



Report on 2018 Second Quarter Operating and Financial Results

Forward-Looking Statements

This press release 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 impairment charge 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; 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, including, but not limited to the Tax Cuts and Jobs Act 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; 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, 2017, 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 Call Participants



**Ryan
Marshall**

**President and
CEO**



**Bob
O'Shaughnessy**

**Executive
Vice President
and CFO**



**Jim
Ossowski**

**Senior Vice
President,
Finance**



**Jim
Zeumer**

**Vice President,
Investor
Relations**

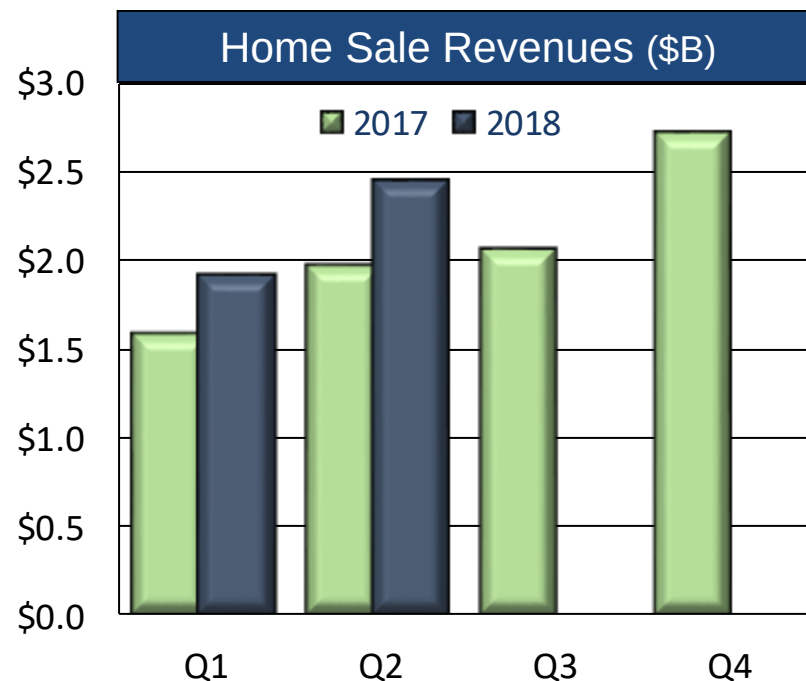


Review of Q2 2018 Results

Q2 2018 Financial Highlights

■ Revenue and operating gains accelerate EPS growth:

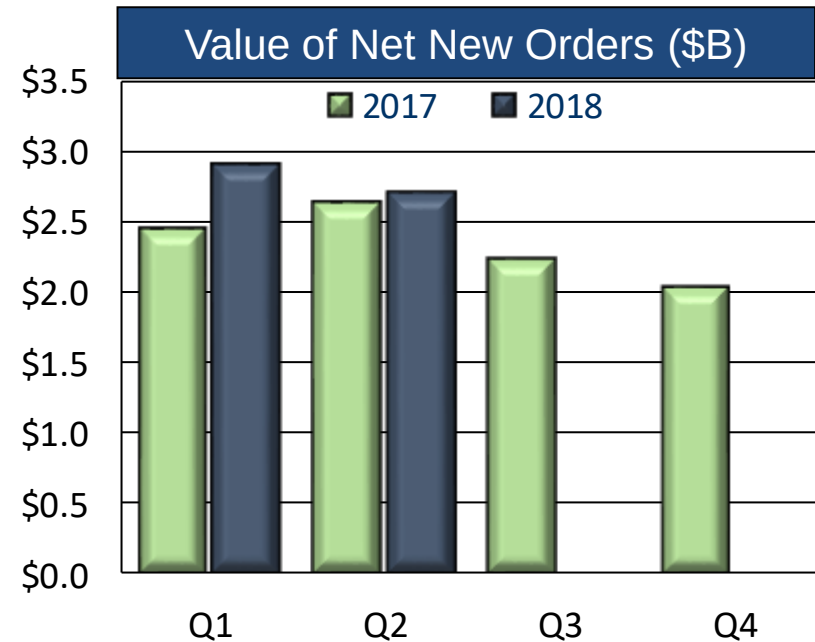
- ✓ Home sale revenues increased 25% to \$2.5 billion
- ✓ Closings up 14% to 5,741 homes
- ✓ Reported home sale gross margin was 24.0%, up 60 bps over prior year adjusted gross margin of 23.4%
- ✓ Reported SG&A expense of \$226 million
 - Adjusted SG&A expense of \$264 million, or 10.8% of home sale revenues, improved 120 bps over prior year adjusted SG&A
- ✓ Reported net income of \$1.12 per share
 - Adjusted net income increased 89% over prior year to \$0.89 per share



	Unit Closings			
	Q1	Q2	Q3	Q4
2017	4,225	5,044	5,151	6,632
2018	4,626	5,741	-	-
Change	+9%	+14%	-	-

Q2 2018 Financial Highlights

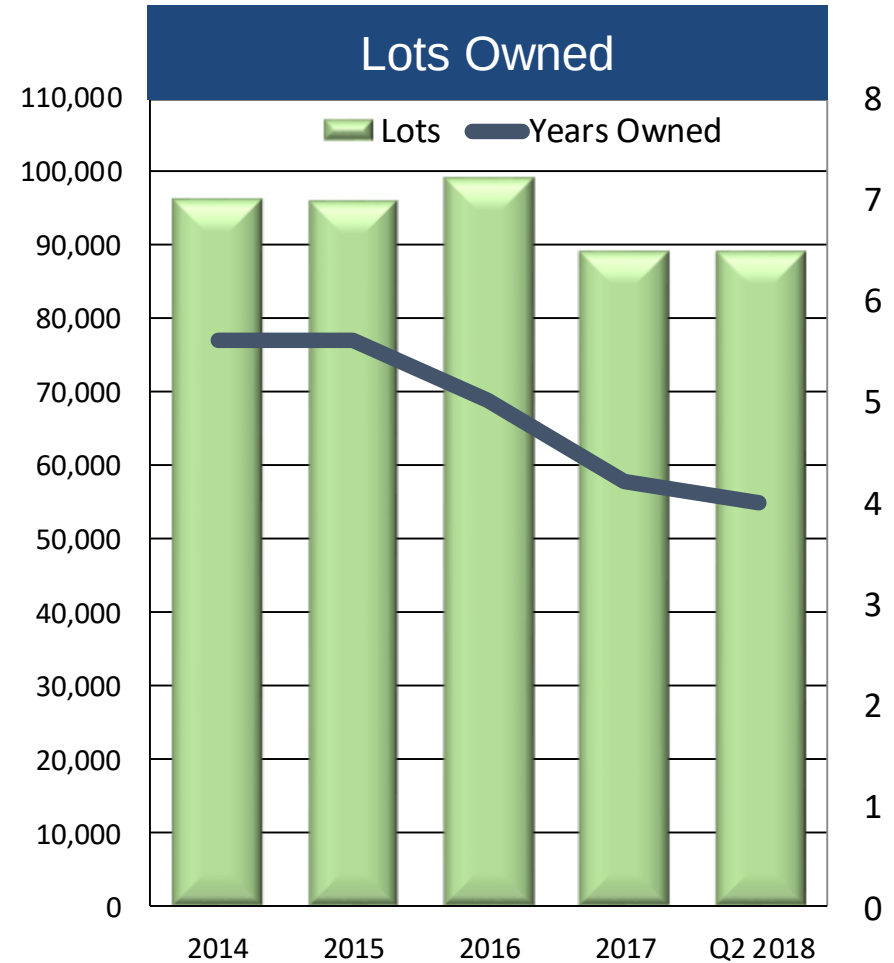
- Dollar value of net new orders increased 3% to \$2.7 billion
- Net new orders of 6,341, comparable with prior year
- Backlog value increased by 17% to \$5.2 billion
- Unit backlog increased 11% to 11,845 homes



	Net New Orders			
	Q1	Q2	Q3	Q4
2017	6,126	6,395	5,300	4,805
2018	6,875	6,341	-	-
Change	+12%	- 1%	-	-

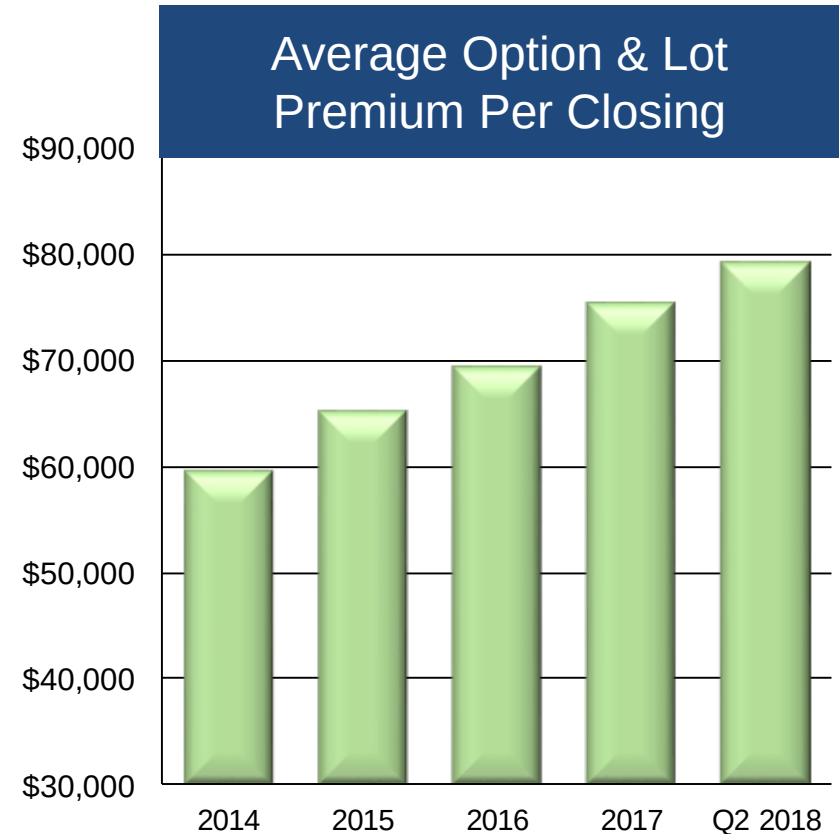
Optimizing Land Investments

- Q2 investment in land acquisition totaled \$352 million
 - ✓ Average size of project ~120 lots
- ~149,000 lots under control total
 - ✓ 40% of lots controlled via option
 - ✓ Owned lot position lowered to 4.0 years based on LTM closings



Strategic Pricing Continues to Benefit Revenues and Profitability

- Q2 average sales price increased 10%, or \$37,000, to \$427,000
 - ✓ Q2 options and lot premiums increased 6% to \$79,429 per home
- Price increases and mix of closings support higher average sales price:
 - ✓ First Time: up 25% to \$360,000
 - ✓ Move Up: up 8% to \$490,000
 - ✓ Active Adult: up 3% to \$389,000



Q2 2018 Selected Financial Data

	Three Months Ended June 30,		Change
	2018	2017	
Home Sale Revenues (\$ millions)	\$2,450	\$1,966	25%
Reported Home Sale Gross Margin	24.0%	21.1%	290 bps
Adjusted Home Sale Gross Margin	24.0%	23.4%	60 bps
Reported SG&A as Percent of Home Sale Revenues	9.2%	11.0%	180 bps
Adjusted SG&A as Percent of Home Sale Revenues	10.8%	12.0%	120 bps
Reported Net Income (\$ millions)	\$324	\$101	221%
Reported Earnings Per Share	\$1.12	\$0.32	250%
Adjusted Net Income (\$ millions)	\$259	\$148	75%
Adjusted Earnings Per Share	\$0.89	\$0.47	89%
Backlog (Units)	11,845	10,674	11%
Backlog Dollar Value (\$ millions)	\$5,205	\$4,462	17%

Q2 2018 Selected Balance Sheet Data

	June 30, 2018 (\$ millions)	December 31, 2017 (\$ millions)
Cash and Equivalents (including restricted cash)	\$402	\$306
House and Land Inventory	\$7,500	\$7,147
Debt	\$3,006	\$3,007
Shareholders' Equity	\$4,527	\$4,154
Debt – to – Capitalization	39.9%	42.0%



Appendix

PulteGroup, Inc.
Reconciliation of Non-GAAP Financial Measures (Unaudited)

This report contains information about our operating results reflecting certain adjustments, including: adjustments to gross margin from home sales; selling general, and administrative expenses ("SG&A"); net income; and diluted earnings per share ("EPS"). These measures are considered non-GAAP financial measures under the SEC's rules and should be considered in addition to, rather than as a substitute for, the comparable GAAP financial measures as measures of our profitability. We believe that reflecting these adjustments provides investors relevant and useful information for evaluating the comparability of financial information presented and comparing our profitability to other companies in the homebuilding industry. Although other companies in the homebuilding industry report similar information, the methods used may differ. We urge investors to understand the methods used by other companies in the homebuilding industry to calculate these measures and any adjustments thereto before comparing our measures to those of such other companies. The following tables set forth a reconciliation of the non-GAAP financial measures to the GAAP financial measures that management believes to be most directly comparable (\$000's omitted):

Reconciliation of Adjusted Net Income and Adjusted EPS

		Three Months Ended June 30,	
		2018	2017
Results of Operations Classification			
Net income, as reported		\$ 324,089	\$ 100,749
Adjustments to income before income taxes:			
Land and community valuation adjustments	Home sale cost of revenues	—	31,487
Warranty claim	Home sale cost of revenues	—	12,106
Net realizable value adjustments - land held for sale	Land sale cost of revenues	—	81,006
Land sale gains	Land sale revenues / cost of revenues	(26,402)	—
Insurance reserve reversal	SG&A	(37,890)	(19,813)
Impairments of joint ventures	Other expense, net	—	8,017
Income tax effect of the above items	Income tax expense	16,086	(41,737)
Net tax benefits	Income tax expense	(17,276)	(23,808)
Adjusted net income		\$ 258,607	\$ 148,007
EPS (diluted), as reported		\$ 1.12	\$ 0.32
Adjusted EPS (diluted)		\$ 0.89	\$ 0.47

Other Reconciliations

Other Reconciliations				
	Three Months Ended			
	June 30,			
	2018		2017	
Home sale revenues	\$ 2,450,054		\$ 1,965,641	
Gross margin from home sales, as reported	\$ 587,921	24.0 %	\$ 415,704	21.1 %
Adjustments:				
Land and community valuation adjustments	—	— %	31,487	1.6 %
Warranty claim	—	— %	12,106	0.6 %
Adjusted gross margin from home sales	\$ 587,921	24.0 %	\$ 459,297	23.4 %
SG&A, as reported	\$ 226,056	9.2 %	\$ 216,211	11.0 %
Adjustments:				
Insurance reserve reversal	37,890	1.5 %	19,813	1.0 %
Adjusted SG&A	\$ 263,946	10.8 %	\$ 236,024	12.0 %
Operating margin, as reported*		14.8 %		10.1 %
Adjusted operating margin**		13.2 %		11.4 %

*Operating margin represents gross margin from home sales less SG&A

**Adjusted operating margin represents adjusted gross margin from home sales less adjusted SG&A



Second Quarter 2018 Earnings