Beazer Homes USA, Inc.
Q1 2023 Earnings Presentation

Forward Looking Statements

This presentation 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) the cyclical nature of the homebuilding industry and further deterioration in homebuilding industry conditions; (ii) continued increases in mortgage interest rates and reduced availability of mortgage financing due to, among other factors, recent and likely continued actions by the Federal Reserve to address sharp increases in inflation; (iii) other economic changes nationally and in local markets, including changes in consumer confidence, wage levels, declines in employment levels, and an increase in the number of foreclosures, each of which is outside our control and affects the affordability of, and demand for, the homes we sell; (iv) continued supply chain challenges negatively impacting our homebuilding production, including shortages of raw materials and other critical components such as windows, doors, and appliances; (v) continued shortages of or increased costs for labor used in housing production, and the level of quality and craftsmanship provided by such labor; (vi) inaccurate estimates related to homes to be delivered in the future (backlog), as they are subject to various cancellation risks that cannot be fully controlled; (vii) potential negative impacts of the COVID-19 pandemic, which, in addition to exacerbating each of the risks listed above and below, may include a significant decrease in demand for our homes or consumer confidence generally with respect to purchasing a home, an inability to sell and build homes in a typical manner or at all, increased costs or decreased supply of building materials, including lumber, or the availability of subcontractors, housing inspectors, and other third-parties we rely on to support our operations, and recognizing charges in future periods, which may be material, for goodwill impairments, inventory impairments and/or land option agreement abandonments; (viii) factors affecting margins, such as adjustments to home pricing, increased sales incentives and mortgage rate buy down programs in order to remain competitive; decreased revenues; decreased land values underlying land option agreements; increased land development costs in communities under development or delays or difficulties in implementing initiatives to reduce our cycle times and production and overhead cost structures; not being able to pass on cost increases (including cost increases due to increasing the energy efficiency of our homes) through pricing increases; (ix) 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; (x) our ability to raise debt and/or equity capital, due to factors such as limitations in the capital markets (including market volatility) or adverse credit market conditions, and our ability to otherwise meet our ongoing liquidity needs (which could cause us to fail to meet the terms of our covenants and other requirements under our various debt instruments and therefore trigger an acceleration of a significant portion or all of our outstanding debt obligations), including the impact of any downgrades of our credit ratings or reduction in our liquidity levels; (xi) market perceptions regarding any capital raising initiatives we may undertake (including future issuances of equity or debt capital); (xii) changes in tax laws or otherwise regarding the deductibility of mortgage interest expenses and real estate taxes; (xiii) increased competition or delays in reacting to changing consumer preferences in home design; (xiv) natural disasters 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; (xv) the potential recoverability of our deferred tax assets; (xvi) increases in corporate tax rates; (xvii) 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; (xviii) the results of litigation or government proceedings and fulfillment of any related obligations; (xix) the impact of construction defect and home warranty claims; (xx) the cost and availability of insurance and surety bonds, as well as the sufficiency of these instruments to cover potential losses incurred; (xxi) the impact of information technology failures, cybersecurity issues or data security breaches; (xxii) the impact of governmental regulations on homebuilding in key markets, such as regulations limiting the availability of water and electricity (including availability of electrical equipment such as transformers and meters); (xxiii) the success of our ESG initiatives, including our ability to meet our goal that by 2025 every home we build will be Net Zero Energy Ready, as well as the success of any other related partnerships or pilot programs we may enter into in order to increase the energy efficiency of our homes and prepare for a Net Zero future; and (xxiv) terrorist acts, protests and civil unrest, political uncertainty, acts of war or other factors over which the Company has no control.

Any forward-looking statement, including any statement expressing confidence regarding future outcomes, 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 P. Merrill

Chairman & Chief Executive Officer

David I. Goldberg

Sr. Vice President & Chief Financial Officer

1st Quarter Highlights

Despite a challenging quarter for new home sales, we were able to achieve the profitability expectations that we established for the quarter.

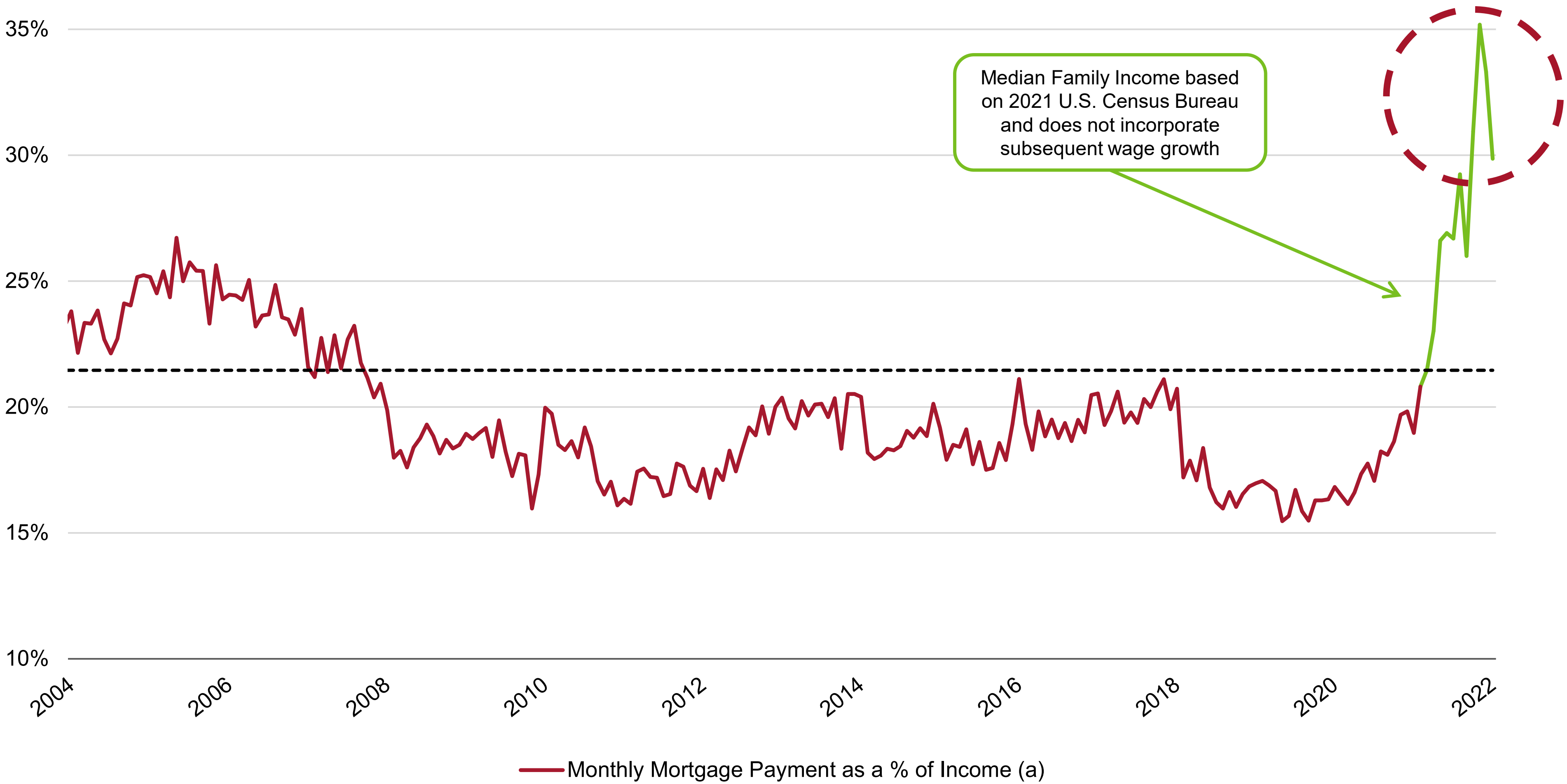
Adjusted EBITDA	✓
Earnings per Share	✓
Homebuilding Revenue	✓
Average Sales Price	✓
SG&A	✓

FY23 Operational Priorities

Accelerate construction cycle times
Reduce construction costs
Re-underwrite pending land deals

Affordability Remains a Challenge

Monthly Mortgage Payment as a % of Income



[a] Monthly median new residential sales price of homes sold in United States published by the U.S. Census / Department of Housing and Urban Development (HUD) Survey of Construction (SOC)
Calculated monthly mortgage payment assumes 20% down payment on 30-year conventional mortgage
Annual median family income published by Federal Reserve Bank of St. Louis
Due to timing of data being published, 2021-2022 reflects most current available data (i.e., median new residential sales prices through 12/2022 and median family income data from 2021)

Balanced Growth & Three Pillars

BEAZER HOMES

Profitability Growth + **Balance Sheet Efficiency** = **Consistently High Returns**

MORTGAGE CHOICE

SURPRISING PERFORMANCE

Choice Plans™

Our consumer strategy is to deliver

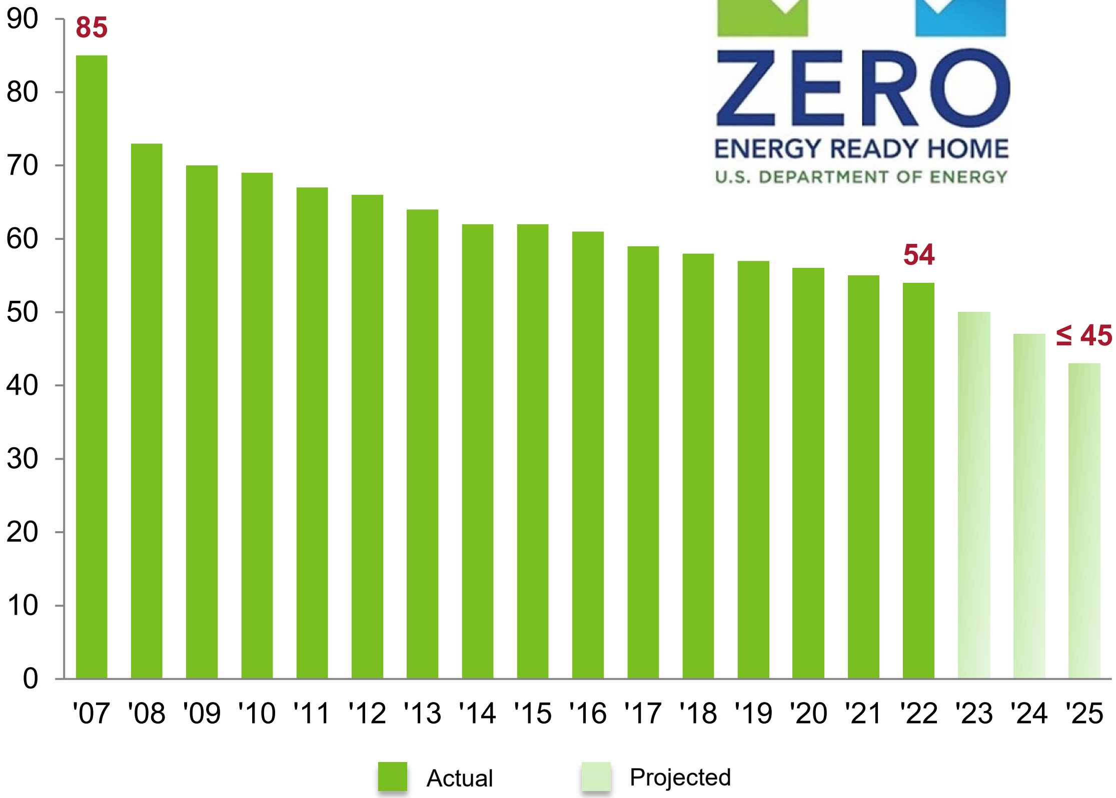
Extraordinary Value at an Affordable Price

through these three pillars.

Positioning For Net Zero Energy Ready

BEAZER HOMES

BEAZER HOMES
AVERAGE HERS SCORES



ZERO
ENERGY READY HOME
U.S. DEPARTMENT OF ENERGY

- By 2025, every home we build will be Net Zero Energy Ready with a HERS score of 45 or less
- Net Zero Energy Ready homes under production in each of our markets by the end of the year
- Energy efficient homes cost less to operate, are more durable over time, and deliver higher customer satisfaction.

1st Quarter Results

BEAZER HOMES

Results	Q1 FY23	YoY Change
New Home Orders	482	(57.8%)
Sales Pace	1.3	(60.1%)
Community Count, Avg	121	5.8%
Homebuilding Revenue ($mm)	$444.1	(0.6%)
Closings	833	(18.3%)
Average Selling Price ($k)	$533.1	21.6%
HB Gross Margin % [a]	22.3%	(190 bps)
SG&A as % of Total Revenue	12.3%	50 bps
Adjusted EBITDA ($mm) [b]	$47.1	(22.9%)
Interest Amort. % of HB Revenue	3.1%	(20 bps)
Net Income - Cont. Ops. ($mm)	$24.4	(30.1%)
Diluted EPS - Cont. Ops.	$0.80	(29.8%)
Effective Tax Rate [c]	14.5%	(110 bps)

(a) Excludes impairments, abandonments, and interest amortized to cost of sales
(b) Details are included on the “Adjusted EBITDA Reconciliation” slide in the appendix
(c) Includes the benefit of energy efficiency tax credits

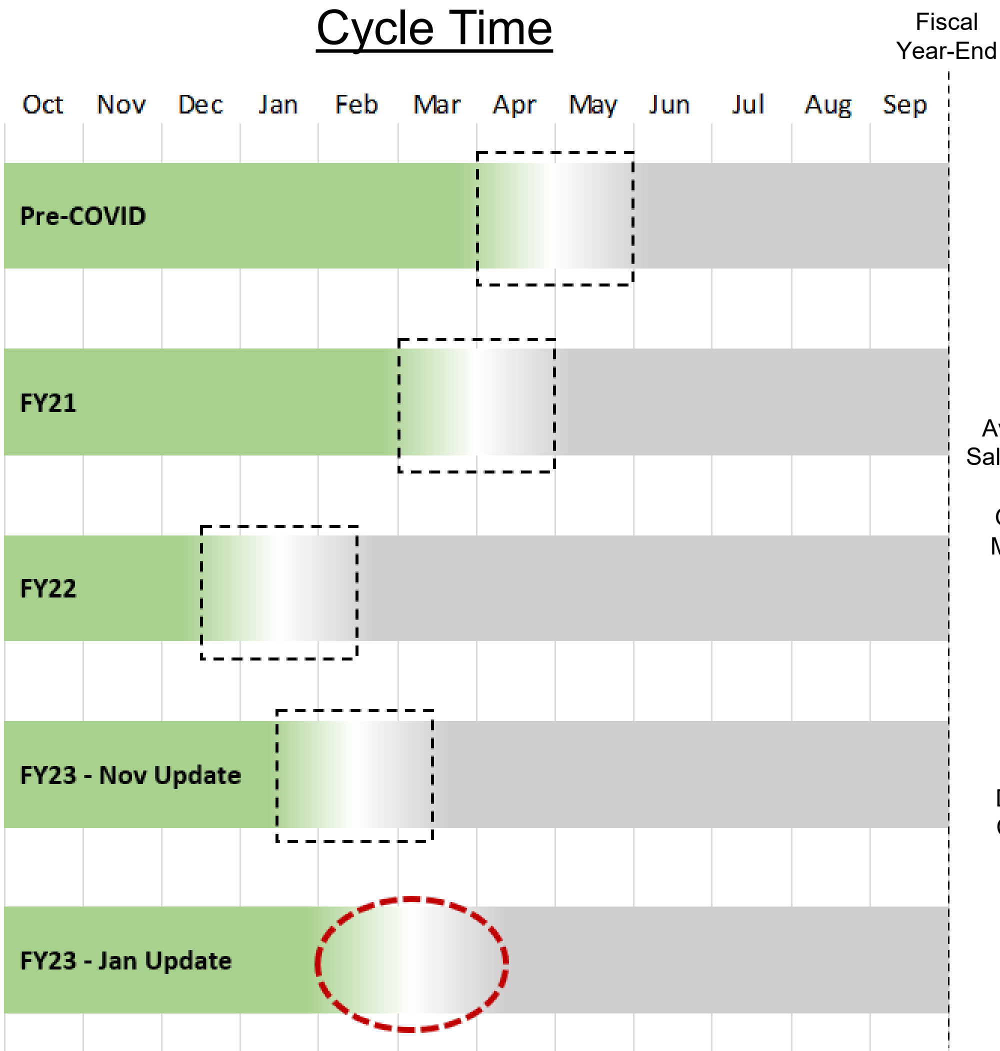
2nd Quarter Expectations

Metric	Expectations
Sales Pace	> 2.5
Community Count, Avg [(a)]	Up ~5%
Closings	~1,000
Backlog Conversion [(a)]	Up ~20%
Average Selling Price	~$515k
Adjusted HB Gross Margin % [(b)]	21 - 22%
SG&A as % of Total Revenue [(a)]	Flat
Adjusted EBITDA	~$50mm
Interest Amort. % of HB Revenue	Mid 3's
Effective Tax Rate	≤14.5%
Diluted EPS - Cont. Ops.	~$0.80

[(a)] vs. prior year
[(b)] Excludes interest amortized to cost of sales

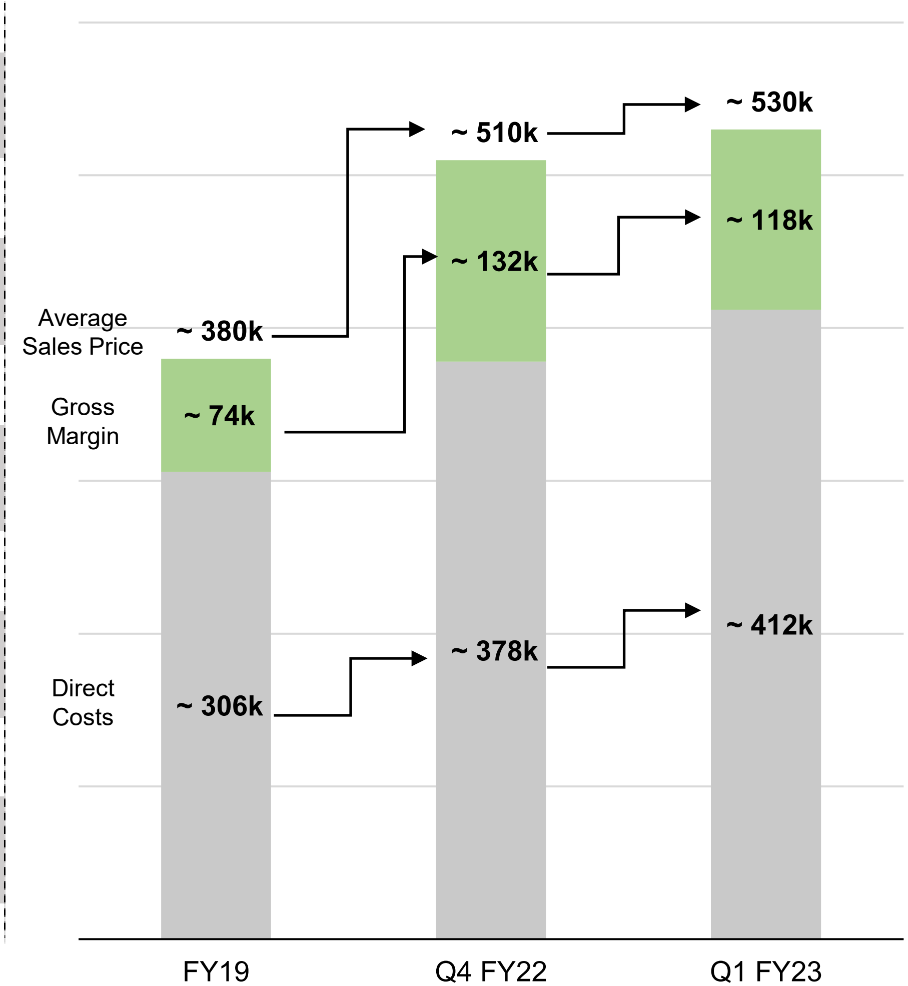
Fiscal 2023 Operational Objectives

Cycle Time



Typical start date cut-off range for fiscal year closings

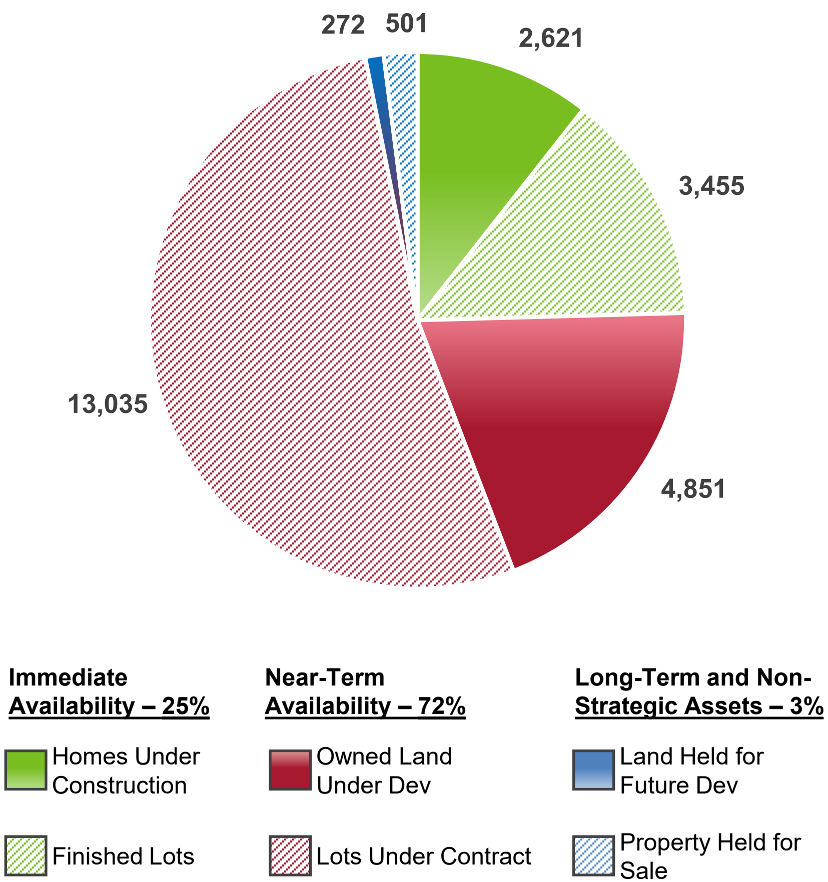
Construction Costs



Land Position For Future Growth

24,735 total controlled lots
23,962 active controlled lots

Lot Position as of December 31, 2022



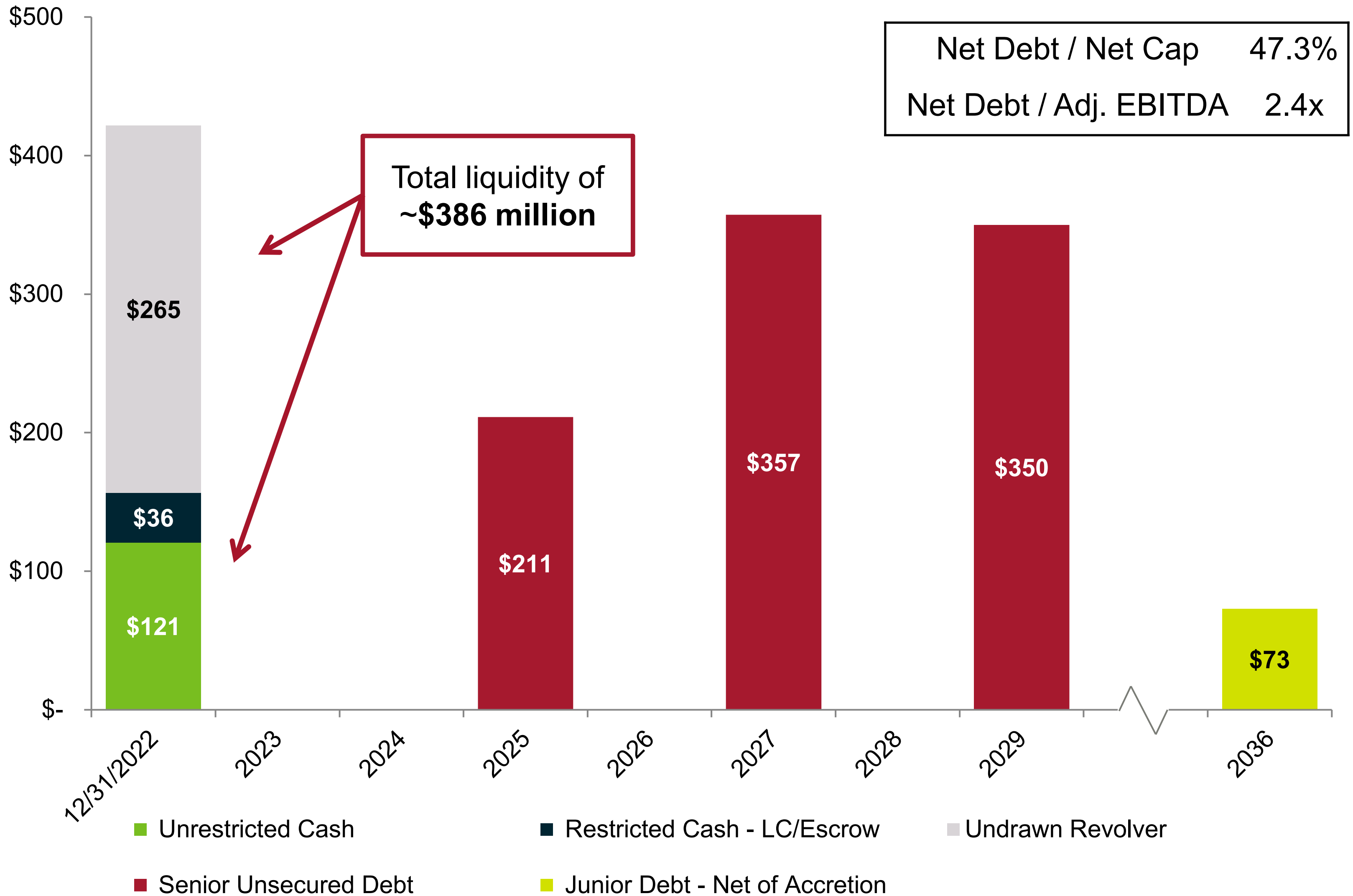
Community Count Activity

Active Communities on 12/31/2022	119
Opening in Next ~6 Months	~40
Under Development [(a)] (excluding any communities opening in N6M)	~50
Approved But Not Yet Closed (excluding any communities opening in N6M)	~60
Closing in Next ~12 Months	(40 - 60)

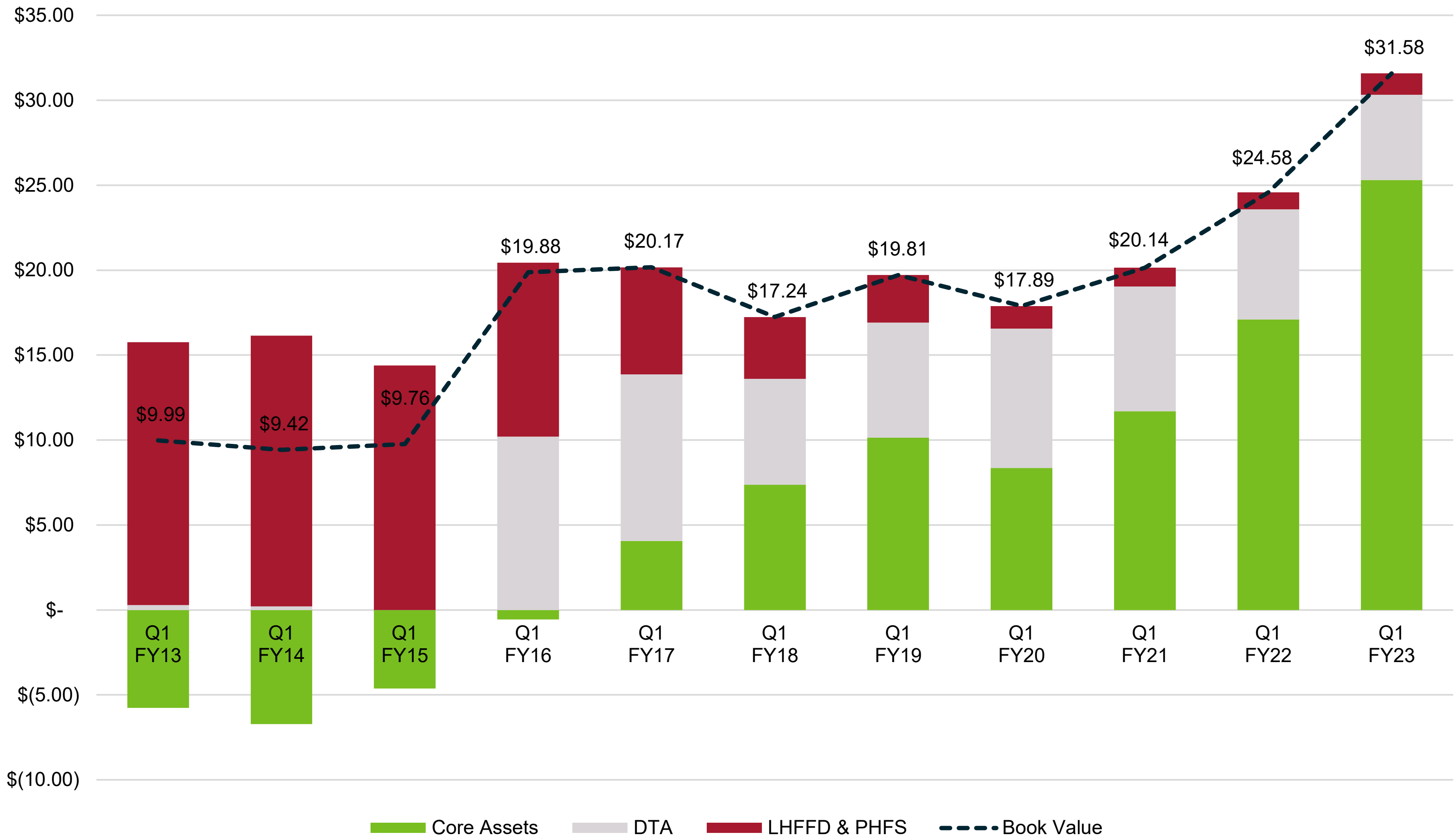
(a) Includes land bank transactions currently under development

Financial Flexibility Supports Growth

$ in millions



Balanced Growth & Book Value



Notes: Weighted-average shares outstanding during the period used for all per share calculations
Balances as of 12/31 used for all periods
Core Assets per share is calculated using the residual of our book value per share after DTA per share and LHFFD & PHFS per share

Wrap-Up

Q1 Earnings Met Expectations

FY23 Position Remains Favorable

- Sizeable Backlog
- Improving Sales Pace
- Cycle Time and Construction Cost Initiatives

Long-Term Balanced Growth Objectives Continue

- Profitability Growth
- Balance Sheet Improvements

Appendix

Q1 Results

$ in millions (except ASP)

	Q1 FY22	Q1 FY23	Δ
Profitability			
Total Revenue	$ 454.1	$ 444.9	(2.0%)
Adjusted EBITDA [a]	$ 61.1	$ 47.1	($14.0)
Net Income - Cont. Ops.	$ 34.9	$ 24.4	($10.5)
Unit Activity			
New Home Orders	1,141	482	(57.8%)
Closings	1,019	833	(18.3%)
Average Selling Price ($k)	$ 438.4	$ 533.1	21.6%
Cancellation Rate	11.8 %	37.1 %	2,530 bps
Active Community Count, Avg [b]	114	121	5.8%
Sales Pace	3.3	1.3	(60.1%)
Margins			
HB Gross Margin % [c]	24.2 %	22.3 %	(190 bps)
SG&A as % of Total Revenue	11.8 %	12.3 %	50 bps
Balance Sheet			
Unrestricted Cash	$ 157.7	$ 120.7	($37.0)
Land & Development Spend	$ 130.7	$ 114.7	($16.0)

[a] Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix
[b] Active Community Count was 116 at 12/31/2021 and 119 at 12/31/2022
[c] Excludes impairments, abandonments, and interest amortized to cost of sales

Adjusted EBITDA Reconciliation

BEAZER HOMES

(In thousands)	Three Months Ended December 31, 2021	2022	22 vs 21	LTM Ended December 31, 2021	2022	22 vs 21
Net income	$ 34,885	**$ 24,331**	$ (10,554)	$ 144,909	**$ 210,150**	$ 65,241
Expense from income taxes	6,460	**4,133**	(2,327)	23,847	**50,940**	27,093
Interest amortized to home construction and land sales expenses and capitalized interest impaired	14,780	**13,775**	(1,005)	83,257	**71,053**	(12,204)
Interest expense not qualified for capitalization	—	**—**	—	1,181	**—**	(1,181)
EBIT	56,125	**42,239**	(13,886)	253,194	**332,143**	78,949
Depreciation and amortization	2,881	**2,513**	(368)	13,735	**12,992**	(743)
EBITDA	59,006	**44,752**	(14,254)	266,929	**345,135**	78,206
Stock-based compensation expense	2,108	**1,580**	(528)	10,764	**7,950**	(2,814)
Loss on extinguishment of debt	—	**515**	515	2,025	**206**	(1,819)
Inventory impairments and abandonments [a]	—	**190**	190	388	**2,714**	2,326
Severance expenses	—	**111**	111	—	**111**	111
Litigation settlement in discontinued operations	—	**—**	—	120	**—**	(120)
Adjusted EBITDA	$ 61,114	**$ 47,148**	$ (13,966)	$ 280,226	**$ 356,116**	$ 75,890

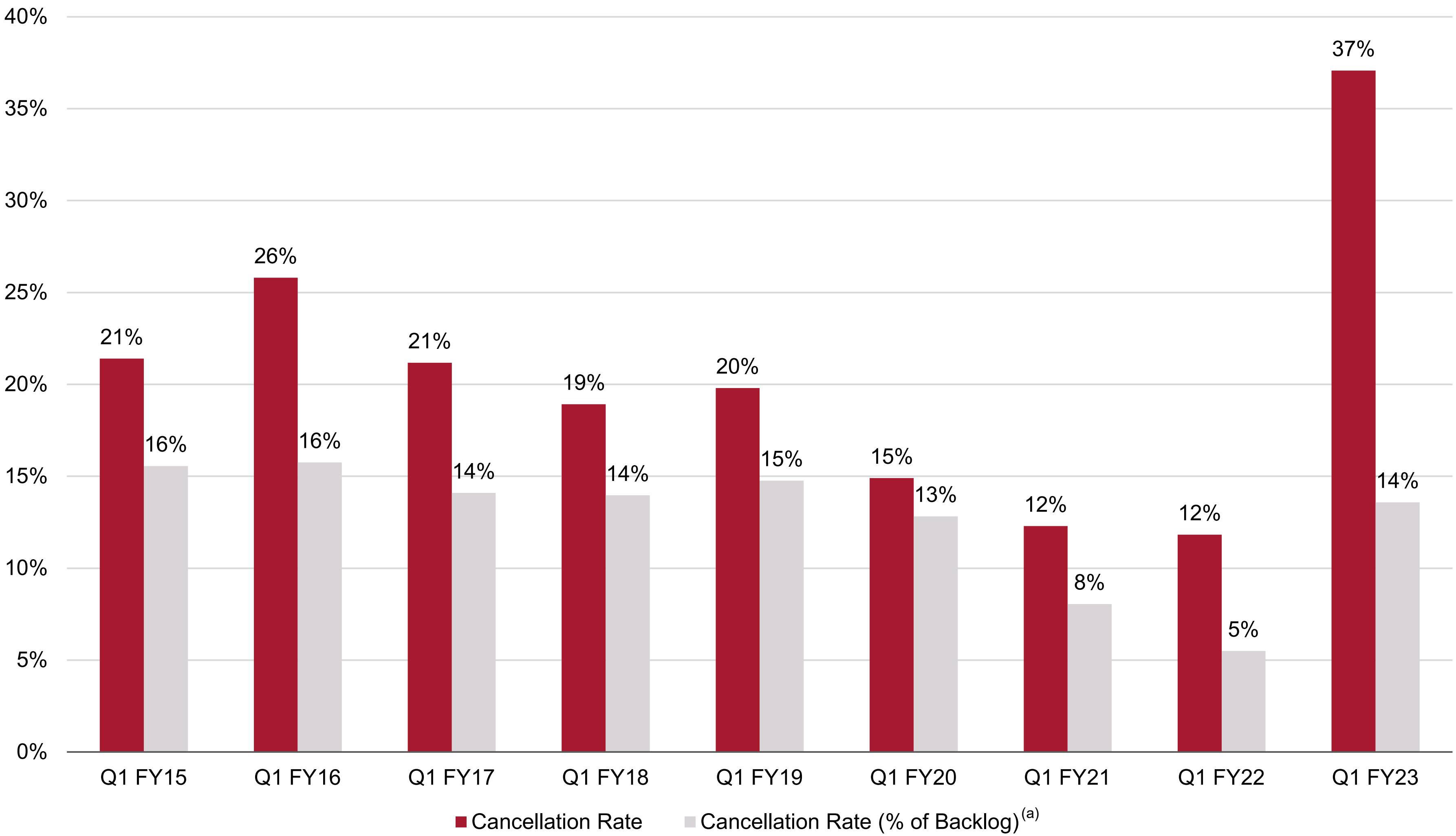
[a] In periods during which we impaired certain of our inventory assets, capitalized interest that is impaired is included in the line above titled "Interest amortized to home construction and land sales expenses and capitalized interest impaired.

Backlog Detail

	Q1 FY22	Q1 FY23
Quarter Ending Backlog (units)	2,908	1,740
Quarter Ending Backlog ($ in millions)	$ 1,405.2	$ 940.9
ASP in Backlog ($ in thousands)	$ 483.2	$ 540.8
Quarter Beg. Backlog	2,786	2,091
Scheduled to Close in Future Qtrs.	(1,670)	(1,201)
Backlog Scheduled to Close in the Qtr.	1,116	890
Backlog Activity:		
Cancellations [a]	(29)	(123)
Pushed to Future Quarters	(208)	(193)
Close Date Brought Forward	69	105
Sold & Closed During the Qtr	71	154
Total Closings in the Quarter	1,019	833
Backlog Conversion Rate	36.6%	39.8%

[a] Cancellations reference only the cancellations arising from homes scheduled to close in the quarter

Historical Cancellation Rates

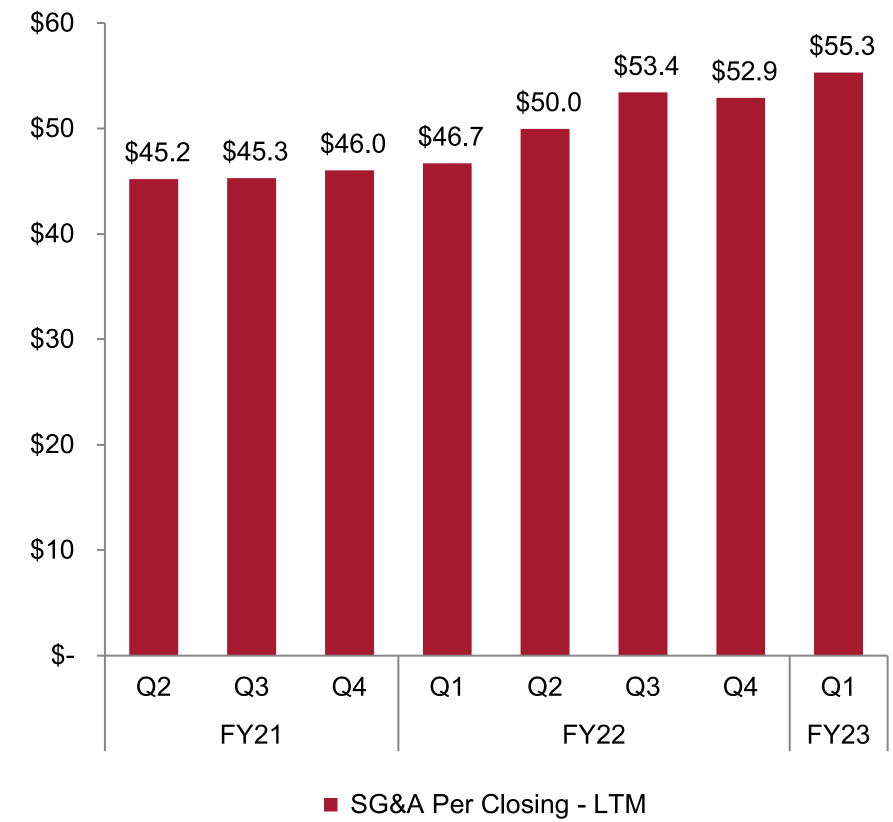


(a) Cancellation Rate as a % of Backlog is calculated using the quarter's beginning backlog units

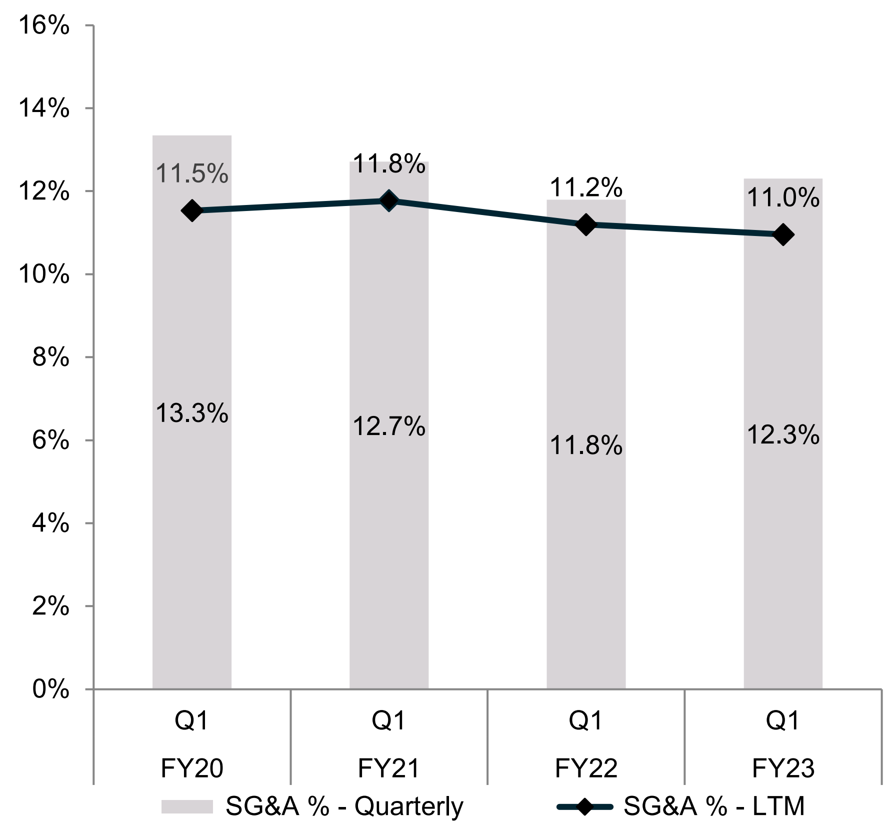
Managing SG&A is a Priority

SG&A Per Closing
LTM Homebuilding

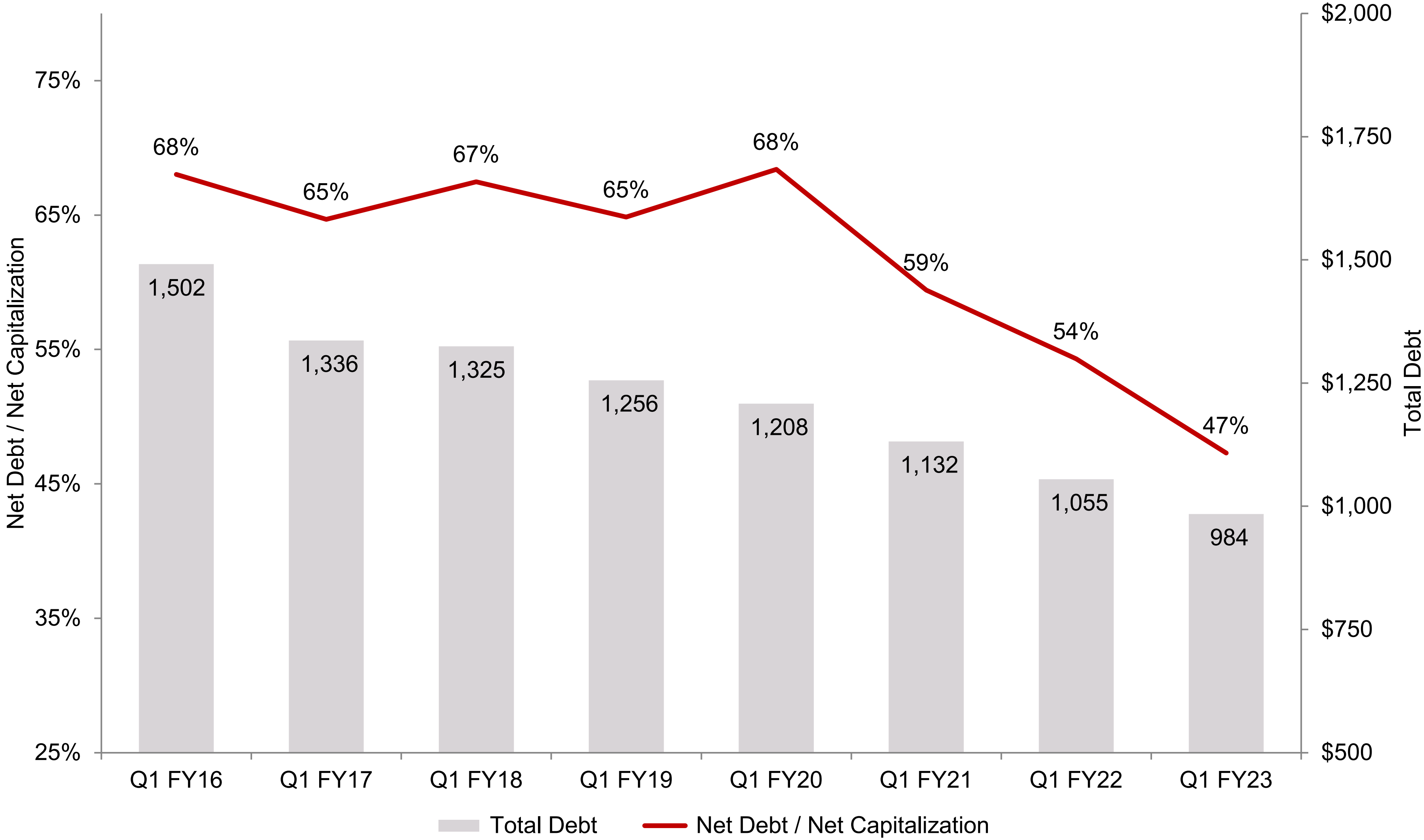
$ in thousands



SG&A Leverage
% of Total Revenue

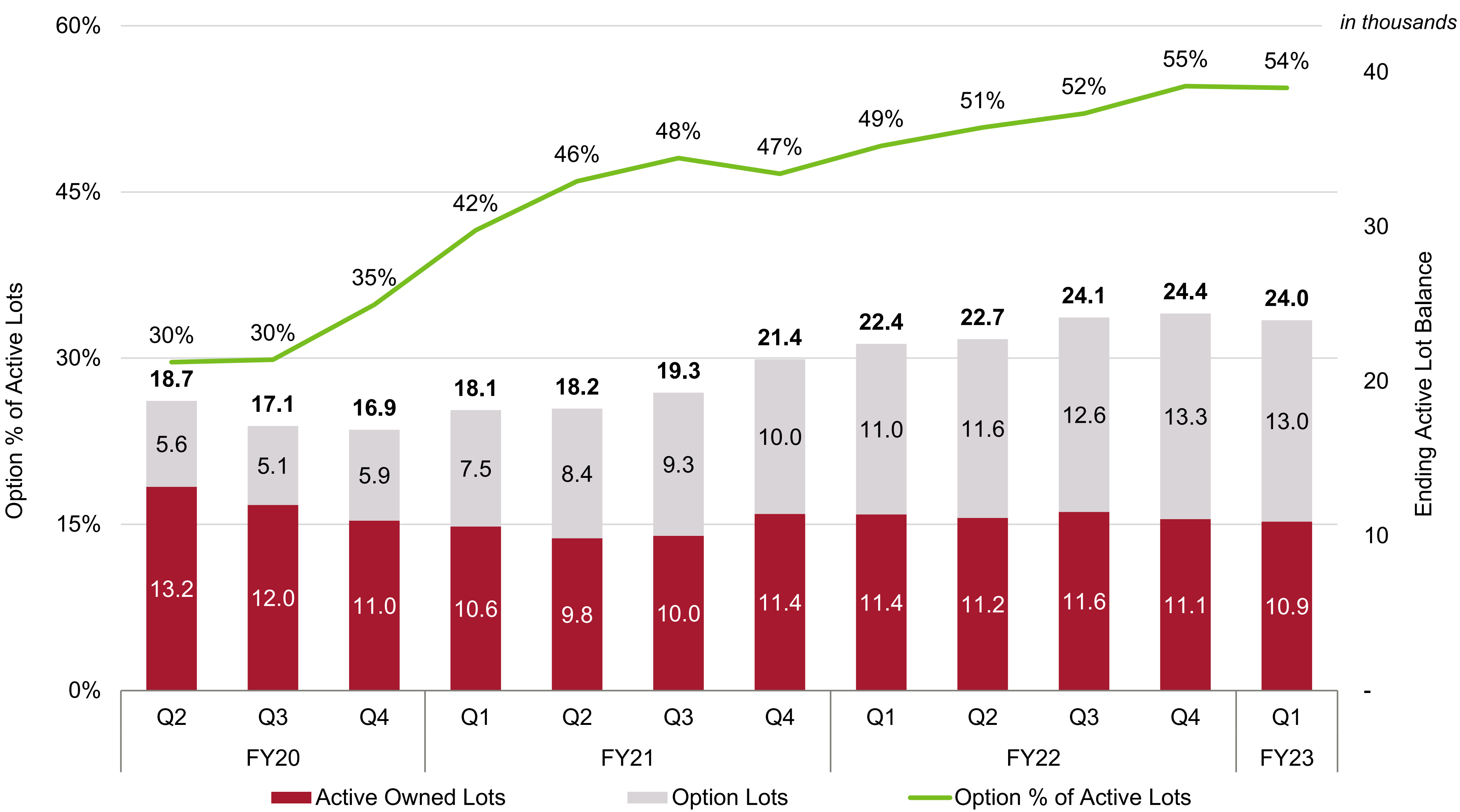


Reducing Leverage



Note: Total Debt is net of unamortized debt issuance costs and accretion

Land For Future Growth



Note: Totals may not foot due to rounding

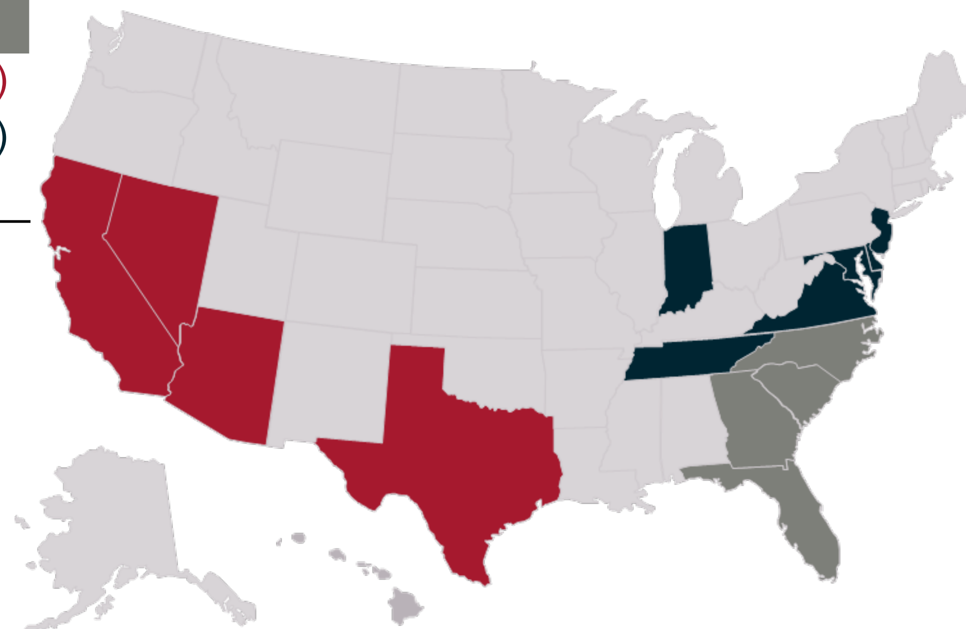
Geographic Mix Impacts ASP & Margins

BEAZER HOMES

($ in thousands)

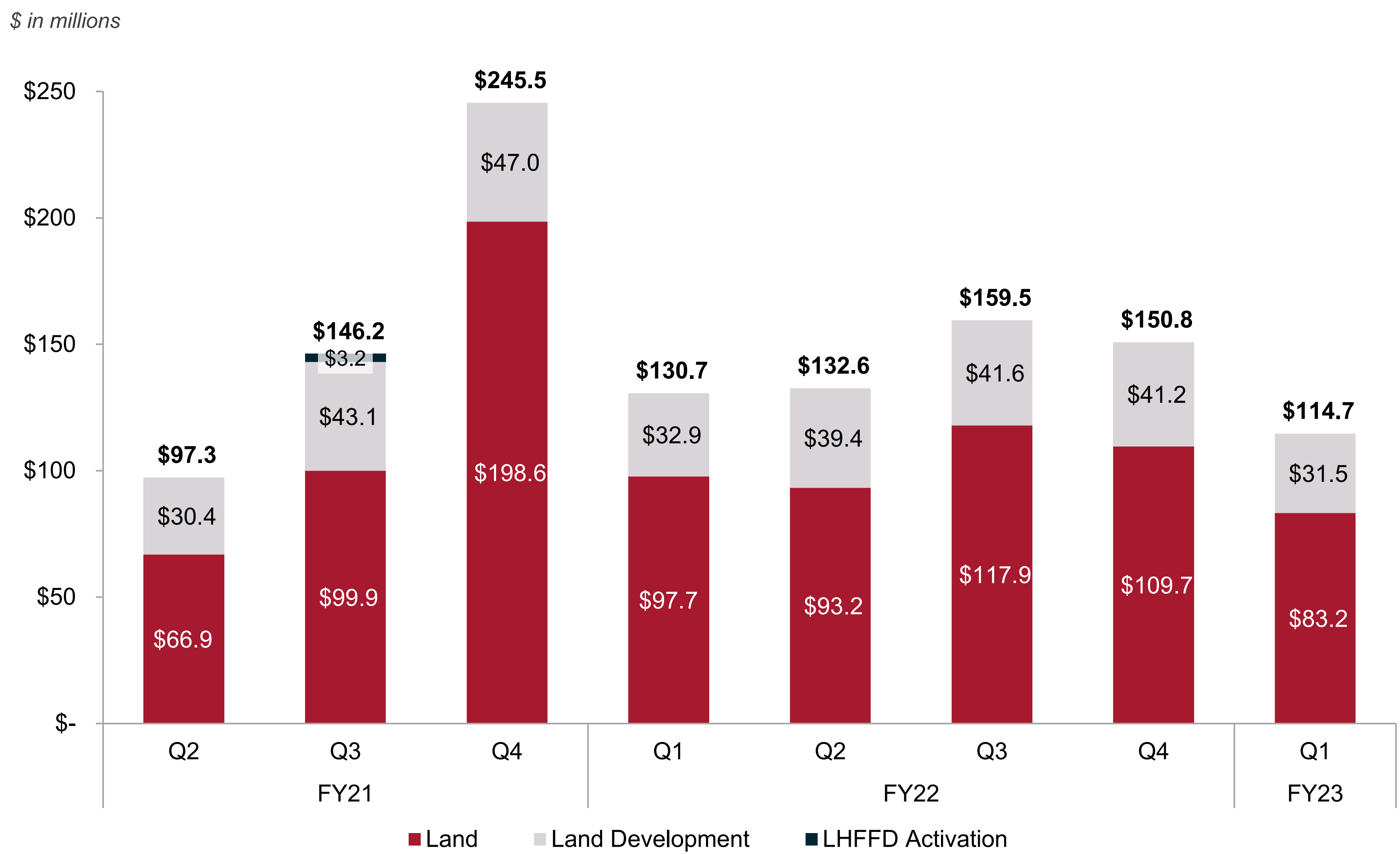
	Q1 FY22 ASP	Q1 FY23 ASP	Change in ASP ($)	Change in ASP (%)	Q1 FY22 Closings	Q1 FY23 Closings	Change in Mix
West	$425.4	$537.9	$112.5	26.4%	59.2%	61.2%	2.0%
East	$466.5	$555.0	$88.5	19.0%	24.0%	18.6%	(5.4%)
Southeast	$444.2	$498.4	$54.2	12.2%	16.8%	20.2%	3.4%

	Q1 FY22 GM%[a]	Q1 FY23 GM%[a]	Change in GM%
West	24.5%	21.7%	(280 bps)
East	22.3%	19.4%	(290 bps)
Southeast	21.1%	22.1%	100 bps



[a] Segment gross margin excludes impairments, abandonments, and interest amortized to cost of sales

Land Spend



Note: Totals may not foot due to rounding

Deferred Tax Assets - Summary

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($ in millions)	December 31, 2021		December 31, 2022	
Deferred Tax Assets	$	228.0	$	178.2
Valuation Allowance	$	(29.1)	$	(25.4)
Net Deferred Tax Assets	**$**	**198.9**	**$**	**152.8**

As of December 31, 2022, our conclusions on whether we are more likely than not to realize all of our federal tax attributes and certain portions of our state tax attributes remain consistent with our fiscal 2022 conclusion. Valuation allowance of $25.4 million as of December 31, 2022 remains on various state attributes for which we have concluded it is not more likely than not that these attributes would be realized at that time. See our fiscal 2022 Form 10-K for additional detail.