



Q4 2021 Operating & Financial Results

February 1, 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, 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**



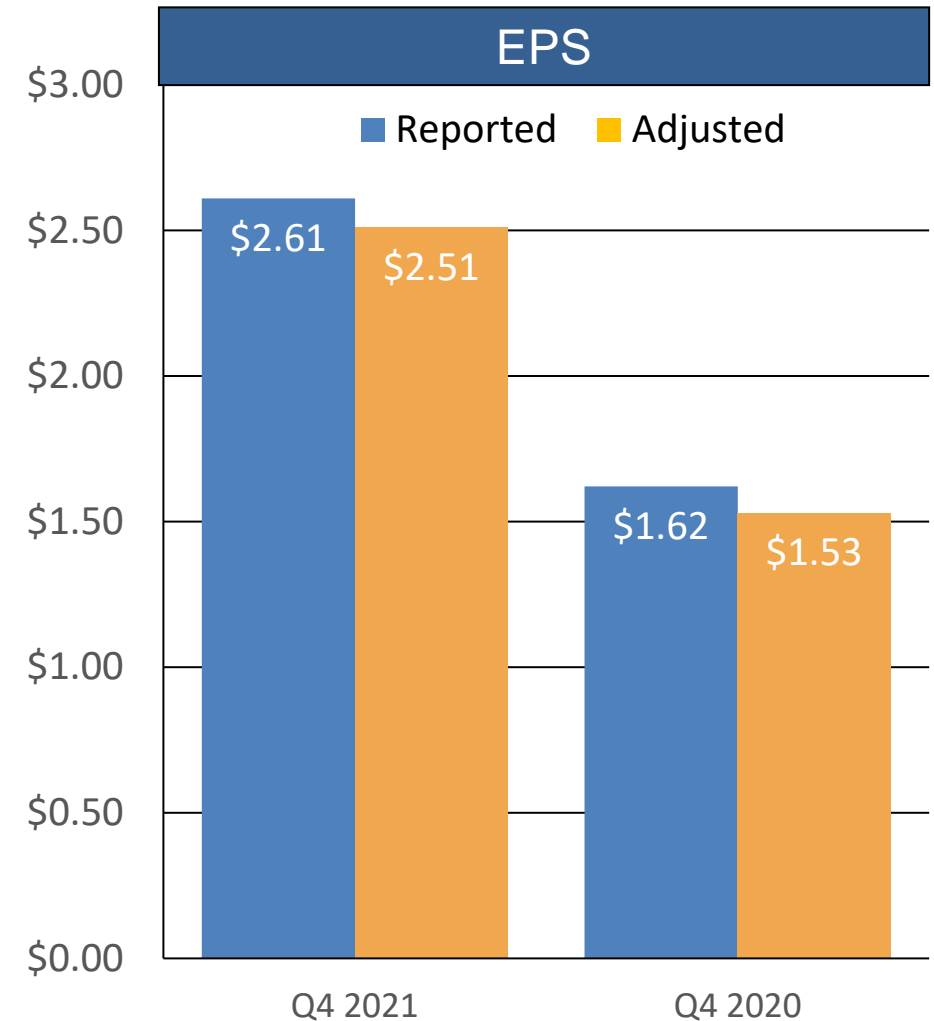
**Jim
Zeumer**
**Vice President,
Investor
Relations**



Q4 2021 Operating & Financial Highlights

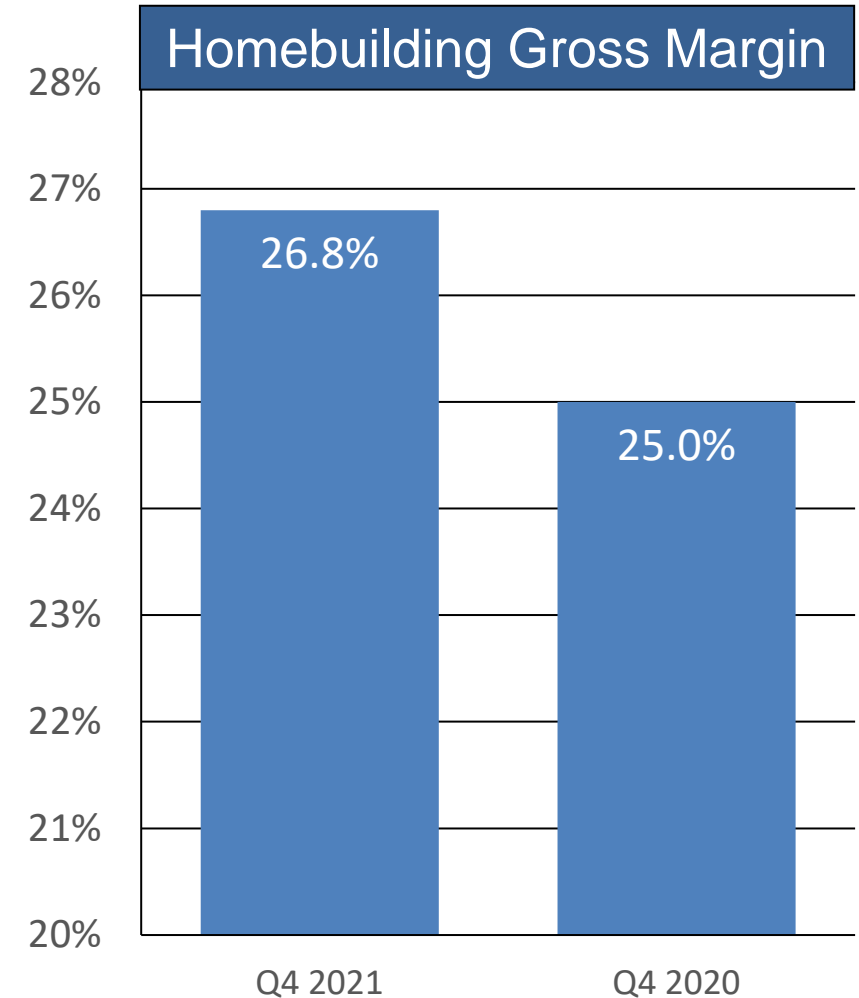
Q4 2021 Financial Highlights

- Q4 2021 reported EPS of \$2.61
 - ✓ Adjusted EPS of \$2.51 excludes:
 - \$23 million net pre-tax benefit from adjustments to insurance-related reserves and a \$9 million tax benefit from deferred tax valuation allowance adjustments
 - ✓ Q4 2020 reported EPS of \$1.62
 - Adjusted EPS of \$1.53 excludes a \$16 million net pre-tax benefit from adjustments to insurance-related reserves, a \$22 million pre-tax charge from adjustments to Financial Services reserves, and a tax benefit of \$28 million from energy tax credits and deferred tax valuation allowance adjustments



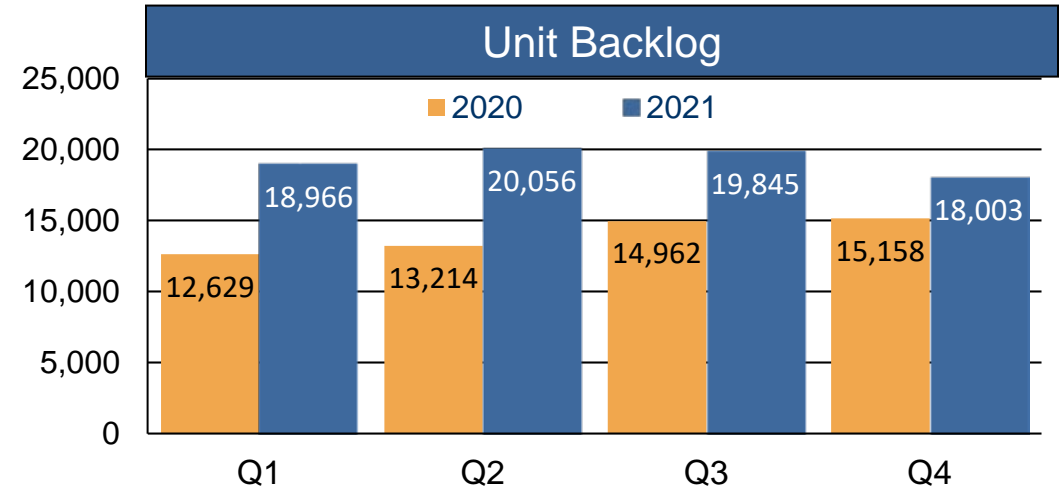
Q4 2021 Financial Highlights

- Home sale revenues increased 38% to \$4.2 billion
 - ✓ Q4 closings increased 26% to 8,611 homes
 - ✓ ASP increased 10% to \$490,000
- Homebuilding gross margin increased 180 bps to 26.8%
- Reported SG&A expense of \$344 million includes a \$23 million net pre-tax benefit from adjustments to insurance-related reserves
 - ✓ Excluding the adjustment, SG&A expense was \$367 million, or 8.7% of home sale revenues
- Operations continue to be impacted by industry-wide supply chain disruptions



Q4 2021 Financial Highlights

- Net new orders for the quarter were 6,796 homes
 - ✓ Net new orders lower by 4%, driven by 7% decline in average community count and decision to control sales given supply chain issues
- Value of net new orders increased 16% to \$3.8 billion
- Unit backlog increased 19% to 18,003 homes
- Backlog value increased 45% to \$9.9 billion

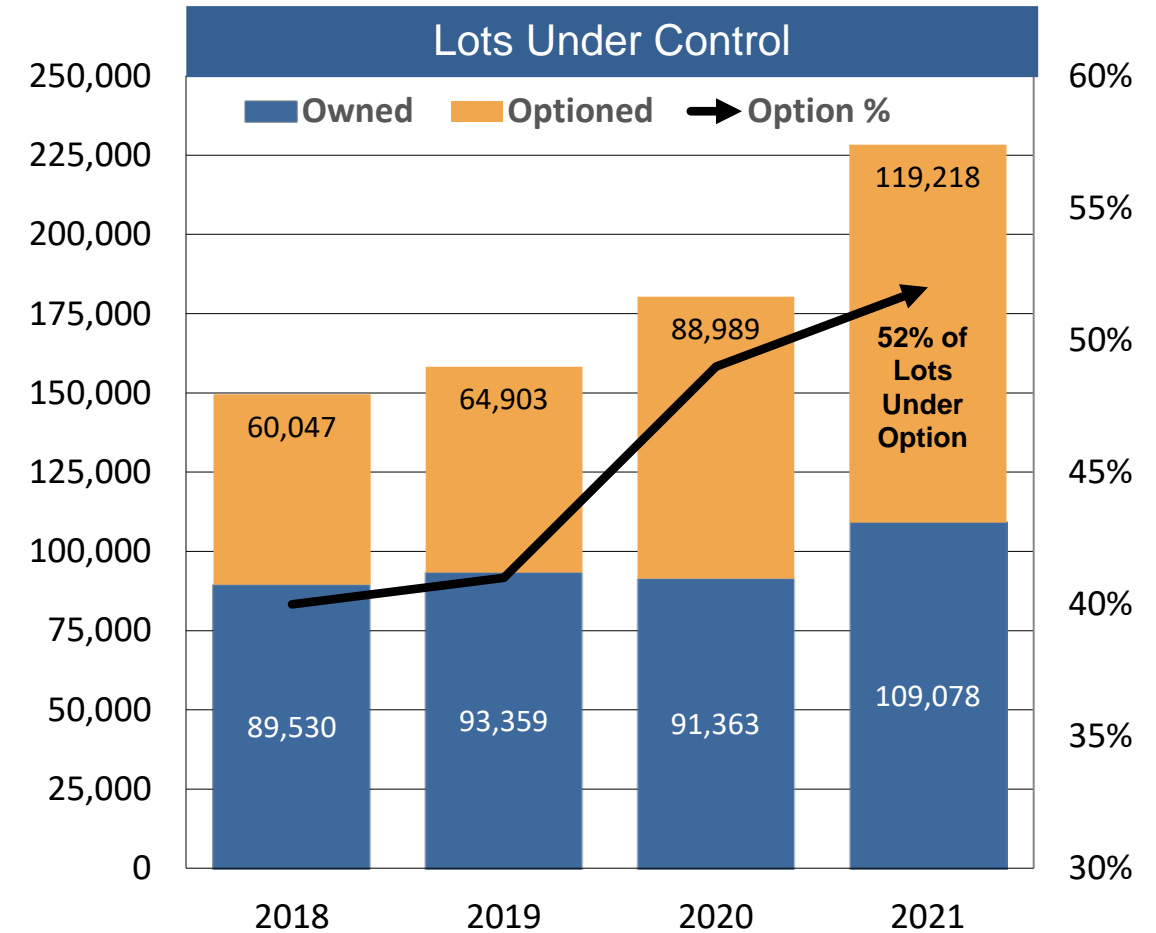


	Net New Orders			
	Q1	Q2	Q3	Q4
2020	7,495	6,522	8,202	7,056
2021	9,852	8,322	6,796	6,769
Change	31%	28%	- 17%	- 4%

	Average Community Count			
	Q1	Q2	Q3	Q4
2020	873	887	892	846
2021	837	808	768	785
Change	-4%	-9%	- 14%	- 7%

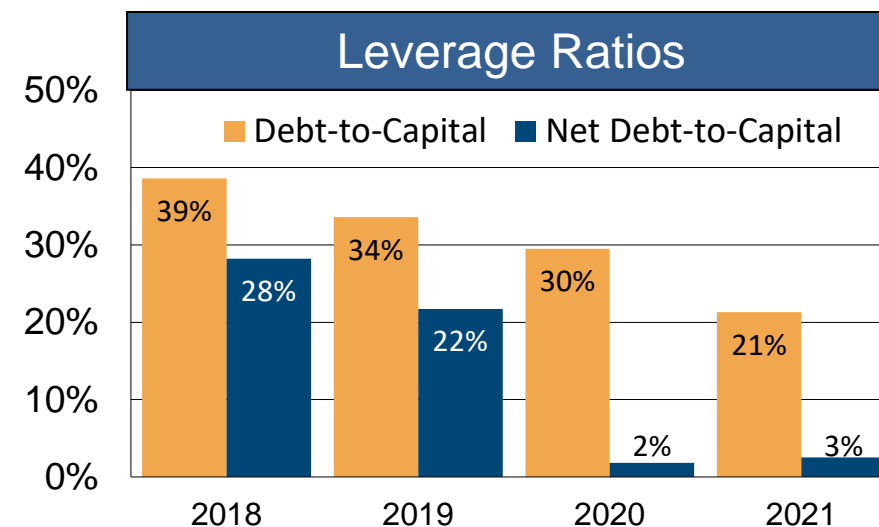
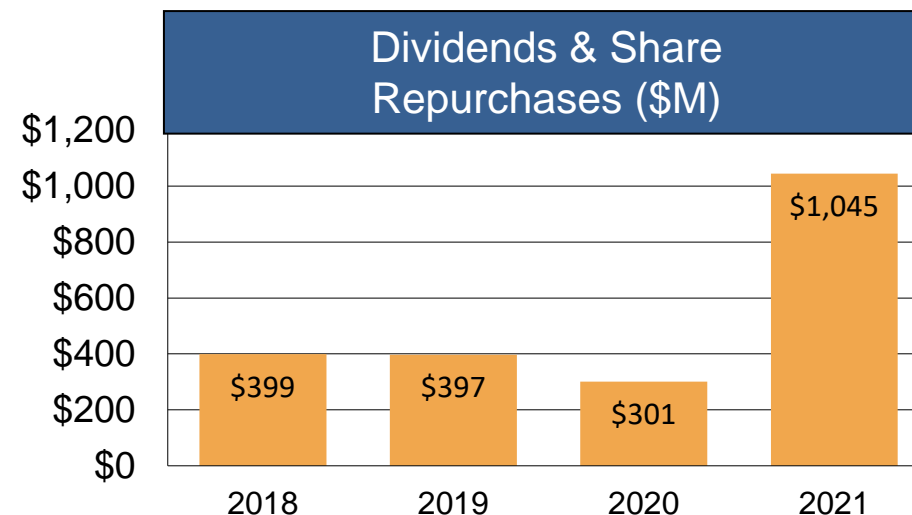
Q4 2021 Land Update

- Land acquisition & development investment in Q4 of \$1.4 billion
 - ✓ Total 2021 land investment of \$4.2 billion
- Controlled lot position increased to 228,296 lots with 52% held through option



Superior Financial Strength and Flexibility

- Return on equity of 28%* for FY 2021
- Repurchased \$283 million of common shares in Q4
 - ✓ In 2021 repurchased 17.7 million shares, representing a 6% reduction in our shares outstanding, for \$897 million
 - ✓ Increased 2021 dividend payout per share by 17% and distributed \$148 million in dividends
- Company increased share repurchase authorization by \$1.0 billion
- Ended Q4 with \$1.8 billion of cash
- Year end debt-to-capital ratio lowered to 21.3%
- Net debt-to-capital ratio of 2.5%



* 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 2021 Selected Financial Data

	Three Months Ended December 31,		Change
	2021	2020	
Home Sale Revenues (\$ millions)	\$4,220	\$3,062	38%
Gross Margin Percentage	26.8%	25.0%	180 bps
Reported SG&A as Percent of Home Sale Revenues	8.2%	9.1%	-90 bps
Adjusted SG&A as Percent of Home Sale Revenues	8.7%	9.7%	-100 bps
Financial Services Pre-tax Income (\$ millions)	\$55	\$43*	30%
Net Income (\$ millions)	\$663	\$438	51%
Adjusted Net Income (\$ millions)	\$637	\$415	54%
Earnings Per Share	\$2.61	\$1.62	61%
Adjusted Earnings Per Share	\$2.51	\$1.53	64%
Backlog (Units)	18,003	15,158	19%
Backlog Dollar Value (\$ millions)	\$9,859	\$6,794	45%

* Includes a \$22 million charge from adjustments to Financial Services reserves

Q4 2021 Selected Balance Sheet Data

	December 31, 2021 (\$ millions)	December 31, 2020 (\$ millions)
Cash and Equivalents (including restricted cash)	\$1,834	\$2,632
House and Land Inventory	\$9,048	\$7,722
Notes Payable	\$2,029*	\$2,752
Shareholders' Equity	\$7,490	\$6,570
Debt – to – Capital Ratio	21.3%	29.5%
Net Debt – to – Capital Ratio	2.5%	1.8%

* Reflects paydown of \$726 million of bonds in Q1 2021



**Building on Proven
Business Platform**

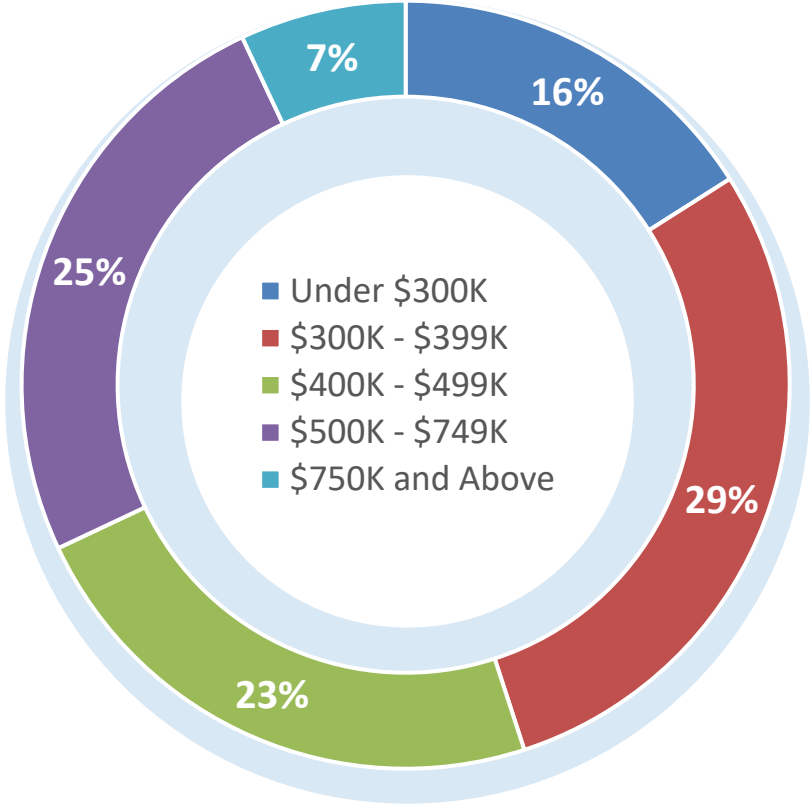
Industry Leading Brand Names



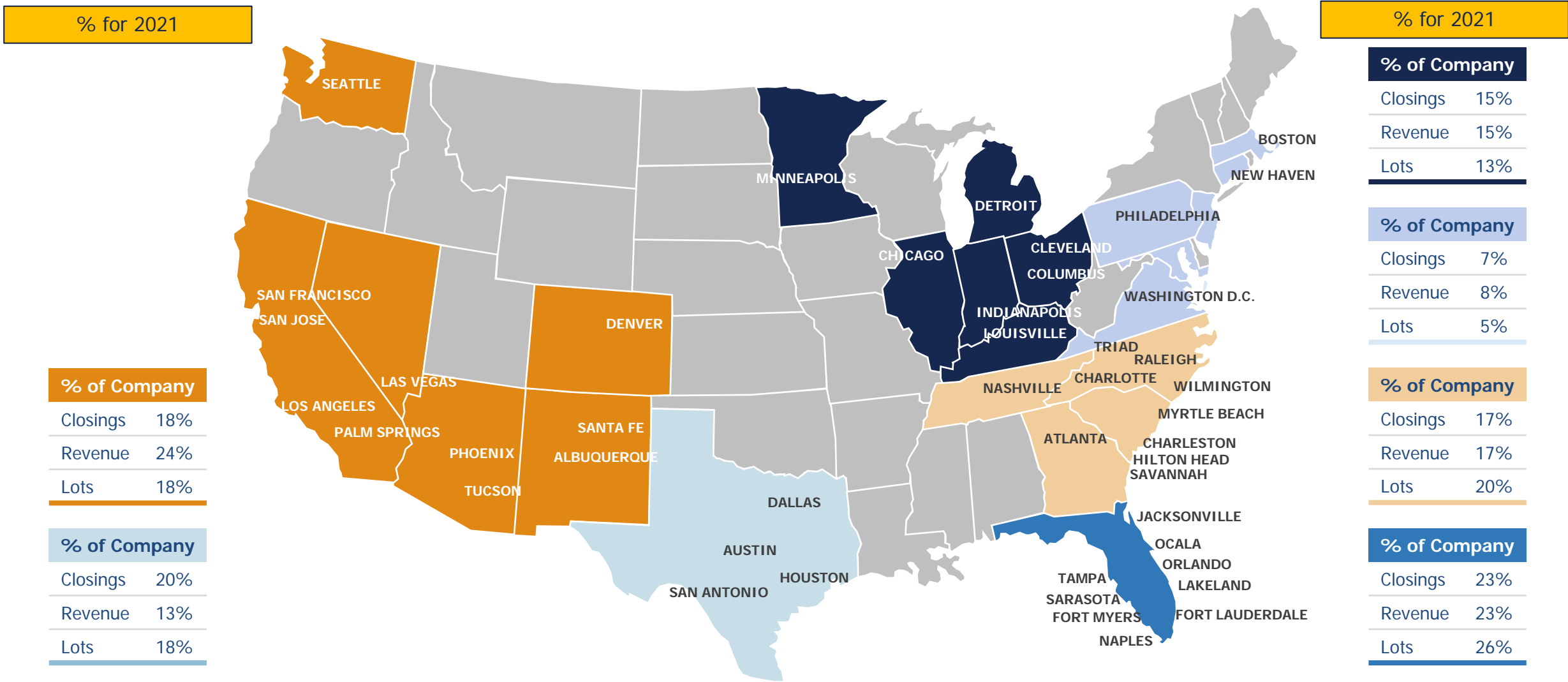
Serving a Variety of Price Points



% of 2021 Closings by Price Point

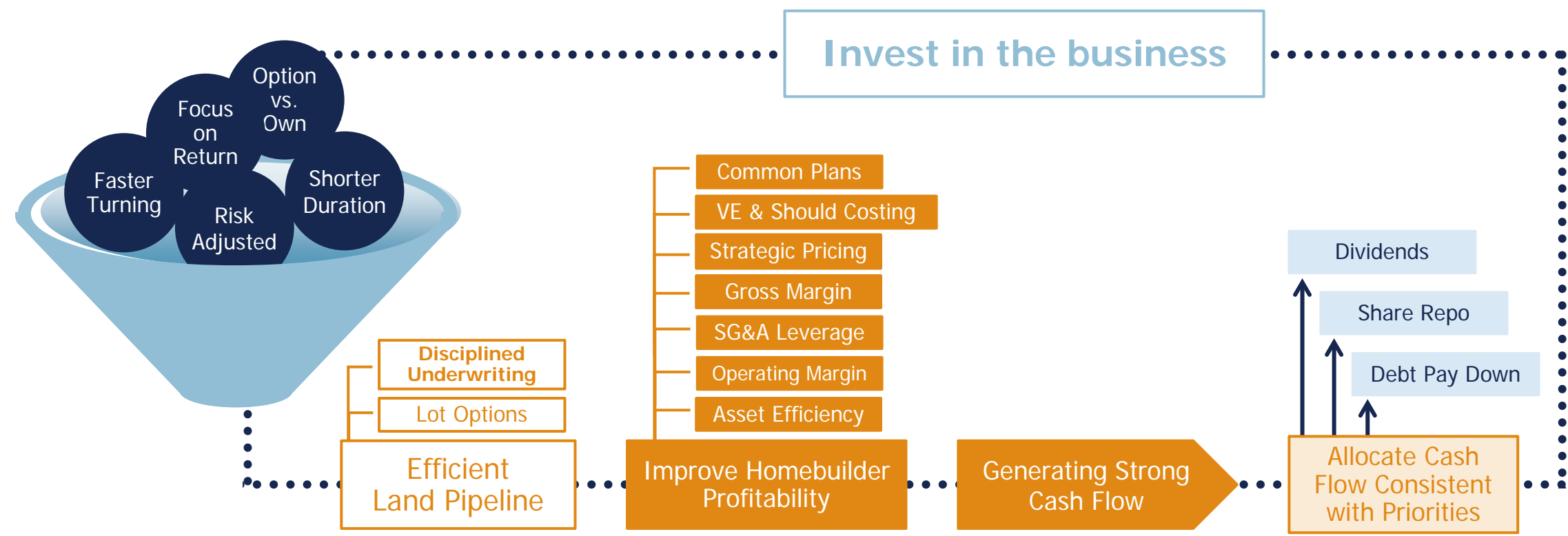


With a Broad and Balanced Geographic Footprint



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 \$897 million of common shares in 2021
- ✓ Feb 1, 2022: announced \$1.0 billion increase in share repurchase authorization

■ Maintain modest financial leverage

- ✓ Paid down \$726 million of our outstanding senior notes in 2021
- ✓ Targeting debt-to-capital ratio in the range of 20% to 30%, down from prior guidance of 30% to 40%



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 as measures of our profitability. We believe that reflecting these adjustments provides investors relevant and useful information for evaluating the comparability of financial information presented and comparing our profitability 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):

Reconciliation of Adjusted Net Income and Adjusted EPS			
		Three Months Ended December 31,	
	Results of Operations Classification	2021	2020
Net income, as reported		\$ 663,264	\$ 438,111
Adjustments to income before income taxes:			
Insurance-related reserves	SG&A	(22,647)	(16,319)
Financial Services reserves	Financial Services expense	*	22,000
Income tax effect of the above items	Income tax expense	5,524	(1,392)
Income tax adjustments	Income tax expense	(8,832)	(27,665)
Adjusted net income**		\$ 637,309	\$ 414,735
EPS (diluted), as reported		\$ 2.61	\$ 1.62
Adjusted EPS (diluted)**		\$ 2.51	\$ 1.53

**Item not meaningful for the period presented*

***Prior period adjusted net income and adjusted EPS have been reclassified to conform to the current year presentation*

Other Reconciliations

	Three Months Ended			
	December 31,			
	2021		2020	
Home sale revenues	\$ 4,220,441		\$ 3,062,443	
Gross margin (a)	\$ 1,132,684	26.8 %	\$ 764,434	25.0 %
SG&A, as reported	\$ 344,220	8.2 %	\$ 279,656	9.1 %
Insurance-related reserves	22,647	0.5 %	16,319	0.5 %
Adjusted SG&A	<u>\$ 366,867</u>	<u>8.7 %</u>	<u>\$ 295,975</u>	<u>9.7 %</u>
Operating margin, as reported (b)	18.7 %		15.8 %	
Adjusted operating margin (c)	18.1 %		15.3 %	

**Item not meaningful for the period presented*

(a) Gross margin represents home sale revenues less 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

Net Debt-to-Capital Ratios

	December 31,	
	2021	2020
Notes payable	\$ 2,029,043	\$ 2,752,302
Shareholders' equity	7,489,515	6,569,989
Total capital	<u>\$ 9,518,558</u>	<u>\$ 9,322,291</u>
Debt-to-capital ratio	21.3 %	29.5 %
Notes payable	\$ 2,029,043	\$ 2,752,302
Less: Total cash, cash equivalents, and restricted cash	<u>(1,833,565)</u>	<u>(2,632,235)</u>
Total net debt	\$ 195,478	\$ 120,067
Shareholders' equity	7,489,515	6,569,989
Total net capital	<u>\$ 7,684,993</u>	<u>\$ 6,690,056</u>
Net debt-to-capital ratio	2.5 %	1.8 %



Q4 2021 Financial Results