Beazer Homes USA, Inc.
Q4 2020 Earnings Presentation

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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 or increases in the quantity and decreases in the price of new homes and resale homes on the market; (iii) the potential negative impact 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) 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; (v) 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; (vi) 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; (vii) 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; (viii) market perceptions regarding any capital raising initiatives we may undertake (including future issuances of equity or debt capital); (ix) terrorist acts, protests and civil unrest, political uncertainty, natural disasters, acts of war or other factors over which the Company has little or no control; (x) 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; (xi) 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; (xii) increased competition or delays in reacting to changing consumer preferences in home design; (xiii) 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; (xiv) the potential recoverability of our deferred tax assets; (xv) 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; (xvi) the results of litigation or government proceedings and fulfillment of any related obligations; (xvii) the impact of construction defect and home warranty claims; (xviii) the cost and availability of insurance and surety bonds, as well as the sufficiency of these instruments to cover potential losses incurred; (xix) the impact of information technology failures, cybersecurity issues or data security breaches; or (xx) the impact on homebuilding in key markets of governmental regulations limiting the availability of water.

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 Merrill	Chairman & Chief Executive Officer
Bob Salomon	EVP & Chief Financial Officer
David Goldberg	Vice President, Treasurer

Achieved Strategic Goals for 2020

Balanced Growth Strategy:

Target double-digit ROA by growing EBITDA faster than revenue, from a more efficient and less leveraged balance sheet

Growing EBITDA	Balance Sheet Efficiency	Reduce Leverage
• Gross margin expansion • Overhead leverage	• Former LHFFD contributing earnings • Shorter duration communities • More land options	• $50 million reduction in FY20 • Target debt below $1 billion

2020 Goals:

> 10% EBITDA Growth	> 10% ROA	Net Debt / EBITDA: < 5x

2020 Achievements:

EBITDA Up 13.4%	10.2% ROA	3.9x Net Debt / EBITDA

Supportive Environment for Fiscal 2021

The following factors remain in place, giving us confidence in sustained demand for new homes:

Pre-COVID

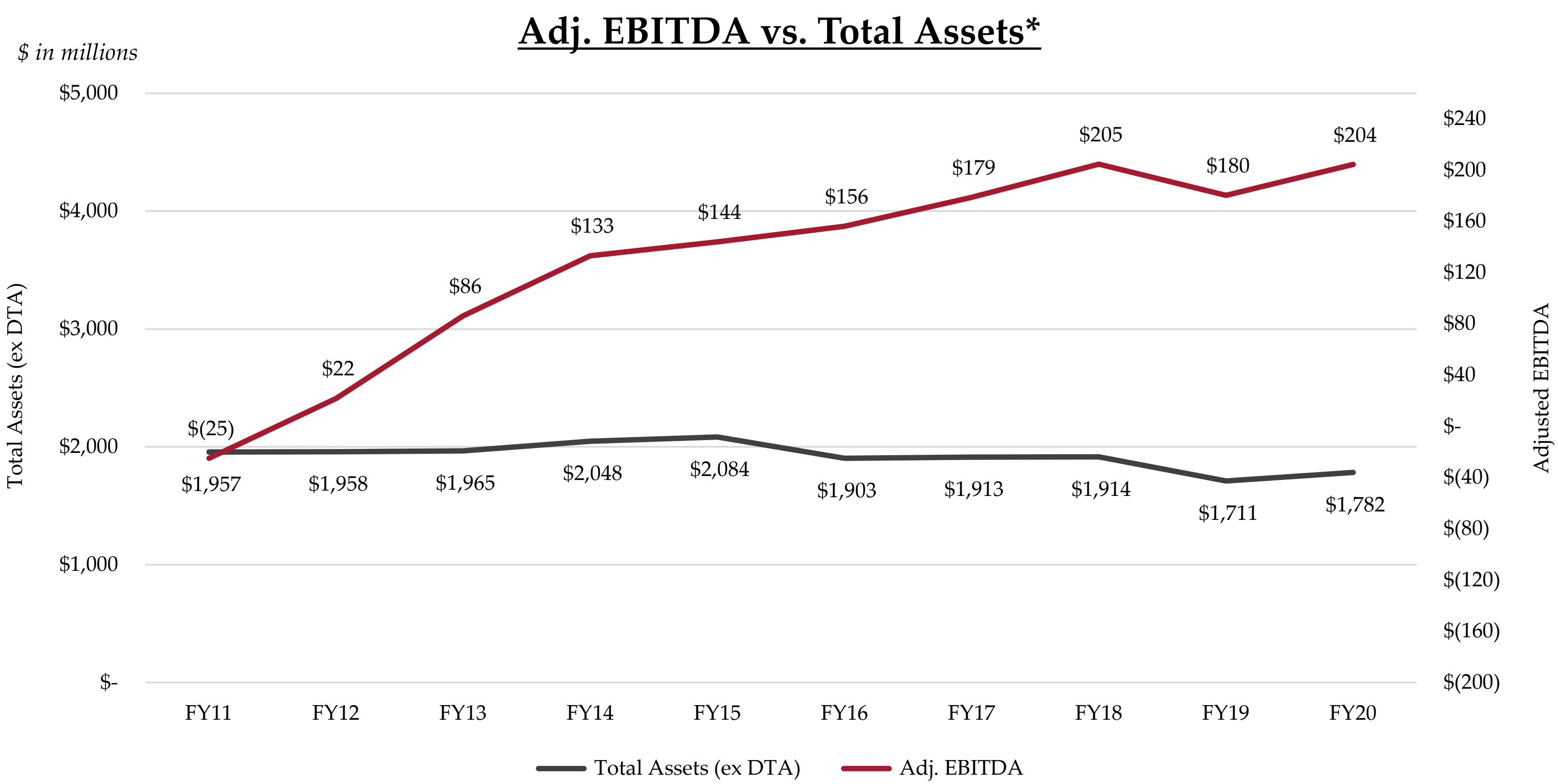
- Low mortgage rates
- Undersupply of new homes

Current Environment

- Re-appraisal of shelter needs
- Shift to remote work
- Even lower mortgage rates

Fiscal 2021 Represents an Inflection Year

Over the last ten years, our Balanced Growth Strategy has led to significant improvements in profitability without asset growth. We expect to allocate more capital to growth beginning in fiscal 2021



*Total Assets is end of period Assets excluding Deferred Tax Assets. Amounts presented for FY11 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 FY11, FY12, FY13, FY14 and FY15 amounted to $18.0 million, $17.7 million, $16.6 million, $15.8 million and $11.9 million, respectively.

Fiscal 2021 Objectives

- Generate Higher EBITDA and Double-Digit EPS Growth
  - Dollar value of backlog up ~50%
  - Increase operating margins by delivering higher margin homes and maximizing overhead leverage
- Grow Our Total Lot Position
  - Higher land spending
  - Increase use of options
- Retire $50M+ of Debt

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4th Quarter Results

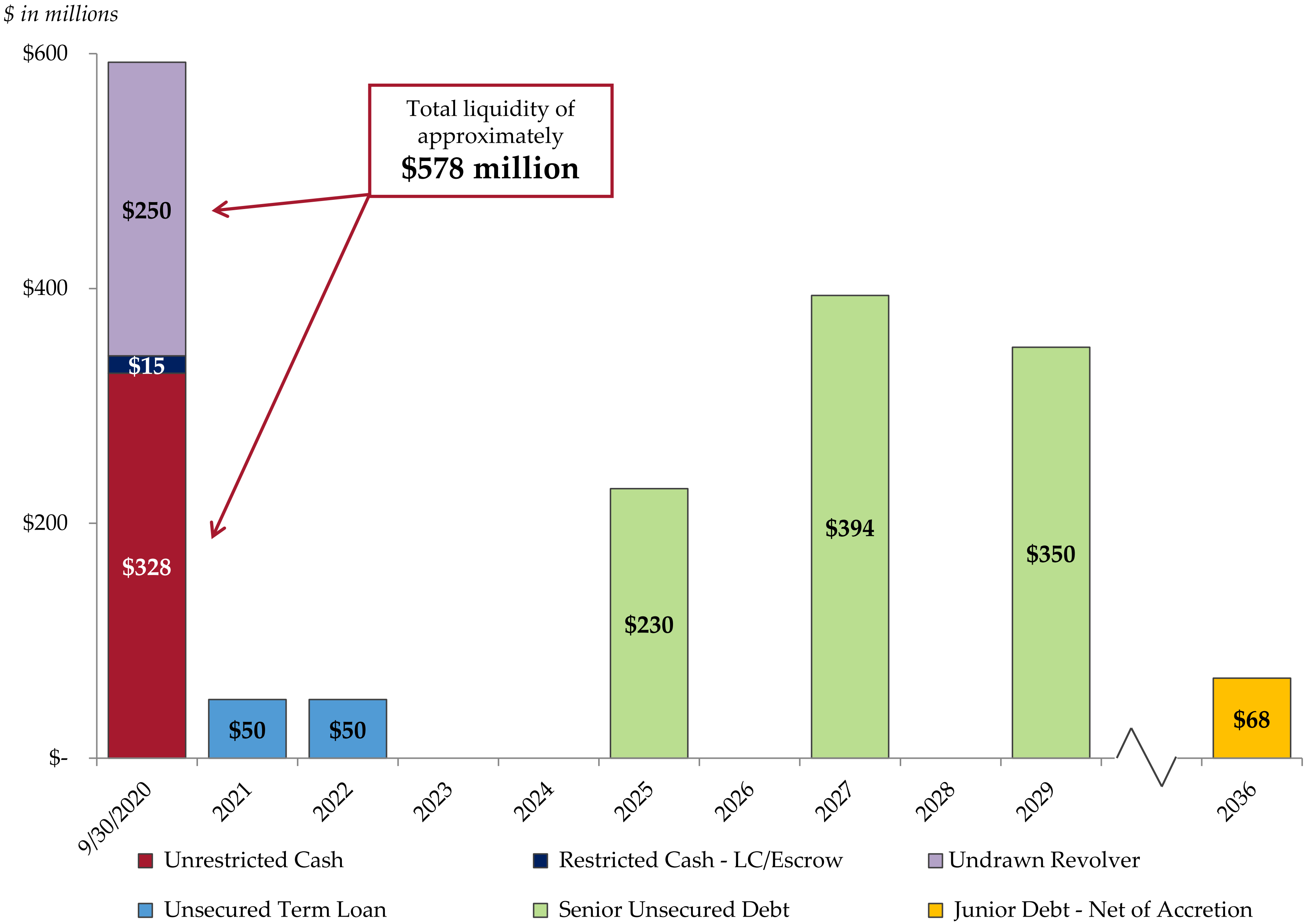
Results	Q4 FY20	YoY Change
New Home Orders	2,009	37.8%
Sales Pace	4.4	52.6%
Average Community Count	151	(9.7%)
Homebuilding Revenue ($M)	$679.1	(12.2%)
Average Selling Price ($k)	$390.9	1.8%
Closings	1,737	(13.8%)
Backlog Conversion	77.6%	(1,140 bps)
HB Gross Margin %*	21.7%	180 bps
SG&A as % of Total Revenue	11.1%	160 bps
Adjusted EBITDA** ($M)	$77.1	(6.1%)
Net Income - Cont. Ops. ($M)	$24.6	NM

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

1st Quarter Expectations

Metric	Expectations
New Home Orders	Essentially flat YOY
Community Count	Down ~15%
Closings	Relatively flat YOY
Average Selling Price	~$380k
HB Gross Margin %	Up > 150bps YOY
SG&A % of Total Revenue	Down ~50bps YOY
Adjusted EBITDA	Up > 20% YOY
Interest Amort. % of HB Revenue	Low 4.0% Range
Tax Rate	~25%
EPS	> $0.30

Liquidity & Maturities Support Growth

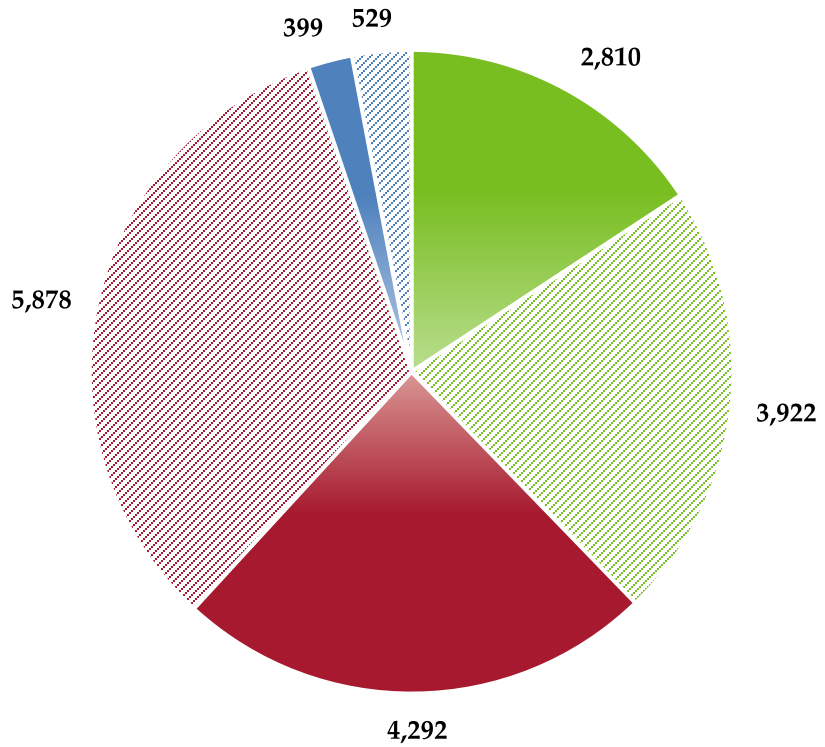


Note: Years are calendar years

Community Count Growth Coming in FY22

17,830 total controlled lots
16,902 active controlled lots

Lot Position on September 30, 2020



Immediate Availability – 38%	Near-Term Availability – 57%	Long-Term and Non-Strategic Assets – 5%
Homes Under Construction	Owned Land Under Dev	Land Held for Future Dev
Finished Lots	Lots Under Option	Property Held for Sale

Community Count Activity

Active Communities on 9/30/2020	**145**
Opening in Next ~6 Months	**+ 24**
Under Development (excluding any communities opening in N6M)	**+ 15**
Approved But Not Yet Closed (excluding any communities opening in N6M)	**+ 28**
Closing in Next ~12 Months	**(60 - 75)**

Expected trough in the 120s in Q4 FY21

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4th Quarter Wrap-up

- FY20 Achievements
  - Improved profitability
  - Increased sales pace
  - Higher backlog
- Goals For FY21
  - Generate higher EBITDA and double-digit EPS growth
  - Grow our total lot position
  - Retire $50M+ of debt
- Balanced Growth Strategy
  - Targeting double-digit ROA by growing EBITDA with a less-leveraged and more efficient balance sheet

Appendix

Q4 Results

$ in millions, except ASP

	Q4 FY19		Q4 FY20		Δ	
Profitability						
Total Revenue	$	781.7	$	686.7		(12.1%)
Adjusted EBITDA*	$	82.1	$	77.1	$	(5.0)
Net Income/Loss (Cont. Ops.)	$	2.5	$	24.6	$	22.2
Unit Activity						
Orders		1,458		2,009		37.8%
Closings		2,014		1,737		(13.8%)
Average Sales Price ($000's)	$	383.8	$	390.9		1.8%
Cancellation Rate		16.3%		12.2%		(410 bps)
Active Community Count, Avg**		168		151		(9.7%)
Sales/Community/Month		2.9		4.4		52.6%
Margins						
HB Gross Margin***		19.9%		21.7%		180 bps
SG&A (% of Total Revenue)		9.5%		11.1%		160 bps
Balance Sheet						
Unrestricted Cash	$	106.7	$	327.7	$	221.0
Land & Development Spending	$	106.3	$	116.1	$	9.8

Note: Variances are calculated using un-rounded numbers
*Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix
**Active Community Count was 166 at 9/30/2019 and 145 at 9/30/2020
***Excludes impairments, abandonments, and interest amortized to cost of sales

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FY20 Results

$ in millions, except ASP

	FY19	FY20	Δ
Profitability			
Total Revenue	$ 2,087.7	$ 2,127.1	1.9%
Adjusted EBITDA*	$ 180.2	$ 204.4	$ 24.2
Net Income/Loss (Cont. Ops.)	$ (79.4)	$ 53.3	$ 132.7
Unit Activity			
Orders	5,576	6,293	12.9%
Closings	5,500	5,492	(0.1%)
Average Sales Price ($000's)	$ 377.7	$ 385.5	2.1%
Cancellation Rate	16.1%	15.8%	(30 bps)
Active Community Count, Avg**	166	163	(1.7%)
Sales/Community/Month	2.8	3.2	14.8%
Margins			
HB Gross Margin***	19.7%	21.0%	130 bps
SG&A (% of Total Revenue)	11.6%	11.9%	30 bps
Balance Sheet			
Unrestricted Cash	$ 106.7	$ 327.7	$ 221.0
Land & Development Spending	$ 469.9	$ 440.8	$ (29.1)

Note: Variances are calculated using un-rounded numbers
*Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix
**Active Community Count was 166 at 9/30/2019 and 145 at 9/30/2020
***Excludes impairments, abandonments, and interest amortized to cost of sales

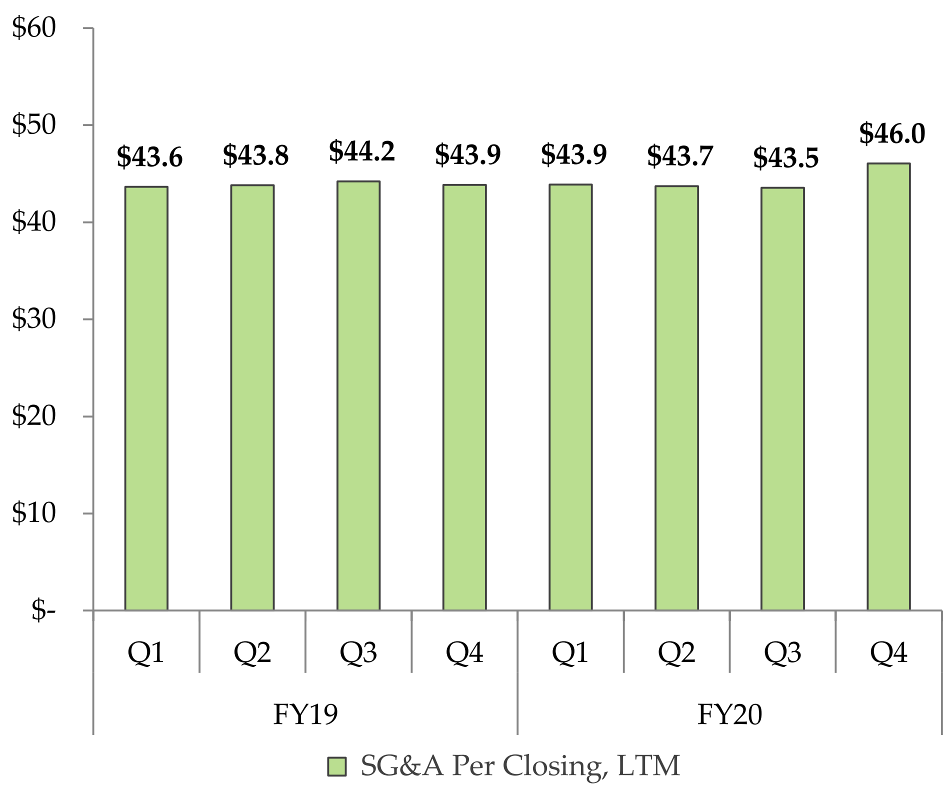
Backlog Detail

		Q4 FY19		Q4 FY20
Quarter Ending Backlog (units)		1,708		2,509
Quarter Ending Backlog ($ in millions)	$	665.1	$	995.3
ASP in Backlog ($ in thousands)	$	389.4	$	396.7
Quarter Beg. Backlog		2,264		2,237
Scheduled to Close in Future Qtrs.		(681)		(817)
Backlog Scheduled to Close in the Qtr.		1,583		1,420
Backlog Activity:				
Cancellations		(98)		(86)
Pushed to Future Quarters		(96)		(67)
Close Date Brought Forward		139		106
Sold & Closed During the Qtr		486		364
Total Closings in the Quarter		2,014		1,737
Backlog Conversion Rate		**89.0%**		**77.6%**

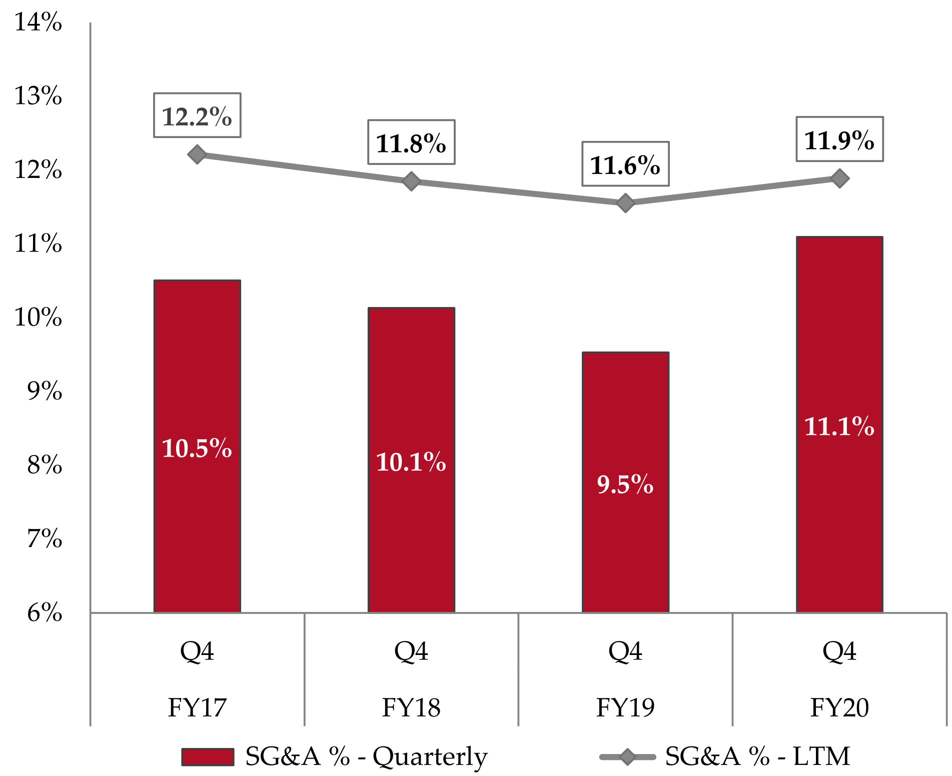
SG&A Leverage is a Priority

LTM Homebuilding
SG&A per Closing

$ in thousands



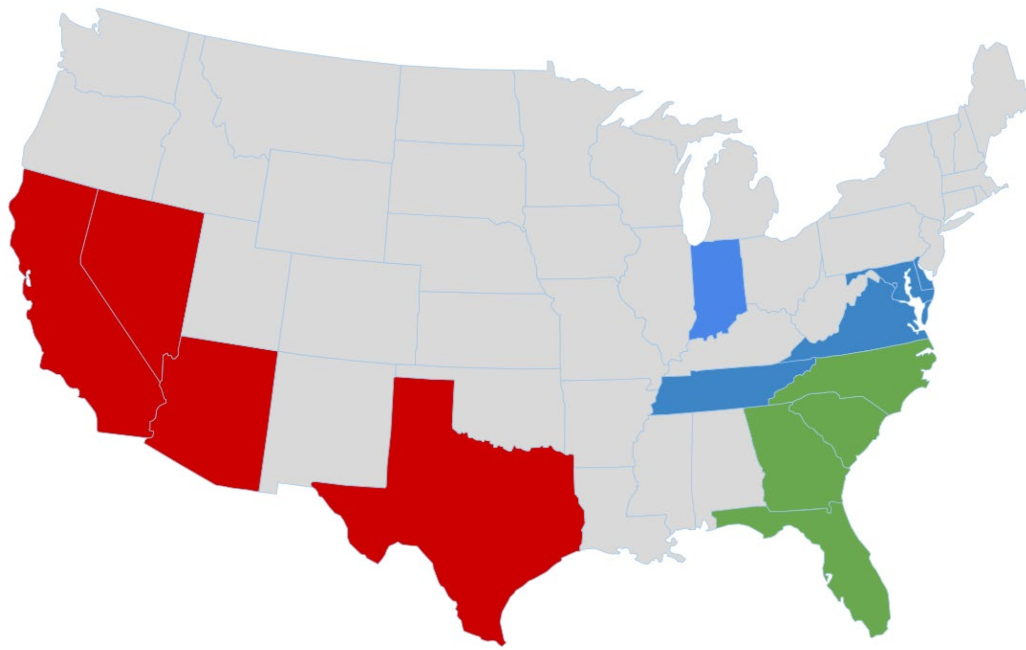
SG&A Leverage
% of Total Revenue



Note: Q4 FY17 SG&A % - LTM excludes a $2.7 million write-off of a legacy investment in a development site from Q1 FY17

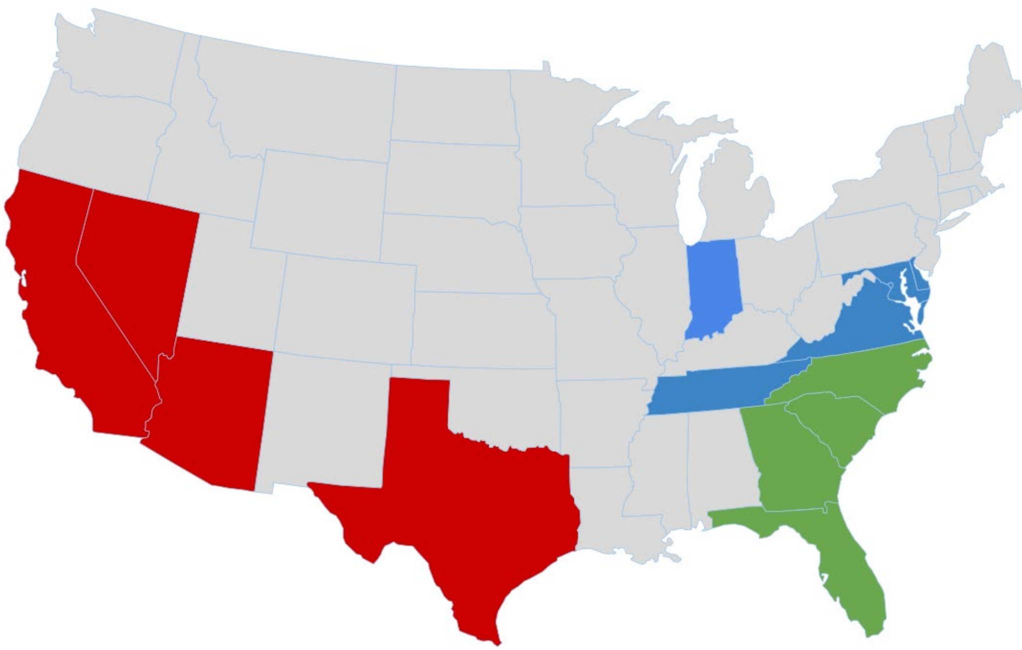
ASP Up in Most Markets

	Q4 FY19 ASP	Q4 FY20 ASP	Change in ASP ($)	Change in ASP (%)	Q4 FY19 Closings	Q4 FY20 Closings	Change in Mix
West	$363k	$371k	$8k	2.3%	48.6%	55.2%	6.6%
East	$465k	$453k	$-12k	-2.5%	22.1%	22.9%	0.8%
Southeast	$357k	$376k	$19k	5.2%	29.3%	21.9%	-7.4%



Gross Margin Up Across Geographic Segments

	Q4 FY19 GM%	Q4 FY20 GM%	Change in GM%	Q4 FY19 Closings	Q4 FY20 Closings	Change in Mix
West	21.4%	23.4%	200 bps	48.6%	55.2%	6.6%
East	20.9%	22.6%	170 bps	22.1%	22.9%	0.8%
Southeast	19.4%	21.0%	160 bps	29.3%	21.9%	-7.4%



Note: Segment gross margin excludes required capitalization of indirects, impairments and interest amortized to cost of sales

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Adjusted EBITDA Reconciliation

($ in thousands)	Quarter Ended September 30, 2020	2019	20 vs 19	Fiscal Year Ended September 30, 2020	2019	20 vs 19
Net income (loss)	$ 23,678	$2,429	$ 21,249	$ 52,226	$ (79,520)	$ 131,746
Expense (benefit) from income taxes	8,764	7,034	1,730	17,664	(37,245)	54,909
Interest amortized to home construction and land sales expenses and capitalized interest impaired	30,727	37,415	(6,688)	95,662	108,941	(13,279)
Interest expense not qualified for capitalization	2,095	1,309	786	8,468	3,109	5,359
EBIT	**65,264**	**48,187**	**17,077**	**174,020**	**(4,715)**	**178,735**
Depreciation and amortization	4,806	5,847	(1,041)	15,640	14,759	881
EBITDA	**70,070**	**54,034**	**16,036**	**189,660**	**10,044**	**179,616**
Stock-based compensation expense	5,167	2,533	2,634	10,036	10,526	(490)
Loss on extinguishment of debt	-	25,494	(25,494)	-	24,920	(24,920)
Inventory impairments and abandonments (a)	637	-	637	2,111	134,711	(132,600)
Litigation settlement in discontinued operations	1,260	-	1,260	1,260	-	1,260
Restructuring and severance expenses	(44)	-	(44)	1,317	-	1,317
Adjusted EBITDA	**$ 77,090**	**$ 82,061**	**$ (4,971)**	**$ 204,384**	**$ 180,201**	**$ 24,183**

(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."

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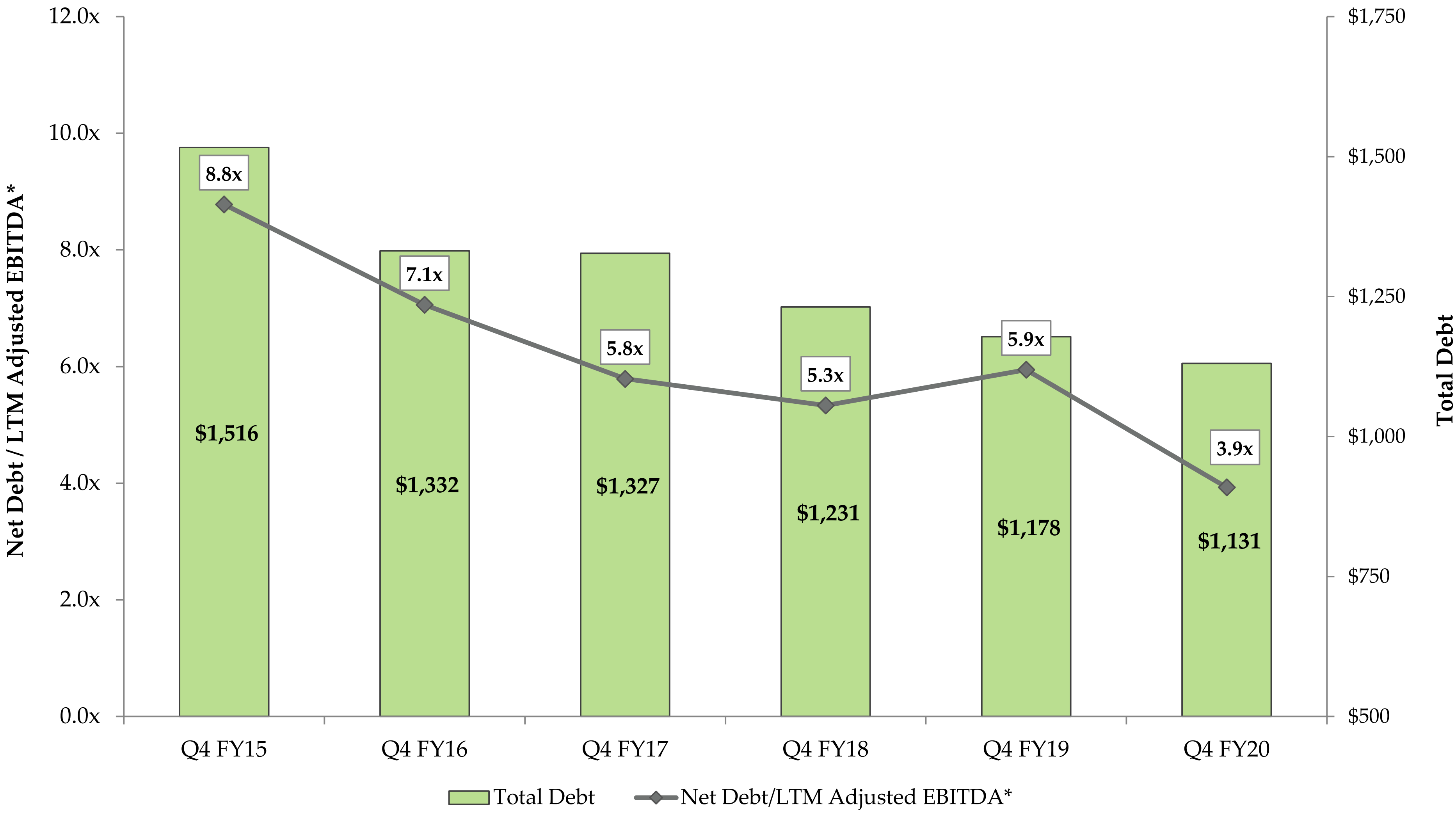
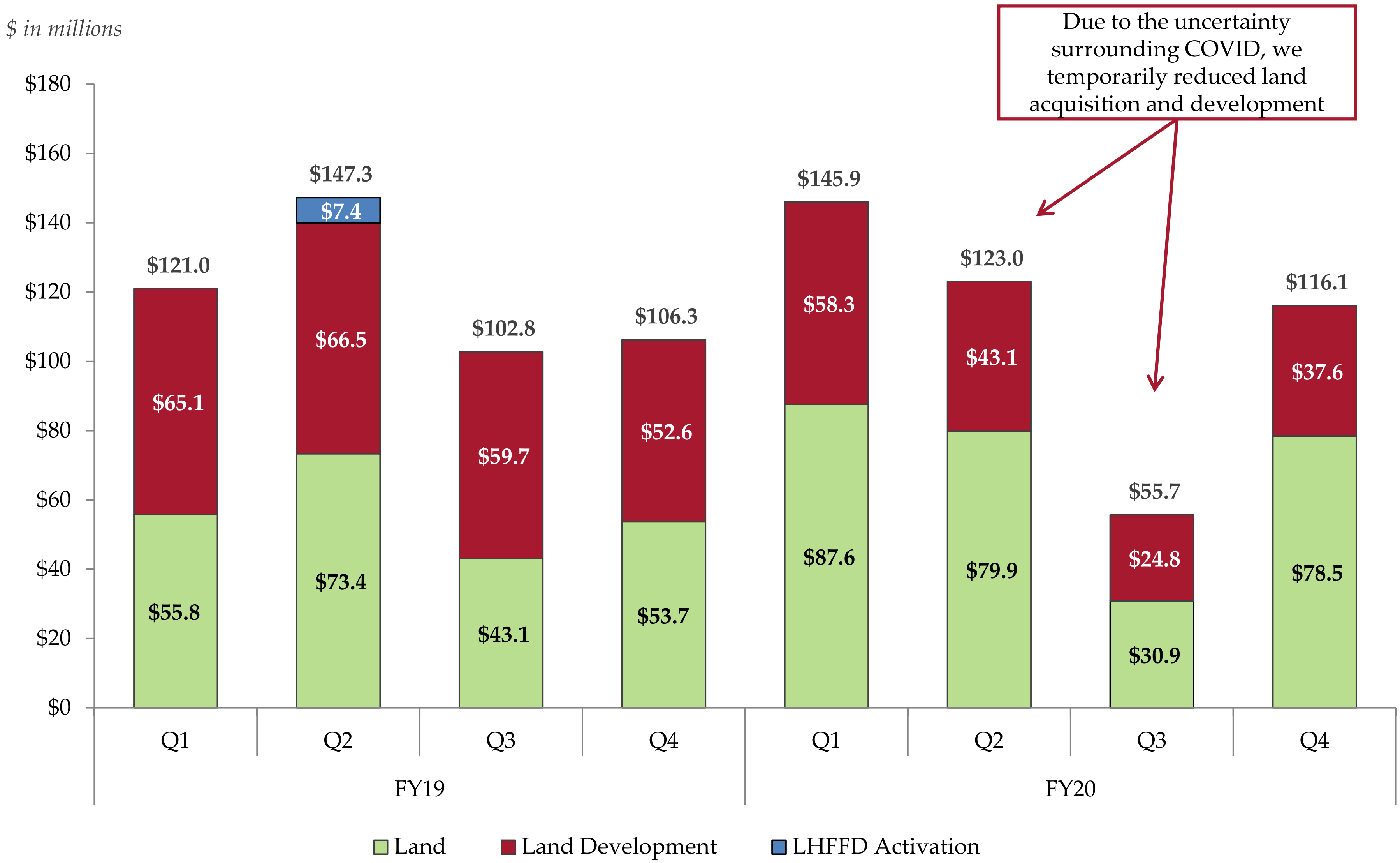
Improving Financial Leverage

$ in millions



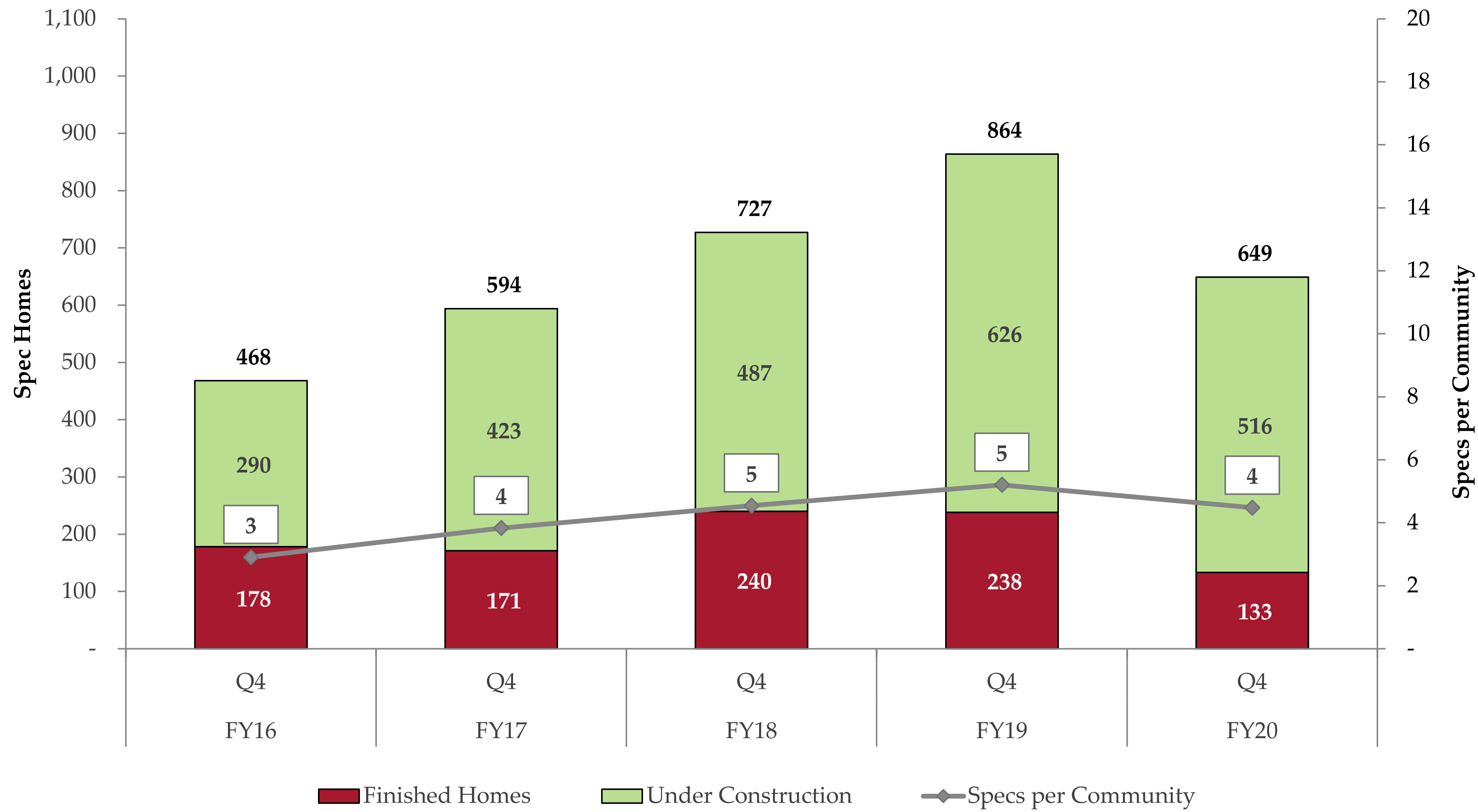
*Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix.

Quarterly Land Spend



Note: Totals may not foot due to rounding

Sales Pace Impacts Specs



Note: Spec count as of each quarter-end, includes Gatherings

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Deferred Tax Assets - Summary

($ in millions)	September 30, 2019	September 30, 2020
Deferred Tax Assets	$ 285.4	$ 264.3
Valuation Allowance	(38.5)	(39.2)
Net Deferred Tax Assets	$ 247.0	$ 225.1

As of September 30, 2020, 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 2019 conclusion. Valuation allowance of $39.2 million as of September 30, 2020 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 Form 10-K for additional detail.