Beazer Homes USA, Inc.
Q3 2021 Earnings Presentation

Lochmar
Cumming, GA

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) 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 no control; (x) 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; (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) increases in corporate tax rates; (xvi) 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; (xvii) the results of litigation or government proceedings and fulfillment of any related obligations; (xviii) the impact of construction defect and home warranty claims; (xix) the cost and availability of insurance and surety bonds, as well as the sufficiency of these instruments to cover potential losses incurred; (xx) the impact of information technology failures, cybersecurity issues or data security breaches; or (xxi) 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 P. Merrill	Chairman & Chief Executive Officer
David I. Goldberg	Sr. Vice President & Chief Financial Officer

3rd Quarter Highlights

Balanced Growth Strategy: Increase returns by growing EBITDA faster than revenue, from a more efficient and less leveraged balance sheet

Operating Margin Up	✓
Adjusted EBITDA Up	✓
Net Income Up	✓
Increased Lot Position	✓
Debt Reduction	✓

The Beazer Difference

- We are positioned to benefit from the supportive macro backdrop given our focus on delivering **Extraordinary Value at an Affordable Price**

- Our value proposition is supported by our three key points of differentiation:

MORTGAGE **CHOICE**	Choice Plans™	**SURPRISING PERFORMANCE**
Compare loan estimates from multiple high-quality lenders	Structural floor plan options to personalize primary living areas at no additional charge	Exceeding ENERGY STAR® standards for more quality and more comfort in every home

Targeting Double-Digit EPS Growth in FY22

>1,500
FY22 Closings in Backlog

<11%
FY22 SG&A Leverage

>$5M
FY22 GAAP Interest Savings

>10%
EPS Growth In FY22

Gatherings & Charity Title

- Actively selling or under construction in Atlanta, Dallas, Houston, Nashville & Orlando and returning to the Mid-Atlantic in FY22

- Charity Title expected to cover 2/3 of total closing volume in FY22
- Projected to generate sufficient profits to donate over $1M to charity on a full-year run rate basis

CHARITY TITLE AGENCY
100% OF PROFITS TO CHARITY

3rd Quarter Results

Balanced Growth

Results	Q3 FY21	YoY Change
New Home Orders	1,199	(12.6%)
Sales Pace	3.2	18.6%
Average Community Count	123	(26.3%)
Homebuilding Revenue ($M)	**$566.9**	**6.5%**
Closings	1,378	0.9%
Average Selling Price ($k)	$411.4	5.5%
HB Gross Margin % [(a)]	24.2%	300 bps
SG&A as % of Total Revenue	11.1%	(60 bps)
Adjusted EBITDA ($M) [(b)]	**$78.8**	**45.9%**
Interest Amort. % of HB Revenue	4.0%	(10 bps)
Net Income - Cont. Ops. ($M)	**$37.1**	**143.2%**

Net Debt / Net Capitalization	52.7%	(1,180 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

Raising Full Year FY21 Expectations Again

Metric	Expectations
Full Year FY21 - Adjusted EBITDA	>$250M
EPS	**≥$3.25**
Return on Average Equity	~15%
Return on Average Equity ex. DTA[a]	**~22%**
Debt Repurchases	>$80M

[a] Calculated as Projected Net Income / (Projected Average Equity – Projected Average DTA)
Details on current DTA value are included on the "Deferred Tax Assets - Summary" slide in the appendix

4th Quarter Expectations

Metric	Expectations
Sales Pace	>3.0
Backlog Conversion	Mid 40%
Average Selling Price	**>$410k**
HB Gross Margin %	**Up >100 bps**
SG&A (absolute $)	Down ~10%
Interest Amort. % of HB Revenue	<4%
Tax Rate	~25%
EPS	**Up >20%**
Debt Repurchases	>$55M

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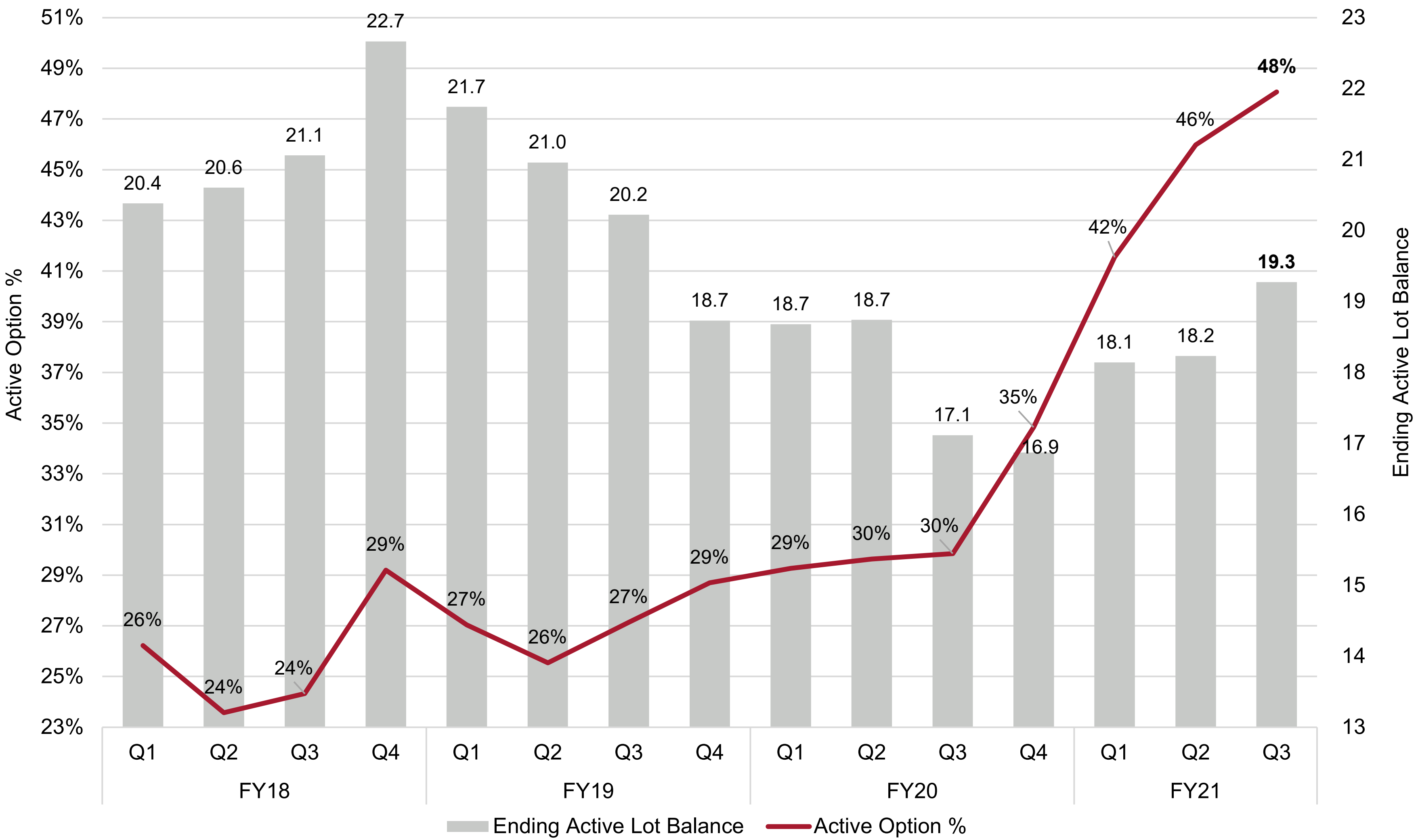
Active Lot Balance Continuing to Grow

in thousands



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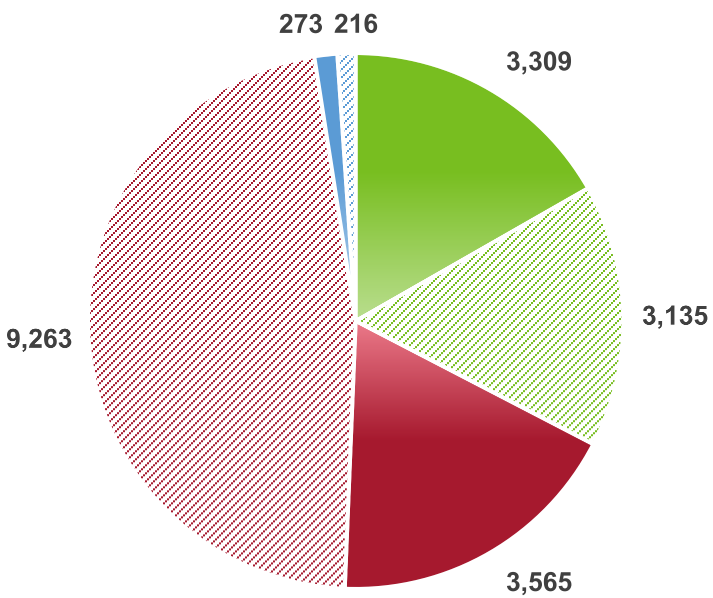
Community Count Growth Coming in FY22

19,761 total controlled lots
19,272 active controlled lots

Lot Position as of June 30, 2021



Immediate Availability – 33%
- Homes Under Construction
- Finished Lots

Near-Term Availability – 65%
- Owned Land Under Dev
- Lots Under Option

Long-Term and Non-Strategic Assets – 2%
- Land Held for Future Dev
- Property Held for Sale

Community Count Activity

Active Communities on 6/30/2021	120
Opening in Next ~6 Months	~+10
Under Development (excluding any communities opening in N6M)	~+35
Approved But Not Yet Closed (excluding any communities opening in N6M)	~+60
Closing in Next ~12 Months	(45 - 60)

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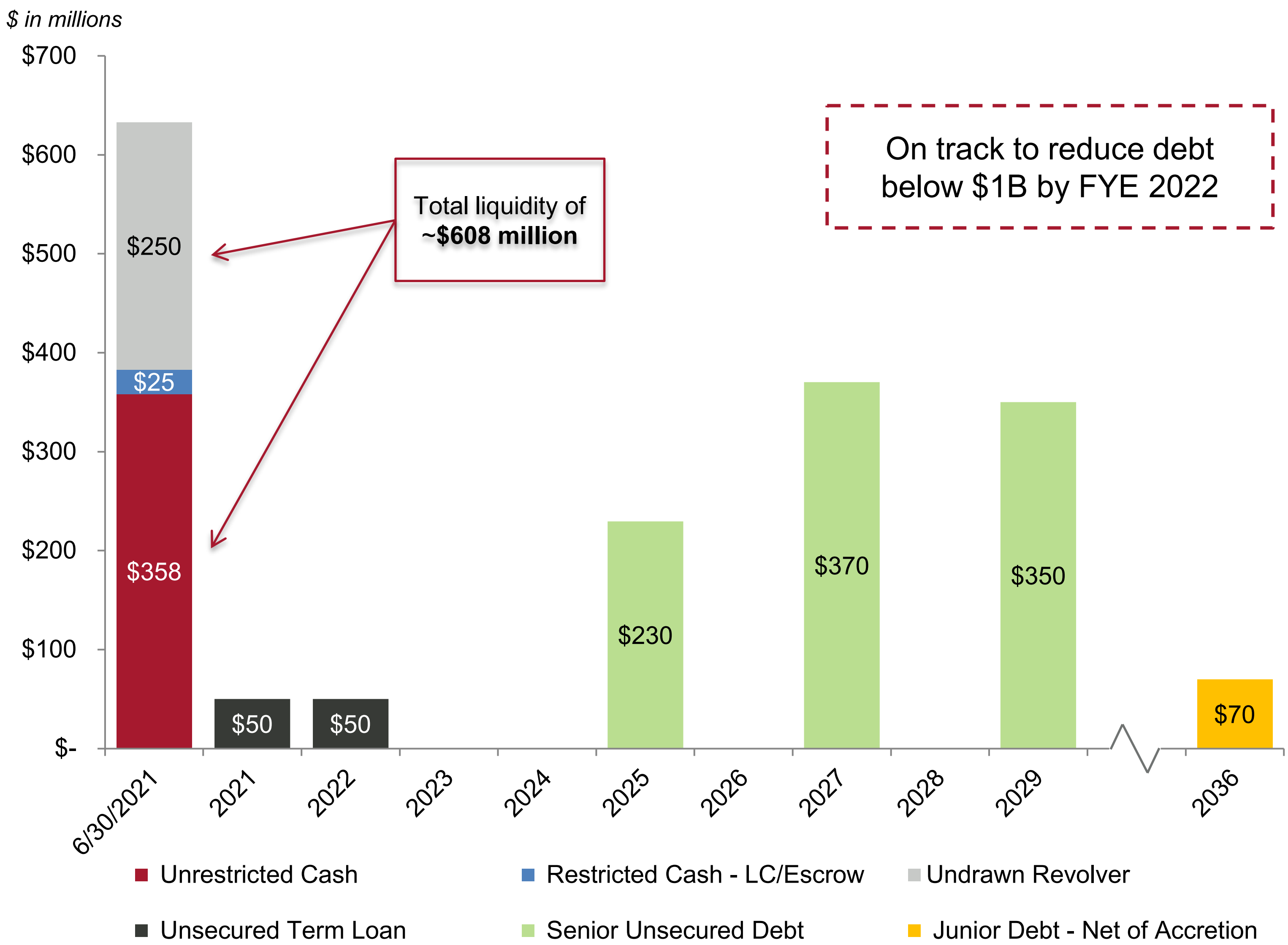
Liquidity Supports Balanced Growth Strategy



Wrap-up

Last 5 Years[a]

EBITDA Growth
>60% increase

ROA Growth
>500bps improvement

Debt Reduction
>$300M

Future Focus

EPS Growth
>10% in FY22

Investing for the Future

ESG Leadership

[a] Q3 2016 LTM – Q3 2021 LTM

Appendix

ESG Accomplishments and Goals

	Recent Accomplishments	Goals
E	Energy Star Partner of the Year for the 6th consecutive year ENERGY STAR AWARD 2021 PARTNER OF THE YEAR	Net Zero Energy Ready by 2025 ZERO NET READY
S	• Creation of Charity Title Agency • Fisher House Foundation • Unlimited Flex Time Off CHARITY TITLE AGENCY 100% OF PROFITS TO CHARITY	• Significant improvement in candidate diversity • Expansion of Charity Title Agency • Surpass \$1M in total donations to Fisher House Foundation in 2021 2021 Million Beazer Homes for Fisher House Foundation

G

- We receive high marks for our governance structure and practices
- We recently added two new independent directors, each of whom has enhanced the Board's overall capabilities and expertise, while at the same time maintaining an appropriate mix of tenure, experience and diversity

Q3 Results

$ in millions (except ASP)

	Q3 FY21	Q3 FY20	Δ
Profitability			
Total Revenue	$ 570.9	$ 533.1	7.1 %
Adjusted EBITDA [(a)]	$ 78.8	$ 54.0	$ 24.8
Net Income - Cont. Ops.	$ 37.1	$ 15.3	$ 21.9
Unit Activity			
New Home Orders	1,199	1,372	(12.6%)
Closings	1,378	1,366	0.9 %
Average Selling Price ($k)	$ 411.4	$ 389.8	5.5 %
Cancellation Rate	10.9 %	21.1%	(1,020 bps)
Active Community Count, Avg [(b)]	123	167	(26.3%)
Sales Pace	3.2	2.7	18.6 %
Margins			
HB Gross Margin % [(c)]	24.2 %	21.2 %	300 bps
SG&A as % of Total Revenue	11.1 %	11.7 %	(60 bps)
Balance Sheet			
Unrestricted Cash	$ 358.3	$ 152.3	$ 206.0
Land & Development Spend	$ 143.0	$ 55.7	$ 87.3

[(a)] Details are included on the “Adjusted EBITDA Reconciliation” slide in the appendix
[(b)] Active Community Count was 120 at 6/30/2021 and 164 at 6/30/2020
[(c)] Excludes impairments, abandonments, and interest amortized to cost of sales

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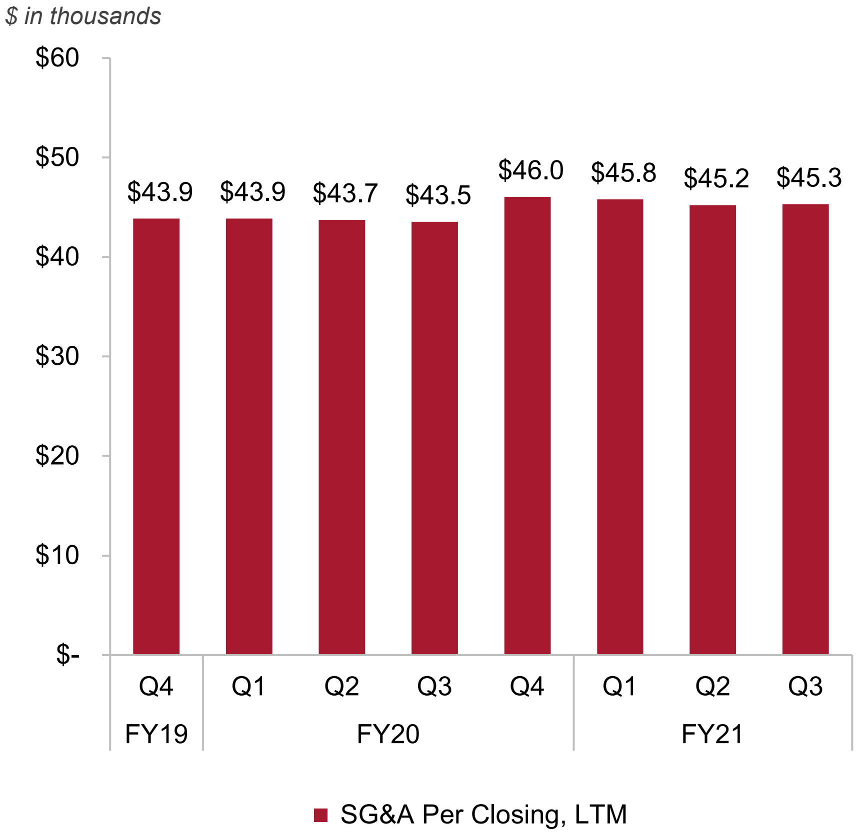
Backlog Detail

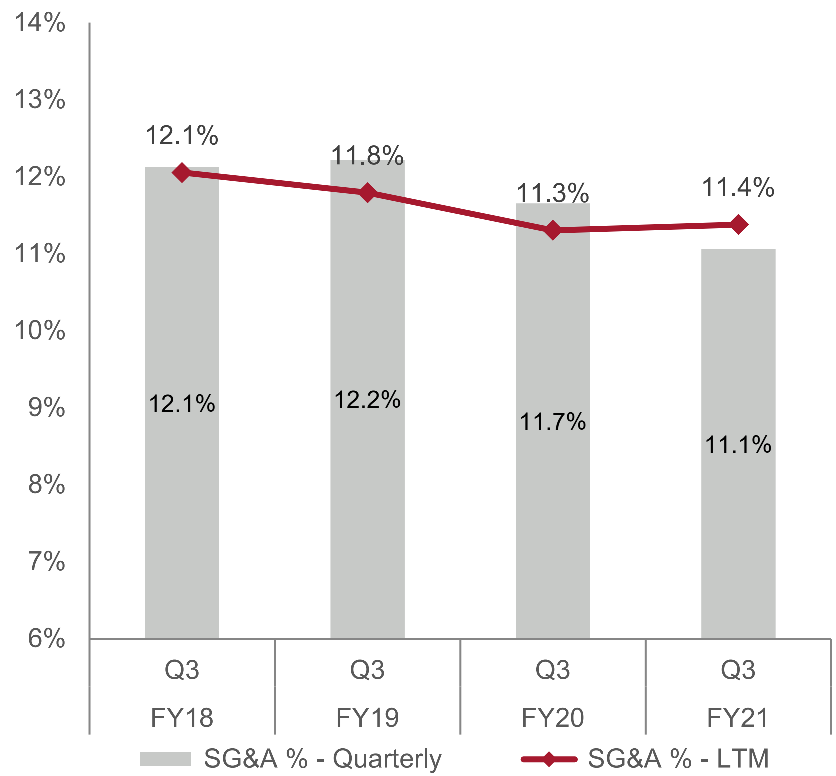
	Q3 FY21	Q3 FY20
Quarter Ending Backlog (units)	3,124	2,237
Quarter Ending Backlog ($ in millions)	$ 1,354.6	$ 884.9
ASP in Backlog ($ in thousands)	$ 433.6	$ 395.6
Quarter Beg. Backlog	3,303	2,231
Scheduled to Close in Future Qtrs.	(1,780)	(1,100)
Backlog Scheduled to Close in the Qtr.	1,523	1,131
Backlog Activity:		
Cancellations	(43)	(124)
Pushed to Future Qtrs.	(263)	(75)
Close Date Brought Forward	51	94
Sold & Closed During the Qtr.	110	340
Total Closings in the Quarter	1,378	1,366
Backlog Conversion Rate	**41.7%**	**61.2%**

Improving SG&A Leverage is a Priority

SG&A per Closing
LTM Homebuilding



SG&A Leverage
% of Total Revenue



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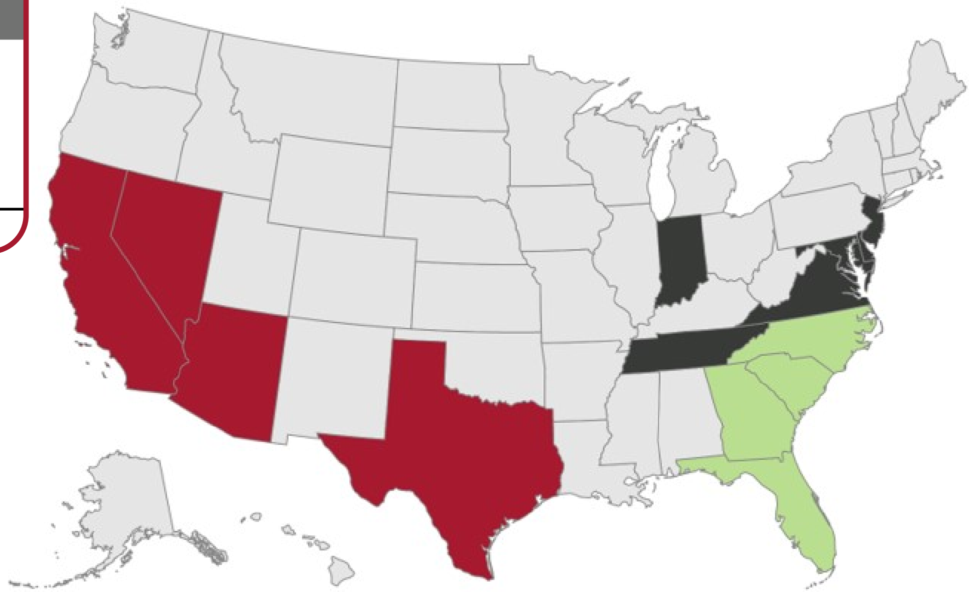
Geographic Mix Impacts ASP & Margins

	Q3 FY21 ASP	Q3 FY20 ASP	Change in ASP ($)	Change in ASP (%)	Q3 FY21 Closings	Q3 FY20 Closings	Change in Mix
West	$385k	$371k	$14k	4.0%	55.5%	60.0%	(4.5%)
East	$486k	$492k	-$6k	(1.1%)	23.9%	16.1%	7.8%
Southeast	$395k	$370k	$25k	6.8%	20.5%	23.9%	(3.4%)

	Q3 FY21 GM%[a]	Q3 FY20 GM%[a]	Change in GM%
West	25.5%	22.2%	330 bps
East	23.9%	20.3%	360 bps
Southeast	22.9%	20.2%	270 bps

- Gross margins were higher across our footprint



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

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Adjusted EBITDA Reconciliation

(In thousands)	Three Months Ended June 30, 2021	2020	21 vs 20	LTM Ended June 30, 2021	2020	21 vs 20
Net income	**$ 37,135**	$ 15,188	$ 21,947	**$ 97,338**	$ 30,977	$ 66,361
Expense from income taxes	**10,801**	4,958	5,843	**31,351**	15,934	15,417
Interest amortized to home construction and land sales expenses and capitalized interest impaired	**22,529**	22,606	(77)	**96,179**	102,350	(6,171)
Interest expense not qualified for capitalization	**212**	3,003	(2,791)	**4,876**	7,682	(2,806)
EBIT	**70,677**	45,755	24,922	**229,744**	156,943	72,801
Depreciation and amortization	**3,689**	3,780	(91)	**15,300**	16,681	(1,381)
EBITDA	**74,366**	49,535	24,831	**245,044**	173,624	71,420
Stock-based compensation expense	**3,194**	1,659	1,535	**14,421**	7,402	7,019
Loss on extinguishment of debt	**1,050**	—	1,050	**1,613**	25,494	(23,881)
Inventory impairments and abandonments [(a)]	**231**	1,474	(1,243)	**1,333**	1,474	(141)
Restructuring and severance expenses	**—**	1,361	(1,361)	**(54)**	1,361	(1,415)
Litigation settlement in discontinued operations	**—**	—	—	**1,380**	—	1,380
Adjusted EBITDA	**$ 78,841**	$ 54,029	$ 24,812	**$ 263,737**	$ 209,355	$ 54,382

[(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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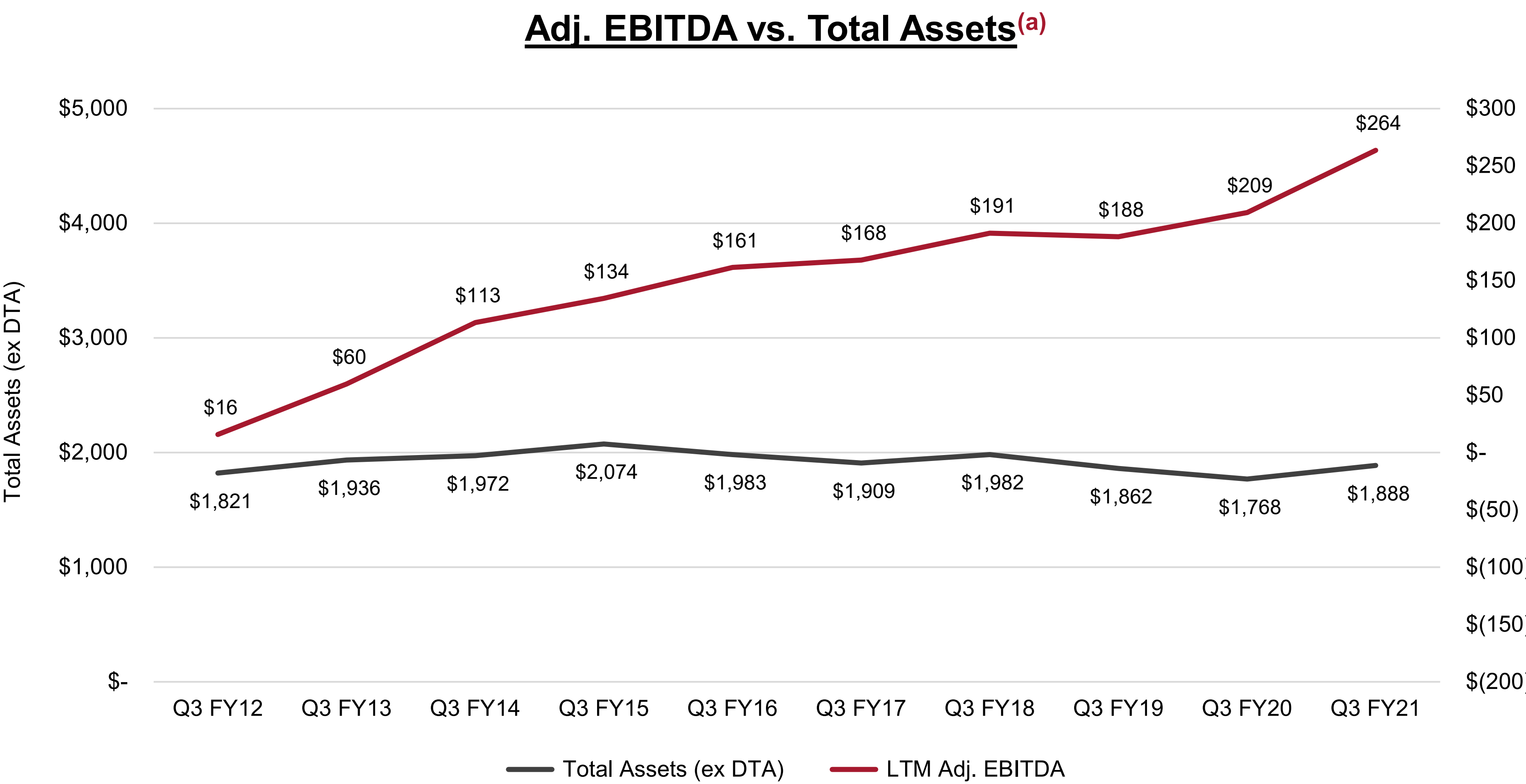
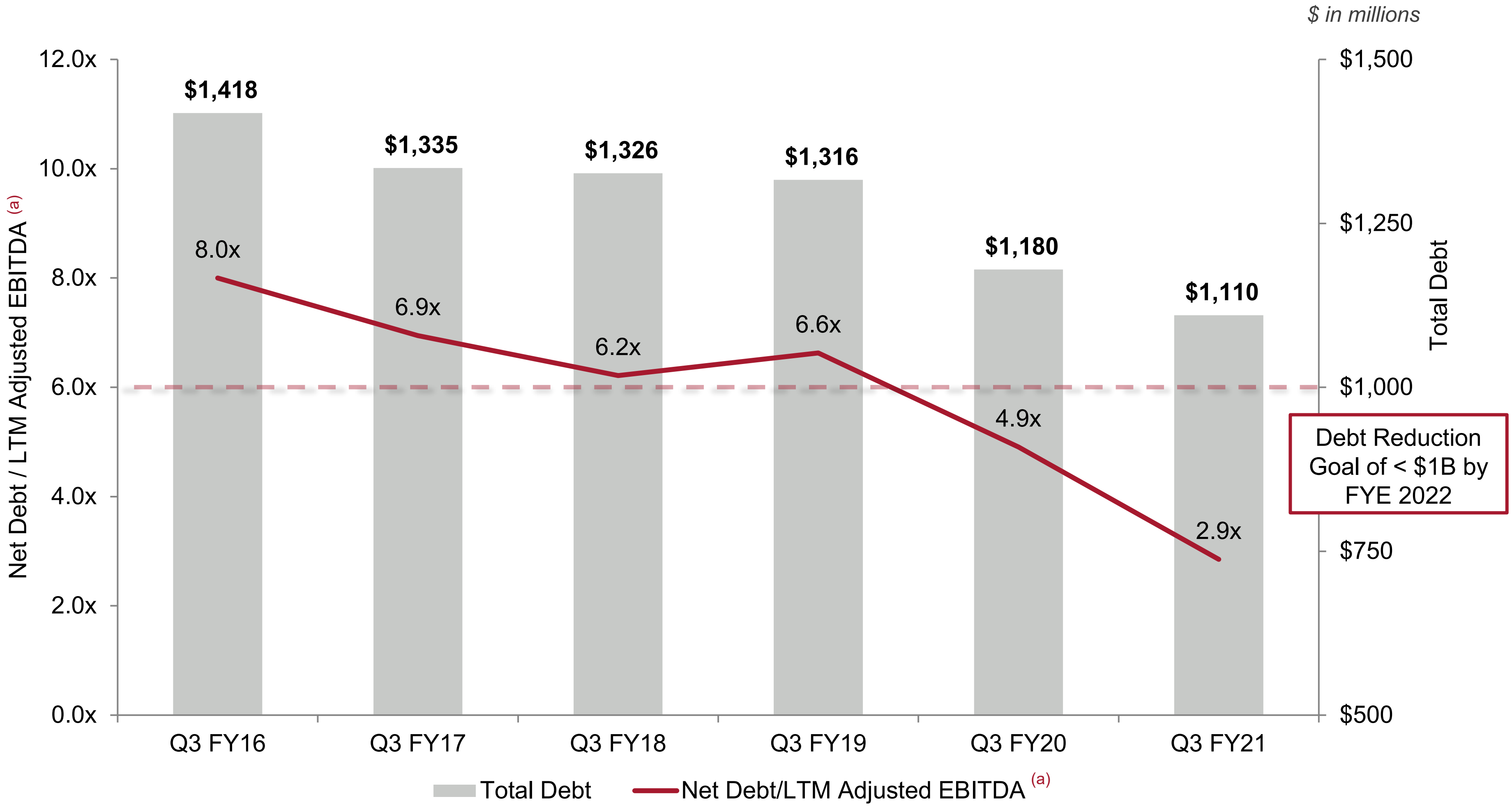
Significant EBITDA Growth



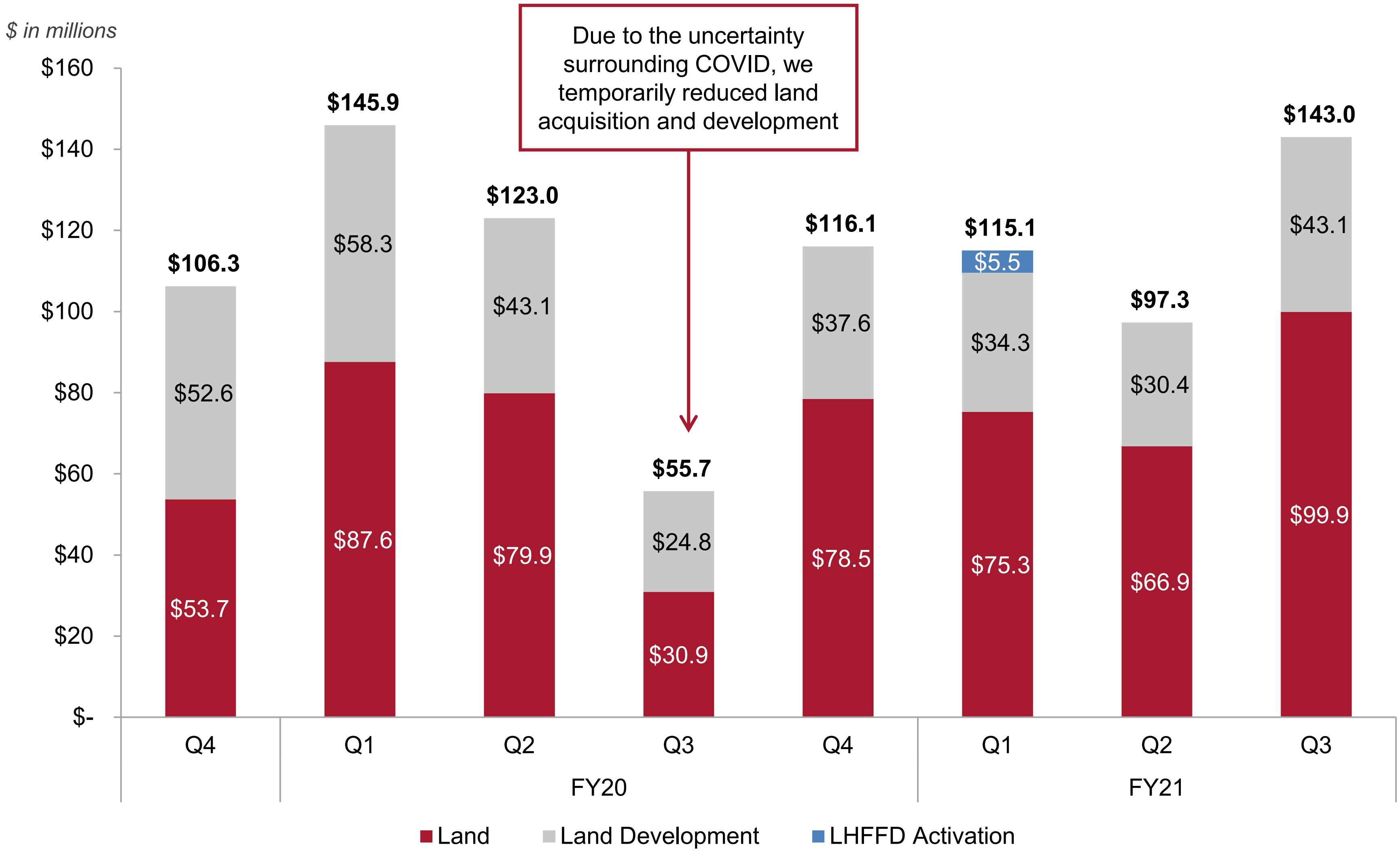
[a] Total Assets is end of period Assets excluding Deferred Tax Assets. Amounts presented for FY12 through FY15 have been impacted by the reclassification of debt issuance costs required by Accounting Standards Update 2015-03. The debt issuance costs reclassified for FY12, FY13, FY14, FY15 and FY16 amounted to $14.8 million, $16.8 million, $16.7 million, $15.8 million, and $10.9 million, respectively.

Improving Financial Leverage



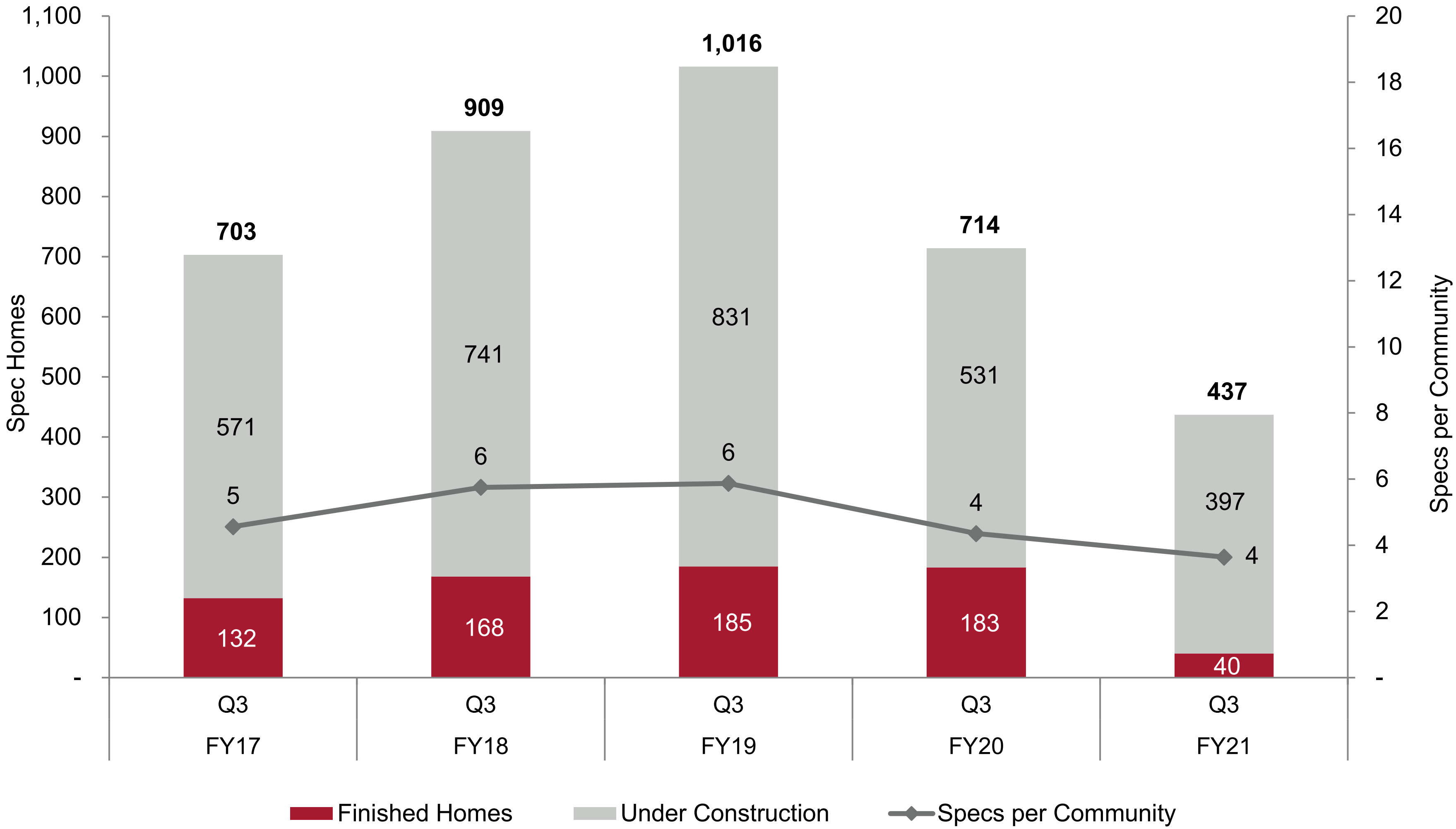
(a) Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix

Land Spend Accelerating



Note: Totals may not foot due to rounding

Higher Sales Pace Reduces Specs



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

Deferred Tax Assets - Summary

($ in millions)	June 30, 2021		June 30, 2020	
Deferred Tax Assets	$	243.9	$	272.5
Valuation Allowance	$	(39.2)	$	(38.5)
Net Deferred Tax Assets	**$**	**204.7**	**$**	**234.0**

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