Beazer Homes USA, Inc.
Q1 2022 Earnings Presentation

Park View at the Hills
Minneola, FL

BEAZER HOMES

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 a potential deterioration in homebuilding industry conditions; (ii) economic changes nationally or in local markets, changes in consumer confidence, wage levels, declines in employment levels, inflation and governmental actions, each of which is outside our control and affects the affordability of, and demand for, the homes we sell; (iii) 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 contract abandonments; (iv) supply chain challenges negatively impacting our homebuilding production, including shortages of raw materials and other critical components such as windows, doors, and appliances; (v) shortages of or increased costs for labor used in housing production, and the level of quality and craftsmanship provided by such labor; (vi) 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; (vii) factors affecting margins, such as 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 production and overhead cost structure; (viii) 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; (ix) market perceptions regarding any capital raising initiatives we may undertake (including future issuances of equity or debt capital); (x) terrorist acts, protests and civil unrest, political uncertainty, natural disasters, acts of war or other factors over which the Company has no control; (xi) 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; (xii) increases in mortgage interest rates, increased disruption in the availability of mortgage financing, changes in tax laws or otherwise regarding the deductibility of mortgage interest expenses and real estate taxes or an increased number of foreclosures; (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 (xxiii) the success of our ESG initiatives, including our ability to meet our goal that every home we build will be Net Zero Energy Ready by 2025 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.

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

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1st Quarter Highlights

ASP Up	✓
Operating Margins Up	✓
Adjusted EBITDA Up	✓
EPS Up	✓
Lot Position Up	✓
Beazer Homes 2021 ESG Summary	✓

Market Strong but Challenges Remain

MACRO

Robust Employment Market

Strong Wage Growth

Demographic Driven Demand

Severely Limited Supply

CHALLENGES

Demand Strength

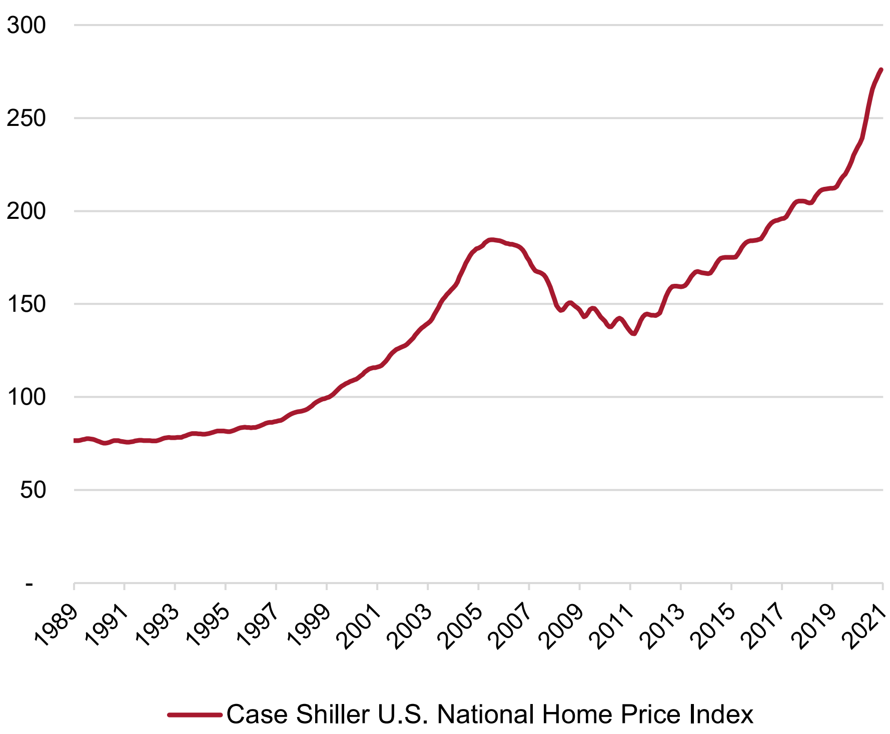
+

Supply Constraints

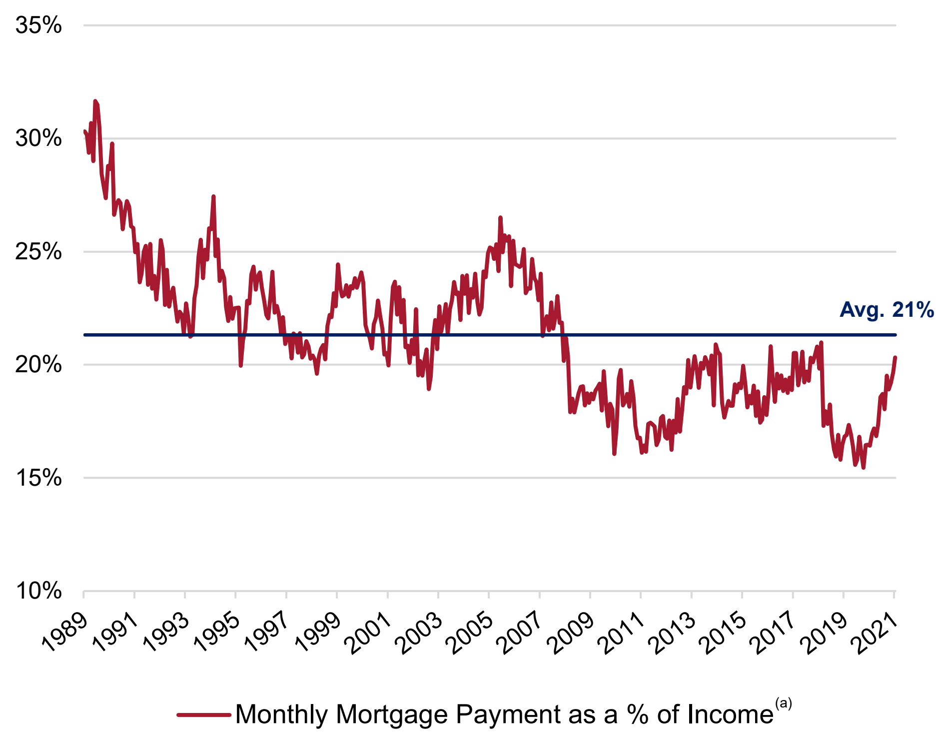
- Rising Home Prices
- Materials & Labor
  - Availability Issues
  - Cost Increases

Measuring Affordability Risks

Case Shiller U.S. National Home Price Index



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 reflects most current available data (i.e., median new residential sales prices through 11/21 and 2020 median family income data

3 Pillars Address Affordability

Our value proposition supports affordability through our three pillars of differentiation:

Choice Plans™

MORTGAGE CHOICE

SURPRISING PERFORMANCE

Structural floor plan options to personalize primary living areas at no additional cost

Shop and compare loan estimates from multiple, high-quality, pre-vetted 'Choice Lenders'

Exceeding ENERGY STAR® standards for more quality and more comfort that save homeowners money every month

Updating Full-Year Expectations

>$5.00
EPS

+ ~$0.40 in EPS
for energy efficiency tax credits

>10%
EBITDA Growth

~20%
Return on Total Equity

Double-Digit Growth
in Lot Position

Reduce
Debt to <$1 Billion

1st Quarter Results

Results	Q1 FY22	YoY Change
New Home Orders	1,141	(20.9%)
Sales Pace	3.3	(5.6%)
Active Community Count, Avg	114	(16.2%)
Homebuilding Revenue ($M)	$446.7	5.3%
Closings	1,019	(8.5%)
Average Selling Price ($k)	$438.4	15.1%
HB Gross Margin % (a)	24.2%	210 bps
SG&A as % of Total Revenue	11.8%	(90 bps)
Adjusted EBITDA ($M) (b)	$61.1	40.1%
Interest Amort. % of HB Revenue	3.3%	(110 bps)
Net Income - Cont. Ops. ($M)	$34.9	189.9%

Quarter Ending Backlog ($M)	$1,405.2	20.9%

(a) Excludes impairments, abandonments, and interest amortized to cost of sales
(b) Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix

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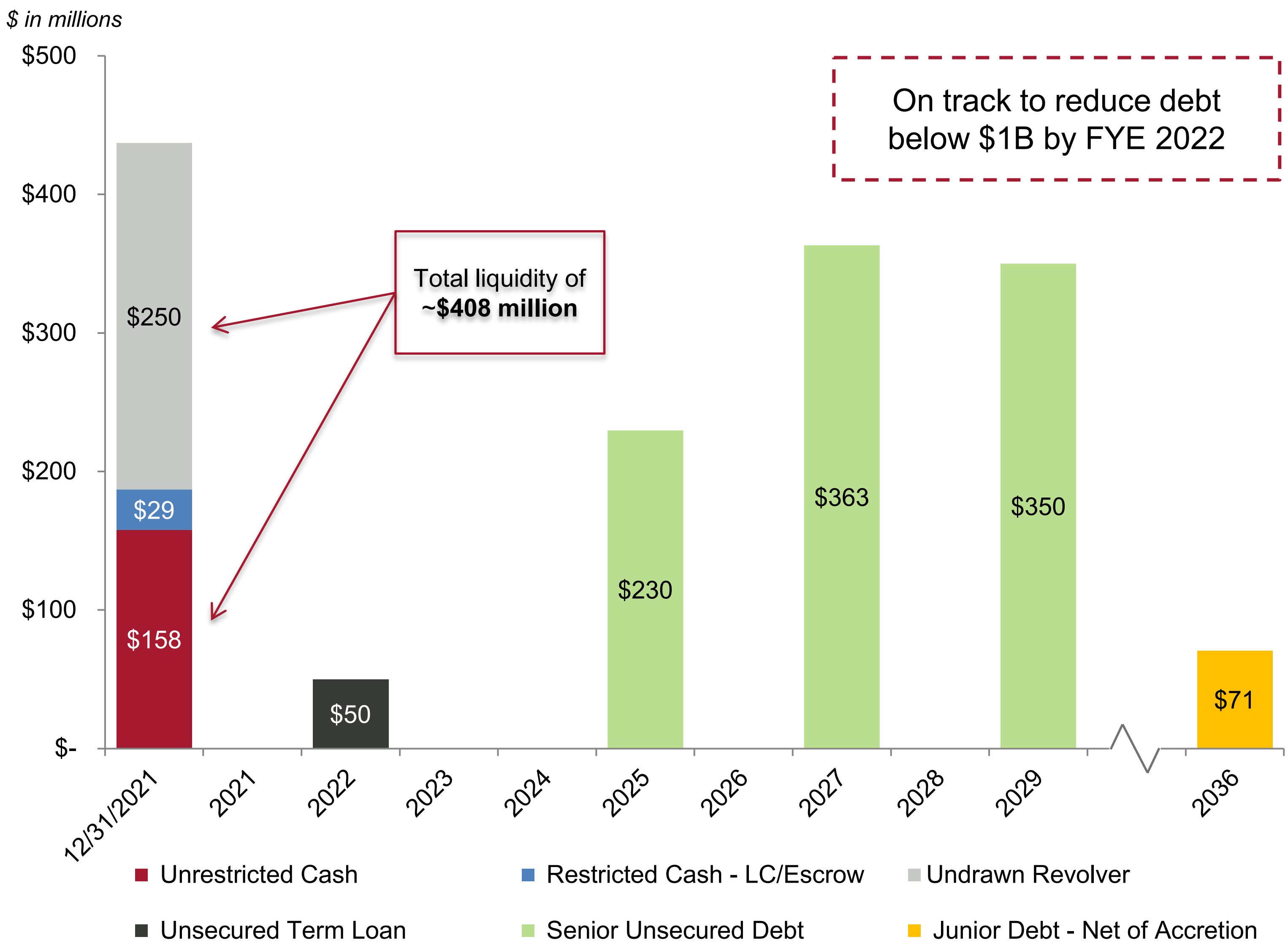
2nd Quarter & Full-Year Expectations

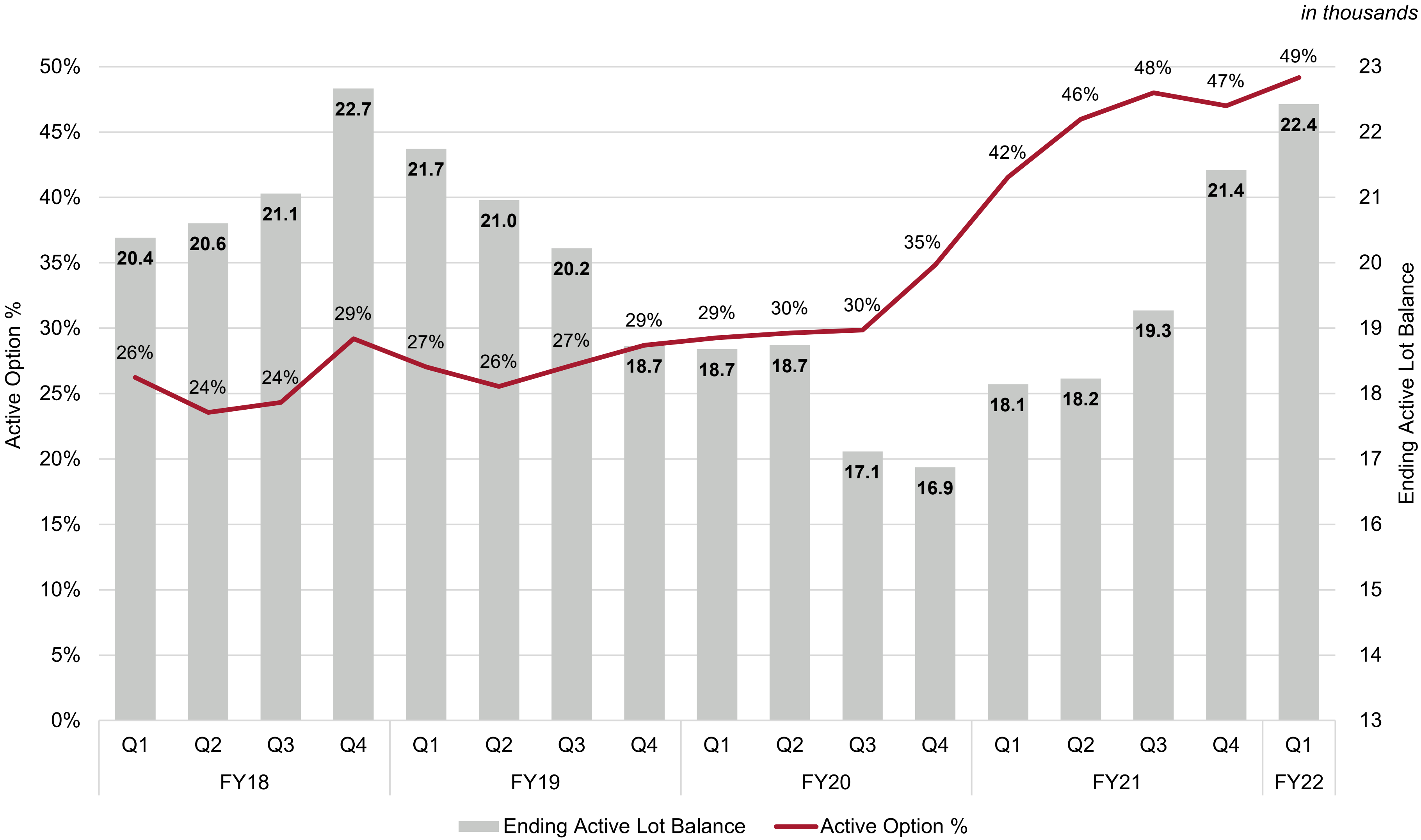
Q2 Metric	Expectations
Sales Pace	Low 3s
Community Count	~120
Closings	1,000-1,050
Average Selling Price	~$470k range
HB Gross Margin %	Up >300 bps
SG&A (absolute $)	Up ~$4M
Adjusted EBITDA	~$65M
Interest Amort. % of HB Revenue	Mid 3s
Tax Rate	~17%
EPS	Up double-digits

FY22 Metric	Expectations
Homes Closed/Backlog/Spec Units	>95% of Full-Year Closings
Average Selling Price	>$470k
Operating Margins	Up ≥200 bps
Net Debt/EBITDA	Low 2s
Net Debt to Net Cap	40s

Liquidity Supports Growth



Active Lot Balance Continuing to Grow



Wrap-up

- **Financially**
  - Strong earnings growth in FY22
  - Balanced Growth Strategy: growing earnings faster than revenue, from a more efficient and less-leveraged balance sheet
- **Operationally**
  - Exceptional customer experience
  - Grow our total lot position
- **Strategically**
  - Investing in our team & ESG platform

Appendix

Q1 Results

$ in millions (except ASP)

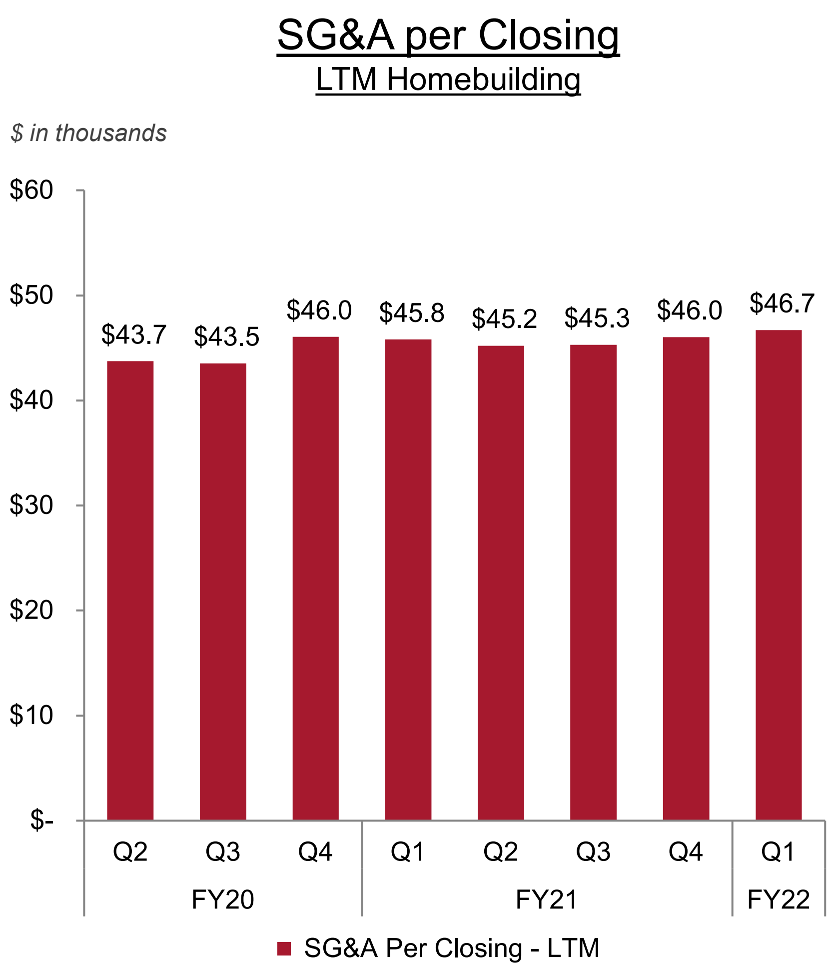
	Q1 FY22		Q1 FY21		Δ	
Profitability						
Total Revenue	$	454.1	$	428.5		6.0 %
Adjusted EBITDA [(a)]	$	61.1	$	43.6	$	17.5
Net Income - Cont. Ops.	$	34.9	$	12.0	$	22.9
Unit Activity						
New Home Orders		1,141		1,442		(20.9%)
Closings		1,019		1,114		(8.5%)
Average Selling Price ($k)	$	438.4	$	380.8		15.1 %
Cancellation Rate		11.8 %		12.3 %		(50 bps)
Active Community Count, Avg [(b)]		114		136		(16.2%)
Sales Pace		3.3		3.5		(5.6%)
Margins						
HB Gross Margin % [(c)]		24.2 %		22.1 %		210 bps
SG&A as % of Total Revenue		11.8 %		12.7 %		(90 bps)
Balance Sheet						
Unrestricted Cash	$	157.7	$	244.6	$	(86.9)
Land & Development Spend	$	130.7	$	109.6	$	21.1

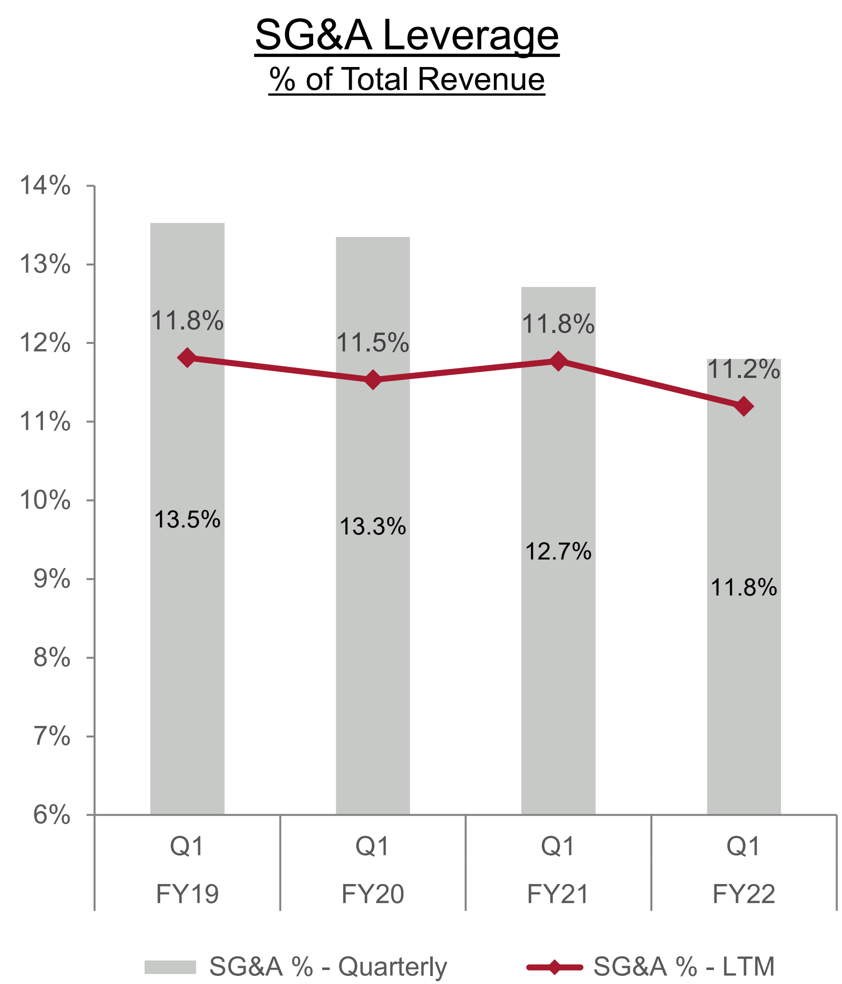
[(a)] Details are included on the “Adjusted EBITDA Reconciliation” slide in the appendix
[(b)] Active Community Count was 116 at 12/31/2021 and 134 at 12/31/2020
[(c)] Excludes impairments, abandonments, and interest amortized to cost of sales

Backlog Detail

	Q1 FY22	Q1 FY21
Quarter Ending Backlog (units)	2,908	2,837
Quarter Ending Backlog ($ in millions)	$ 1,405.2	$ 1,162.4
ASP in Backlog ($ in thousands)	$ 483.2	$ 409.7
Quarter Beg. Backlog	2,786	2,509
Scheduled to Close in Future Qtrs.	(1,670)	(1,445)
Backlog Scheduled to Close in the Qtr.	1,116	1,064
Backlog Activity:		
Cancellations	(29)	(57)
Pushed to Future Qtrs.	(208)	(125)
Close Date Brought Forward	69	69
Sold & Closed During the Qtr.	71	163
Total Closings in the Quarter	1,019	1,114
Backlog Conversion Rate	**36.6%**	**44.4%**

Improving SG&A Leverage is a Priority





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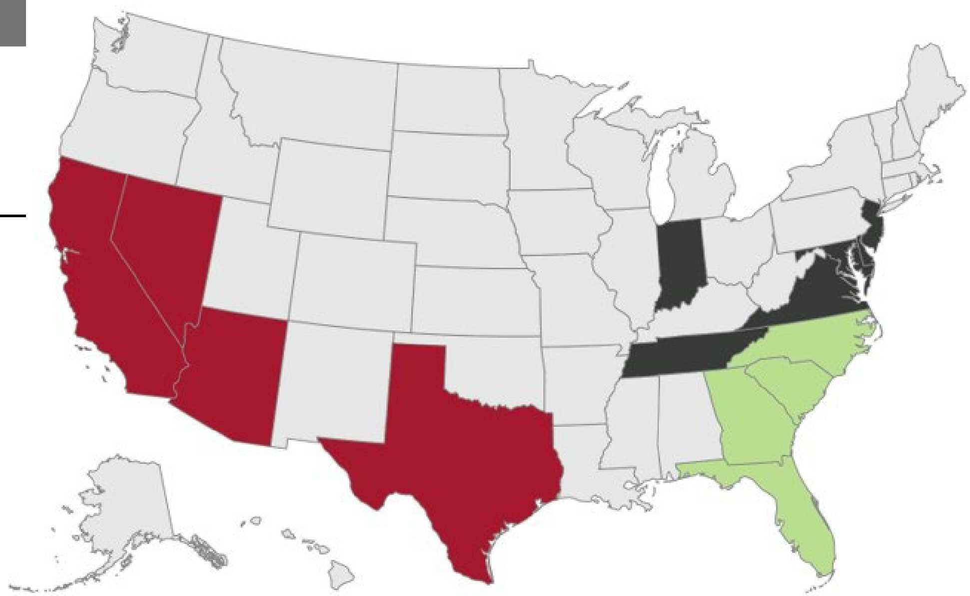
Geographic Mix Impacts ASP & Margins

($ in thousands)

	Q1 FY22 ASP	Q1 FY21 ASP	Change in ASP ($)	Change in ASP (%)	Q1 FY22 Closings	Q1 FY21 Closings	Change in Mix
West	$425.4	$362.8	$62.6	17.3%	59.2%	57.6%	1.6%
East	$466.5	$439.3	$27.2	6.2%	24.0%	20.0%	4.0%
Southeast	$444.2	$374.8	$69.4	18.5%	16.8%	22.4%	(5.6%)

	Q1 FY22 GM%[(a)]	Q1 FY21 GM%[(a)]	Change in GM%
West	24.5%	22.7%	180 bps
East	22.3%	20.8%	150 bps
Southeast	21.1%	21.2%	(10 bps)



- ASP was higher across our footprint
- This reflects the ability to raise prices to offset cost pressures

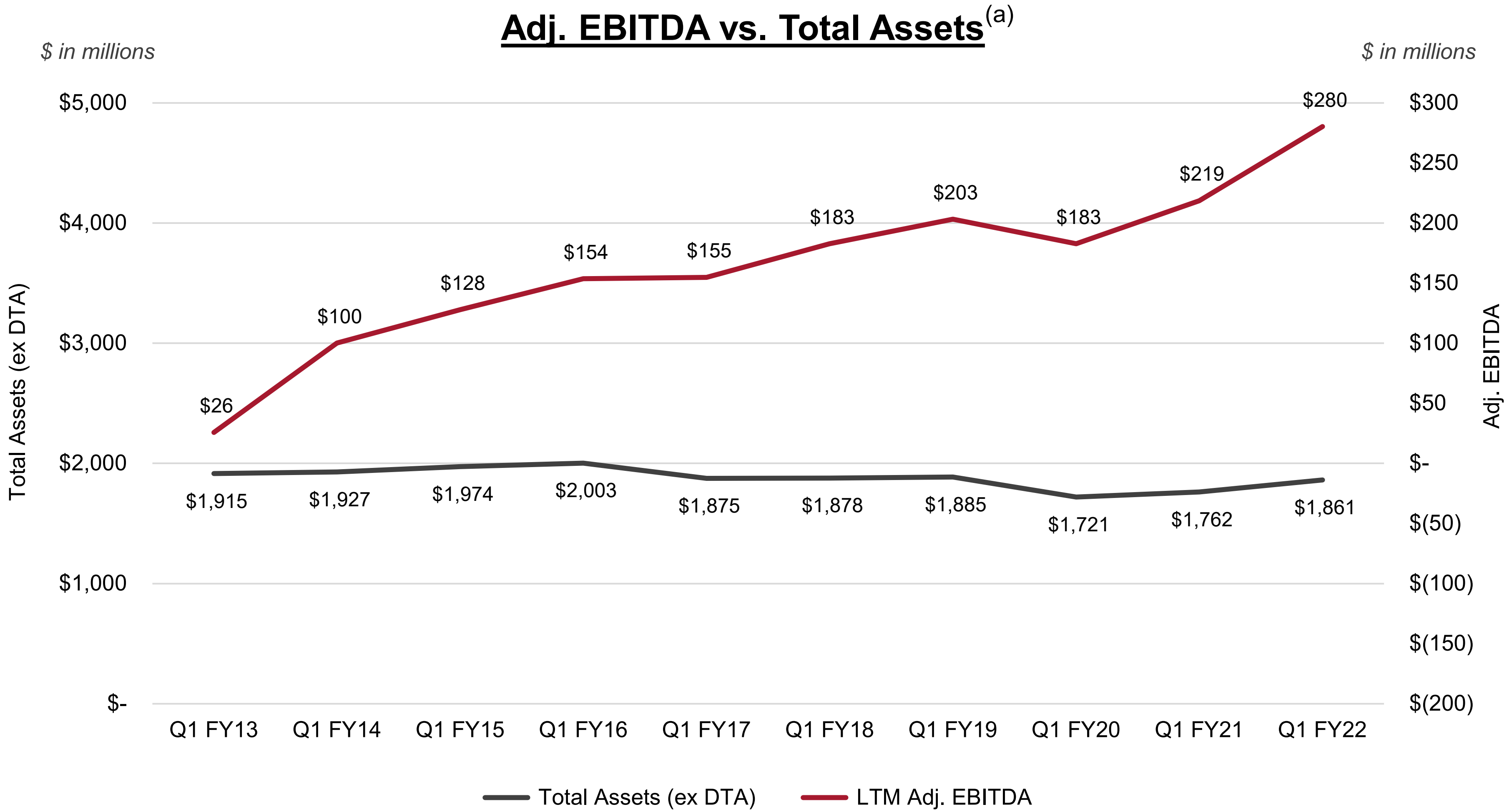
[(a)] Segment gross margin excludes impairments, abandonments, and interest amortized to cost of sales

Adjusted EBITDA Reconciliation

(In thousands)	Three Months Ended December 31,			LTM Ended December 31,		
	2021	2020	21 vs 20	**2021**	2020	21 vs 20
Net income	**$ 34,885**	$ 11,997	$ 22,888	**$ 144,909**	$ 61,477	$ 83,432
Expense from income taxes	**6,460**	4,114	2,346	**23,847**	22,006	1,841
Interest amortized to home construction and land sales expenses and capitalized interest impaired	**14,780**	18,813	(4,033)	**83,257**	94,806	(11,549)
Interest expense not qualified for capitalization	**—**	1,600	(1,600)	**1,181**	8,626	(7,445)
EBIT	**56,125**	36,524	19,601	**253,194**	186,915	66,279
Depreciation and amortization	**2,881**	3,122	(241)	**13,735**	15,335	(1,600)
EBITDA	**59,006**	39,646	19,360	**266,929**	202,250	64,679
Stock-based compensation expense	**2,108**	3,511	(1,403)	**10,764**	11,236	(472)
Loss on extinguishment of debt	**—**	—	—	**2,025**	—	2,025
Inventory impairments and abandonments [a]	**—**	465	(465)	**388**	2,576	(2,188)
Restructuring and severance expenses	**—**	(10)	10	**—**	1,307	(1,307)
Litigation settlement in discontinued operations	**—**	—	—	**120**	1,260	(1,140)
Adjusted EBITDA	**$ 61,114**	$ 43,612	$ 17,502	**$ 280,226**	$ 218,629	$ 61,597

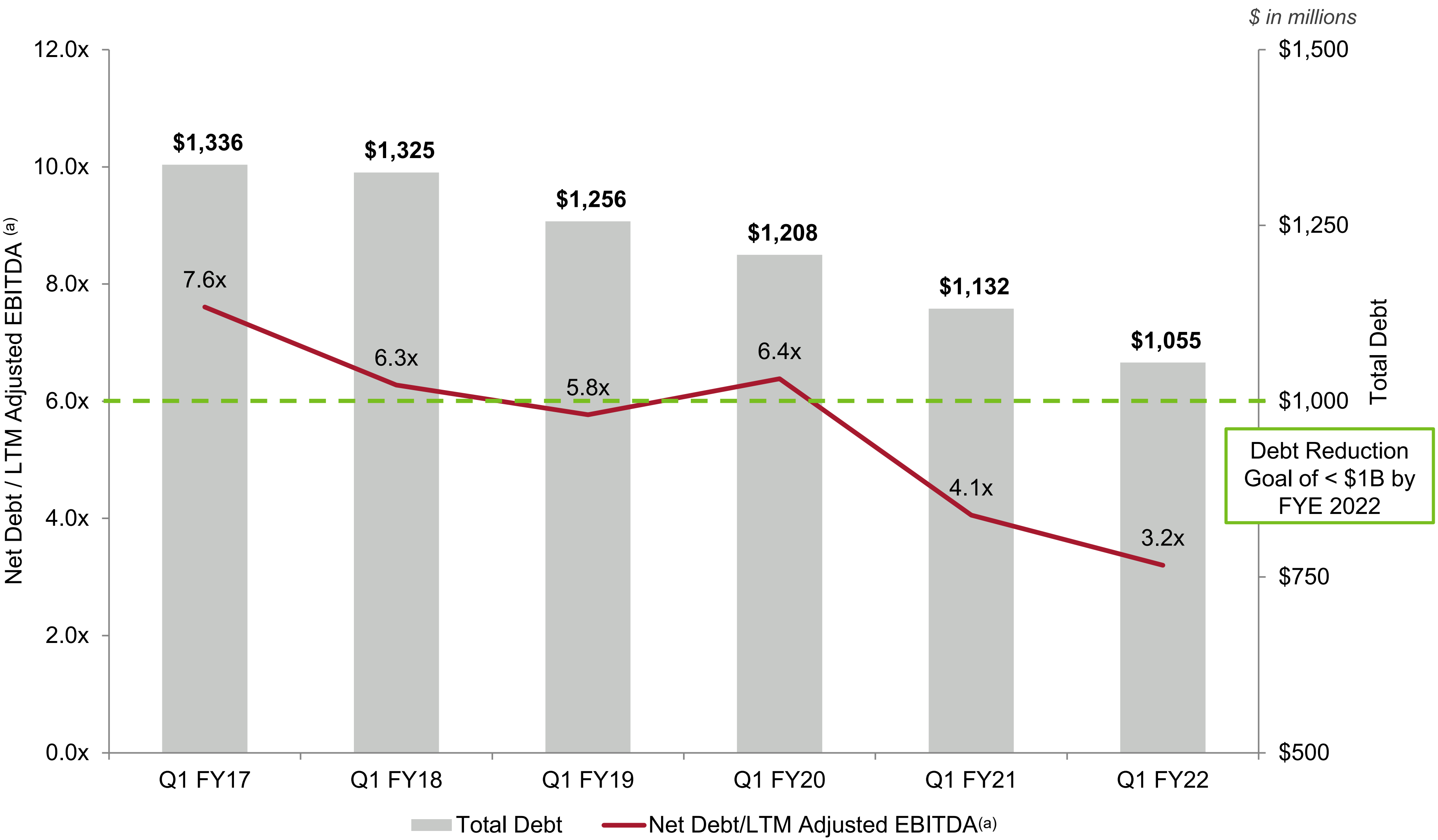
[a] In periods during which we impaired certain of our inventory assets, capitalized interest that is impaired is included in the line above titled “Interest amortized to home construction and land sales expenses and capitalized interest impaired.”

Significant EBITDA Growth



[a] Total Assets is end of period Assets excluding Deferred Tax Assets. Amounts presented for FY12 through FY15 have been impacted by the reclassification of debt issuance costs required by Accounting Standards Update 2015-03. The debt issuance costs reclassified for FY13, FY14 and FY15 amounted to $15.9 million, $15.7 million and $14.8 million, respectively.

Improving Financial Leverage



[a] Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix

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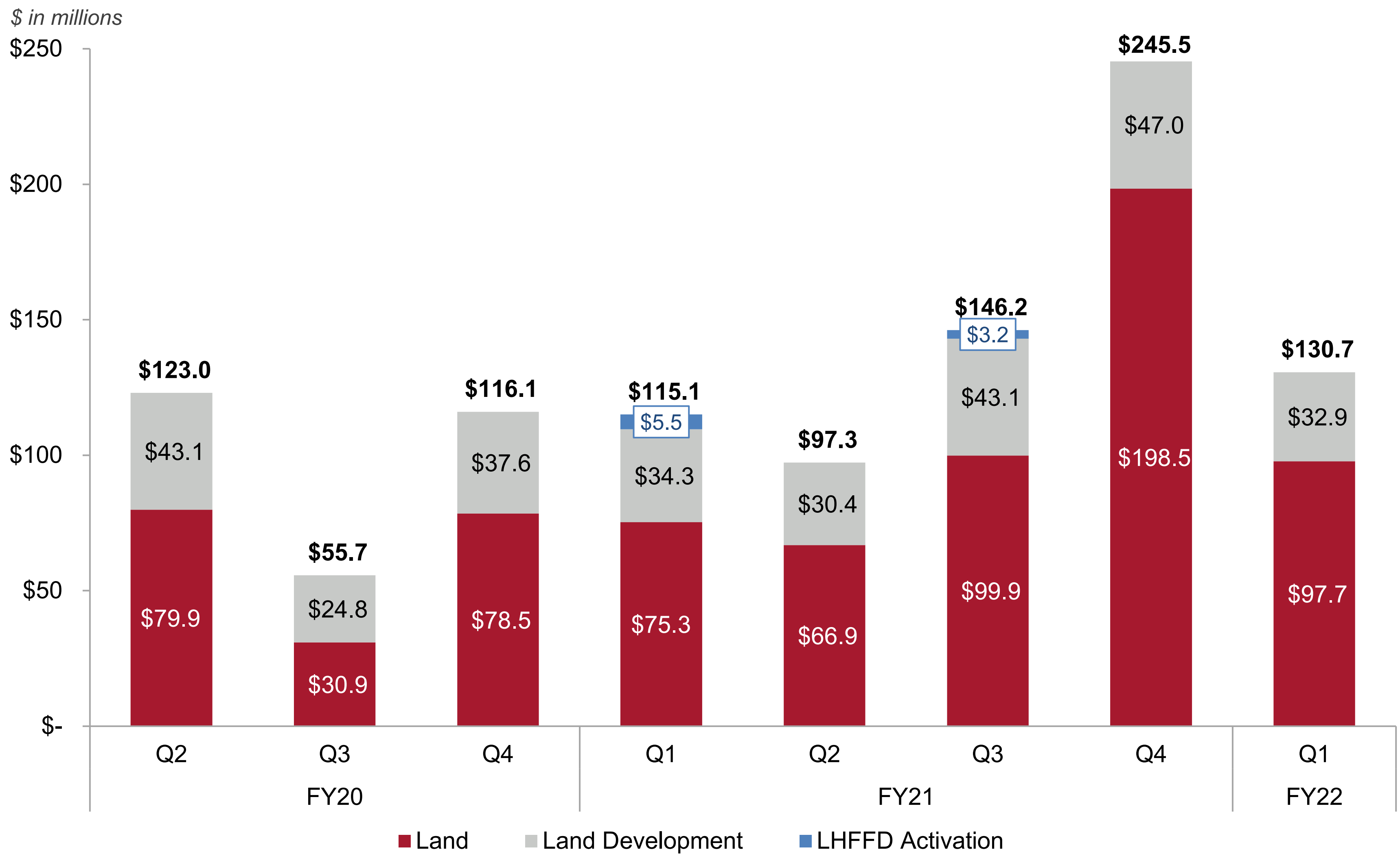
Land Spend Will Accelerate



Note: Totals may not foot due to rounding

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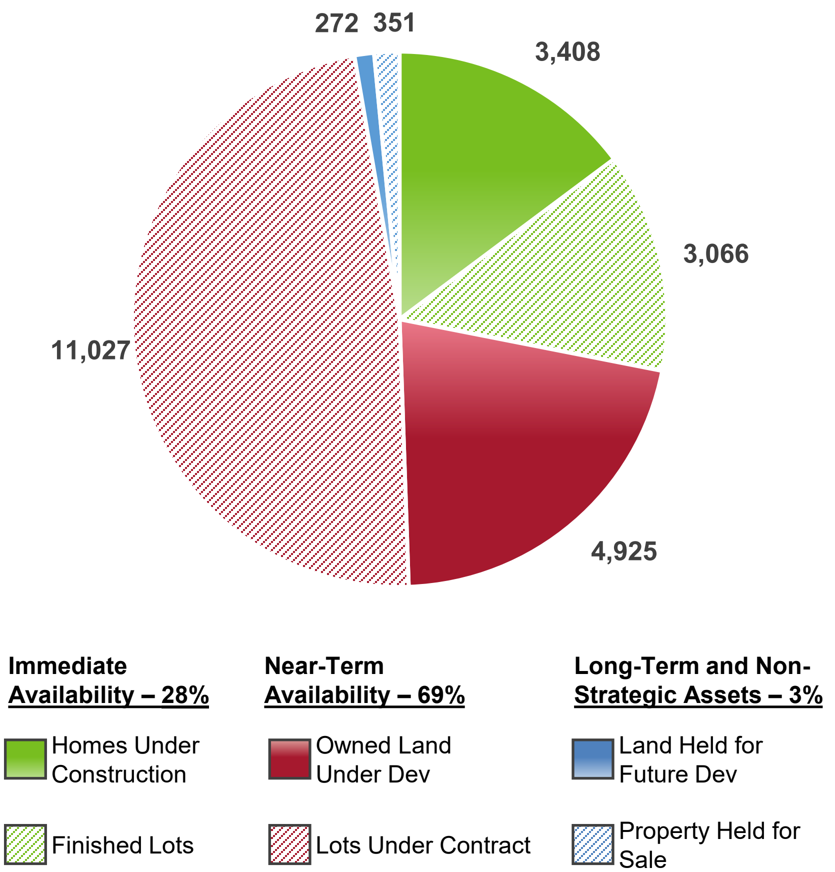
Community Count Growth Coming in FY22

23,049 total controlled lots
22,426 active controlled lots

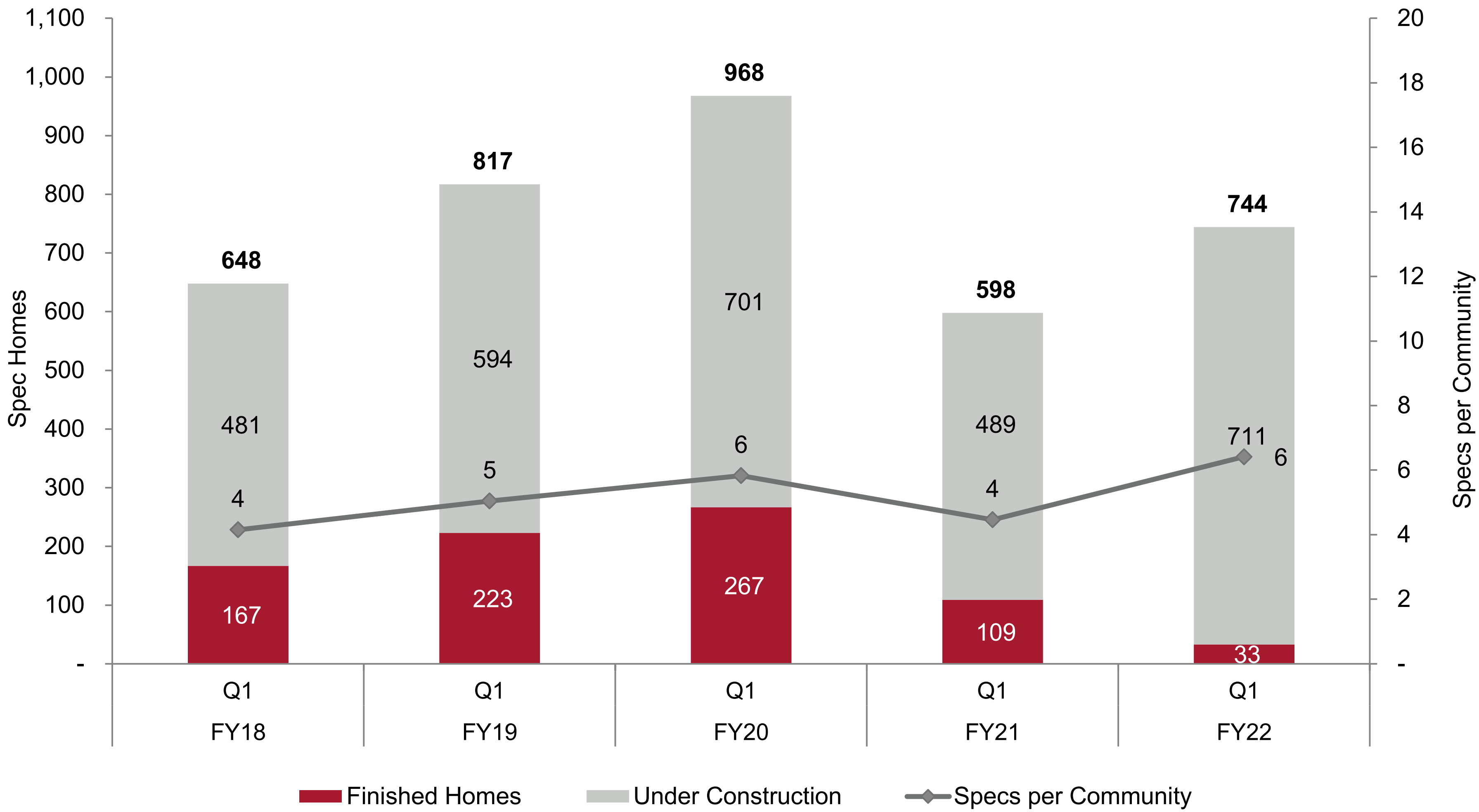
Lot Position as of December 31, 2021



Community Count Activity

Active Communities on 12/31/2021	116
Opening in Next ~6 Months	~+25
Under Development (excluding any communities opening in N6M)	~+45
Approved But Not Yet Closed (excluding any communities opening in N6M)	~+60
Closing in Next ~12 Months	(40 - 60)

Spec Production Normalizing



Note: Spec count as of each quarter end includes Gatherings

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Deferred Tax Assets - Summary

($ in millions)	December 31, 2021	December 31, 2020
Deferred Tax Assets	$ 228.0	$ 260.4
Valuation Allowance	$ (29.1)	$ (39.2)
Net Deferred Tax Assets	**$ 198.9**	**$ 221.2**

As of December 31, 2021, 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 2021 conclusion. Valuation allowance of $29.1 million as of December 31, 2021 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 2021 Form 10-K for additional detail.