



Report on Second Quarter 2019 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 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, 2018, 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**

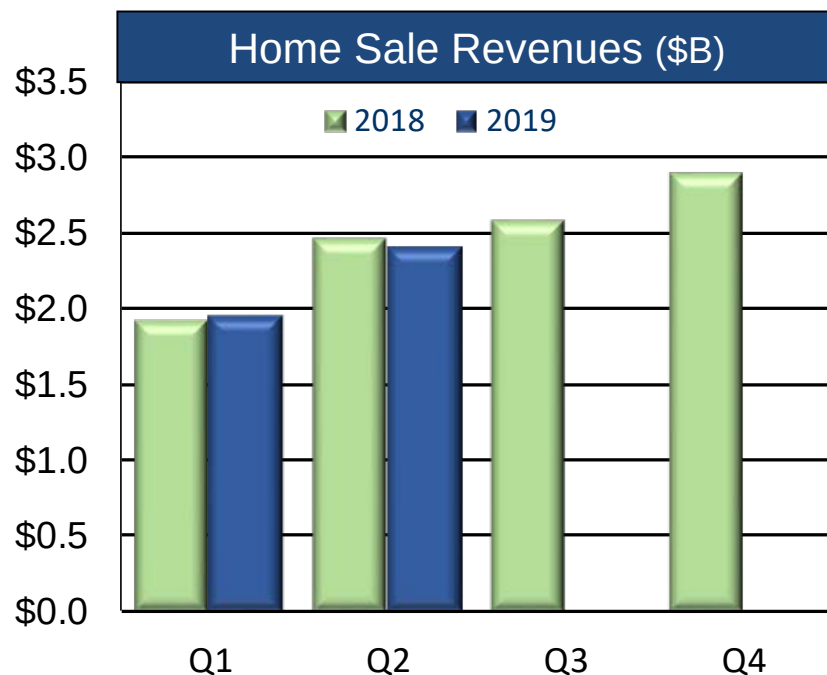
**Vice President,
Investor
Relations**



Review of Q2 2019 Results

Q2 2019 Financial Highlights

- Q2 earnings of \$0.86 per share
 - ✓ Prior year reported earnings of \$1.12 per share
 - ✓ Prior year adjusted earnings of \$0.89 per share excludes:
 - \$38 million of pretax benefit associated with insurance adjustments
 - \$26 million of pretax land-sale gains
 - \$17 million of net tax benefits.
- Home sale revenues of \$2.4 billion
 - ✓ ASP increased 1% to \$430,000
 - ✓ Closings lower by 3% to 5,589 homes
- Home sale gross margin of 23.1%

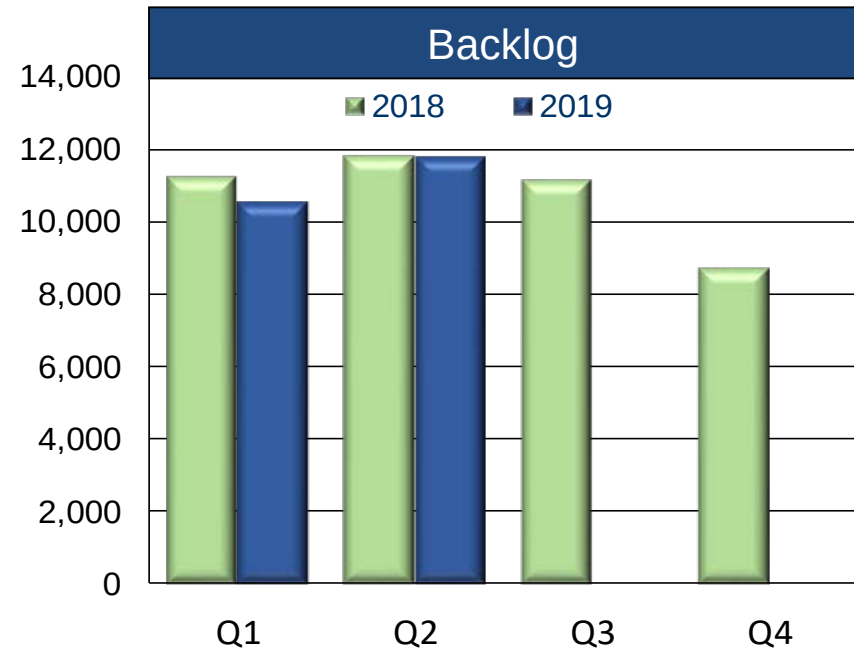


	Unit Closings			
	Q1	Q2	Q3	Q4
2018	4,626	5,741	6,031	6,709
2019	4,635	5,589	-	-
Change	-	-2.6%	-	-

Q2 2019 Financial Highlights

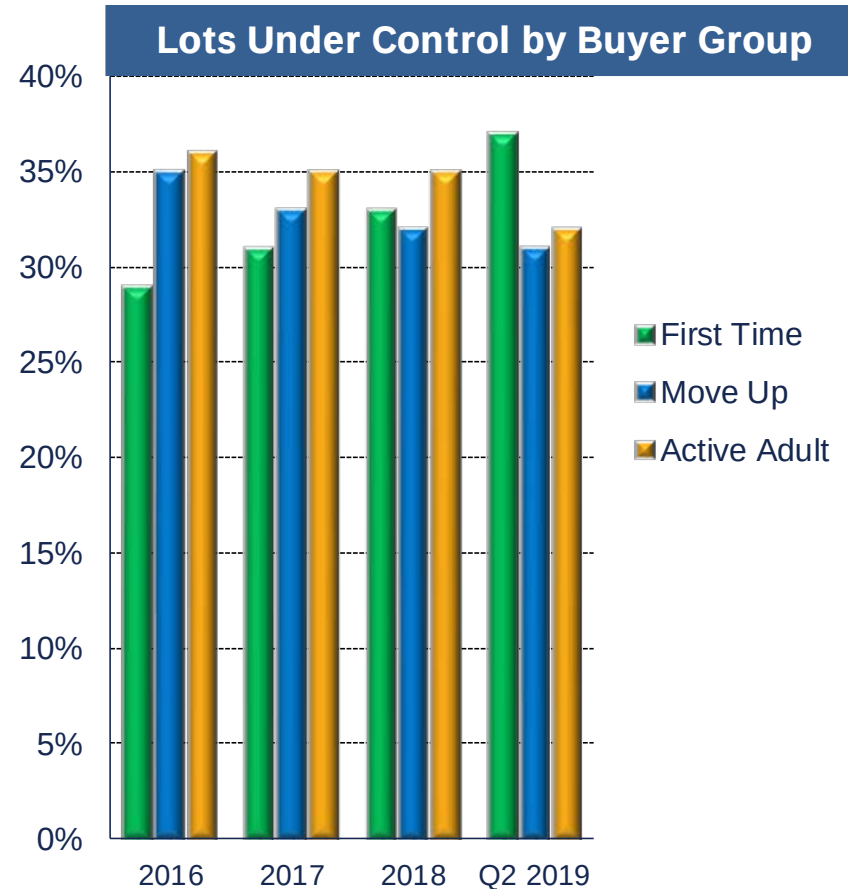
- Net new orders increased 7% to 6,792 homes
 - ✓ Q2 orders benefit from community count growth and better sales pace
- Dollar value of net new orders higher by 7% to \$2.9 billion
- Unit backlog of 11,793 homes comparable with prior year
 - ✓ Backlog value of \$5.1 billion

	Net New Orders			
	Q1	Q2	Q3	Q4
2018	6,875	6,341	5,350	4,267
2019	6,463	6,792	-	-
Change	- 6%	7%	-	-



Strategically Investing in the Business

- \$473 million invested in land acquisition for Q2
 - ✓ Spend includes purchase of American West assets in Las Vegas
 - American West deal includes purchase of 1,200 lots with another 2,300 lots put under option
- 154,000 lots under control
 - ✓ 40% held via option
 - ✓ Continuing to mix in more lots targeting first-time buyers

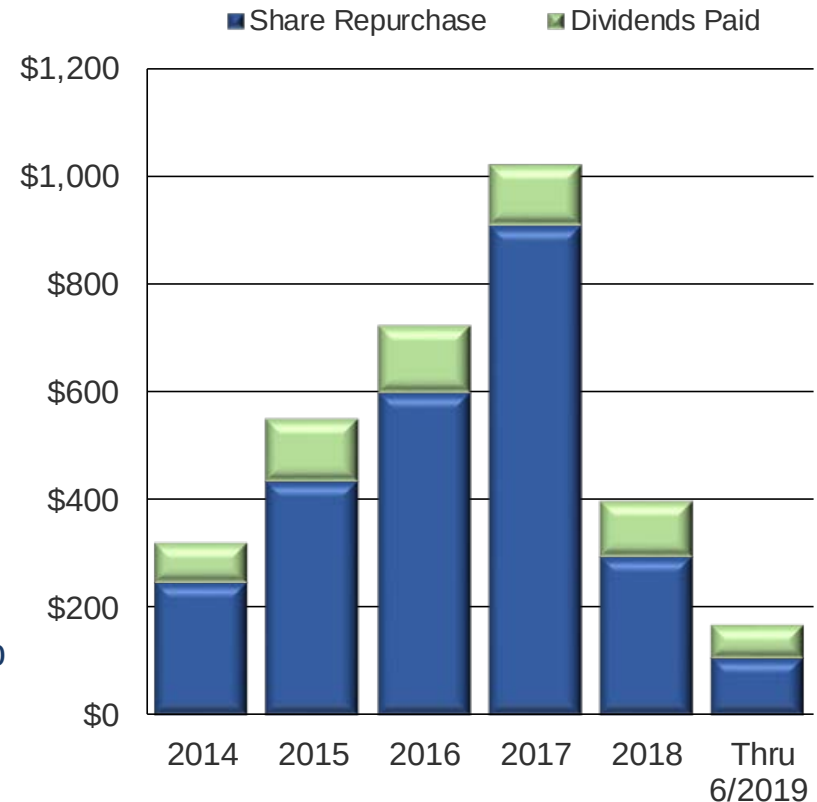


Balanced Capital Allocation

■ Capital uses in the quarter

- ✓ Invested \$857 million in land acq/dev to support business growth
 - Includes \$136 related to American West transaction completed in Q2
- ✓ \$114 million returned to shareholders through dividends and stock repurchases
- ✓ Tendered for \$274 million of senior notes that mature in 2021
 - Debt-to-total capital ratio down to 35.1%
 - \$659 million of cash and net debt-to-total capital ratio of 29.1%

Routinely Returning Capital



Q2 2019 Selected Financial Data

	Three Months Ended June 30,	
	2019	2018
Home Sale Revenues (\$ millions)	\$2,404	\$2,450
Home Sale Gross Margin	23.1%	24.0%
Reported Net Income (\$ millions)	\$241	\$324
Adjusted Net Income (\$ millions)	\$241	\$259
Reported Diluted Earnings Per Share	\$0.86	\$1.12
Adjusted Earnings Per Share	\$0.86	\$0.89
Backlog (Units)	11,793	11,845
Backlog Value (\$ millions)	\$5,109	\$5,205

Q2 2019 Selected Balance Sheet Data

	June 30, 2019 (\$ millions)	December 31, 2018 (\$ millions)
Cash and Equivalents (including restricted cash)	\$659	\$1,134
House and Land Inventory	\$7,802	\$7,253
Notes Payable	\$2,740	\$3,028
Shareholders' Equity	\$5,070	\$4,818
Debt – to – Total Capital Ratio	35.1%	38.6%
Net Debt – to – Capital Ratio	29.1%	28.2%



Appendix

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

This report contains information about our operating results reflecting certain adjustments, including: adjustments to selling, general, and administrative expenses ("SG&A"); income tax expense; 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

	Results of Operations Classification	Three Months Ended June 30,	
		2019	2018
Net income, as reported		\$ 241,041	\$ 324,089
Adjustments to income before income taxes:			
Land sale gains	Land sale revenues / cost of revenues	—	(26,402)
Insurance adjustments	SG&A	—	(37,890)
Income tax effect of the above items	Income tax expense	—	16,086
Net tax benefits	Income tax expense	—	(17,276)
Adjusted net income		<u>\$ 241,041</u>	<u>\$ 258,607</u>
EPS (diluted), as reported		\$ 0.86	\$ 1.12
Adjusted EPS (diluted)		\$ 0.86	\$ 0.89

Other Reconciliations

	Three Months Ended			
	June 30,			
	2019		2018	
Home sale revenues	\$	2,403,559	\$	2,450,054
Gross margin (a)	\$	555,404	23.1 %	\$ 587,921 24.0 %
SG&A, as reported	\$	259,440	10.8 %	\$ 226,056 9.2 %
Adjustments:				
Insurance adjustments		—	— %	37,890 1.5 %
Adjusted SG&A	\$	259,440	10.8 %	\$ 263,946 10.8 %
Operating margin, as reported (b)			12.3 %	14.8 %
Adjusted operating margin (c)			12.3 %	13.2 %

(a) Gross margin represents home sale revenues minus home sale cost of revenues

(b) Operating margin represents gross margin less SG&A

(c) Adjusted operating margin represents gross margin less adjusted SG&A



Second Quarter 2019 Earnings