Beazer Homes USA, Inc.
Q3 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 presentation 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 potential negative impact of the ongoing COVID-19 pandemic, which, in addition to exacerbating each of the risks listed 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 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; (ii) 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, which have worsened and may continue to worsen as a result of the COVID-19 pandemic, 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; (iii) market perceptions regarding any capital raising initiatives we may undertake (including future issuances of equity or debt capital); (iv) the cyclical nature of the homebuilding industry and a potential deterioration in homebuilding industry conditions; (v) 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; (vi) 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; (vii) 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; (viii) 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; (ix) 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; (x) 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; (xi) increased competition or delays in reacting to changing consumer preferences in home design; (xii) 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; (xiii) the potential recoverability of our deferred tax assets; (xiv) 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; (xv) the results of litigation or government proceedings and fulfillment of any related obligations; (xvi) the impact of construction defect and home warranty claims; (xvii) the cost and availability of insurance and surety bonds, as well as the sufficiency of these instruments to cover potential losses incurred; (xviii) the impact of information technology failures, cybersecurity issues or data security breaches; (xix) terrorist acts, natural disasters, acts of war or other factors over which the Company has little or no control; 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

3rd Quarter Highlights

Closings Up	✓
Homebuilding Gross Margin Up	✓
EBITDA Up Nearly 40%	✓
Net Income - Highest In Over 10 Years	✓

Response to the Pandemic

In addition to our focus on safety, we made some adjustments to our business in the third quarter to help us succeed in this new environment

1. **Liquidity Preservation**
   - Maintained a full draw on our revolver to bolster our cash position until the end of the quarter

2. **Pause on Land Spending to Re-Underwrite Deals**
   - Applied new risk criteria to incorporate COVID-related risks to income, employment, and supply

3. **Cost Structure Improvements**
   - Streamlined operations and reduced overhead expenses

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New Home Demand Drivers

Prior to the pandemic, the new home market was supported by the following drivers:

- Wage Growth
- Low Unemployment
- Low Mortgage Rates
- Low Housing Supply
- High Consumer Confidence

In the current COVID environment, several factors are driving sustained demand for new homes:

- Mortgage Rates are Even Lower
- Reappraisal of Shelter Needs
- Shift to Remote Work
- Millennials Embracing Home Ownership

Strategic Objectives - Balanced Growth

Balanced Growth Strategy:

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

Growing EBITDA

- Gross margin expansion
- Overhead leverage

Balance Sheet Efficiency

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

Reduce Leverage

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

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3rd Quarter Results

Results	Q3 FY20	YoY Change
New Home Orders	1,372	(11.1%)
Sales Pace	2.7	(7.4%)
Average Community Count	167	(4.0%)
Homebuilding Revenue ($M)	$532.5	10.4%
Average Selling Price ($k)	$389.8	2.6%
Closings	1,366	7.6%
Backlog Conversion	61.2%	(260 bps)
HB Gross Margin %*	21.2%	180 bps
SG&A as % of Total Revenue	11.7%	(50 bps)
Adjusted EBITDA** ($M)	$54.0	39.6%
Income Tax Expense ($M)	$5.0	N/A
Net Income - Cont. Ops. ($M)	$15.3	31.3%

*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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Full Year and 4th Quarter Expectations

Metric	Full Year FY20
EBITDA	Up 5-10% YoY

Metric	Q4 FY20
Backlog Conversion Ratio	Low 70% Range
HB Gross Margin %	Up at least 100 bps YoY
SG&A - Absolute Dollars	Down more than 5% YoY
Cash Land Spend	Over $100M

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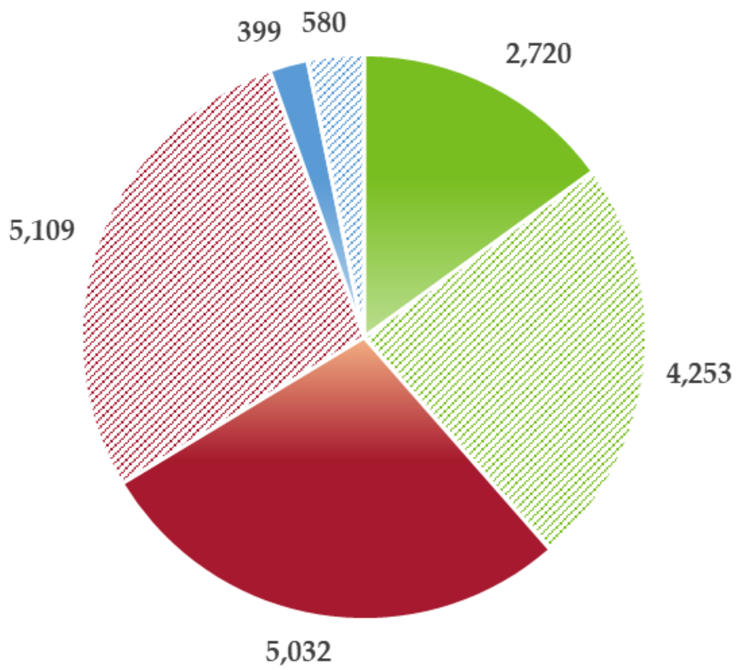
Lot Position Enables Measured Approach

18,093 total controlled lots
17,114 active lots

Lot Position at June 30, 2020

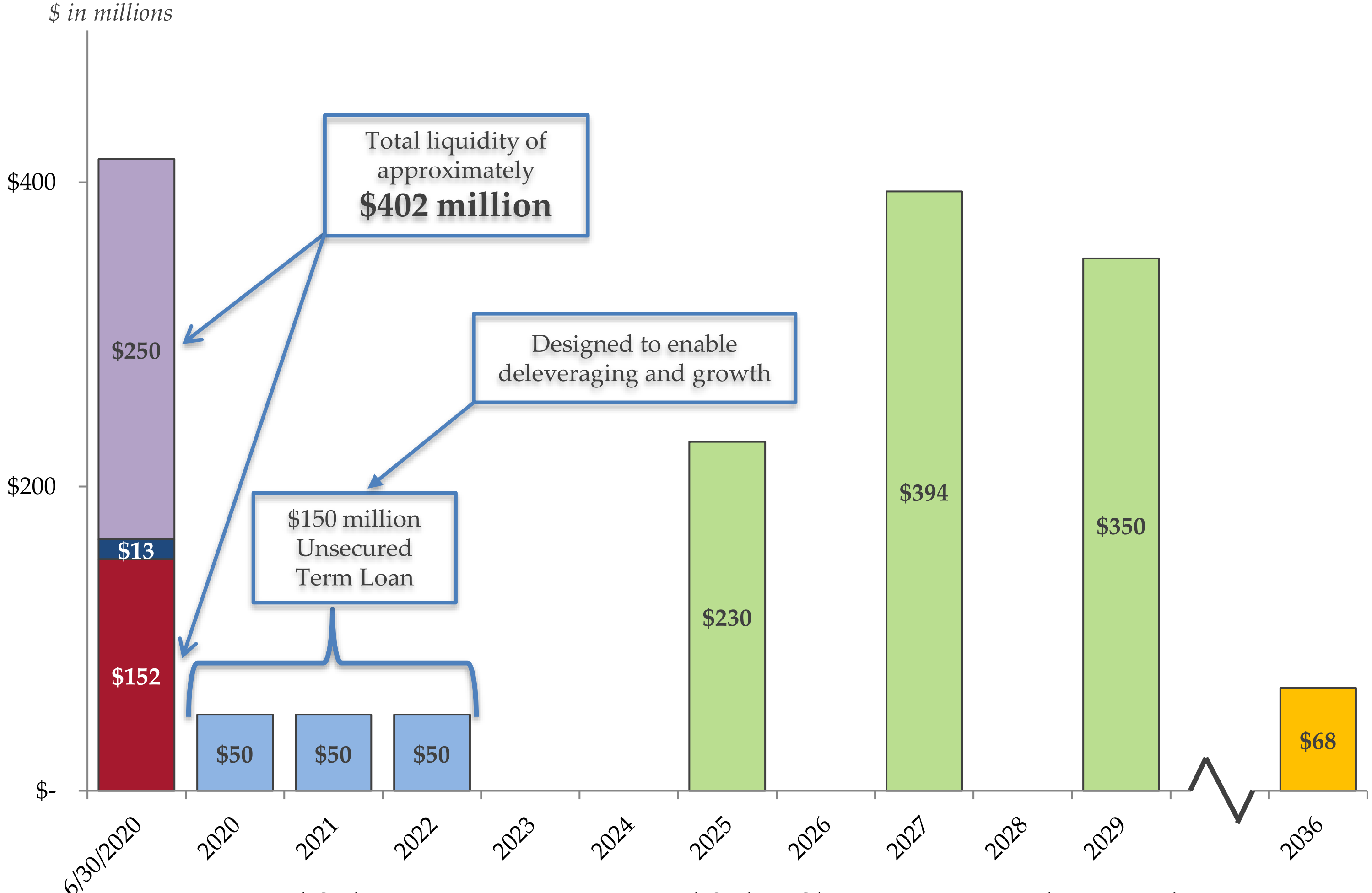


Immediate Availability – 39%	Near-Term Availability – 56%	Long-Term and Non-Strategic Assets – 5%
Homes Under Construction	Owned Land Under Dev	Land Held for Future Dev
Finished Lots	Lots Under Option	Property Held for Sale

Community Count Activity

Active Communities at 6/30/2020	164
Opening in Next ~6 Months	+ 22
Under Development (excluding any communities opening in N6M)	+ 20
Approved But Not Yet Closed (excluding any communities opening in N6M)	+ 36
Closing in Next ~12 Months	(60 - 75)

Liquidity Supports Balanced Growth Strategy



Notes:
-Years are calendar years

3rd Quarter Wrap-up

- **Successful Quarter**
  - Increased closings and improved margins led to growth in both revenue and profitability
- **Decisive Steps to Improve our Business**
  - Focused on liquidity, re-underwrote land deals and improved our cost structure to support continued success
- **Balanced Growth Strategy**
  - Targeting double digit ROA by growing EBITDA with a less-leveraged and more efficient balance sheet

Appendix

Q3 Results

$ in millions, except ASP

	Q3 FY19		Q3 FY20		Δ	
Profitability						
Total Revenue	$	482.7	$	533.1		10.4%
Adjusted EBITDA*	$	38.7	$	54.0	$	15.3
Net Income/Loss (Cont. Ops.)	$	11.6	$	15.3	$	3.6
Unit Activity						
Orders		1,544		1,372		(11.1%)
Closings		1,269		1,366		7.6%
Average Sales Price ($000's)	$	380.1	$	389.8		2.6%
Cancellation Rate		15.2%		21.1%		590 bps
Active Community Count, Avg**		174		167		(4.0%)
Sales/Community/Month		3.0		2.7		(7.4%)
Margins						
HB Gross Margin***		19.4%		21.2%		180 bps
SG&A (% of Total Revenue)		12.2%		11.7%		(50 bps)
Balance Sheet						
Unrestricted Cash	$	68.5	$	152.3	$	83.8
Land & Development Spending	$	102.8	$	55.7	$	(47.0)

Note: Variances are calculated using un-rounded numbers
*Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix
**Active Community Count was 173 at 6/30/2019 and 164 at 6/30/2020
***Excludes impairments, abandonments, and interest amortized to cost of sales

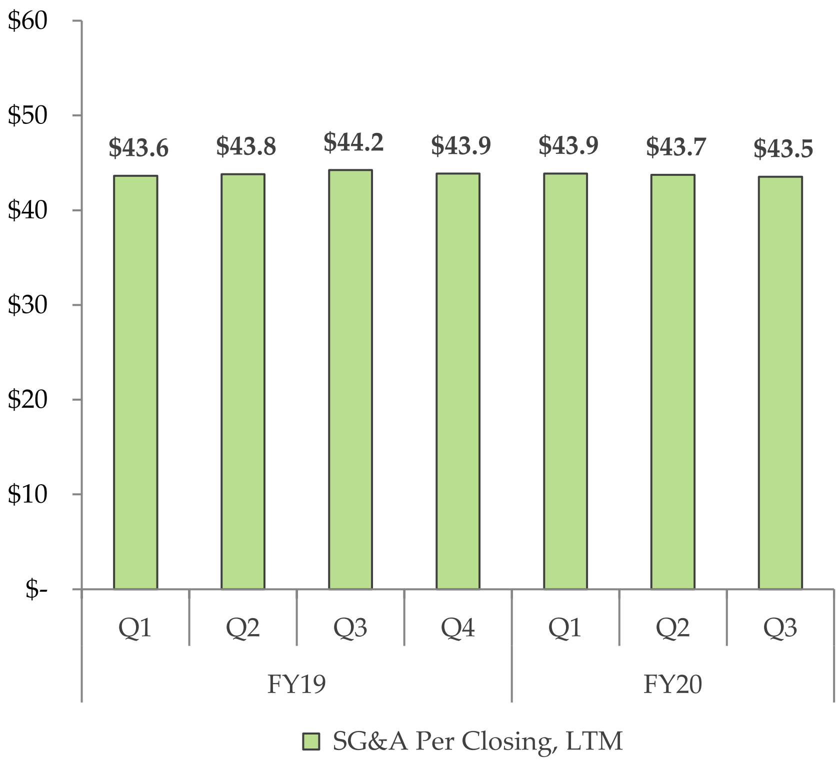
Backlog Detail

	Q3 FY19	Q3 FY20
Quarter Ending Backlog (units)	2,264	2,237
Quarter Ending Backlog ($ in millions)	$ 881.6	$ 884.9
ASP in Backlog ($ in thousands)	$ 389.4	$ 395.6
Quarter Beg. Backlog	1,989	2,231
Scheduled to Close in Future Qtrs.	(1,004)	(1,100)
Backlog Scheduled to Close in the Qtr.	985	1,131
Backlog Activity:		
Cancellations	(70)	(124)
Pushed to Future Quarters	(46)	(75)
Close Date Brought Forward	99	94
Sold & Closed During the Qtr	301	340
Total Closings in the Quarter	1,269	1,366
Backlog Conversion Rate	**63.8%**	**61.2%**

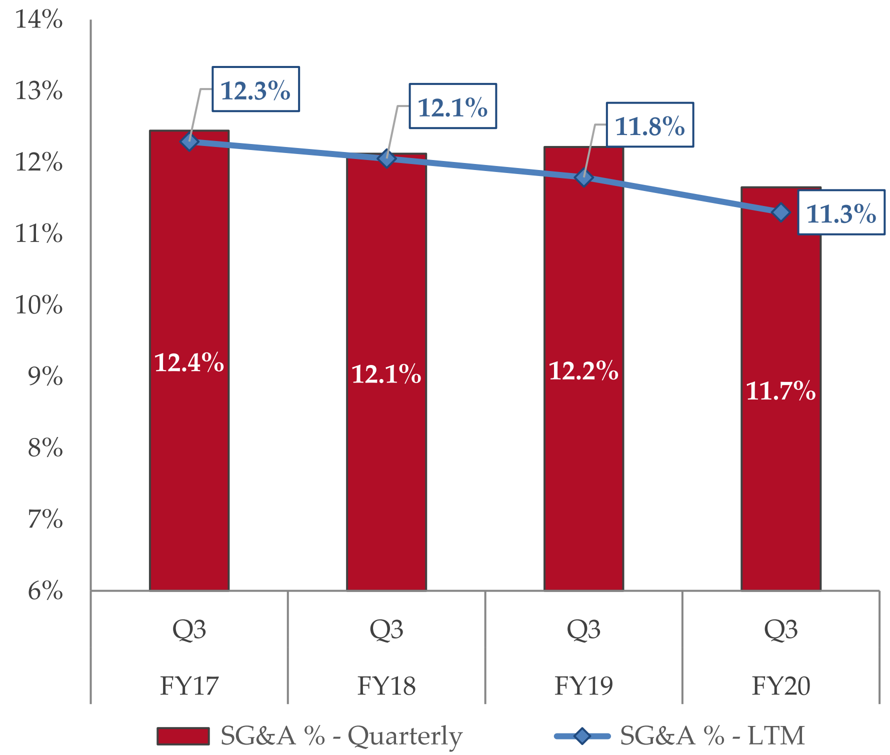
Stable Per House SG&A = Improving Leverage

LTM Homebuilding
SG&A per Closing

$ in thousands



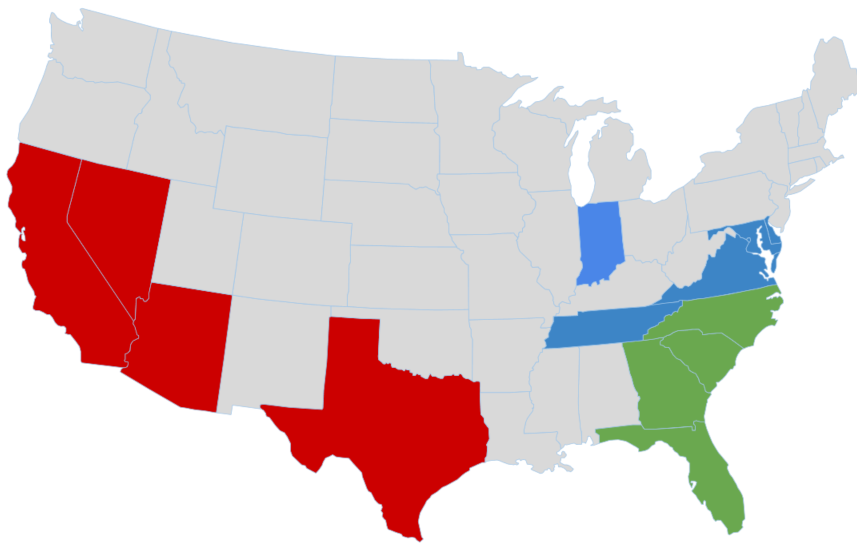
SG&A Leverage
% of Total Revenue



Note: *Q3 FY17 SG&A % - LTM* excludes a $2.7 million write-off of a legacy investment in a development site from Q1 FY17

ASP Up Across Geographic Segments

	Q3 FY19 ASP	Q3 FY20 ASP	Change in ASP ($)	Change in ASP (%)	Q3 FY19 Closings	Q3 FY20 Closings	Change in Mix
West	$354k	$371k	$17k	4.6%	53.1%	60.0%	6.9%
East	$479k	$491k	$12k	2.5%	19.4%	16.1%	-3.3%
Southeast	$360k	$370k	$10k	2.6%	27.5%	23.9%	-3.6%



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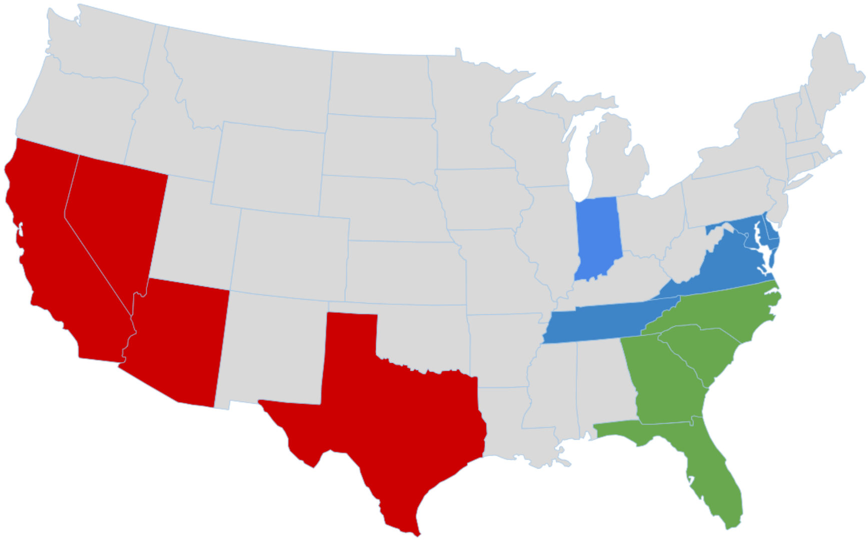
Gross Margin Up Across Geographic Segments

	Q3 FY19 GM%	Q3 FY20 GM%	Change in GM%	Q3 FY19 Closings	Q3 FY20 Closings	Change in Mix
West	20.8%	22.2%	140 bps	53.1%	60.0%	6.9%
East	18.7%	20.3%	160 bps	19.4%	16.1%	-3.3%
Southeast	16.2%	20.2%	400 bps	27.5%	23.9%	-3.6%

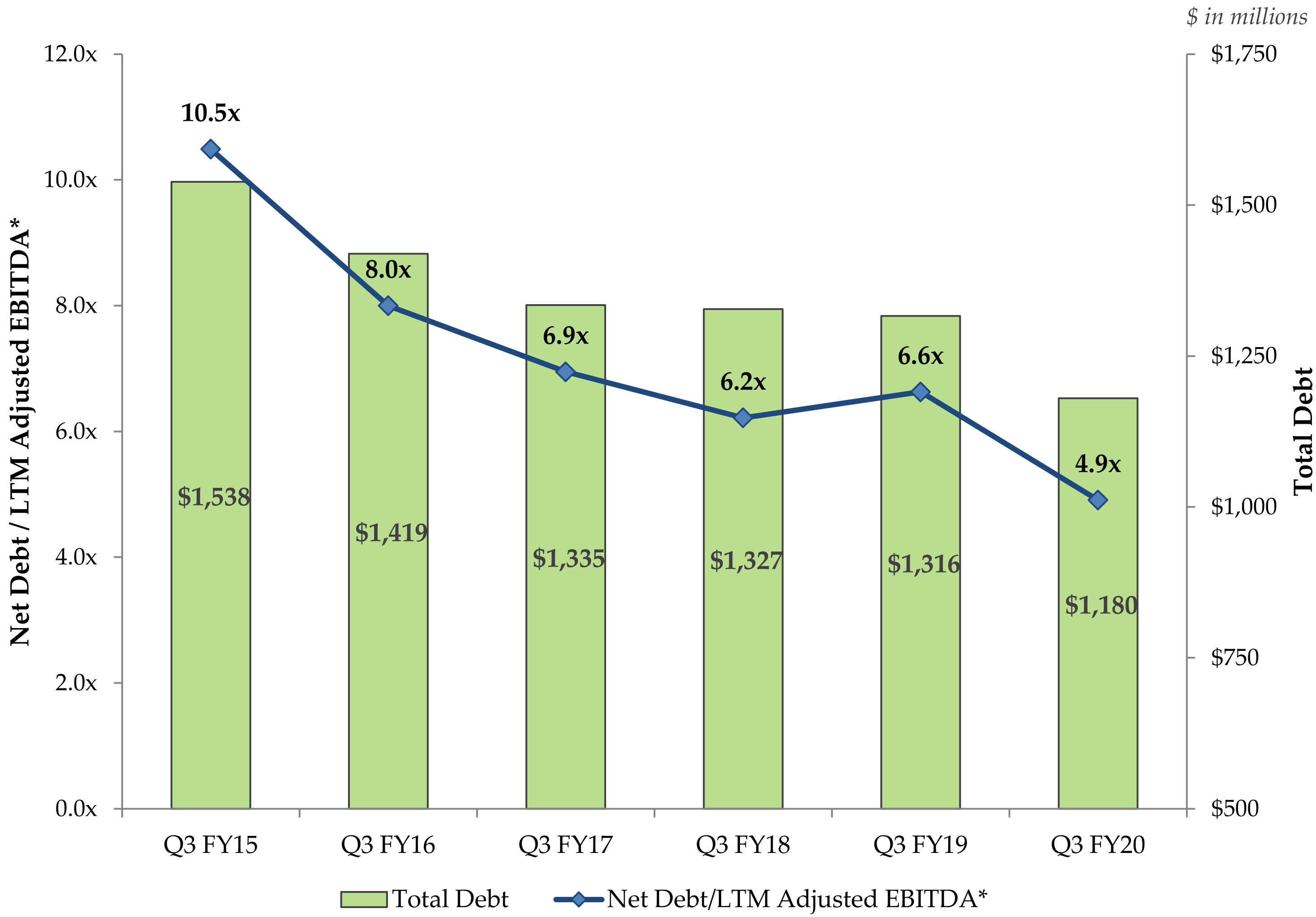


Note: Segment gross margin excludes required capitalization of indirects, impairments and interest amortized to cost of sales

Adjusted EBITDA Reconciliation

($ in thousands)	Three Months Ended June 30			LTM Ended June 30		
	2020	2019	20 vs 19	2020	2019	20 vs 19
Net income (loss)	$ 15,188	$11,602	$ 3,586	$ 30,977	$ (21,344)	$ 52,321
Expense (benefit) from income taxes	4,958	(2,187)	7,145	15,934	(63,139)	79,073
Interest amortized to home construction and land sales expenses and capitalized interest	22,606	21,752	854	102,350	106,058	(3,708)
Interest expense not qualified for capitalization	3,003	961	2,042	7,682	1,835	5,847
EBIT	**45,755**	**32,128**	**13,627**	**156,943**	**23,410**	**133,533**
Depreciation and amortization	3,780	3,242	538	16,681	13,490	3,191
EBITDA	**49,535**	**35,370**	**14,165**	**173,624**	**36,900**	**136,724**
Stock-based compensation expense	1,659	3,699	(2,040)	7,402	10,559	(3,157)
(Gain) loss on extinguishment of debt	-	(358)	358	25,494	1,361	24,133
Inventory impairments and abandonments	1,474	-	1,474	1,474	139,081	(137,607)
Joint venture impairment and abandonment charges	-	-	-	-	341	(341)
Restructuring and severance expenses	1,361	-	1,361	1,361	-	1,361
Adjusted EBITDA	**$ 54,029**	**$ 38,711**	**$ 15,318**	**$ 209,355**	**$ 188,242**	**$ 21,113**

Total Debt & Net Debt / LTM Adj. EBITDA



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

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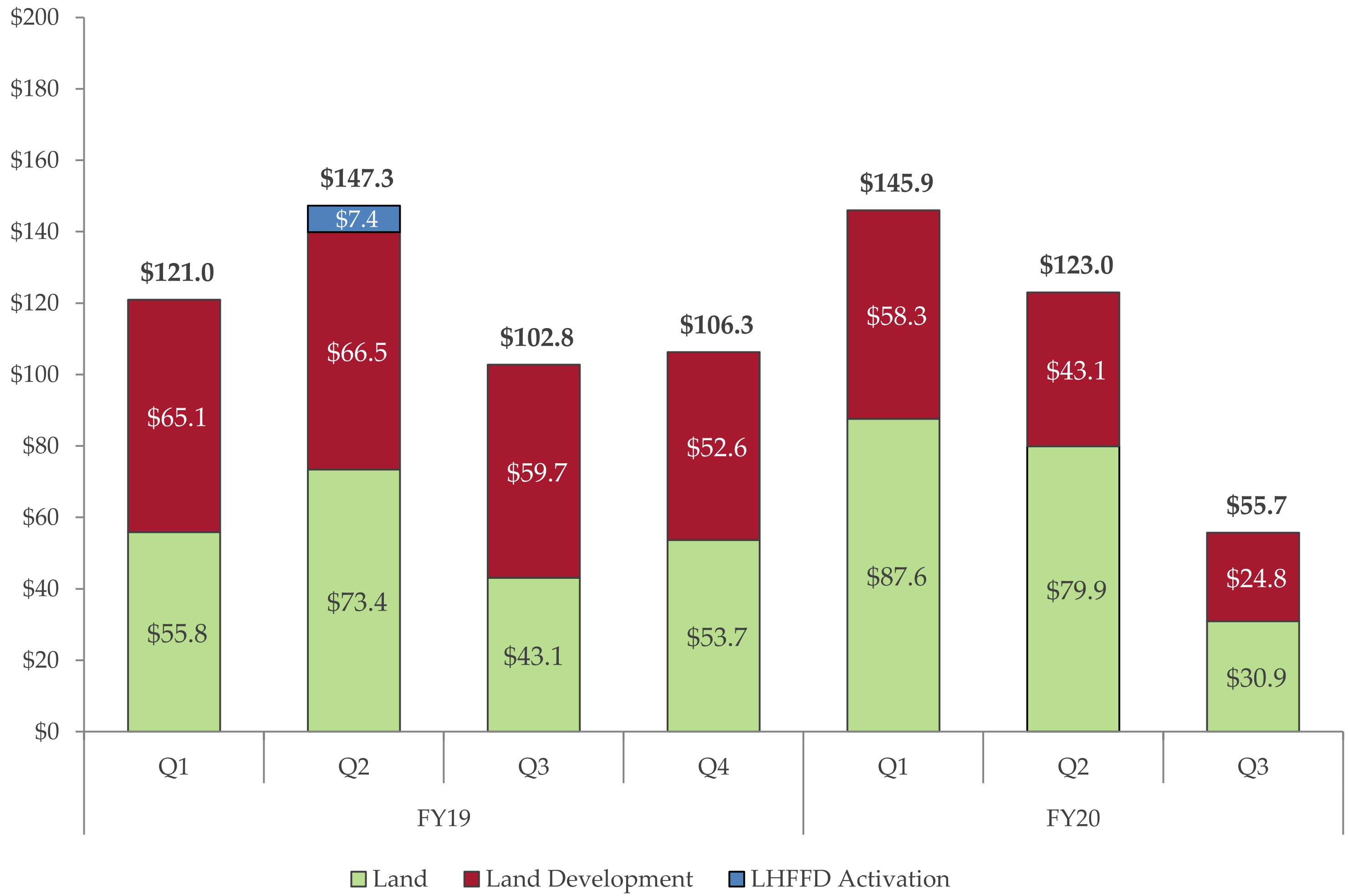
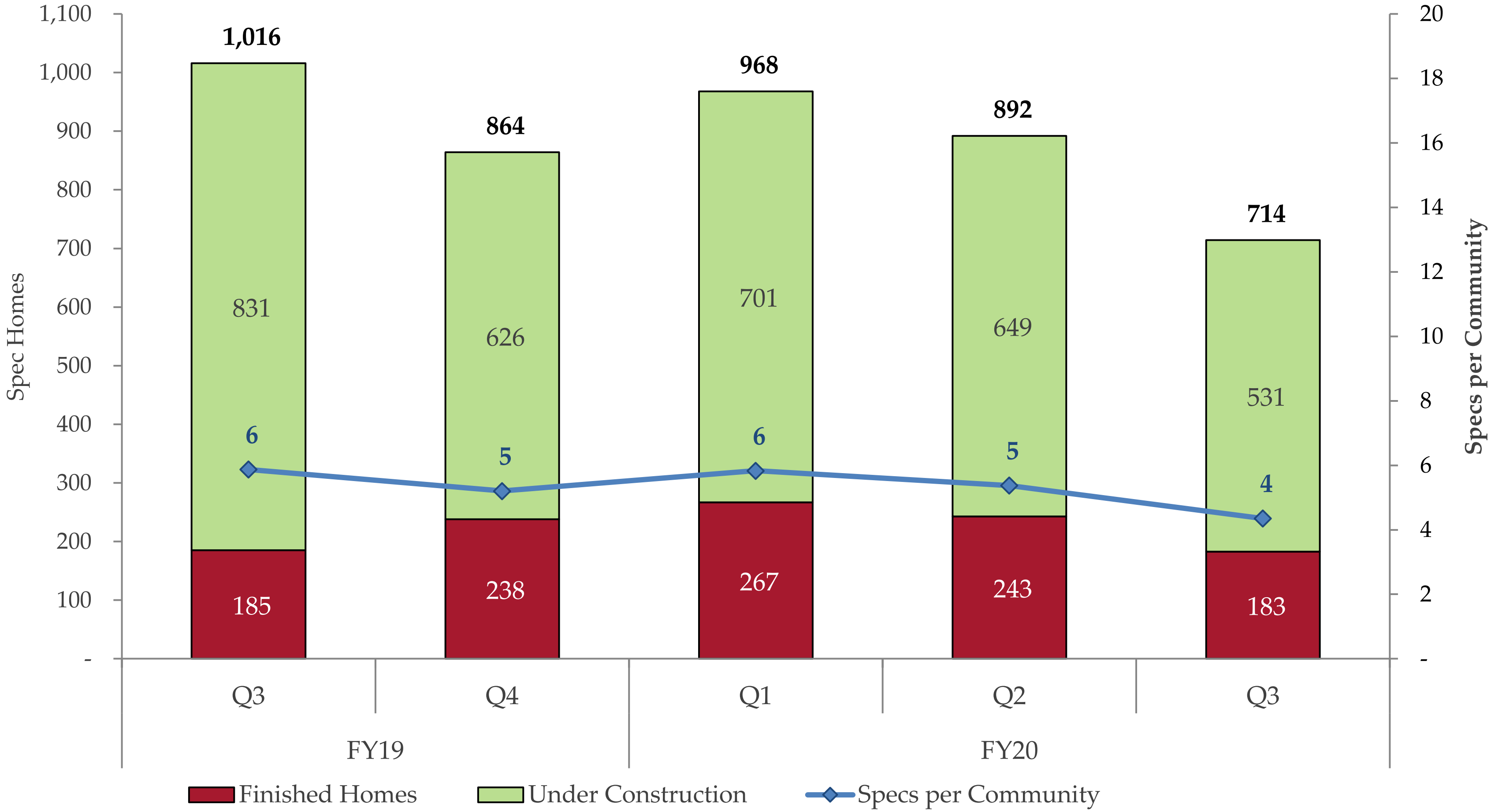
Quarterly Land Spend

$ in millions



Note: Totals may not foot due to rounding

Pandemic Timing Impacts Specs Per Community



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

Deferred Tax Assets - Summary

($ in millions)	June 30, 2019	June 30, 2020
Deferred Tax Assets	$ 292.9	$ 272.5
Valuation Allowance	(34.2)	(38.5)
Net Deferred Tax Assets	$ 258.7	$ 234.0

As of June 30, 2020, our remaining valuation allowance of $38.5 million related to various state deferred tax assets and remains consistent with the determinations we made during the period ended September 30, 2019. See Form 10-Q for additional detail.