



Q4 2023 Operating and Financial Results

January 30, 2024



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





Q4 2023 Operating & Financial Highlights

Q4 2023 Financial Highlights

- Q4 net income of \$711 million, or \$3.28 per share
- Home sale revenues of \$4.2 billion compared with \$5.0 billion last year
 - Average sales price for Q4 lower by 2% from prior year to \$547,000
 - Q4 closings totaled 7,615 compared with 8,848 in the comparable prior year period
- Announced \$1.5 billion increase in share repurchase authorization

Home Sale Revenues (\$M)



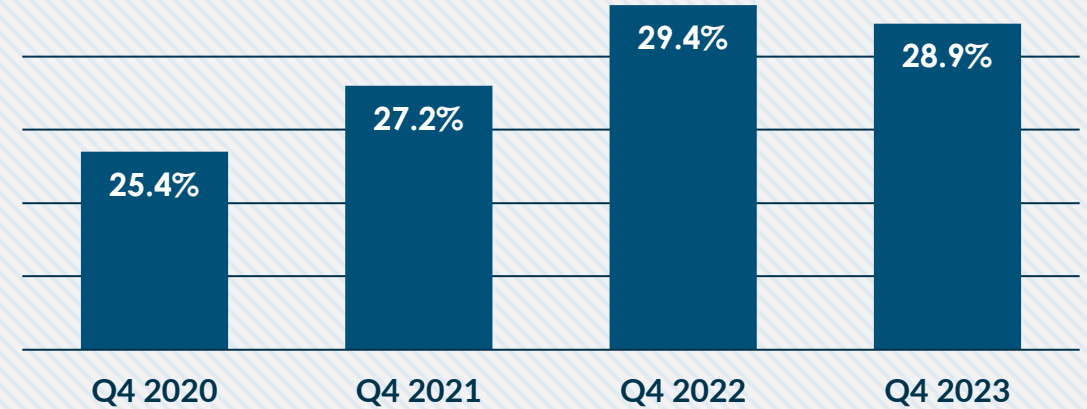
EPS (diluted)



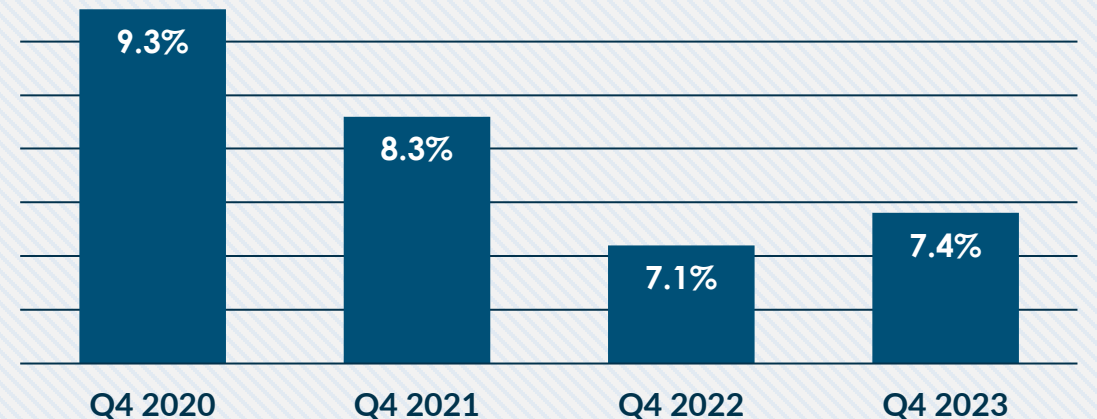
Q4 2023 Financial Highlights

- Home sale gross margin of 28.9% down 50 basis points from prior year
 - Higher margin move-up and active-adult business accounted for 61% of 2023 closings
- SG&A of \$308 million, or 7.4% of home sale revenues, compared with prior year SG&A of \$351 million, or 7.1% of home sale revenues
 - SG&A expense reflects a \$65 million pre-tax insurance benefit recorded in the fourth quarter of both 2023 and 2022

Home Sales Gross Margin



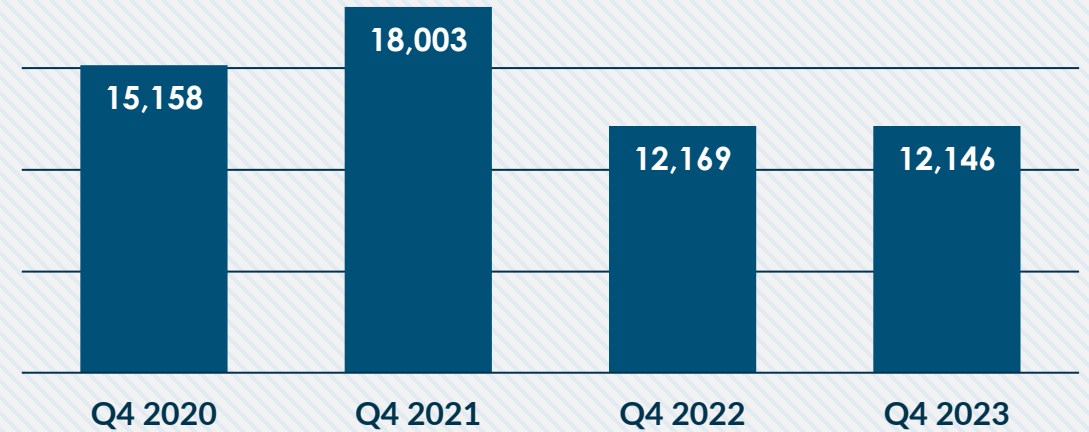
SG&A % of Home Sale Revenues



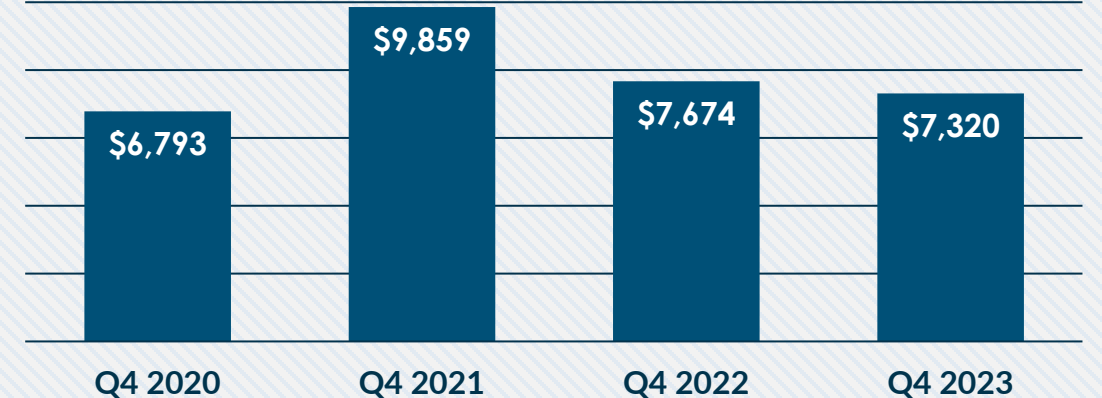
Q4 2023 Financial Highlights

- Net new orders increased 57% over prior year to 6,214 homes
 - Strong demand across all buyer groups as consumers respond to drop in mortgage rates
 - Average community count increased 8% over prior year to 919
 - Cancellation rate dropped to 9% of beginning backlog, down from 11% in 2022
- Backlog of 12,146 homes with a value of \$7.3 billion

Unit Backlog



Backlog Value

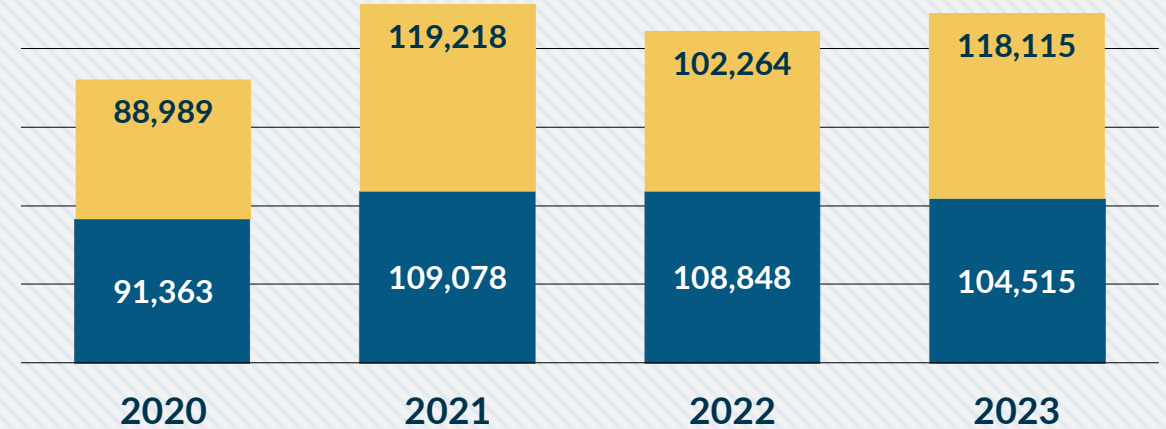


Efficiently Growing our Land Pipeline

- Q4 investment of \$551 million for land acquisition and \$770 million for development
 - 2023 land investment of \$4.3 billion, expected to increase to \$5.0 billion in 2024
- 222,630 lots under control at year end, with 53% held via option
 - Expanding land banking relationships to improve returns and help manage market risk

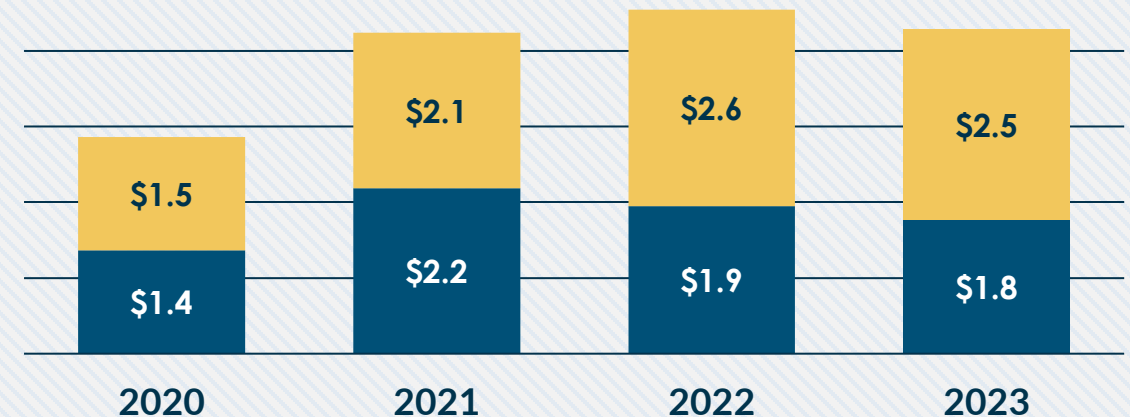
Lots Under Control

■ Owned ■ Optioned



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

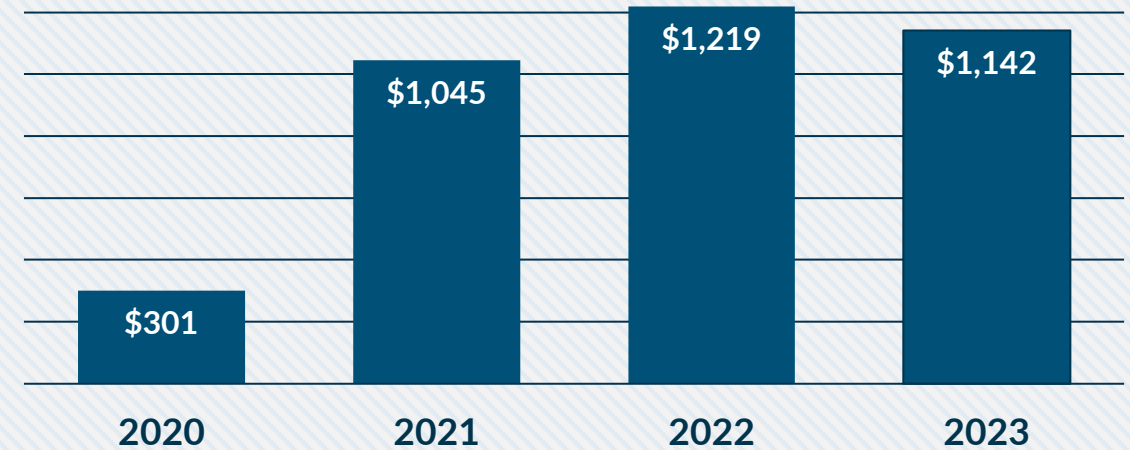
■ Acquisition ■ Development



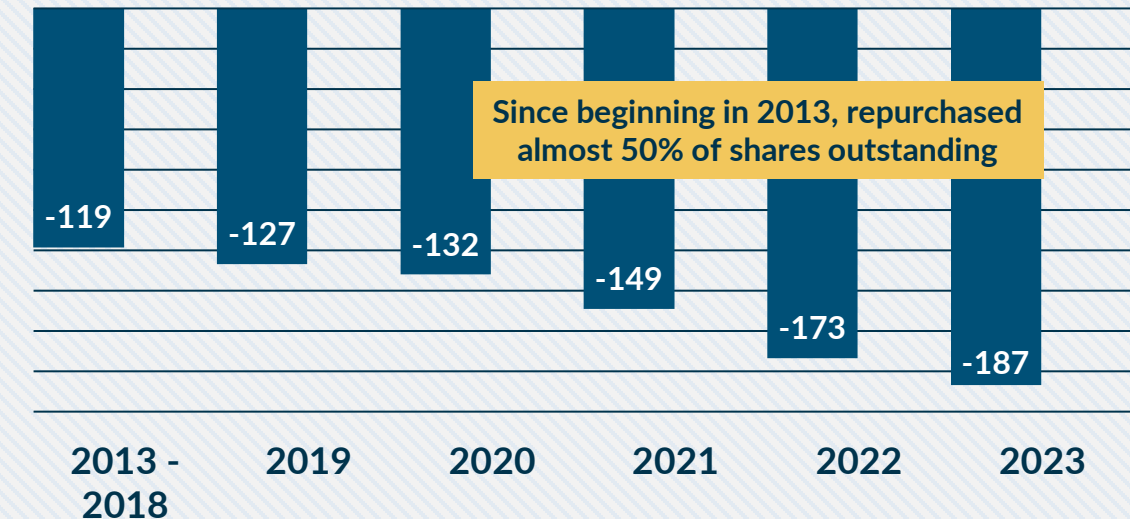
Strategic Approach to Capital Allocation

- Repurchased \$1.0 billion of common shares in 2023, including \$300 million in Q4
 - Company has repurchased almost 50% of outstanding stock since 2013
- Paid out \$142 million in dividends in 2023
 - Increased dividend by 25%; reflected in January 2024 payment
- Took advantage of market conditions in 2023 to pay down \$100 million of senior notes
- \$1.8 billion of cash at quarter end
- Decreased debt-to-capital ratio to 15.9%; net debt-to-capital ratio of 1.1%

Dividend & Share Repurchase (\$M)



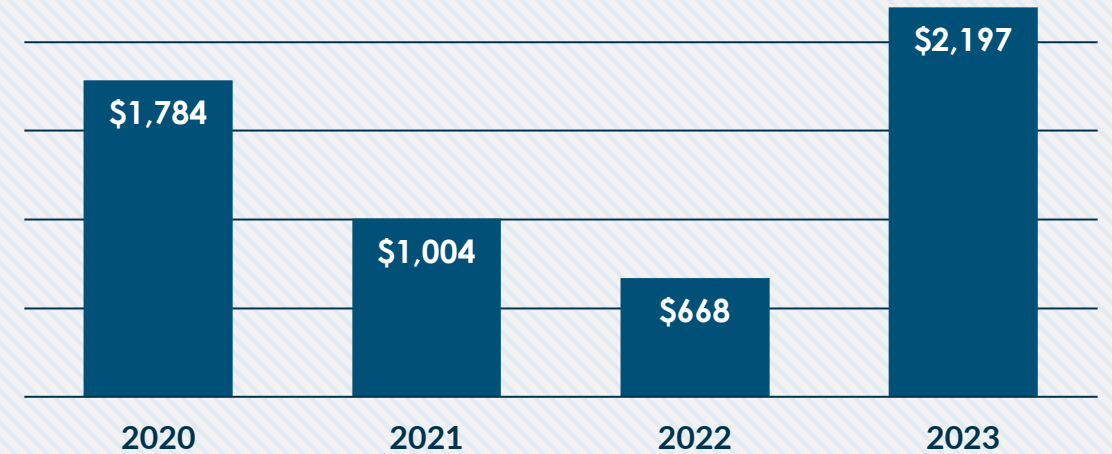
Cumulative Share Repurchases (M)



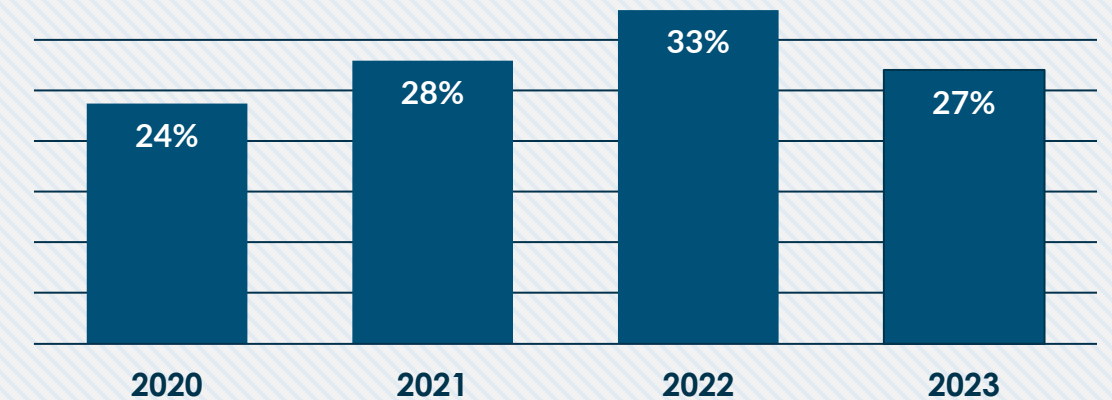
Delivering High Returns to Shareholders

- Drove cash flow from operations of \$2.2 billion used to fund:
 - \$4.3 billion in land acquisition and development
 - \$1.1 billion returned to shareholders via share repurchases and dividends
 - \$100 million of debt paydown
- Balanced and differentiated business model helping to deliver high ROE
 - Large geographic presence across 46 major markets
 - Strong presence among all primary buyer groups
 - Executing large-scale spec and build-to-order businesses within our homebuilding operations

Cash Flows from Operations (\$M)



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.

Q4 2023 Selected Financial Data

	Three Months Ended December 31,		Change
	2023	2022	
Home Sale Revenues (\$ millions)	\$4,165	\$4,961	-16%
Gross Margin Percentage	28.9%	29.4%	-50 bps
SG&A as Percent of Home Sale Revenues	7.4%	7.1%	30 bps
Financial Services Pre-tax Income (\$ millions)	\$44	\$24	82%
Net Income (\$ millions)	\$711	\$882	-19%
Earnings Per Share	\$3.28	\$3.85	-15%
Backlog (Units)	12,146	12,169	-
Backlog Dollar Value (\$ millions)	\$7,320	\$7,674	-5%

Q4 2023 Selected Balance Sheet Data

	December 31, 2023	December 31, 2022
Cash and Equivalents, including Restricted Cash (\$ millions)	\$1,849	\$1,095
House and Land Inventory (\$ millions)	\$11,795	\$11,326
Notes Payable (\$ millions)	\$1,962	\$2,046
Shareholders' Equity (\$ millions)	\$10,383	\$8,914
Debt – to – Capital Ratio	15.9%	18.7%
Net Debt – to – Capital Ratio	1.1%	9.6%
Return on Equity (TTM)*	27%	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.



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.

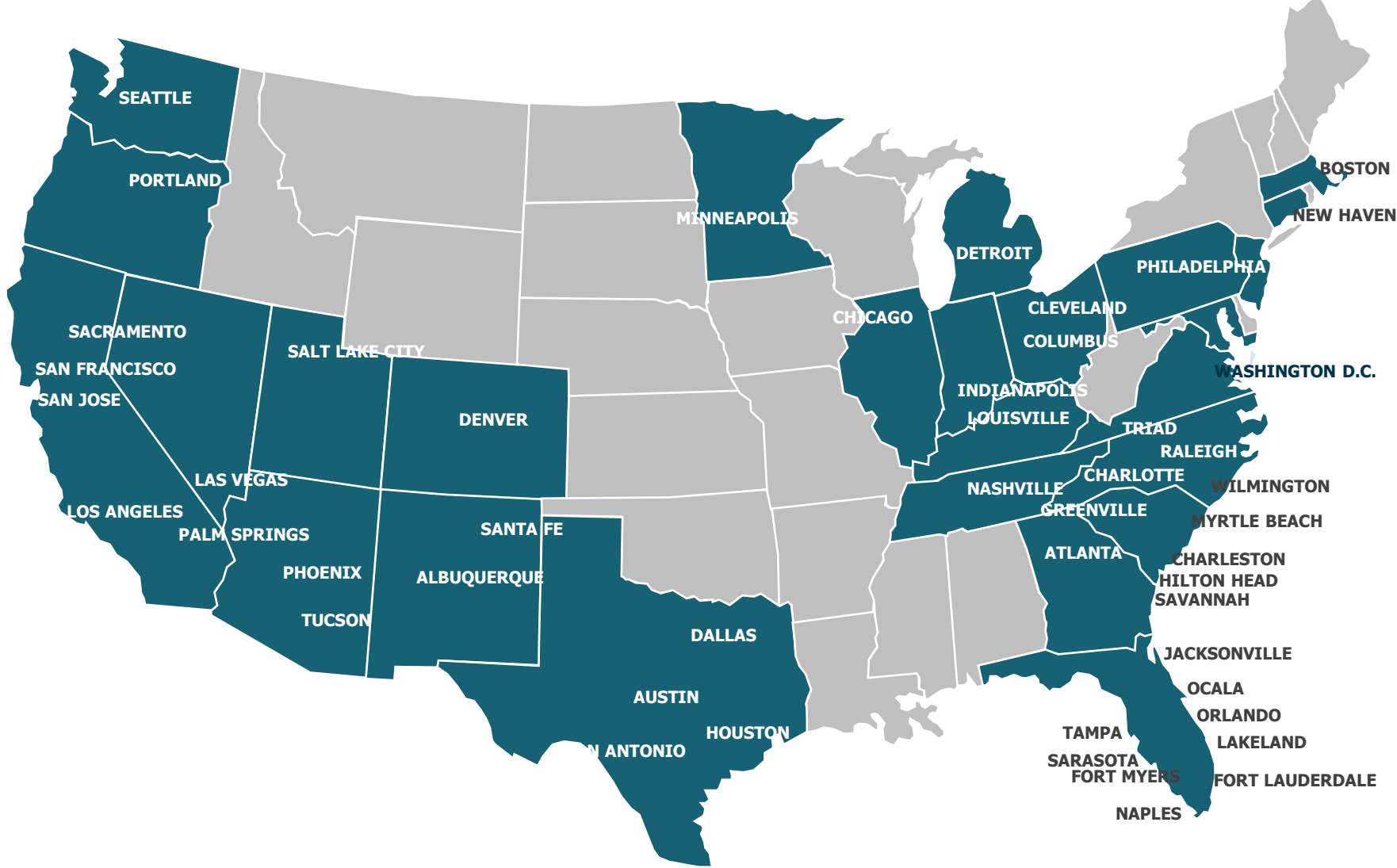
The following table sets forth a reconciliation of the debt-to-capital ratios (\$000's omitted):

Debt-to-Capital Ratios		
	December 31,	
	2023	2022
Notes payable	\$ 1,962,218	\$ 2,045,527
Shareholders' equity	10,383,257	8,914,098
Total capital	<u>\$ 12,345,475</u>	<u>\$ 10,959,625</u>
Debt-to-capital ratio	15.9 %	18.7 %
Notes payable	\$ 1,962,218	\$ 2,045,527
Less: Total cash, cash equivalents, and restricted cash	(1,849,177)	(1,094,553)
Total net debt	<u>\$ 113,041</u>	<u>\$ 950,974</u>
Shareholders' equity	10,383,257	8,914,098
Total net capital	<u>\$ 10,496,298</u>	<u>\$ 9,865,072</u>
Net debt-to-capital ratio	1.1 %	9.6 %



**Company Profile: Focused on
Delivering High Returns**

Balanced and Differentiated Business: Market Diversification

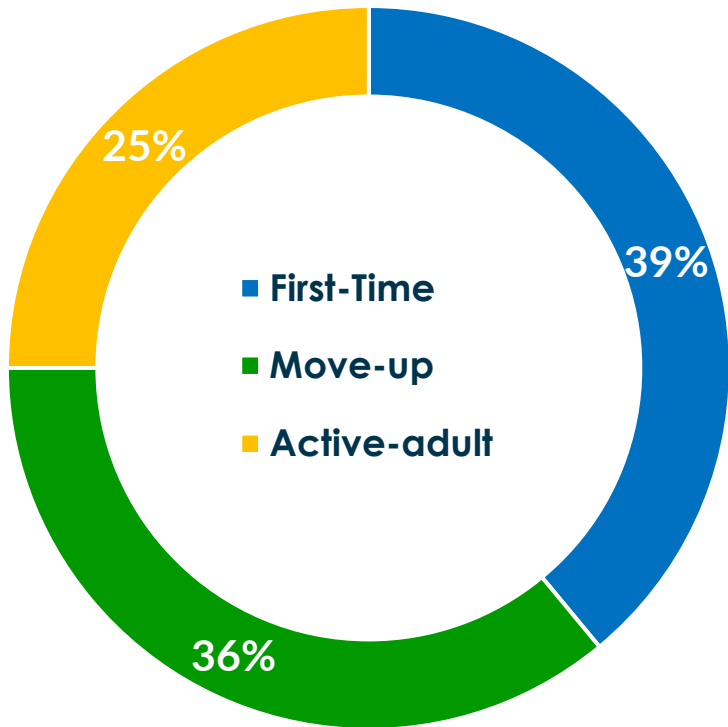


Balanced and Differentiated Business: Brand Strategy

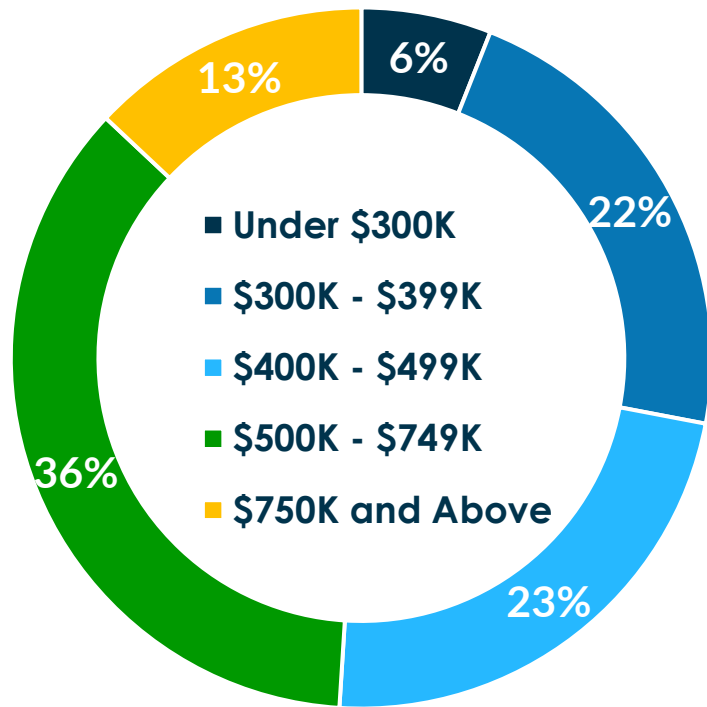


Balanced and Differentiated Business: Broad Product Offering

2023 Closings by Buyer Group

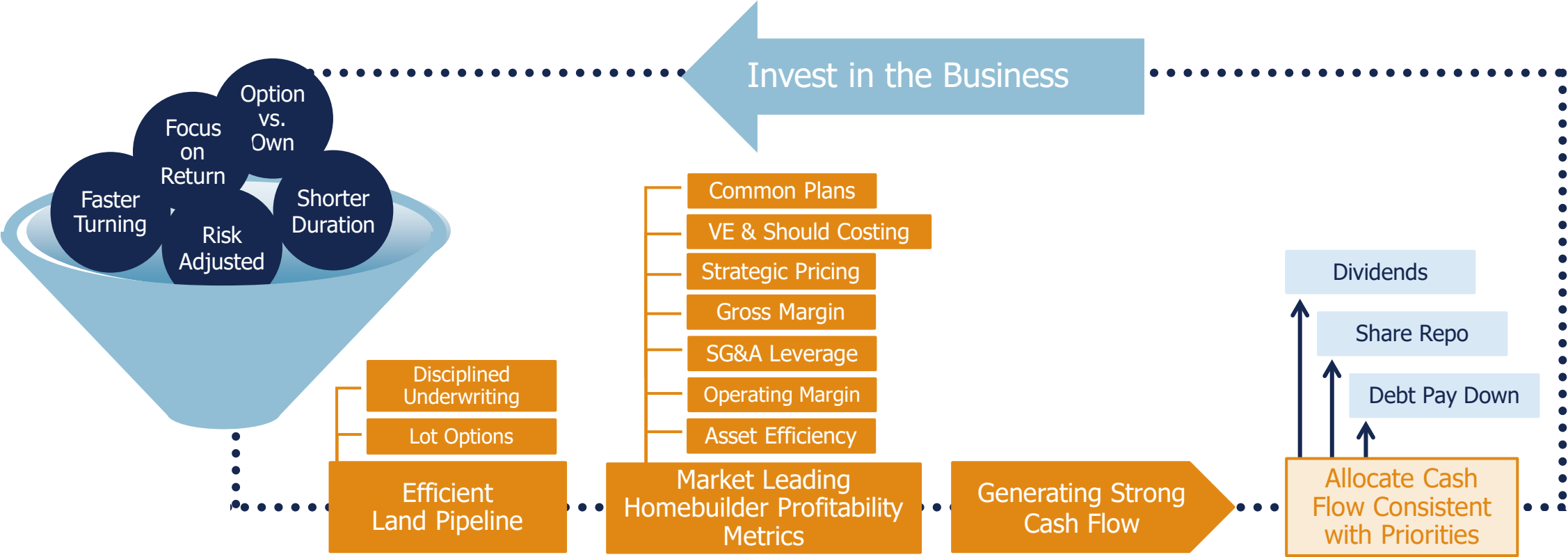


2023 Closings by Price Point



Focused on Generating Returns and Shareholder Value

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



Focused on Delivering High Returns Over the Housing Cycle

- Drive superior homebuilder operating metrics
 - Disciplined underwriting process
 - Differentiated go-to-market strategy using 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





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