Beazer Homes USA, Inc.
Q2 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 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; (xiii) 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**

2nd Quarter Highlights

New Home Orders Up	✓
Homebuilding Revenue Up	✓
Homebuilding Gross Margin Up	✓
SG&A as % of Total Revenue Down	✓
EBITDA Up	✓
Net Income Up	✓

Onset of the Crisis & Our Response

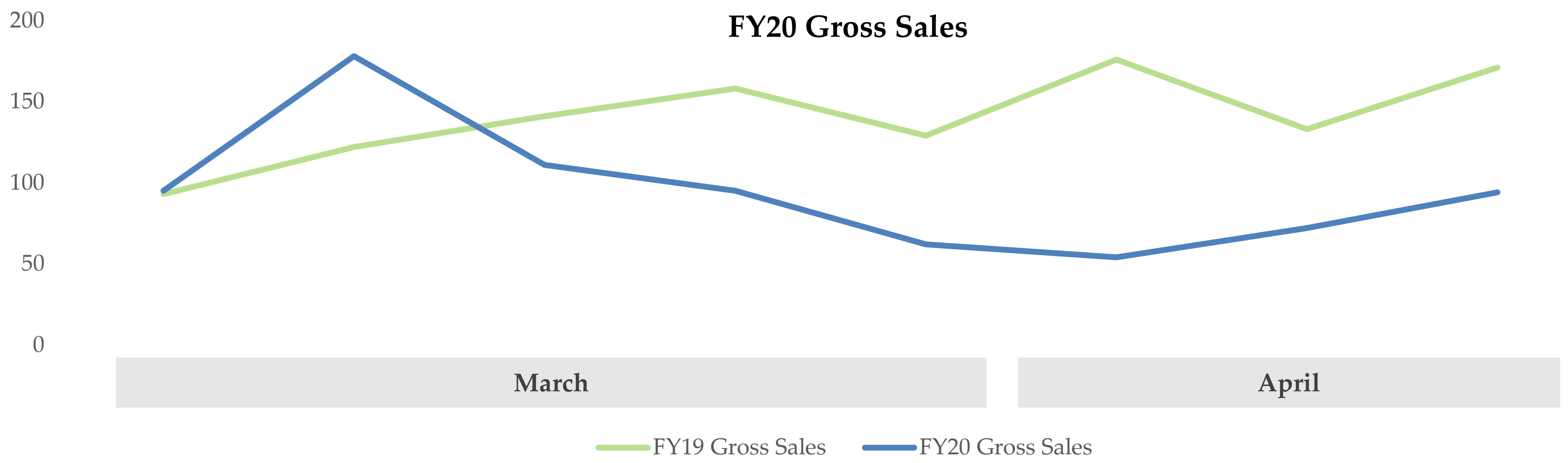
- Took Steps to Help Protect the Health and Safety of our Employees, Customers and Trade Partners
  - Social distancing and enhanced cleaning
  - Appointment-only / virtual sales processes
  - Work from home policy

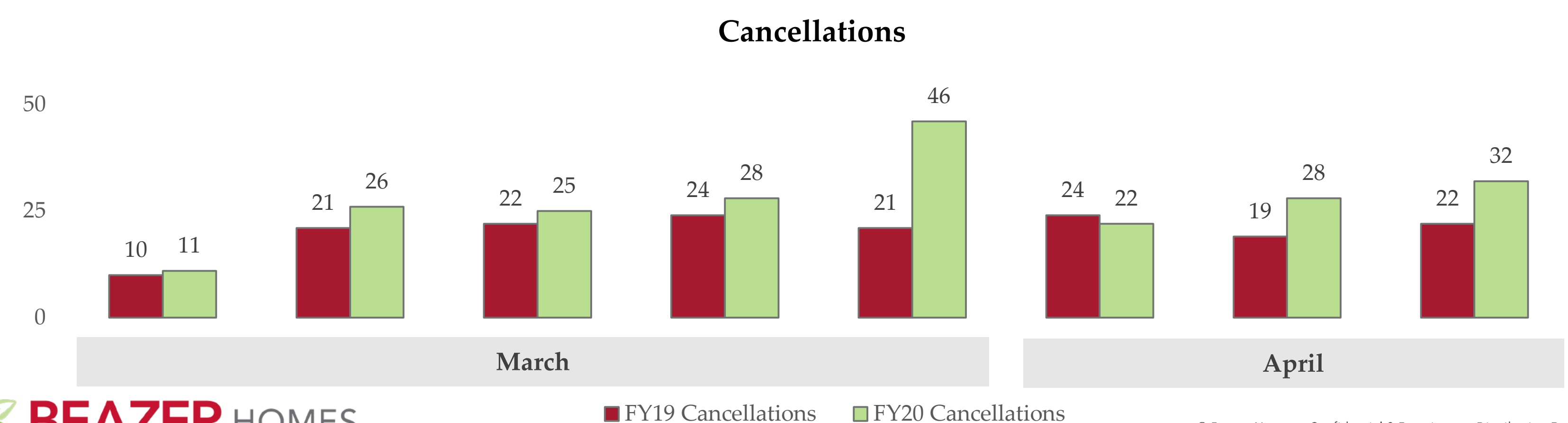
- Delivered Homes to our Buyers
  - Worked to maintain schedule
  - Managed logistical disruptions

- Detailed Operating Instructions for April
  - Key priorities
  - Specific guidelines for each department

Recent Results Showing Some Improvement

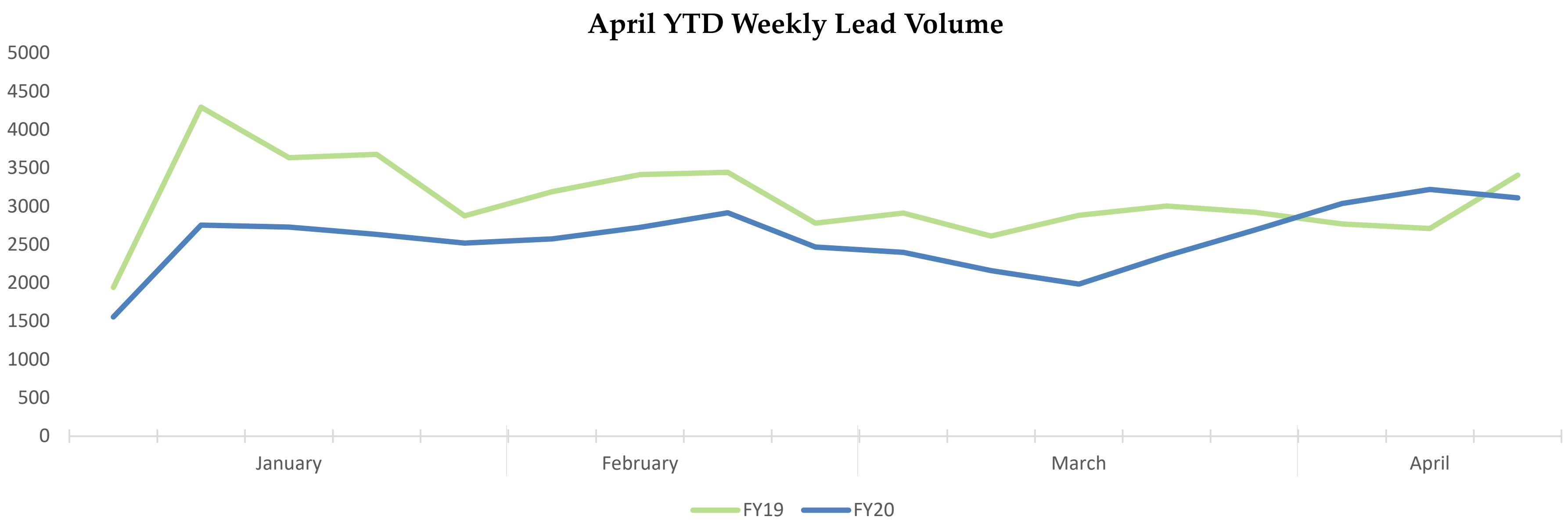
- While gross sales are significantly down from historic norms due to the crisis, April results thus far have shown sequential improvement from the low point
- Cancellations spiked at the end of March and remain slightly elevated





Lead Activity Improving in April

- Lead Activity has trailed 2019 volumes but has risen in the most recent weeks of April to be in line with 2019 levels



Financial Response

We ended the quarter with **$294** million of total liquidity, entirely comprised of unrestricted cash.

- Focused on closing homes to generate cash
- Drew $250 million dollar revolving credit facility
- Deferred land purchases

Balance sheet aspects to our efforts to preserve and generate liquidity:

- Focusing on selling existing specs
- Rescheduling or reducing land acquisition spending
- Pausing land development activities

Income statement aspects to our efforts to preserve and generate liquidity:

- Negotiating cost reductions with our trades
- Reducing operating expenses
- Senior leadership voluntarily reduced salaries

Primary Risks and Priorities in Managing

Primary Market Risks

Reduced Demand

Constrained Mortgage Availability

Restrictions on our Ability to Operate

Our Priorities

Rely on our Business Model

Protect our Financial Flexibility

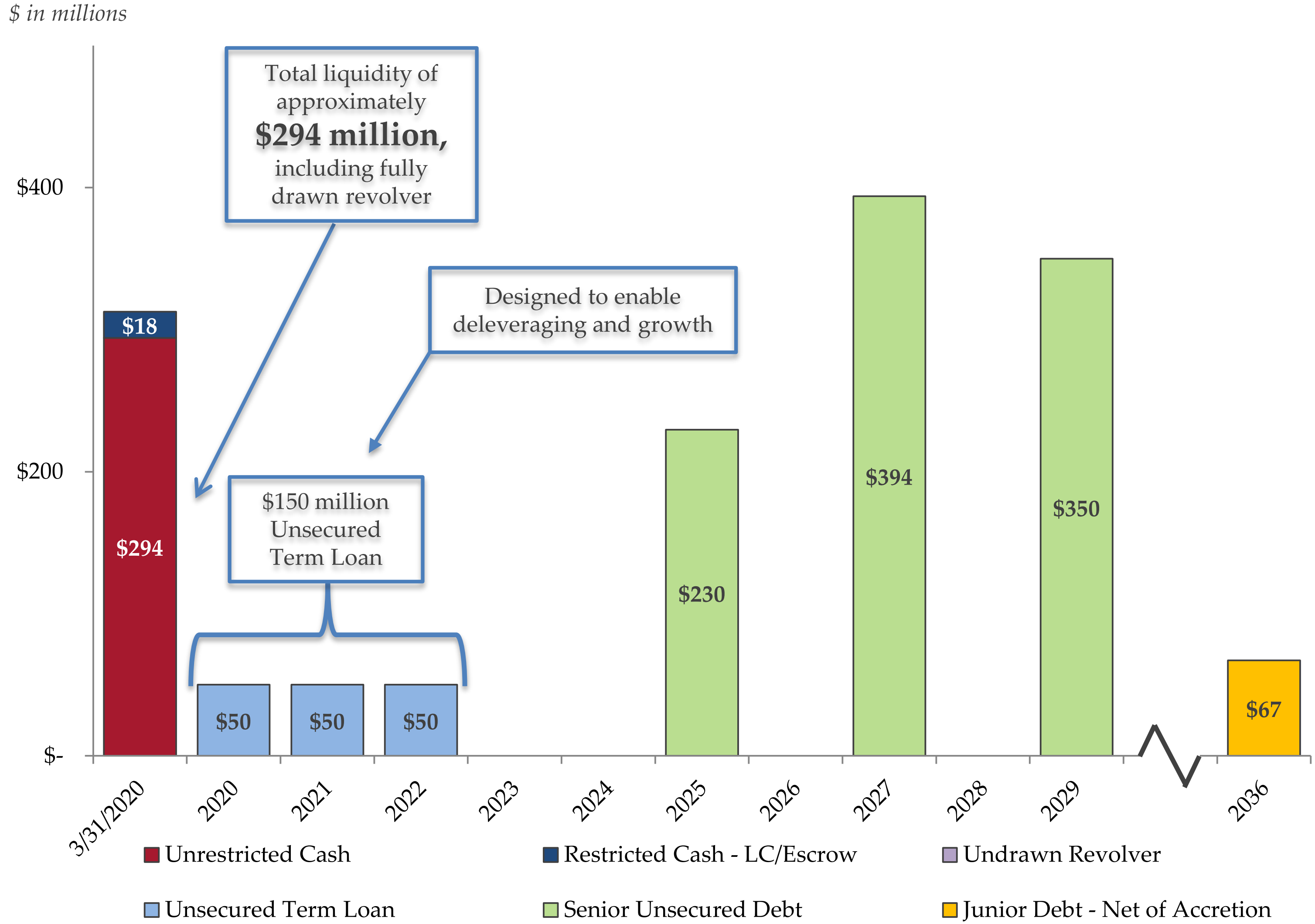
Appendix

2nd Quarter Results

Results	Q2 FY20	YoY Change
New Home Orders	1,661	3.9%
Sales Pace	3.3	1.7%
Average Community Count	167	2.2%
Homebuilding Revenue ($M)	$488.0	15.9%
Average Selling Price ($k)	$382.1	2.9%
Closings	1,277	12.6%
Backlog Conversion	69.1%	(530 bps)
HB Gross Margin %*	20.8%	100 bps
SG&A as % of Total Revenue	12.0%	(70 bps)
Adjusted EBITDA** ($M)	$43.9	34.7%
Net Income - Cont. Ops. ($M)	$10.6	N/A

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

Well Structured Maturity Schedule

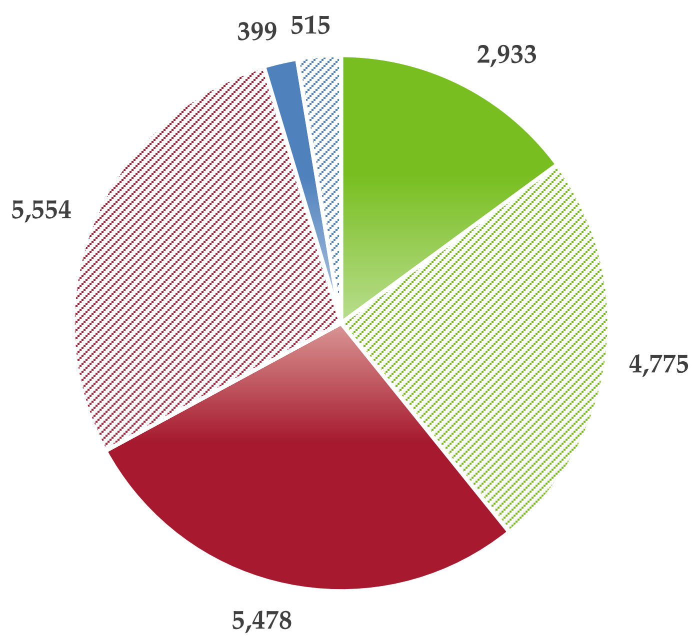


Notes:
- Years are calendar years

Lot Position Enables Measured Approach

19,654 total controlled lots
18,740 active lots

Lot Position at March 31, 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 3/31/2020	**166**
Opening in Next ~6 Months	+ 23
Under Development (excluding any communities opening in N6M)	+ 20
Approved But Not Yet Closed (excluding any communities opening in N6M)	+ 33
Closing in Next ~12 Months	(55 - 75)

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Q2 Results

$ in millions, except ASP

	Q2 FY19	Q2 FY20	Δ
Profitability			
Total Revenue	$ 421.3	$ 489.4	16.2%
Adjusted EBITDA*	$ 32.6	$ 43.9	$ 11.3
Net Income/Loss (Cont. Ops.)	$ (100.8)	$ 10.6	$ 111.4
Unit Activity			
Orders	1,598	1,661	3.9%
Closings	1,134	1,277	12.6%
Average Sales Price ($000's)	$ 371.2	$ 382.1	2.9%
Cancellation Rate	14.5%	15.8%	130 bps
Active Community Count, Avg**	163	167	2.2%
Sales/Community/Month	3.3	3.3	1.7%
Margins			
HB Gross Margin***	19.8%	20.8%	100 bps
SG&A (% of Total Revenue)	12.7%	12.0%	(70 bps)
Balance Sheet			
Unrestricted Cash	$ 86.4	$ 294.3	$ 207.8
Land & Development Spending	$ 139.9	$ 123.0	$ (16.9)

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 3/31/2019 and 166 at 3/31/2020
***Excludes impairments, abandonments, and interest amortized to cost of sales

Backlog Detail

	Q2 FY19	Q2 FY20
Quarter Ending Backlog (units)	1,989	2,231
Quarter Ending Backlog ($ in millions)	$ 783.3	$ 895.0
ASP in Backlog ($ in thousands)	$ 393.8	$ 401.2
Quarter Beg. Backlog	1,525	1,847
Scheduled to Close in Future Qtrs.	(625)	(816)
Backlog Scheduled to Close in the Qtr.	900	1,031
Backlog Activity:		
Cancellations	(88)	(75)
Pushed to Future Quarters	(66)	(70)
Close Date Brought Forward	50	69
Sold & Closed During the Qtr	338	322
Total Closings in the Quarter	1,134	1,277
Backlog Conversion Rate	**74.4%**	**69.1%**

Consistent ASP Reflects Focus on Affordability

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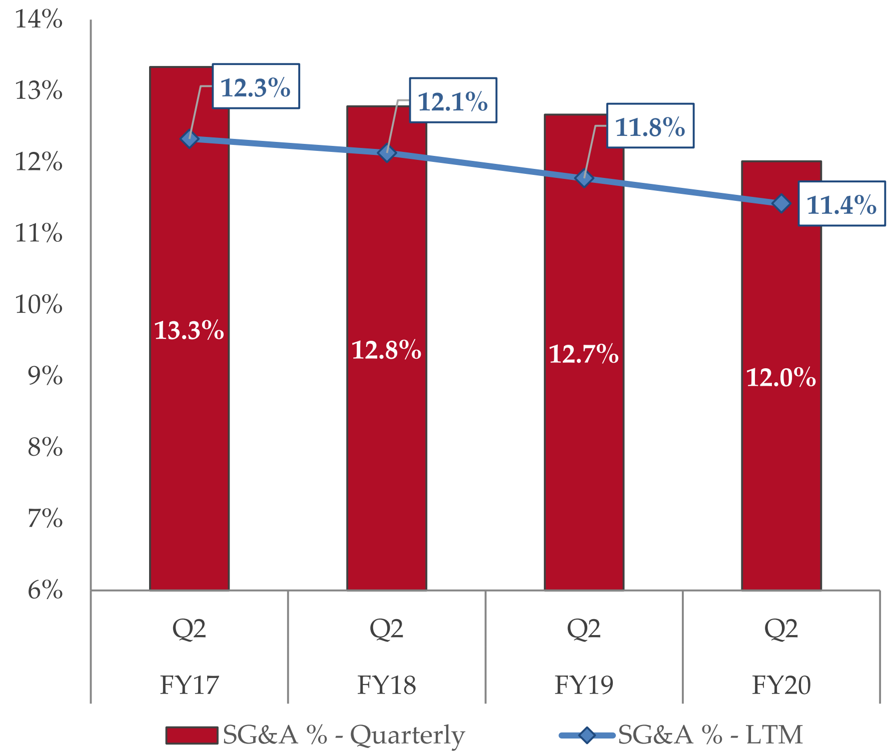
Stable Per House SG&A = Improving Leverage

LTM Homebuilding
SG&A per Closing

$ in thousands

SG&A Leverage
% of Total Revenue



Note: *Q2 FY17 SG&A % - LTM* excludes a $2.7 million write-off of a legacy investment in a development site from Q1 FY17

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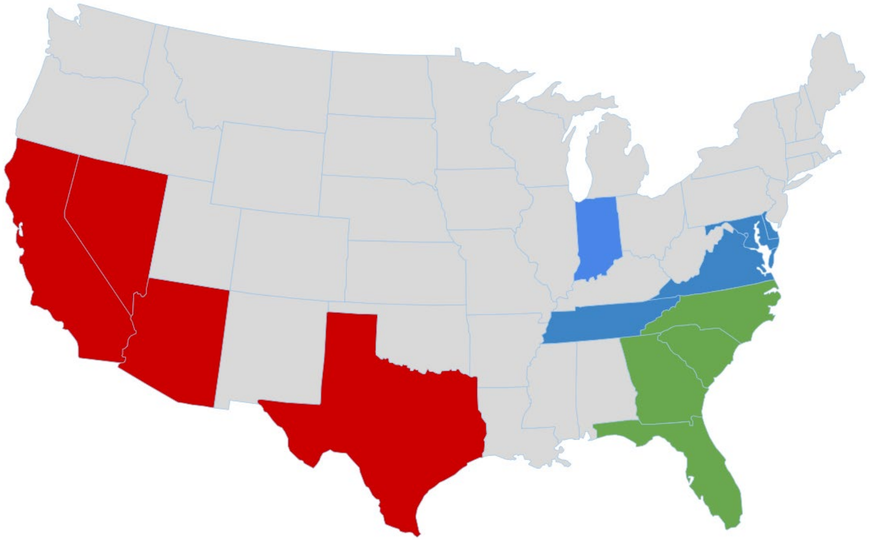
Geographic Mix Impacts Q2 ASP

	Q2 FY19 ASP	Q2 FY20 ASP	Change in ASP ($)	Change in ASP (%)	Q2 FY19 Closings	Q2 FY20 Closings	Change in Mix
West	$347k	$364k	$17k	4.7%	53.4%	57.6%	4.2%
East	$440k	$468k	$28k	6.4%	18.8%	18.4%	-0.4%
SE	$371k	$361k	$-10k	-2.7%	27.8%	24.0%	-3.8%



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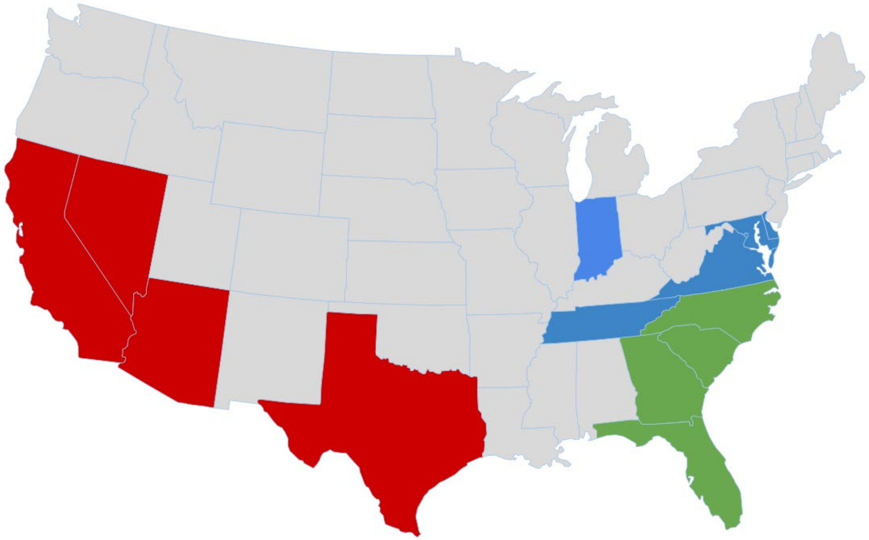
Geographic Mix Impacts Q2 Margin

	Q2 FY19 GM%	Q2 FY20 GM%	Change in GM%	Q2 FY19 Closings	Q2 FY20 Closings	Change in Mix
West	20.5%	21.3%	80 bps	53.4%	57.6%	4.2%
East	17.5%	20.0%	250 bps	18.8%	18.4%	-0.4%
SE	17.3%	18.7%	140 bps	27.8%	24.0%	-3.8%

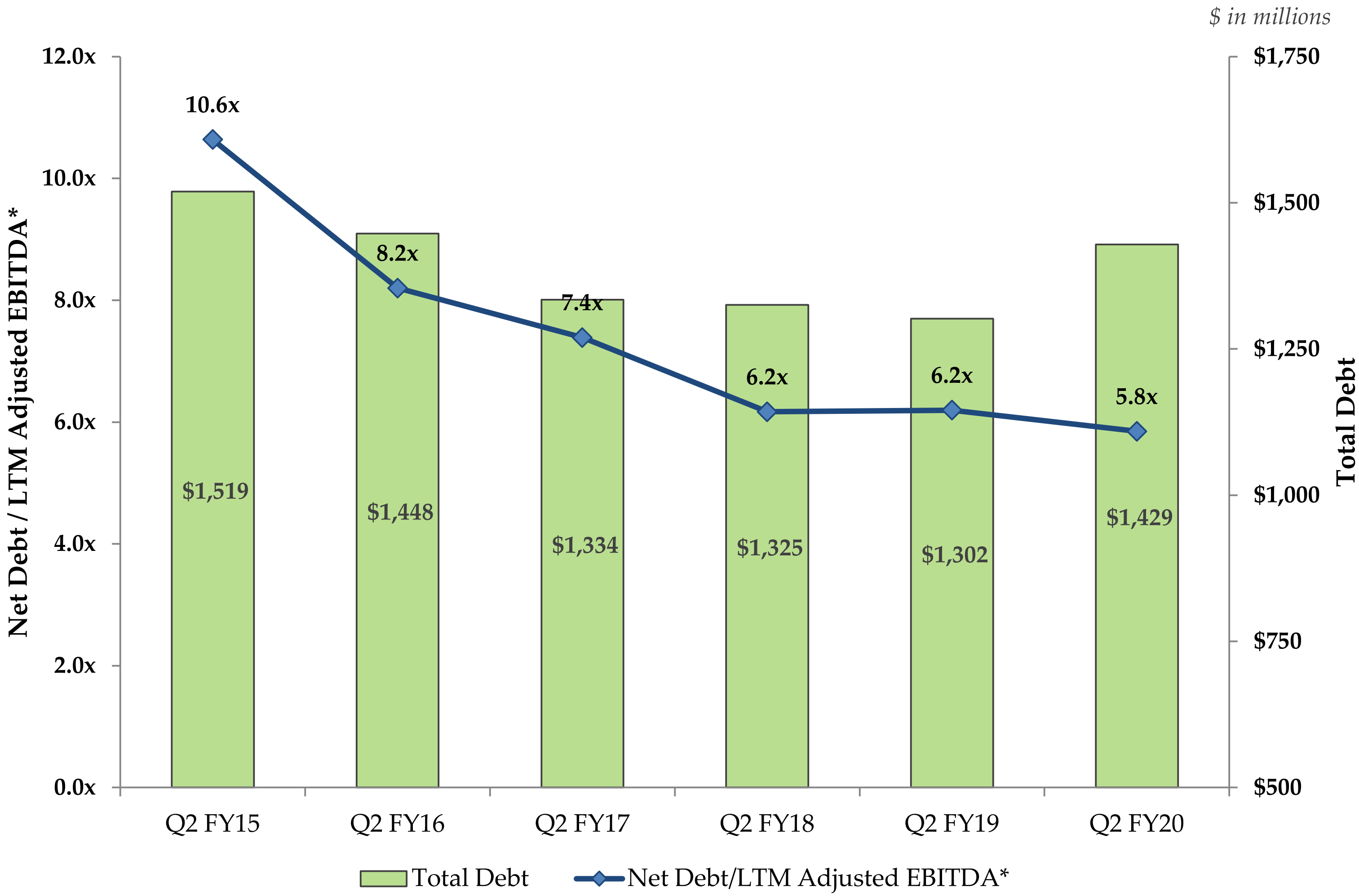


Note: Segment gross margin excludes required capitalization of indirects, impairments and interest amortized to cost of sales
*Includes impact of purchase accounting from Venture Homes acquisition

Adjusted EBITDA Reconciliation

($ in thousands)	Three Months Ended March 31, 2020	2019	Variance	LTM Ended March 31, 2020	2019	Variance
Net income (loss)	$ 10,614	($100,862)	$ 111,476	$ 27,391	$ (19,537)	$ 46,928
Expense (benefit) from income taxes	4,170	(38,168)	42,338	8,789	(56,691)	65,480
Interest amortized to home construction and land sales expenses, capitalized interest impaired	22,660	32,336	(9,676)	101,496	106,756	(5,260)
Interest expense not qualified for capitalization	1,928	597	1,331	5,640	1,079	4,561
EBIT	**39,372**	**(106,097)**	**145,469**	**143,316**	**31,607**	**111,709**
Depreciation and amortization	3,627	2,900	727	16,143	13,904	2,239
EBITDA	**42,999**	**(103,197)**	**146,196**	**159,459**	**45,511**	**113,948**
Stock-based compensation expense	899	2,180	(1,281)	9,442	9,344	98
(Gain) loss on extinguishment of debt	-	(216)	216	25,136	1,719	23,417
Inventory impairments and abandonments	-	133,819	(133,819)	-	139,249	(139,249)
Joint venture impairment and abandonment charges	-	-	-	-	341	(341)
Adjusted EBITDA	**$ 43,898**	**$ 32,586**	**$ 11,312**	**$ 194,037**	**$ 196,164**	**$ (2,127)**

Total Debt & Net Debt / LTM Adj. EBITDA



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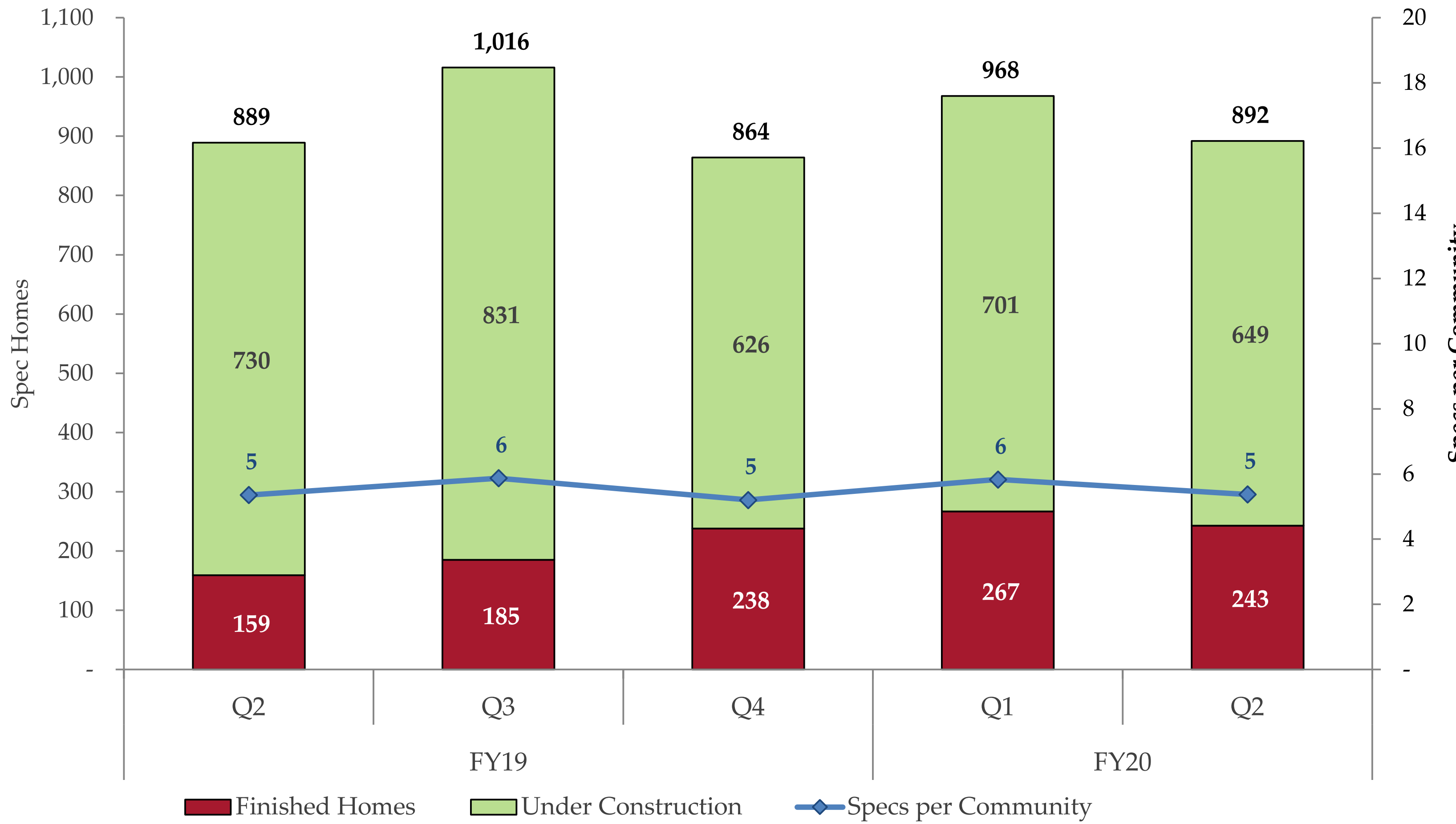
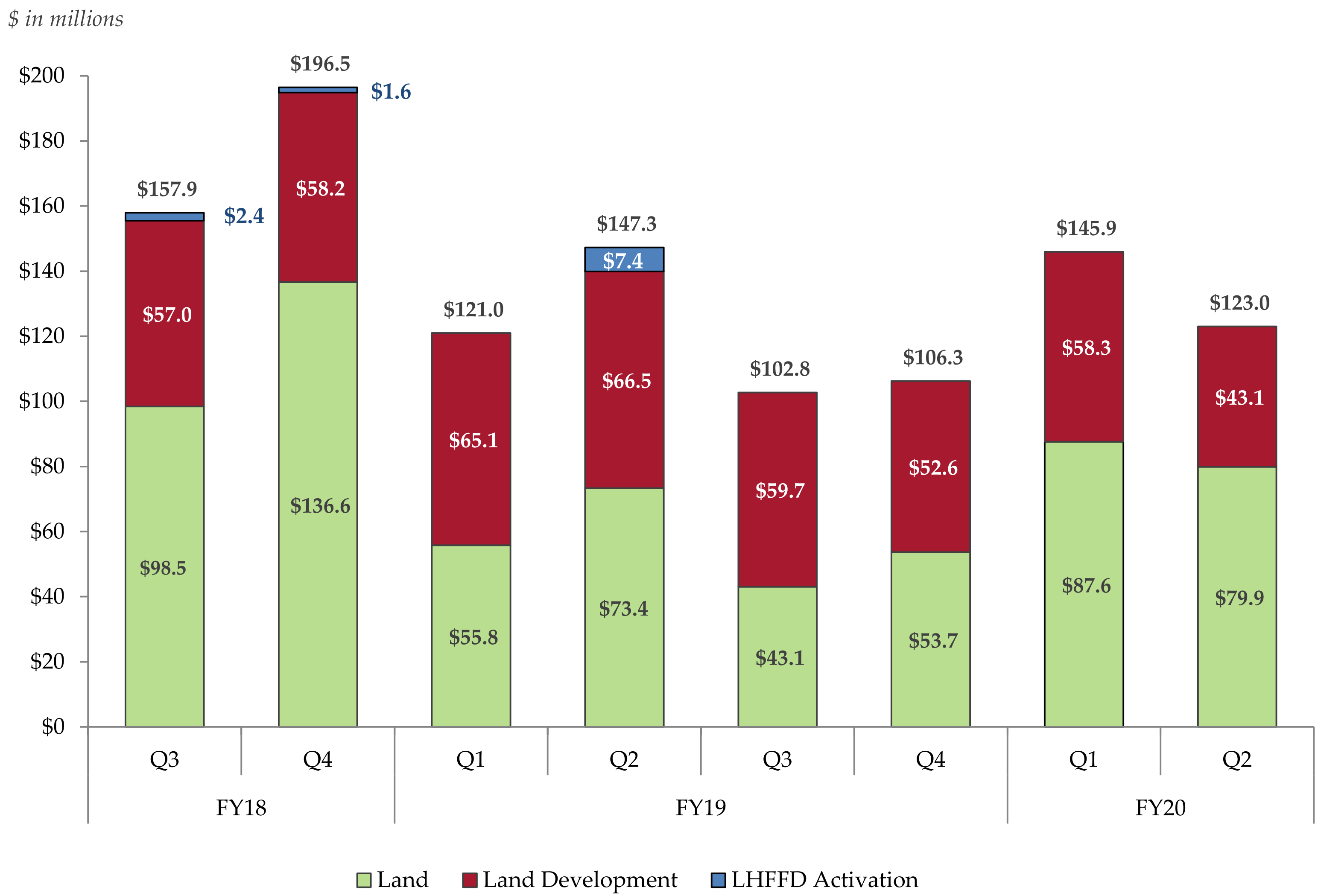
Specs Per Community Relatively Flat Year-Over-Year



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

Quarterly Land Spend



Note: Totals may not foot due to rounding

Deferred Tax Assets - Summary

($ in millions)	March 31, 2019	March 31, 2020
Deferred Tax Assets	$ 290.6	$ 277.3
Valuation Allowance	(34.2)	(38.5)
Net Deferred Tax Assets	$ 256.3	$ 238.8

As of March 31, 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.