



Q3 2021 Operating & Financial Results

October 26, 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**



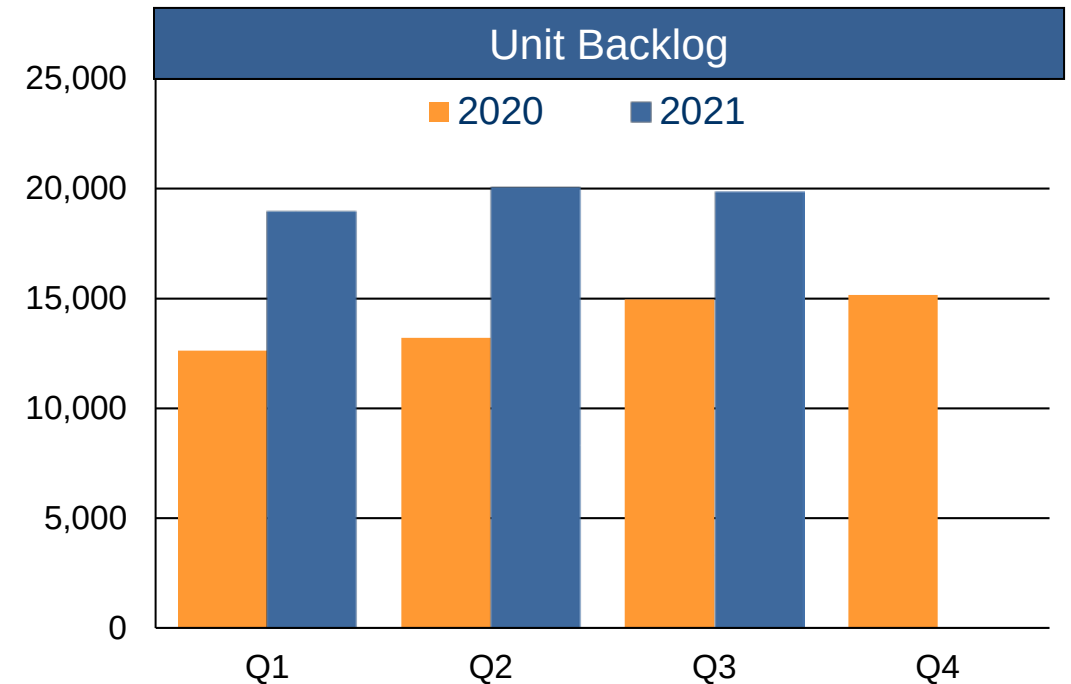
## Q3 2021 Operating & Financial Highlights

# Q3 2021 Financial Highlights

- Q3 2021 reported earnings of \$1.82 per share; prior year adjusted earnings of \$1.34 per share
  - ✓ Prior year earnings adjusted to exclude a tax benefit of \$53 million resulting from energy tax credits recorded in the period
- Home sale revenues increased 18% to \$3.3 billion
  - ✓ Q3 closings increased 9% to 7,007 homes
  - ✓ ASP increased 8% to \$474,000
- Homebuilding gross margin increased 200 bps to 26.5%
- SG&A expense of \$321 million, or 9.6% of home sale revenues
- Homebuilding operations being impacted by industry-wide supply chain disruptions
  - ✓ Extending build cycles
  - ✓ Increasing material, labor and logistics costs

# Q3 2021 Financial Highlights

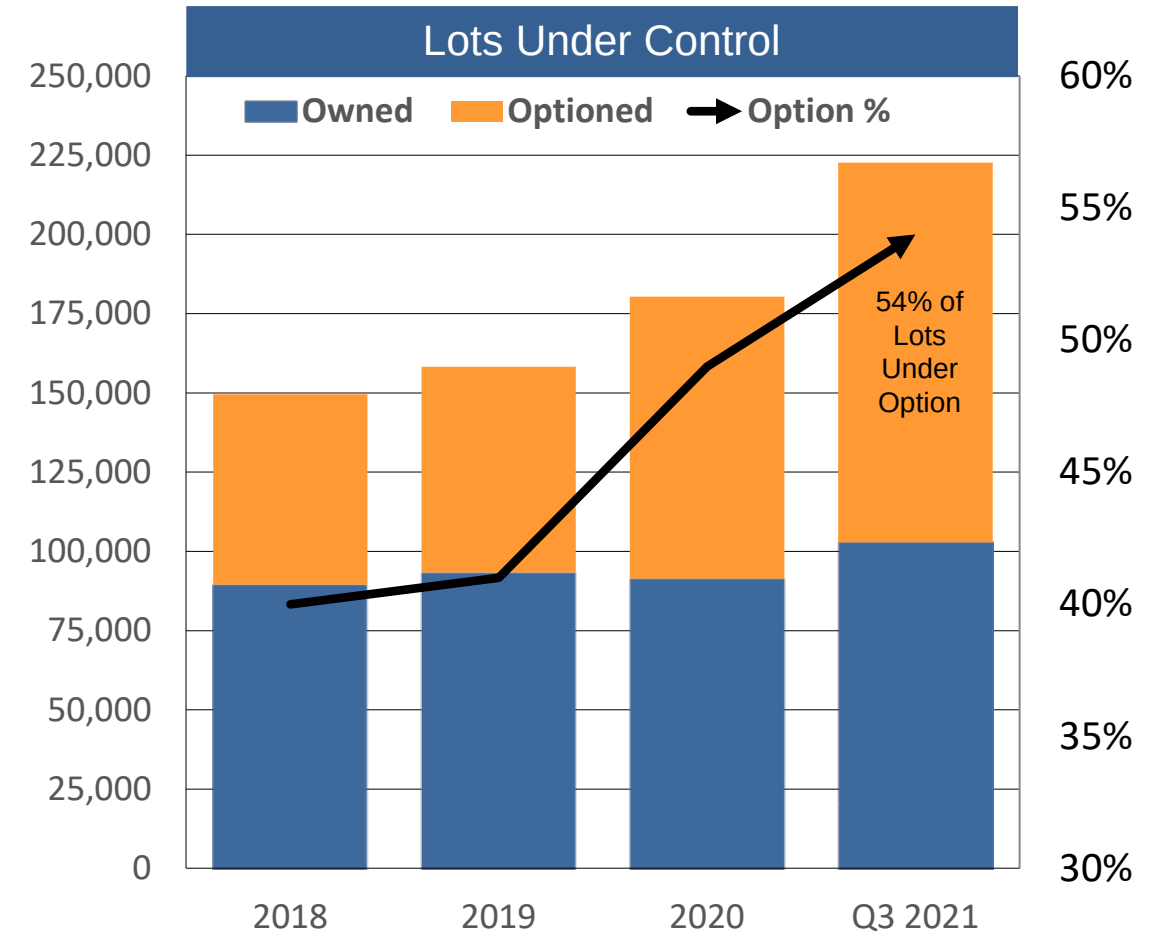
- Net new orders for the quarter were 6,796 homes
  - ✓ Net new orders decreased by 17%, driven primarily by 14% decline in community count
- Value of net new orders increased 4% to \$3.8 billion
- Unit backlog increased 33% to 19,845 homes
- Backlog value increased 56% to \$10.3 billion



|        | Net New Orders |       |       |       |
|--------|----------------|-------|-------|-------|
|        | Q1             | Q2    | Q3    | Q4    |
| 2020   | 7,495          | 6,522 | 8,202 | 7,056 |
| 2021   | 9,852          | 8,322 | 6,796 | -     |
| Change | 31%            | 28%   | - 17% | -     |

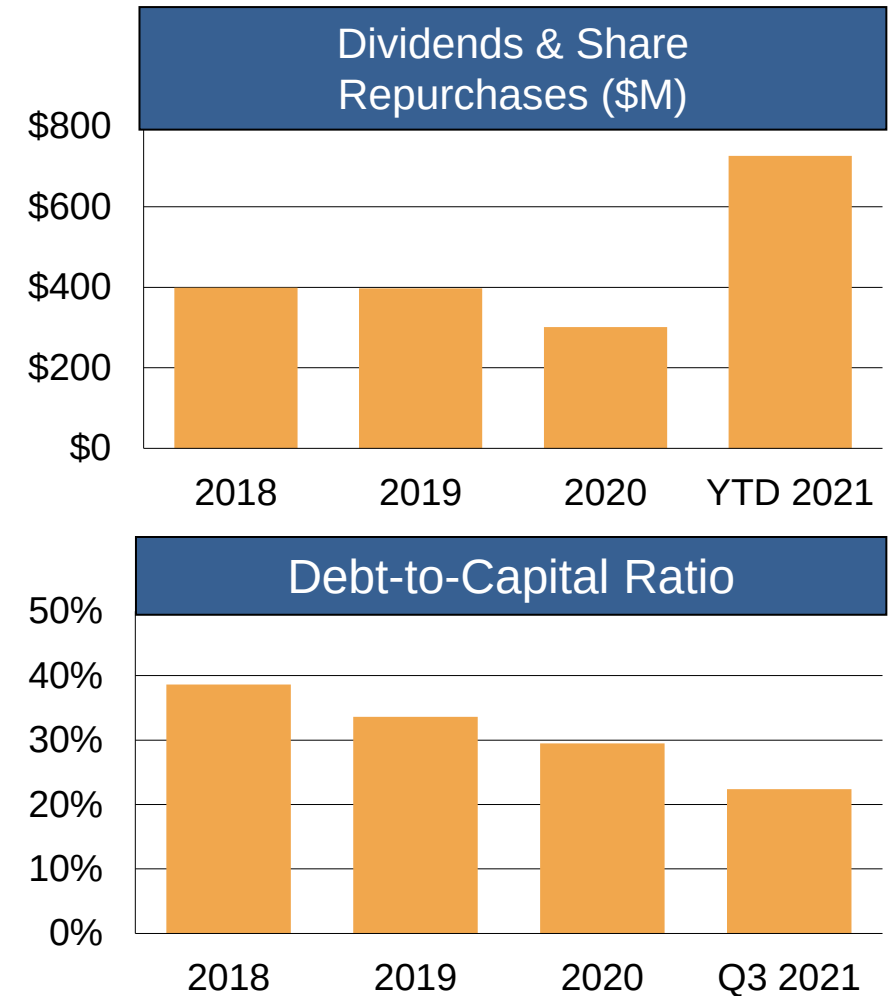
## Q3 2021 Land Update

- Q3 land acquisition & development investment totaled \$1.1 billion
  - ✓ Targeting total land investment of \$4.0 billion for full year 2021
- Controlled lot position increased to 222,624 lots with 54% held through option



# Outstanding Financial Position and Consistent Return of Funds to Shareholders

- Repurchased \$261 million of common shares and paid out \$37 million in dividends in Q3
  - ✓ Through the first nine months of 2021, repurchased 12 million shares, representing a 4.3% reduction in common shares outstanding, for \$614 million
- Ended Q3 with \$1.6 billion of cash
- Q3 debt-to-capital ratio lowered to 22.4%
- Net debt-to-capital ratio of 5.7%



## Q3 2021 Selected Financial Data

|                                                | Three Months Ended<br>September 30, |         | Change  |
|------------------------------------------------|-------------------------------------|---------|---------|
|                                                | 2021                                | 2020    |         |
| Home Sale Revenues (\$ millions)               | \$3,324                             | \$2,824 | 18%     |
| Gross Margin Percentage                        | 26.5%                               | 24.5%   | 200 bps |
| SG&A Percent of Home Sale Revenues             | 9.6%                                | 9.6%    | -       |
| Financial Services Pretax Income (\$ millions) | \$49                                | \$64    | - 23%   |
| Net Income (\$ millions)                       | \$476                               | \$416   | 14%     |
| Adjusted Net Income (\$ millions)              | \$476                               | \$363   | 31%     |
| Earnings Per Share                             | \$1.82                              | \$1.54  | 18%     |
| Adjusted Earnings Per Share                    | \$1.82                              | \$1.34  | 36%     |
| Backlog (Units)                                | 19,845                              | 14,962  | 33%     |
| Backlog Dollar Value (\$ millions)             | \$10,306                            | \$6,598 | 56%     |

## Q3 2021 Selected Balance Sheet Data

|                                                     | September 30, 2021<br>(\$ millions) | December 31, 2020<br>(\$ millions) |
|-----------------------------------------------------|-------------------------------------|------------------------------------|
| Cash and Equivalents<br>(including restricted cash) | \$1,625                             | \$2,632                            |
| House and Land Inventory                            | \$8,917                             | \$7,722                            |
| Notes Payable                                       | \$2,060                             | \$2,752                            |
| Shareholders' Equity                                | \$7,142                             | \$6,570                            |
| Debt – to – Capital Ratio                           | 22.4%                               | 29.5%                              |
| Net Debt – to – Capital Ratio                       | 5.7%                                | 1.8%                               |



**Building on Proven  
Business Platform**

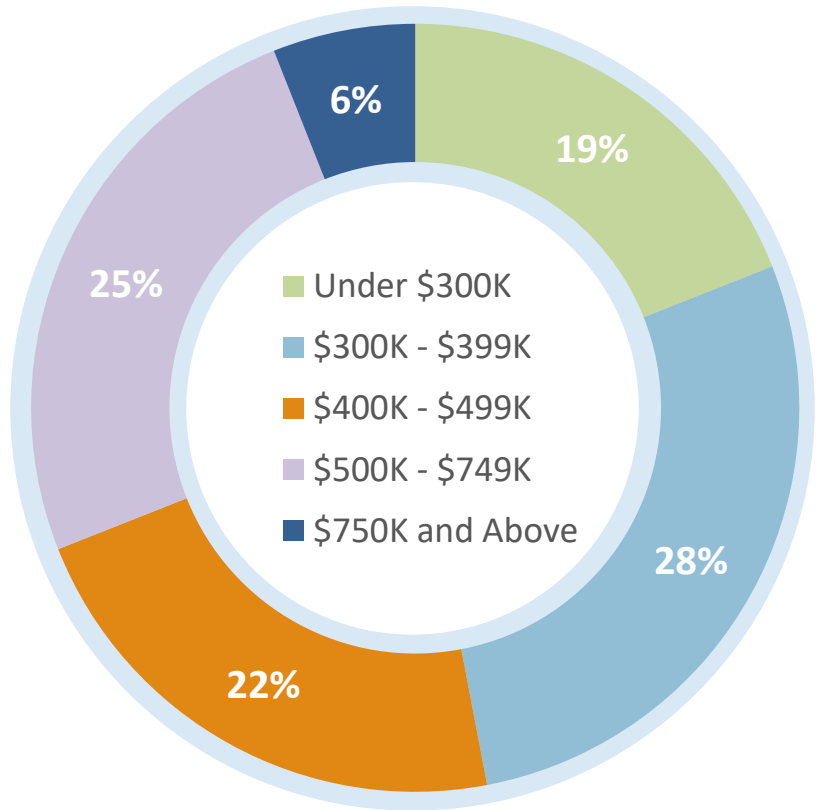
# Industry Leading Brand Names



# Serving a Variety of Price Points



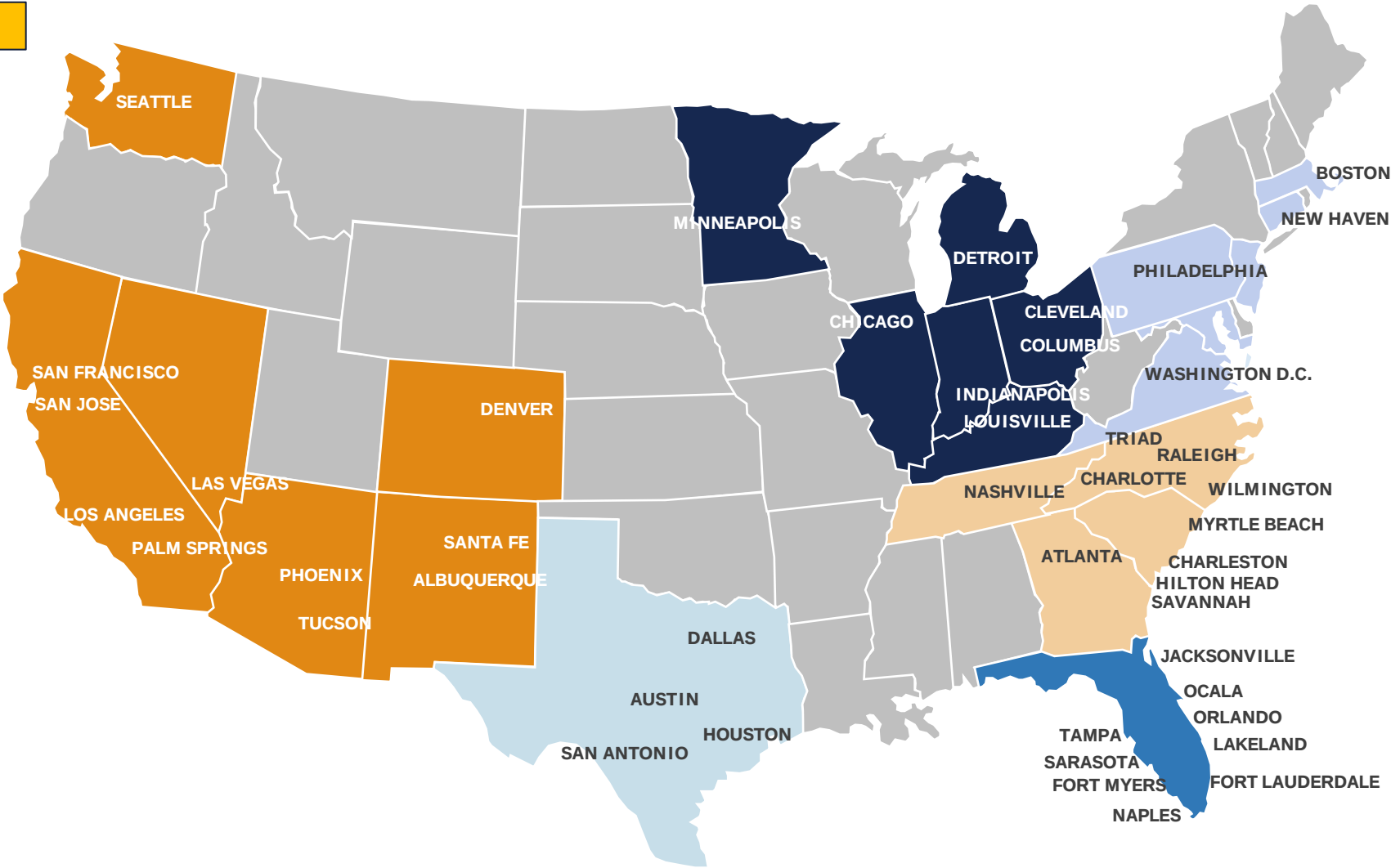
**% of Sep YTD 2021 Closings by Price Point**



# With a Broad and Balanced Geographic Footprint

% for YTD Sep 2021

% for Sept YTD 2021



| % of Company |     |
|--------------|-----|
| Closings     | 19% |
| Revenue      | 23% |
| Lots         | 19% |

| % of Company |     |
|--------------|-----|
| Closings     | 20% |
| Revenue      | 14% |
| Lots         | 18% |

| % of Company |     |
|--------------|-----|
| Closings     | 15% |
| Revenue      | 15% |
| Lots         | 13% |

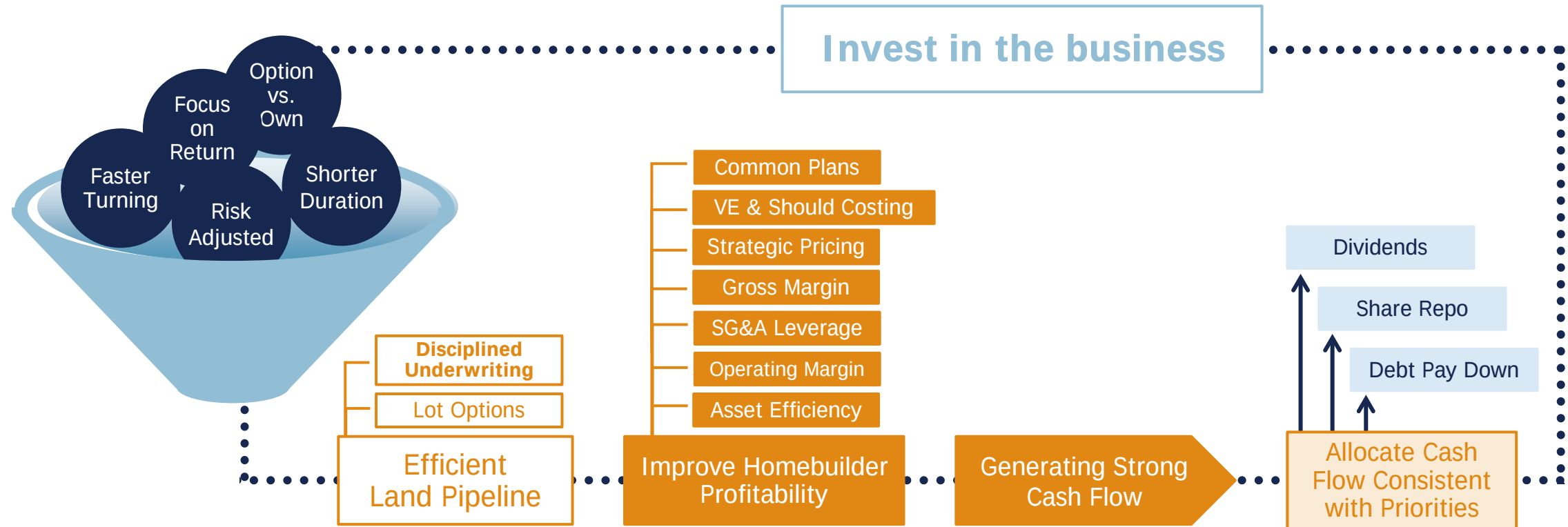
| % of Company |    |
|--------------|----|
| Closings     | 6% |
| Revenue      | 8% |
| Lots         | 5% |

| % of Company |     |
|--------------|-----|
| Closings     | 17% |
| Revenue      | 17% |
| Lots         | 19% |

| % of Company |     |
|--------------|-----|
| Closings     | 23% |
| Revenue      | 23% |
| Lots         | 26% |

# With a Differentiated Strategy Focused on Generating Returns and Shareholder Value

PulteGroup's focus on delivering higher returns over the cycle allows for a more balanced capital allocation



# Allocating Capital Consistent with Our Stated Priorities

- **Invest in the business**

- ✓ Expect to invest approximately \$4 billion in land acquisition and development in 2021

- **Continue to fund our dividend**

- ✓ Dividend was increased by 17% effective with the January 2021 payment

- **Return excess capital to shareholders through share repurchase**

- ✓ Company repurchased \$614 million of common shares through first 9 months of 2021
- ✓ Plan to remain systematic buyers of our shares

- **Maintain appropriate financial leverage**

- ✓ Paid down \$726 million of our outstanding senior notes in Q1 2021



## 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"), 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 |                   |
|                            |                                      | September 30,      |                   |
|                            |                                      | 2021               | 2020              |
| Net income, as reported    |                                      | \$ 475,549         | \$ 416,398        |
| Energy tax credits         | Income tax expense                   | —                  | (53,210)          |
| Adjusted net income        |                                      | <u>\$ 475,549</u>  | <u>\$ 363,188</u> |
| EPS (diluted), as reported |                                      | \$ 1.82            | \$ 1.54           |
| Adjusted EPS (diluted)     |                                      | \$ 1.82            | \$ 1.34           |

| Debt-to-Capital Ratios                                  |                     |                     |
|---------------------------------------------------------|---------------------|---------------------|
|                                                         | September 30, 2021  | December 31, 2020   |
| Notes payable                                           | \$ 2,059,923        | \$ 2,752,302        |
| Shareholders' equity                                    | 7,141,752           | 6,569,989           |
| Total capital                                           | \$ 9,201,675        | \$ 9,322,291        |
| Debt-to-capital ratio                                   | 22.4 %              | 29.5 %              |
| Notes payable                                           | \$ 2,059,923        | \$ 2,752,302        |
| Less: Total cash, cash equivalents, and restricted cash | (1,624,651)         | (2,632,235)         |
| Total net debt                                          | \$ 435,272          | \$ 120,067          |
| Shareholders' equity                                    | 7,141,752           | 6,569,989           |
| Total net capital                                       | <u>\$ 7,577,024</u> | <u>\$ 6,690,056</u> |
| Net debt-to-capital ratio                               | 5.7 %               | 1.8 %               |



## Q3 2021 Financial Results