



Q2 2023 Operating and Financial Results

July 25, 2023



Forward-Looking Statements

As a cautionary note, except for the historical information contained herein, this presentation contains “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking 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; the impact of any changes to our strategy in responding to the cyclical nature of the industry or deteriorations in industry changes or downward changes in general economic or other business conditions, including any changes regarding our land positions and the levels of our land spend; 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; labor supply shortages and the cost of labor; the availability and cost of land and other raw materials used by us in our homebuilding operations; a decline in the value of the land and home inventories we maintain and resulting possible future writedowns of the carrying value of our real estate assets; competition within the industries in which we operate; governmental regulation directed at or affecting the housing market, the homebuilding industry or construction activities, slow growth initiatives and/or local building moratoria; the availability and cost of insurance covering risks associated with our businesses, including warranty and other legal or regulatory proceedings or claims; damage from improper acts of persons over whom we do not have control or attempts to impose liabilities or obligations of third parties on us; weather related slowdowns; the impact of climate change and related governmental regulation; adverse capital and credit market conditions, which may affect our access to and cost of capital; the insufficiency of our income tax provisions and tax reserves, including as a result of changing laws or interpretations; the potential that we do not realize our deferred tax assets; our inability to sell mortgages into the secondary market; uncertainty in the mortgage lending industry, including revisions to underwriting standards and repurchase requirements associated with the sale of mortgage loans, and related claims against us; risks related to information technology failures or data security issues; failure to retain key personnel; the disruptions associated with the COVID-19 pandemic (or another epidemic or pandemic or similar public threat or fear of such an event), and the measures taken to address it; the effect of cybersecurity incidents and threats; and other factors of national, regional and global scale, including those of a political, economic, business and competitive nature. See Item 1A – Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 for a further discussion of these and other risks and uncertainties applicable to our businesses. We undertake no duty to update any forward-looking statement, whether as a result of new information, future events or changes in our expectations.

PulteGroup Participants



Ryan Marshall
President and CEO



Bob O'Shaughnessy
EVP and CFO



Jim Ossowski
SVP, Finance



Jim Zeumer
VP, Investor Relations





Q2 2023 Operating & Financial Highlights

Q2 2023 Financial Highlights

- Q2 net income of \$3.21 per share compared with \$2.73 per share in the prior year
 - Q2 2023 net income includes a \$65 million pre-tax, or \$0.21 per share, insurance benefit recorded in the period
- Home sale revenues increased 8% to \$4.1 billion
 - Closings in the period increased 5% to 7,518 homes
 - Q2 average sales price increased 3% over prior year to \$540,000

Home Sale Revenues (\$M)



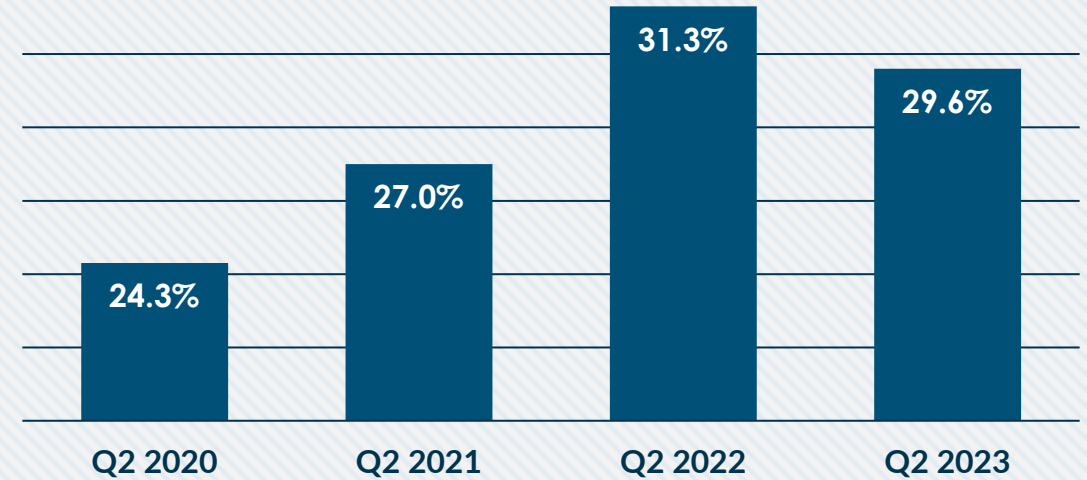
EPS (diluted)



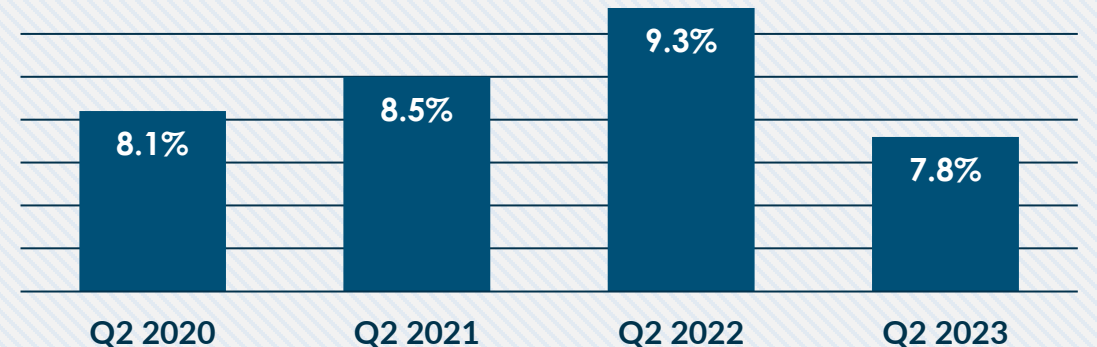
Q2 2023 Financial Highlights

- Q2 gross margin of 29.6%
 - Q2 gross margin up 50 basis points sequentially from first quarter 2023
 - Margin strength reflects favorable demand and improved pricing on spec sales in the period
- SG&A of \$315 million, or 7.8% of home sale revenues, includes \$65 million pre-tax insurance benefit recorded in the period

Home Sales Gross Margin



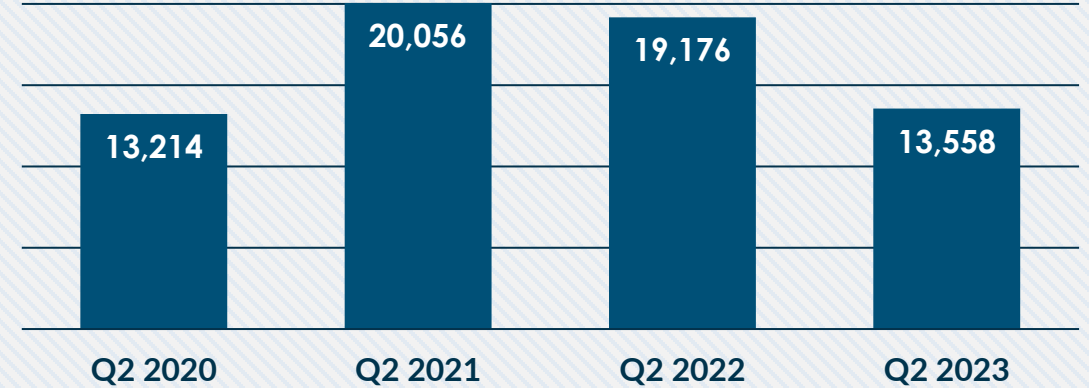
SG&A % of Home Sale Revenues



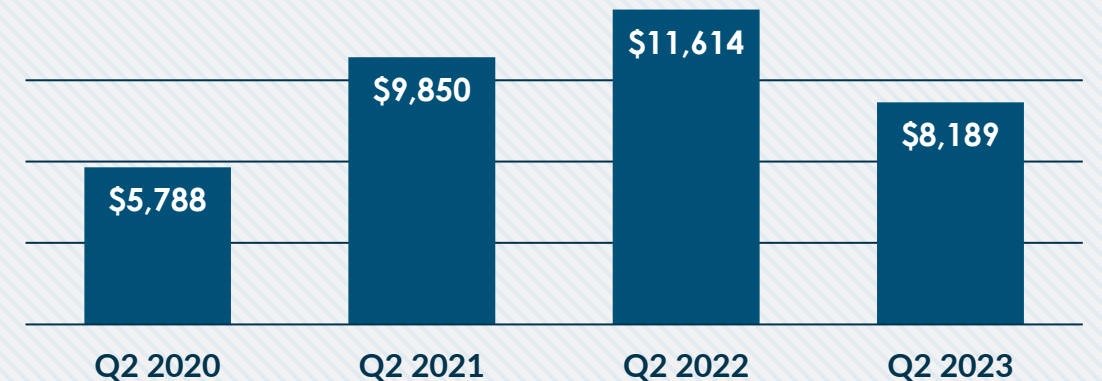
Q2 2023 Financial Highlights

- Net new orders increased 24% over prior year to 7,947 homes
 - Q2 orders benefited from strong demand and increased community count
 - Cancellation rate in the quarter was 9% of beginning backlog, down almost 350 basis points from Q1 2023
- Backlog of 13,558 homes with a value of \$8.2 billion

Unit Backlog



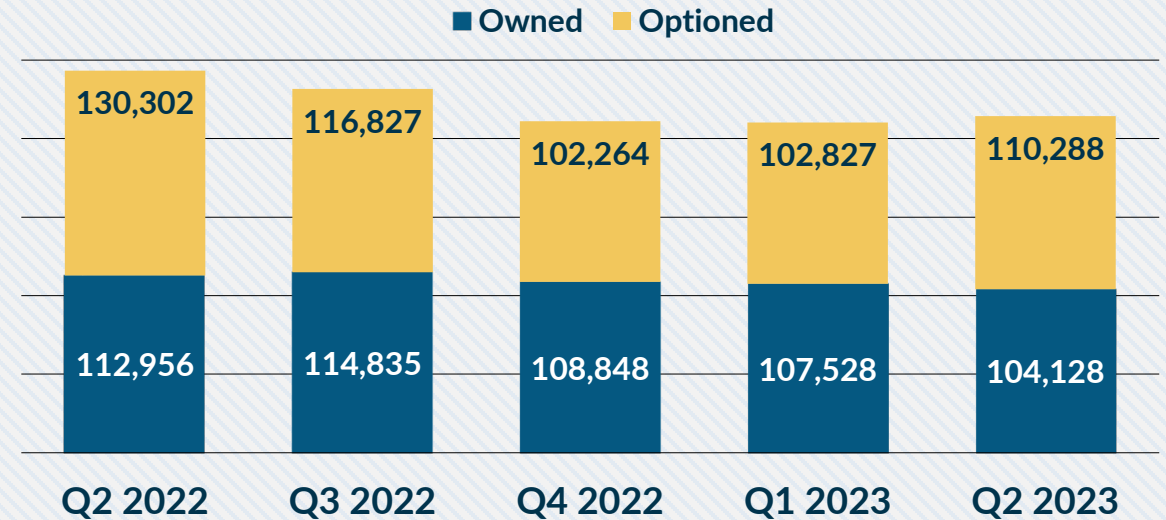
Backlog Value



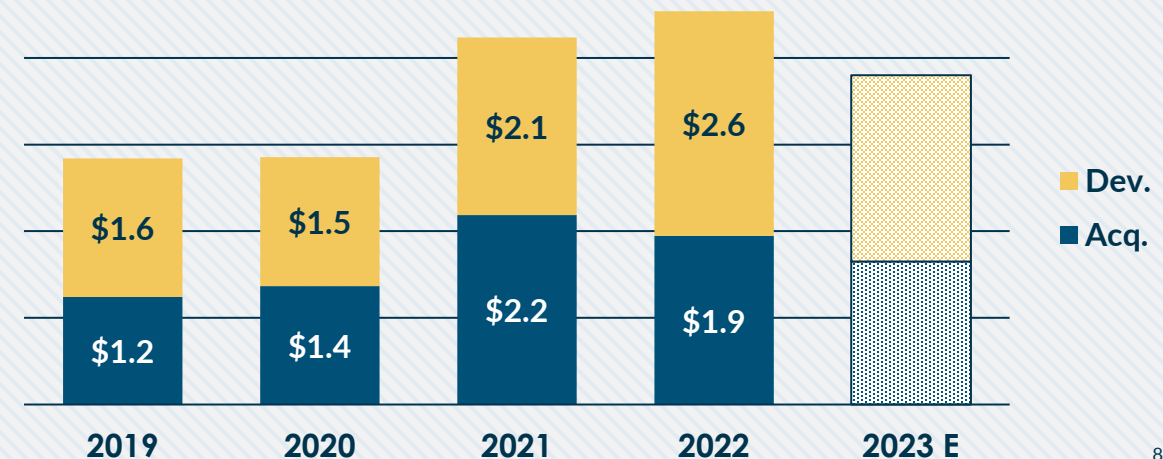
Adapting to Market Changes: Land

- Q2 investment of \$370 million in land acquisition and \$523 million in development of existing land assets
 - On track to invest \$3.5B to \$4.0B in land acquisition and development in 2023
- Control over 214,000 lots with 51% held via option
- Average community count increased 14% over prior year to 903

Lots Under Control



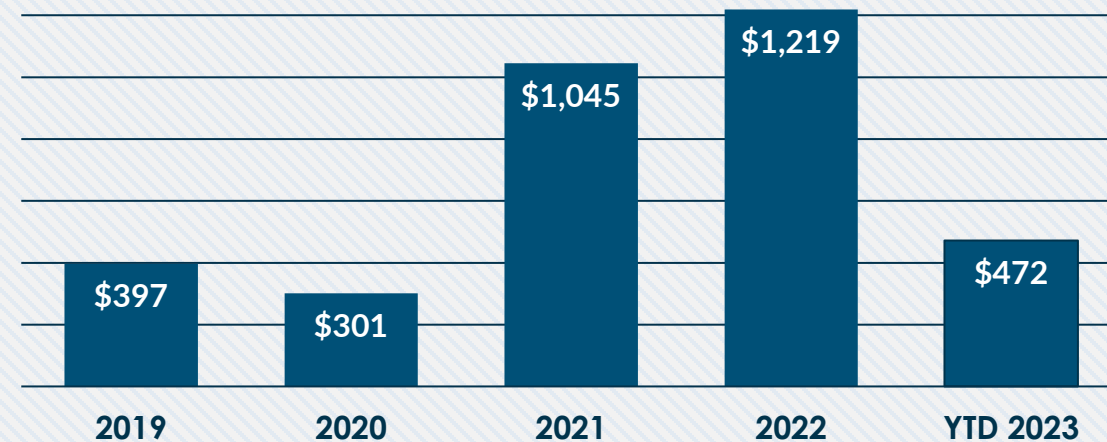
Land Acq. & Dev. Spend (\$B)



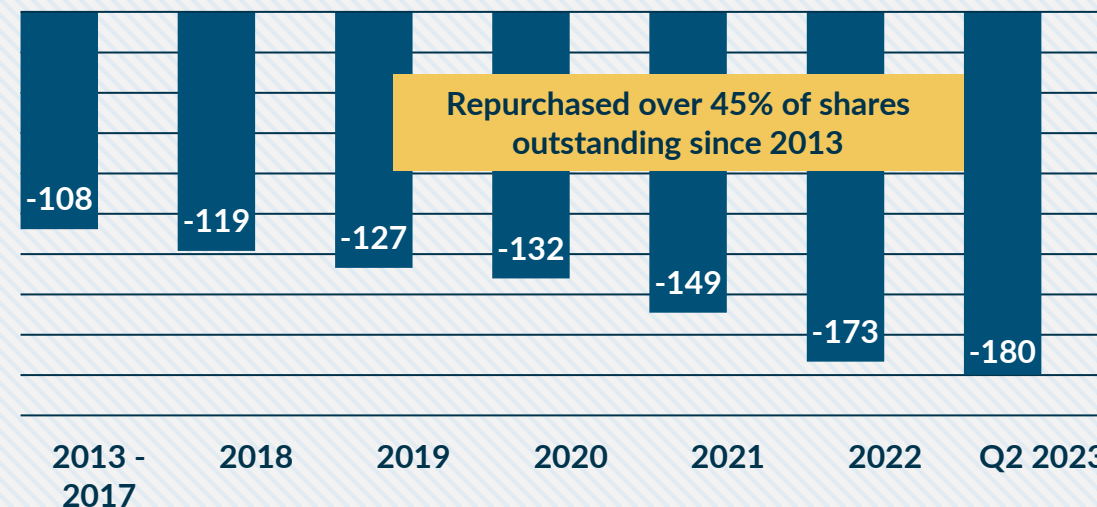
Adapting to Market Changes: Capital Allocation

- Ended the quarter with \$1.8 billion of cash
- Debt-to-capital ratio of 17.3%, down from 18.7% at 12/31/22
 - Net debt-to-capital ratio of 2.6%
- Repurchased 3.7 million shares in Q2 for \$250 million bringing YTD total to 6.4 million shares for \$400 million

Dividend & Share Repurchase (\$M)



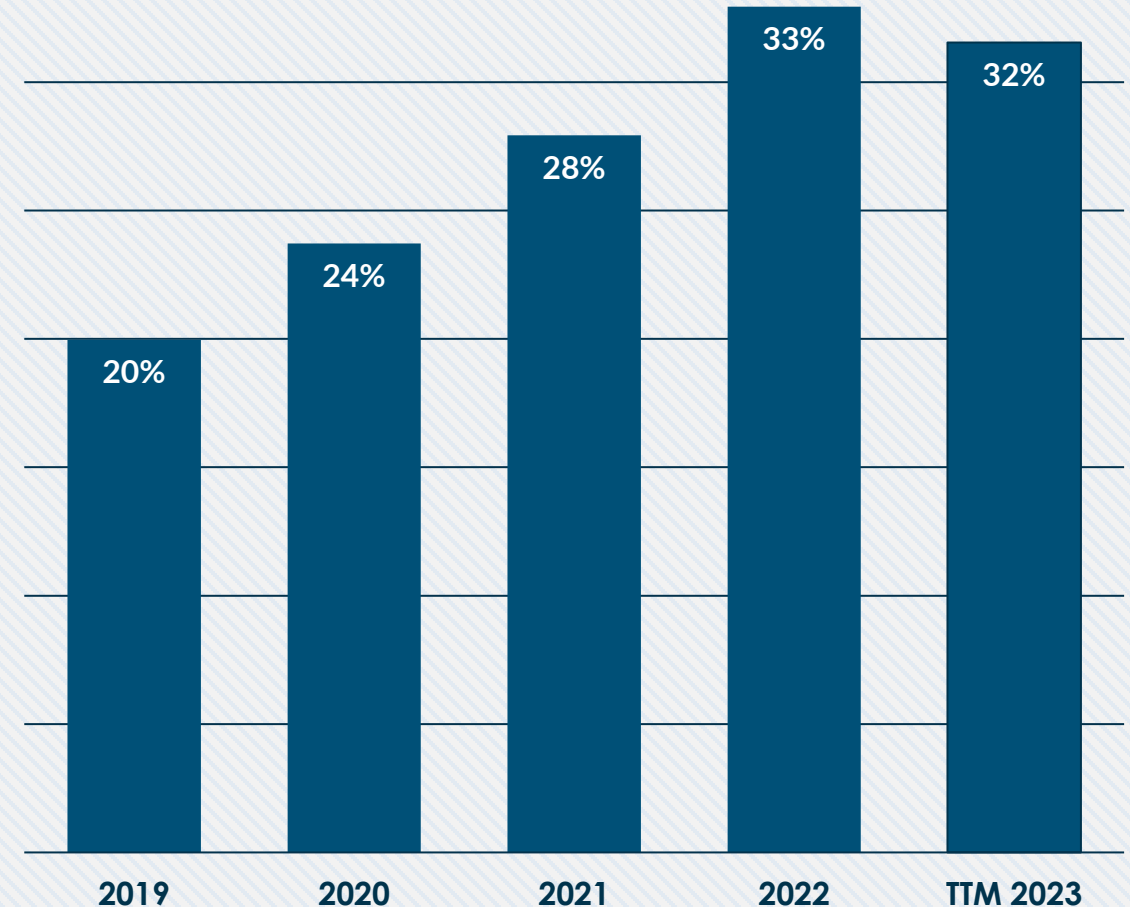
Cumulative Share Repurchases (M)



Delivering High Returns to Shareholders

- YTD cash flow from operations of \$1.5 billion
- Through first 6 months, company has returned \$472 million to shareholders through share repurchases and dividends
- Consistent with stated goal, continuing to deliver high ROE

Return on Equity*



* 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.

Q2 2023 Selected Financial Data

	Three Months Ended June 30,		Change
	2023	2022	
Home Sale Revenues (\$ millions)	\$4,059	\$3,763	8%
Gross Margin Percentage	29.6%	31.3%	-170 bps
SG&A as Percent of Home Sale Revenues*	7.8%	9.3%	-150 bps
Financial Services Pre-tax Income (\$ millions)	\$46	\$40	16%
Net Income (\$ millions)	\$720	\$652	10%
Earnings Per Share*	\$3.21	\$2.73	18%
Backlog (Units)	13,558	19,176	-29%
Backlog Dollar Value (\$ millions)	\$8,189	\$11,614	-29%

* Reported Q2 SG&A expense of \$315 million includes a \$65 million pre-tax insurance, or \$0.21 per share, insurance benefit recorded in the period.

Q2 2023 Selected Balance Sheet Data

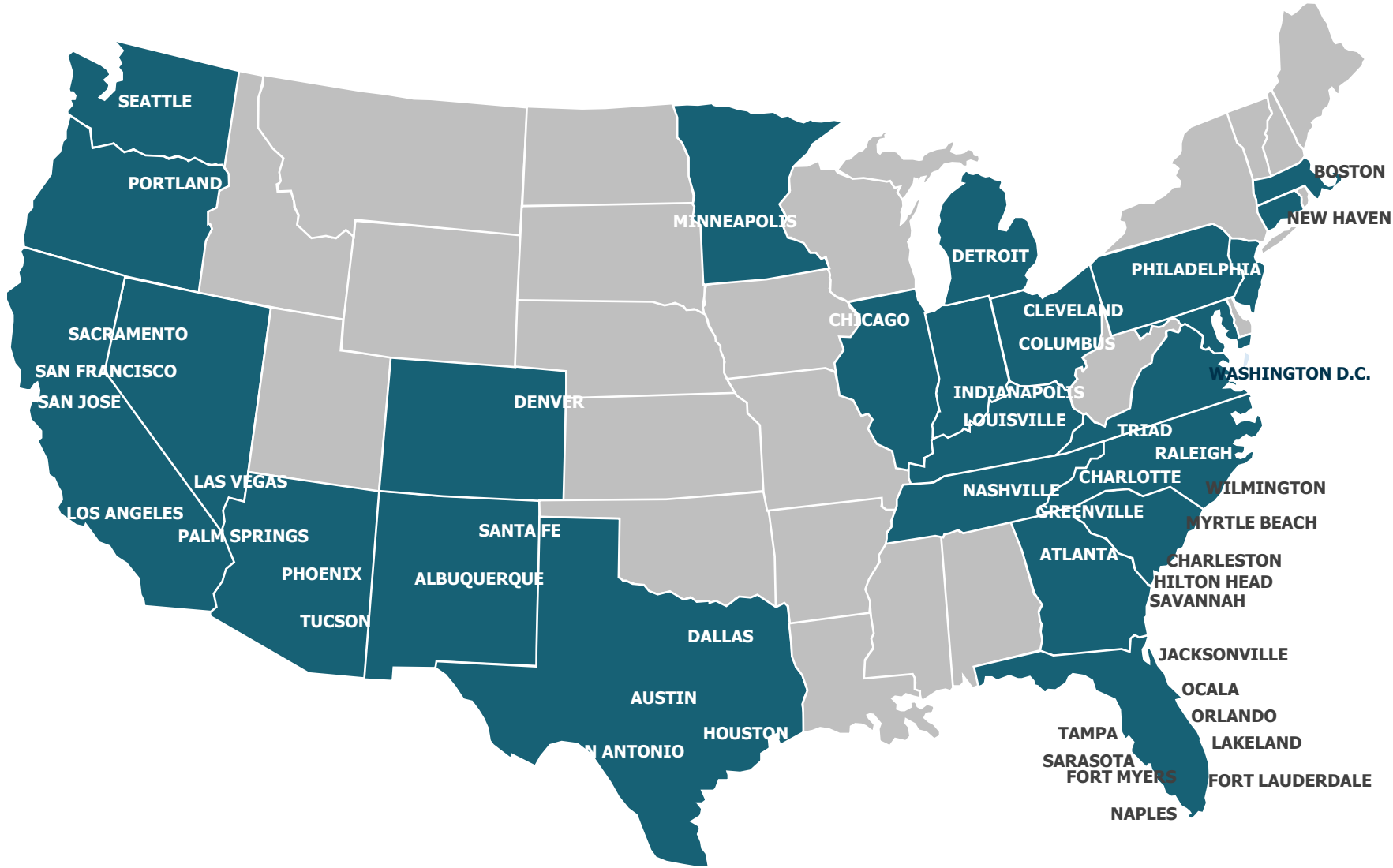
	June 30, 2023	December 31, 2022
Cash and Equivalents, including Restricted Cash (\$ millions)	\$1,778	\$1,095
House and Land Inventory (\$ millions)	\$11,335	\$11,326
Notes Payable (\$ millions)	\$2,033	\$2,046
Shareholders' Equity (\$ millions)	\$9,705	\$8,914
Debt – to – Capital Ratio	17.3%	18.7%
Net Debt – to – Capital Ratio	2.6%	9.6%
Return on Equity (TTM)*	32%	33%

* 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.



Company Profile

Nation's 3rd Largest Builder With a Broad and Balanced Geographic Footprint



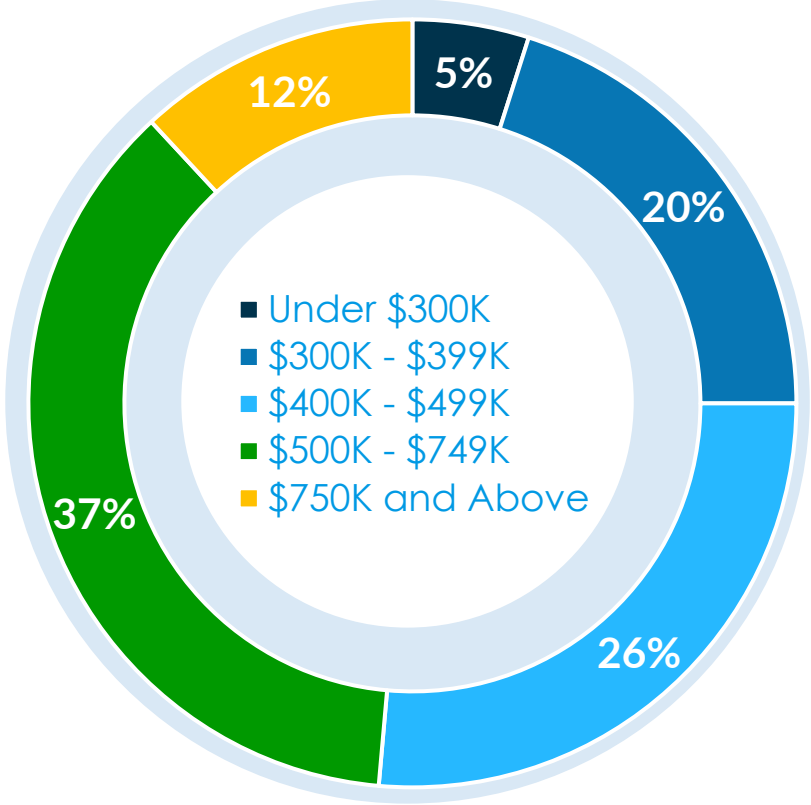
Industry Leading Brand Names



Serving a Variety of Price Points



2022 Closings by Price Point



Focused on Delivering High Returns Over the Housing Cycle

- Drive superior homebuilding profitability
 - Disciplined underwriting process
 - Strategic use of build-to-order and spec-build operating models to more effectively serve diverse buyer groups
 - More efficient construction processes
 - Importance of balancing high gross margin with the need to turn assets as critical drivers of return
- Increase use of land options
- Strategic expansion into new markets



Supplemental Financial Tables

Reconciliation of Non-GAAP Financial Measures

This report contains information about our debt-to-capital ratios. These measures could be considered non-GAAP financial measures under the SEC's rules and should be considered in addition to, rather than as a substitute for, comparable GAAP financial measures. We calculate total net debt by subtracting total cash, cash equivalents, and restricted cash from notes payable to present the amount of assets needed to satisfy the debt. We use the debt-to-capital and net debt-to-capital ratios as indicators of our overall leverage and believe they are useful financial measures in understanding the leverage employed in our operations. We believe that these measures provide 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 table sets forth a reconciliation of the debt to capital ratios (\$000's omitted):

Debt-to-Capital Ratios		
	June 30, 2023	December 31, 2022
Notes payable	\$ 2,033,192	\$ 2,045,527
Shareholders' equity	9,705,025	8,914,098
Total capital	<u>\$ 11,738,217</u>	<u>\$ 10,959,625</u>
Debt-to-capital ratio	17.3 %	18.7 %
Notes payable	\$ 2,033,192	\$ 2,045,527
Less: Total cash, cash equivalents, and restricted cash	<u>(1,777,780)</u>	<u>(1,094,553)</u>
Total net debt	\$ 255,412	\$ 950,974
Shareholders' equity	9,705,025	8,914,098
Total net capital	<u>\$ 9,960,437</u>	<u>\$ 9,865,072</u>
Net debt-to-capital ratio	2.6 %	9.6 %



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