



Q1 2022 Operating & Financial Results

April 28, 2022

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, 2021, 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**



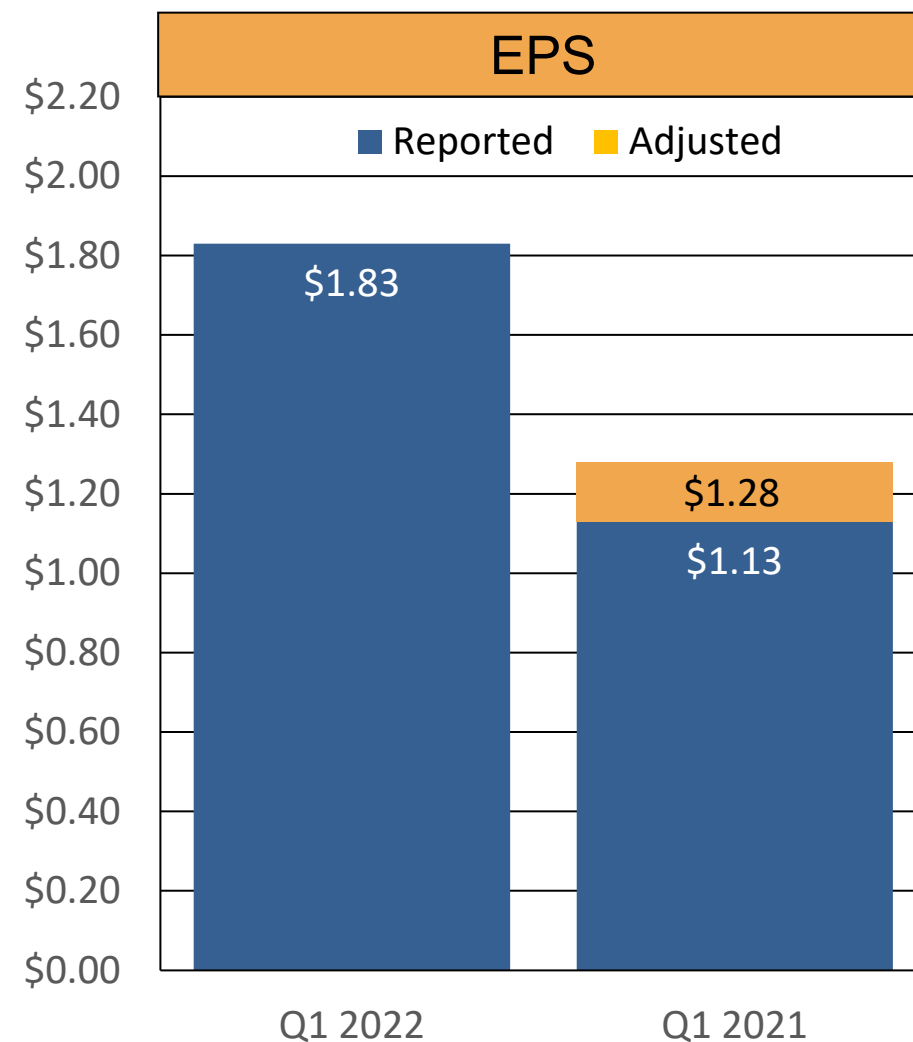
**Jim
Zeumer**
**Vice President,
Investor
Relations**



Q1 2022 Operating & Financial Highlights

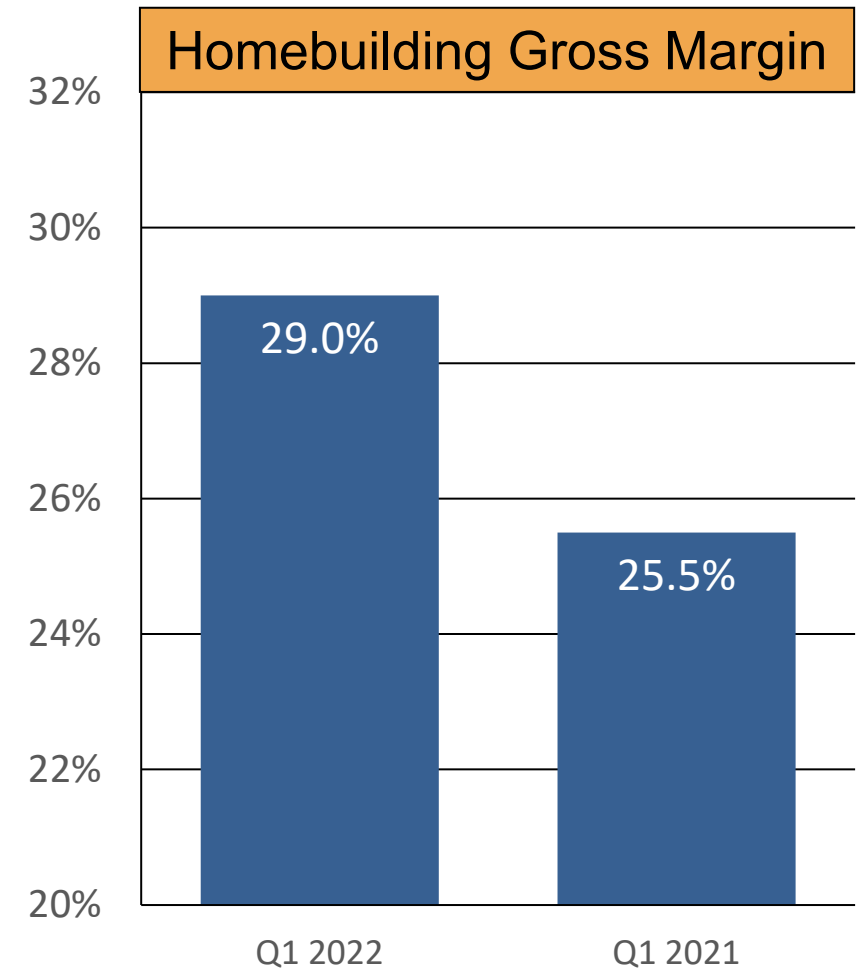
Q1 2022 Financial Highlights

- Q1 2022 EPS of \$1.83
 - ✓ Higher earnings driven primarily by an 18% increase in average sales price and 350 bps expansion of gross margin
 - ✓ Q1 2021 reported EPS of \$1.13
 - Adjusted EPS of \$1.28 excludes a pre-tax charge of \$61 million associated with a cash tender for \$300 million of debt and a \$10 million pre-tax insurance benefit



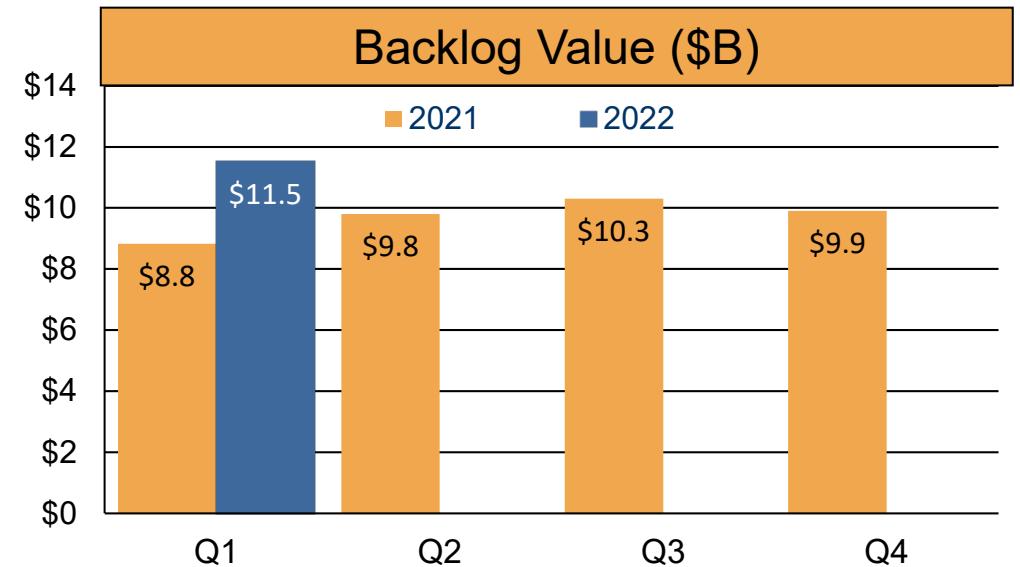
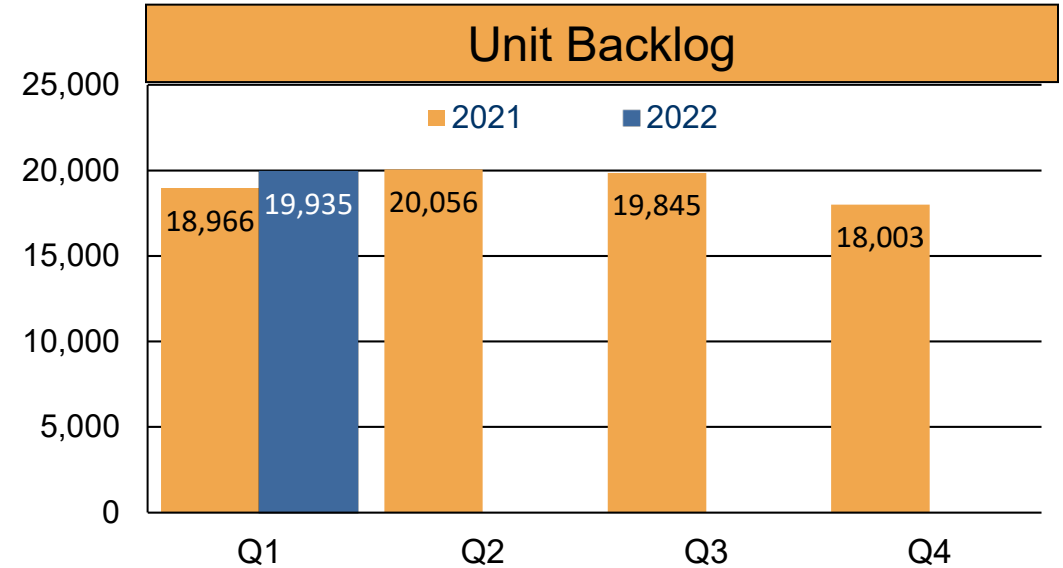
Q1 2022 Financial Highlights

- Home sale revenues increased 18% to \$3.1 billion
 - ✓ Q1 closings of 6,039 homes is consistent with prior year
 - ✓ ASP increased 18% to \$508,000
- Homebuilding gross margin increased 350 bps to 29.0%
- SG&A expense of \$329 million, or 10.7% of home sale revenues
 - ✓ Prior year reported and adjusted SG&A expense were 10.5% and 10.9% of home sale revenues, respectively



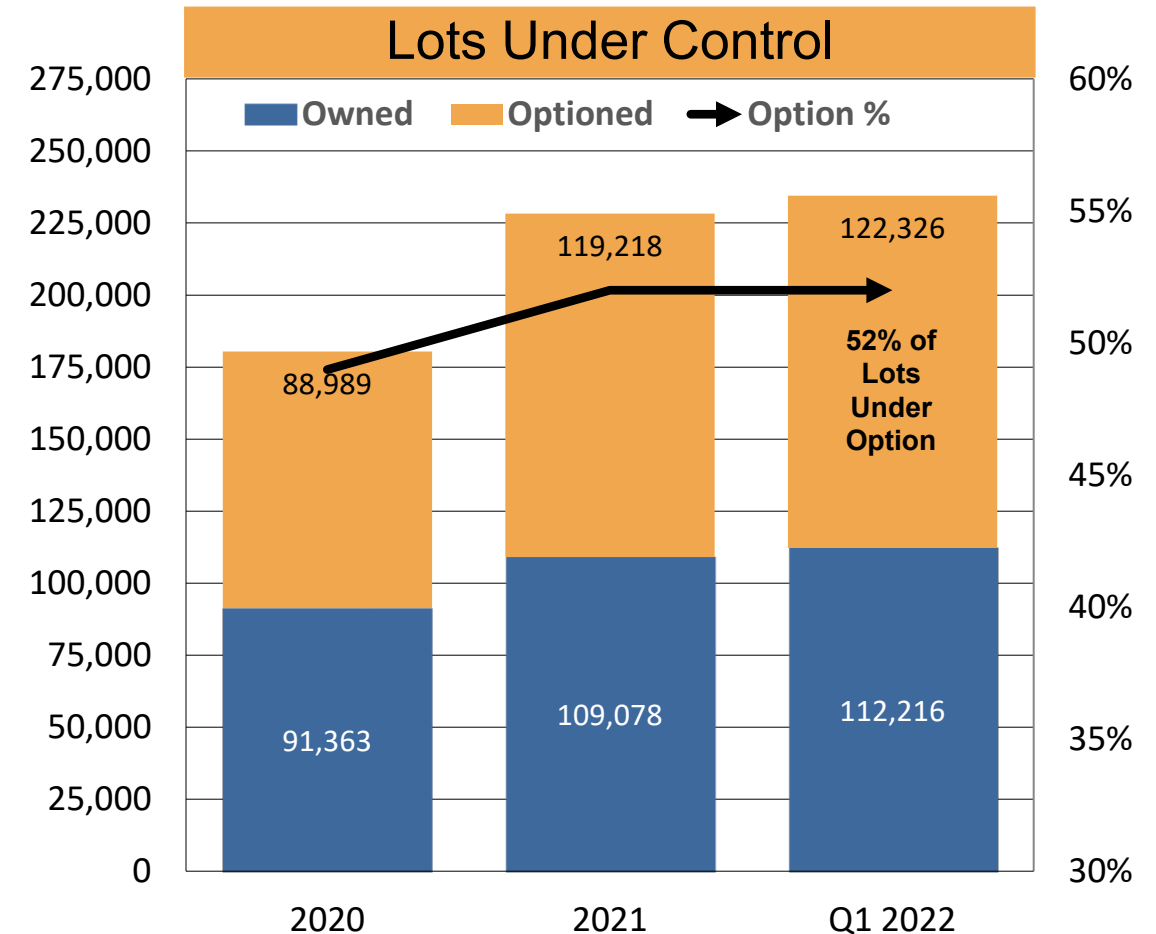
Q1 2022 Financial Highlights

- Q1 net new orders of 7,971 homes
 - ✓ Net new orders decrease of 19% resulting from a 7% decline in average community count and actions to restrict sales given supply chain issues
- Value of net new orders increased 2% over prior year to \$4.7 billion
- Quarter end unit backlog up 5% to 19,935 homes
- Backlog value increased 31% to \$11.5 billion



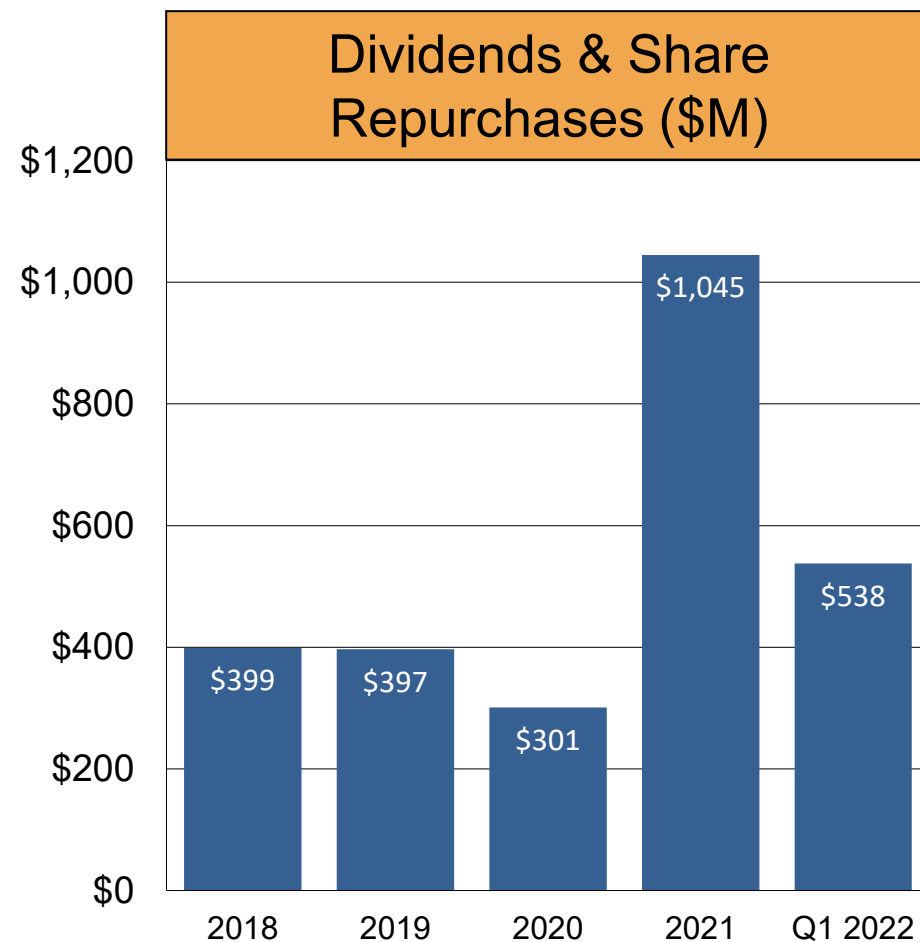
Q1 2022 Land Update

- Invested \$1.1 billion in land acquisition & development in Q1
 - ✓ Just over 50% of spend was for development of existing land assets
- Controlled lot position increased to 234,542 lots with 52% held through option
- Focused on increasing use of lot options to enhance returns and to help mitigate market risk



Superior Financial Strength and Flexibility

- TTM return on equity of 29.4%*
- Repurchased \$500 million of common shares in Q1
 - ✓ Repurchased 10.3 million shares, or 4% of shares outstanding, at \$48.59 per share
- Ended Q1 with \$1.2 billion of cash
- Debt-to-capital ratio of 21.5%
 - ✓ Net debt-to-capital ratio of 9.9%



* The Company's return on equity is calculated as net income for the trailing twelve months divided by average shareholders' equity, where average shareholders' equity is the sum of ending shareholders' equity balances of the trailing five quarters divided by five.

Q1 2022 Selected Financial Data

	Three Months Ended March 31,		Change
	2022	2021	
Home Sale Revenues (\$ millions)	\$3,070	\$2,597	18%
Gross Margin as a Percentage of Home Sale Revenues	29.0%	25.5%	350 bps
Reported SG&A as Percent of Home Sale Revenues	10.7%	10.5%	20 bps
Adjusted SG&A as Percent of Home Sale Revenues	10.7%	10.9%	- 20 bps
Financial Services Pre-tax Income (\$ millions)	\$41	\$66	- 39%
Net Income (\$ millions)	\$455	\$304	50%
Adjusted Net Income (\$ millions)	\$455	\$343	33%
Earnings Per Share	\$1.83	\$1.13	62%
Adjusted Earnings Per Share	\$1.83	\$1.28	43%
Backlog (Units)	19,935	18,966	5%
Backlog Dollar Value (\$ millions)	\$11,520	\$8,827	31%

Q1 2022 Selected Balance Sheet Data

	March 31, 2022	December 31, 2021
Cash and Equivalents, including restricted cash (\$ millions)	\$1,212	\$1,834
House and Land Inventory (\$ millions)	\$9,870	\$9,048
Notes Payable (\$ millions)	\$2,030	\$2,029
Shareholders' Equity (\$ millions)	\$7,413	\$7,490
Debt – to – Capital Ratio	21.5%	21.3%
Net Debt – to – Capital Ratio	9.9%	2.5%



**Building on Proven
Business Platform**

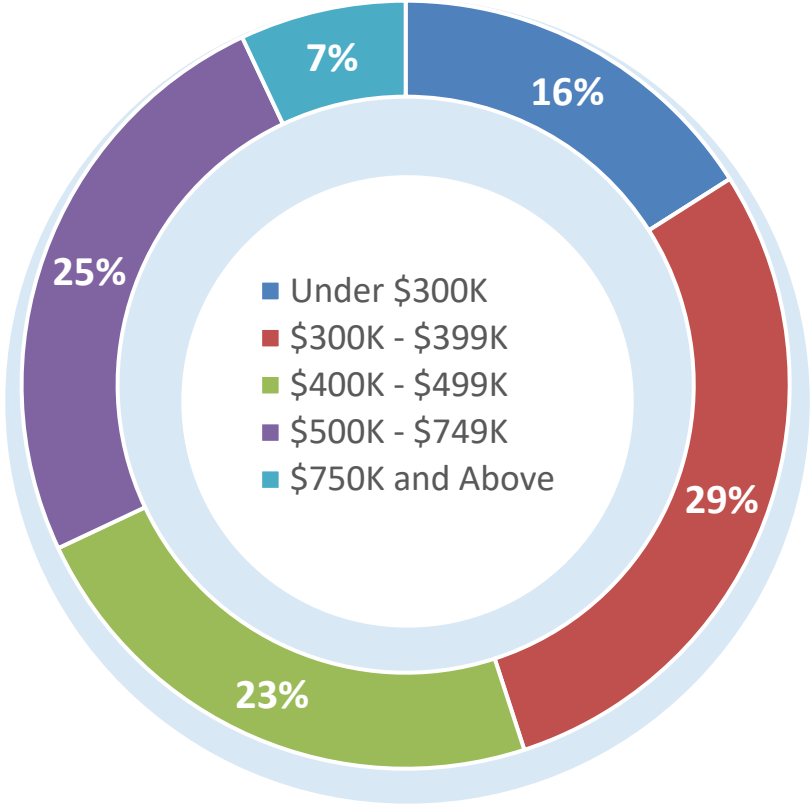
Industry Leading Brand Names



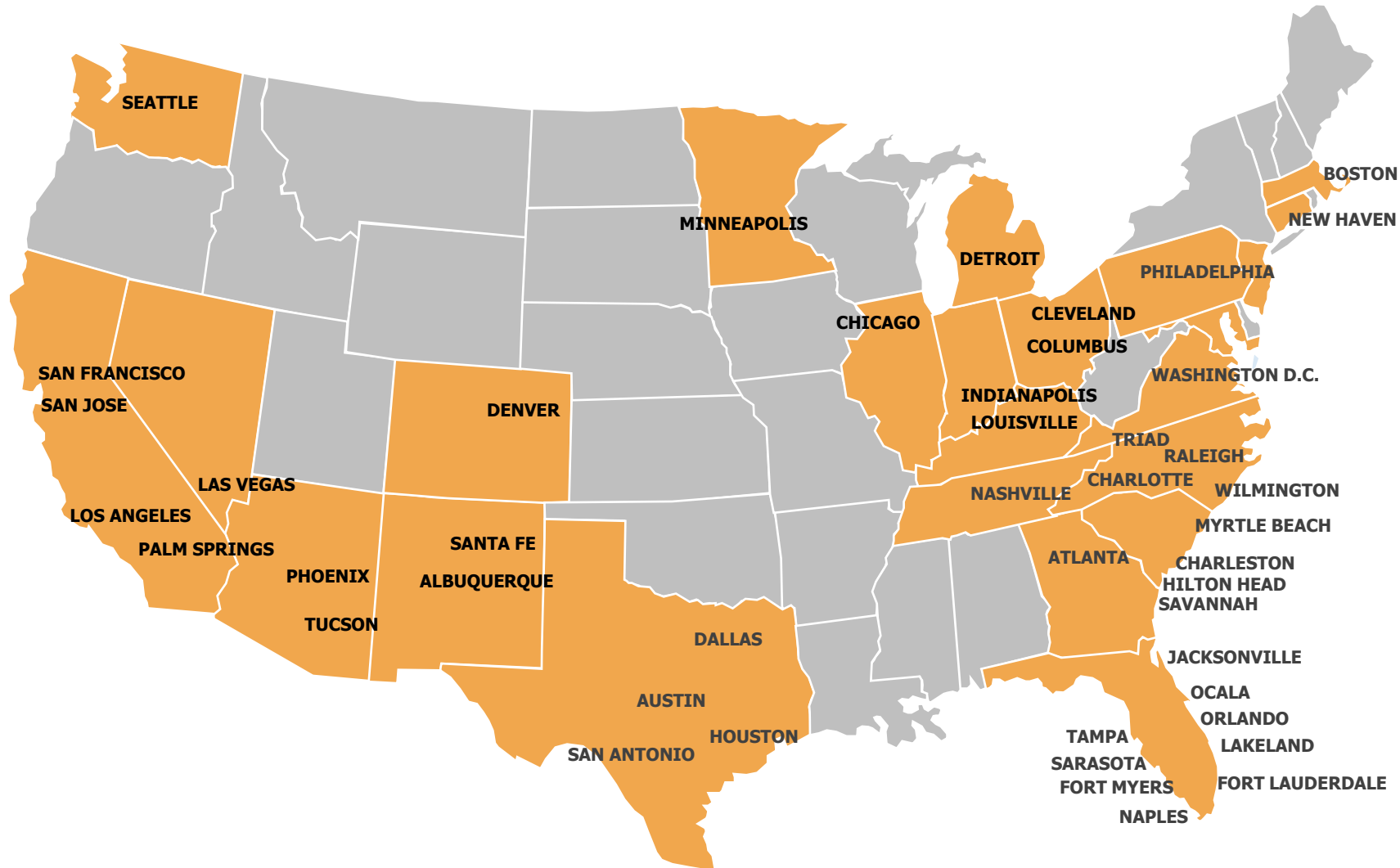
Serving a Variety of Price Points



FY 2021 Closings by Price Point

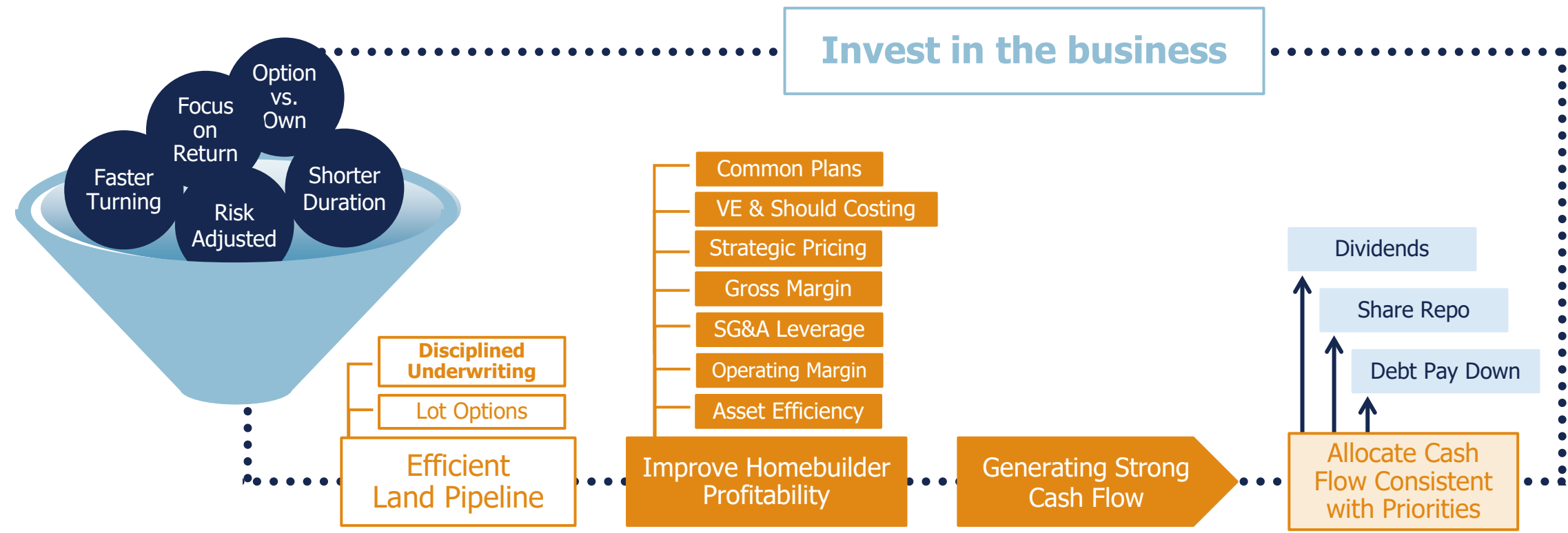


With a Broad and Balanced Geographic Footprint



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 2022 land acquisition and development investment of \$4.5 to \$5.0 billion
 - Development of existing assets expected to account for more than 50% of 2022 land spend
- Continue to fund our dividend
 - ✓ Payout rate per share increased 17% for 2021 and an additional 7% for 2022
- Return excess capital to shareholders through share repurchase
 - ✓ Company repurchased \$500 million of common shares in Q1 2022
- Maintain modest financial leverage
 - ✓ Targeting debt-to-capital ratio in the range of 20% to 30%



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		Three Months Ended	
Results of Operations Classification		March 31,	
		2022	2021
Net income, as reported		\$ 454,723	\$ 304,107
Loss on debt retirement	Loss on debt retirement	—	61,469
Insurance benefit	SG&A	—	(10,382)
Income tax effect of the above items	Income tax expense	—	(12,435)
Adjusted net income		<u>\$ 454,723</u>	<u>\$ 342,759</u>
EPS (diluted), as reported		\$ 1.83	\$ 1.13
Adjusted EPS (diluted)		\$ 1.83	\$ 1.28

Adjusted Operating Margin			
		Three Months Ended	
		March 31,	
		2022	2021
Home sale revenues		\$ 3,070,313	\$ 2,596,510
Gross margin (a)		\$ 889,239 29.0 %	\$ 660,875 25.5 %
SG&A, as reported		\$ 329,022 10.7 %	\$ 271,686 10.5 %
Insurance benefit		— — %	10,382 0.4 %
Adjusted SG&A		<u>\$ 329,022 10.7 %</u>	<u>\$ 282,068 10.9 %</u>
Operating margin, as reported (b)		18.2 %	15.0 %
Adjusted operating margin (c)		18.2 %	14.6 %

(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

	March 31, 2022	December 31, 2021
Notes payable	\$ 2,030,108	\$ 2,029,043
Shareholders' equity	7,413,264	7,489,515
Total capital	<u>\$ 9,443,372</u>	<u>\$ 9,518,558</u>
Debt-to-capital ratio	21.5 %	21.3 %
Notes payable	\$ 2,030,108	\$ 2,029,043
Less: Total cash, cash equivalents, and restricted cash	<u>(1,211,870)</u>	<u>(1,833,565)</u>
Total net debt	\$ 818,238	\$ 195,478
Shareholders' equity	7,413,264	7,489,515
Total net capital	<u>\$ 8,231,502</u>	<u>\$ 7,684,993</u>
Net debt-to-capital ratio	9.9 %	2.5 %



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