



Beazer Homes USA, Inc.

Deutsche Bank 2016 Leveraged
Finance Conference



Forward Looking Statements

This Quarterly Report on Form 10-Q (Form 10-Q) contains forward-looking statements. These forward-looking statements represent our expectations or beliefs concerning future results, and it is possible that the results described in this Form 10-Q will not be achieved. These forward-looking statements can generally be identified by the use of statements that include words such as “estimate,” “project,” “believe,” “expect,” “anticipate,” “intend,” “plan,” “foresee,” “likely,” “will,” “goal,” “target” or other similar words or phrases. All forward-looking statements are based upon information available to us on the date of this Form 10-Q. 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, the matters discussed in this Form 10-Q in the section captioned “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Additional information about factors that could lead to material changes in performance is contained in Part I, Item 1A— Risk Factors of our Annual Report on Form 10-K for the fiscal year ended September 30, 2015. These factors are not intended to be an all-inclusive list of risks and uncertainties that may affect the operations, performance, development and results of our business, but instead are the risks that we currently perceive as potentially being material. Such factors include: (i) economic changes nationally or in local markets, changes in consumer confidence, declines in employment levels, inflation or increases in the quantity and decreases in the price of new homes and resale homes on the market; (ii) the cyclical nature of the homebuilding industry and a potential deterioration in homebuilding industry conditions; (iii) factors affecting margins, such as decreased land values underlying land option agreements, increased land development costs on communities under development or delays or difficulties in implementing initiatives to reduce our production and overhead cost structure; (iv) our cost of and ability to access capital, due to factors such as limitations in the capital markets or adverse credit market conditions, and otherwise meet our ongoing liquidity needs, including the impact of any downgrades of our credit ratings or reductions in our tangible net worth or liquidity levels; (v) our ability to reduce our outstanding indebtedness and to comply with covenants in our debt agreements or satisfy such obligations through repayment or refinancing; (vi) the availability and cost of land and the risks associated with the future value of our inventory, such as additional asset impairment charges or writedowns; (vii) 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; (viii) 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; (ix) a substantial increase in mortgage interest rates, increased disruption in the availability of mortgage financing, a change in tax laws regarding the deductibility of mortgage interest for tax purposes or an increased number of foreclosures; (x) increased competition or delays in reacting to changing consumer preferences in home design; (xi) continuing severe weather conditions or other related events could result in delays in land development or home construction, increase our costs or decrease demand in the impacted areas; (xii) estimates related to the potential recoverability of our deferred tax assets; (xiii) 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; (xiv) the results of litigation or government proceedings and fulfillment of the obligations in the consent orders with governmental authorities and other settlement agreements; (xv) the impact of construction defect and home warranty claims, including water intrusion issues in Florida; (xvi) the cost and availability of insurance and surety bonds; (xvii) the performance of our unconsolidated entities and our unconsolidated entity partners; (xviii) the impact of information technology failures 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.

Introduction

Bob Salomon -

EVP & Chief Financial Officer

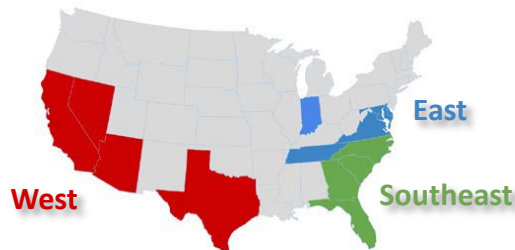
David Goldberg -

Vice President, Treasurer

Beazer at a Glance

Overview

- Operations in 13 states across three regions with homes targeted to entry-level, move-up and active adult buyers

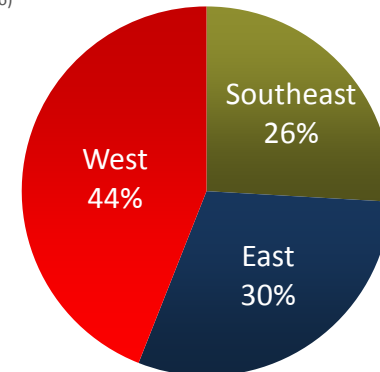


Strategic Pillars

- Choice Plans
 - No cost home reconfiguration options
- Mortgage Choice
 - Preferred lenders focused on the best deal for the buyer
- Energy Efficiency
 - ENERGY STAR Builder of the Year

Homebuilding Revenue By Region

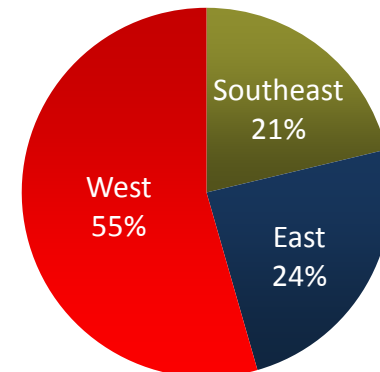
(LTM period ended 6/30/16)



Total: \$1.8 billion

Owned Inventory By Region⁽¹⁾

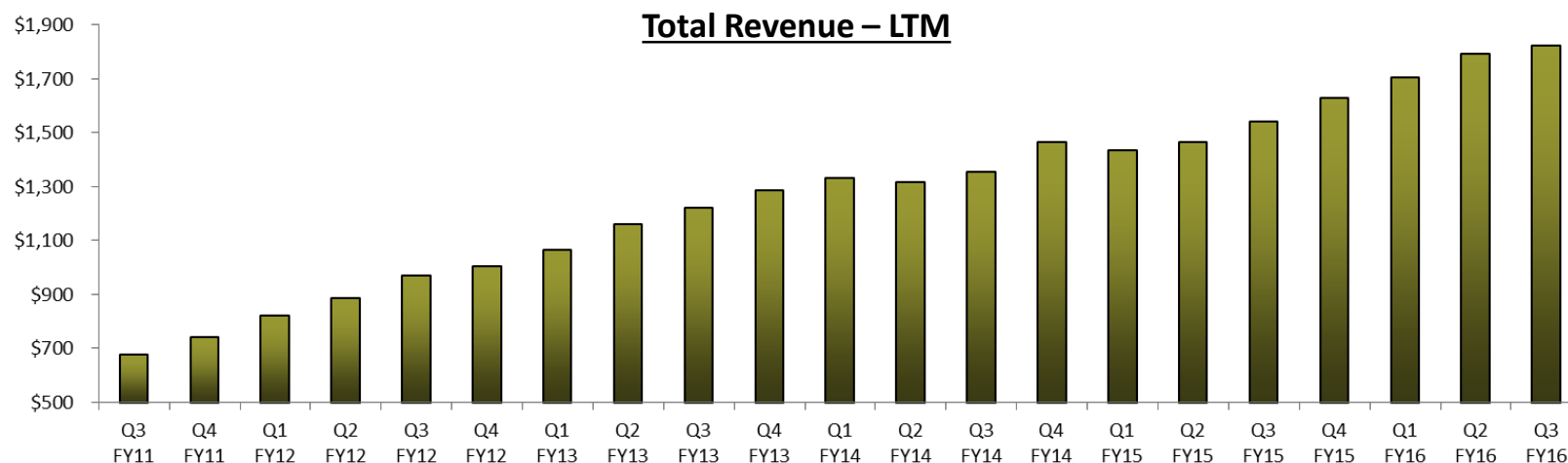
(As of 6/30/16)



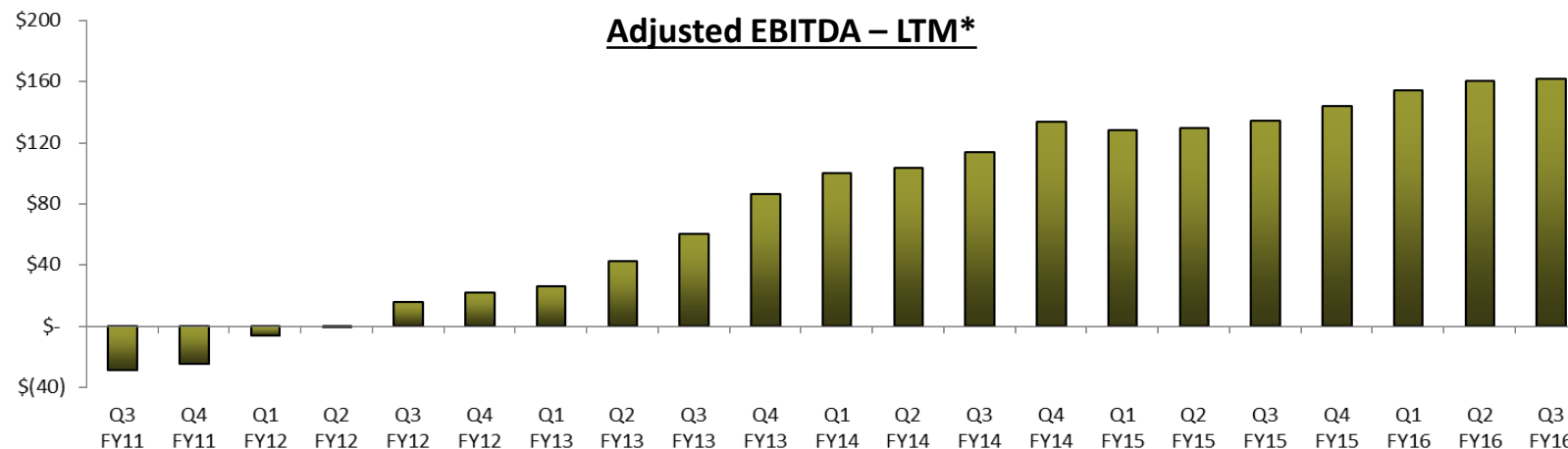
Total: \$1.7 billion

5 Year Growth in Revenue and EBITDA

\$ in millions



\$ in millions



Our Balanced Growth Strategy

➤ Increasing Profitability

- Achieve and surpass “2B-10” goals

➤ Deleveraging

- Revised debt reduction targets:
 - \$150 million through FY16. Approximately \$120 million fiscal year to date
 - At least \$250 million through FY18

➤ Improving Capital Efficiency

"2B-10" Plan Ranges vs. LTM Results

		"2B-10" Plan Ranges	Q3 FY16 LTM Results
Revenue	Sales / Community/ Month	2.8 - 3.2	2.6
	Average Sales Price ("ASP")	\$330k - \$340k	\$325k
	Average Community Count	170 - 175	166
	Total Revenue	\$2.0 billion	\$1.8 billion
Margin	HB Gross Margin*%	21% - 22%	20.7%
	SG&A (% of Revenue)	11% - 12%	12.2%
	EBITDA**	\$200 million	\$161 million

"2B-10" is a multi-year plan to reach \$2 billion in Revenue and 10% EBITDA Margin

3rd Quarter Highlights

- New Home Orders
 - Sales absorption rate of 3.0 per community per month leading to 1,490 orders
- Homebuilding Revenue
 - \$451 million in Homebuilding Revenue, up 9.7% YoY
- Closings
 - Backlog conversion ratio of 59.3% resulting in 1,364 Closings, up 5.5% YoY
- Average Sales Price (ASP)
 - ASP of \$331 thousand, up 4.0% YoY
 - 6/30 Backlog ASP of \$336 thousand
- Gross Margin*
 - Gross Margin* of 20.7%, up 50 basis points sequentially
- SG&A
 - 12.6% of Total Revenue, down 20 bps YoY
- Adjusted EBITDA**
 - \$38.3 million of Adjusted EBITDA**, up 4% YoY
- Net Income
 - Net Income from continuing operations of \$6.1 million

4th Quarter Expectations

- New Home Orders
 - Sales growth of at least 10% relative to prior year
- Closings
 - Backlog conversion between 75% and 80%
- Average Sales Price (ASP)
 - High \$330k range
- Gross Margin
 - Relatively flat sequentially
- SG&A
 - SG&A as a % of Total Revenue lower than prior year
- Land Spend
 - Greater than \$100 million

Deleveraging and Improving Our Balance Sheet

- Through Q3 FY2016, \$71 million of net loan and notes principal reduction
- At June 30, 2016, Net Debt to Net Capitalization at 67.0%, down from 84.0% the previous year
- Interest run-rate savings greater than \$8 million annually

Reducing Our Leverage

Events subsequent to June 30, 2016

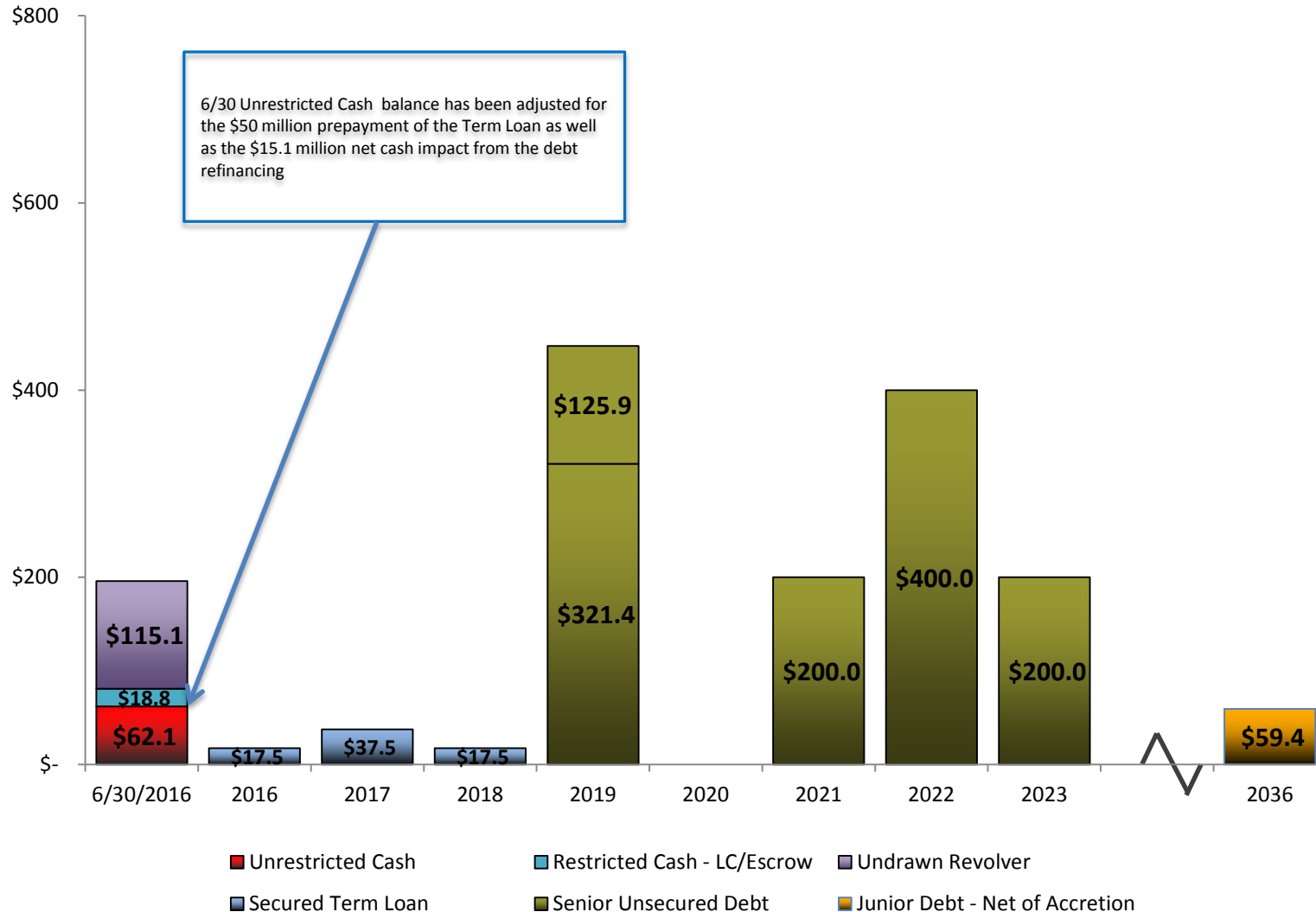
- Prepaid \$50 million of principal on Secured Term Loan
- Issued \$400 million of Unsecured Senior Notes due 2022
 - Retired all \$300 million of 6.625% Secured Senior Notes due 2018
 - Announced repurchase of \$90 million of 9.125% Unsecured Senior notes due 2019
- Total outstanding Term Loan of \$72.5 million following refinancing transaction

Future Actions Expected

- Scheduled Term Loan amortization payment of \$17.5 million on September 30, 2016
- Total debt reduction of \$150 million in FY2016
- Total aggregate debt reduction of \$250 million through FY2018

Pro Forma Maturity Schedule Post Refinancing

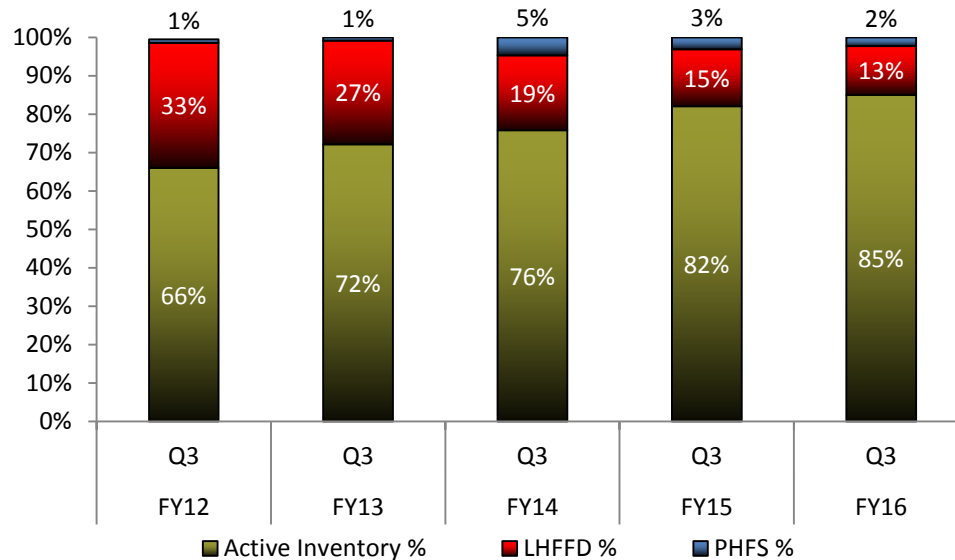
\$ in millions



Improving the Efficiency of our Land Position

At June 30, 2016:
24,317 total controlled lots
20,018 active lots

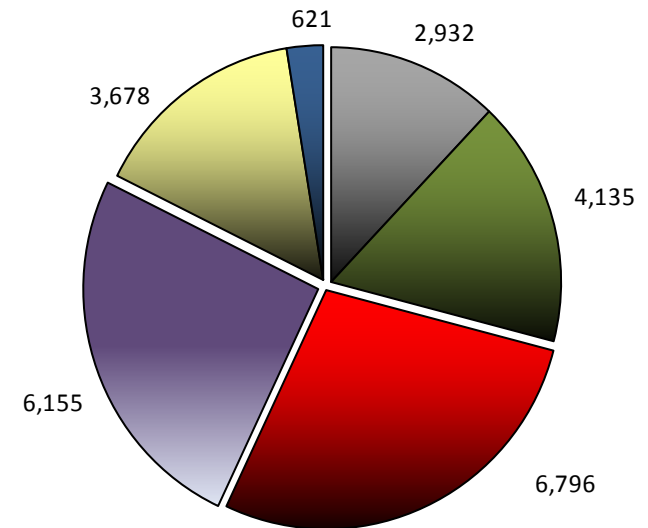
Total Inventory



Option Lots as % of Active Lots

Option Lots as % of Active Lots				
22%	27%	27%	28%	31%

Lot Position at June 30, 2016



Immediate Availability

- Homes Under Construction
- Finished Lots

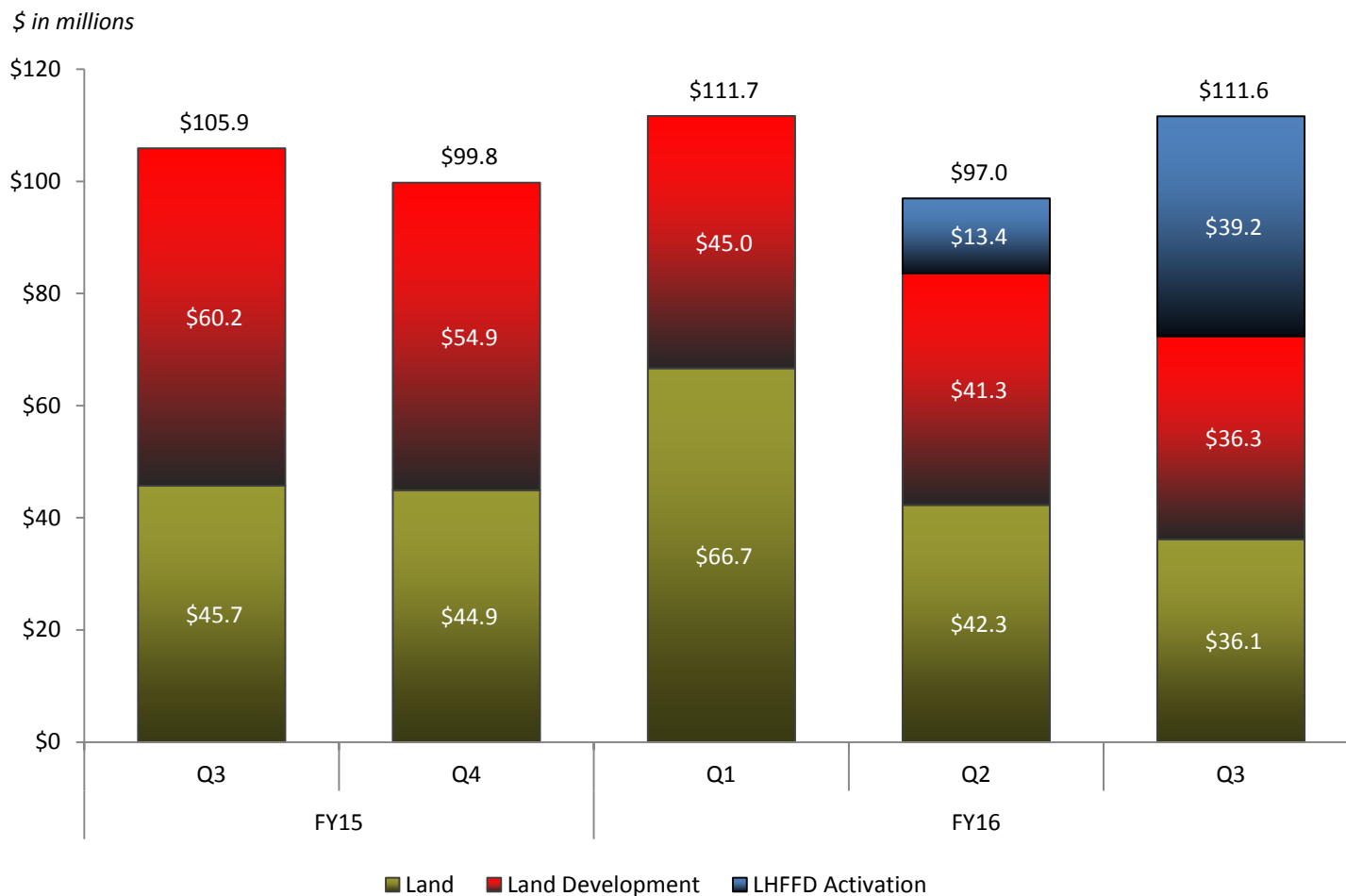
Near-Term Availability

- Owned Land Under Development
- Lots Under Option

Long-Term and Non-Strategic Assets

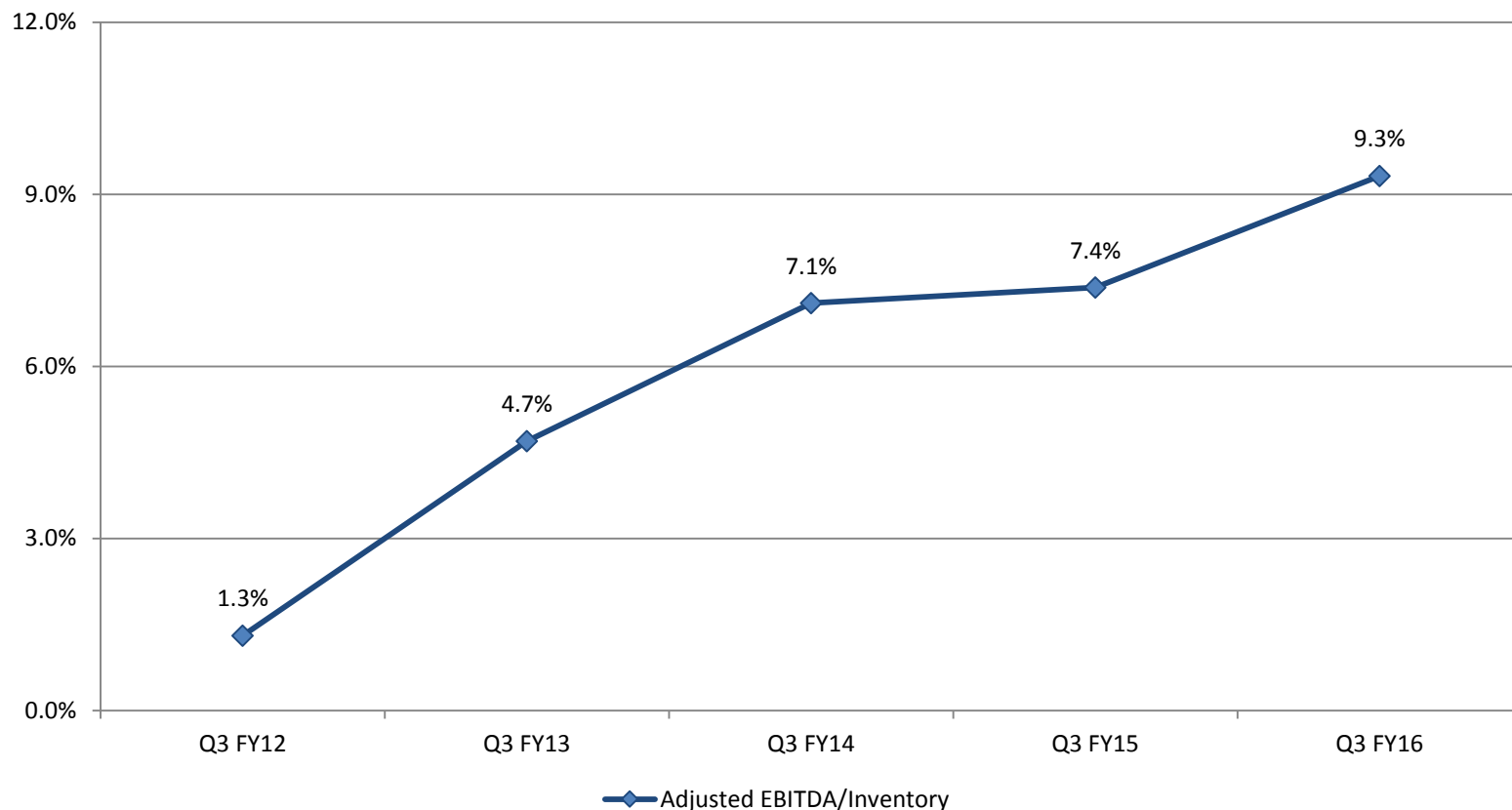
- Land Held for Future Development
- Property Held for Sale

Managing Land Spend



Improving Capital Efficiency

LTM EBITDA*/Inventory Ratio



Beazer Homes Investment Summary

- Generated dramatic growth in both revenue and EBITDA over the past 5 years
- Successfully executing our balanced growth strategy: Achieving and surpassing our “2B-10” plan while reducing our leverage
- Capital efficiency has improved significantly over the last few years. At the same time, opportunities persist to build on these gains