Beazer Homes USA, Inc.
Q4 2019 Earnings Presentation

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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) 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) 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; (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) 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; (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, changes in tax laws or otherwise regarding the deductibility of mortgage interest expenses and real estate taxes or an increased number of foreclosures; (viii) our allocation of capital and the 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 reduction in our 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; (xi) our ability to continue to execute and complete our capital allocation plans, including our share and debt repurchase programs; (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; (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; (xxi) terrorist acts, natural disasters, acts of war or other factors over which the Company has little or no control; or (xxii) 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 -	**Chairman & Chief Executive Officer**
Bob Salomon -	**EVP & Chief Financial Officer**
David Goldberg -	**Vice President, Treasurer**

Fiscal 2019 Highlights

New Home Orders Up	✓
Backlog Up	✓
Community Count Up	✓
Customer Satisfaction Scores Up	✓
Returned Significant Capital to Investors	✓

Strategic Goals for FY20

Balanced Growth:

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

Growing EBITDA

- Higher community count achieved in FY19
- Gross margin expansion
- Overhead leverage

Balance Sheet Efficiency

- Former LHFFD contributing earnings
- Shorter duration communities
- More land options

Reduce Leverage

- > $50 million reduction in FY20
- Target debt below $1 billion

2020 GOALS:

> 10% EBITDA Growth

> 10% ROA

Net Debt / EBITDA: < 5x

4th Quarter Results

Results	Q4 FY19	YoY Change
New Home Orders	1,458	+ 11.7%
Sales Pace	2.9	+ 7.7%
Average Community Count	168	+ 3.7%
Homebuilding Revenue ($M)	$773.0	+ 1.5%
Average Selling Price ($k)	$383.8	+ 3.0%
Closings	2,014	(1.5%)
Backlog Conversion	89.0%	+ 280 bps
HB Gross Margin %*	19.9%	(170 bps)
SG&A as % of Total Revenue	9.5%	(60 bps)
Adjusted EBITDA** ($M)	$82.1	(8.9%)
Net Income - Cont. Ops. ($M)	$2.5	N/A

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

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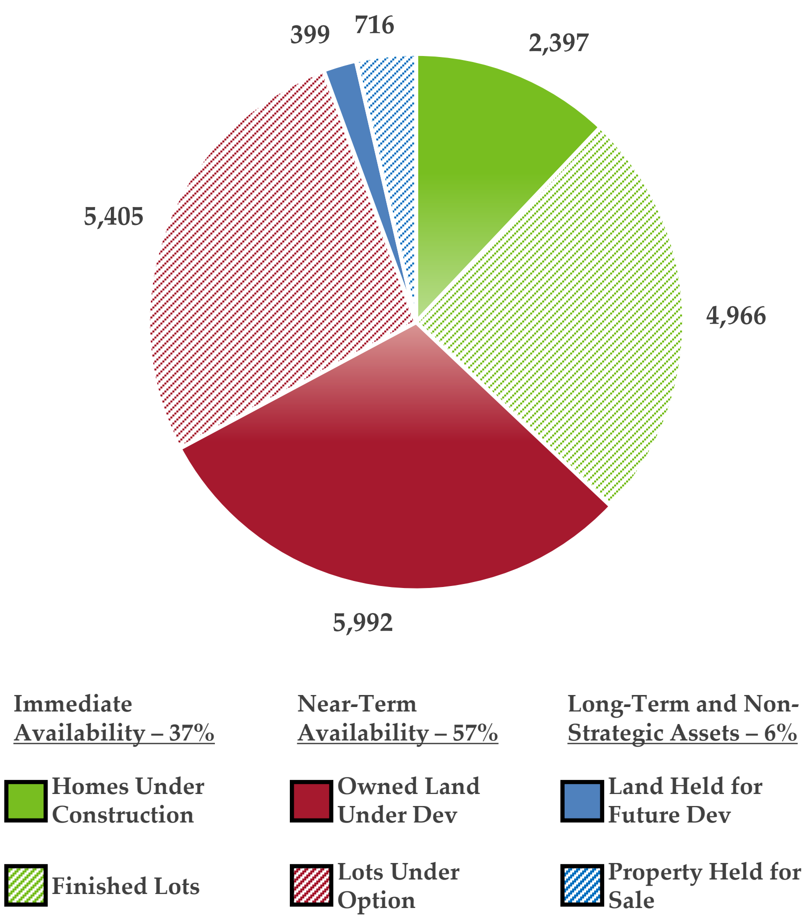
1st Quarter Expectations

Metric	Q1 FY20
New Home Orders	Up 10% + YoY
Closings	Roughly flat YoY
Average Selling Price	Mid $370k
HB Gross Margin %	19.5% - 20.0%
SG&A Expense (% of Total Rev.)	Roughly flat YoY
Interest Expense	~ $20M
Income Tax Rate	~26%
Cash Land Spend	Approx. $150M; Up YoY

Lot Position Enables Future Growth

19,875 total controlled lots
18,760 active lots

Lot Position at September 30, 2019



Community Count Activity

Active Communities at 9/30/2019	**166**
Opening in Next ~6 Months	+ 33
Under Development (excluding any communities opening in N6M)	+ 14
Approved But Not Yet Closed (excluding any communities opening in N6M)	+ 37
Closing in Next ~12 Months	(55 - 75)

Capital Allocation & Capital Markets Activity

Total Land Spend:
~$470 million

- Developing ~10,000 lots
- Acquired ~1,700 lots
- Optioned ~1,200 lots
- 3.4 years of total supply

Debt Reduction:
~$51 million

2022 Refinancing:
$500 million

- Reduced total debt
- Extended maturities
- Reduces annual cash interest expense by $15M
- Increases EPS

Share Repurchases:
~$35 million

- Increased Book Value per Share
- Increases EPS
- Improves ROE

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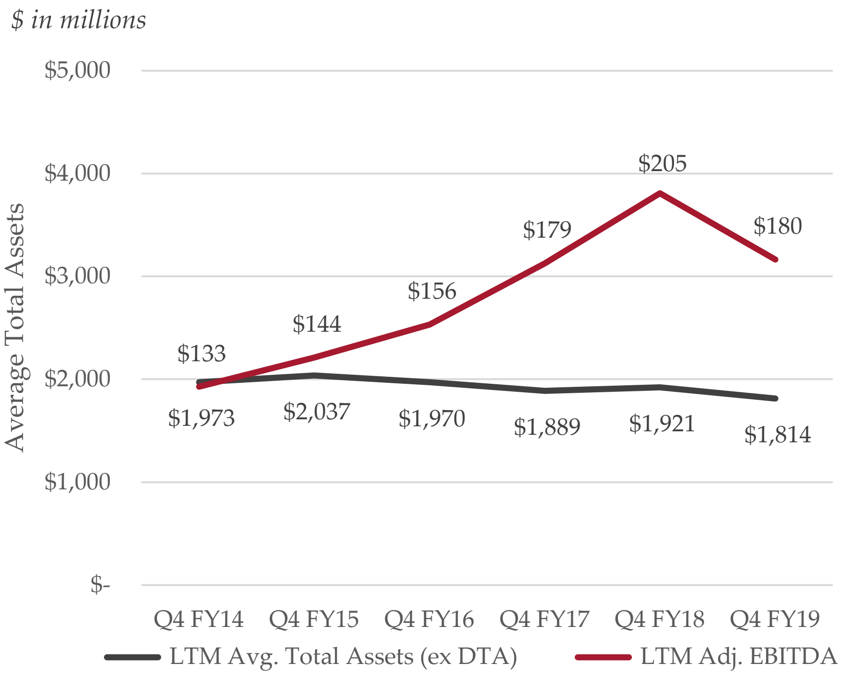
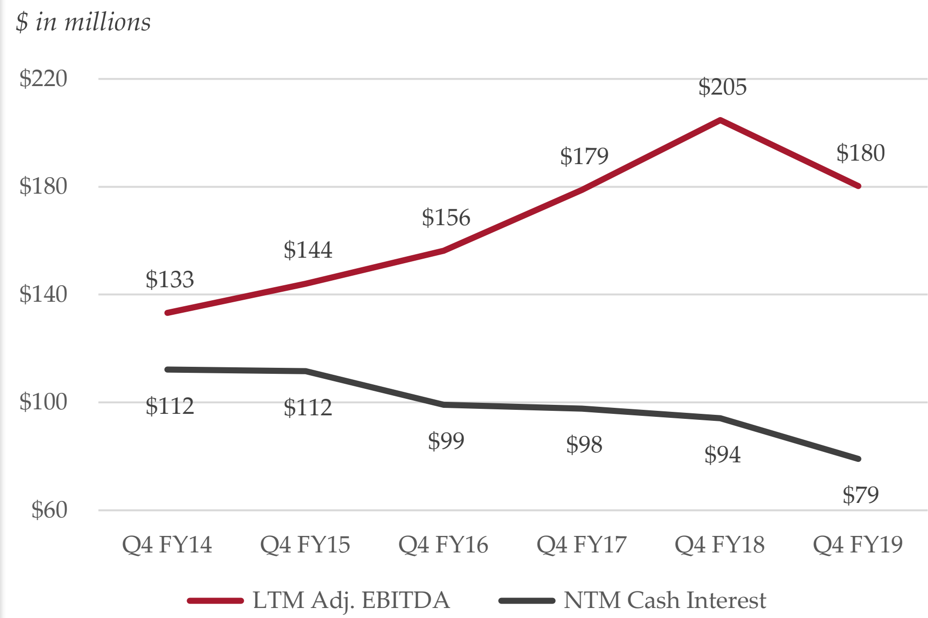
Balance Sheet Efficiency & Deleveraging

Adj. EBITDA* vs. Avg. Total Assets**

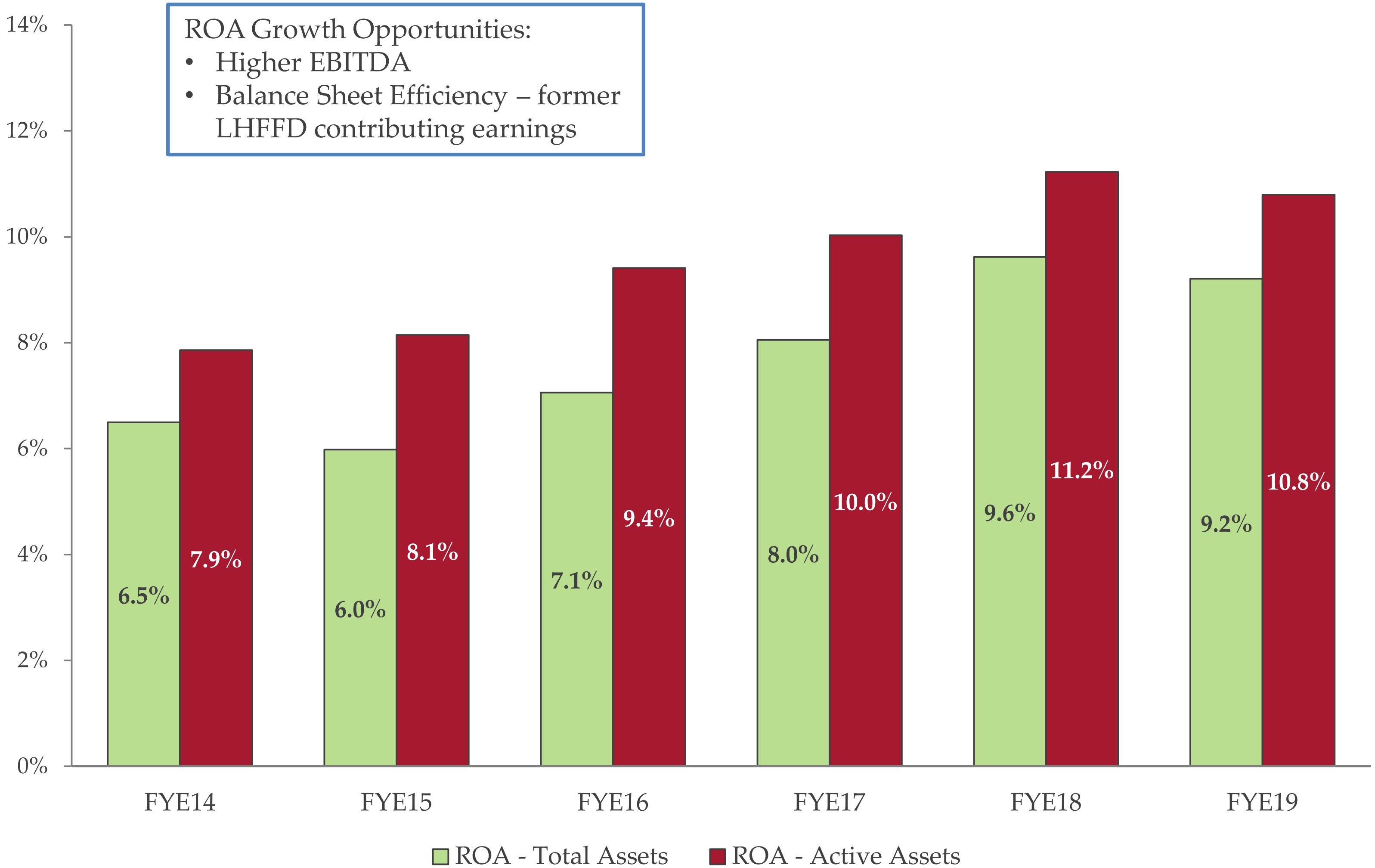


Adj. EBITDA* vs. NTM Cash Interest***



*Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix
**LTM Average Total Assets is calculated excluding the Deferred Income Tax Asset
***NTM Cash Interest Expense is expected cash interest due for the following 12-month period assuming principal balances and interest rates remain fixed at their end of period position

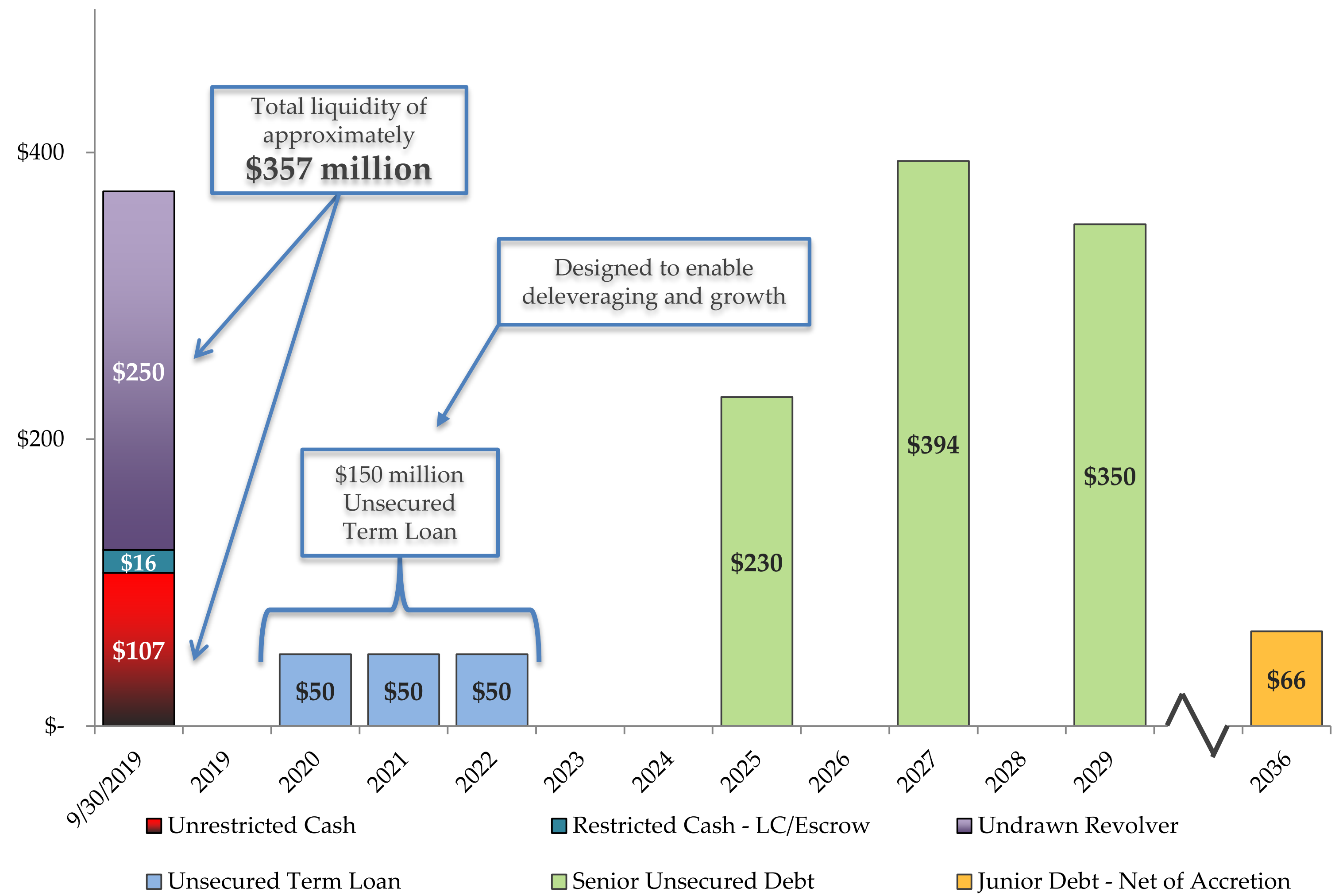
EBITDA Growth & ROA Convergence



Notes
- ROA – Total Assets is LTM Adjusted EBITDA/Total Assets at end of period
- ROA – Active Assets is LTM Adjusted EBITDA/Active Assets at end of period

Well Structured Maturity Schedule

$ in millions



Notes:
- There is an additional $1.2 million of secured divisional debt on the balance sheet due October 2019
- Years are calendar years

Balanced Growth:

Target double-digit ROA by growing EBITDA faster than revenue, improving balance sheet efficiency and lowering leverage

Growing EBITDA	Balance Sheet Efficiency	Reduce Leverage
> 10% EBITDA Growth	> 10% ROA	Net Debt / EBITDA: < 5x

Appendix

Q4 Results

$ in millions, except ASP

		Q4 FY18		Q4 FY19		Δ
Profitability						
Total Revenue	$	767.9	$	781.7		1.8%
Adjusted EBITDA*	$	90.1	$	82.1	$	(8.0)
Net Income/Loss (Cont. Ops.)	$	60.5	$	2.5	$	(58.0)
Unit Activity						
Orders		1,305		1,458		11.7%
Closings		2,044		2,014		(1.5%)
Average Sales Price ($000's)	$	372.6	$	383.8		3.0%
Cancellation Rate		21.5%		16.3%		(520 bps)
Active Community Count, Avg**		162		168		3.7%
Sales/Community/Month		2.7		2.9		7.7%
Margins						
HB Gross Margin***		21.6%		19.9%		(170 bps)
SG&A (% of Total Revenue)		10.1%		9.5%		(60 bps)
Balance Sheet						
Unrestricted Cash	$	139.8	$	106.7	$	(33.1)
Land & Development Spending	$	194.8	$	106.3	$	(88.6)

Note: Variances are calculated using un-rounded numbers
*Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix
**Active Community Count was 160 at 9/30/2018 and 166 at 9/30/2019
***Excludes impairments, abandonments, and interest amortized to cost of sales

FY19 Results

$ in millions, except ASP

	FY18	FY19	Δ
Profitability			
Total Revenue	$ 2,107.1	$ 2,087.7	(0.9%)
Adjusted EBITDA*	$ 204.7	$ 180.2	$ (24.5)
Net Income/Loss (Cont. Ops.)	$ (45.0)	$ (79.4)	$ (34.4)
Unit Activity			
Orders	5,544	5,576	0.6%
Closings	5,767	5,500	(4.6%)
Average Sales Price ($000's)	$ 360.2	$ 377.7	4.8%
Cancellation Rate	18.3%	16.1%	(220 bps)
Active Community Count, Avg**	156	166	6.3%
Sales/Community/Month	3.0	2.8	(5.4%)
Margins			
HB Gross Margin***	21.2%	19.7%	(150 bps)
SG&A (% of Total Revenue)	11.8%	11.6%	(20 bps)
Balance Sheet			
Unrestricted Cash	$ 139.8	$ 106.7	$ (33.1)
Land & Development Spending	$ 635.5	$ 469.9	$ (165.6)

Note: Variances are calculated using un-rounded numbers
*Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix
**Active Community Count was 160 at 9/30/2018 and 166 at 9/30/2019
***Excludes impairments, abandonments, and interest amortized to cost of sales

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Backlog Detail

	Q4 FY18	Q4 FY19
Quarter Ending Backlog (units)	1,632	1,708
Quarter Ending Backlog ($ in millions)	$ 628.0	$ 665.1
ASP in Backlog ($ in thousands)	$ 384.8	$ 389.4
Quarter Beg. Backlog	2,371	2,264
Scheduled to Close in Future Qtrs.	(755)	(681)
Backlog Scheduled to Close in the Qtr.	1,616	1,583
Backlog Activity:		
Cancellations	(158)	(98)
Pushed to Future Quarters	(96)	(96)
Close Date Brought Forward	122	139
Sold & Closed During the Qtr	560	486
Total Closings in the Quarter	2,044	2,014
Backlog Conversion Rate	**86.2%**	**89.0%**
Specs Closed During the Qtr	**49.8%**	**47.7%**

Backlog ASP Reflects Focus on Affordability

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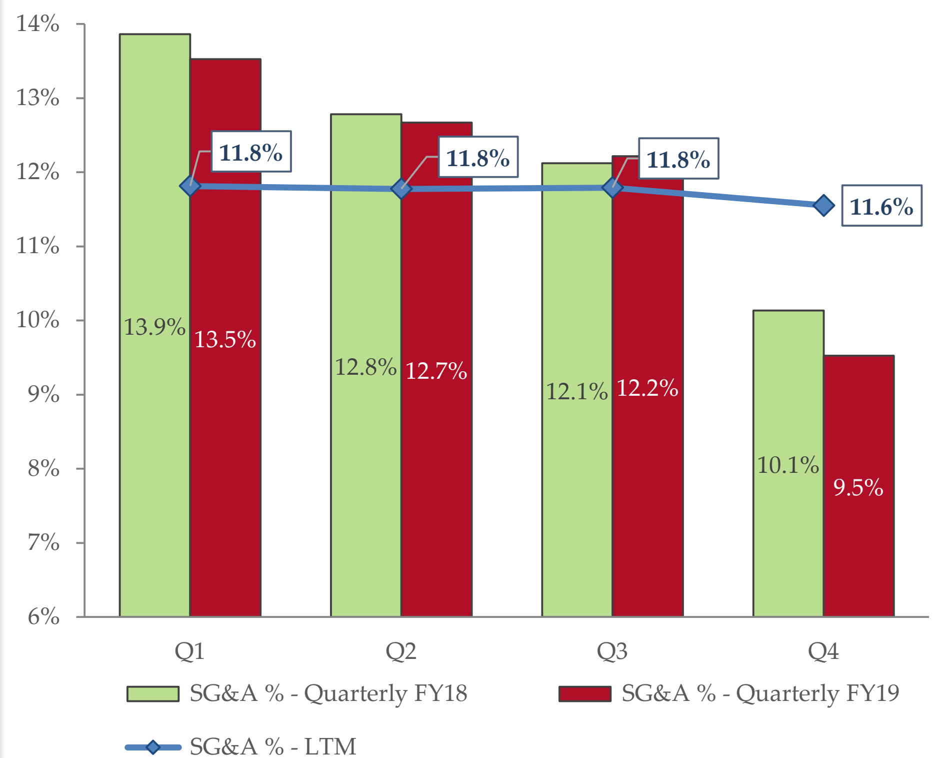
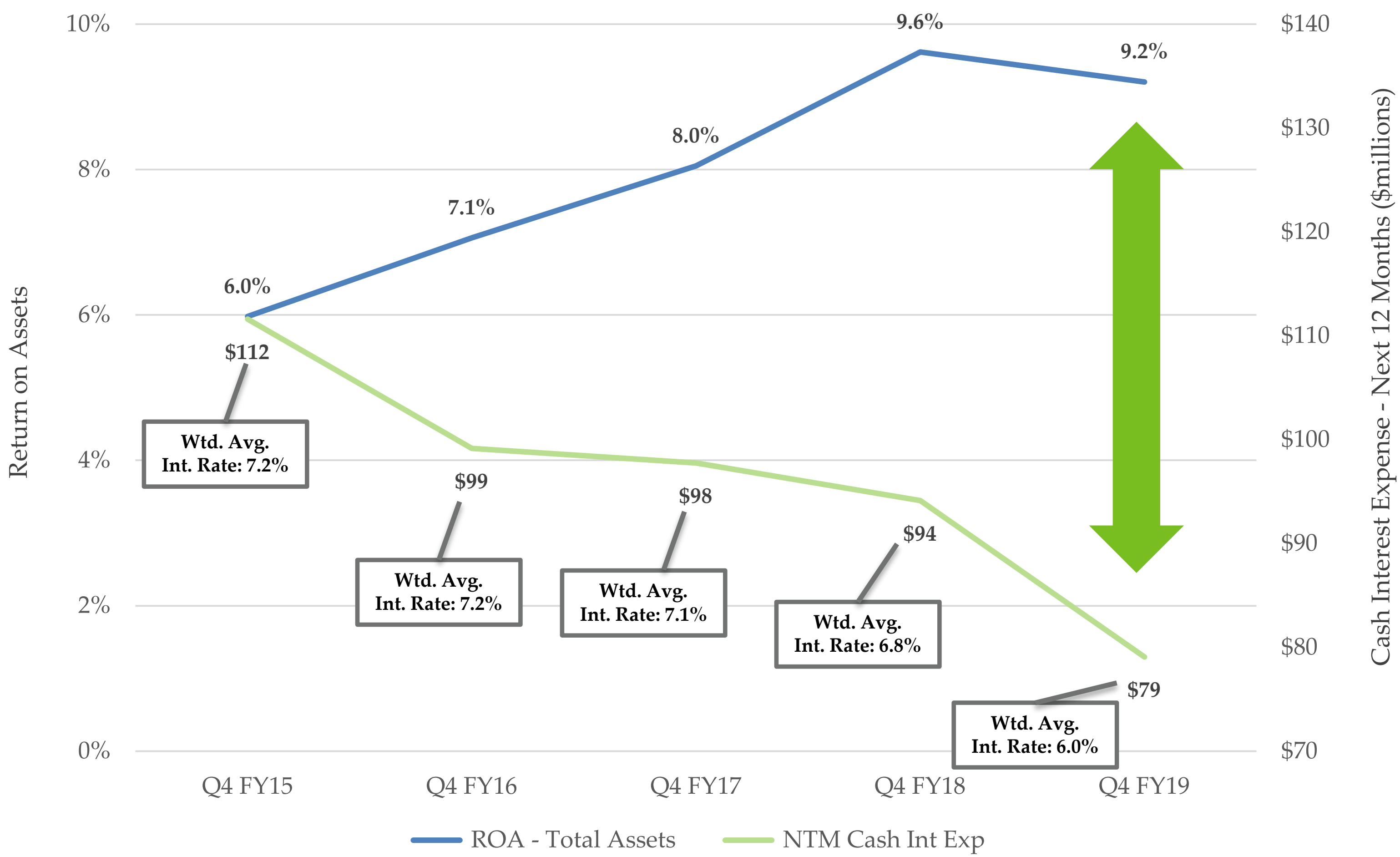
Stable Per House SG&A = Improving Leverage

LTM Homebuilding
SG&A per Closing

SG&A Leverage
% of Total Revenue



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 the following 12-month period assuming principal balances and interest rates remain fixed at their end of period position
- Reflects revolver usage in the year

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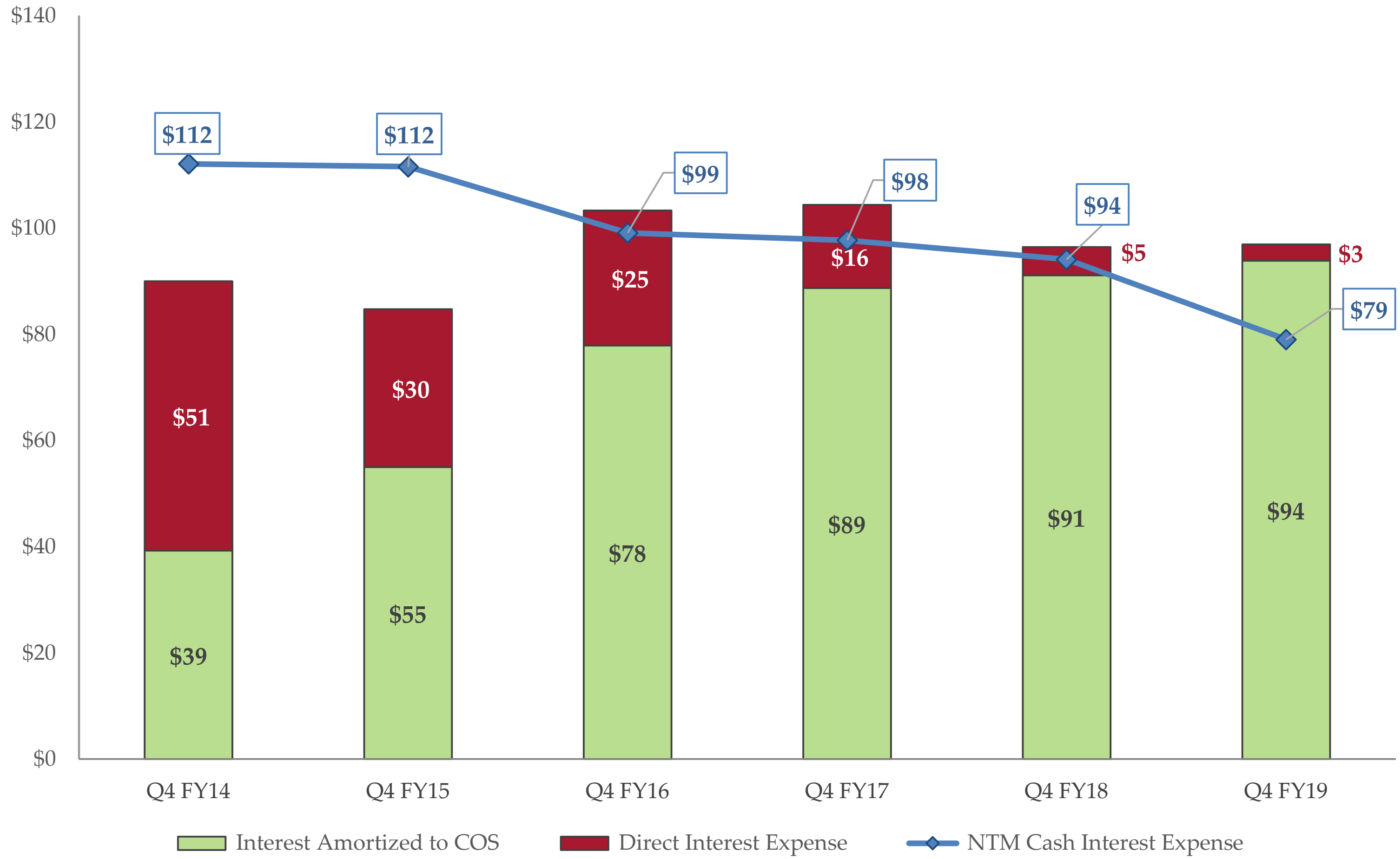
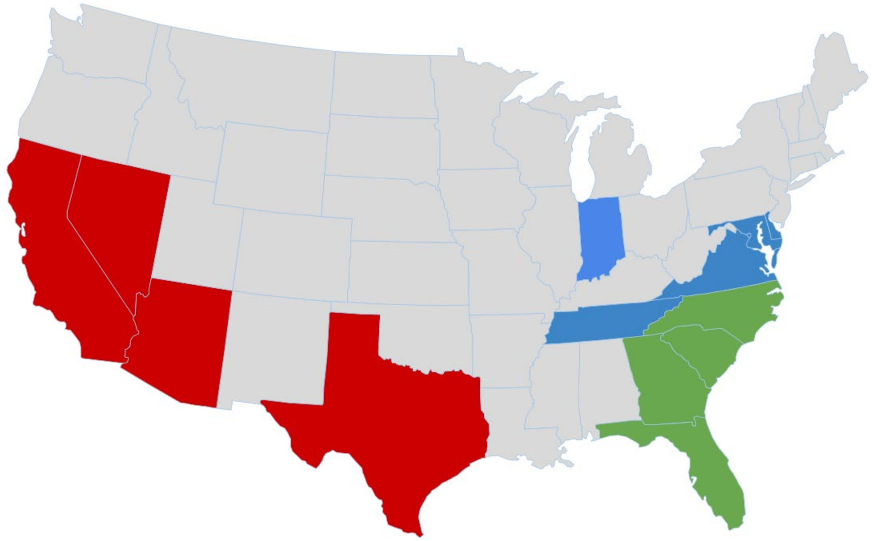
Total GAAP Interest Expense vs. Cash Interest Expense



Notes:
- NTM Cash Interest Expense is expected cash interest due for the following 12-month period assuming principal balances and interest rates remain fixed at their end of period position

Geographic Mix Impacts Q4 ASP

	Q4 FY18 ASP	Q4 FY19 ASP	Change in ASP ($)	Change in ASP (%)	Q4 FY18 Closings	Q4 FY19 Closings	Change in Mix
West	$351k	$363k	$12k	3.2%	49.7%	48.6%	-1.1%
East	$460k	$465k	$5k	1.0%	20.5%	22.1%	1.6%
SE	$348k	$357k	$9k	2.8%	29.8%	29.3%	-0.5%



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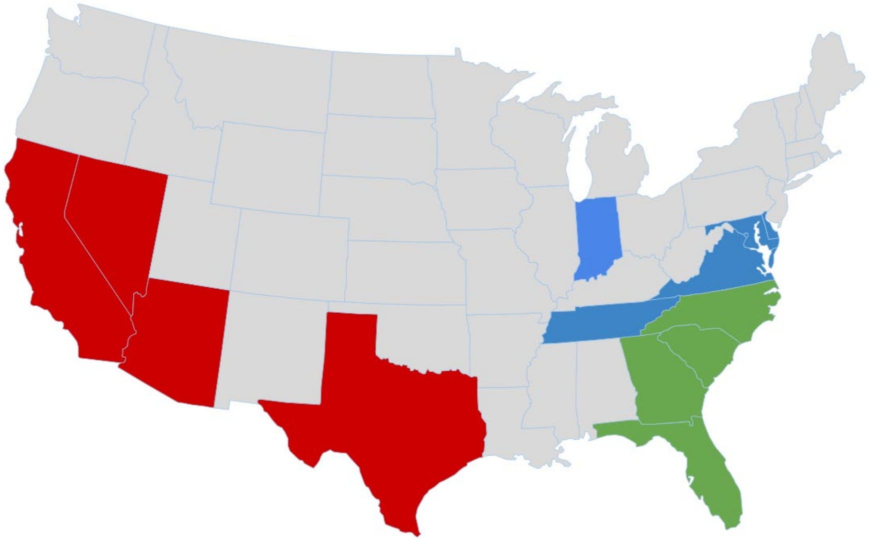
Geographic Mix Impacts Q4 Margin

	Q4 FY18 GM%	Q4 FY19 GM%	Change in GM%	Q4 FY18 Closings	Q4 FY19 Closings	Change in Mix
West	23.9%	21.4%	(250) bps	49.7%	48.6%	-1.1%
East	21.5%	20.9%	(60) bps	20.5%	22.1%	1.6%
SE	19.6%	19.4%	(20) bps	29.8%	29.3%	-0.5%



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

Adjusted EBITDA Reconciliation

	Three Months Ended Sep 30,			Fiscal Year Ended Sep 30,		
($ in thousands)	2019	2018	Variance	2019	2018	Variance
Net income (loss)	$ 2,429	$ 60,605	$ (58,176)	$ (79,520)	$ (45,375)	$ (34,145)
Expense (benefit) from income taxes	7,034	(18,860)	25,894	(37,245)	94,373	(131,618)
Interest amortized to home construction and land sales expenses, capitalized interest impaired	37,415	34,532	2,883	108,941	93,113	15,828
Interest expense not qualified for capitalization	1,309	35	1,274	3,109	5,325	(2,216)
EBIT	**48,187**	**76,312**	**(28,125)**	**(4,715)**	**147,436**	**(152,151)**
Depreciation and amortization and stock-based compensation amortization	8,380	7,144	1,236	25,285	24,065	1,220
EBITDA	**56,567**	**83,456**	**(26,889)**	**20,570**	**171,501**	**(150,931)**
Loss on debt extinguishment, net	25,494	1,935	23,559	24,920	27,839	(2,919)
Inventory impairments and abandonments	-	4,370	(4,370)	134,711	4,988	129,723
Joint venture impairment and abandonment charges	-	341	(341)	-	341	(341)
Adjusted EBITDA	**$ 82,061**	**$ 90,102**	**$ (8,041)**	**$ 180,201**	**$ 204,669**	**$ (24,468)**

ROA Tailwind As Non-Active Assets Are Monetized

$ in millions		09/30/19
Unrestricted & Restricted Cash	$	122.8
Working Capital*		40.9
PPE & Investments**		42.8
Active Inventory		1,375.1
Former LHFFD - Non-Revenue Generating		87.9
LHFFD & PHFS		41.2
Deferred Tax Assets		247.0
Total Assets	$	1,957.6

$1.6B of Total Assets are revenue generating

$376M of Total Assets are non-revenue generating

Virtually all expected to be revenue-generating within 12 months

Note: Totals may not foot due to rounding
* Includes income tax receivable
** Includes goodwill

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Deferred Tax Assets - Summary

($ in millions)	Sep 30, 2018	Sep 30, 2019
Deferred Tax Assets	$ 248.2	$ 285.4
Valuation Allowance	(34.2)	(38.5)
Net Deferred Tax Assets	$ 214.0	$ 247.0

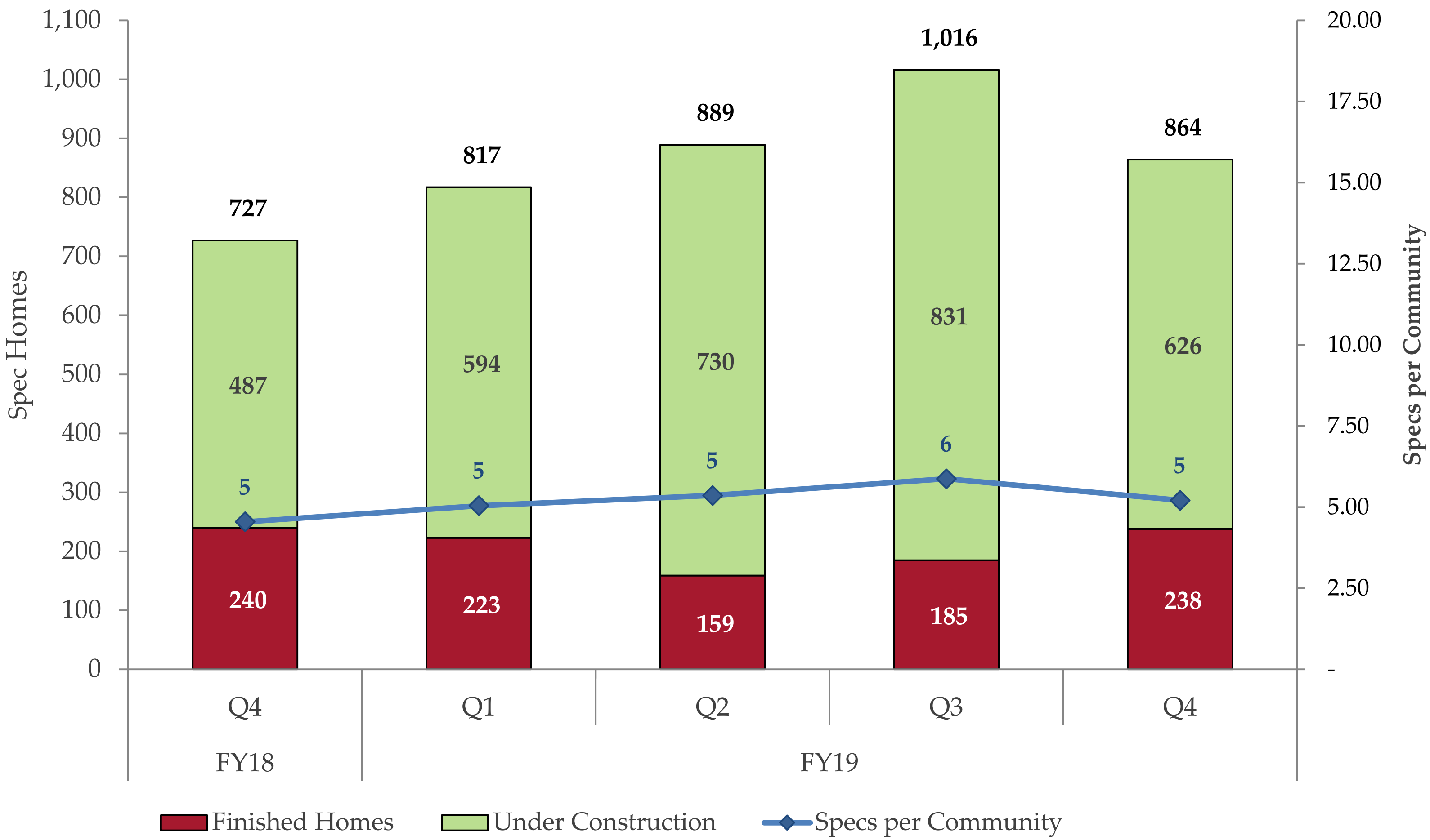
As of September 30, 2019, our remaining valuation allowance of $38.5 million related to various state deferred tax assets remains consistent with the determinations we made during the period ended September 30, 2018. See Form 10-K for additional detail.

Note: Totals may not foot due to rounding

Goal: Debt Below $1 Billion

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

Specs Per Community Relatively Flat Year-Over-Year



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

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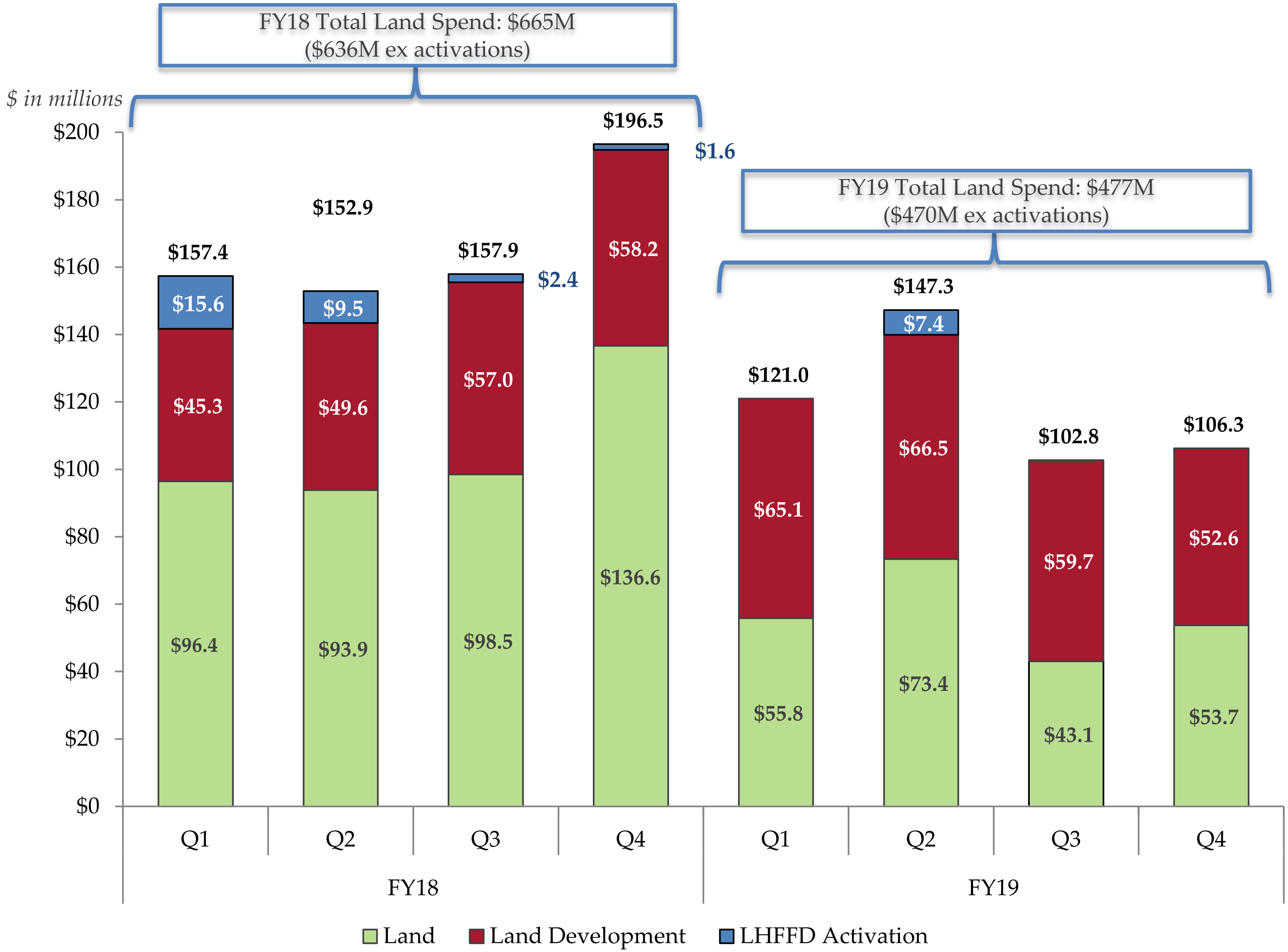
Quarterly Land Spend FY18 & FY19



Note: Totals may not foot due to rounding

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Capital Efficiency Strategies: LHFFD Impact on Margin

Fiscal Year 2019				
Capital Strategy	**Rationale**	**Gross Margin Impact**	**% of Revenue**	**Total Margin Impact**
Former LHFFD Assets	• Cash Generation • Drive higher ROA • Incremental EBITDA	~260 bps	~12%	~30 bps

Capital Efficiency Strategies: Land Banking & ROA

- Margin impact related to the cost of using land bank financing is normally ~400bps
- Turnover benefit is typically 2x
- As a result, land banking is significantly ROA accretive
- For FY19, our % of closings from land banking was down versus the prior year with no material impact to margin