



JP Morgan Homebuilding & Building Products Conference

May 15, 2019

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 impairment charge 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; 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, 2018, 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.

Agenda

- ▶ Strong Business Platform
- ▶ Executing our Playbook
- ▶ Assessing Macro Conditions
- ▶ Conclusion



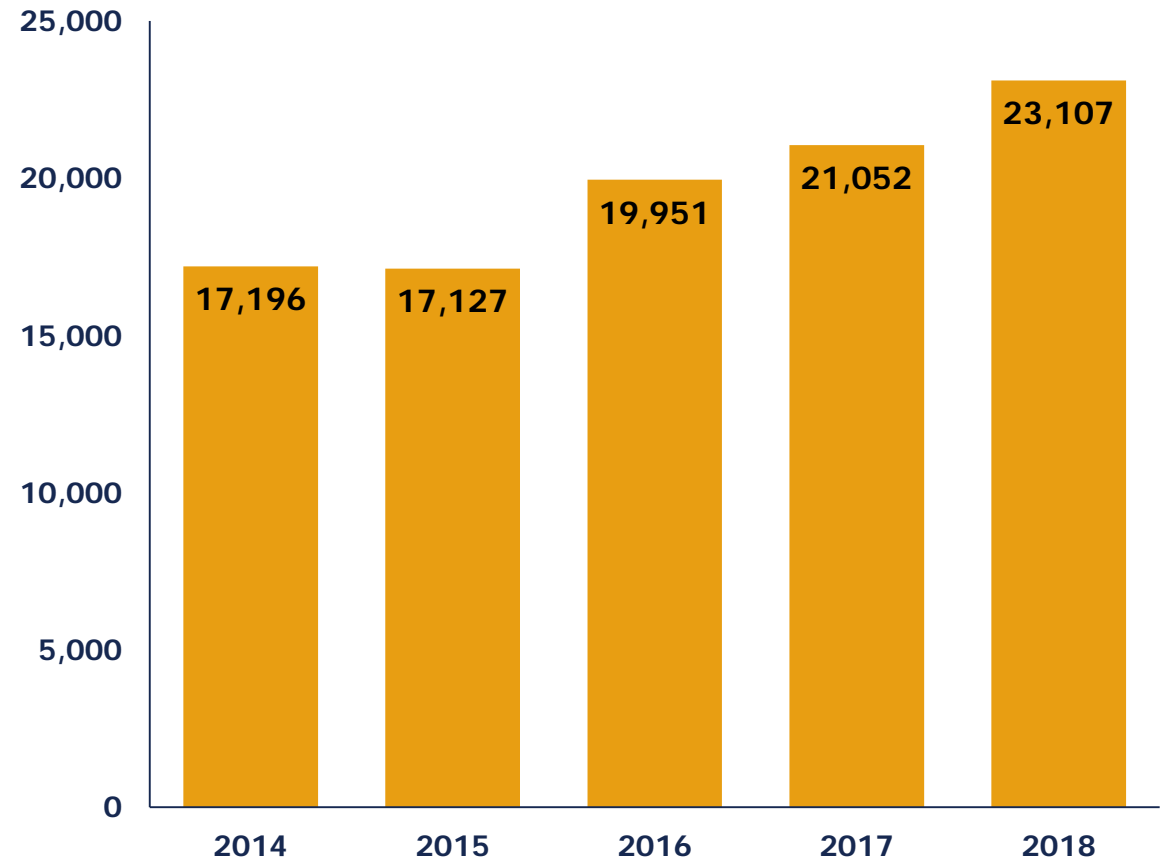
Strong Business Platform



Building on a Legacy of Success

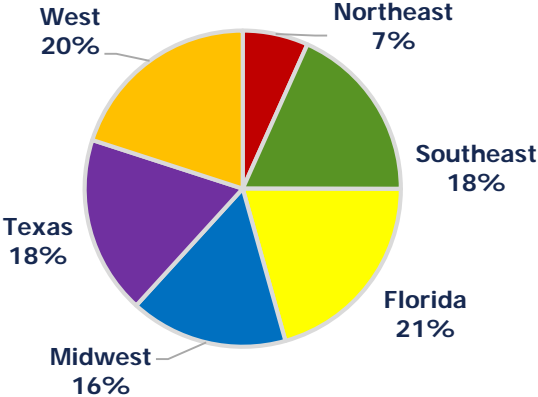
- ▶ The nation's 3rd largest builder
- ▶ Delivered over 725,000 homes since founding in 1950
- ▶ Selling many of the industry's best known brands: Pulte, Centex and Del Webb
- ▶ Over 5,000 employees working in 42 markets across 23 states

Closings

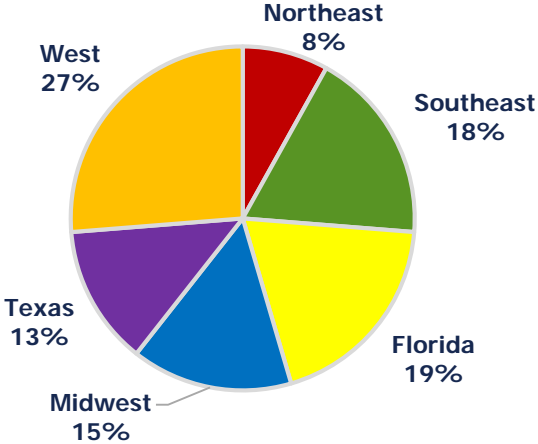


With a Diversified Business Platform

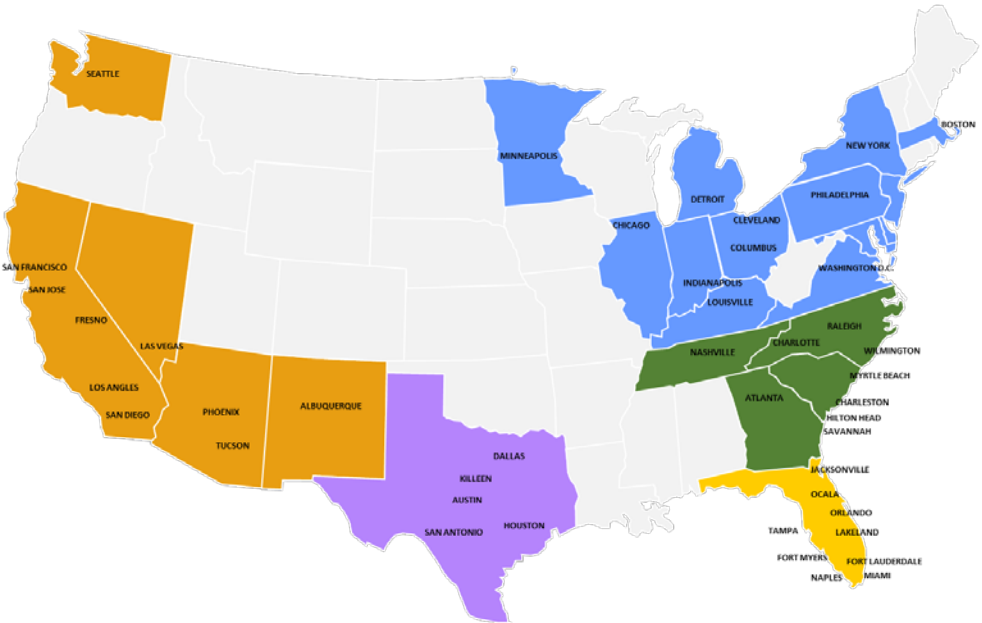
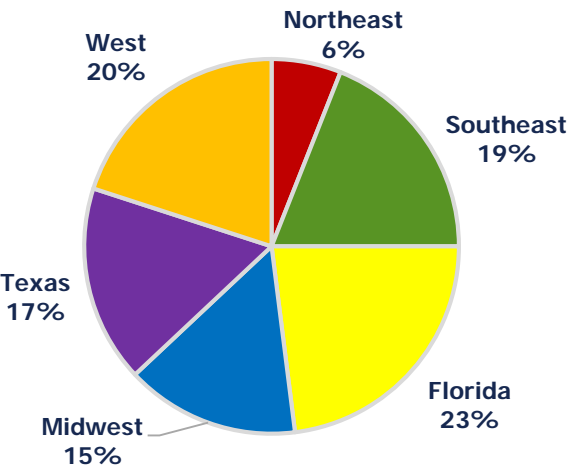
2018 Closings



2018 Revenues



2018 Owned Lots



And an Unmatched Ability to Serve All Demographics

2018 Closings by Price



A Strong Corporate Ethic

- ▶ Gallup survey ranks Company's culture among the top 5% of companies worldwide
- ▶ Proven commitment to construction quality and buyer experience
- ▶ PHM stock a component of the Dow Jones Sustainability Index
- ▶ Serving our nation's wounded veterans through our Built to Honor Program
 - Over 50 mortgage-free homes donated to veterans and their families



And an Independent, Experienced & Diverse Board



Brian Anderson*
Former CFO, OfficeMax
(2005)



Cheryl Grise*
Former EVP, Northeast
Utilities (2008)



Scott Powers*
Former President & CEO,
State Street Global Advisors
(2016)



Bryce Blair*
Former Chairman and CEO,
AvalonBay Communities
(2011)



Andre Hawaux*
Former EVP & COO, Dick's
Sporting Goods (2013)



William Pulte*
CEO, Pulte Capital
Partners (2016)



Richard Dreiling*
Former Chairman and
CEO, Dollar General
(2015)



Ryan Marshall
President & CEO,
PulteGroup (2016)



Lila Snyder*
EVP & President,
Commerce Services,
Pitney Bowes (2018)



Thomas Folliard*
Former Chairman, CarMax
(2012)



John Peshkin*
Founder & Managing Partner,
Vanguard Land, former North
American CEO & Pres., Taylor
Woodrow plc. (2016)

* Independent Director

Executing Our Playbook

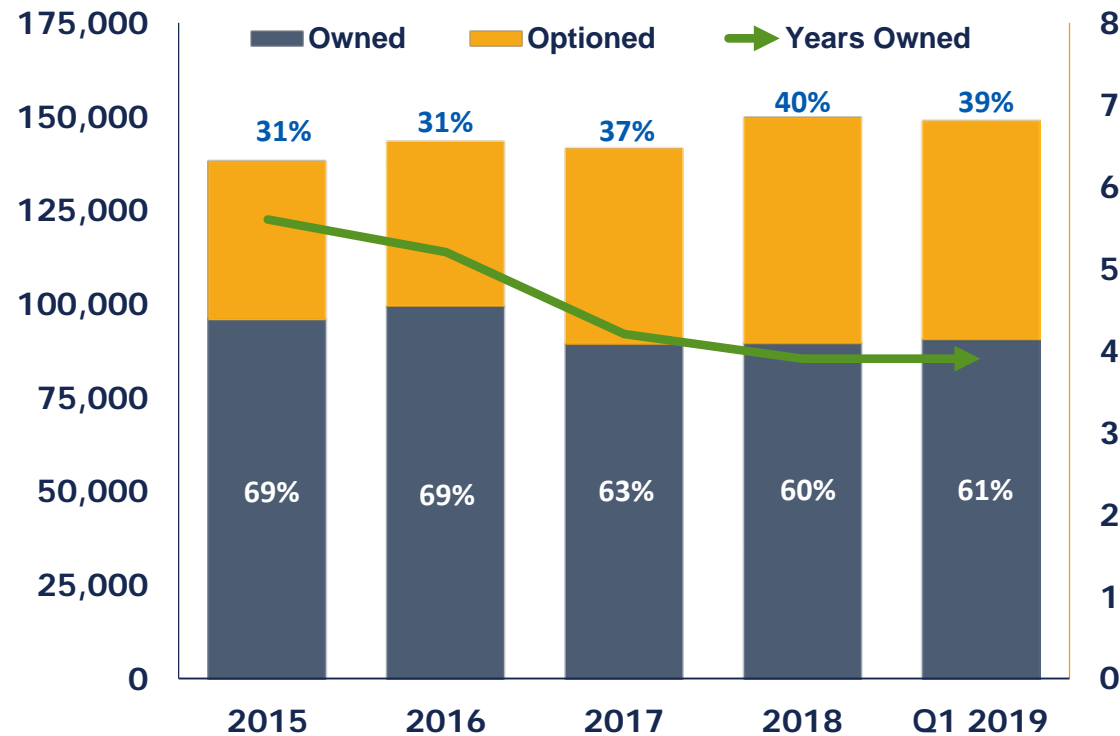


Disciplined Land Investment

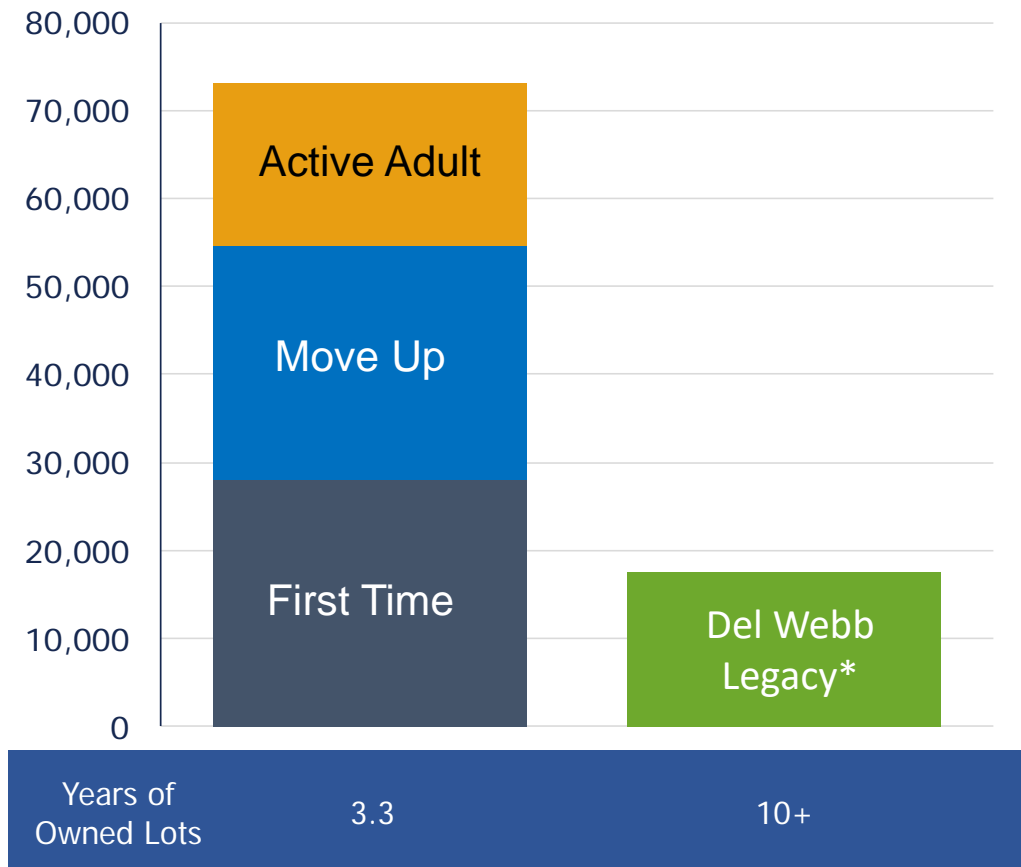


Building a More Efficient Land Pipeline

Lots Under Control

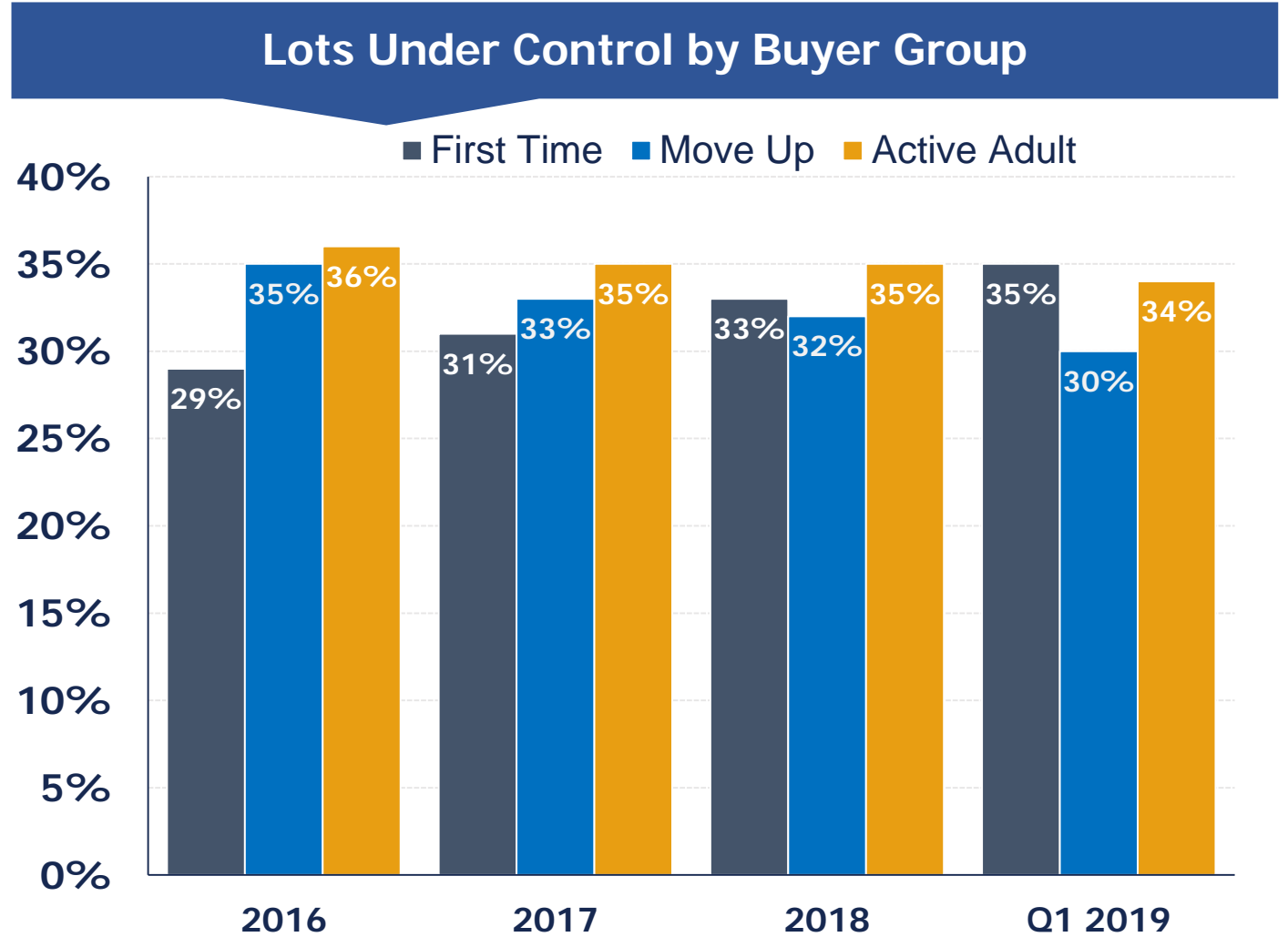


Breakdown of Owned Lot Pipeline (as of 3/31/19)



That is Balanced Across Buyer Groups

- ▶ Composition of land pipeline will gradually impact closing mix
- ▶ Core of business remains serving move-up buyers
 - Ability to spend on options and lot premiums
- ▶ Aging of millennial generation supporting demand among first-time buyers



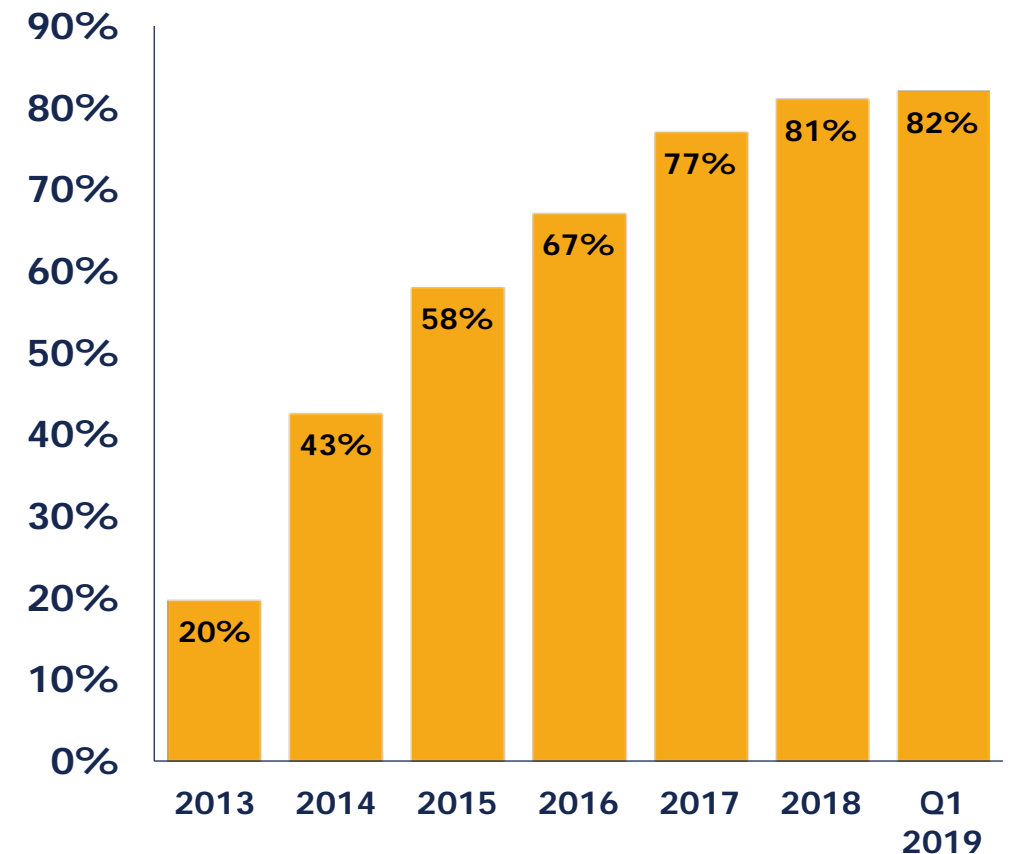
Enhancing Operational Excellence



By Focusing on Key Performance Drivers

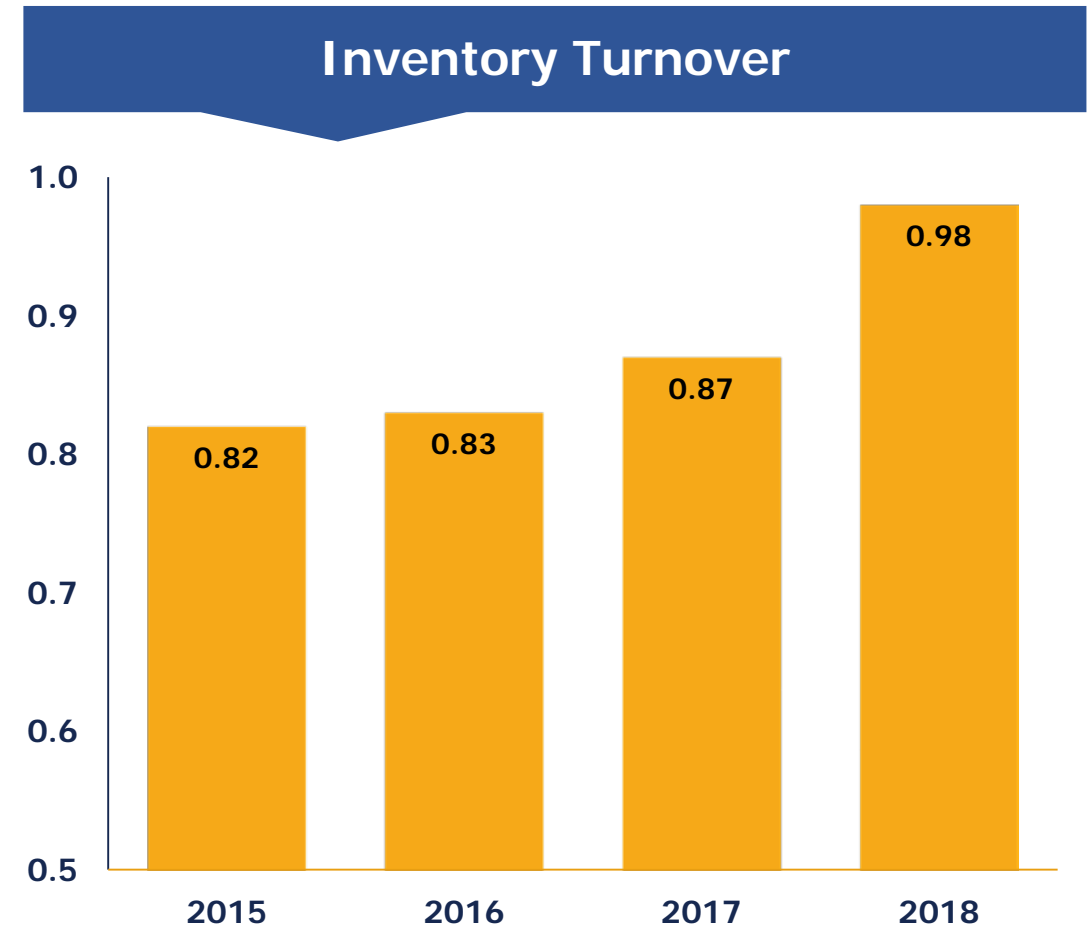
- ▶ **Delivering superior build quality**
- ▶ **Production efficiency**
 - Commonly managed plans
 - Value engineering and should costing
 - Strategic pricing
- ▶ **Local market scale**
- ▶ **Actively assessing opportunities for offsite manufacturing**
 - Early stages of what will be a long-term initiative

Percent of Closings from Common Plans



And Maintaining Successful Business Practices

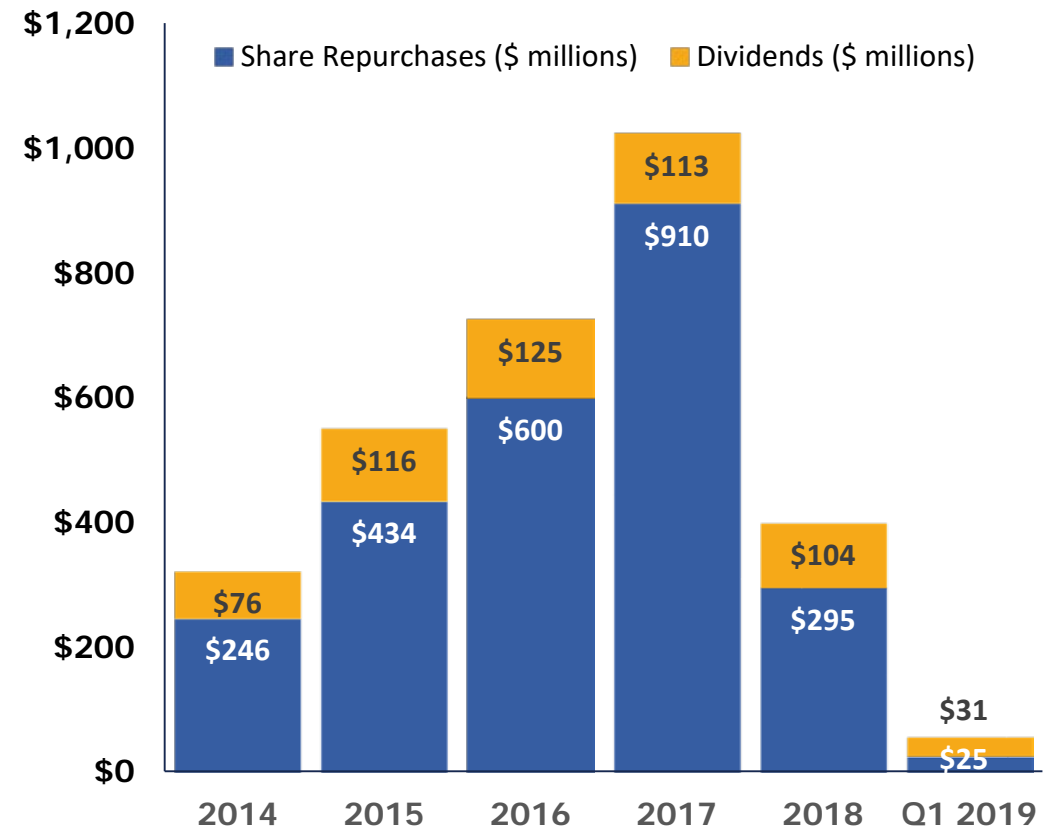
- ▶ **Intelligently invest in the business through high-returning projects**
 - Target smaller, faster turning projects
 - Increase use of lot options
- ▶ **Remain diversified across markets and balanced across buyer groups**
- ▶ **Emphasize build-to-order production**
 - Allows consumer to select more higher-margin options and lot premiums
 - Strategic use of specs to support consistent build cadence



That Can Deliver Increased Cash Flows

- ▶ **2018 cash flow from operations of \$1.4 billion**
- ▶ **Expanding use of lot options to support greater capital efficiency**
 - Expect to maintain recent land spend levels
- ▶ **Returning excess cash through sustained repurchase activities**
 - Evaluating opportunities to use available cash for debt pay down

Systematic Return of Capital



And Consistent Capital Allocation

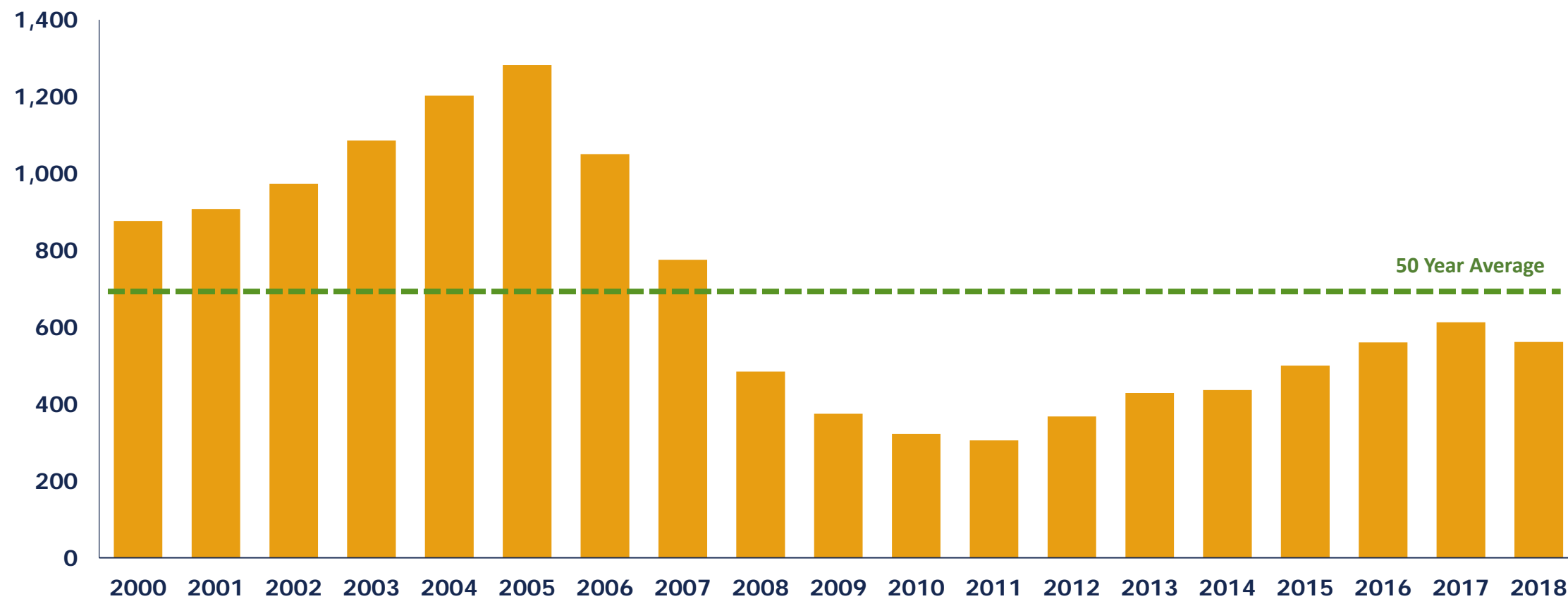
- ▶ **Invest in the business, including M&A when appropriate**
 - Over \$10 billion invested 2015 to 2018
- ▶ **Advance a sound dividend policy**
 - Per share payout has more than doubled since reinstating the dividend in 2013
- ▶ **Return excess capital through share repurchases**
 - Bought in over 30% of common stock
- ▶ **Other use of cash includes potential to pay down debt**

Assessing Macro Conditions



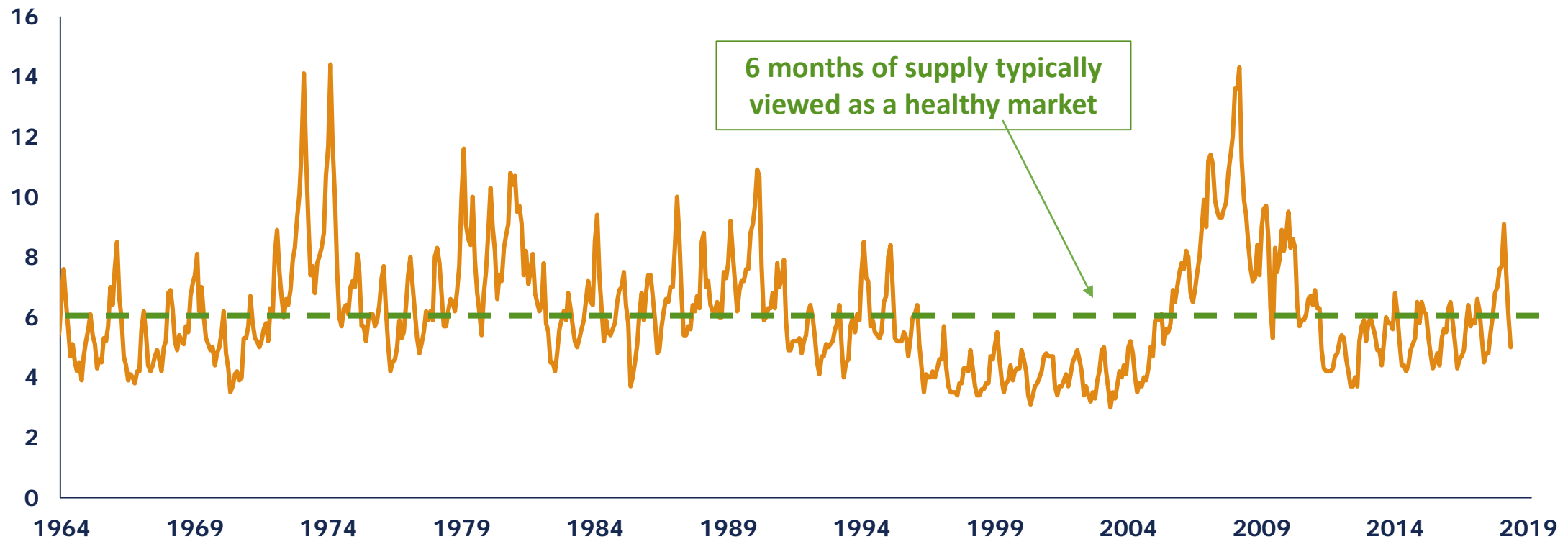
New Home Sales Remain Below Historic Average

NEW HOME SALES (000)



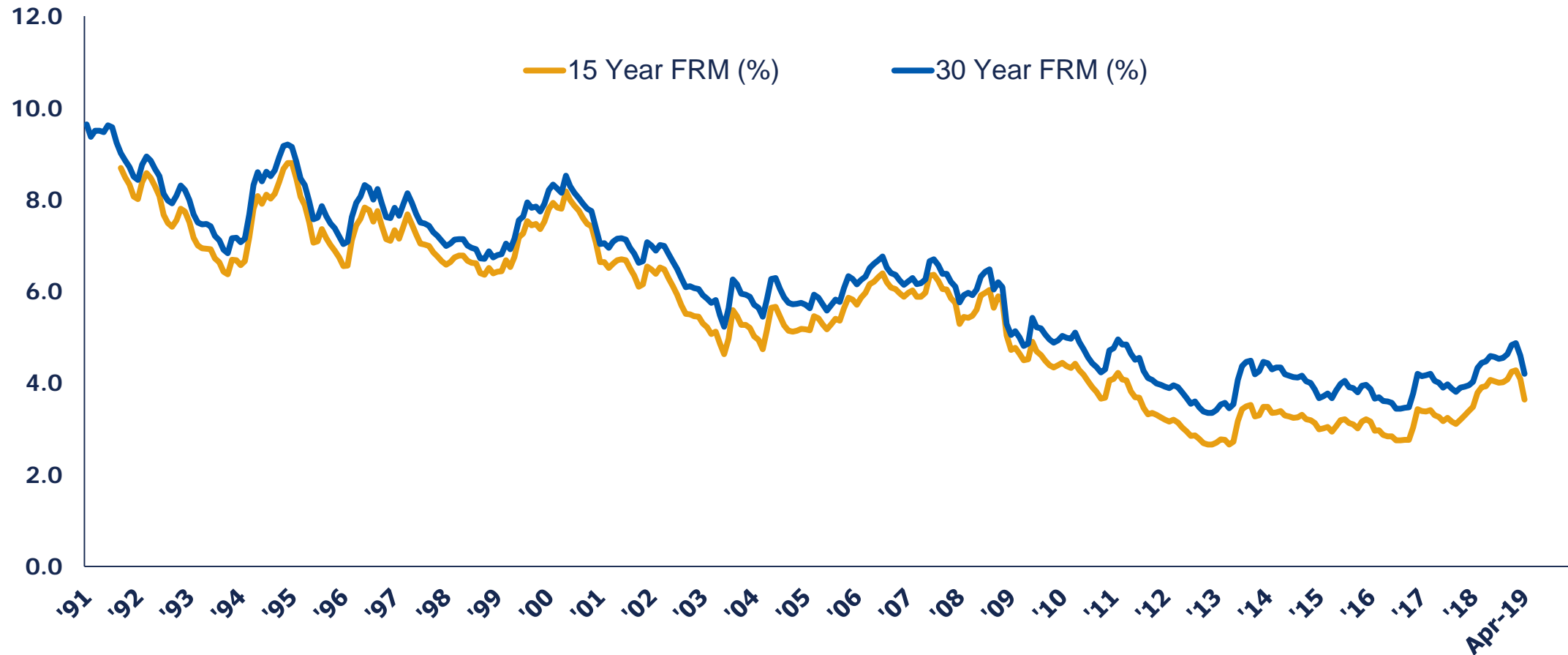
With a Healthy Inventory of New Homes

Months Supply of New Home Inventory

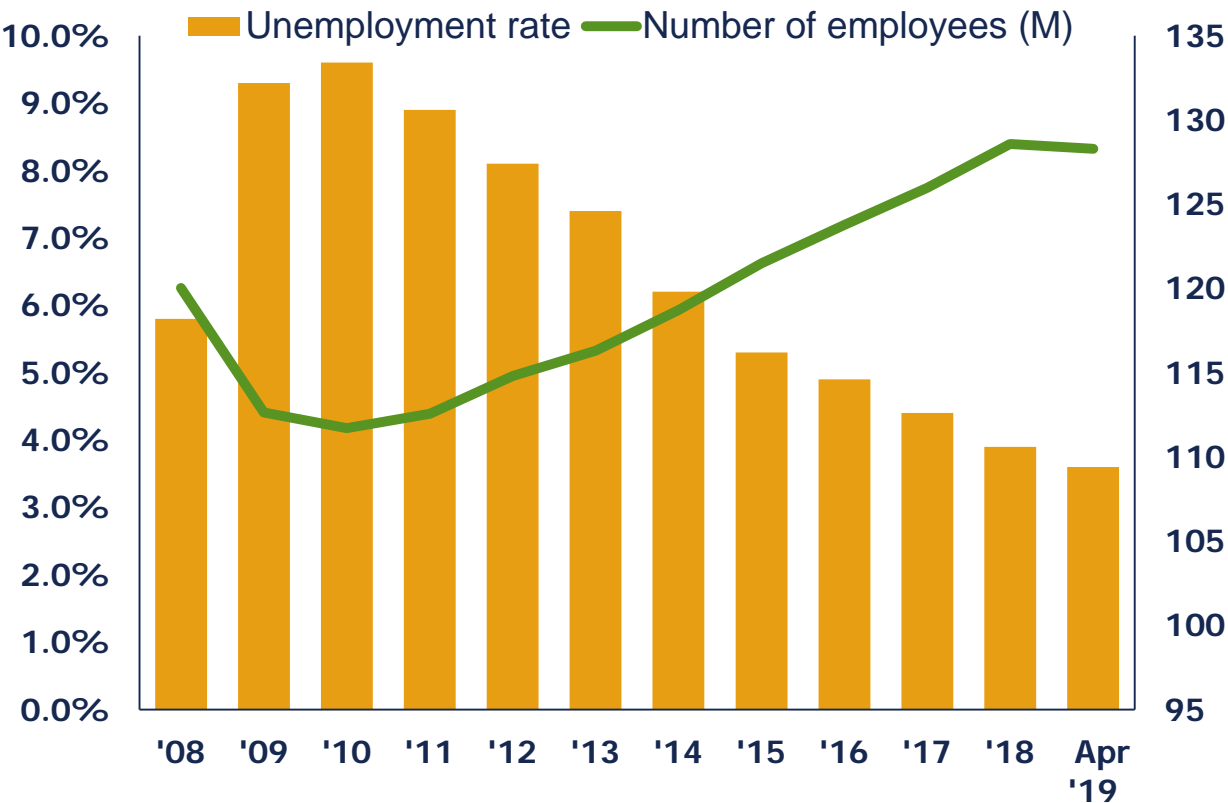


An Increasingly Supportive Mortgage Market

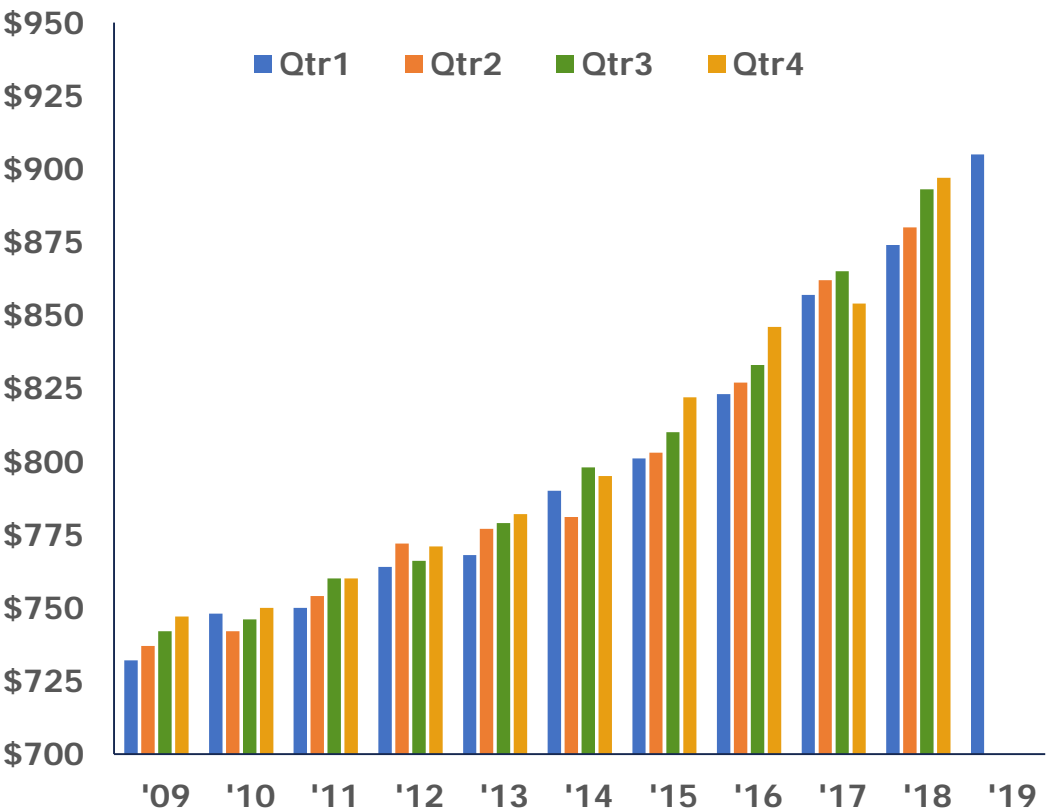
Mortgage Rates



Great Employment Numbers

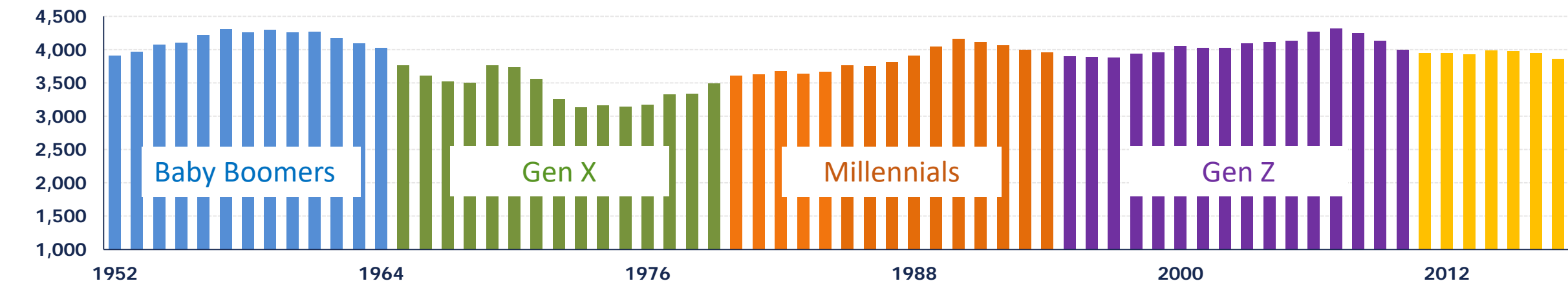


Median Weekly Earnings

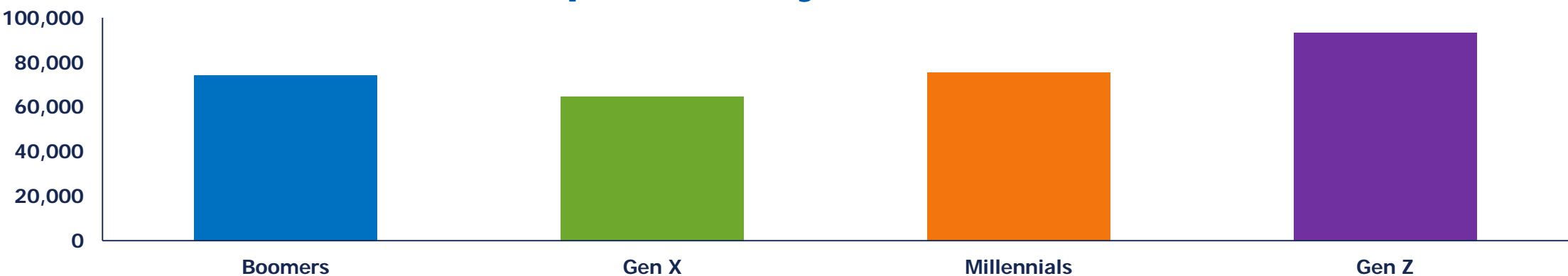


And Powerful Demographic Drivers

Births (thousands)

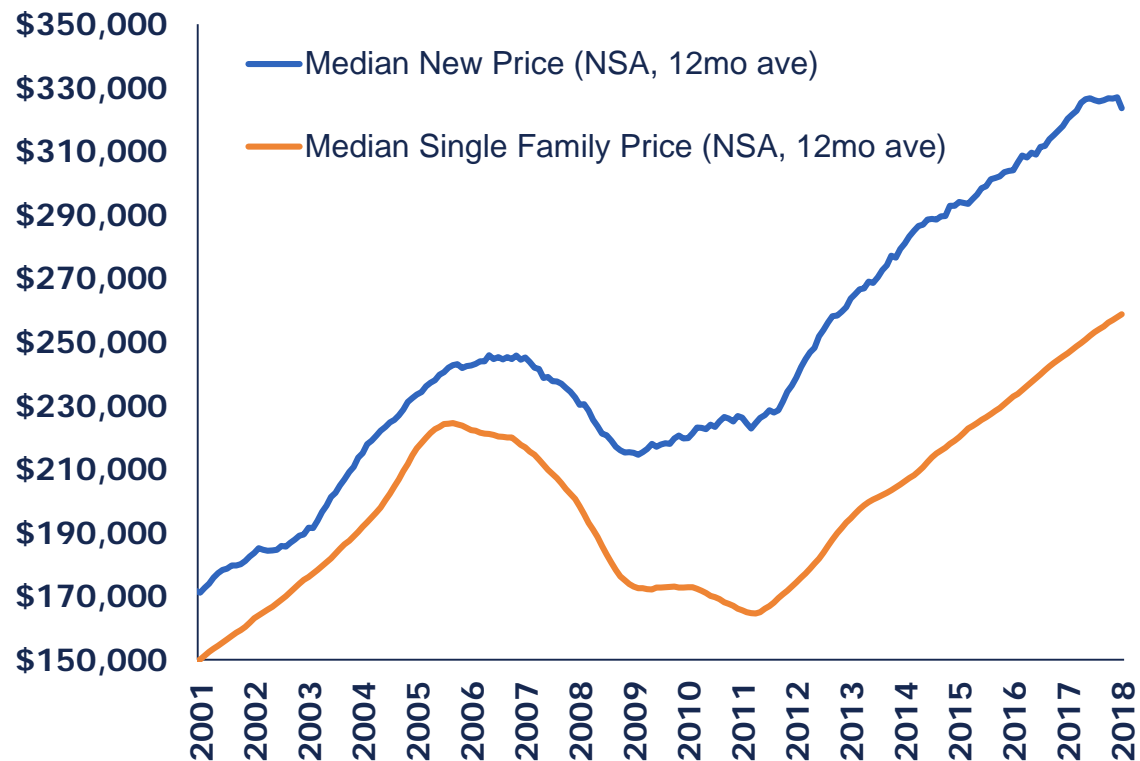


Population by Generation (thousands)



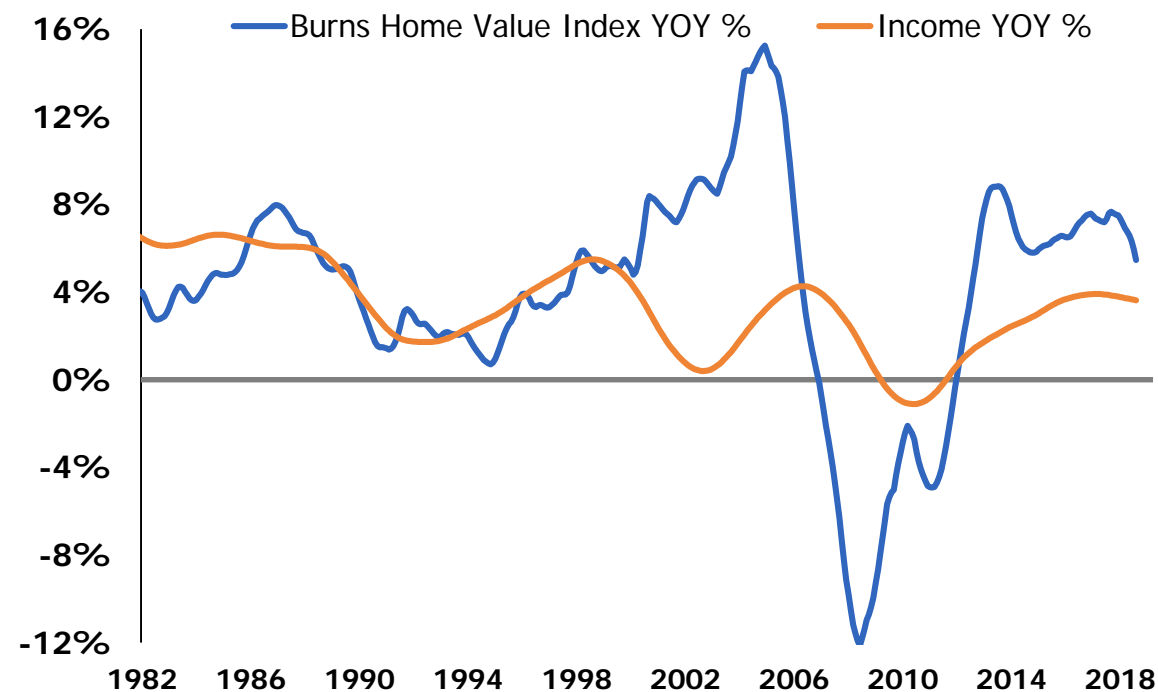
But Dynamics Need Watching

New Home vs. Resale Price



Sources: NAR; U.S. Census Bureau; John Burns Real Estate Consulting, LLC (Data: Nov-18, updated quarterly†)

Home Value Growth vs. Income Growth



Sources: John Burns Real Estate Consulting, LLC; Census Bureau; Moody's Analytics (Data: Jan-19, Pub: Feb-19)

Summary

Working to Deliver High Returns Over the Housing Cycle



Creating Long-term Shareholder Value

- Focus on the customer: deliver superior build quality and home buying experience
- Invest in high-returning, shorter duration land positions
- Maintain disciplined business practices
- Improve asset efficiency to increase inventory turns and enhance cash flow
- Appropriately allocate cash flow consistent with stated priorities: invest in the business, dividends, share repurchase and debt reduction