



Q2 2021 Operating & Financial Results

July 27, 2021

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; 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, 2020, 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 & CEO



**Bob
O'Shaughnessy**
**Executive
Vice President
and CFO**



**Jim
Ossowski**
**Senior Vice
President,
Finance**



**Jim
Zeumer**
**Vice President,
Investor
Relations**



Q2 2021 Operating & Financial Highlights

PulteGroup Q2 2021 Highlights

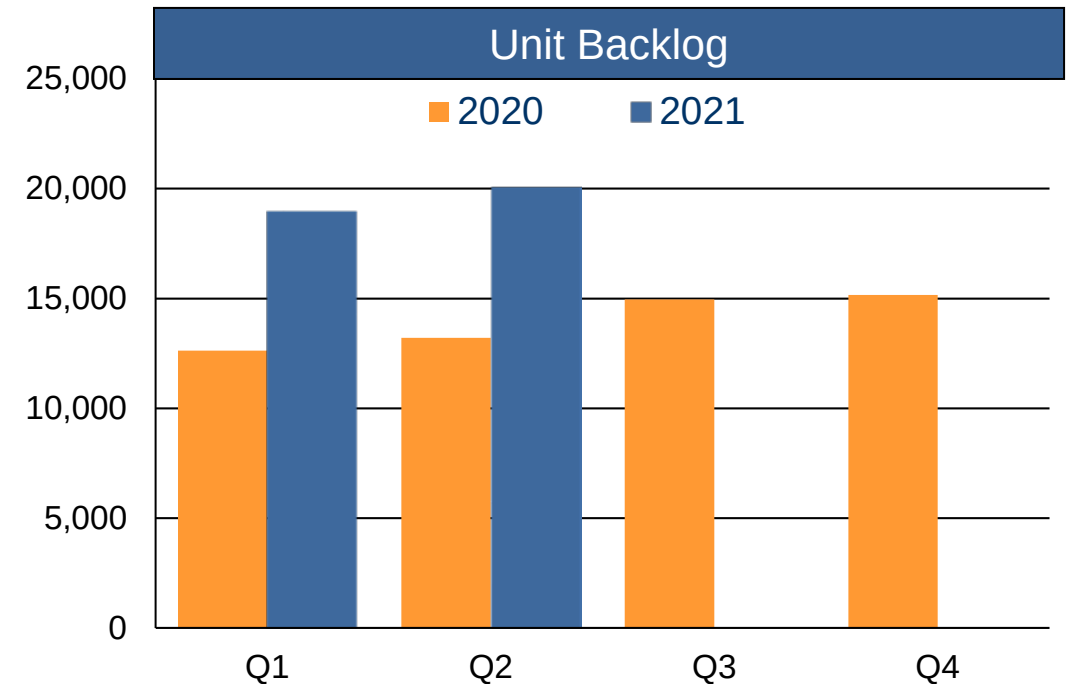
- Q2 reported and adjusted earnings of \$1.90 and \$1.72 per share, respectively
- Net new orders increased 28% to 8,322 homes
- Homebuilding gross margin up 270 basis points to 26.6%
- Backlog of 20,056 homes with a value of \$9.8 billion
- Company signs lease on second off-site manufacturing plant
 - ✓ New plant to be located in Florence, SC, and expected to open in 2022
- PulteGroup to begin building for single-family rental market
 - ✓ Company announces new relationship with Invitation Homes
 - ✓ 5-year plan targets sale of 7,500 homes to Invitation Homes beginning in 2022

Q2 2021 Financial Highlights

- Q2 reported earnings of \$1.90 per share; adjusted earnings of \$1.72 per share
 - ✓ Earnings adjusted to exclude:
 - \$46 million pre-tax benefit from insurance adjustment
 - \$12 million tax benefit resulting from change in valuation allowances
 - ✓ Prior year reported Q2 earnings of \$1.29 per share with adjusted earnings of \$1.15 per share
- Home sale revenues increased 31% to \$3.2 billion
 - ✓ Q2 closings increased 22% to 7,232 homes
 - ✓ ASP increased 7% to \$447,000
- Homebuilding gross margin higher by 270 bps to 26.6%
 - ✓ On a sequential basis, gross margin increased by 110 bps from Q1 2021
- Reported SG&A expense of \$272 million, or 8.4% of home sale revenues
 - ✓ Adjusted SG&A expense was \$319 million, or 9.8% of home sale revenues

Q2 2021 Financial Highlights

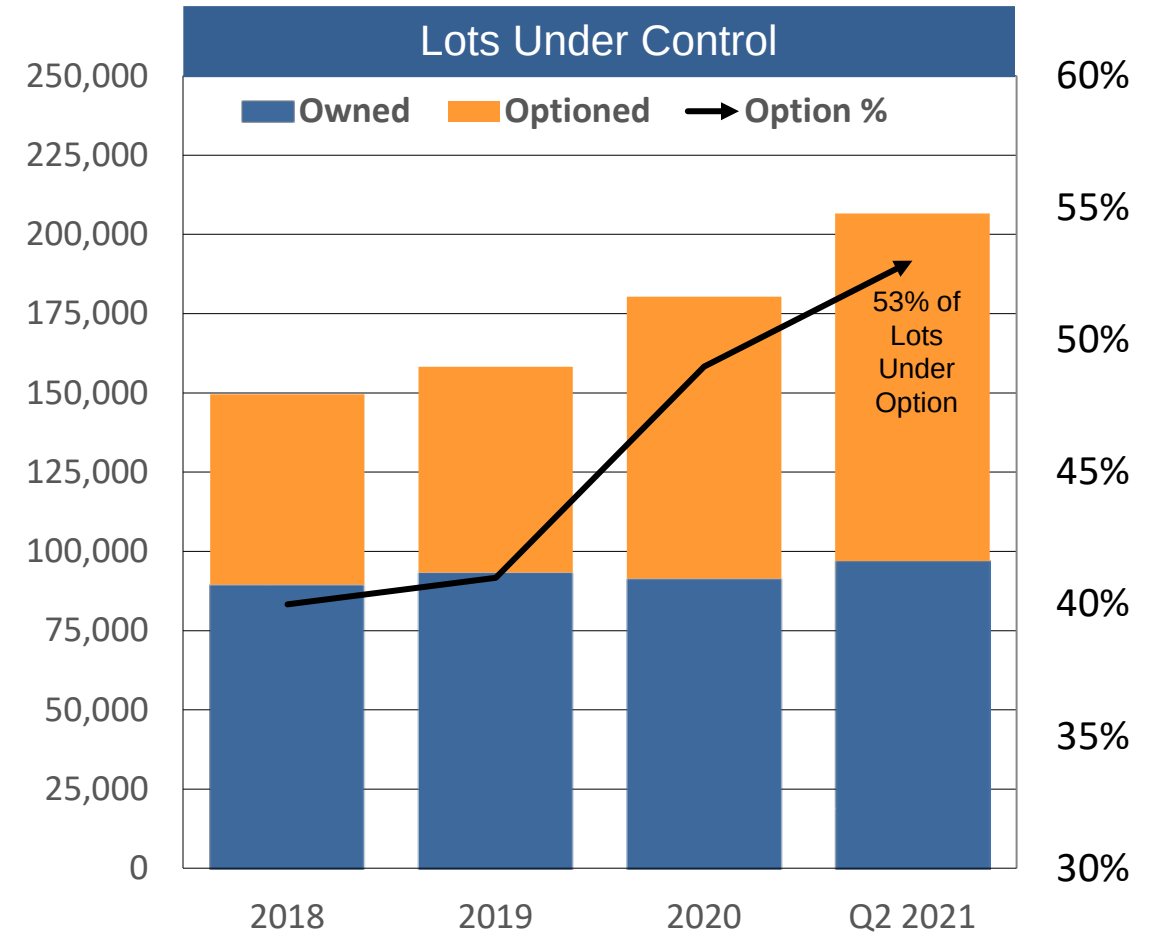
- Net new orders for the period increased 28% to 8,322 homes
 - ✓ Value of net new orders gained 59% to \$4.3 billion
- Unit backlog higher by 52% to 20,056 homes
- Backlog value increased 70% to \$9.8 billion



	Net New Orders			
	Q1	Q2	Q3	Q4
2020	7,495	6,522	8,202	7,056
2021	9,852	8,322	-	-
Change	31%	28%	-	-

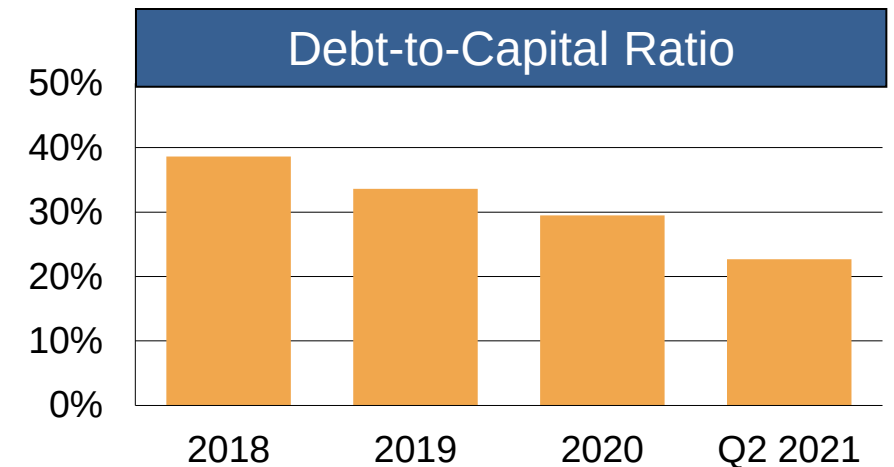
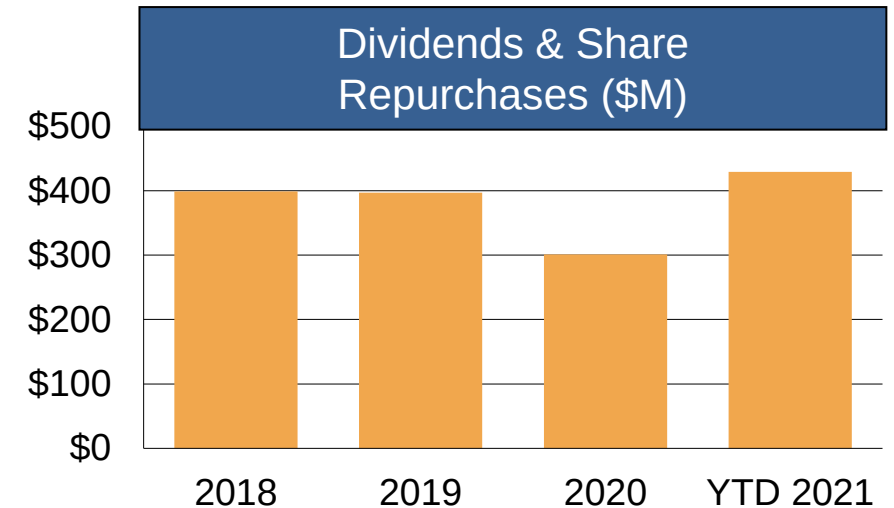
Q2 2021 Land Update

- Q2 land acquisition & development investment of \$986 million
 - ✓ Targeting total land investment of \$4.0 billion for full year 2021
- Lots under control increased to 206,641
- Increased lots controlled through options to 53% of land pipeline



Consistent Return of Funds to Shareholders

- Ended Q2 with \$1.7 billion of cash
- Q2 debt-to-capital ratio lowered to 22.7%
- Net debt-to-capital ratio of 4.5%
- Company repurchased \$200 million of common shares in Q2
 - ✓ Through the first six months of 2021, Company has used \$354 million to repurchase 6.9 million shares, representing a 2.4% reduction in shares outstanding.
 - ✓ \$1.0 billion remaining on current share repurchase authorization



Q2 2021 Selected Financial Data

	Three Months Ended June 30,		Change
	2021	2020	
Home Sale Revenues (\$ millions)	\$3,235	\$2,472	31%
Gross Margin Percentage	26.6%	23.9%	270 bps
SG&A Percent of Home Sale Revenues	8.4%	8.0%	40 bps
Adjusted SG&A Percent of Home Sale Revenues	9.8%	10.0%	-20 bps
Financial Services Pretax Income (\$ millions)	\$51	\$60	-15%
Net Income (\$ millions)	\$503	\$349	44%
Adjusted Net Income (\$ millions)	\$456	\$311	47%
Earnings Per Share	\$1.90	\$1.29	47%
Adjusted Earnings Per Share	\$1.72	\$1.15	50%
Backlog (Units)	20,056	13,214	52%
Backlog Dollar Value (\$ millions)	\$9,850	\$5,788	70%

Q2 2021 Selected Balance Sheet Data

	June 30, 2021 (\$ millions)	December 31, 2020 (\$ millions)
Cash and Equivalents (including restricted cash)	\$1,721	\$2,632
House and Land Inventory	\$8,379	\$7,722
Notes Payable	\$2,046	\$2,752
Shareholders' Equity	\$6,958	\$6,570
Debt – to – Capital Ratio	22.7%	29.5%
Net Debt – to – Capital Ratio	4.5%	1.8%



Appendix Non-GAAP Reconciliation

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

This report contains information about our operating results reflecting certain adjustments, including net income, diluted earnings per share ("EPS"), operating margin, and debt-to-capital ratio. 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. We believe that reflecting these adjustments provides investors relevant and useful information for evaluating the comparability of financial information presented and comparing our profitability and liquidity 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, except per share data):

Adjusted EPS			
	Results of Operations Classification	Three Months Ended	
		June 30,	
		2021	2020
Net income, as reported		\$ 503,399	\$ 348,620
Adjustments to income before income taxes:			
Insurance adjustments	SG&A	(46,215)	(60,662)
Severance expense	SG&A	*	10,328
Income tax effect of the above items	Income tax expense	11,323	12,347
Tax benefits	Income tax expense	(12,078)	*
Adjusted net income		<u>\$ 456,429</u>	<u>\$ 310,633</u>
EPS (diluted), as reported		\$ 1.90	\$ 1.29
Adjusted EPS (diluted)		\$ 1.72	\$ 1.15

Adjusted Operating Margin				
Three Months Ended				
June 30,				
	2021		2020	
Home sale revenues	\$ 3,235,379		\$ 2,472,029	
Gross margin (a)	\$ 859,884	26.6 %	\$ 591,820	23.9 %
SG&A, as reported	\$ 272,286	8.4 %	\$ 196,858	8.0 %
Adjustments:				
Insurance adjustments	46,215	1.4 %	60,662	2.5 %
Severance expense	*	*	(10,328)	(0.4)%
Adjusted SG&A	\$ 318,501	9.8 %	\$ 247,192	10.0 %
Operating margin, as reported (b)		18.2 %		16.0 %
Adjusted operating margin (c)		16.7 %		13.9 %

**Item not meaningful for the period presented*

(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

Debt-to-Capital Ratios

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
Notes payable	\$ 2,046,334	\$ 2,752,302
Shareholders' equity	<u>6,958,468</u>	<u>6,569,989</u>
Total capital	\$ 9,004,802	\$ 9,322,291
Debt-to-capital ratio	22.7 %	29.5 %
Notes payable	\$ 2,046,334	\$ 2,752,302
Less: Total cash, cash equivalents, and restricted cash	<u>(1,721,122)</u>	<u>(2,632,235)</u>
Total net debt	\$ 325,212	\$ 120,067
Shareholders' equity	<u>6,958,468</u>	<u>6,569,989</u>
Total net capital	<u>\$ 7,283,680</u>	<u>\$ 6,690,056</u>
Net debt-to-capital ratio	4.5 %	1.8 %



Q2 2021 Financial Results