



Q4 2022 Operating & Financial Results

January 31, 2023

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; including as it relates to our ability to take pricing actions to offset rising expenses; 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**



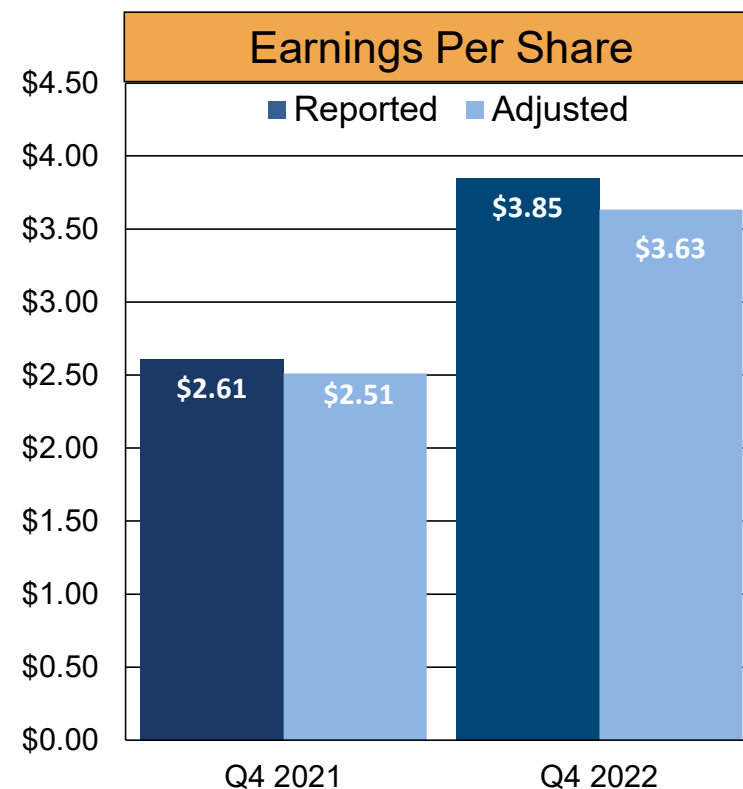
**Jim
Zeumer**
**Vice President,
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Relations**



Q4 2022 Operating & Financial Highlights

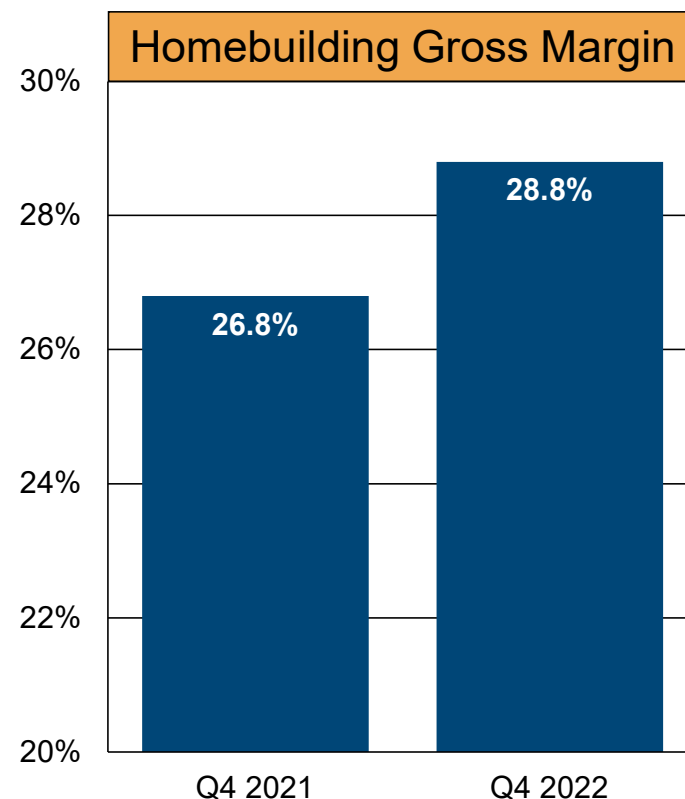
Q4 2022 Financial Highlights

- Q4 2022 reported earnings per share increased 48% over prior year to \$3.85
 - ✓ Adjusted EPS of \$3.63 excludes:
 - \$65 million net pre-tax benefit from adjustments to insurance related reserves and a \$49 million pre-tax gain in JV income relating to the sale of commercial property
 - \$31 million pre-tax charge associated with the Company's decision to exit certain land-option agreements and a tax charge of \$12 million from deferred tax valuation allowance adjustments
- Record home sale revenues of \$5.1 billion
 - ✓ Average sales price increased 17% to \$571,000
 - ✓ Q4 closings increased 3% to 8,848 homes



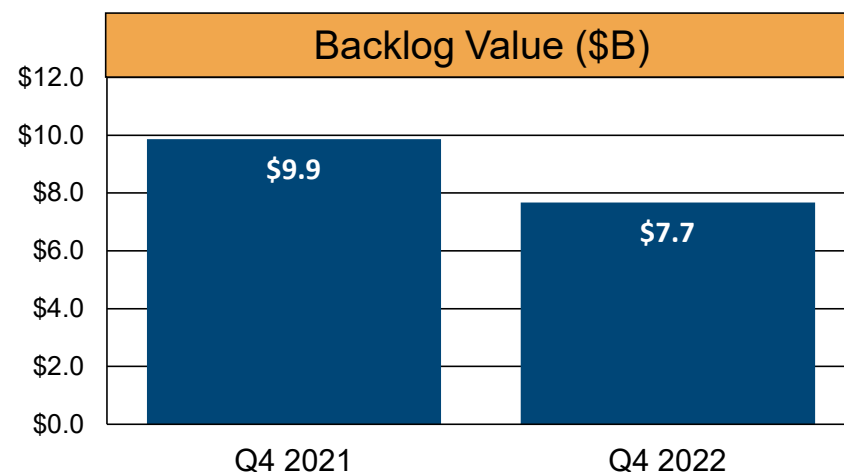
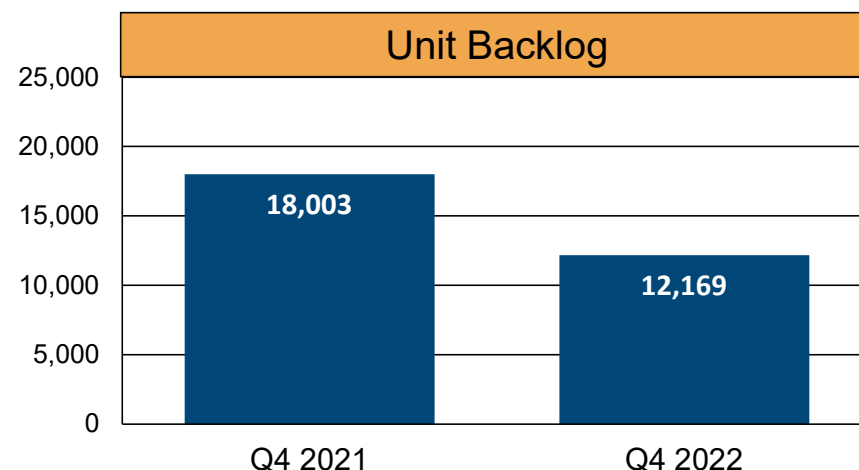
Q4 2022 Financial Highlights

- Homebuilding gross margin increased 200 bps to 28.8%
- Reported SG&A expense of \$351 million, or 6.9% of home sale revenues
 - ✓ Excluding \$65 million net pre-tax benefit from adjustments to insurance related reserves, adjusted SG&A expense was \$416 million, or 8.2% of home sale revenues
 - ✓ Prior year reported SG&A expense was \$344 million, or 8.2% of home sale revenues
 - Excluding \$23 million net pre-tax benefit from adjustments to insurance related reserves, adjusted SG&A expense was \$367 million, or 8.7% of home sale revenues



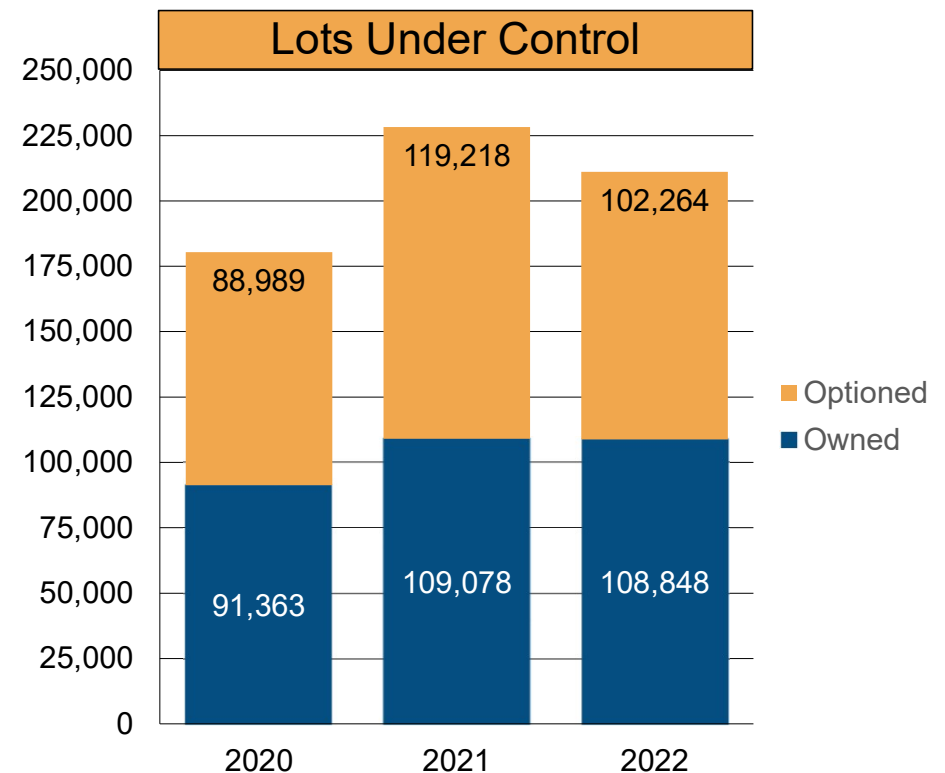
Q4 2022 Financial Highlights

- Q4 net new orders of 3,964 homes
 - ✓ Net new orders lower by 41% as higher mortgage rates impact buyer demand
 - ✓ Q4 cancellation rate of 32%, up from 11% in prior year period
- Net new order value of \$2.1 billion, compared with \$3.8 billion in prior year
- Backlog of 12,169 homes with a value of \$7.7 billion



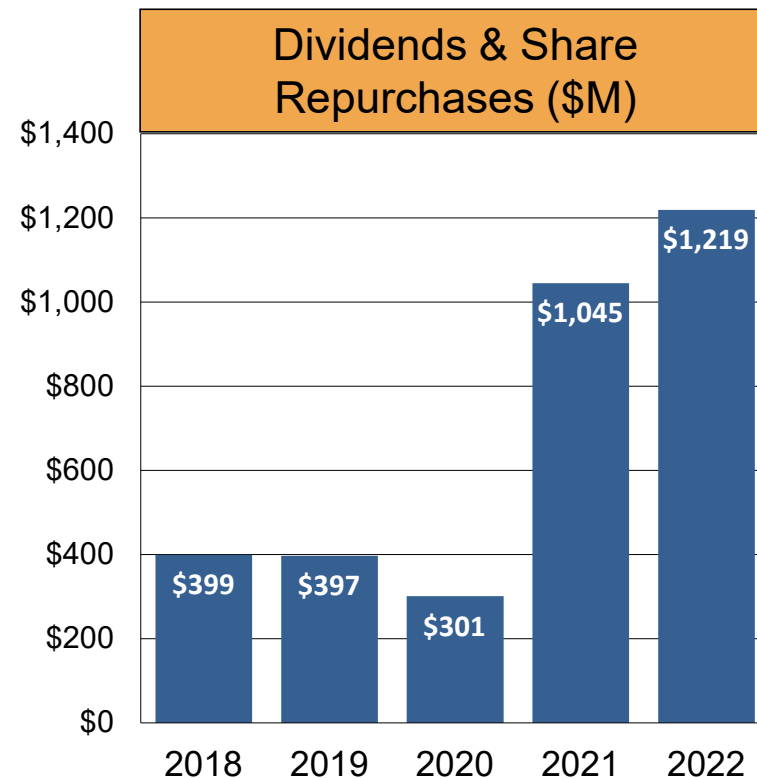
Strategically Managing Land Pipeline

- Adjusting to softer demand, terminated select optioned-lot transactions in Q4
 - ✓ Wrote off \$31 million of pre-acquisition costs and deposits associated with walking from 21,000 lots and \$900 million of future land acquisition spend
- Ended 2022 with 211,112 lots under control
- Q4 investment of \$1.1 billion in land acquisition and development
 - ✓ 2022 land spend comprised \$1.9 billion land acquisition and \$2.6 billion land development



Continuing to Deliver High Returns

- 2022 return on equity of 32.9%*
- Repurchased \$100 million of stock in Q4 bringing full year total to \$1.1 billion
 - ✓ In 2022, repurchased 10% of shares outstanding
- Ended Q4 with \$1.1 billion of cash and a debt-to-capital ratio of 18.7%
 - ✓ Quarter end net debt-to-capital ratio of 9.6%



* 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 2022 Selected Financial Data

	Three Months Ended December 31,		Change
	2022	2021	
Home Sale Revenues (\$ millions)	\$5,054	\$4,220	20%
Gross Margin Percentage	28.8%	26.8%	200 bps
Reported SG&A as Percent of Home Sale Revenues	6.9%	8.2%	-130 bps
Adjusted SG&A as Percent of Home Sale Revenues	8.2%	8.7%	-50 bps
Financial Services Pre-tax Income (\$ millions)	\$24	\$55	-56%
Net Income (\$ millions)	\$882	\$663	33%
Adjusted Net Income (\$ millions)	\$832	\$637	31%
Earnings Per Share	\$3.85	\$2.61	48%
Adjusted Earnings Per Share	\$3.63	\$2.51	45%
Backlog (Units)	12,169	18,003	-32%
Backlog Dollar Value (\$ millions)	\$7,674	\$9,859	-22%

Q4 2022 Selected Balance Sheet Data

	December 31, 2022	December 31, 2021
Cash and Equivalents, including Restricted Cash (\$ millions)	\$1,095	\$1,834
House and Land Inventory (\$ millions)	\$11,326	\$9,048
Notes Payable (\$ millions)	\$2,046	\$2,029
Shareholders' Equity (\$ millions)	\$8,914	\$7,490
Debt – to – Capital Ratio	18.7%	21.3%
Net Debt – to – Capital Ratio	9.6%	2.5%



**Building on Proven
Business Platform**

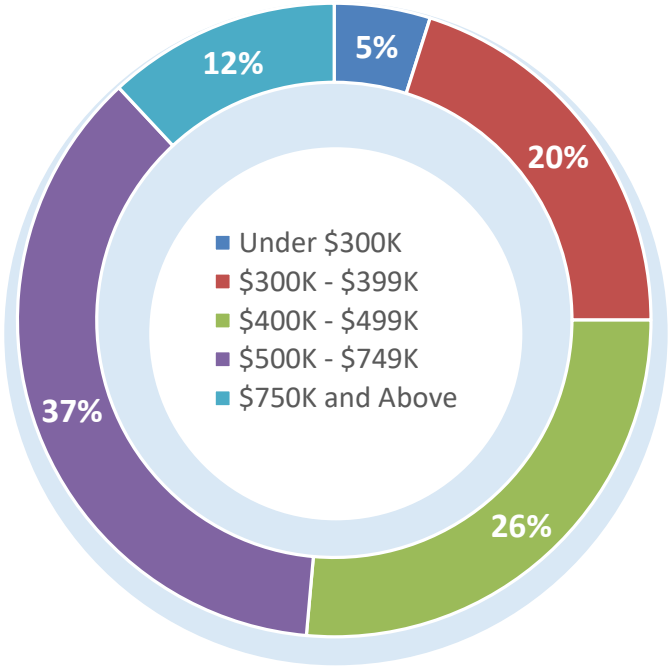
Industry Leading Brand Names



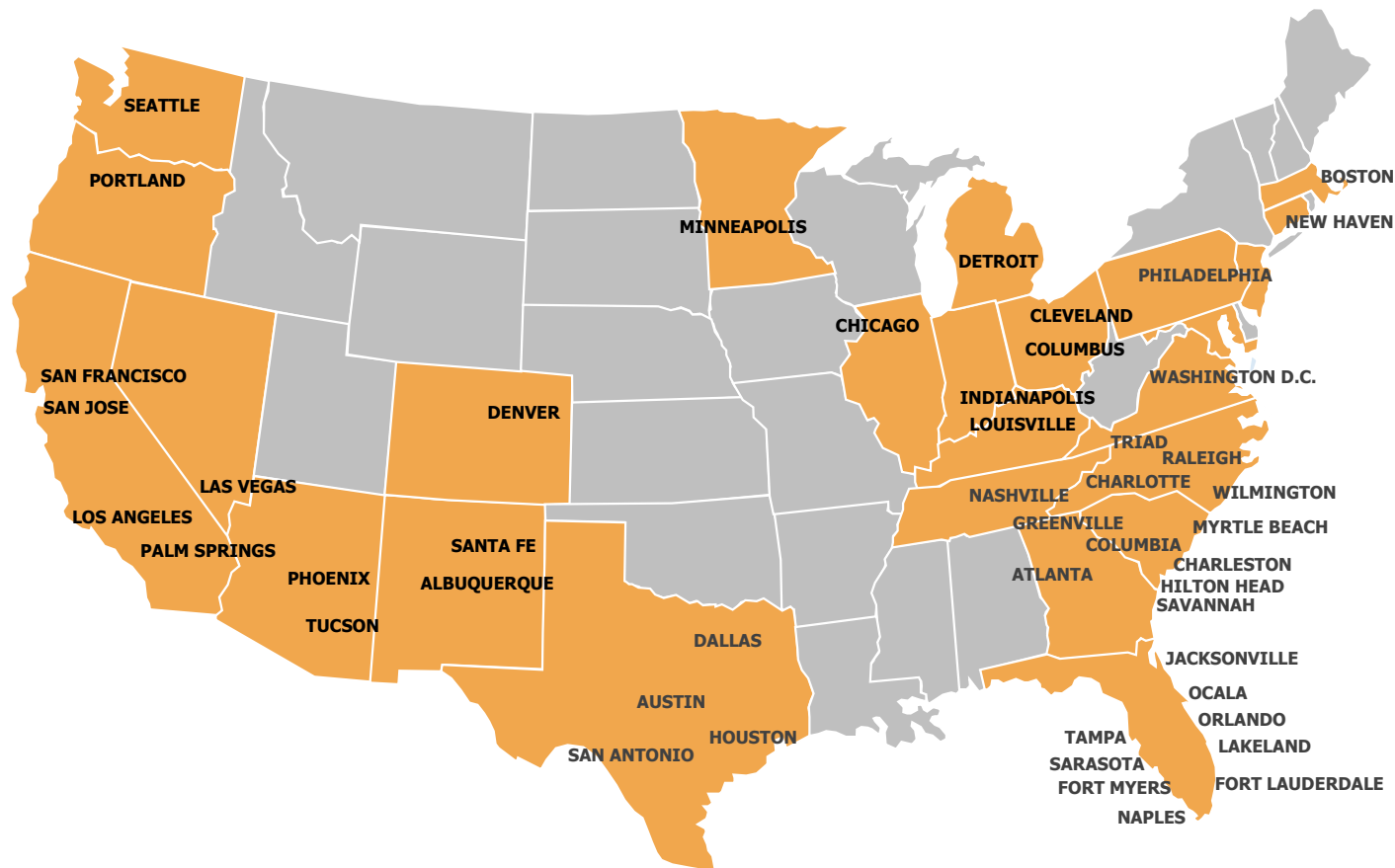
Serving a Variety of Price Points



FY 2022 Closings by Price Point

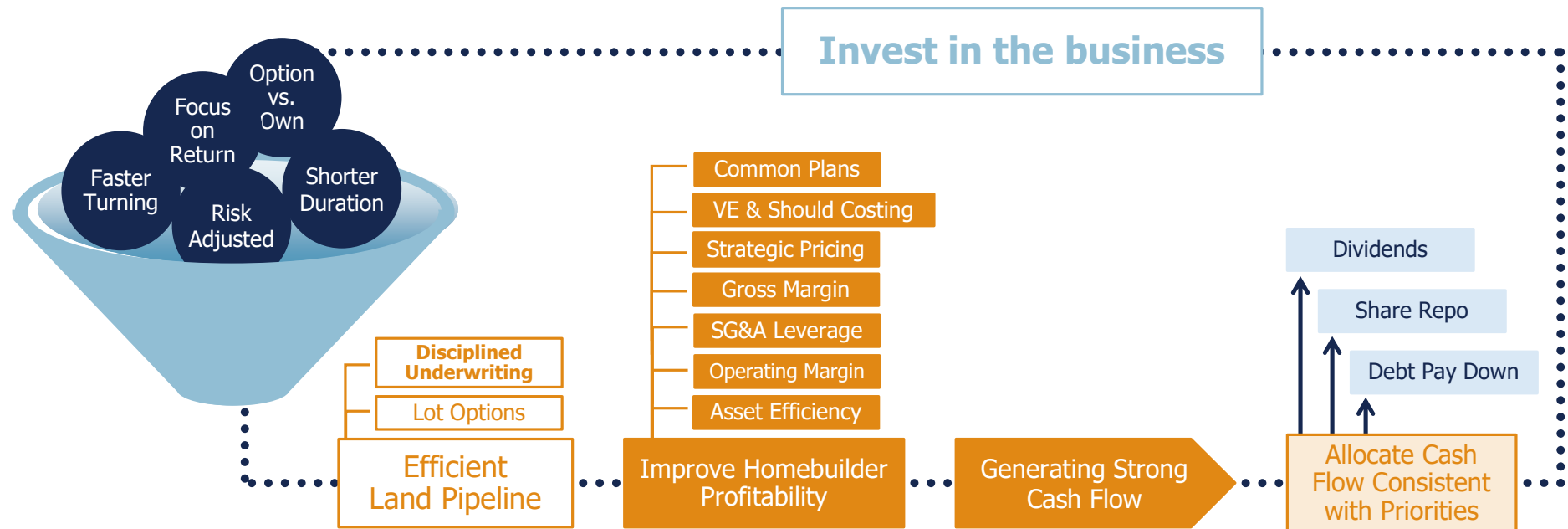


With a Geographically Diverse Operating Platform



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
 - ✓ 2022 land acquisition and development investment of \$4.5 billion
 - Development of existing assets accounted for 57% of 2022 land spend
 - Expect to slow 2023 land spend to \$3.3 billion with 65% going toward development
- Continue to fund our dividend
 - ✓ Payout rate per share increased 7% for 2022
- Return excess capital to shareholders through share repurchase
 - ✓ In 2022, repurchased 10% of outstanding common shares for \$1.1 billion
- Maintain modest financial leverage
 - ✓ Targeting debt-to-capital ratio in the range of 20% to 30%
 - Ended 2022 with debt-to-capital ratio of 18.7%; net debt-to-capital ratio of 9.6%



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):

Reconciliation of Adjusted Net Income and Adjusted EPS			
	Results of Operations Classification	Three Months Ended December 31,	
		2022	2021
Net income, as reported		\$ 882,231	\$ 663,264
Adjustments to income before income taxes:			
Write-offs of pre-acquisition costs	Other income (expense)	31,083	*
Gain on sale of property at an unconsolidated entity	Other income (expense)	(49,099)	—
Insurance-related adjustments	SG&A	(65,083)	(22,647)
Income tax effect of the above items	Income tax expense	20,418	5,524
Income tax adjustments	Income tax expense	12,332	(8,832)
Adjusted net income		<u>\$ 831,882</u>	<u>\$ 637,309</u>
EPS (diluted), as reported		\$ 3.85	\$ 2.61
Adjusted EPS (diluted)		\$ 3.63	\$ 2.51

**Item not meaningful for the period presented*

Operating Margin

	Three Months Ended			
	December 31,			
	2022		2021	
Home sale revenues	\$ 5,053,771		\$ 4,220,441	
Gross margin (a)	\$ 1,457,903	28.8 %	\$ 1,132,684	26.8 %
SG&A, as reported	\$ 350,831	6.9 %	\$ 344,220	8.2 %
Insurance-related adjustments	65,083	1.3 %	22,647	0.5 %
Adjusted SG&A	<u>\$ 415,914</u>	<u>8.2 %</u>	<u>\$ 366,867</u>	<u>8.7 %</u>
Operating margin, as reported (b)		21.9 %		18.7 %
Adjusted operating margin (c)		20.6 %		18.1 %

**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

Debt-to-Capital Ratios

	December 31,	
	2022	2021
Notes payable	\$ 2,045,527	\$ 2,029,043
Shareholders' equity	8,914,098	7,489,515
Total capital	<u>\$ 10,959,625</u>	<u>\$ 9,518,558</u>
Debt-to-capital ratio	18.7 %	21.3 %
Notes payable	\$ 2,045,527	\$ 2,029,043
Less: Total cash, cash equivalents, and restricted cash	<u>(1,094,553)</u>	<u>(1,833,565)</u>
Total net debt	\$ 950,974	\$ 195,478
Shareholders' equity	8,914,098	7,489,515
Total net capital	<u>\$ 9,865,072</u>	<u>\$ 7,684,993</u>
Net debt-to-capital ratio	9.6 %	2.5 %



Q4 2022 Financial Results