Beazer Homes USA, Inc.
Q2 2019 Earnings Presentation

Forward Looking Statements

This press release contains forward-looking statements. These forward-looking statements represent our expectations or beliefs concerning future events, and it is possible that the results described in this press release will not be achieved. These forward-looking statements are subject to risks, uncertainties and other factors, many of which are outside of our control, that could cause actual results to differ materially from the results discussed in the forward-looking statements, including, among other things: (i) economic changes nationally or in local markets, changes in consumer confidence, and wage levels, declines in employment levels, inflation or increases in the quantity and decreases in the price of new homes and resale homes on the market; (ii) the cyclical nature of the homebuilding industry and a potential deterioration in homebuilding industry conditions; (iii) factors affecting margins, such as decreased land values underlying land option agreements, increased land development costs on communities under development or delays or difficulties in implementing initiatives to reduce our production and overhead cost structure; (iv) the availability and cost of land and the risks associated with the future value of our inventory, such as asset impairment charges we took on select California assets during the second quarter of fiscal 2019; (v) shortages of or increased prices for labor, land or raw materials used in housing production, and the level of quality and craftsmanship provided by our subcontractors; (vi) estimates related to homes to be delivered in the future (backlog) are imprecise, as they are subject to various cancellation risks that cannot be fully controlled; (vii) increases in mortgage interest rates, increased disruption in the availability of mortgage financing, a change in tax laws regarding the deductibility of mortgage interest for tax purposes or an increased number of foreclosures; (viii) our cost of and ability to access capital, due to factors such as limitations in the capital markets or adverse credit market conditions, and ability to otherwise meet our ongoing liquidity needs, including the impact of any downgrades of our credit ratings or reductions in our tangible net worth or liquidity levels; (ix) our ability to reduce our outstanding indebtedness and to comply with covenants in our debt agreements or satisfy such obligations through repayment or refinancing; (x) our ability to implement and complete our capital allocation plans, including our share and debt repurchase programs; (xi) increased competition or delays in reacting to changing consumer preferences in home design; (xii) weather conditions or other related events that could result in delays in land development or home construction, increase our costs or decrease demand in the impacted areas; (xiii) estimates related to the potential recoverability of our deferred tax assets, and a potential reduction in corporate tax rates that could reduce the usefulness of our existing deferred tax assets; (xiv) potential delays or increased costs in obtaining necessary permits as a result of changes to, or complying with, laws, regulations or governmental policies, and possible penalties for failure to comply with such laws, regulations or governmental policies, including those related to the environment; (xv) the results of litigation or government proceedings and fulfillment of any related obligations; (xvi) the impact of construction defect and home warranty claims; (xvii) the cost and availability of insurance and surety bonds, as well as the sufficiency of these instruments to cover potential losses incurred; (xviii) the performance of our unconsolidated entities and our unconsolidated entity partners; (xix) the impact of information technology failures or data security breaches; (xx) terrorist acts, natural disasters, acts of war or other factors over which we have little or no control; or (xxi) the impact on homebuilding in key markets of governmental regulations limiting the availability of water.

Any forward-looking statement speaks only as of the date on which such statement is made and, except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time-to-time, and it is not possible to predict all such factors.

Introduction

Allan Merrill -	**President & Chief Executive Officer**
Bob Salomon -	**EVP & Chief Financial Officer**
David Goldberg -	**Vice President, Treasurer**

2nd Quarter Highlights

	Q2 Actuals	Q2 Expectations
New Home Orders	(4.8)%	Down 5% - 10%
Average Community Count	+8.2%	Up 5% - 10%
Backlog Conversion	74.4%	Low 70% Range
Average Selling Price ($k)	$371.2	Approx. $370k
HB Gross Margin %*	19.8%	Low to Mid 19% Range
SG&A Expense	12.7%	Down in $
Adjusted EBITDA** ($M)	$32.6	Below Last Year
Cash Land Spend ($M)	$139.9	Relatively Flat

*Excludes impairments, abandonments, and interest included in cost of sales
**Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix

Capital Allocation Update

	Q1	Q2	YTD Total
Share Repurchases	$16.5	$7.5	**$24.0**
Debt Retirement	–	$5.1	**$5.1**
Total	**$16.5**	**$12.6**	**$29.1**

$ in millions

- Authorized for up to $50 million of share repurchases
- Expect debt retirement to exceed share repurchases in FY19

Impairment Summary

	Description	# of Communities	Impairment $
Category 1	Communities currently under development or actively selling	9	$109.0M
Category 2	Communities now being held for sale	6	$38.6M
Total		**15**	**$147.6M**

Impairment Illustration

	# of Lots	ASP	Book Value (1)	Aggregate Expected Cash Flow	Present Value of Cash Flows
"Above the Line" No Impairment	100	$ 650k	$30.0M	$35.0M	N/A (2)
"Below the Line" Requires Impairment	100	$ 575k	$30.0M	$27.5M (3)	$20.0M

Post-Impairment	**100**	**$ 575k**	**$20.0M**	**$27.5M**	**$20.0M**

After $10 million impairment, Book Value is equal to Present Value of Cash Flows

(1) Book Value of land and pro rata share of capitalized costs, excluding future development costs

(2) No impairment is allowed or required because undiscounted future cash flows exceed book value

(3) When undiscounted future cash flows are below book value, impairments arise from reducing carrying value to the present value

2nd Quarter Results

Results	Q2 FY19	YoY Change
New Home Orders	1,598	(4.8%)
Sales Pace	3.3	(12.0%)
Homebuilding Revenue ($M)	$420.9	(4.6%)
Closings	1,134	(10.4%)
Average Selling Price ($k)	$371.2	+ 6.5%
Backlog Conversion	74.4%	+ 770 bps
Average Community Count	163	+ 12
HB Gross Margin %*	19.8%	(150) bps
SG&A as % of Total Revenue	12.7%	(10) bps
Adjusted EBITDA** ($M)	$32.6	(17.6%)
Net Income - Cont. Ops. ($M)	($100.8)	N/A

*Excludes impairments, abandonments, and interest included in cost of sales
**Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix

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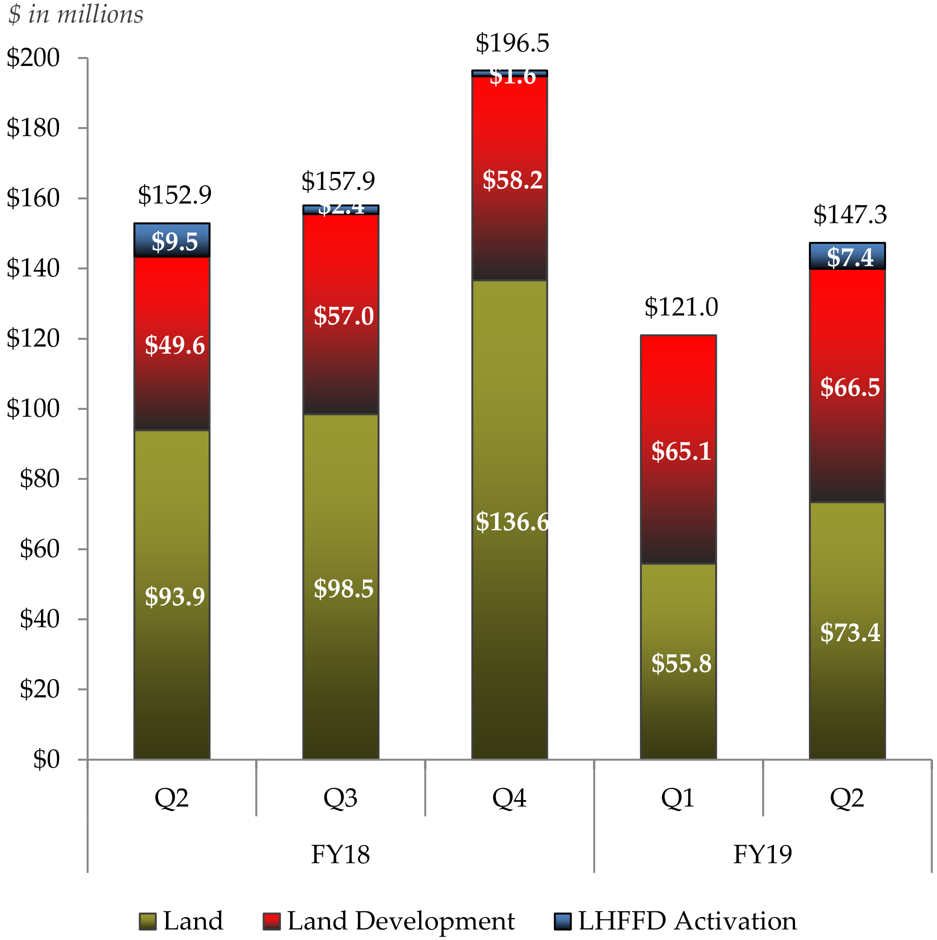
3rd Quarter Expectations

Metric	Q3 FY19 vs Prior Year
New Home Orders	Up 5% - 10%
Community Count	Up 5% - 10%
HB Gross Margin %	18.75% - 19.25%
Average Selling Price	Above $375k
Backlog Conversion	Above 60%
SG&A Expense	Down in $
Cash Land Spend	Above $100 million

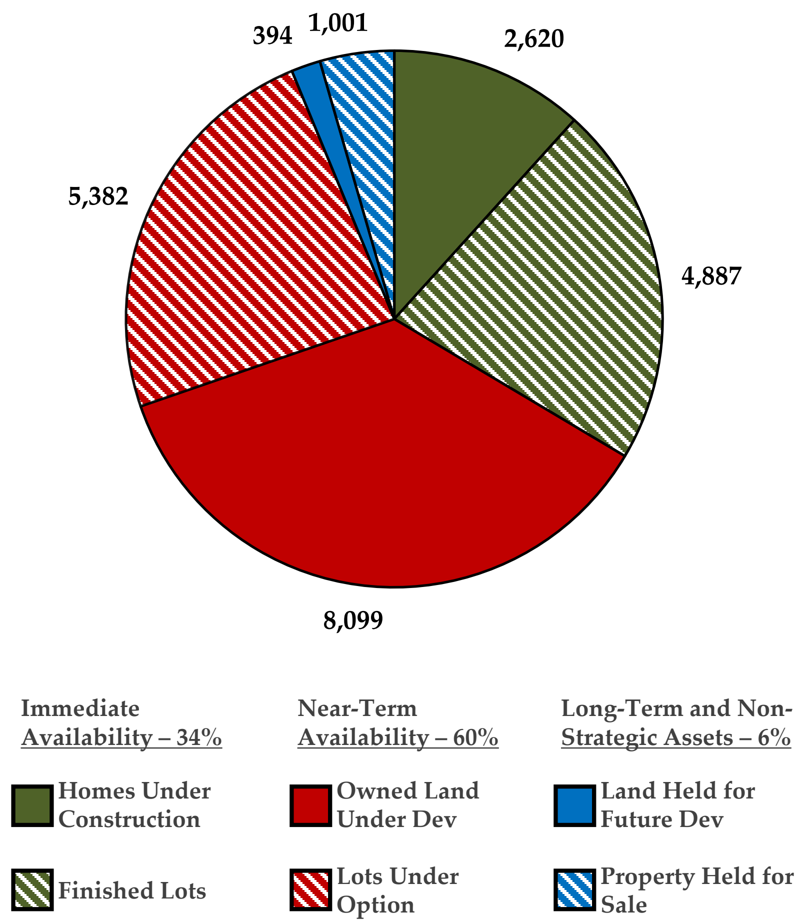
Land Spend & Lot Position

Quarterly Land Spend



22,383 total controlled lots
20,988 active lots

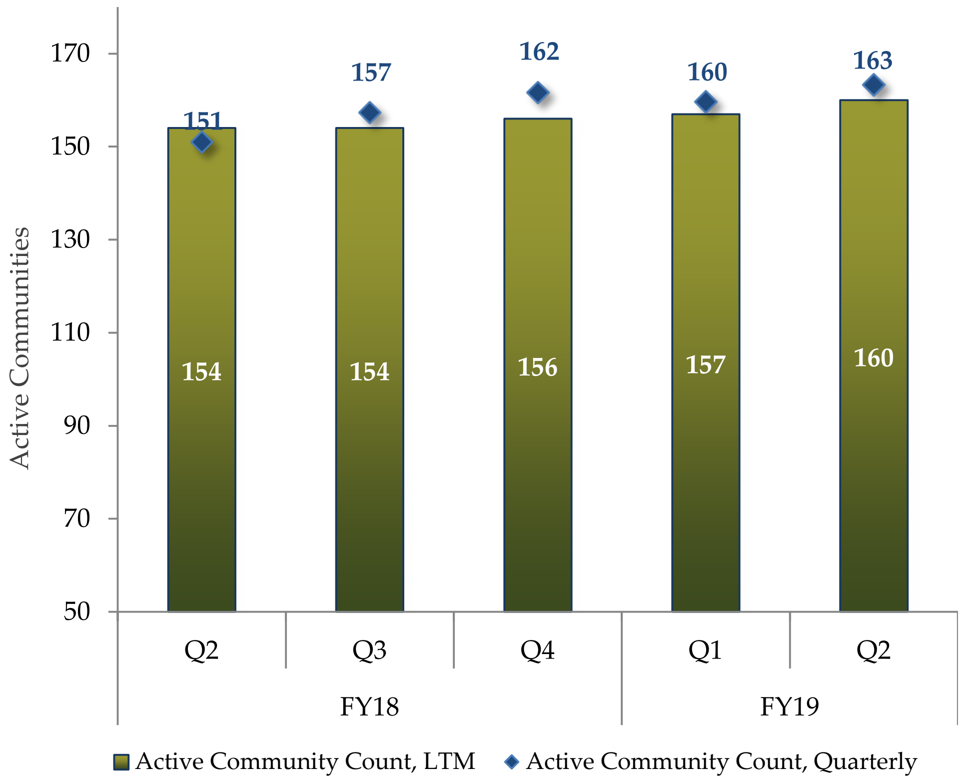
Lot Position at March 31, 2019



Note: Totals may not foot due to rounding

Community Count Above 170 by 2019 FYE

Average Active Community Count

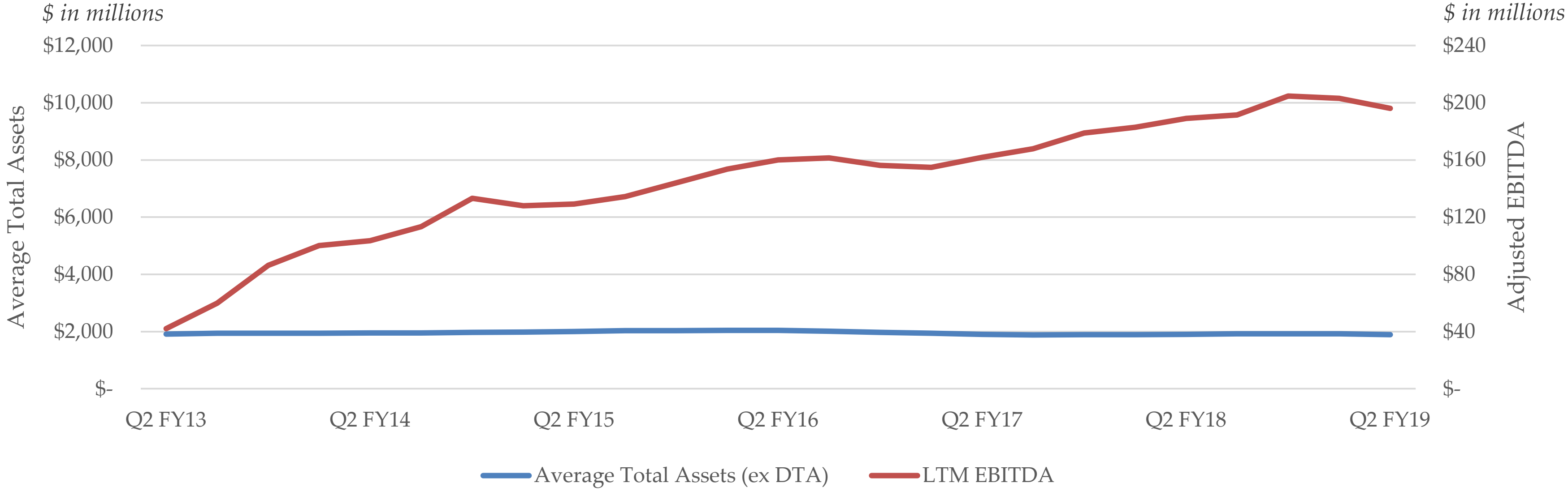


Community Count Activity

Active Communities at 3/31/2019	166
Opening in Next ~6 Months	+ 47
Under Development (excluding any communities opening in N6M)	+ 24
Approved But Not Yet Closed (excluding any communities opening in N6M)	+ 34
Closing in Next ~6 Months	(39)

Note: An active community has achieved at least 2 initial sales and has at least 2 unsold units remaining

Driving ROA Through Increased Capital Efficiency



$ in millions		03/31/19	
Unrestricted & Restricted Cash	$	98.6	$1.6B of Total Assets are "active"
Working Capital		25.0	
PPE & Investments		41.0	
Active Inventory		1,454.6	
Former LHFFD - Under Development		138.3	Virtually all expected to be revenue-generating within 12 months
LHFFD & PHFS	$436.1M of Total Assets are "inactive"	41.5	
Deferred Tax Assets		256.3	
Total Assets	$	2,055.3	

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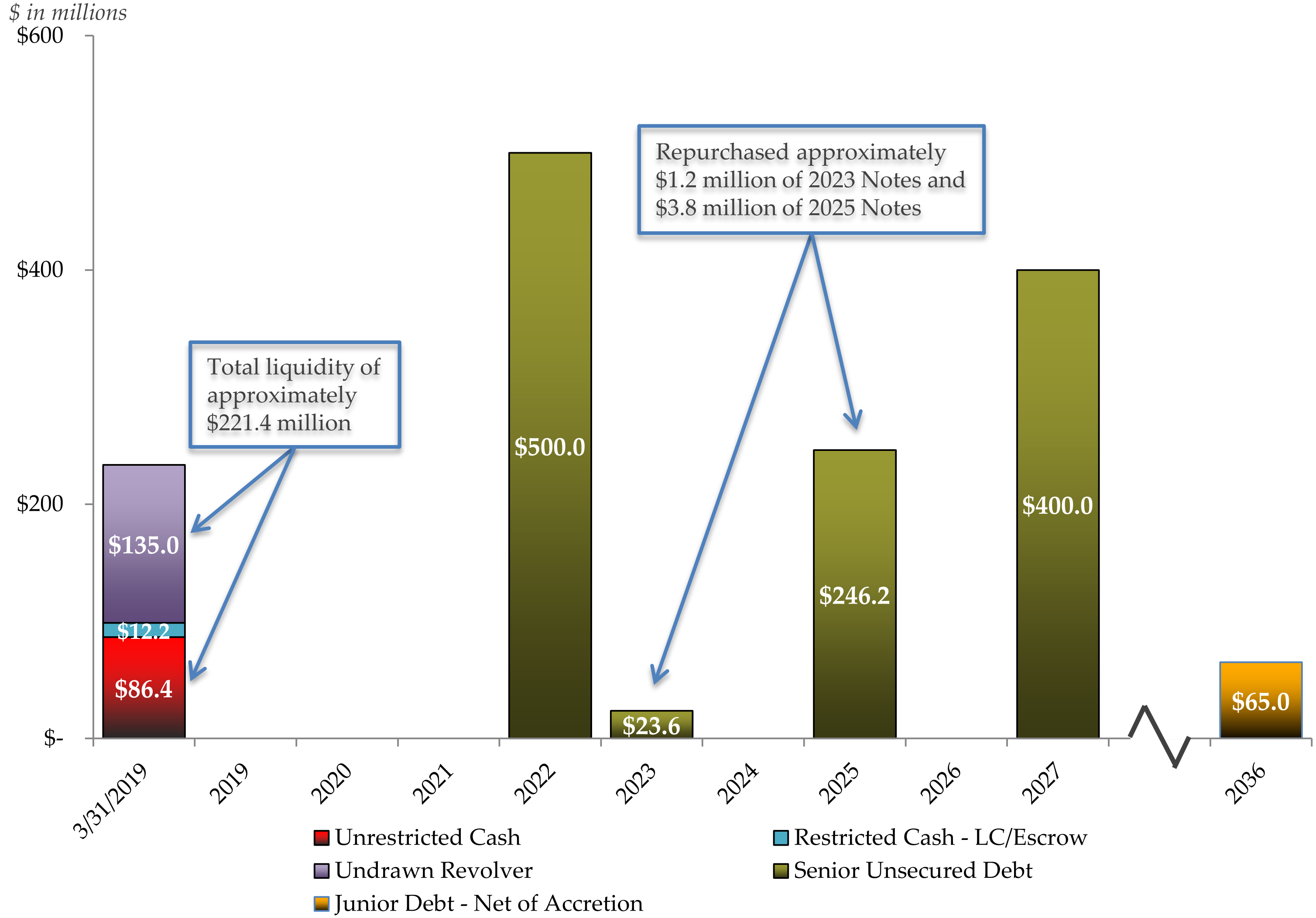
Note: Totals may not foot due to rounding

Maturity Schedule – 3/31/2019



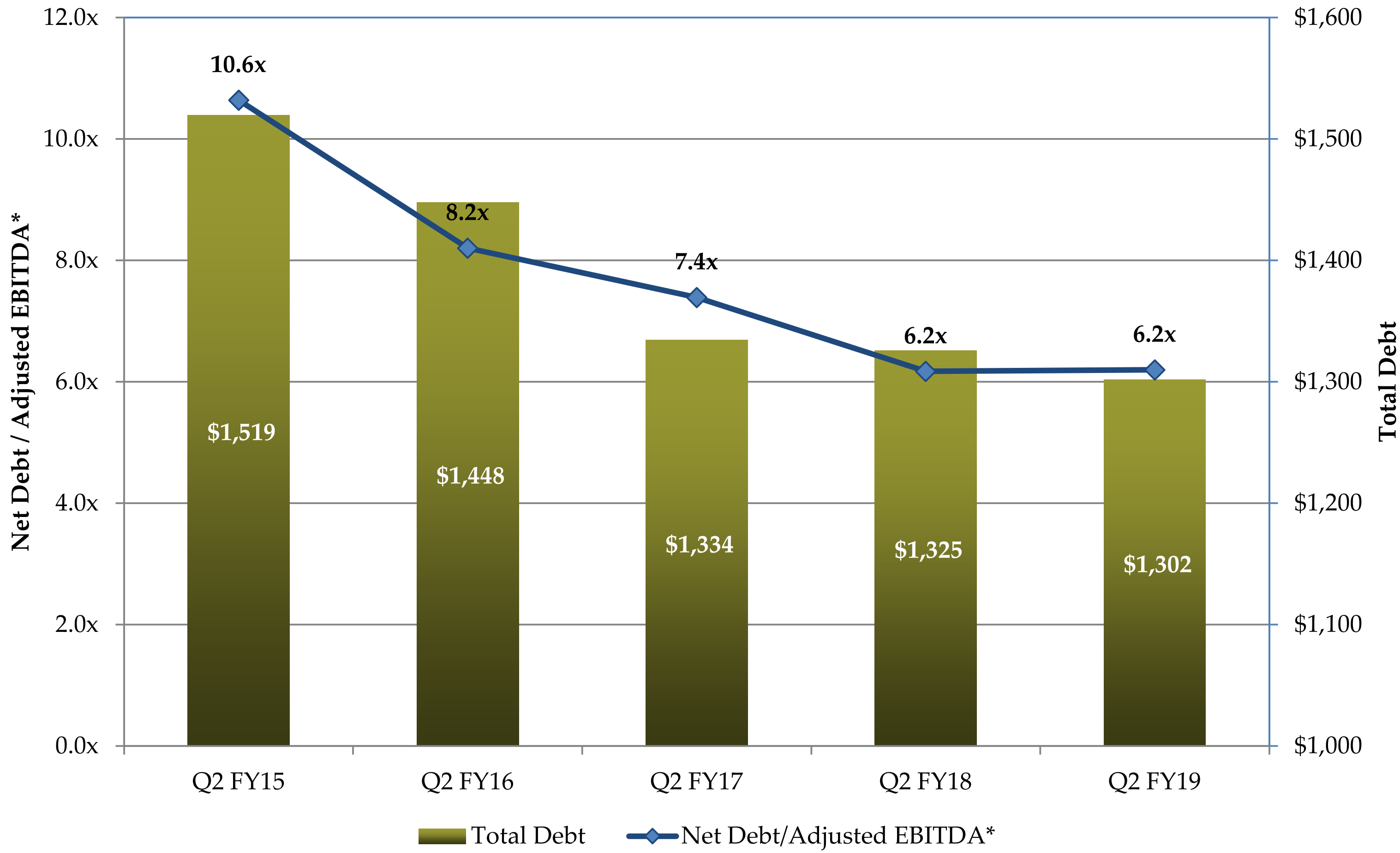
Notes:

-There is an additional $2.6 million of secured divisional debt on the balance sheet with various maturity dates

-Years are calendar years

Improving Leverage

$ in millions



*Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix.

Focus for Fiscal 2019

Balanced Growth

- Growing our community count
- Extending Mortgage Choice platform and technology
- Expanding Gatherings

Capital Allocation

- Continue to invest in our business
- Accelerate debt repurchases
- Opportunistically repurchase shares

Appendix

Q2 Results

$ in millions, except ASP

		Q2 FY18		Q2 FY19		Δ
Profitability						
Total Revenue	$	455.2	$	421.3		(7.5)%
Adjusted EBITDA*	$	39.5	$	32.6	$	(6.9)
Net Income/Loss (Cont. Ops.)	$	11.6	$	(100.8)	$	(112.4)
Unit Activity						
Orders		1,679		1,598		(4.8)%
Closings		1,266		1,134		(10.4)%
Average Sales Price ($000's)	$	348.4	$	371.2		6.5%
Cancellation Rate		14.9%		14.5%		(40 bps)
Active Community Count, Avg**		151		163		8.2%
Sales/Community/Month		3.7		3.3		(12.0)%
Margins						
HB Gross Margin***		21.3%		19.8%		(150 bps)
SG&A (% of Total Revenue)		12.8%		12.7%		(10 bps)
Balance Sheet						
Unrestricted Cash	$	158.8	$	86.4	$	(72.4)
Land & Development Spending	$	143.4	$	139.9	$	(3.5)

Note: Variances are calculated using un-rounded numbers
*Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix
**Active Community Count was 153 at 3/31/2018 and 166 at 3/31/2019
***Excludes impairments, abandonments, and interest included in cost of sales

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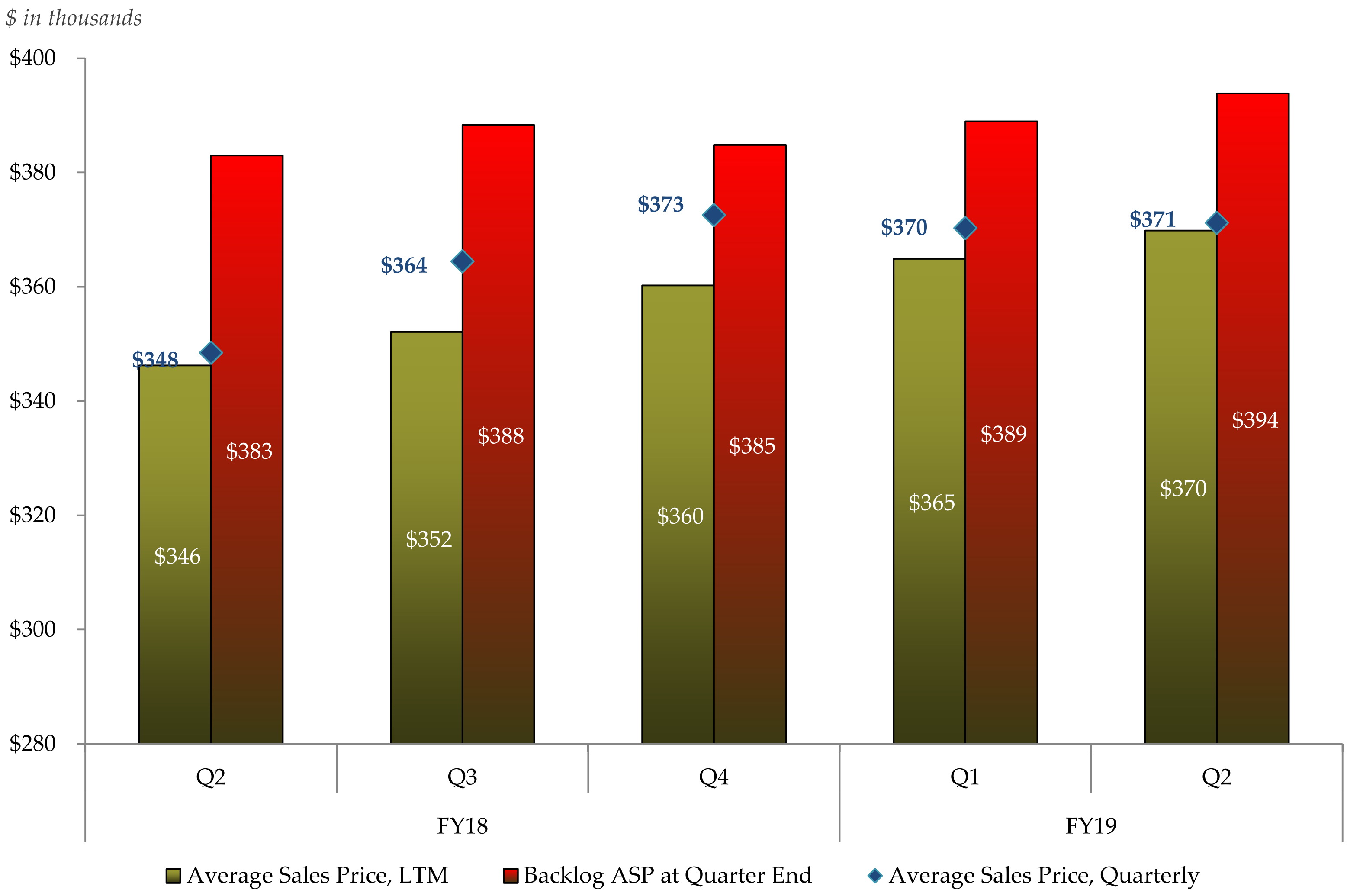
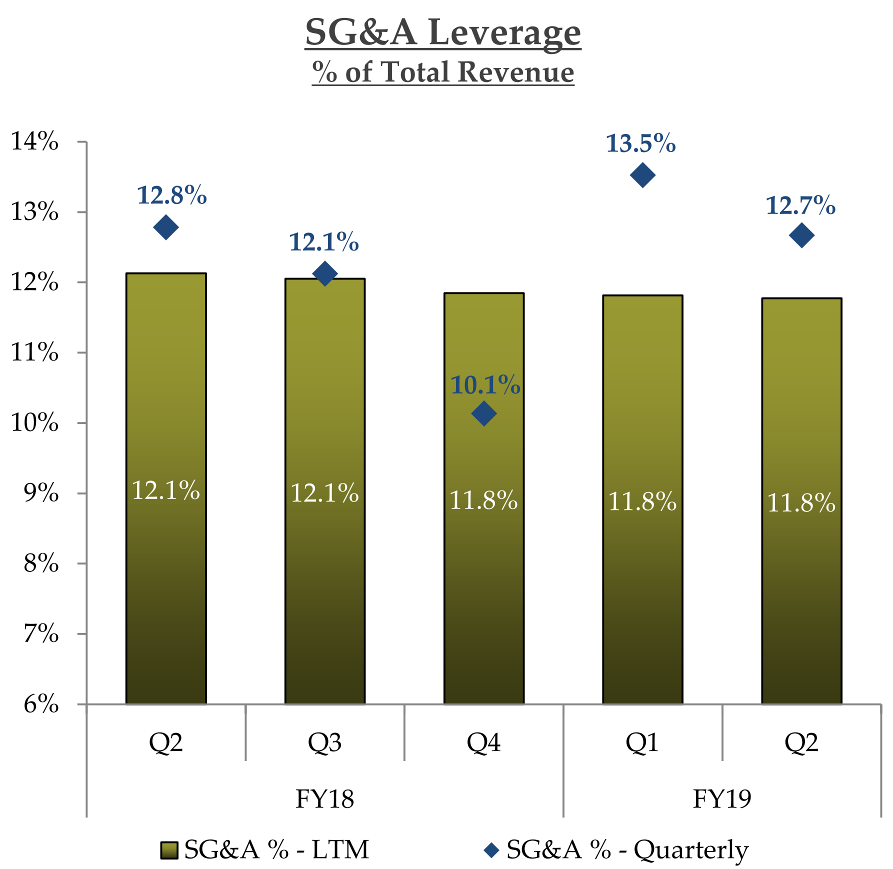
Backlog Detail

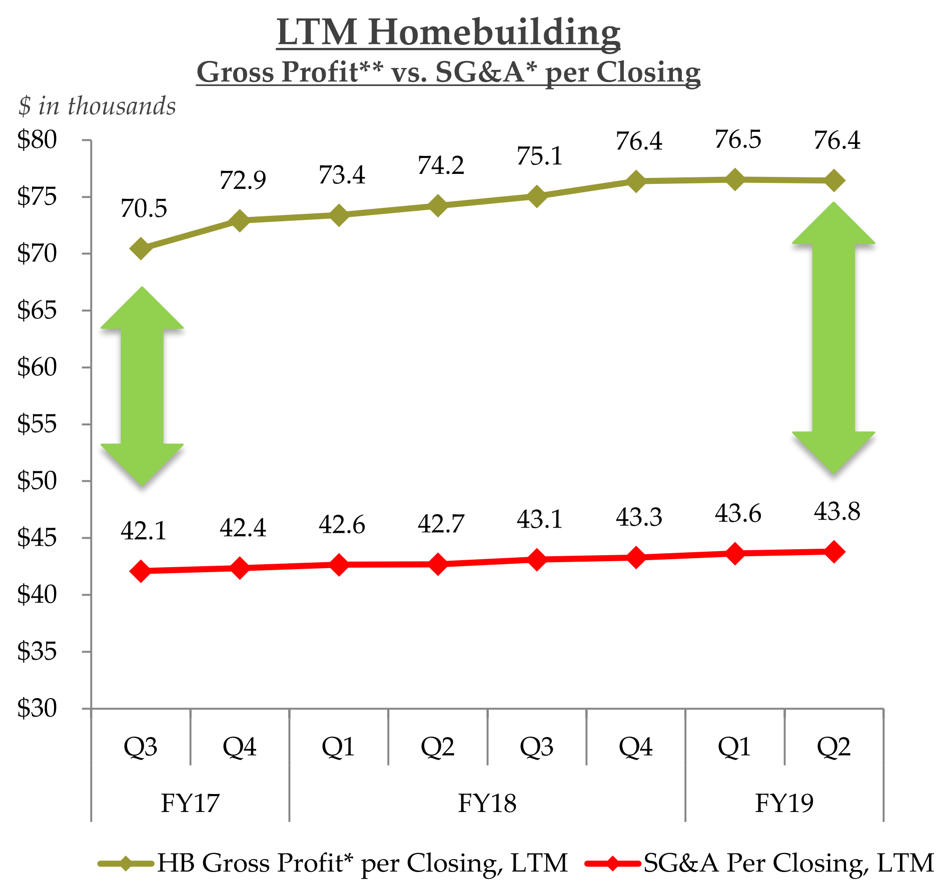
		Q2 FY18		Q2 FY19
Quarter Ending Backlog (units)		2,312		1,989
Quarter Ending Backlog ($ in millions)	$	885.4	$	783.3
ASP in Backlog ($ in thousands)	$	383.0	$	393.8
Quarter Beg. Backlog		1,899		1,525
Scheduled to Close in Future Qtrs.		(839)		(625)
Backlog Scheduled to Close in the Qtr.		1,060		900
Backlog Activity:				
Cancellations		(73)		(88)
Pushed to Future Quarters		(97)		(66)
Close Date Brought Forward		73		50
Sold & Closed During the Qtr		303		338
Total Closings in the Quarter		1,266		1,134
Backlog Conversion Rate		**66.7%**		**74.4%**

Backlog ASP Stabilizing



SG&A Leverage as Revenue Grows





* Q1 FY17 SG&A excludes a $2.7 million write-off of a legacy investment in a development site
** Excludes impairments, abandonments, interest included in cost of sales and certain warranty items

Push Toward 10+ ROA with Declining Cost of Capital

Notes

- ROA is LTM Adjusted EBITDA/Total Assets at end of period
- NTM Cash Interest Expense is expected cash interest due for following 12-month period as of the end of each period

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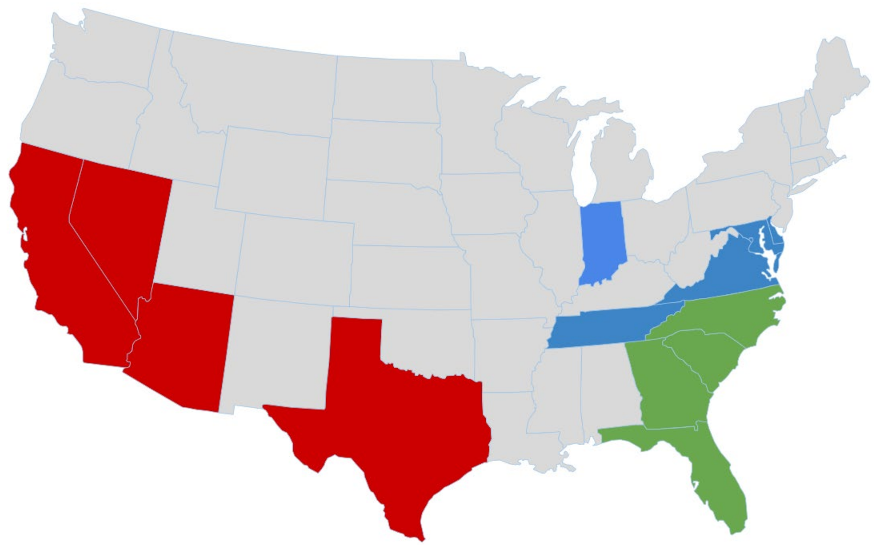
Geographic Mix Impacts Q2 ASP

	Q2 FY18 ASP	Q2 FY19 ASP	Change in ASP ($)	Change in ASP (%)	Q2 FY18 Closings	Q2 FY19 Closings	Change in Mix
West	$344k	$347k	$3k	0.9%	51.5%	53.4%	1.9%
East	$372k	$440k	$68k	18.4%	22.0%	18.8%	-3.2%
SE	$337k	$371k	$34k	9.9%	26.5%	27.8%	1.3%



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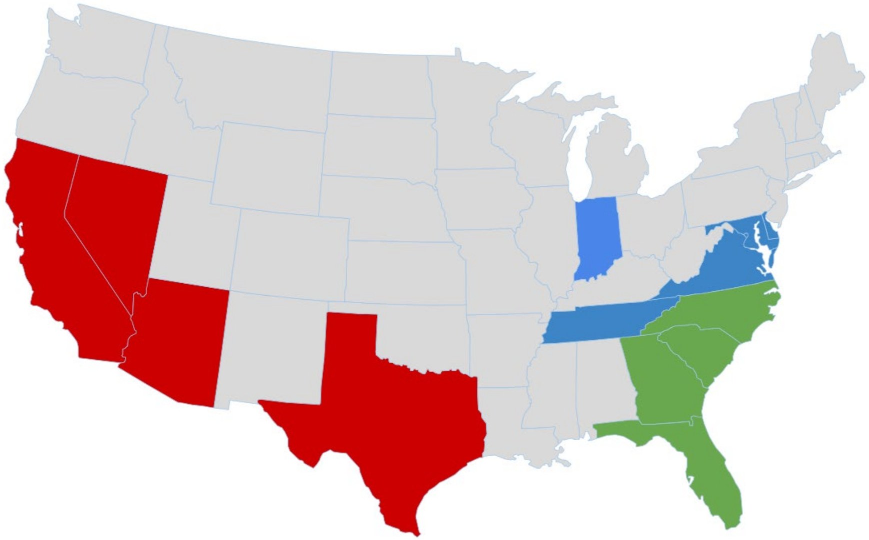
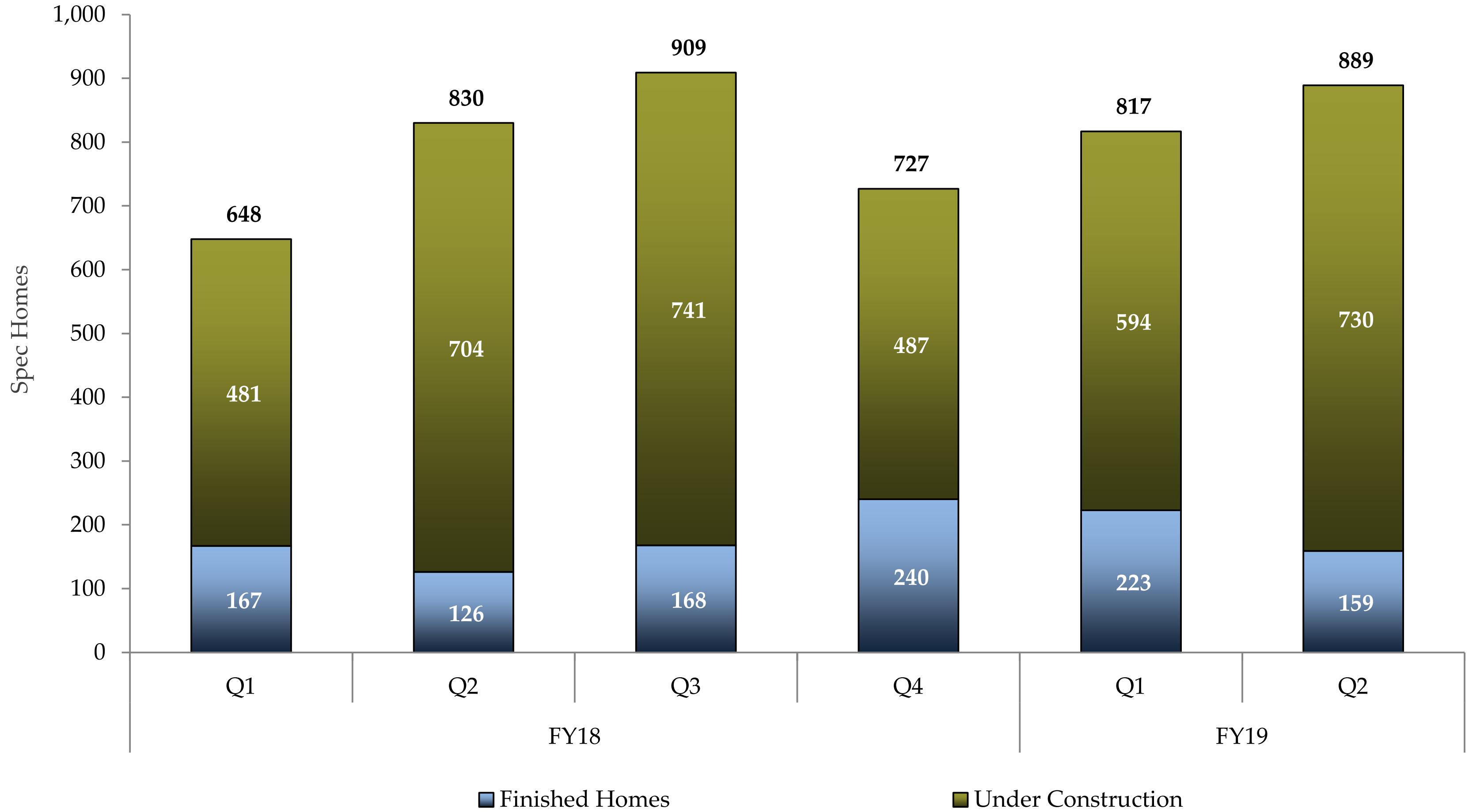
Geographic Mix Impacts Q2 Margin

	Q2 FY18 GM%	Q2 FY19 GM%	Change in GM%	Q2 FY18 Closings	Q2 FY19 Closings	Change in Mix
West	23.1%	20.5%	(260) bps	51.5%	53.4%	1.9%
East	18.8%	17.5%	(130) bps	22.0%	18.8%	-3.2%
SE	17.3%	17.3%	0 bps	26.5%	27.8%	1.3%



Notes:
-Segment gross margin excludes required capitalization of indirects, impairments and interest included in cost of sales

Available Specs



Note: Spec count as of each quarter-end

Adjusted EBITDA Reconciliation

($ in thousands)	Three Months Ended March 31, 2019	2018	Variance	LTM Ended March 31, 2019	2018	Variance
Net (loss) income	$ (100,862)	$ 11,558	$ (112,420)	$ (19,537)	$ (78,612)	$ 59,075
(Benefit) expense from income taxes	(38,168)	993	(39,161)	(56,691)	118,665	(175,356)
Interest amortized to home construction and land sales expenses, capitalized interest impaired	32,336	19,655	12,681	106,756	89,488	17,268
Interest expense not qualified for capitalization	597	1,650	(1,053)	1,079	11,423	(10,344)
EBIT	**(106,097)**	**33,856**	**(139,953)**	**31,607**	**140,964**	**(109,357)**
Depreciation and amortization and stock-based compensation amortization	5,080	5,664	(584)	23,248	22,600	648
EBITDA	**(101,017)**	**39,520**	**(140,537)**	**54,855**	**163,564**	**(108,709)**
(Gain) loss on debt extinguishment	(216)	-	(216)	1,719	22,971	(21,252)
Inventory impairments and abandonments	133,819	-	133,819	139,249	2,557	136,692
Joint venture impairment and abandonment charges	-	-	-	341	-	341
Adjusted EBITDA	**$ 32,586**	**$ 39,520**	**$ (6,934)**	**$ 196,164**	**$ 189,092**	**$ 7,072**

Deferred Tax Assets - Summary

($ in millions)	March 31, 2018	March 31, 2019
Deferred Tax Assets	$ 253.9	$ 290.6
Valuation Allowance	(54.7)	(34.2)
Net Deferred Tax Assets	$ 199.2	$ 256.3

As of March 31, 2019, our remaining valuation allowance of $34.2 million related to various state deferred tax assets remains consistent with the determinations we made as a result of our tax restructuring in prior periods. See Form 10-Q for additional detail.

Note: Totals may not foot due to rounding