Beazer Homes USA, Inc.
Q3 2019 Earnings Presentation

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) economic changes nationally or in local markets, changes in consumer confidence, and 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; (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) 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) 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; (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, a change in tax laws regarding the deductibility of mortgage interest for tax purposes or an increased number of foreclosures; (viii) our 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 reductions in our tangible net worth or 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; (x) our ability to implement and complete our capital allocation plans, including our share and debt repurchase programs; (xi) increased competition or delays in reacting to changing consumer preferences in home design; (xii) weather conditions 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) estimates related to the potential recoverability of our deferred tax assets, and a potential reduction in corporate tax rates that could reduce the usefulness of our existing 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 performance of our unconsolidated entities and our unconsolidated entity partners; (xix) the impact of information technology failures or data security breaches; (xx) terrorist acts, natural disasters, acts of war or other factors over which we have little or no control; or (xxi) 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 -	**President & Chief Executive Officer**
Bob Salomon -	**EVP & Chief Financial Officer**
David Goldberg -	**Vice President, Treasurer**

3rd Quarter Highlights

	Q3 Actuals	Q3 Expectations
New Home Orders	+ 6.5%	Up 5% - 10%
Average Community Count	+ 10.6%	Up 5% - 10%
Backlog Conversion	63.8%	Above 60%
Average Selling Price ($k)	$380.1	Above $375k
HB Gross Margin %*	19.4%	18.75%-19.25%
SG&A Expense	12.2% (down $3M)	Down in $
Cash Land Spend ($M)	$102.8	Above $100 million

*Excludes impairments, abandonments, and interest included in cost of sales

Strategic Priorities for FY20 and Beyond

Balanced Growth: Target double-digit ROA by growing EBITDA, improving balance sheet efficiency and lowering leverage

Growing EBITDA

- Higher community count achieved in FY19
- Gross margin expansion
  - Fewer specs
  - Lower incentives
  - Simplification
- Overhead leverage improvement

Balance Sheet Efficiency

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

Reduce Leverage

- > $50 million total reduction in FY19
- Greater reduction in FY20 vs. FY19
- Target debt below $1 billion over time

BEAZER HOMES

3rd Quarter Results

Results	Q3 FY19	YoY Change
New Home Orders	1,544	+ 6.5%
Sales Pace	3.0	(3.7%)
Average Community Count	174	+ 10.6 %
Homebuilding Revenue ($M)	$482.3	(4.9%)
Average Selling Price ($k)	$380.1	+ 4.3 %
Closings	1,269	(8.8%)
Backlog Conversion	63.8%	+ 360 bps
HB Gross Margin %*	19.4%	(140) bps
SG&A as % of Total Revenue	12.2%	10 bps
Adjusted EBITDA** ($M)	$38.7	(17.0%)
Net Income - Cont. Ops. ($M)	$11.6	N/A

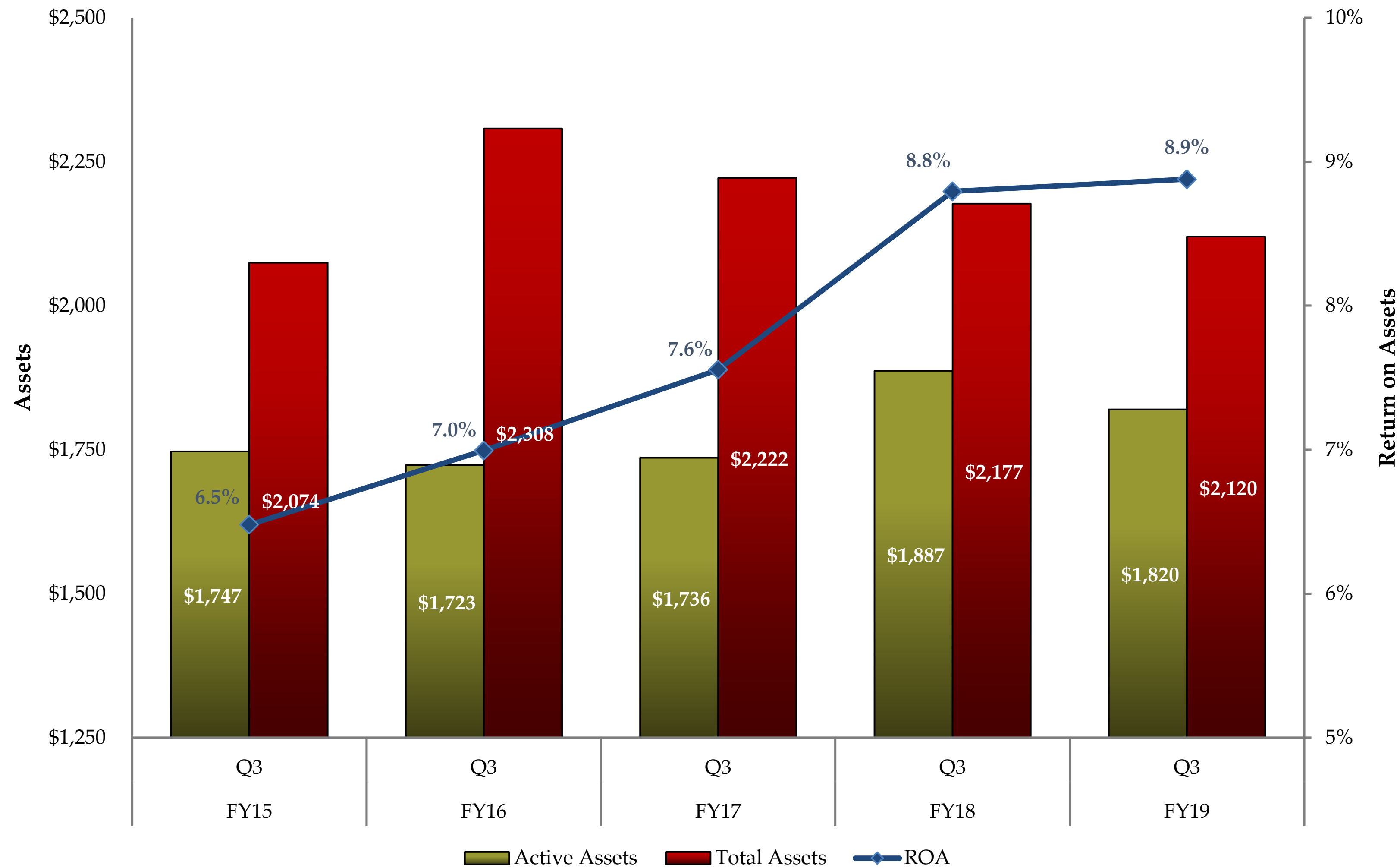
*Excludes impairments, abandonments, and interest included in cost of sales
**Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix

4th Quarter Expectations

Metric	Q4 FY19
New Home Orders	Up 5% - 10% YoY
Community Count	Around 170
Closings	Relatively flat YoY
Average Selling Price	Above $385k
HB Gross Margin %	Roughly flat QoQ
SG&A Expense	Around 10%
Cash Land Spend	Around $100 million

Driving ROA Through Increased Capital Efficiency

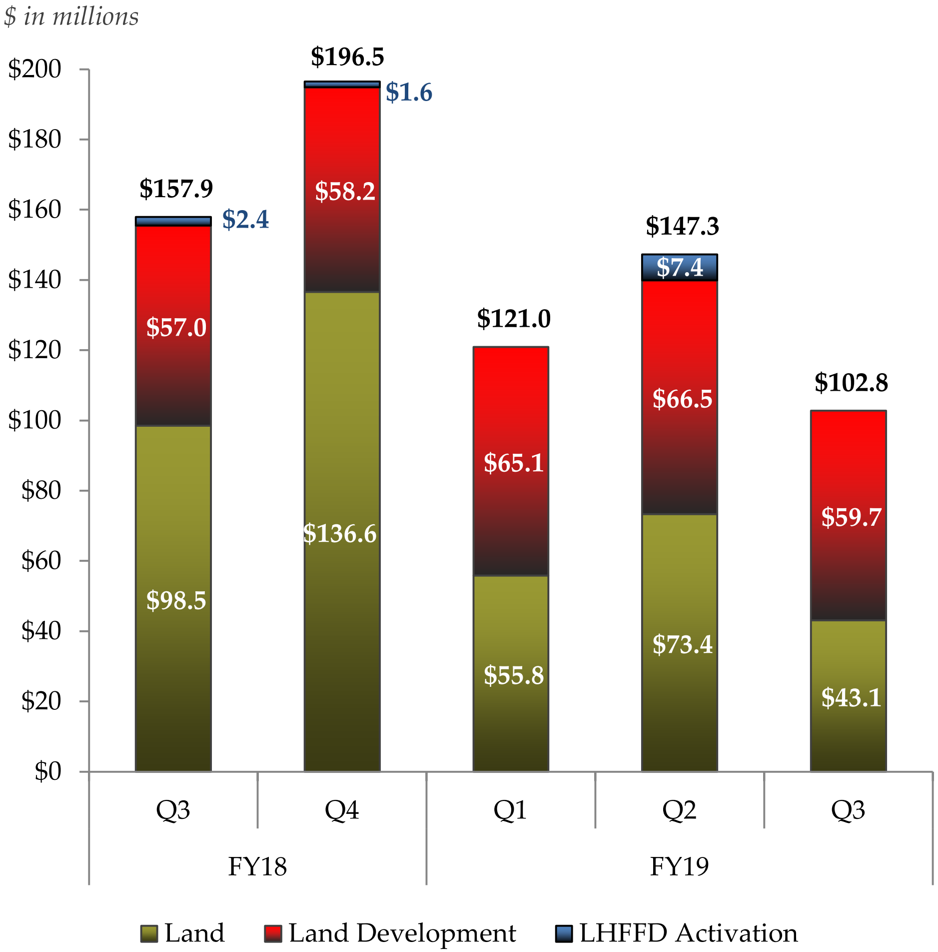
$ in millions



Note: ROA is LTM Adjusted EBITDA/Total Assets at end of period

Land Spend & Lot Position

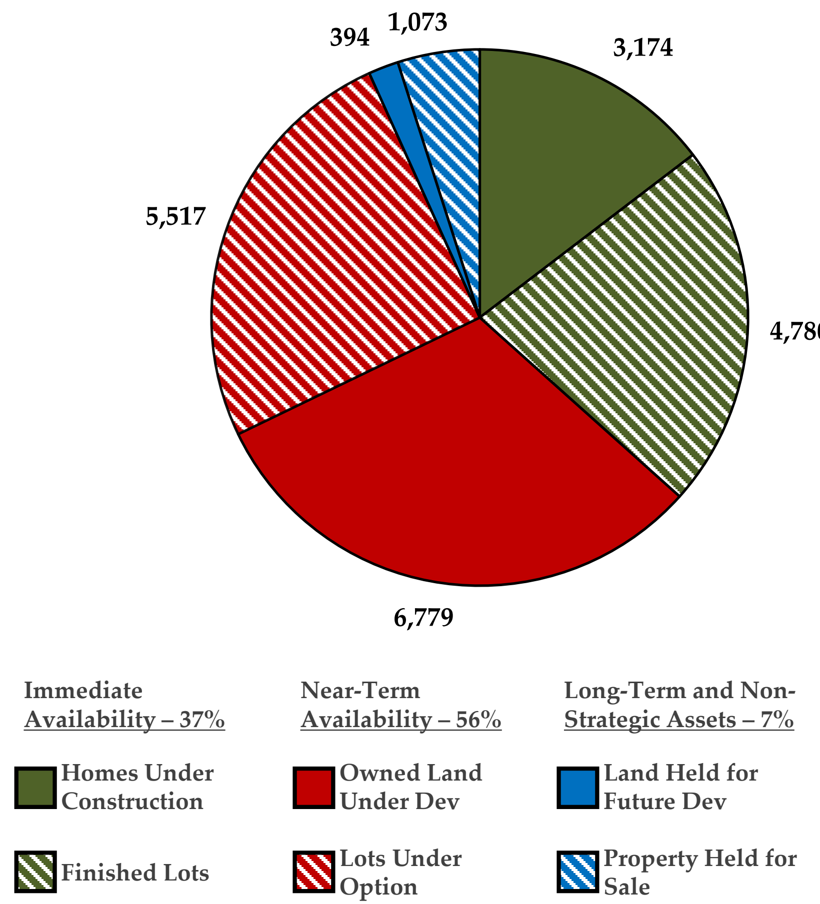
Quarterly Land Spend



Note: Totals may not foot due to rounding

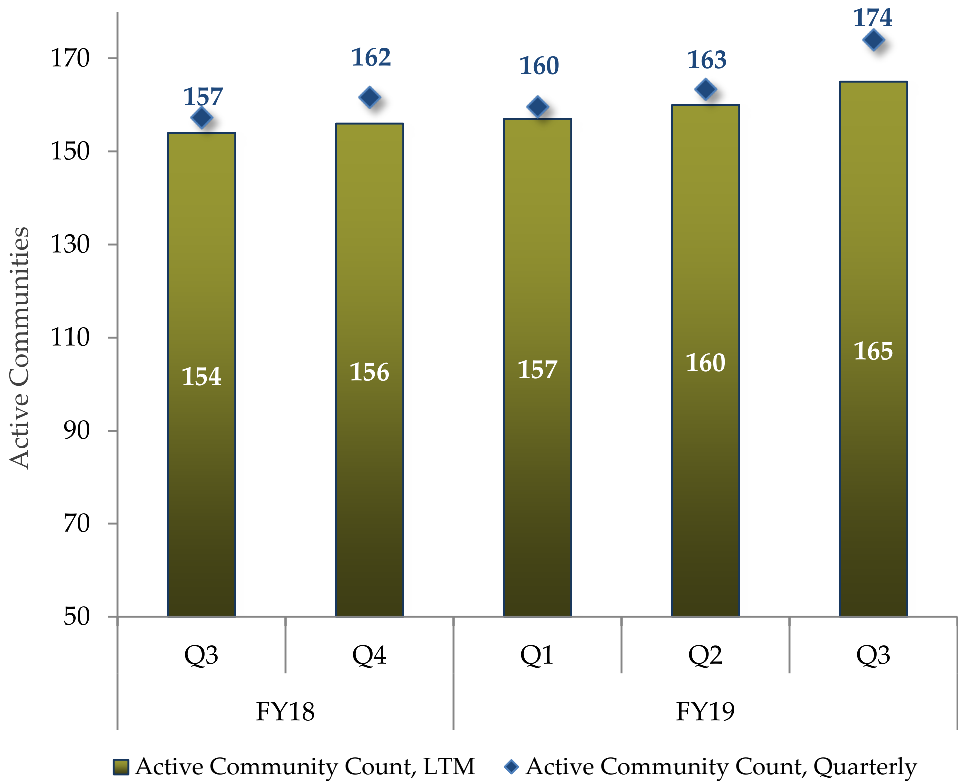
21,717 total controlled lots
20,250 active lots

Lot Position at June 30, 2019



Community Count Around 170 by 2019 FYE

Average Active Community Count

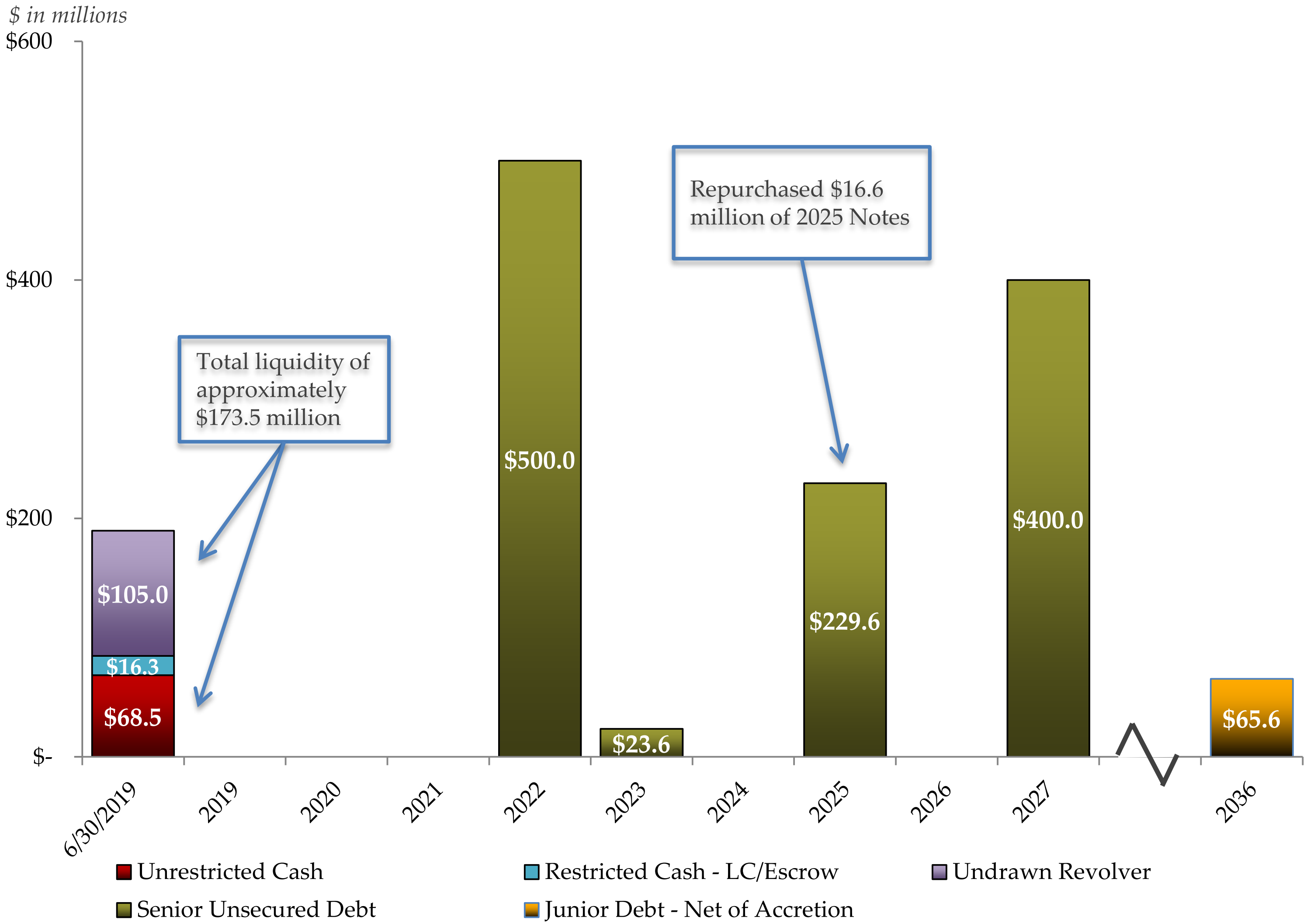


Community Count Activity

Active Communities at 6/30/2019	173
Opening in Next ~6 Months	+ 41
Under Development (excluding any communities opening in N6M)	+ 14
Approved But Not Yet Closed (excluding any communities opening in N6M)	+ 31
Closing in Next ~12 Months	(50 - 70)

Note: An active community has achieved at least 2 initial sales and has at least 2 unsold units remaining

Maturity Schedule – 6/30/2019

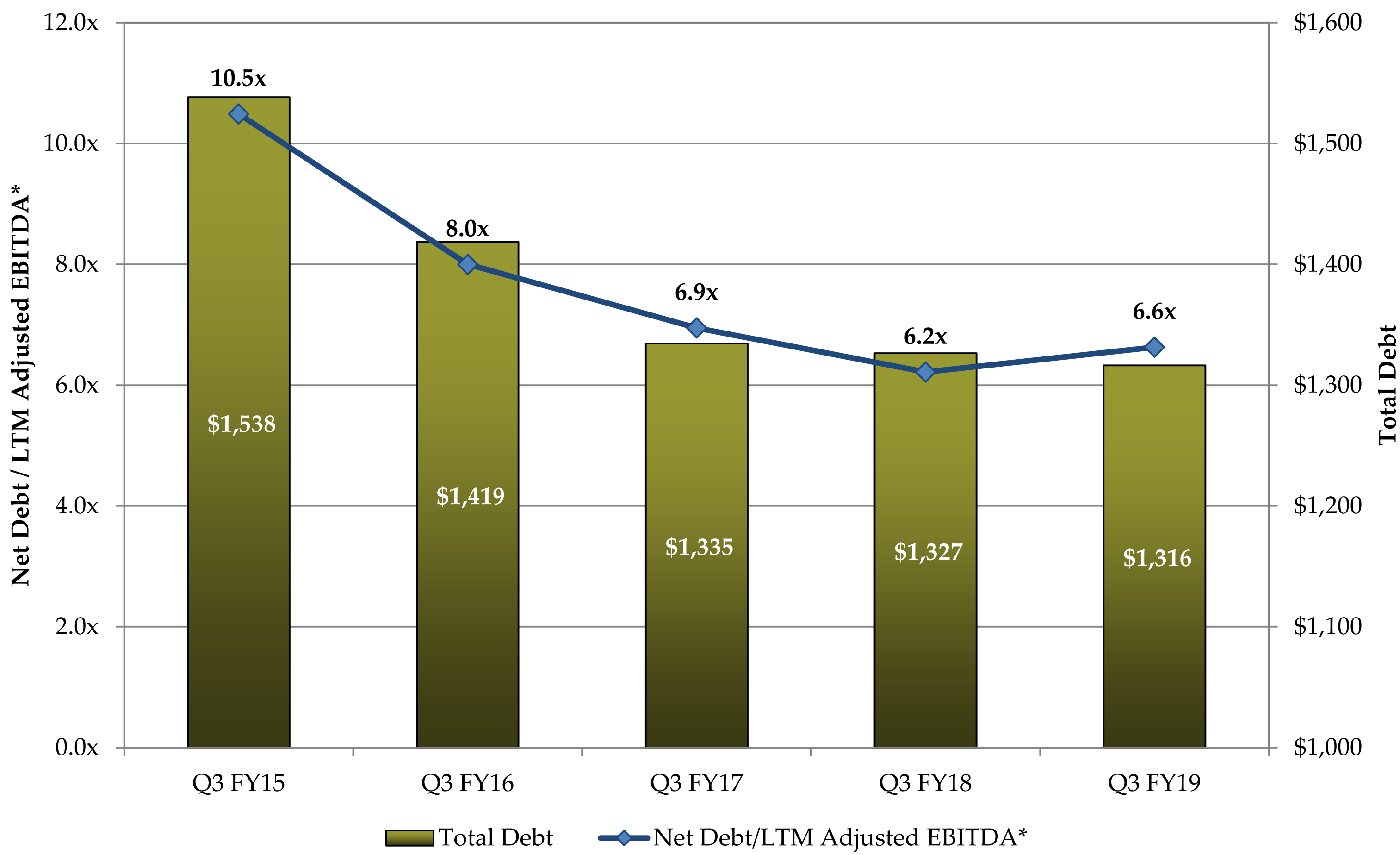


Notes:

- There is an additional $2.6 million of secured divisional debt on the balance sheet with various maturity dates
- Years are calendar years

Reducing Debt Below $1 Billion

$ in millions



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

Strategic Priorities for FY20 and Beyond

Balanced Growth: Target double-digit ROA by growing EBITDA, improving balance sheet efficiency and lowering leverage

Growing EBITDA

- Higher community count achieved in FY19
- Gross margin expansion
  - Fewer specs
  - Lower incentives
  - Simplification
- Overhead leverage improvement

Balance Sheet Efficiency

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

Reduce Leverage

- > $50 million total reduction in FY19
- Greater reduction in FY20 vs. FY19
- Target debt below $1 billion over time

Appendix

Q3 Results

$ in millions, except ASP

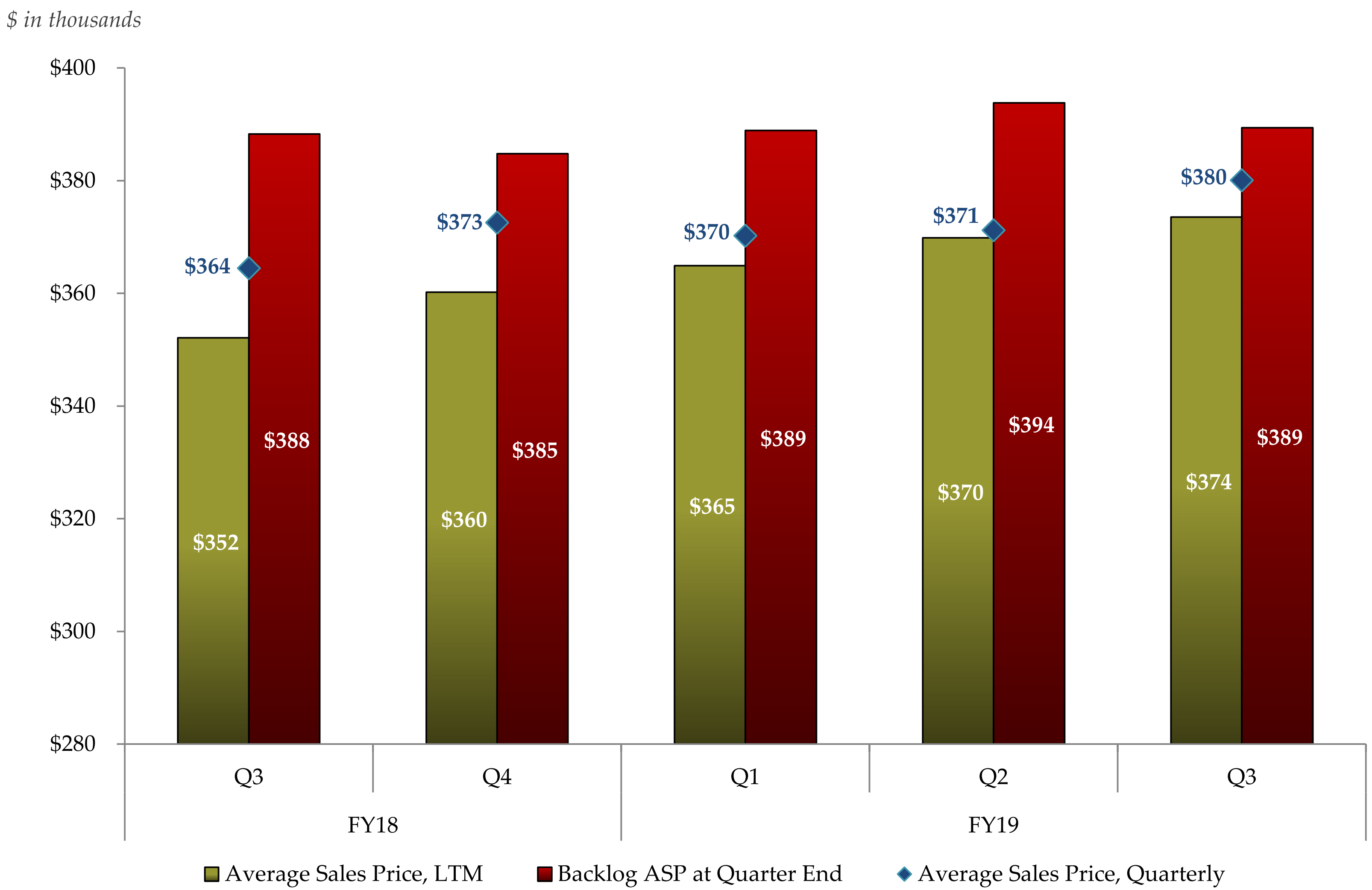
		Q3 FY18		Q3 FY19		Δ
Profitability						
Total Revenue	$	511.5	$	482.7		(5.6)%
Adjusted EBITDA*	$	46.6	$	38.7	$	(7.9)
Net Income/Loss (Cont. Ops.)	$	13.4	$	11.6	$	(1.8)
Unit Activity						
Orders		1,450		1,544		6.5%
Closings		1,391		1,269		(8.8)%
Average Sales Price ($000's)	$	364.5	$	380.1		4.3%
Cancellation Rate		18.6%		15.2%		(340 bps)
Active Community Count, Avg**		157		174		10.6%
Sales/Community/Month		3.1		3.0		(3.7)%
Margins						
HB Gross Margin***		20.8%		19.4%		(140 bps)
SG&A (% of Total Revenue)		12.1%		12.2%		10 bps
Balance Sheet						
Unrestricted Cash	$	136.3	$	68.5	$	(67.8)
Land & Development Spending	$	155.5	$	102.8	$	(52.7)

Note: Variances are calculated using un-rounded numbers
*Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix
**Active Community Count was 158 at 6/30/2018 and 173 at 6/30/2019
***Excludes impairments, abandonments, and interest included in cost of sales

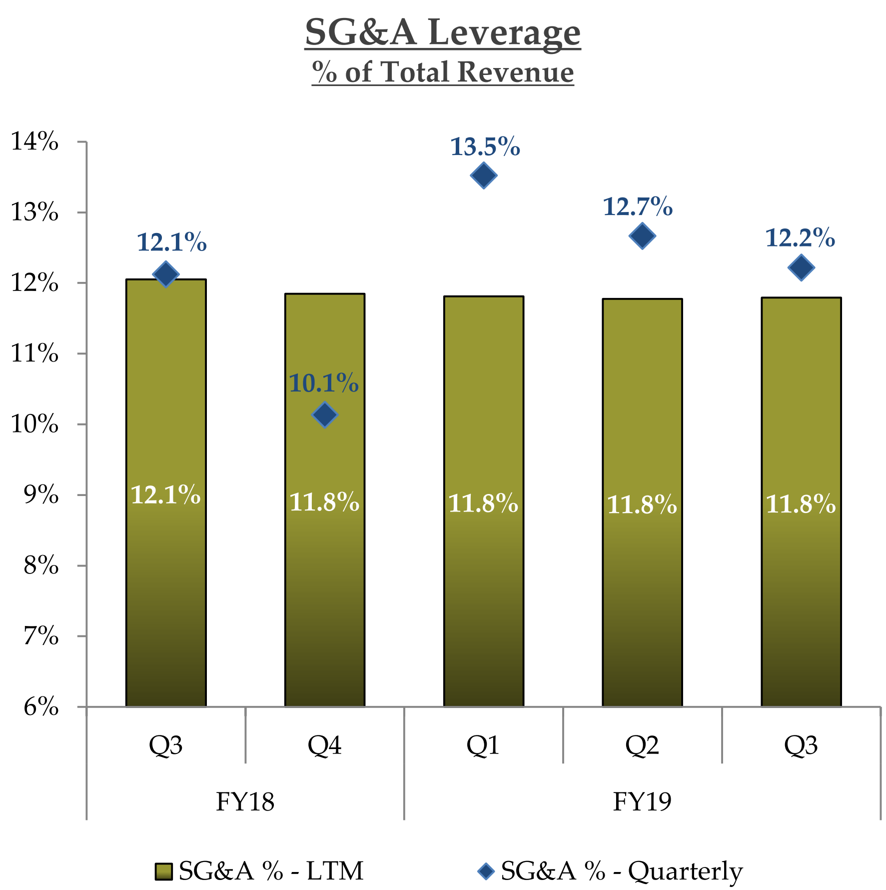
Backlog Detail

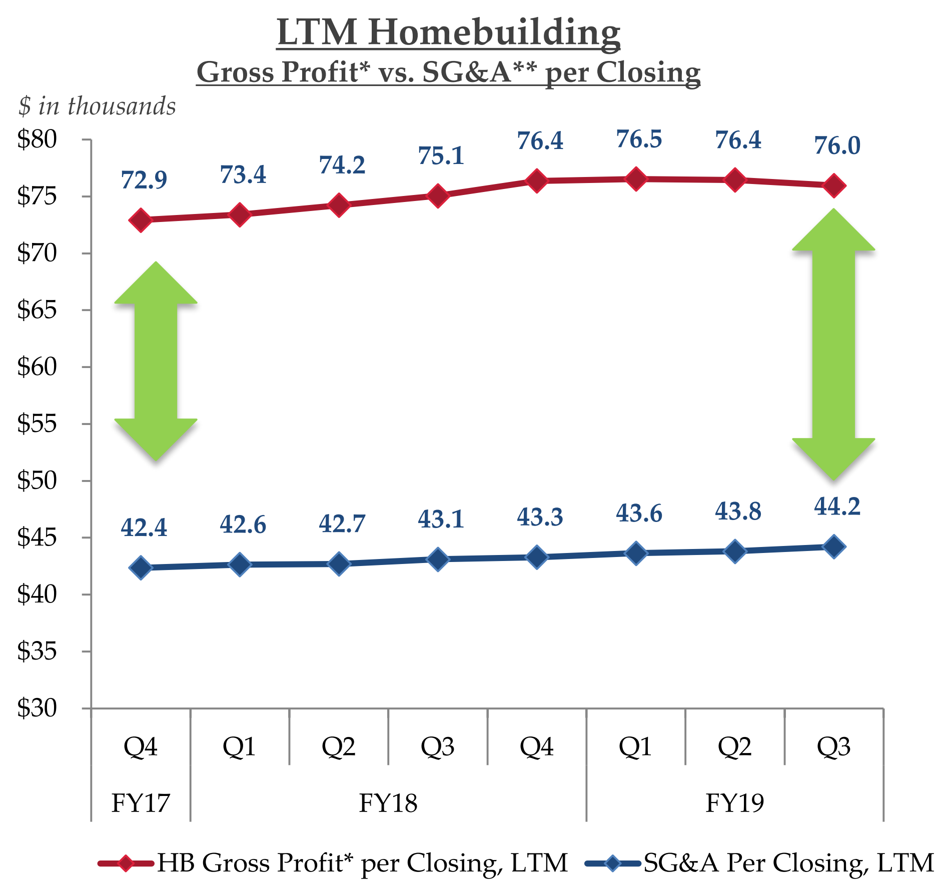
		Q3 FY18		Q3 FY19
Quarter Ending Backlog (units)		2,371		2,264
Quarter Ending Backlog ($ in millions)	$	920.7	$	881.6
ASP in Backlog ($ in thousands)	$	388.3	$	389.4
Quarter Beg. Backlog		2,312		1,989
Scheduled to Close in Future Qtrs.		(1,184)		(1,004)
Backlog Scheduled to Close in the Qtr.		1,128		985
Backlog Activity:				
Cancellations		(79)		(70)
Pushed to Future Quarters		(72)		(46)
Close Date Brought Forward		85		99
Sold & Closed During the Qtr		329		301
Total Closings in the Quarter		1,391		1,269
Backlog Conversion Rate		**60.2%**		**63.8%**
Spec Closings During the Qtr		**46.9%**		**49.6%**

Backlog ASP Stabilizing



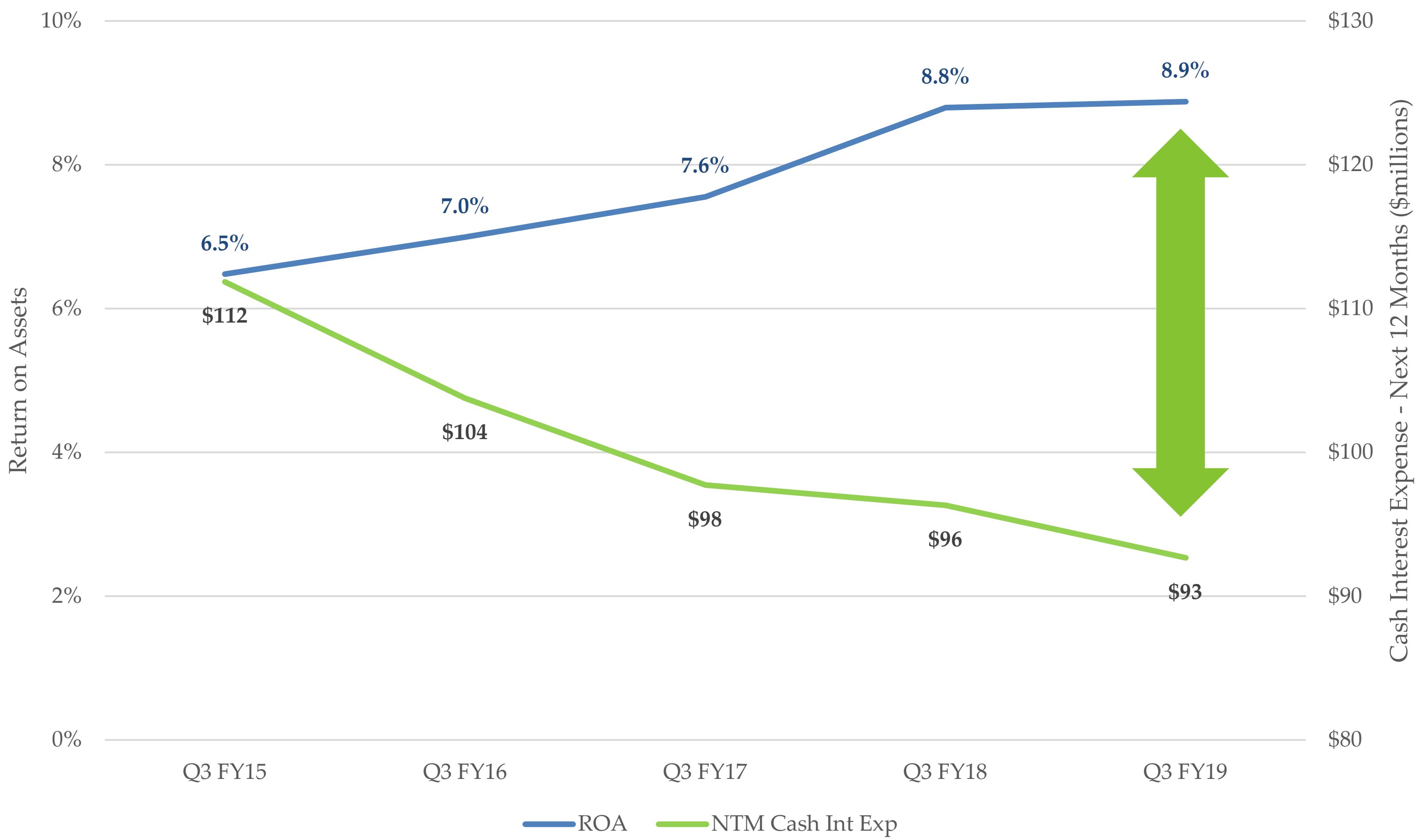
SG&A Leverage as Revenue Grows





* Excludes impairments, abandonments, interest included in cost of sales and certain warranty items
** Q1 FY17 SG&A excludes a $2.7 million write-off of a legacy investment in a development site

Push Toward 10+ ROA with Declining Cost of Capital

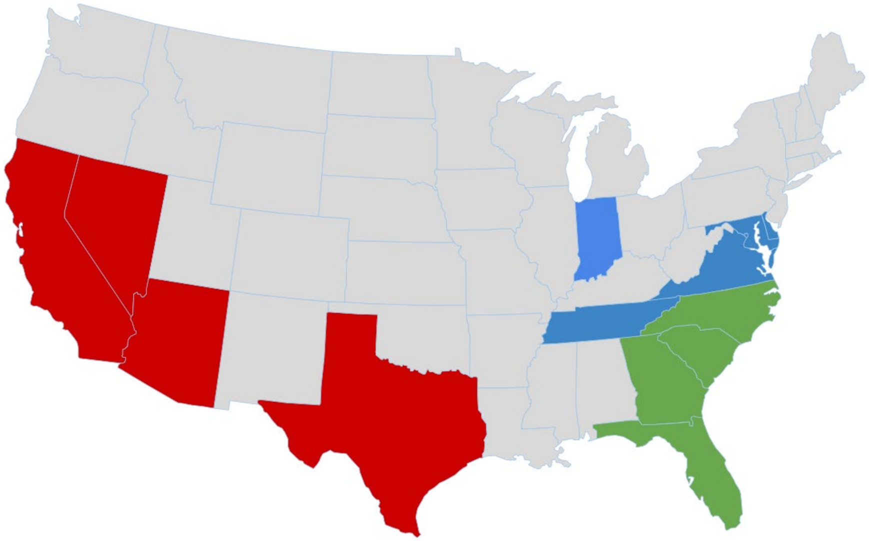


Notes:
- ROA is LTM Adjusted EBITDA/Total Assets at end of period
- NTM Cash Interest Expense is expected cash interest due for following 12-month period assuming principal balances and interest rates remain fixed at their end of period position

BEAZER HOMES

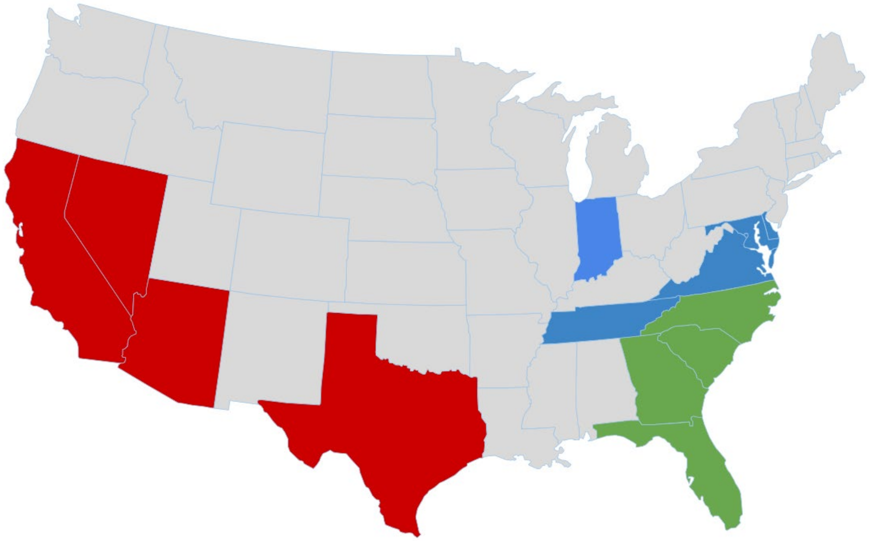
Geographic Mix Impacts Q3 ASP

	Q3 FY18 ASP	Q3 FY19 ASP	Change in ASP ($)	Change in ASP (%)	Q3 FY18 Closings	Q3 FY19 Closings	Change in Mix
West	$345k	$354k	$9k	2.8%	50.4%	53.1%	2.7%
East	$431k	$479k	$48k	11.2%	21.5%	19.4%	-2.1%
SE	$349k	$360k	$11k	3.2%	28.1%	27.5%	-0.6%



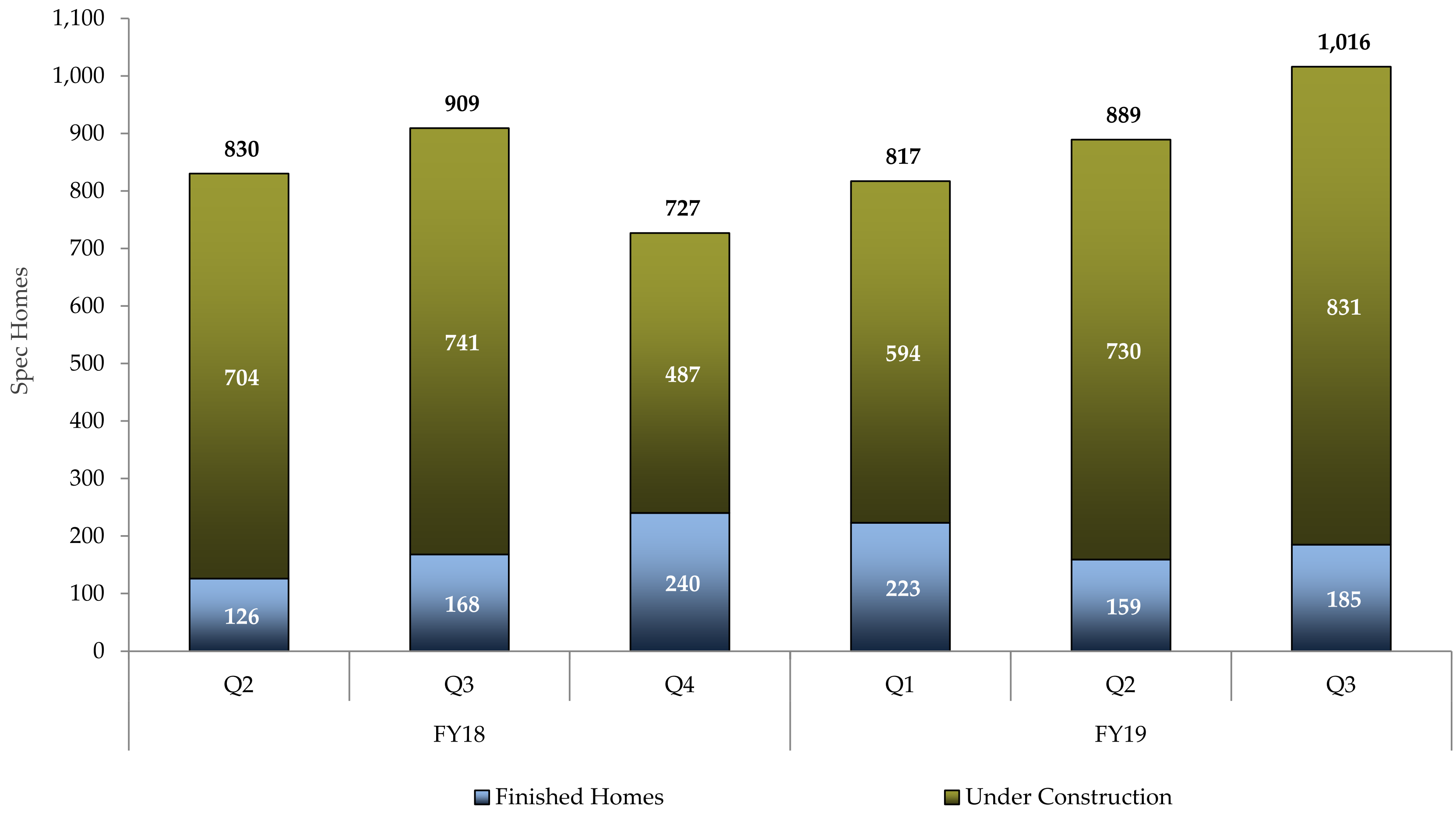
Geographic Mix Impacts Q3 Margin

	Q3 FY18 GM%	Q3 FY19 GM%	Change in GM%	Q3 FY18 Closings	Q3 FY19 Closings	Change in Mix
West	22.1%	20.8%	(130) bps	50.4%	53.1%	2.7%
East	19.4%	18.7%	(70) bps	21.5%	19.4%	-2.1%
SE	18.4%	16.2%	(220) bps	28.1%	27.5%	-0.6%



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

Available Specs



Note: Spec count as of each quarter-end

Adjusted EBITDA Reconciliation

($ in thousands)	Three Months Ended June 30, 2019	2018	Variance	Nine Month Ended June 30, 2019	2018	Variance
Net (loss) income	$ 11,602	$ 13,409	$ (1,807)	$ (81,949)	$ (105,980)	$ 24,031
(Benefit) expense from income taxes	(2,187)	4,261	(6,448)	(44,279)	113,233	(157,512)
Interest amortized to home construction and land sales expenses, capitalized interest impaired	21,752	22,450	(698)	71,526	58,581	12,945
Interest expense not qualified for capitalization	961	205	756	1,800	5,290	(3,490)
EBIT	**32,128**	**40,325**	**(8,197)**	**(52,902)**	**71,124**	**(124,026)**
Depreciation and amortization and stock-based compensation amortization	6,941	6,140	801	16,905	16,921	(16)
EBITDA	**39,069**	**46,465**	**(7,396)**	**(35,997)**	**88,045**	**(124,042)**
(Gain) loss on debt extinguishment	(358)	-	(358)	(574)	25,904	(26,478)
Inventory impairments and abandonments	-	168	(168)	134,711	618	134,093
Adjusted EBITDA	**$ 38,711**	**$ 46,633**	**$ (7,922)**	**$ 98,140**	**$ 114,567**	**$ (16,427)**

Total Assets

$ in millions		06/30/19
Unrestricted & Restricted Cash	$	84.8
Working Capital		30.5
PPE & Investments		43.6
Active Inventory		1,575.1
Former LHFFD - Under Development		85.7
LHFFD & PHFS		41.9
Deferred Tax Assets		258.7
Total Assets	$	2,120.3

$1.7B of Total Assets are revenue generating

$386.3M 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

Deferred Tax Assets - Summary

($ in millions)	June 30, 2018	June 30, 2019
Deferred Tax Assets	$ 249.9	$ 292.9
Valuation Allowance	(54.7)	(34.2)
Net Deferred Tax Assets	$ 195.1	$ 258.7

As of June 30, 2019, our remaining valuation allowance of $34.2 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-Q for additional detail.

Note: Totals may not foot due to rounding