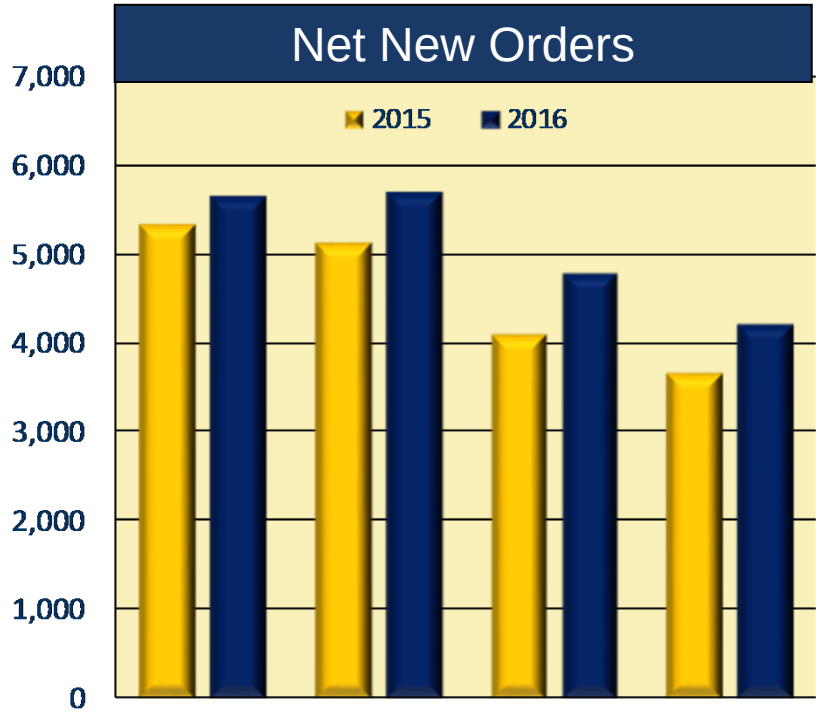
- EPS of $0.83, includes $0.16 per share of insurance and tax benefits
  - ✓ Prior year EPS of $0.64 included benefit of $0.07 per share from insurance and mortgage reserve reversals
- Q4 home sale revenues increased 21% to $2.4 billion; closings up 9% to 6,197 homes
- ASP up 11% over prior year; prices higher across all buyer groups:
  - ✓ First-time up 20% to $301,000
  - ✓ Move-up increased 9% to $464,000
  - ✓ Active-adult up 6% to $374,000



	Q1	Q2	Q3	Q4
2015	3,365	3,744	4,356	5,662
2016	3,945	4,772	5,037	6,197
Increase	17%	27%	16%	9%

Q4 2016 Highlights

- Net new orders increased 15% to 4,202 homes
- Dollar value of net new orders increased 22% to $1.7 billion
- Unit backlog up 10% to 7,422 homes
- Backlog value of $2.9 billion up 20% over prior year

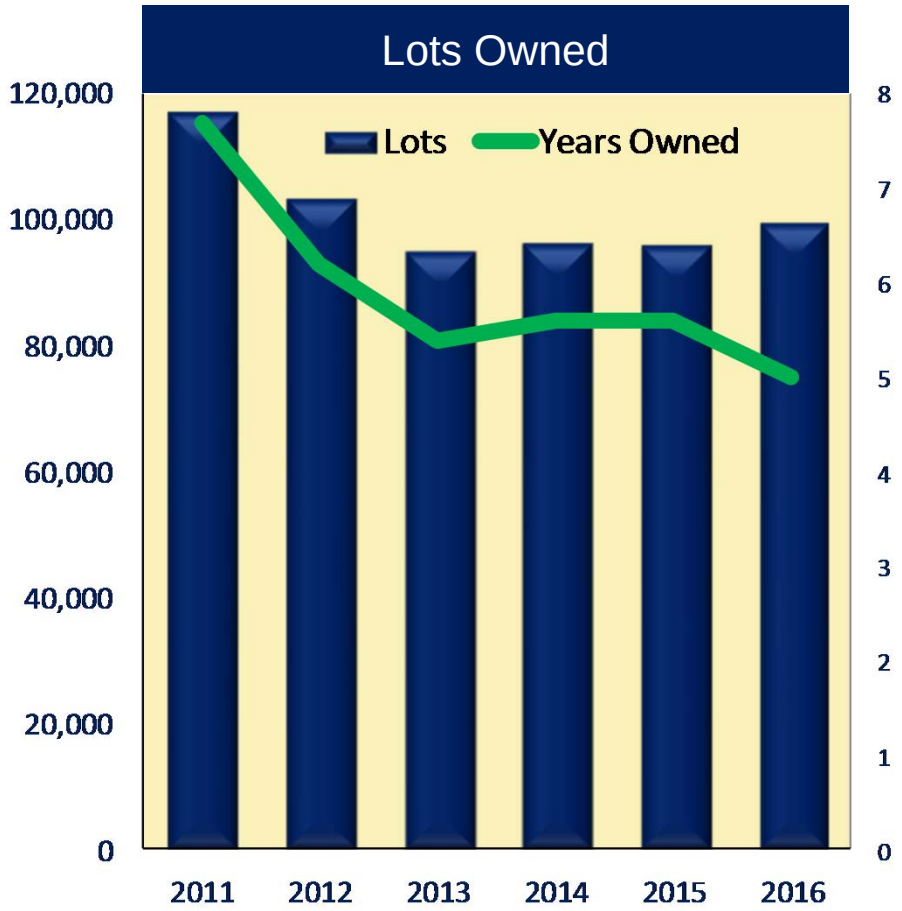


	Q1	Q2	Q3	Q4
2015	5,139	5,118	4,092	3,659
2016	5,652	5,697	4,775	4,202
Increase	10%	11%	17%	15%

PulteGroup

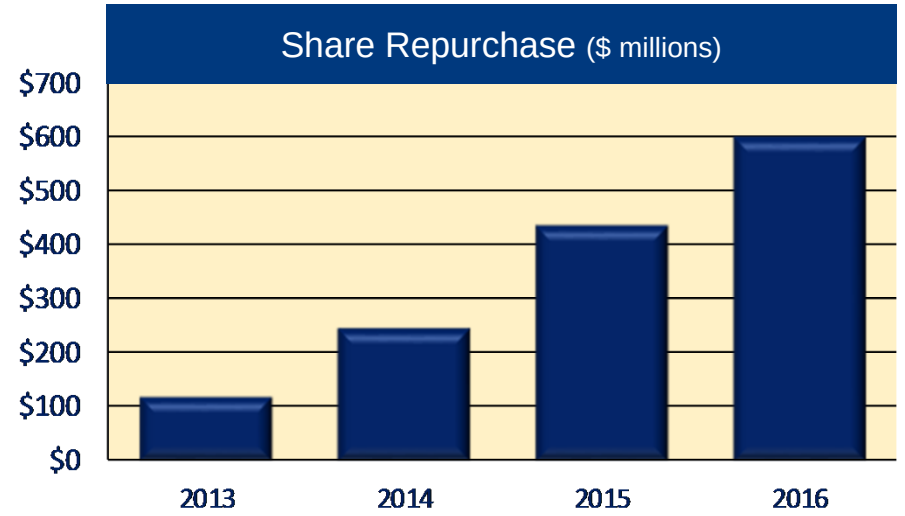
Land Pipeline Supports Business Growth

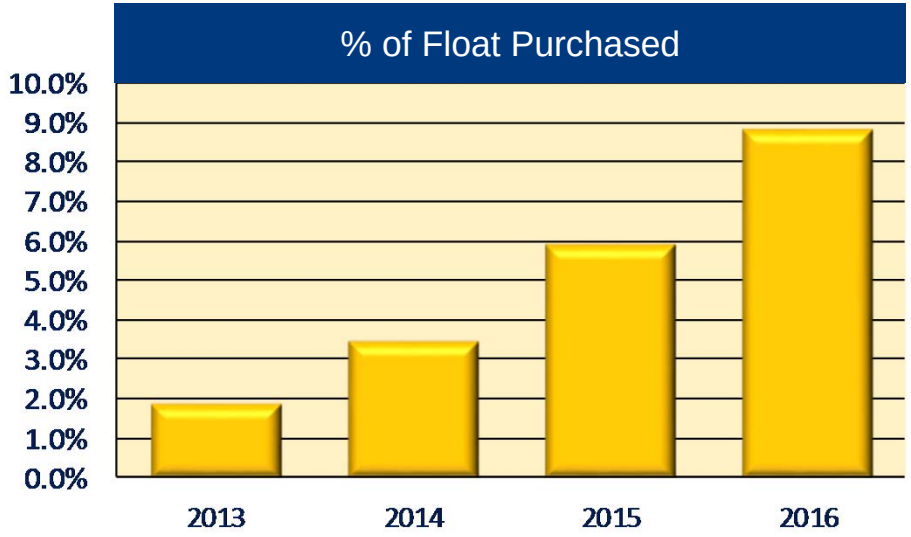
- Focused on driving greater asset efficiency
  - ✓ Owned lot position of less than 5.0 years based on TTM closings
  - ✓ Additional 44,000 lots controlled via options
- Expect 2017 land acquisition spend of $1.1 billion
  - ✓ Planned 2017 acquisition spend comparable to prior year, excluding lots acquired from John Wieland in 2016



Consistent Return of Excess Capital to Shareholders

- Repurchased 31 million shares in 2016 at a cost of $600 million
- Subject to market conditions, plan to repurchase an additional $1.0 billion of shares in 2017
- Company has used excess capital to repurchase 19% of shares outstanding over the past four years





PulteGroup

Q4 2016 Selected Financial Data

	Three Months Ended December 31,		
	2016 (1)	2015 (2)	Change
Home Sale Revenues ($ millions)	$2,423	$1,997	21%
Homebuilding Pretax Income ($ millions)	$389	$344	13%
Backlog (Units)	7,422	6,731	10%
Backlog (Dollar Value in millions)	$2,941	$2,457	20%
Financial Services Pretax Income ($ millions)	$25	$29	(15%)
Income Before Income Taxes ($ millions)	$414	$373	11%
Net Income Per Share	$0.83	$0.64	30%

(1) Q4 2016 results include benefits totaling $0.16 per share associated with the reversal of construction related insurance reserves and a lower effective tax rate due to the recognition of energy efficient home credits, as well as a deferred tax benefit relating to a legal entity restructuring.
(2) Q4 2015 results include benefits totaling $0.07 per share resulting from insurance and mortgage reserve reversals.

PulteGroup

Q4 2016 Selected Balance Sheet Data

($ millions)	December 31, 2016	December 31, 2015
Cash and Equivalents (including restricted cash)	$723	$775
House and Land Inventory	$6,771	$5,450
Debt	$3,110	$2,075
Shareholders' Equity	$4,659	$4,759
Debt – to – Capitalization	40%	30%

PulteGroup

Reclassification of Sales Commissions

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
Gross margin - historical presentation	21.3%	23.5%	21.4%	23.3%
Sales commissions	3.5%	3.6%	3.6%	3.5%
Gross margin - current presentation	24.8%	27.1%	25.0%	26.9%
SG&A - historical presentation	5.1%	7.0%	9.2%	10.2%
Sales commissions	3.5%	3.6%	3.6%	3.5%
SG&A - current presentation	8.6%	10.5%	12.8%	13.7%
Operating margin*	16.3%	16.6%	12.2%	13.2%

** Operating margin equals gross margin less SG&A.*

*** Due to rounding, certain components may not sum to the applicable subtotals.*

Historically, PulteGroup has classified both internal and external sales commissions within home sale cost of revenues. Effective with our fourth quarter 2016 reporting, we reclassified sales commissions to selling, general, and administrative expense ("SG&A") in order to be more consistent with a majority of our peers. This reclassification increased both gross margin and SG&A by corresponding amounts but had no impact on reported operating margin.



PulteGroup™

Fourth Quarter 2016 Earnings