

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended September 30, 2024
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 001-12822

BEAZER HOMES USA, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

2002 Summit Blvd NE, 15th Floor,
Atlanta, Georgia
(Address of principal executive offices)

58-2086934
(I.R.S. employer
Identification no.)

30319
(Zip Code)

(770) 829-3700

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value	BZH	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES NO

The aggregate market value of the registrant's Common Stock held by non-affiliates of the registrant as of March 31, 2024, based on the closing sale price per share as reported by the New York Stock Exchange on such date, was \$979,468,319.

<u>Class</u>
Common Stock, \$0.001 par value

<u>Outstanding at November 8, 2024</u>
31,050,227

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for the registrant's 2024 Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K to the extent stated herein. The Proxy Statement will be filed within 120 days of the registrant's fiscal year ended September 30, 2024.

BEAZER HOMES USA, INC.
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References to “we,” “us,” “our,” “Beazer,” “Beazer Homes” and the “Company” in this Annual Report on Form 10-K refer to Beazer Homes USA, Inc.

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (Form 10-K) contains forward-looking statements. These forward-looking statements represent our expectations or beliefs concerning future events or results, and it is possible that such events or results described in this Form 10-K will not occur or be achieved. These forward-looking statements can generally be identified by the use of statements that include words such as "outlook," "may," "will," "strategy," "believe," "expect," "anticipate," "intend," "plan," "foresee," "likely," "goal," "target," "estimate," "project," "initial" or other similar words or phrases.

These forward-looking statements involve risks, uncertainties and other factors, many of which are outside of our control, that could cause actual events or results to differ materially from the results discussed in the forward-looking statements, including, among other things, the matters discussed in this Form 10-K 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 is contained in [Part I, Item 1A – Risk Factors](#) of this Form 10-K for the fiscal year ended September 30, 2024. 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 may include:

- the cyclical nature of the homebuilding industry and deterioration in homebuilding industry conditions;
- economic changes nationally and in local markets, including increases in the number of foreclosures and wage levels, both of which are outside our control and may impact consumer confidence and affect the affordability of, and demand for, the homes we sell;
- elevated mortgage interest rates for prolonged periods, as well as further increases to, and reduced availability of, mortgage financing due to, among other factors, additional actions by the Federal Reserve to address inflation;
- financial institution disruptions, such as the lingering effects of bank failures that spiked in 2023;
- supply chain challenges negatively impacting our homebuilding production, including shortages of raw materials and other critical components such as windows, doors, and appliances;
- our ability to meet or achieve our sustainability related goals, aspirations, initiatives, and our public statements and disclosures regarding them;
- inaccurate estimates related to homes to be delivered in the future (backlog), as they are subject to various cancellation risks that cannot be fully controlled;
- factors affecting margins, such as adjustments to home pricing, increased sales incentives and mortgage rate buy down programs in order to remain competitive;
- decreased revenues;
- 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 cycle times and production and overhead cost structures;
- not being able to pass on cost increases (including cost increases due to increasing the energy efficiency of our homes) through pricing increases;
- the availability and cost of land and the risks associated with the future value of our inventory;
- our ability to raise debt and/or equity capital, due to factors such as limitations in the capital markets (including market volatility), adverse credit market conditions and financial institution disruptions, 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;
- market perceptions regarding any capital raising initiatives we may undertake (including future issuances of equity or debt capital);

- changes in tax laws or otherwise regarding the deductibility of mortgage interest expenses and real estate taxes, including those resulting from regulatory guidance and interpretations issued with respect thereto, such as the IRS's guidance regarding heightened qualification requirements for federal credits for building energy-efficient homes;
- increased competition or delays in reacting to changing consumer preferences in home design;
- 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;
- shortages of or increased costs for labor used in housing production, including as a result of federal or state legislation, and the level of quality and craftsmanship provided by such labor;
- terrorist acts, protests and civil unrest, political uncertainty (including as a result of the 2024 election cycle), acts of war or other factors over which the Company has no control, such as the conflict between Russia and Ukraine, the conflict in Gaza, and other conflicts in the Middle East;
- potential negative impacts of public health emergencies and lingering impacts of past pandemics;
- the potential recoverability of our deferred tax assets;
- increases in corporate tax rates;
- 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;
- the results of litigation or government proceedings and fulfillment of any related obligations;
- the impact of construction defect and home warranty claims;
- the cost and availability of insurance and surety bonds, as well as the sufficiency of these instruments to cover potential losses incurred;
- the impact of information technology failures, cybersecurity issues or data security breaches, including cybersecurity incidents deploying evolving artificial intelligence tools and incidents impacting third-party service providers that we depend on to conduct our business;
- the impact of governmental regulations on homebuilding in key markets, such as regulations limiting the availability of water and electricity (including availability of electrical equipment such as transformers and meters); and
- the success of our ESG initiatives, including our ability to meet our goal that by the end of 2025 every home we start will be Zero Energy Ready, as well as the success of any other related partnerships or pilot programs we may enter into in order to increase the energy efficiency of our homes and prepare for a Zero Energy Ready future.

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.

PART I

Item 1. Business

We are a geographically diversified homebuilder with active operations in 13 states within three geographic regions in the United States: the West, East, and Southeast. Our homes are designed to appeal to homeowners at different price points across various demographic segments and are generally offered for sale in advance of their construction. Our objective is to provide our customers with homes that incorporate extraordinary value and quality, at affordable prices, while seeking to maximize our investment returns over the course of a housing cycle.

Beazer Homes USA, Inc. was incorporated in Delaware in 1993. Our principal executive offices are located at 2002 Summit Blvd NE, 15th Floor, Atlanta, GA 30319, and our main telephone number is (770) 829-3700. We also provide information about our company, including active communities, through our Internet website located at www.beazer.com. Information on our website is not a part of this Form 10-K and shall not be deemed incorporated by reference.

Long-Term Business Strategy

We continue to execute against our long-term balanced growth strategy, which is characterized by growing profitability, improving balance sheet efficiency, and generating returns above our cost of capital. This strategy provides us with the flexibility to reduce leverage through debt reduction, increase return of capital to investors through stock repurchases, or increase investment in land and other operating assets in response to changing market conditions.

We remain committed to this balanced growth strategy, which is designed to increase shareholder value by improving our return on assets while reducing operational risk and financial leverage. For fiscal 2025, we continue to focus on our three multi-year strategic goals as part of our balanced growth strategy:

- reaching more than 200 active communities by the end of fiscal 2026,
- reducing our net debt to net capitalization ratio to below 30% by the end of fiscal 2026, and
- fulfilling our commitment that by the end of calendar year 2025, every home we start will be Zero Energy Ready, which is discussed further below.

Differentiating Beazer Homes

We know that our buyers have many choices when purchasing a home. Beazer Homes is a builder of choice for homebuyers who recognize the built-in value of a new home. Through our three strategic differentiators discussed below, we deliver quality homes with energy efficiency for real savings, improved indoor air quality for healthier living, and superior comfort that homebuyers will appreciate long after they move in. We take pride in offering customers unmatched value throughout the entire homebuilding experience.

Mortgage Choice – Most of our buyers need to arrange financing in order to purchase a new home. Unlike many of our major competitors, we have no ownership or other interest in a mortgage company, which allows us to partner with our customers to help them get the most competitive interest rates, fees and service levels available. For every Beazer community, we identify Choice Lenders, who are selected for their ability to provide a comprehensive array of products and programs, meet our high customer service standards, and willingness to compete to earn our customer's business. We then provide our customers with an industry-leading online comparison tool that helps them easily compare multiple mortgage offers from Choice Lenders and other lenders side-by-side.

Choice Plans[®] – Every family lives in their home differently, which is why we created Choice Plans. Choice Plans provide our buyers with more floor plan flexibility at no additional cost. For example, buyers of to-be-built homes can typically choose between two different configurations in the kitchen and in the primary baths. Offering these pre-designed floor plan alternatives allows us to offer fewer plans, which improves efficiency and reduces cost while creating living areas that match an individual buyer's lifestyle.

Surprising Performance – We place an emphasis on building high-quality homes and delivering outstanding customer experience. Our team is hyper-focused on including premium materials and high-caliber construction processes designed to increase performance and efficiency. All Beazer homes are designed and built to provide Surprising Performance, which means giving our homeowners more quality and more comfort from the moment they move in and saving them money every month. We deliver these benefits through our people, materials, and process. Some examples of these benefits are as follows:

- We remain dedicated to continually enhancing the energy efficiency of our homes in support of our industry-first pledge that, by the end of calendar year 2025, every new home we start will be Zero Energy Ready, which means it will meet the requirements of the U.S. Department of Energy's (DOE) Zero Energy Ready Home™ program and have a HERS® index score (before any benefit of renewable energy production) of 45 or less. During fiscal 2024, we accelerated our transition to Zero Energy Ready homes with 91% of our fiscal fourth quarter new home starts being built to Zero Energy Ready standards. Notably, Beazer Homes has now certified more Zero Energy Ready homes to the DOE's Single Family National Program requirements than any other home builder.
- All of our homes are also built to the latest ENERGY STAR® standards, and we provide buyers with an energy rating (HERS® index score) for their home, completed by a qualified third-party rating company. According to the Residential Energy Services Network (RESNET), the developer of the HERS® index, used homes typically have a HERS® index score (on a scale in which a lower score is better) of 130 and homes built to the same standard as the HERS® Reference Home (equivalent to the 2006 International Energy Conservation Code) have a HERS® index score of 100. For the year ended September 30, 2024, new Beazer homes had an average HERS® index score of 42, a seven point improvement from 49 for the year ended September 30, 2023. We also consistently report our average HERS Index Scores as “gross” scores, setting a more rigorous standard by excluding any benefit of renewable energy technologies.
- We also build Indoor AirPlus qualified homes under the EPA Indoor AirPlus program, which include features to reduce contaminants that lead to poor indoor air quality such as mold, moisture, carbon monoxide, toxic chemicals and more.

Reportable Business Segments

Our active homebuilding operations consist of the design, sale, and construction of single-family and multi-family homes in the following geographic regions, which represent our reportable segments:

Segment/State	Market(s)
West:	
Arizona	Phoenix
California	Riverside-San Bernardino, Sacramento, San Diego
Nevada	Las Vegas
Texas	Dallas/Ft. Worth, Houston, San Antonio
East:	
Indiana	Indianapolis
Maryland/Delaware	Baltimore, Salisbury, Washington D.C.
Tennessee	Nashville
Virginia	Washington D.C.
Southeast:	
Florida	Orlando
Georgia	Atlanta
North Carolina	Raleigh/Durham
South Carolina	Charleston, Myrtle Beach

Markets and Product Description

We evaluate a number of factors in determining which geographic markets to enter and remain in as well as which consumer segments to target with our homebuilding activities. We compete in the above listed geographic markets across the United States in part to reduce our exposure to any particular regional economy. Within these markets, we build homes in a variety of new home communities. We continually review our markets based on aggregate demographic information, land prices and availability, competitive dynamics, and our own operating results. We use the results of these reviews to re-allocate our investments generally to those markets where we believe we can maximize our profitability and return on capital.

We maintain the flexibility to alter our product mix within a given market, depending on market conditions. In determining our product mix, we consider demographic trends, demand for a particular type of product, product affordability, consumer preferences, land availability, margins, timing, and the economic strength of the market. Depending on the market, we attempt to address one or more of the following categories of home buyers: entry-level, move-up, or 55+. Within these buyer groups, we have developed detailed targeted buyer profiles based on demographic and psychographic data, including information about marital and family status, employment, age, affluence, special interests, media consumption, and distance moved. Although we offer a selection of amenities and home customization options, we generally do not build “custom homes.” In all of our home offerings, we attempt to increase customer satisfaction by incorporating quality and energy-efficient materials, distinctive design features, convenient locations, and competitive prices.

We cater to the 55+ home buyer category through our Gatherings® branded offerings by providing quality, lower-maintenance homes for those seeking to live in an active adult community. In 2016, Gatherings® by Beazer Homes was officially introduced across several markets within Beazer's geographic footprint through age restricted condominiums. In addition to condominiums, the Gatherings® brand also includes villas, duets, and single-family homes.

Marketing and Sales

We make extensive use of digital and traditional marketing vehicles and other promotional activities, including our website (www.beazer.com), real estate listing sites, digital advertising (including search engine marketing and display advertising), social media, video, brochures, direct marketing, and out-of-home advertising (including billboards and signage) located in the immediate areas of our developments, as well as additional activities. In connection with these marketing vehicles, we have registered or applied for registration of trademarks and Internet domain names, including Beazer Homes®, Gatherings®, and Choice Plans®, for use in our business.

In response to the changing needs of consumers, our sales operations continue to improve our virtual sales tools to connect with our customers online, including a 24/7 chatbot feature, self-guided tours to allow homebuyers to tour models privately and safely, outside of normal business hours, and self-service appointments to help customers schedule an appointment with ease and speed.

Our practice is to build, decorate, furnish, and landscape model homes for each community we build and maintain on-site sales offices. As of September 30, 2024, we maintained and owned 250 model homes. We believe that model homes play a particularly important role in our selling efforts, and we are continuously innovating within our model homes to provide a unique, memorable, and hands-on experience, including digital kiosks, interactive site maps/plans, interactive magnetic floor plan boards, interactive cutaway homes, interactive Surprising Performance rooms, signage, and more. The selection of interior features is also a principal component of our marketing and sales efforts.

Our homes are customarily sold through commissioned new home sales counselors (who work from sales offices located in the model homes used in the community) as well as through independent brokers. Our new home counselors are available to assist prospective homebuyers by providing them with floor plans, pricing information, tours of model homes, the community's unique selling proposition, detailed explanations of our differentiators as discussed above, and associated savings opportunities. Sales personnel are trained internally through a structured training program focused on sales techniques, product familiarity, competitive products in the area, construction schedules, and Company policies around compliance, resulting in a sales force with extensive knowledge of our operating policies and housing products. Sales personnel must be licensed real estate agents where required by law.

We sometimes use various sales incentives in order to attract homebuyers. The use of incentives depends largely on local economic and competitive market conditions.

Depending on market conditions, we also at times begin construction on a number of homes for which no signed sales contract exists, known as “speculative” or “spec” homes. This speculative inventory satisfies demand by providing near ready or move-in ready homes targeted at relocated personnel and others who require a completed home within a shorter timeframe.

Operational Overview

Corporate Operations

We perform the following functions at our corporate office to promote standardization and operational excellence:

- evaluate and select geographic markets;
- allocate capital resources for land acquisitions;

- maintain and develop relationships with lenders and capital markets to create and maintain access to financial resources;
- maintain and develop relationships with national product vendors;
- perform various centralized functions including accounting, finance, purchasing, legal, risk, planning/design, and marketing activities to support our field operations;
- operate and manage information systems and technology support operations; and
- monitor the operations of our divisions and trade partners.

We allocate capital resources in a manner consistent with our overall business strategy. We will vary our capital allocation based on market conditions, results of operations, and other factors. Capital commitments are determined through consultation among executive and operational personnel who play an important role in ensuring that new investments are consistent with our strategy. Financial controls are also maintained through the centralization and standardization of accounting and finance activities, policies, and procedures.

Field Operations

The development and construction of each of our communities is managed by our operating divisions, each of which is led by a regional market leader and/or an area president who reports to our Chief Executive Officer. Within our operating divisions, our field teams are equipped with the skills needed to complete the functions of land acquisition, land entitlement, land development, home construction, local marketing, sales, warranty service, and certain purchasing and planning/design functions. However, the accounting and accounts payable functions of our field operations are concentrated in our national accounting center, which we consider to be part of our corporate operations.

Land Acquisition and Development

Generally, the land we acquire is purchased only after necessary entitlements have been obtained so that we have the right to begin development or construction as market conditions dictate. The term “entitlements” refers to subdivision approvals, development agreements, tentative maps, or recorded plats, depending on the jurisdiction in which the land is located. Entitlements generally give a developer the right to obtain building permits upon compliance with conditions that are usually within the developer's control. Although entitlements are ordinarily obtained prior to the purchase of land, we are still required to obtain a variety of other governmental approvals and permits during the development process. In limited circumstances, we will purchase property without all necessary entitlements where we have identified an opportunity to build on such property in a manner consistent with our strategy.

We select land for purchase based upon a variety of factors, including but not limited to:

- internal and external demographic and marketing studies;
- suitability for development during the time period of generally one to five years from the beginning of the development process to the last closing;
- financial review as to the feasibility of the proposed project, including profit margins and returns on capital employed;
- the ability to secure governmental approvals and entitlements;
- environmental and legal due diligence;
- competition in the area;
- proximity to local traffic corridors, job centers, and other amenities; and
- management's judgment of the real estate market and economic trends and our experience in a particular market.

We generally purchase land or obtain an option to purchase land, which, in either case, requires certain site improvements prior to home construction. Where required, we then undertake, or the grantor of the option then undertakes in the case of land under option, the development activities (through contractual arrangements with local developers, general contractors, and/or subcontractors), which include site planning and engineering as well as constructing roads, water, sewer, and utility infrastructures, drainage and recreational facilities, and other amenities. In some transactions, land bankers take title to the land at closing subject to agreements which obligate us to perform all development activities (which may be reimbursed by the land bankers) with respect to the land and provide us with an option to purchase the finished lots. When available in certain markets, we also buy finished lots that are ready for home construction. During our fiscal 2024 and 2023, we continued to pursue land acquisition opportunities and develop our land positions, spending \$507.8 million and \$384.2 million, respectively, for land acquisition and \$268.7 million and \$188.8 million, respectively, for land development.

Option Agreements

We acquire certain lots by means of option agreements from various sellers and developers, including land banking entities. Option agreements generally require the payment of a cash deposit or issuance of a letter of credit or surety bond for the right to acquire lots during a specified period of time at a specified price.

Under option agreements, purchase of the underlying properties is contingent upon satisfaction of certain requirements by us and the sellers. Our liability under option agreements is generally limited to forfeiture of the non-refundable deposits, letters of credit or surety bonds, and other non-refundable amounts incurred, which totaled \$227.8 million as of September 30, 2024. The total remaining purchase price, net of cash deposits, committed under all land option agreements was \$1.46 billion as of September 30, 2024.

We expect to exercise, subject to market conditions and seller satisfaction of contract terms, substantially all of our option agreements. Various factors, some of which are beyond our control, such as market conditions, weather conditions, and the timing of the completion of development activities, will have a significant impact on the timing of option exercises or whether lot options will be exercised at all.

The following table summarizes land controlled by us by reportable segment as of September 30, 2024:

	Lots Owned						Total Lots Under Contract	Total Lots Controlled
	Lots with Homes Under Construction ^(a)	Finished Lots	Lots Under Development	Lots Held for Future Development	Lots Held for Sale	Total Lots Owned		
West								
Arizona	162	242	215	—	—	619	356	975
California	312	92	134	—	15	553	1,543	2,096
Nevada	240	252	119	66	—	677	704	1,381
Texas	961	2,180	1,604	—	310	5,055	5,960	11,015
Total West	1,675	2,766	2,072	66	325	6,904	8,563	15,467
East								
Indiana	94	212	368	—	—	674	696	1,370
Maryland/Delaware	209	383	171	—	2	765	1,265	2,030
New Jersey	—	—	—	117	—	117	—	117
Tennessee	177	295	256	—	—	728	2,077	2,805
Virginia	78	59	—	—	1	138	684	822
Total East	558	949	795	117	3	2,422	4,722	7,144
Southeast								
Florida	97	28	532	—	—	657	1,027	1,684
Georgia	70	139	313	—	—	522	943	1,465
North Carolina	44	74	595	21	—	734	174	908
South Carolina	121	143	808	68	34	1,174	696	1,870
Total Southeast	332	384	2,248	89	34	3,087	2,840	5,927
Total	2,565	4,099	5,115	272	362	12,413	16,125	28,538

^(a) This category represents lots upon which construction of a home has commenced, including model homes.

The following table summarizes the dollar value of our land under development, land held for future development, and land held for sale by reportable segment as of September 30, 2024:

<i>in thousands</i>	Land Under Development	Land Held for Future Development	Land Held for Sale
West	\$ 531,254	\$ 3,483	\$ 17,110
East	230,756	10,888	1,300
Southeast	261,178	5,508	676
Total	<u>\$ 1,023,188</u>	<u>\$ 19,879</u>	<u>\$ 19,086</u>

Backlog

Backlog reflects the number of homes for which the Company has entered into a sales contract with a customer but has not yet delivered the home. Ending backlog represents the number of homes in backlog from the previous period plus the number of net new orders (new orders less cancellations) generated during the current period minus the number of homes closed during the current period.

The following table summarizes units and dollar value in backlog by reportable segment as of September 30, 2024, 2023 and 2022. Refer to "Management's Discussion and Analysis of Results of Operations and Financial Condition" in Item 7 of this Form 10-K for additional information.

	As of September 30,					
	2024		2023		2022	
	Units in Backlog	Dollar Value in Backlog (in millions)	Units in Backlog	Dollar Value in Backlog (in millions)	Units in Backlog	Dollar Value in Backlog (in millions)
West	965	\$ 513.3	1,033	\$ 535.3	1,257	\$ 711.6
East	315	184.1	323	174.7	410	223.7
Southeast	202	99.7	355	176.3	424	209.6
Total Company	<u>1,482</u>	<u>\$ 797.2</u>	<u>1,711</u>	<u>\$ 886.4</u>	<u>2,091</u>	<u>\$ 1,144.9</u>
Average selling price (ASP) in backlog (in thousands)		\$ 537.9		\$ 518.0		\$ 547.5

Construction

We typically act as the general contractor for the construction of our new home communities. Our project development activities are controlled by our operating divisions whose employees supervise the construction of each new home community by coordinating the activities of independent subcontractors and suppliers, subjecting their work to quality and cost controls and ensuring compliance with zoning and building codes. We specify that quality and durable materials be used in the construction of our homes. Our subcontractors follow design plans prepared by architects and engineers who are retained or directly employed by us and whose designs are geared to the local market and staying current with changing home design trends as well as expanding our focus on engineering without sacrificing value for our customers.

Agreements with our subcontractors and materials suppliers are generally entered into after a competitive bidding process during which we obtain information from prospective subcontractors and vendors with respect to their financial condition and ability to perform their agreements with us in accordance with the specifications we provide. Subcontractors typically are retained on a project-by-project basis to complete construction at a fixed price. We do not maintain significant inventories of construction materials, except for materials being utilized for homes under construction. We have numerous suppliers of raw materials and services used in our business. While such materials and services generally have been, and continue to be available, from time to time, supply chain disruptions may occur due to material and labor shortages, such as the widespread supply chain disruptions we experienced throughout fiscal 2022. In addition, material prices may fluctuate due to various factors, including demand or supply shortages and the price of certain commodities, which may be beyond the control of us or our vendors. When it is economically advantageous, we enter into regional and national supply contracts with certain of our vendors. We believe that we maintain positive and productive relationships with our suppliers and subcontractors.

Warranty Program

We currently provide a limited warranty ranging from one to two years covering workmanship and materials per our defined standards. In addition, we provide a limited warranty for up to ten years covering certain defined structural element failures.

Our homebuilding work is performed by subcontractors who typically must agree to indemnify us with regard to their work and provide certificates of insurance demonstrating that they have met our insurance requirements and have named us as an additional insured under their policies. Therefore, many claims relating to workmanship and materials that result in warranty spending are the primary responsibility of these subcontractors.

In addition, we maintain third-party insurance, subject to applicable self-insured retentions, for most construction defects that we encounter in the normal course of business. We believe that our warranty and litigation accruals and third-party insurance are adequate to cover the ultimate resolution of our potential liabilities associated with known and anticipated warranty and construction-defect related claims and litigation. However, there can be no assurance that the terms and limitations of the limited warranty will be effective against claims made by homebuyers; that we will be able to renew our insurance coverage or renew it at reasonable rates; that we will not be liable for damages, the cost of repairs, and/or the expense of litigation surrounding possible construction defects, soil subsidence, or building related claims; or that claims will not arise out of events or circumstances not covered by insurance and/or not subject to effective indemnification agreements with our subcontractors. Please see Note 8 of the notes to the consolidated financial statements in this Form 10-K for additional information.

Customer Financing

As previously mentioned, we do not provide mortgage origination services. Unlike many of our peers, we have no ownership interest in any lender and are able to promote competition among lenders on behalf of our customers through our Mortgage Choice program. Approximately 85% of our fiscal 2024 customers elected to finance a portion of their home purchase.

Competition

The development and sale of residential properties is highly competitive and fragmented. We compete for residential sales on the basis of a number of interrelated factors, including location, reputation, amenities, design, quality, and price with numerous large and small homebuilders, including many homebuilders with nationwide operations and greater financial resources and/or lower costs than us. We also compete for residential sales with individual resales of existing homes and available rental housing.

We utilize our experience within our geographic markets and the breadth of our product line to vary regional product offerings in response to changing market conditions. We strive to respond to market conditions and to capitalize on the opportunities for advantageous land acquisitions in desirable locations. Through our three strategic differentiators discussed above, our product offerings strive to provide extraordinary value at an affordable price with intentional focus on Millennials and Baby Boomers because they are the two largest demographic groups of potential home buyers.

Seasonal and Quarterly Variability

Our homebuilding operating cycle historically has reflected escalating new order activity in the second and third fiscal quarters and increased closings in the third and fourth fiscal quarters. However, these seasonal patterns may be impacted by a variety of factors, including periods of market volatility and changes in mortgage interest rates, which may result in increased or decreased new orders and/or revenues and closings that are outside of the normal ranges typically realized on account of seasonality.

Government Regulation and Environmental Matters

We are subject to a variety of local, state and federal statutes, ordinances, rules and regulations concerning zoning, building, design, constructions, the availability of water, and matters concerning the protection of health, safety and the environment. These laws may result in delays, cause us to incur substantial compliance and other costs, and prohibit or severely restrict development in certain environmentally sensitive regions or areas. Any delay or refusal from government agencies to grant us necessary licenses, permits and approvals could have an adverse effect on our financial condition and results of operations.

As part of our due diligence process for land acquisitions, we often use third-party environmental consultants to investigate potential environmental risks, and we require disclosures, representations and warranties from land sellers regarding environmental risks. We also take steps prior to our acquisition of the land to gain reasonable assurance as to the precise scope of any remediation work required and the costs associated with removal, site restoration and/or monitoring. To the extent contamination or other environmental issues have occurred in the past, we will attempt to recover restoration costs from third parties, such as the generators of hazardous waste, land sellers or others in the prior chain of title and/or their insurers.

In order to provide homes to homebuyers qualifying for Federal Housing Administration (FHA)-insured or Veterans Affairs (VA)-guaranteed mortgages, we must construct homes in compliance with FHA and VA regulations. These laws and regulations include provisions regarding operating procedures, investments, lending, and privacy disclosures and premiums.

In some states, we are required to be registered as a licensed contractor and comply with applicable rules and regulations. Also, in various states, our new home counselors are required to be licensed real estate agents and to comply with the laws and regulations applicable to real estate agents.

Failure to comply with any of these laws or regulations, where applicable, could result in loss of licensing and a restriction of our business activities in the applicable jurisdiction.

Human Capital Resources

As of September 30, 2024, we employed 1,158 persons, of whom 344 were sales and marketing personnel and 254 were construction personnel. Although none of our employees are covered by collective bargaining agreements, at times certain of the independent subcontractors engaged by us may be represented by labor unions or may be subject to collective bargaining arrangements.

A safe and healthy working environment for our employees at every level of our organization is our highest priority. This begins with our health and safety audit system, which is designed to assist our employees in locating resources tailored for their specific employment responsibilities. We also conduct various safety-related inspections and training programs, such as daily visual inspections of our job sites, weekly written safety inspections and bi-weekly “toolbox” talks with our trade partners. We have also increased our focus on employee wellness by expanding our program options to include a number of webinars, online classes, and virtual support groups.

We believe that our employees are critical to our continued growth and success, and competition for qualified personnel is intense across our footprint. To remain competitive, we continue to focus on attracting and retaining qualified employees and providing them with comprehensive training and continuous development. In addition, we center our employee experience on engagement and work-life balance by offering a broad range of company-paid benefits and compensation packages, such as a 12-week parental leave and an unlimited flexible time off program.

We are also deeply committed to fostering an inclusive culture where everyone feels welcome, respected, safe, and valued. As we continue to advance in this area, we are reaching across all functional and operational areas through our bi-annual Inclusion and Diversity Learning Program and our employee-driven storytelling platform, which empowers our teams to share and learn from one another’s lived experiences. Our skills-first approach remains instrumental in driving stronger representation of women, ethnic and racial minorities throughout our workforce. As of September 30, 2024, women made up approximately 43.6% of our workforce and 31.6% of our managerial employees, with ethnic and racial minorities making up approximately 28.0% of our workforce and 17.8% of our managerial employees.

Charitable Giving

Across our Company, our team members are committed to supporting causes that make a difference. From local service activities to Company-wide initiatives, giving back is a central element of our culture, championed by passionate employees and embraced by partners who share our commitment to have a positive impact on the communities we serve.

As part of our ongoing commitment to strengthen the communities we serve, we operate a wholly-owned title insurance agency, Charity Title Agency, which donates 100% of its net profits to charity. During the fiscal year ended September 30, 2024, Charity Title Agency made charitable contributions totaling \$2.1 million to Beazer Charity Foundation, our Company's philanthropic arm. Beazer Charity Foundation is a non-profit entity that provides donations to unrelated national and local non-profits and is managed by current employees of the Company.

Available Information

Our Internet website address is www.beazer.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to section 13(a) or 15(d) of the Securities Exchange Act are available free of charge through our website as soon as reasonably practicable after we electronically file with or furnish them to the Securities and Exchange Commission (SEC), and are available in print to any stockholder who requests a printed copy. We also use our website as a means of disclosing additional information, including for complying with our disclosure obligations under the SEC's Regulation FD (Fair Disclosure). The SEC maintains a website that contains reports, proxy statements, information statements and other information regarding issuers, including us, that file electronically with the SEC at www.sec.gov.

In addition, many of our corporate governance documents are available on our website at www.beazer.com. Specifically, our Audit, Finance and Development, Human Capital, and Governance Committee Charters, our Corporate Governance Guidelines and Code of Business Conduct and Ethics are available. Each of these documents is also available in print to any stockholder who requests it.

The content on our website is available for information purposes only and is not a part of and shall not be deemed incorporated by reference in this Form 10-K.

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. You should carefully consider the following risk factors, as well as other information in this Form 10-K, before deciding whether to invest in shares of our common stock. The occurrence of any of the events described below could harm our business, financial condition, results of operations, and growth prospects. In such an event, the trading price of our common stock may decline, and you may lose all or part of your investment.

Business and Market Risks

A number of conditions that affect demand for the homes we sell are outside of our control. Many of these conditions, such as interest rates, inflation, employment levels, wage levels and governmental actions also impact consumer confidence, upon which our business is highly dependent.

Negative changes in national and regional economic conditions, as well as local economic conditions where we conduct our operations, may result in more caution on the part of homebuyers and, consequently, fewer home purchases. Demand during the second half of fiscal 2023 remained relatively steady as homebuyers faced a higher rate environment and a lack of supply of existing homes. In fiscal 2024, the new home sales environment continued to be affordability-challenged, and demand is highly sensitive to fluctuations in mortgage rates. These economic conditions are out of our control and affect buyer sentiment and behavior and the demand for the homes we sell. These conditions also impact consumer confidence, upon which our business is highly dependent. Adverse changes in any of these conditions could decrease demand and pricing for our homes or result in customer cancellations of pending contracts, which could adversely affect the number of home sales we make or reduce home prices, either of which could result in a decrease in our revenues and earnings and adversely affect our financial condition and results of operations.

During downturns in the homebuilding industry, housing markets across the United States may experience an oversupply of both new and resale home inventory, an increase in foreclosures, reduced levels of consumer demand for new homes, increased cancellation rates, aggressive price competition among homebuilders, and increased incentives for home sales. In the event of a downturn, we would likely experience a material reduction in revenues and margins and our financial condition as well as our results of operations could be adversely affected.

Because most of our customers require mortgage financing, elevated mortgage interest rates for prolonged periods and further increases in interest rates would likely negatively affect the affordability of the homes we sell. In addition, reductions in mortgage availability or increases in the effective costs of owning a home could prevent our customers from buying our homes and adversely affect our business and financial results.

Most of the purchasers of our homes finance their acquisition with mortgage financing. In the last few years, the Federal Reserve raised interest rates multiple times in response to concerns about inflation and economic uncertainties, and it may raise them again. Despite the September 2024 reduction in interest rates, future increases in interest rates could directly impact mortgage rates and increase the costs of owning a home, which could adversely affect the purchasing power of consumers. Elevated mortgage rates for prolonged periods could lower demand for the homes we sell, resulting in a decrease in our revenues and earnings and adversely affect our financial condition.

The availability of mortgage financing is significantly influenced by governmental entities such as the Federal Housing Administration, Veteran's Administration, and Government National Mortgage Association and government-sponsored enterprises known as Fannie Mae and Freddie Mac. If these or other lenders' borrowing standards are tightened and/or the federal government were to reduce or eliminate these mortgage loan programs (including due to any failure of lawmakers to agree on a budget or appropriation legislation to fund relevant programs or operations), it would likely make it more difficult for our customers to obtain acceptable financing, which would, in turn, adversely affect our business, financial condition and results of operations.

Mortgage interest expenses and real estate taxes represent significant costs of homeownership. Therefore, when there are changes in federal or state income tax laws that eliminate or substantially limit the income tax deductions relating to these expenses, the after-tax costs of owning a new home can increase significantly. For example, the Tax Cuts and Jobs Act, which was enacted in December 2017, includes provisions that impose significant limitations with respect to these income tax deductions. Under this legislation, through the end of 2025, the annual deduction for real estate property taxes and state and local income or sales taxes has been limited to a combined amount of \$10,000 (\$5,000 in the case of a separate return filed by a married individual). In addition, through the end of 2025, the deduction for mortgage interest will generally only be available with respect to acquisition indebtedness that does not exceed \$750,000 (\$375,000 in the case of a separate return filed by a married individual).

Inflation may adversely affect us by increasing costs beyond what we can recover through price increases.

Inflation can adversely affect us by increasing costs of land, materials, and labor. In addition, inflation is often accompanied by higher interest rates. In an inflationary environment, depending on homebuilding industry and other economic conditions, we may be unable to raise home prices enough to keep up with the rate of inflation, which would reduce our profit margins.

If we are unsuccessful in competing against our competitors, our market share could decline or our growth could be impeded and, as a result, our financial condition and results of operations could suffer.

Competition in the homebuilding industry is intense, and there are relatively low barriers to entry into our business. Increased competition could hurt our business, as it could prevent us from acquiring attractive parcels of land on which to build homes or make such acquisitions more expensive, hinder our market share expansion and lead to pricing pressures on our homes that may adversely impact our margins and revenues. If we are unable to successfully compete, our financial results could suffer and our ability to service our debt could be adversely affected. Our competitors may independently develop land and construct housing units that are superior or substantially similar to our products. Furthermore, many of our competitors have substantially greater financial resources, less leverage, and lower costs of funds and operations than we do. Many of these competitors also have longstanding relationships with subcontractors and suppliers in the markets in which we operate. We currently build in several of the top markets in the nation and, therefore, we expect to continue to face additional competition from new entrants into our markets.

Operational, Legal and Regulatory Risks

An increase in cancellation rates will negatively impact our business and could lead to imprecise estimates related to homes to be delivered in the future (backlog).

Our backlog reflects the number and value of homes for which we have entered into a sales contract with a customer but have not yet delivered the home. Although these sales contracts typically require a cash deposit and generally do not make the sale contingent on the sale of the customer's existing home, in some cases a customer may cancel the contract and receive a complete or partial refund of the deposit as a result of local laws or as a matter of our business practices. If industry or economic conditions deteriorate or if mortgage financing becomes less accessible, more homebuyers may have an incentive to cancel their contracts with us, even where they might be entitled to no refund or only a partial refund, rather than complete the purchase. While cancellation rates during fiscal 2024 have remained in line with our normal historical range, significant cancellations have had, and could again in the future have, a material adverse effect on our business as a result of lost sales revenue and the accumulation of unsold housing inventory. It is important to note that both backlog and cancellation metrics are operational, rather than accounting data, and should be used only as a general gauge to evaluate our performance. There is an inherent imprecision in these metrics based on an evaluation of qualitative factors during the transaction cycle.

Our long-term success depends on our ability to acquire finished lots and undeveloped land suitable for residential homebuilding at reasonable prices, in accordance with our land investment criteria.

The homebuilding industry is highly competitive for suitable land and the risk inherent in purchasing and developing land increases as consumer demand for housing increases. The availability of finished and partially finished developed lots and undeveloped land for purchase that meet our investment criteria depends on a number of factors outside our control, including land availability in general, competition with other homebuilders and land buyers, inflation in land prices, zoning, allowable housing density, the ability to obtain building permits, and other regulatory requirements. Should suitable lots or land become less available, the number of homes we may be able to build and sell could be reduced, and the cost of land could increase, perhaps substantially, which could adversely impact our financial condition and results of operations.

As competition for suitable land increases, the cost of acquiring both finished and undeveloped lots and the cost of developing owned land could rise, and the availability of suitable land at acceptable prices may decline, which could adversely impact our financial results. The availability of suitable land assets could also affect the success of our land acquisition strategy and ultimately our long-term strategic goals by impacting our ability to increase the number of actively selling communities, grow our revenues and margins and achieve or maintain profitability.

Reduced numbers of home sales extend the time it takes us to recover land purchase and property development costs, negatively impacting profitability and our results of operations.

We incur many costs even before we begin to build homes in a community. Depending on the stage of development a land parcel is in when we acquire it, these may include costs of preparing land, finishing and entitling lots, installing roads, sewers, water systems, and other utilities, taxes, and other costs related to ownership of the land on which we plan to build homes. If the rate at which we sell and deliver homes slows, or if we delay the opening of new home communities, we may incur additional pre-construction costs, and it may take longer for us to recover our costs, which could adversely affect our profitability and results of operations.

Natural disasters and other related events could result in delays in land development or home construction, increase our costs or decrease demand in the impacted areas.

The climates and geology of many of the states in which we operate present increased risks of natural disasters. To the extent that hurricanes, tornadoes, severe storms, heavy or prolonged precipitation, earthquakes, droughts, floods, wildfires or other natural disasters or similar events occur, our homes under construction or our building lots in such states could be damaged or destroyed, which may result in losses exceeding our insurance coverage. Natural disasters can also lead to increased competition for subcontractors, which can delay our progress even after the event has concluded. Additionally, and as discussed above, increased competition for skilled labor can lead to cost overruns, as we may have to incentivize the impacted region's limited trade base to work on our homes. Finally, natural disasters and other related events may also temporarily impact demand, as buyers are not as willing to shop for new homes during or after the event. These risks could adversely affect our business, financial condition, and results of operations.

Supply shortages and other risks related to the demand for skilled labor and building materials could increase costs, delay deliveries and could adversely affect our financial condition and results of operations.

The residential construction industry experiences price fluctuations and shortages in labor and materials from time to time. Shortages in labor can be due to shortages in qualified trades people, changes in immigration laws and trends in labor migration, lack of availability of adequate utility infrastructure and services, or our need to rely on local subcontractors who may not be adequately capitalized or insured. Shortages of materials can be due to certain disruptions, such as natural disasters, civil or political unrest and conflicts, trade disputes, difficulties in production or delivery or health issues like a pandemic. Labor and material shortages can be more severe during periods of strong demand for housing or during periods in which the markets where we operate experience natural disasters such as hurricanes or flooding as discussed more fully above. Pricing for labor and materials can be affected by the factors discussed above, changes in energy prices, and various other national, regional, and local economic and political factors. For example, government imposed tariffs and trade regulations on imported building supplies have, and in the future could have, significant impacts on the cost to construct our homes. Additionally, in 2023, Florida enacted legislation that will impose more stringent immigrant eligibility requirements. This legislation or similar legislation if adopted in other jurisdictions in which we operate, could result in labor shortages that could materially affect our operations. Such measures limit our ability to control costs, which if we are not able to successfully offset such increased costs through higher sales prices, could adversely affect our margins on the homes we build.

We may incur additional operating expenses or longer construction cycle times due to compliance programs or fines, penalties and remediation costs pertaining to environmental regulations within our markets. Additionally, any violations of such regulations could harm our reputation, thereby negatively impacting our financial condition and results of operations.

We are subject to a variety of local, state and federal statutes, ordinances, rules and regulations concerning the protection of health and the environment. The particular environmental laws that apply to any given community vary greatly according to the location of the community site, the site's environmental conditions and the present and former use of the site. Environmental laws may result in delays, may cause us to implement time consuming and expensive compliance programs and may prohibit or severely restrict development in certain environmentally sensitive regions or areas. From time to time, the United States Environmental Protection Agency (EPA) and similar federal or state agencies review homebuilders' compliance with environmental laws and may levy fines and penalties for failure to strictly comply with applicable environmental laws or impose additional requirements for future compliance as a result of past failures. Any such actions taken with respect to us may increase our costs or harm our reputation. Further, we expect that increasingly stringent requirements will be imposed on homebuilders in the future. In particular, our communities in California and Phoenix are especially susceptible to restrictive government regulations and environmental laws, particularly surrounding water usage.

We are subject to extensive government regulation, which could cause us to incur significant liabilities or restrict our business activities.

Regulatory requirements could cause us to incur significant liabilities and operating expenses and could restrict our business activities. We are subject to local, state and federal statutes and rules regulating, among other things, certain developmental matters, building and site design, the availability of water and matters concerning the protection of health, safety and the environment. Our operating costs may be increased by governmental regulations, such as building permit allocation ordinances and impact and other fees and taxes, which may be imposed to defray the cost of providing certain governmental services and improvements. Other governmental regulations, such as building moratoriums and “no growth” or “slow growth” initiatives may be adopted in communities that have developed rapidly, which may cause delays in new home communities or otherwise restrict our business activities, resulting in reductions in our revenues. Any delay or refusal from government agencies to grant us necessary licenses, permits and approvals could have an adverse effect on our financial condition and results of operations.

Our activities and disclosures related to sustainability expose us to risks.

In recent years, we, along with many other companies, have been subject to increased focus and scrutiny from regulators, investors, employees and customers and other stakeholders regarding sustainability efforts, including compliance with evolving disclosure requirements. For example, the SEC has issued final rules that would require expanded disclosures related to climate change. Although these rules are currently stayed pending judicial review, if implemented as proposed, these rules would significantly increase our climate-related disclosure obligations. The State of California has also enacted legislation that will require large U.S. companies doing business in California to make broad-based climate-related disclosures, and other states are also considering similar measures. We are assessing our obligations under these proposed and enacted rules and expect that compliance could require substantial effort in the future. Standards for tracking and reporting on sustainability matters, including climate-related matters, have also not been harmonized. Changes to these standards could require adjustments to our accounting or operational policies, as well as updates to our existing systems to meet these reporting obligations. We will therefore likely need to be prepared to contend with overlapping, yet distinct, climate-related disclosure approaches, frameworks and requirements.

Our 2023 Sustainability Report is available on our website. If our sustainability practices or disclosures do not meet, or are perceived not to meet, evolving regulatory, investor and other stakeholder expectations and standards, our reputation, our ability to attract or retain employees, and our attractiveness as an investment or business partner could be negatively affected. Similarly, our failure, or perceived failure, to pursue or fulfill any sustainability-focused goals, targets, or objectives, to comply with ethical, environmental, or other standards, regulations, or expectations, or to satisfy various reporting standards with respect to these matters, within the timelines we announce, or at all, could adversely affect our business or reputation, as well as expose us to government enforcement actions and private litigation. While we monitor a broad range of sustainability matters, we cannot be certain that we will manage such matters successfully, or that we will successfully meet the expectations of regulators, investors, employees, customers and other stakeholders.

We may be subject to significant potential liabilities as a result of construction defect, product liability and warranty claims made against us.

As a homebuilder, we have been, and continue to be, subject to construction defect, product liability and home warranty claims, including moisture intrusion and related claims, arising in the ordinary course of business. These claims are common to the homebuilding industry and can be costly.

With respect to certain general liability exposures, including construction defect claims, product liability claims and related claims, assessment of claims and the related liability and reserve estimation process is highly judgmental due to the complex nature of these exposures and unique circumstances of each claim. Furthermore, once claims are asserted for construction defects, it can be difficult to determine the extent to which the assertion of these claims will expand geographically. Although we have obtained insurance for construction defect claims, such policies may not be available or adequate to cover liability for damages, the cost of repairs and/or the expense of litigation. Current and future claims may arise out of events or circumstances not covered by insurance and not subject to effective indemnification agreements with our subcontractors.

At any given time, we may be the subject of civil litigation that could require us to pay substantial damages or could otherwise have a material adverse effect on us.

We may be subject to civil litigation regarding claims made by homebuyers. We cannot predict or determine the timing or final outcome of such lawsuits, or the effect that any adverse determinations the lawsuits may have on us. An unfavorable determination in any of the lawsuits could result in the payment by us of substantial monetary damages that may not be covered by insurance. Further, the legal costs associated with the lawsuits and the amount of time required to be spent by management and the Board of Directors on these matters, even if we are ultimately successful, could have a material adverse effect on our business, financial condition and results of operations. In addition to expenses incurred to defend the Company in these matters, under Delaware law and our bylaws, we may have an obligation to indemnify our current and former officers and directors in relation to these matters. We have obligations to advance legal fees and expenses to directors and certain officers.

Our insurance carriers may seek to rescind or deny coverage with respect to such lawsuits, or we may not have sufficient coverage under our insurance policies. If the insurance companies are successful in rescinding or denying coverage, or if we do not have sufficient coverage under our policies, our business, financial condition and results of operations could be materially adversely affected.

Our operating expenses could increase if we are required to pay higher insurance premiums or litigation costs for various claims, which could negatively impact our financial condition and results of operations. Additionally, our insurance policies may not offset our entire expense due to limitation in coverages, amounts payable under the policies or other related restrictions.

The costs of insuring against construction defect, product liability and director and officer claims are substantial. Increasingly in recent years, lawsuits (including class action lawsuits) have been filed against builders, asserting claims of personal injury and property damage. Our insurance may not cover all of the claims, including personal injury claims, or such coverage may become prohibitively expensive. If we are not able to obtain adequate insurance against these claims, we may experience losses that could negatively impact our financial condition and results of operations, as well as our cash flows.

Historically, builders have recovered from subcontractors and their insurance carriers a significant portion of the construction defect liabilities and costs of defense that the builders have incurred. However, insurance coverage available to subcontractors for construction defects is becoming increasingly expensive and the scope of coverage is restricted. If we cannot effectively recover from our subcontractors or their carriers, we may suffer even greater losses.

A builder's ability to recover against any available insurance policy depends upon the continued solvency and financial strength of the insurance carrier that issued the policy. Many of the states in which we build homes have lengthy statutes of limitations and/or repose applicable to claims for construction defects. To the extent that any carrier providing insurance coverage to us, or our subcontractors becomes insolvent or experiences financial difficulty in the future, we may be unable to recover on those policies, thereby negatively impacting our financial condition and results of operations.

We are dependent on the services of certain key employees and the loss of their services could hurt our business.

Our future success depends upon our ability to attract, train and retain skilled personnel, including officers and directors. If we are unable to retain our key employees or attract, train or retain other skilled personnel in the future, it could hinder our business strategy and impose additional costs of identifying and training new individuals. Competition for qualified personnel in all of our operating markets, as well as within our corporate operations, is intense.

Information technology failures, cybersecurity breaches or data security breaches could harm our business.

We use information technology and other computer resources to perform important operational and marketing activities and to maintain our business records. Certain of these resources are provided to us and/or maintained by third-party service providers pursuant to agreements that specify certain security and service level standards. Presently, we employ a limited array of both traditional and generative artificial intelligence ("AI") solutions for certain functions for our operations. It is conceivable that we might integrate further AI solutions into our information systems in the future, potentially assuming a more critical role in our operations over time. AI programs can incur significant costs and demand substantial expertise for development, pose challenges in setup and management, and necessitate periodic updates. Competitors or other entities may integrate AI into their information systems and business operations more swiftly or effectively than us, potentially impairing our competitive edge and negatively impacting our financial performance.

Our computer systems, including our back-up systems and portable electronic devices, and those of our third-party providers, are subject to damage or interruption from power outages, computer and telecommunication failures, computer viruses, security breaches including malware and phishing, cyberattacks, natural disasters, usage errors by our employees or contractors, and other related risks. As part of our normal business activities, we collect and store certain confidential information, including information about employees, homebuyers, customers, vendors and suppliers. This information is entitled to protection under a number of regulatory regimes. We share some of this information with third parties who assist us with certain aspects of our business. A significant and extended disruption of, or breach of, security related to our computer systems and back-up systems may result in business disruption, damage our reputation and cause us to lose customers, sales and revenue, result in the unintended misappropriation of proprietary, personal and confidential information, and require us to incur significant expense to remediate or otherwise resolve these issues including financial obligations to third parties, fines, penalties, regulatory proceedings and private litigation with potentially large costs and other competitive disadvantages. Additionally, the techniques and sophistication used to conduct cyber-attacks and breaches of information systems frequently change. For example, the deployment of evolving AI tools used to identify vulnerabilities and create more deceptive phishing attempts have the potential to not be recognized until such attacks are launched or have been in place for a period of time. A significant cybersecurity breach or attack could have a material impact on our business or results of operations, there can be no assurance that our efforts to maintain the security and integrity of these types of IT networks and related systems will be effective or that attempted security breaches or disruptions would not be successful or damaging.

Global economic and political instability and conflicts could adversely affect our business, financial condition or results of operations.

Our business could be adversely affected by unstable economic and political conditions within the United States, including the 2024 election cycle, and foreign jurisdictions and geopolitical conflicts, such as the conflict between Russia and Ukraine, the conflict in Gaza and other conflicts in the Middle East. While we do not have any customer or direct supplier relationships in Russia, Ukraine, or the Middle East, the current military conflicts, and related sanctions, as well as export controls or actions that may be initiated by nations (e.g., potential cyberattacks, disruption of energy flows, etc.) and other potential uncertainties could adversely affect our supply chain by causing shortages or increases in costs for materials necessary to construct homes and/or increases to the price of gasoline and other fuels. In addition, such events could cause higher interest rates, inflation or general economic uncertainty, which could negatively impact our business partners, employees or customers, or otherwise adversely impact our business.

Terrorist attacks or acts of war against the United States or increased domestic or international instability could have an adverse effect on our operations.

Adverse developments such as terrorist attacks against the United States or any outbreak or escalation of hostilities between the United States and/or any foreign power may cause disruption to the economy, our Company, our employees and our customers, which could negatively impact our financial condition and results of operations.

Our business could be materially and adversely disrupted by an epidemic or pandemic, or similar public threat, or fear of such an event, and the measures that international, federal, state and local governments, agencies, law enforcement and/or health authorities implement to address it.

An epidemic, pandemic, or similar serious public health issue, and the measures undertaken by governmental authorities to address it, could significantly disrupt or prevent us from operating our business in the ordinary course for an extended period, and thereby, and/or along with any associated economic and/or social instability or distress, have a material adverse impact on our financial condition and results of operations.

If a public health emergency were to emerge, we could experience material disruptions in our operating environment, impairing our ability to sell and build homes in a typical manner, or at all, due to, among other things, increased costs or decreased supply of building materials, reduced availability of subcontractors, employees, and other talent, as a result of infections or recommended self-quarantining, or governmental mandates to direct production activities to support public health efforts. This could result in our recognizing charges in future periods, which may be material, for inventory impairments or land option agreement abandonments, or both, related to our inventory assets.

Should the adverse impacts described above (or others that are currently unknown) occur, whether individually or collectively, we would expect to experience, among other things, decreases in our net new orders, home closings, average selling prices, revenues, and profitability, and such impacts could be material to our financial condition and results of operations. Along with an increase in cancellations of home purchase contracts, if there are prolonged government restrictions on our business and our customers, and/or an extended economic recession, we could be unable to produce revenues and cash flows sufficient to conduct our business; or meet the terms of our covenants and other requirements under our various debt obligations including but not limited to the Senior Unsecured Revolving Credit Facility, indentures for our senior and junior notes, land contracts due to land sellers and other loans. Such a circumstance could, among other things, exhaust our available liquidity (and ability to access liquidity sources) and/or trigger an acceleration to pay a significant portion or all of our then-outstanding debt obligations, which we may be unable to do.

Financial and Liquidity Risks

Our access to capital and our ability to obtain additional financing could be affected by any downgrade of our credit ratings, as well as limitations in the capital markets or adverse credit market conditions.

The Company's credit rating and ratings on our senior notes and our current credit condition affect, among other things, our ability to access new capital, especially debt. Negative changes in these ratings may result in more stringent covenants and higher interest rates under the terms of our indentures or of any new debt. If our credit ratings are lowered or rating agencies issue adverse commentaries in the future, it could have a material adverse effect on our business, financial condition, results of operations and liquidity. In particular, a weakening of our financial condition, including a significant increase in our leverage or decrease in our profitability or cash flows, could adversely affect our ability to obtain necessary funds, result in a credit rating downgrade or change in outlook, or otherwise increase our cost of borrowing.

Our Senior Notes, Senior Unsecured Revolving Credit Facility, letter of credit facilities and certain other debt impose significant restrictions and obligations on us. Restrictions on our ability to borrow could adversely affect our liquidity. In addition, our indebtedness could adversely affect our financial condition, limit our growth and make it more difficult for us to satisfy our debt obligations.

Our Senior Notes, Senior Unsecured Revolving Credit Facility, letter of credit facilities and certain other debt impose certain restrictions and obligations on us. Under certain of these instruments, we must comply with defined covenants that limit our ability to, among other things, incur additional indebtedness, engage in certain asset sales, make certain types of restricted payments, engage in transactions with affiliates and create liens on our assets. Failure to comply with certain of these covenants could result in an event of default under the applicable instrument. Any such event of default could negatively impact other covenants or lead to cross defaults under certain of our other debt agreements. There can be no assurance that we will be able to obtain any waivers or amendments that may become necessary in the event of a future default situation without significant additional cost or at all.

Our indebtedness could have important consequences to us and the holders of our securities, including, among other things:

- causing us to be unable to satisfy our obligations under our debt agreements;
- causing us to pay higher interest rates upon refinancing indebtedness if interest rates rise;
- making us more vulnerable to adverse general economic and industry conditions;
- making it difficult to fund future working capital, land purchases, acquisitions, capital expenditures, share repurchases, general corporate or other activities; and
- causing us to be limited in our flexibility in planning for, or reacting to, changes in our business.

In addition, subject to the restrictions of our existing debt instruments, we may incur additional indebtedness. If new debt is added to our current debt levels, the related risks that we now face could intensify. Our growth plans and our ability to make payments of principal or interest on, or to refinance, our indebtedness will depend on our future operating performance and our ability to enter into additional debt and/or equity financings. If we are unable to generate sufficient cash flows in the future to service our debt, we may be required to refinance all or a portion of our existing debt, to sell assets or to obtain additional financing. We may not be able to do any of the foregoing on terms acceptable to us, if at all.

The tax benefits of our pre-ownership change net operating loss carryforwards and built-in losses were substantially limited since we experienced an “ownership change” as defined in Section 382 of the Internal Revenue Code, and portions of our deferred income tax asset have been written off since they were not fully realizable. Any subsequent ownership change, should it occur, could have a further impact on these tax attributes.

Section 382 of the Internal Revenue Code contains rules that limit the ability of a company that undergoes an “ownership change,” which is generally defined as any change in ownership of more than 50% of its common stock over a three-year period, to utilize its net operating loss carryforwards, tax credits and certain built-in losses or deductions, as of the ownership change date, that are recognized during the five-year period after the ownership change. These rules generally operate by focusing on changes in the ownership among shareholders owning, directly or indirectly, 5% or more of the Company’s common stock (including changes involving a shareholder becoming a 5% shareholder) or any change in ownership arising from a new issuance of stock or share repurchases by the Company.

We currently have an immaterial amount of “built-in losses” in our assets, i.e., an excess tax basis over current fair market value, which may result in tax losses as such assets are sold. Those “built-in losses” could become significant in the future if market conditions worsen, and our inventory is impaired. Net operating losses and tax credits generally may be carried forward for a 20-year period to offset future earnings and reduce our federal income tax liability. Any net operating losses created during or after our fiscal 2019 may be carried forward indefinitely; however, the loss can only be utilized to offset 80% of taxable income generated in a tax year. Built-in losses, if and when recognized, generally will result in tax losses that may then be deducted or carried forward. However, we experienced an “ownership change” under Section 382 as of January 12, 2010. As a result of this previous “ownership change” for purposes of Section 382, our ability to use certain net operating loss carryforwards, tax credits and built-in losses or deductions in existence prior to the ownership change was limited by Section 382. We cannot predict or control the occurrence or timing of another ownership change in the future. If another ownership change were to occur, the limitations imposed by Section 382 could result in a material amount of our net operating loss carryforwards and tax credits expiring unused and, therefore, significantly impair the future value of our deferred tax assets.

Our certificate of incorporation currently prohibits certain transfers of our common stock that could result in an ownership change. In addition, we are currently party to a rights agreement intended to act as a deterrent to any person desiring to acquire 4.95% or more of our common stock. In February 2022, our stockholders approved an extension of these protective provisions in our certificate of incorporation and the rights agreement, which as a result are scheduled to expire in November 2025. Neither the protective provisions nor the rights agreement offers a complete solution, and an ownership change may still occur. Additionally, the protective provisions of our certificate of incorporation may not be enforceable against all stockholders and may not prevent all stock transfers that have the potential to cause a Section 382 ownership shift, and the rights agreement may deter, but ultimately may not block all transfers of our common stock that might result in an ownership change.

The realization of all or a portion of our deferred income tax assets (including net operating loss carryforwards and tax credits) is dependent upon the generation of future income during the statutory carryforward periods. Our inability to utilize our limited pre-ownership change net operating loss carryforwards, tax credits and recognized built-in losses or deductions, or the occurrence of a future ownership change and resulting additional limitations to these tax attributes, could have a material adverse effect on our financial condition, results of operations, and cash flows.

We could experience a reduction in home sales and revenues due to our inability to acquire and develop land for our communities if we are unable to obtain reasonably priced financing.

The homebuilding industry is capital intensive, and homebuilding requires significant up-front expenditures to acquire land and to begin development. Accordingly, we incur substantial indebtedness to finance our homebuilding activities. If internally generated funds are not sufficient, we would seek additional capital in the form of equity or debt financing from a variety of potential sources, including additional bank financing and/or securities offerings. The amount and types of indebtedness that we may incur are limited by the terms of our existing debt. In addition, the availability of borrowed funds, especially for land acquisition and construction financing, may be greatly reduced nationally, and the lending community may require increased amounts of equity to be invested in a project by borrowers in connection with both new loans and the extension of existing loans. The credit and capital markets have continued to experience significant volatility. If we are required to seek additional financing to fund our operations, the volatility in these markets may restrict our flexibility to access such financing. If we are not successful in obtaining sufficient capital to fund our planned capital and other expenditures, we may be unable to acquire land for our housing developments, thereby limiting our anticipated growth and community count. Additionally, if we cannot obtain additional financing to fund the purchase of land under our option agreements, we may incur contractual penalties and fees.

Inefficient or ineffective allocation of capital could adversely affect our operating results and/or stockholder value.

Our goal is to allocate capital to maximize our overall long-term returns. This includes growing profitability, improving balance sheet efficiency and generating returns above our cost of capital. In addition, from time to time we may engage in bond repurchases to reduce our indebtedness and return value to our stockholders through share repurchases. If we do not properly allocate our capital, we may fail to produce optimal financial results and we may experience a reduction in stockholder value, including increased volatility in our stock price.

Risk Relating to an Investment in our Common Stock

We experience fluctuations and variability in our operating results on a quarterly basis and, as a result, our historical performance may not be a meaningful indicator of future results.

We historically have experienced, and expect to continue to experience, variability in home sales and earnings on a quarterly basis. As a result of such variability, our historical performance may not be a meaningful indicator of future results. Our quarterly results of operations may continue to fluctuate in the future as a result of a variety of both national and local factors, including, among others:

- the timing of home closings and land sales;
- our ability to continue to acquire additional land or secure option agreements to acquire land on acceptable terms;
- conditions of the real estate market in areas where we operate and of the general economy;
- inventory impairments or other material write-downs;
- raw material and labor shortages;
- seasonal home buying patterns; and
- other changes in operating expenses, including the cost of labor and raw materials, personnel and general economic conditions.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

We maintain a cybersecurity program designed to detect, identify, classify and mitigate cybersecurity and other data security threats as part of our efforts to protect and maintain the confidentiality and security of homebuyer, customer, employee, vendor and supplier information, and non-public information about the Company, which has been strategically integrated into our enterprise risk management program to promote a company-wide culture of cyber risk awareness. The foundation of our cybersecurity program is based on the National Institute of Standards and Technology (“NIST”) Cybersecurity Framework, which includes a set of controls to prevent, detect, and respond to cybersecurity and other data security threats and incidents.

Additionally, in furtherance of detecting, identifying, and managing material cybersecurity and other data security threats, we also:

- maintain robust information security and privacy policies that are reviewed and updated on an annual basis;
- engage with a range of third-party service providers, including cybersecurity consultants, to evaluate, monitor, and test our cyber management systems and related risks;
- conduct audits, penetration tests, threat and vulnerability assessments, cybersecurity risk monitoring, and security enhancement consultations, using both internal and external resources;
- maintain and continue to evolve our Cybersecurity Incident Management program, which includes regular incident response tabletop exercises, cybersecurity-related disaster recovery and business resiliency plans, and related communications and business continuity procedures;
- conduct security assessments of third-party software products and hosting providers prior to engagement;
- implement ongoing monitoring procedures for third-party service providers’ hosted applications to ensure continued alignment with our cybersecurity standards and compliance requirements;
- provide mandatory annual security and privacy awareness training, along with monthly phishing simulations, to all of our employees. These trainings and simulations are designed to ensure employees are well-versed in the behaviors and requirements necessary to safeguard the Company's information resources; and
- maintain cyber liability insurance to protect against the financial impact of a cyber incident.

We have a dedicated team of employees managing our cybersecurity program and initiatives, led by the Company’s Chief Information Security Officer, who reports to our Chief Information Officer and brings over 20 years of experience in senior leadership roles leading information security and technology teams across private and public companies. The team works directly in consultation with internal and external advisors to execute our cybersecurity strategies.

Pursuant to our cybersecurity program, potential cybersecurity threats are classified by risk levels and threat mitigation efforts are typically prioritized based on those risk classifications, while focus also remains on maintaining the resiliency of our information systems. In the event we identify a potential cybersecurity issue, we have defined procedures for responding to such issues, including procedures that address when and how to engage with Company management, the Board of Directors, other stakeholders and law enforcement.

Our Board of Directors has ultimate oversight responsibility for risks relating to our cybersecurity program. In addition, the Audit Committee assists the Board of Directors in monitoring our cybersecurity and data security risk exposures and compliance with the Company’s cybersecurity program, and regularly makes inquiries of the Company’s management team, internal auditors and independent auditors regarding these risk exposures and compliance matters. We have also established an IT Committee, which is an ad hoc committee comprised of at least two members of the Board of Directors. The IT Committee is responsible for advising and assisting the Board of Directors in overseeing the Company’s customer relationship management and enterprise resource planning software and technology and regularly meets with the Company’s management team with respect to these initiatives.

Conducting our businesses involves the collection, storage, use, disclosure, processing, transfer, and other handling of a wide variety of information, including personally identifiable information, for various purposes. Like other companies that process a wide variety of information, our information technology systems, networks and infrastructure and technology have been, and may in the future be, vulnerable to cybersecurity attacks and other data security threats. These types of attacks are constantly evolving, may be difficult to detect quickly, and often are not recognized until after they have been launched against a target. While, to date, we have not had a significant cybersecurity breach or attack that has had a material impact on our business strategy, results of operations, or financial condition, there can be no assurance that our efforts to maintain the security and integrity of these types of IT networks and related systems will be effective or that attempted security breaches or disruptions would not be successful or damaging. For more information about these and other cybersecurity risks faced by us, see Part 1. Item 1A. “Risk Factors.”

Item 2. Properties

As of September 30, 2024, we had under lease approximately 23,600 square feet of office space in Atlanta, Georgia to house our corporate headquarters. We also lease and own an aggregate of approximately 171,200 and 4,500 square feet of office space, respectively, for our divisional operations at various locations. All facilities are in good condition, adequately utilized, and sufficient to meet our present operating needs.

Due to the nature of our business, significant amounts of property are held by us as inventory in the ordinary course of our homebuilding operations. See Note 4 of notes to the consolidated financial statements in this Form 10-K for a further discussion of our inventory.

Item 3. Legal Proceedings

Litigation

In the normal course of business, we and certain of our subsidiaries are subject to various lawsuits. We cannot predict or determine the timing or final outcome of these lawsuits or the effect that any adverse findings or determinations in pending lawsuits may have on us. In addition, an estimate of possible loss or range of loss, if any, cannot presently be made with respect to certain of these pending matters. An unfavorable determination in pending lawsuits could result in the payment by us of substantial monetary damages that may not be fully covered by insurance. Further, the legal costs associated with the lawsuits and the amount of time required to be spent by management and our Board of Directors on these matters, even if we are ultimately successful, could have a material adverse effect on our financial condition, results of operations, or cash flows.

For a discussion of our legal proceedings, see Note 8 of the notes to our consolidated financial statements in this Form 10-K.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

The Company lists its common stock on the New York Stock Exchange (NYSE) under the symbol "BZH." On November 8, 2024, the last reported sales price of the Company's common stock on the NYSE was \$33.48, and we had approximately 187 stockholders of record and 31,050,227 shares of common stock outstanding.

Dividends

The indentures under which our senior notes were issued contain certain restrictive covenants, including limitations on the payment of dividends. There were no dividends paid during our fiscal 2024, 2023 or 2022. The Board of Directors will periodically reconsider the declaration of dividends, assuming payment of dividends is not limited under our indentures. The reinstatement of quarterly dividends, the amount of such dividends and the form in which the dividends are paid (cash or stock) will depend upon our financial condition, results of operations, and other factors that the Board of Directors deems relevant.

Securities Authorized for Issuance under Equity Compensation Plans

The following table provides information about the Company's shares of common stock that may be issued under our existing equity compensation plans as of September 30, 2024, all of which have been approved by our stockholders:

Plan Category	Number of Common Shares to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Common Shares Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by stockholders	11,150	\$10.04	2,945,076

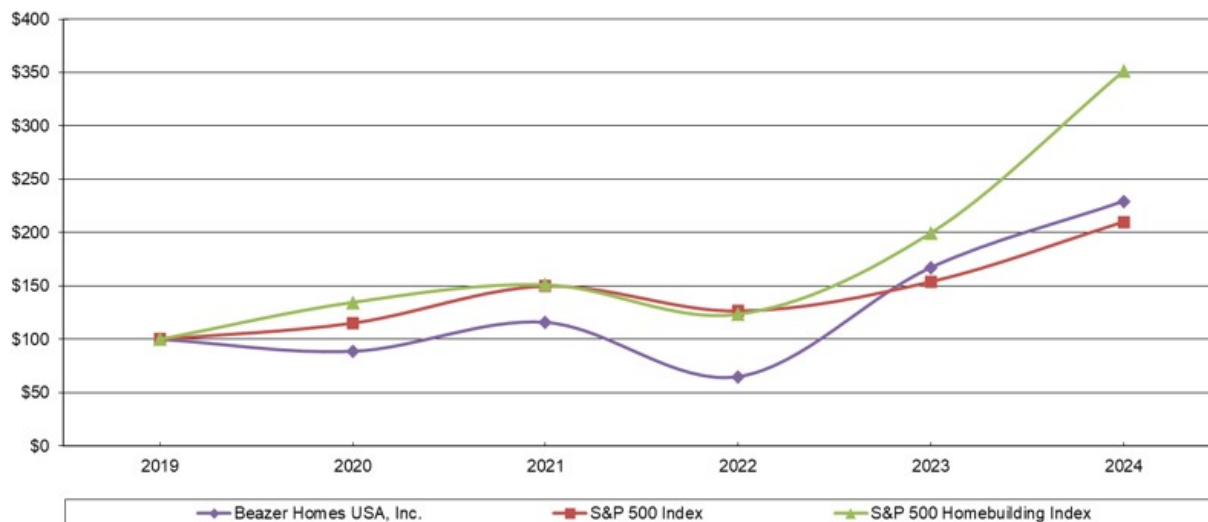
Issuer Purchases of Equity Securities

We did not repurchase any shares of our common stock in the fourth quarter ended September 30, 2024.

Performance Graph

The following graph illustrates the cumulative total stockholder return on Beazer Homes' common stock for the last five fiscal years through September 30, 2024 as compared to the S&P 500 Index and the S&P 500 Homebuilding Index. The graph assumes an investment of \$100 at September 30, 2019 in Beazer Homes' common stock and in each of the benchmark indices specified, assumes that all dividends were reinvested, and accounts for the impact of any stock splits, where applicable. Stockholder returns over the indicated period are based on historical data and should not be considered indicative of future stockholder returns.

Comparison of Five Year Cumulative Total Return Assuming \$100 Investment as of September 30, 2019



		September 30,					
		2019	2020	2021	2022	2023	2024
◆	Beazer Homes USA, Inc.	\$ 100.00	\$ 88.59	\$ 115.77	\$ 64.90	\$ 167.16	\$ 229.27
■	S&P 500 Index	\$ 100.00	\$ 115.15	\$ 149.70	\$ 126.54	\$ 153.89	\$ 209.83
▲	S&P 500 Homebuilding Index	\$ 100.00	\$ 134.71	\$ 151.29	\$ 123.59	\$ 199.80	\$ 351.52

Item 6. [Reserved]

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations is intended to help the reader understand our Company, business, operations and present business environment and is provided as a supplement to, and should be read together with the sections entitled “Risk Factors,” and the financial statements and the accompanying notes included elsewhere in this Form 10-K.

In addition, the statements in this discussion and analysis regarding industry outlook, our expectations regarding the performance of our business, anticipated financial results, liquidity and the other non-historical statements are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described in “Forward-Looking Statements” and in “Risk Factors” above. Our actual results may differ materially from those contained in or implied by any forward-looking statements.

Executive Overview and Outlook

Market Conditions

At the outset of fiscal 2024, mortgage rates fluctuated at high levels with a notable peak in October 2023, which led to subdued housing market activity. As the first fiscal quarter progressed, mortgage rates began to decline gradually, influenced by the expectations of future interest rate reductions by the Federal Reserve. Entering the second fiscal quarter, we began to see the benefit of the mortgage rate reductions as homebuyer traffic and demand improved. We observed healthy demand and sales pace during the spring selling season, even as mortgage rates continued to modestly fluctuate. However, as we progressed through the second half of fiscal 2024, despite the downward trend in mortgage rates, many potential buyers remained hesitant amid uncertainty surrounding future interest rate cuts and economic expectations.

Home affordability remains a concern and a central risk to our industry's outcomes. We continue to adjust prices and features to align with the current market, including offering incentives. We also continue to refine our product offerings by adjusting home sizes and specification levels to address pricing and affordability concerns across each of our markets.

Although we expect uncertainty around mortgage interest rates in near-term market conditions to persist, we are optimistic in the long-term outlook of the housing market, anchored by supply and demand factors at a macroeconomic level. The shortfalls in new home production over the past decade have contributed to an underproduction of housing in the country, and demand for housing remains resilient characterized by low unemployment and wage growth, although still limited by affordability and mortgage rate volatility.

Balanced Growth Strategy

Fiscal 2024 represented continued progress towards the execution of our balanced growth strategy, which is characterized by growing profitability, improving balance sheet efficiency, and generating returns above our cost of capital. This strategy provides us with the flexibility to reduce leverage through debt reduction, increase return of capital to investors through stock repurchases, or increase investment in land and other operating assets in response to changing market conditions.

In line with our balanced growth strategy, during fiscal 2023 we established a set of multi-year strategic goals that would allow us to create significant value for our shareholders. Specifically, our three multi-year strategic goals include the following:

- increasing active communities to more than 200 by the end of fiscal 2026,
- reducing our net debt to net capitalization ratio to below 30% by the end of fiscal 2026, and
- reaching our target of 100% Zero Energy Ready home starts by the end of calendar year 2025.

During fiscal 2024, as we laid the groundwork to meet our multi-year active community count goal, we achieved significant growth, with our year-end active community count increasing by more than 20% compared to the prior year.

In March 2024, we successfully refinanced our remaining outstanding 2025 Notes of \$197.9 million through the issuance of \$250.0 million of Senior Notes due 2031 and extended the maturity of our Senior Unsecured Revolving Credit Facility. With a strong balance sheet and ample liquidity, we believe we are well-equipped to navigate the evolving market dynamics as we continue to make strides in reducing our net debt to net capitalization ratio.

During fiscal 2024, we also made steady progress towards our goal of reaching 100% Zero Energy Ready home starts by the end of calendar year 2025. We are substantially ahead of schedule with 91% of our home starts being built to Zero Energy Ready standards during the quarter ended September 30, 2024. Notably, Beazer Homes has now certified more Zero Energy Ready homes to the DOE's Single Family National Program requirements than any other home builder. We believe these homes should command a premium compared to our previous series, driven by their innovative designs, superior quality, and durable construction.

As we look to fiscal 2025, we expect to take further steps to achieve our multi-year strategic goals by continuing to position our business for durable long-term growth, while focusing on the appropriate balance between pursuing growth opportunities, controlling risk, and maintaining a strong liquidity position. We believe our balanced growth strategy has created and will continue to create significant value for our shareholders.

Overview of Results for Our Fiscal 2024

The following is a summary of our performance against certain key operating and financial metrics during fiscal 2024, as compared to fiscal 2023.

- **As of September 30, 2024, our land position included 28,538 controlled lots, up 9.0% from 26,189 as of September 30, 2023.** Our fiscal 2024 marks the fourth consecutive year of year-over-year growth in land position as we build a strong foundation to meet our active community count growth. Excluding land held for future development and land held for sale lots, we controlled 27,904 active lots, up 9.1% from the prior year. The majority of the growth in controlled lots was through the usage of lot option agreements, which allow us to position for future growth while providing the flexibility to respond to market conditions. As of September 30, 2024, we had 16,125 lots, or 57.8% of our total active lots, under option agreements as compared to 14,490 lots, or 56.7% of our total active lots, under option agreements as of September 30, 2023.
- **During the fiscal year ended September 30, 2024, our average active community count of 144 was up 15.7% from 125 in the prior year.** As of September 30, 2024, our ending active community count was 162, up 20.9% from 134 in the prior year. Our fiscal fourth quarter marks the tenth consecutive quarter of year-over-year growth in community count as we work towards our goal of reaching more than 200 active communities by the end of fiscal 2026. We invested \$776.5 million in land acquisition and land development during the year ended September 30, 2024, representing an increase of 35.5% compared to \$573.1 million in land spend during the year ended September 30, 2023.
- **During the fiscal year ended September 30, 2024, sales per community per month was 2.4 compared to 2.6 in the prior year, and our net new orders were 4,221, up 9.2% from 3,866 in the prior year.** The expanded average active community count allowed us to deliver higher net new orders year-over-year despite a decline in sales pace to 2.4 orders per community per month during the year ended September 30, 2024 due to elevated mortgage rates and affordability challenges.
- **During the fiscal year ended September 30, 2024, we closed 4,450 homes, up 4.8%, from 4,246 in the prior year, leading to an increase in homebuilding revenue to \$2.29 billion, up 4.3%, from \$2.20 billion in the prior year.** The increase in closings was primarily due to higher community count, higher volume of spec homes that sold and closed within the current year, and improved construction cycle times.
- **ASP for homes closed during the fiscal year ended September 30, 2024 was \$515.3 thousand, down 0.5% from \$517.8 thousand in the prior year.** Backlog ASP as of September 30, 2024 was \$537.9 thousand, up 3.8% from \$518.0 thousand in the prior year. The increase in backlog ASP compared to the prior year was primarily due to changes in product and community mix as well as price appreciation in certain communities.
- **Homebuilding gross margin for the fiscal year ended September 30, 2024 was 18.0%, down from 19.9% in the prior year.** Homebuilding gross margin excluding impairments, abandonments, and interest for the fiscal year ended September 30, 2024 was 21.1%, down from 23.1% in the prior year. The year-over-year decrease in gross margin for the fiscal year ended September 30, 2024 was primarily driven by changes in product and community mix and an increase in closing cost incentives. If market conditions deteriorate due to unfavorable mortgage rate movements, gross margin may be compressed in the future.
- **SG&A for the fiscal year ended September 30, 2024 was 11.4% of total revenue compared with 11.5% a year earlier.** SG&A expense was \$266.4 million for the fiscal year ended September 30, 2024, up 5.2% compared to prior year primarily due to higher commissions expense and higher sales and marketing costs as we continue to grow community count. We remain focused on prudently managing overhead costs.

Seasonal and Quarterly Variability: Our homebuilding operating cycle historically has reflected escalating new order activity in the second and third fiscal quarters and increased closings in the third and fourth fiscal quarters. However, these seasonal patterns may be impacted by a variety of factors, including periods of market volatility and changes in mortgage interest rates, which may result in increased or decreased new orders and/or revenues and closings that are outside of the normal ranges typically realized on account of seasonality.

The following tables present new order and closings data for the periods presented:

New Orders (Net of Cancellations)					
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2024	823	1,299	1,070	1,029	4,221
2023	482	1,181	1,200	1,003	3,866
2022	1,141	1,291	925	704	4,061

Closings					
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2024	743	1,044	1,167	1,496	4,450
2023	833	1,063	1,117	1,233	4,246
2022	1,019	1,078	1,043	1,616	4,756

RESULTS OF CONTINUING OPERATIONS

The following table summarizes certain key income statement metrics for the periods presented:

<i>\$ in thousands</i>	Fiscal Year Ended September 30,		
	2024	2023	2022
Revenue:			
Homebuilding	\$ 2,292,984	\$ 2,198,400	\$ 2,302,520
Land sales and other	37,213	8,385	14,468
Total	<u>\$ 2,330,197</u>	<u>\$ 2,206,785</u>	<u>\$ 2,316,988</u>
Gross profit:			
Homebuilding	\$ 413,611	\$ 438,120	\$ 532,149
Land sales and other	10,683	4,575	5,358
Total	<u>\$ 424,294</u>	<u>\$ 442,695</u>	<u>\$ 537,507</u>
Gross margin:			
Homebuilding ^(a)	18.0 %	19.9 %	23.1 %
Land sales and other ^(b)	28.7 %	54.6 %	37.0 %
Total	18.2 %	20.1 %	23.2 %
Commissions	\$ 80,056	\$ 73,450	\$ 74,336
General and administrative expenses (G&A)	\$ 186,345	\$ 179,794	\$ 177,320
SG&A (commissions plus G&A) as a percentage of total revenue	11.4 %	11.5 %	10.9 %
G&A as a percentage of total revenue	8.0 %	8.1 %	7.7 %
Depreciation and amortization	\$ 14,867	\$ 12,198	\$ 13,360
Operating income	<u>\$ 143,026</u>	<u>\$ 177,253</u>	<u>\$ 272,491</u>
Operating income as a percentage of total revenue	6.1 %	8.0 %	11.8 %
Effective tax rate^(c)	11.9 %	13.1 %	19.4 %
Inventory impairments and abandonments	\$ 1,996	\$ 641	\$ 2,963
(Loss) gain on extinguishment of debt, net	\$ (437)	\$ (546)	\$ 309

^(a) Excluding impairments, abandonments, and interest amortized to cost of sales, homebuilding gross margin was 21.1%, 23.1% and 26.3% for the fiscal years ended September 30, 2024, 2023 and 2022, respectively. Please see the "Homebuilding Gross Profit and Gross Margin" section below for a reconciliation of homebuilding gross profit and the related gross margin excluding impairments and abandonments and interest amortized to cost of sales (non-GAAP measures) to homebuilding gross profit and gross margin, the most directly comparable GAAP measure.

^(b) Calculated as land sales and other gross profit divided by land sales and other revenue.

^(c) Calculated as tax expense for the period divided by income from continuing operations. Our income tax expenses are not always directly correlated to the amount of pre-tax income for the associated period due to a variety of factors, including, but not limited to, the impact of tax credits and permanent differences. Our tax credits are predominantly due to the energy efficiency of our homes and, historically, were valued at \$2,000 per single family home. The Inflation Reduction Act increased these credits to \$2,500 or \$5,000 per single family home meeting Energy Star or Zero Energy Ready qualifications, respectively. As we work towards our goal of building 100% Zero Energy Ready homes, we expect our energy efficiency tax credits to shift increasingly towards \$5,000 per single family home in the current and future years.

Reconciliation of Net Income (GAAP) to Adjusted EBITDA (Non-GAAP)

Reconciliation of Net Income (GAAP measure) to Adjusted EBITDA (Non-GAAP measure) is provided for each period discussed below. Management believes that Adjusted EBITDA assists investors in understanding and comparing core operating results and underlying business trends by eliminating many of the differences in companies' respective capitalization, tax position, level of impairments, and other non-recurring items. This non-GAAP financial measure may not be comparable to other similarly titled measures of other companies and should not be considered in isolation or as a substitute for, or superior to, financial measures prepared in accordance with GAAP.

The following table reconciles our net income (GAAP) to Adjusted EBITDA (non-GAAP) for the periods presented:

<i>in thousands</i>	Fiscal Year Ended September 30,				
	2024	2023	2022	2021	2020
Net income (GAAP)	\$ 140,175	\$ 158,611	\$ 220,704	\$ 122,021	\$ 52,226
Expense from income taxes	18,910	23,936	53,267	21,501	17,664
Interest amortized to home construction and land sales expenses and capitalized interest impaired	68,233	68,489	72,058	87,290	95,662
Interest expense not qualified for capitalization	—	—	—	2,781	8,468
EBIT (Non-GAAP)	227,318	251,036	346,029	233,593	174,020
Depreciation and amortization	14,867	12,198	13,360	13,976	15,640
EBITDA (Non-GAAP)	242,185	263,234	359,389	247,569	189,660
Stock-based compensation expense	7,391	7,275	8,478	12,167	10,036
Loss (gain) on extinguishment of debt	437	546	(309)	2,025	—
Inventory impairments and abandonments ^(a)	1,996	641	2,524	853	2,111
Gain on sale of investment ^(b)	(8,591)	—	—	—	—
Litigation settlement in discontinued operations	—	—	—	120	1,260
Restructuring and severance expenses	—	335	—	(10)	1,317
Adjusted EBITDA (Non-GAAP)	\$ 243,418	\$ 272,031	\$ 370,082	\$ 262,724	\$ 204,384

^(a) In periods during which we impaired certain of our inventory assets, capitalized interest that is impaired is included in the line above titled "Interest amortized to home construction and land sales expenses and capitalized interest impaired."

^(b) We previously held a minority interest in a technology company specializing in digital marketing for new home communities, which was sold during the quarter ended March 31, 2024. In exchange for the previously held investment, we received cash in escrow along with a minority partnership interest in the acquiring company, which was recorded within other assets in our consolidated balance sheets. The resulting gain of \$8.6 million from this transaction was recognized in other income, net on our consolidated statement of operations. The Company believes excluding this one-time gain from Adjusted EBITDA provides a better reflection of the Company's performance as this item is not representative of our core operations.

Reconciliation of Total Debt to Total Capitalization Ratio (GAAP) to Net Debt to Net Capitalization Ratio (Non-GAAP)

Reconciliation of total debt to total capitalization ratio (GAAP measure) to net debt to net capitalization ratio (non-GAAP measure) is provided for each period below. Management believes that net debt to net capitalization ratio is useful in understanding the leverage employed in our operations and as an indicator of our ability to obtain financing. This non-GAAP financial measure may not be comparable to other similarly titled measures of other companies and should not be considered in isolation or as a substitute for, or superior to, financial measures prepared in accordance with GAAP.

<i>in thousands</i>	Fiscal Year Ended September 30,	
	2024	2023
Total debt (GAAP)	\$ 1,025,349	\$ 978,028
Stockholders' equity (GAAP)	1,232,111	1,102,819
Total capitalization (GAAP)	\$ 2,257,460	\$ 2,080,847
Total debt to total capitalization ratio (GAAP)	45.4 %	47.0 %
Total debt (GAAP)	\$ 1,025,349	\$ 978,028
Less: cash and cash equivalents (GAAP)	203,907	345,590
Net debt (Non-GAAP)	821,442	632,438
Stockholders' equity (GAAP)	1,232,111	1,102,819
Net capitalization (Non-GAAP)	\$ 2,053,553	\$ 1,735,257
Net debt to net capitalization ratio (Non-GAAP)	40.0 %	36.4 %

Homebuilding Operations Data

The following table summarizes new orders and cancellation rates by reportable segment for the periods presented:

	New Orders, net					Cancellation Rates		
	2024	2023	2022	24 v 23	23 v 22	2024	2023	2022
West	2,753	2,244	2,437	22.7 %	(7.9)%	17.3 %	22.2 %	18.4 %
East	912	859	879	6.2 %	(2.3)%	19.5 %	18.8 %	16.2 %
Southeast	556	763	745	(27.1)%	2.4 %	16.8 %	15.9 %	16.3 %
Total	4,221	3,866	4,061	9.2 %	(4.8)%	17.7 %	20.3 %	17.6 %

Net new orders for the year ended September 30, 2024 increased to 4,221, up 9.2% from the year ended September 30, 2023. The increase in net new orders was driven primarily by an increase in average active community count from 125 in the prior year to 144, partially offset by a decrease in sales pace from 2.6 orders per community per month in the prior year to 2.4.

West Segment: Net new orders for the year ended September 30, 2024 was 2,753, up 22.7% from the year ended September 30, 2023. The increase in net new orders compared to the prior year was driven by a 24.0% increase in average active community count from 75 in the prior year to 93, while sales pace remained flat year-over-year at 2.5 orders per community.

East Segment: Net new orders for the year ended September 30, 2024 was 912, up 6.2% from the year ended September 30, 2023. The increase in net new orders compared to the prior year was driven by a 25.0% increase in average active community count from 24 in the prior year to 30, partially offset by a 16.7% decrease in sales pace from 3.0 orders per community per month in the prior year to 2.5. The decrease in sales pace was due to a softening in demand in various sub-markets due to affordability challenges.

Southeast Segment: Net new orders for the year ended September 30, 2024 was 556, down 27.1% from the year ended September 30, 2023. The decrease in net new orders compared to the prior year was driven by a 16.0% decrease in average active community count from 25 in the prior year to 21, and a 12.0% decrease in sales pace from 2.5 orders per community per month in the prior year to 2.2. The decrease in sales pace was due to a softening in demand in various sub-markets due to affordability challenges.

The table below summarizes backlog units by reportable segment as well as the aggregate dollar value and ASP of homes in backlog as of September 30, 2024, 2023 and 2022:

	As of September 30,			24 v 23	23 v 22
	2024	2023	2022		
Backlog Units:					
West	965	1,033	1,257	(6.6)%	(17.8)%
East	315	323	410	(2.5)%	(21.2)%
Southeast	202	355	424	(43.1)%	(16.3)%
Total	1,482	1,711	2,091	(13.4)%	(18.2)%
Aggregate dollar value of homes in backlog (in millions)	\$ 797.2	\$ 886.4	\$ 1,144.9	(10.1)%	(22.6)%
ASP in backlog (in thousands)	\$ 537.9	\$ 518.0	\$ 547.5	3.8 %	(5.4)%

Backlog reflects the number of homes for which the Company has entered into a sales contract with a customer but has not yet delivered the home. The aggregate dollar value of homes in backlog as of September 30, 2024 decreased 10.1% compared to the prior year due to a 13.4% decrease in backlog units, partially offset by a 3.8% increase in the ASP of homes in backlog. The decrease in backlog units was due to closings exceeding net new orders for the year ended September 30, 2024. The increase in backlog ASP was primarily due to changes in product and community mix as well as price appreciation in certain communities.

Homebuilding Revenue, Average Selling Price, and Closings

The table below summarizes homebuilding revenue, ASP of our homes closed, and closings by reportable segment for the periods presented:

\$ in thousands	Homebuilding Revenue					Average Selling Price				
	2024	2023	2022	24 v 23	23 v 22	2024	2023	2022	24 v 23	23 v 22
West	\$ 1,448,607	\$ 1,292,060	\$ 1,327,770	12.1 %	(2.7)%	\$ 513.5	\$ 523.5	\$ 468.7	(1.9)%	11.7 %
East	483,611	503,479	555,598	(3.9)%	(9.4)%	525.7	532.2	514.4	(1.2)%	3.5 %
Southeast	360,766	402,861	419,152	(10.4)%	(3.9)%	508.8	484.2	497.2	5.1 %	(2.6)%
Total	\$ 2,292,984	\$ 2,198,400	\$ 2,302,520	4.3 %	(4.5)%	\$ 515.3	\$ 517.8	\$ 484.1	(0.5)%	7.0 %

	Closings				
	2024	2023	2022	24 v 23	23 v 22
West	2,821	2,468	2,833	14.3 %	(12.9)%
East	920	946	1,080	(2.7)%	(12.4)%
Southeast	709	832	843	(14.8)%	(1.3)%
Total	4,450	4,246	4,756	4.8 %	(10.7)%

West Segment: Homebuilding revenue increased by 12.1% for the fiscal year ended September 30, 2024 compared to the prior fiscal year due to a 14.3% increase in closings, partially offset by a 1.9% decrease in ASP. The year-over-year increase in closings in the West segment was primarily due to higher community count, higher volume of spec homes that sold and closed within the current year, and improved construction cycle times for fiscal 2024 compared to fiscal 2023.

East Segment: Homebuilding revenue decreased by 3.9% for the fiscal year ended September 30, 2024 compared to the prior fiscal year due to a 2.7% decrease in closings as well as a 1.2% decrease in ASP. The year-over-year decrease in closings in the East segment was primarily due to lower beginning backlog, partially offset by improved construction cycle times for fiscal 2024 compared to fiscal 2023.

Southeast Segment: Homebuilding revenue decreased by 10.4% for the fiscal year ended September 30, 2024 compared to the prior fiscal year due to a 14.8% decrease in closings, partially offset by a 5.1% increase in ASP. The year-over-year decrease in closings in the Southeast segment is primarily due to lower beginning backlog, partially offset by improved construction cycle times for fiscal 2024 compared to fiscal 2023.

Homebuilding Gross Profit and Gross Margin

The following tables present our homebuilding (HB) gross profit and gross margin by reportable segment and in total. In addition, such amounts are presented excluding inventory impairments and abandonments and interest amortized to cost of sales (COS). Homebuilding gross profit is defined as homebuilding revenue less home cost of sales (which includes land and land development costs, home construction costs, capitalized interest, indirect costs of construction, estimated warranty costs, closing costs, and inventory impairments and abandonment charges).

Reconciliation of homebuilding gross profit and homebuilding gross margin (GAAP measures) to homebuilding gross profit and the related gross margin excluding impairments and abandonments and interest amortized to cost of sales (non-GAAP measures) is provided for each period discussed below. Management believes that this information assists investors in comparing the operating characteristics of homebuilding activities by eliminating many of the differences in companies' respective level of impairments and level of debt. These non-GAAP financial measures may not be comparable to other similarly titled measures of other companies and should not be considered in isolation or as a substitute for, or superior to, financial measures prepared in accordance with GAAP.

\$ in thousands

Fiscal Year Ended September 30, 2024

	HB Gross Profit (GAAP)	HB Gross Margin (GAAP)	Impairments & Abandonments (I&A)	HB Gross Profit excluding I&A (Non-GAAP)	HB Gross Margin excluding I&A (Non-GAAP)	Interest Amortized to COS (Interest)	HB Gross Profit excluding I&A and Interest (Non-GAAP)	HB Gross Margin excluding I&A and Interest (Non-GAAP)
West	\$ 306,366	21.1 %	\$ 1,805	\$ 308,171	21.3 %	\$ —	\$ 308,171	21.3 %
East	87,481	18.1 %	91	87,572	18.1 %	—	87,572	18.1 %
Southeast	79,174	21.9 %	100	79,274	22.0 %	—	79,274	22.0 %
Corporate & unallocated ^(a)	(59,410)		—	(59,410)		67,658	8,248	
Total homebuilding	\$ 413,611	18.0 %	\$ 1,996	\$ 415,607	18.1 %	\$ 67,658	\$ 483,265	21.1 %

\$ in thousands

Fiscal Year Ended September 30, 2023

	HB Gross Profit (GAAP)	HB Gross Margin (GAAP)	Impairments & Abandonments (I&A)	HB Gross Profit excluding I&A (Non-GAAP)	HB Gross Margin excluding I&A (Non-GAAP)	Interest Amortized to COS (Interest)	HB Gross Profit excluding I&A and Interest (Non-GAAP)	HB Gross Margin excluding I&A and Interest (Non-GAAP)
West	\$ 307,240	23.8 %	\$ 487	\$ 307,727	23.8 %	\$ —	\$ 307,727	23.8 %
East	103,102	20.5 %	154	103,256	20.5 %	—	103,256	20.5 %
Southeast	92,212	22.9 %	—	92,212	22.9 %	—	92,212	22.9 %
Corporate & unallocated ^(a)	(64,434)		—	(64,434)		68,489	4,055	
Total homebuilding	\$ 438,120	19.9 %	\$ 641	\$ 438,761	20.0 %	\$ 68,489	\$ 507,250	23.1 %

\$ in thousands

Fiscal Year Ended September 30, 2022

	HB Gross Profit (GAAP)	HB Gross Margin (GAAP)	Impairments & Abandonments (I&A)	HB Gross Profit excluding I&A (Non-GAAP)	HB Gross Margin excluding I&A (Non-GAAP)	Interest Amortized to COS (Interest)	HB Gross Profit excluding I&A and Interest (Non-GAAP)	HB Gross Margin excluding I&A and Interest (Non-GAAP)
West	\$ 353,370	26.6 %	\$ 289	\$ 353,659	26.6 %	\$ —	\$ 353,659	26.6 %
East	137,937	24.8 %	143	138,080	24.9 %	—	138,080	24.9 %
Southeast	104,341	24.9 %	663	105,004	25.1 %	—	105,004	25.1 %
Corporate & unallocated ^(a)	(63,499)		—	(63,499)		71,619	8,120	
Total homebuilding	\$ 532,149	23.1 %	\$ 1,095	\$ 533,244	23.2 %	\$ 71,619	\$ 604,863	26.3 %

^(a) Corporate and unallocated includes amortization of capitalized interest, capitalization and amortization of indirect costs related to homebuilding activities, as well as capitalized interest and capitalized indirect costs impaired in order to reflect projects in progress assets at fair value, when applicable.

Our homebuilding gross profit decreased by \$24.5 million to \$413.6 million for the fiscal year ended September 30, 2024, compared to \$438.1 million in the prior year. The decrease in homebuilding gross profit was primarily driven by a decrease in gross margin of 190 basis points to 18.0%, partially offset by an increase in homebuilding revenue of \$94.6 million. However, as shown in the tables above, the comparability of our gross profit and gross margin was modestly impacted by impairments and abandonment charges which increased by \$1.4 million and interest amortized to homebuilding cost of sales which decreased by \$0.8 million year-over-year (refer to Note 4 and Note 5 of the notes to the consolidated financial statements in this Form 10-K for additional details). When excluding the impact of impairments and abandonment charges and interest amortized to homebuilding cost of sales, homebuilding gross profit decreased by \$24.0 million compared to the prior year while homebuilding gross margin decreased by 200 basis points to 21.1%. The year-over-year decrease in gross margin for the fiscal year ended September 30, 2024 was primarily driven by changes in product and community mix and an increase in closing cost incentives.

West Segment: Compared to the prior fiscal year, homebuilding gross profit decreased by \$0.9 million due to lower gross margin, partially offset by an increase in homebuilding revenue. Homebuilding gross margin, excluding impairments and abandonments, decreased to 21.3%, down from 23.8% in the prior year. The decrease in gross margin was primarily driven by changes in product and community mix and an increase in closing cost incentives.

East Segment: Compared to the prior fiscal year, homebuilding gross profit decreased by \$15.6 million due to a decrease in homebuilding revenue and lower gross margin. Homebuilding gross margin, excluding impairments and abandonments, decreased to 18.1%, down from 20.5% in the prior year. The decrease in gross margin was primarily driven by changes in product and community mix, an increase in price concessions, and an increase in closing cost incentives.

Southeast Segment: Compared to the prior fiscal year, homebuilding gross profit decreased by \$13.0 million due to a decrease in homebuilding revenue and lower gross margin. Homebuilding gross margin, excluding impairments and abandonments, decreased to 22.0%, down from 22.9% in the prior year. The decrease in gross margin was primarily driven by changes in product and community mix and an increase in closing cost incentives.

Measures of homebuilding gross profit and gross margin after excluding inventory impairments and abandonments, interest amortized to cost of sales, and other non-recurring items are non-GAAP financial measures. These measures should not be considered alternatives to homebuilding gross profit and gross margin determined in accordance with GAAP as an indicator of operating performance.

In particular, the magnitude and volatility of non-cash inventory impairments and abandonment charges for the Company and other homebuilders have been significant historically and, as such, have made financial analysis of our industry more difficult. Homebuilding metrics excluding these charges, as well as interest amortized to cost of sales and other similar presentations by analysts and other companies, are frequently used to assist investors in understanding and comparing the operating characteristics of homebuilding activities by eliminating many of the differences in companies' respective level of impairments and levels of debt. Management believes these non-GAAP measures enable holders of our securities to better understand the cash implications of our operating performance and our ability to service our debt obligations as they currently exist, and as additional indebtedness is incurred in the future. These measures are also useful internally, helping management to compare operating results and to measure cash available for discretionary spending.

In a given period, our reported gross profit is generated from both communities previously impaired and communities not previously impaired. In addition, as indicated above, certain gross profit amounts arise from recoveries of prior period costs, including warranty items that are not directly tied to communities generating revenue in the period. Home closings from communities previously impaired would, in most instances, generate very low or negative gross margins prior to the impact of the previously recognized impairment. Gross margin for each home closing is higher for a particular community after an impairment because the carrying value of the underlying land was previously reduced to the present value of future cash flows as a result of the impairment, leading to lower cost of sales at the home closing. This improvement in gross margin resulting from one or more prior impairments is frequently referred to in the aggregate as the "impairment turn" or "flow-back" of impairments within the reporting period. The amount of this impairment turn may exceed the gross margin for an individual impaired asset if the gross margin for that asset prior to the impairment would have been negative. The extent to which this impairment turn is greater than the reported gross margin for the individual asset is related to the specific historical cost basis of that individual asset.

The asset valuations that result from our impairment calculations are based on discounted cash flow analyses and are not derived by simply applying prospective gross margins to individual communities. As such, impaired communities may have gross margins that are somewhat higher or lower than the gross margins for unimpaired communities. The mix of home closings in any particular quarter varies to such an extent that comparisons between previously impaired and never impaired communities would not be a reliable way to ascertain profitability trends or to assess the accuracy of previous valuation estimates. In addition, since any amount of impairment turn is tied to individual lots in specific communities, it will vary considerably from period to period. As a result of these factors, we review the impairment turn impact on gross margin on a trailing 12-month basis rather than a quarterly basis as a way of considering whether our impairment calculations are resulting in gross margins for impaired communities that are comparable to our unimpaired communities. For fiscal 2024, our homebuilding gross margin was 18.0% and excluding interest and inventory impairments and abandonments, it was 21.1%. For the same period, homebuilding gross margin was as follows in those communities that have previously been impaired, which represented 88 homes and 2.0% of total closings during fiscal 2024:

Homebuilding Gross Margin from previously impaired communities:

Pre-impairment turn gross margin	(2.2)%
Impact of interest amortized to COS related to these communities	2.5 %
Pre-impairment turn gross margin, excluding interest amortization	0.3 %
Impact of impairment turns	21.2 %
Gross margin (post impairment turns), excluding interest amortization	21.4 %

For further discussion of our impairment policies, refer to Note 2 and Note 4 of the notes to consolidated financial statements in this Form 10-K.

Land Sales and Other Revenue and Gross Profit

Land sales relate to land and lots sold that do not fit within our homebuilding programs or strategic plans. We also have other revenue related to title examinations provided for our homebuyers in certain markets. The following tables summarize our land sales and other revenue and related gross profit by reportable segment for the periods presented:

\$ in thousands

	Land Sales and Other Revenue				
	2024	2023	2022	24 v 23	23 v 22
West	\$ 18,680	\$ 4,945	\$ 3,783	277.8 %	30.7 %
East	17,595	2,365	5,149	644.0 %	(54.1)%
Southeast	938	1,075	5,536	(12.7)%	(80.6)%
Total	\$ 37,213	\$ 8,385	\$ 14,468	343.8 %	(42.0)%

\$ in thousands

	Land Sales and Other Gross Profit (Loss)				
	2024	2023	2022	24 v 23	23 v 22
West	\$ 4,438	\$ 2,989	\$ 734	48.5 %	307.2 %
East	6,391	736	4,206	768.3 %	(82.5)%
Southeast	688	850	984	(19.1)%	(13.6)%
Corporate and unallocated ^(a)	(834)	—	(566)	n/m ^(b)	100.0 %
Total	\$ 10,683	\$ 4,575	\$ 5,358	133.5 %	(14.6)%

^(a) Includes capitalized interest and capitalized indirect costs expensed to land cost of sale related to land sold, as well as capitalized interest and capitalized indirect costs impaired in order to reflect land held for sale assets at net realizable value.

^(b) n/m - indicates the percentage is "not meaningful."

For the fiscal year ended September 30, 2024, land sales and other revenue increased by 343.8% to \$37.2 million, and land sales and other gross profit increased by 133.5% to \$10.7 million compared to the prior year. Year-over-year fluctuations on land sales and other revenue are primarily driven by the timing and volume of land and lot sales closings. Land sales and other gross profit are primarily impacted by the profitability of individual land and lot sale transactions as well as the volume of our title examinations operations. Future land and lot sales will depend on a variety of factors, including local market conditions, individual community performance, and changing strategic plans.

Operating Income

The table below summarizes operating income by reportable segment for the periods presented:

<i>in thousands</i>	Fiscal Year Ended September 30,									
	2024		2023		2022					
					24 v 23	23 v 22				
West	\$	189,739	\$	205,850	\$	253,961	\$	(16,111)	\$	(48,111)
East		52,898		65,021		102,146		(12,123)		(37,125)
Southeast		45,666		57,326		68,726		(11,660)		(11,400)
Corporate and Unallocated ^(a)		(145,277)		(150,944)		(152,342)		5,667		1,398
Operating income	\$	143,026	\$	177,253	\$	272,491	\$	(34,227)	\$	(95,238)

^(a) Includes amortization of capitalized interest, capitalization and amortization of indirect costs, impairment of capitalized interest and capitalized indirect costs, when applicable, expenses related to numerous shared services functions that benefit all segments but are not allocated to the operating segments reported above, including information technology, treasury, corporate finance, legal, branding and national marketing, and certain other amounts that are not allocated to our operating segments.

Our operating income decreased by \$34.2 million to \$143.0 million for the year ended September 30, 2024, compared to operating income of \$177.3 million for year ended September 30, 2023, primarily driven by the previously discussed decrease in gross profit, higher commissions expense on higher homebuilding revenue, and higher sales and marketing costs, partially offset by lower other G&A expenses.

West Segment: The \$16.1 million decrease in operating income compared to the prior year was primarily due to higher commissions on higher homebuilding revenue, higher sales and marketing expenses, and higher other G&A expenses, partially offset by an increase in gross profit in the segment.

East Segment: The \$12.1 million decrease in operating income compared to the prior year was primarily due to the decrease in gross profit previously discussed and higher sales and marketing expenses in the segment.

Southeast Segment: The \$11.7 million decrease in operating income compared to the prior year was primarily due to the decrease in gross profit previously discussed, partially offset by lower other G&A expenses in the segment.

Corporate and Unallocated: Our corporate and unallocated results include amortization of capitalized interest, capitalization and amortization of indirect costs, impairment of capitalized interest and capitalized indirect costs, expenses for various shared services functions that benefit all segments but are not allocated, including information technology, treasury, corporate finance, legal, branding and national marketing, and certain other amounts that are not allocated to our operating segments. For the fiscal year ended September 30, 2024, corporate and unallocated net expenses decreased by \$5.7 million from the prior fiscal year, primarily due to lower amortization of capitalized indirect costs to cost of sales.

Below operating income, we had the following noteworthy year-over-year fluctuations for the fiscal year ended September 30, 2024 compared to the prior year. Specifically, within other income, net, (1) we recognized a gain on sale of investment of \$8.6 million during the year ended September 30, 2024 compared to no such transaction in the prior year period (See the "Reconciliation of Net Income (GAAP) to Adjusted EBITDA (Non-GAAP)" section above for further discussion on this transaction), and (2) we recognized higher investment income year-over year due to changes in fair value of our deferred compensation plan assets and higher distributions of income from unconsolidated entities during the year-ended September 30, 2024 compared to the prior year.

Income Taxes

We recognized income tax expense from continuing operations of \$18.9 million for the fiscal year ended September 30, 2024, compared to income tax expense from continuing operations of \$24.0 million and \$53.3 million for our fiscal years ended September 30, 2023 and 2022, respectively. Income tax expense in our fiscal 2024, 2023 and 2022 primarily resulted from income generated in the fiscal year and permanent book/tax differences, partially offset by the generation of additional federal tax credits. Refer to Note 12 of the notes to the consolidated financial statements in this Form 10-K for a further discussion of our income taxes.

Liquidity and Capital Resources

Our sources of liquidity include, but are not limited to, cash from operations, proceeds from Senior Notes, our Senior Unsecured Revolving Credit Facility (the Unsecured Facility), and other bank borrowings, the issuance of equity and equity-linked securities, and other external sources of funds. Our short-term and long-term liquidity depends primarily upon our level of net income, working capital management (cash, accounts receivable, accounts payable and other liabilities), and available credit facilities.

Net changes in cash, cash equivalents, and restricted cash are as follows for the periods presented:

<i>in thousands</i>	2024	2023	2022
Net cash (used in) provided by operating activities	\$ (137,545)	\$ 178,057	\$ 81,074
Net cash used in investing activities	(30,012)	(29,670)	(14,709)
Net cash provided by (used in) financing activities	23,878	(13,926)	(88,680)
Net (decrease) increase in cash, cash equivalents, and restricted cash	\$ (143,679)	\$ 134,461	\$ (22,315)

Operating Activities

Net cash used in operating activities was \$137.5 million for the fiscal year ended September 30, 2024. The primary drivers of operating cash flows are typically cash earnings and changes in inventory levels, including land acquisition and development spending. Net cash used in operating activities during the period was primarily driven by an increase in inventory of \$282.1 million resulting from land acquisition, land development, and house construction spending to support continued growth and a net increase in non-inventory working capital of \$30.2 million, partially offset by income before income taxes of \$159.1 million, which included \$15.7 million of non-cash charges.

Net cash provided by operating activities was \$178.1 million for the fiscal year ended September 30, 2023. Net cash provided by operating activities during the period was primarily driven by income before income taxes of \$182.5 million, which included \$21.8 million of non-cash charges, partially offset by a net increase in non-inventory working capital of \$11.5 million and an increase in inventory of \$14.7 million resulting from land acquisition, land development, and house construction spending to support continued growth.

Investing Activities

Net cash used in investing activities for the fiscal year ended September 30, 2024 was \$30.0 million, primarily driven by capital expenditures for model homes and information systems infrastructure, and investments in securities.

Net cash used in investing activities for the fiscal year ended September 30, 2023 was \$29.7 million, primarily driven by capital expenditures for model homes and information systems infrastructure, and investments in securities.

Financing Activities

Net cash provided by financing activities was \$23.9 million for the fiscal year ended September 30, 2024, primarily driven by inflows from the issuance of the 2031 Notes, partially offset by outflows from redemption of our 2025 Notes, debt issuance costs related to the 2031 Notes and extension of the term of our Unsecured Facility (see Note 7), repurchases of common stock, and tax payments for stock-based compensation awards vesting.

Net cash used in financing activities was \$13.9 million for the fiscal year ended September 30, 2023, primarily driven by the repurchases of a portion of our 2025 Notes, debt issuance costs for the Unsecured Facility, and tax payments for stock-based compensation awards vesting.

Financial Position

As of September 30, 2024, our liquidity position consisted of \$203.9 million in cash and cash equivalents and \$300.0 million of remaining capacity under the Unsecured Facility, compared to \$345.6 million in cash and cash equivalents and \$265.0 million of remaining capacity under the Unsecured Facility as of September 30, 2023. Meanwhile, we invested \$776.5 million and \$573.1 million in land acquisition and land development during the fiscal years ended September 30, 2024 and September 30, 2023, respectively.

While we believe we possess sufficient liquidity, we are mindful of potential short-term or seasonal requirements for enhanced liquidity that may arise to operate and grow our business. As of the date of this report, we believe we have adequate capital resources and sufficient access to external financing sources to satisfy our current and long-term liquidity needs for funds to conduct our operations and meet other needs in the ordinary course of our business, however, we are continually reviewing our capital resources to determine whether we can meet our short- and long-term goals, and we may require additional capital to do so.

At times, we may also engage in capital markets, bank loans, project debt or other financial transactions, including the repurchase of debt or potential new issuances of debt or equity securities to support our business needs. The amounts involved in these transactions, if any, may be material. In addition, as necessary or desirable, we may adjust or amend the terms of and/or expand the capacity of the Unsecured Facility, or enter into additional letter of credit facilities, or other similar facility arrangements, in each case with the same or other financial institutions, or allow any such facilities to mature or expire.

Debt

We generally fulfill our short-term cash requirements with cash generated from our operations and available borrowings. Additionally, our Unsecured Facility provides working capital and letter of credit capacity of \$300.0 million, which includes a letter of credit capacity of \$100.0 million. As of September 30, 2024, no borrowings and no letters of credit were outstanding under the Unsecured Facility, resulting in a remaining borrowing capacity of \$300.0 million. See Note 7 of the notes to the consolidated financial statements in this Form 10-K for further discussion.

We have also entered into a number of stand-alone letter of credit agreements with banks, secured with cash or certificates of deposit. These combined facilities provide for letter of credit needs collateralized by either cash or assets of the Company. We currently have \$36.4 million of outstanding letters of credit under these facilities.

In the future, we may from time to time seek to continue to retire or purchase our outstanding debt through cash repurchases or in exchange for other debt securities, in open market purchases, privately negotiated transactions, or otherwise. In addition, any material variance from our projected operating results could require us to obtain additional equity or debt financing. There can be no assurance that we will be able to complete any of these transactions in the future on favorable terms or at all. See Note 7 of the notes to the consolidated financial statements in this Form 10-K for additional details related to our borrowings.

Supplemental Guarantor Information

As discussed in Note 7 of the notes to the consolidated financial statements in this Form 10-K, the Company's obligations to pay principal and interest under certain debt agreements are guaranteed on a joint and several basis by substantially all of the Company's subsidiaries. Some of the immaterial subsidiaries do not guarantee the Senior Notes. The guarantees are full and unconditional. Summarized financial information is not presented for Beazer Homes USA, Inc. and the guarantor subsidiaries on a combined basis as the assets, liabilities and results of operations of the combined issuer and guarantors of the guaranteed security are not materially different than corresponding amounts presented in the consolidated financial statements of the parent company.

Credit Ratings

Our credit ratings are periodically reviewed by rating agencies. In June 2024, S&P reaffirmed the Company's corporate credit rating of B+ and reaffirmed the Company's outlook of stable. In October 2024, Moody's reaffirmed the Company's issuer corporate family rating of B1 and reaffirmed the Company's outlook of stable. In addition, our Senior Notes have a rating of B+ and B1 per S&P and Moody's, respectively. These ratings and our current credit condition affect, among other things, our ability to access new capital. These ratings are not recommendations to buy, sell or hold debt securities. Negative changes to these ratings may result in more stringent covenants and higher interest rates under the terms of any new debt. Our credit ratings could be lowered, or rating agencies could issue adverse commentaries in the future, which could have a material adverse effect on our business, financial condition, results of operations, and liquidity. In particular, a weakening of our financial condition, including any further increase in our leverage or decrease in our profitability or cash flows, could adversely affect our ability to obtain necessary funds, could result in a credit rating downgrade or change in outlook, or could otherwise increase our cost of borrowing.

Stock Repurchases and Dividends Paid

In May 2022, the Company's Board of Directors approved a share repurchase program that authorizes the Company to repurchase up to \$50.0 million of its outstanding common stock. The repurchase program has no expiration date. During the fiscal year ended September 30, 2024, the Company repurchased 455 thousand shares of its common stock for \$12.9 million at an average price per share of \$28.41 through open market transactions. All shares have been retired upon repurchase. As of September 30, 2024, the remaining availability of the share repurchase program was \$28.9 million.

No share repurchases were made during fiscal year 2023. During the fiscal year ended September 30, 2022, the Company repurchased 570 thousand shares of its common stock for \$8.2 million at an average price per share of \$14.33 through open market transactions.

The indentures under which our Senior Notes were issued contain certain restrictive covenants, including limitations on our payment of dividends. There were no dividends paid during our fiscal years ended September 30, 2024, 2023 or 2022.

Off-Balance Sheet Arrangements and Aggregate Contractual Commitments

Lot Option Agreements

In addition to purchasing land directly, we control a portion of our land supply through lot option agreements with land developers and land bankers, which generally require the payment of cash or issuance of an irrevocable letter of credit or surety bond for the right to acquire lots during a specified period of time at a specified price. In recent years, we have focused on increasing our lot option agreement usage to minimize risk as we grow our land position. As of September 30, 2024, we controlled 28,538 lots, which includes 272 lots of land held for future development and 362 lots of land held for sale. Of the 27,904 total active lots, we controlled 16,125 of these lots, or 57.8%, through option agreements, as compared to 14,490 active lots controlled, or 56.7% of our total active lots, through option agreements as of September 30, 2023. Lot option agreements allow us to position for future growth while providing the flexibility to respond to market conditions by renegotiating the terms of the options prior to exercise or terminating the agreement.

Under option agreements, purchase of the properties is contingent upon satisfaction of certain requirements by us and the sellers, and our liability is generally limited to forfeiture of the non-refundable deposits, letters of credit or surety bonds, and other non-refundable amounts incurred, which totaled \$227.8 million as of September 30, 2024. The total remaining purchase price, net of cash deposits, committed under all options was \$1.46 billion as of September 30, 2024. Subject to market conditions and our liquidity, we may further expand our use of option agreements to supplement our owned inventory supply.

We expect to exercise, subject to market conditions and seller satisfaction of contract terms, most of our option agreements. Various factors, some of which are beyond our control, such as market conditions, weather conditions, and the timing of the completion of development activities, will have a significant impact on the timing of option exercises or whether lot options will be exercised at all.

We have historically funded the exercise of lot options with operating cash flows. We expect these sources to continue to be adequate to fund anticipated future option exercises. Therefore, we do not anticipate that the exercise of our lot options will have a material adverse effect on our liquidity.

Letters of Credit and Surety Bonds

In connection with the development of our communities, we are frequently required to provide performance, maintenance, and other bonds and letters of credit in support of our related obligations with respect to such developments. The amount of such obligations outstanding at any time varies in accordance with our pending development activities. In the event any such bonds or letters of credit are drawn upon, we would be obligated to reimburse the issuer of such bonds or letters of credit. We had outstanding letters of credit and surety bonds of \$36.4 million and \$332.2 million, respectively, as of September 30, 2024, primarily related to our obligations to local governments to construct roads and other improvements in various developments.

Contractual Commitments

The following table summarizes our aggregate contractual commitments as of September 30, 2024:

<i>in thousands</i>	Payments Due by Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Senior notes and junior subordinated notes ^(a)	\$ 1,058,028	\$ —	\$ —	\$ 357,255	\$ 700,773
Interest commitments under senior notes and junior subordinated notes ^(b)	410,089	72,989	145,979	105,751	85,370
Obligations related to lots under option	1,458,679	563,709	631,509	191,595	71,866
Operating leases	24,875	4,572	7,332	5,887	7,084
Uncertain tax positions ^(c)	—	—	—	—	—
Total	\$ 2,951,671	\$ 641,270	\$ 784,820	\$ 660,488	\$ 865,093

^(a) For a listing of our borrowings, refer to Note 7 of the notes to the consolidated financial statements in this Form 10-K.

^(b) Interest on variable rate obligations is based on rates effective as of September 30, 2024.

^(c) Based on its current inventory of uncertain tax positions and tax carryforward attributes, the Company does not expect a cash settlement of unrecognized tax benefits related to uncertain tax positions in future years. See Note 12 of the notes to the consolidated financial statements in this Form 10-K for additional information regarding the Company's unrecognized tax benefits related to uncertain tax positions as of September 30, 2024.

We had outstanding letters of credit and surety bonds of \$36.4 million and \$332.2 million, respectively, as of September 30, 2024, primarily related to our obligations to local governments to construct roads and other improvements in various developments.

Critical Accounting Estimates

Our critical accounting policies require the use of judgment in their application and in certain cases require estimates of inherently uncertain matters. Although our accounting policies are in compliance with accounting principles generally accepted in the United States of America (GAAP), a change in the facts and circumstances of the underlying transactions could significantly change the application of the accounting policies and the resulting financial statement impact. Listed below are those policies that we believe are critical and require the use of complex judgment in their application.

Inventory Valuation - Projects in Progress

Projects in progress inventory includes homes under construction and land under development grouped together as communities. Generally, upon the commencement of land development activities, it may take three to five years (depending on, among other things, the size of the community and its sales pace) to fully develop, sell, construct and close all the homes in a typical community. Projects in progress are stated at cost unless facts and circumstances indicate that the carrying value of the assets may not be recoverable.

We assess our projects in progress inventory for indicators of impairment at the community level on a quarterly basis. We evaluate, among other things, the average sales price and margins on recent home closings, homes in backlog and expected future home sales for each community. If indicators of impairment are present for a community with more than ten homes remaining to close, we perform a recoverability test by comparing the expected undiscounted cash flows for the community to its carrying value. For those communities whose carrying values exceed the aggregate undiscounted cash flows, we perform a discounted cash flow analysis to determine the fair value of the community, and impairment charges are recorded if the fair value of the community's inventory is less than its carrying value.

There is uncertainty associated with preparing the undiscounted cash flow analyses because future market conditions will almost certainly be different, either better or worse, than current conditions. Significant valuation assumptions include expected pace of closings, average sales price, expected costs for land development, direct construction, overhead, and interest. The risk of over or under-stating any of the important cash flow variables is greater with longer-lived communities and within markets that have historically experienced greater home price volatility. To address these risks, we consider home price and construction cost appreciation in future years for certain communities that are expected to be selling for more than a year and/or if the market has typically exhibited high levels of price volatility. Absent these assumptions on cost and sales price appreciation, we believe the long-term cash flow analysis would be unrealistic. Finally, we also ensure that the pace of sales and closings used in our undiscounted cash flow analyses are reasonable by considering seasonal variations in sales and closings, our development schedules and what we have achieved historically, and by comparing to those achieved by our competitors for comparable communities.

The fair value of the community is estimated based on the present value of the estimated future cash flows using discount rates commensurate with the risk associated with the underlying community. The discount rate used may be different for each community. The factors considered when determining an appropriate discount rate for a community include, among others: (1) community specific factors such as product types, development stage and expected duration of the project, and the competitive factors influencing the sales performance of the community and (2) local market factors such as employment levels, consumer confidence and the existing supply of new and used homes for sale. The assumptions used in the determination of fair value of projects in progress communities are based on factors known to us at the time such estimates are made and our expectations of future operations and market conditions. Due to uncertainties in the estimation process, the significant volatility in market conditions, the long life cycles of many communities, and potential changes in our strategy related to certain communities, actual results could differ significantly from our estimates.

Warranty Reserves

The adequacy of our warranty reserves is based on historical experience and management's estimate of the costs to remediate any claims. Our review includes a quarterly analysis of the historical data and trends in warranty expense by division. An analysis by division allows us to consider market specific factors such as our warranty experience, the number of home closings, the prices of homes, product mix, and other data in estimating our warranty reserves. In addition, our analysis also factors in the existence of any non-recurring or community-specific warranty matters that might not be contemplated in our historical data and trends that may need to be separately estimated based on management's judgment of the ultimate cost of repair for that specific issue.

At September 30, 2024, our warranty reserve was \$12.7 million, reflecting an accrual range of 0.3% to 1.1% of total revenue recognized for each home closed depending on our loss history in the division in which the home was built. A ten basis point increase in our warranty reserve rate would have increased our accrual and corresponding cost of sales by \$2.5 million as of September 30, 2024.

There were no material changes in assumptions in calculating our reserve balance for the year ended September 30, 2024.

Our estimation process is discussed in Note 8 of notes to the consolidated financial statements in this Form 10-K. While we believe that our current warranty reserves are adequate, there can be no assurances that historical data and trends will accurately predict our actual warranty costs or that future developments might not lead to a significant change in the reserve.

Income Taxes - Valuation Allowance

The carrying amounts of deferred tax assets are reduced by a valuation allowance if an assessment of their components indicates that it is more likely than not that all or some portion of these assets will not be realized. Judgment is required in estimating valuation allowances for deferred tax assets. The realization of a deferred tax asset ultimately depends on the existence of sufficient taxable income in either the carryback or carryforward periods under tax law. We assess the need for valuation allowances for deferred tax assets based on more-likely-than-not realization threshold criteria. In our assessment, appropriate consideration is given to all positive and negative evidence related to the realization of the deferred tax assets. This assessment considers, among other matters, (1) the nature, frequency and severity of any current and cumulative losses; (2) forecasts of future profitability; (3) the duration of statutory carryforward periods; (4) our experience with operating loss and tax credit carryforwards not expiring unused; (5) the Section 382 limitation on our ability to carryforward pre-ownership change net operating losses; (6) recognized built-in losses or deductions; and (7) tax planning alternatives.

Our assessment of the need for the valuation of deferred tax assets includes assessing the likely future tax consequences of events that have been recognized in our financial statements or tax returns. We base our estimate of deferred tax assets and liabilities on current tax laws and rates and, in certain cases, business plans and other expectations about future outcomes. Changes in existing tax laws or rates could affect actual tax results and future business results may affect the amount of deferred tax liabilities or the valuation of deferred tax assets over time. Our analysis includes several scenarios with both increases and decreases in our estimates of operating income across future periods. Routine or cyclical reductions in our pre-tax earnings would not have changed our assessment of our ability to utilize various tax carryforwards. In addition to various company-specific factors, we consider several positive and negative external factors that may impact our estimates. These factors may include broad economic considerations such as mortgage interest rates, the relative health of the U.S. economy and employment levels, as well as industry or market specific factors such as housing supply and demand outlook.

In fiscal 2024, our conclusions about our ability to more likely than not realize all of our federal and certain state tax attributes remain consistent with our prior determinations. We considered positive factors including our recent earnings levels, interest savings from our debt reduction strategies, shortage in housing supply, and our backlog. The negative factors included the overall health of the broader economy, elevated mortgage interest rates, and softening housing demand due to affordability challenges.

Our accounting for deferred tax consequences represents our best estimate of future events. It is possible there will be changes that are not anticipated in our current estimates. If those changes resulted in significant and sustained reductions in our pre-tax earnings or our utilization of existing tax carryforwards, it is likely such changes would have a material impact on our financial condition or results of operations. The nature and amounts of the various tax attributes comprising our deferred tax assets are discussed in Note 12 of notes to the consolidated financial statements in this Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to a number of market risks in the ordinary course of business. Our primary market risk exposure relates to fluctuations in interest rates. We do not believe that our exposure in this area is material to our cash flows or results of operations. As of September 30, 2024, we had variable rate debt outstanding, totaling \$76.4 million. A one percent increase in the interest rate for these notes would result in an increase in our interest expense of approximately \$1.0 million over the next twelve-month period. The estimated fair value of our fixed rate debt as of September 30, 2024 was \$976.5 million, compared to a carrying amount of \$948.9 million. The effect of a hypothetical one-percentage point decrease in our estimated discount rates would increase the estimated fair value of the fixed rate debt instruments from \$976.5 million to \$1.02 billion as of September 30, 2024.

Item 8. Financial Statements and Supplementary Data

**BEAZER HOMES USA, INC.
CONSOLIDATED BALANCE SHEETS**

<i>in thousands (except share and per share data)</i>	September 30, 2024	September 30, 2023
ASSETS		
Cash and cash equivalents	\$ 203,907	\$ 345,590
Restricted cash	38,703	40,699
Accounts receivable (net of allowance of \$284 and \$284, respectively)	65,423	45,598
Owned inventory	2,040,640	1,756,203
Deferred tax assets, net	128,525	133,949
Property and equipment, net	38,628	31,144
Operating lease right-of-use assets	18,356	17,398
Goodwill	11,376	11,376
Other assets	45,969	29,076
Total assets	<u>\$ 2,591,527</u>	<u>\$ 2,411,033</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Trade accounts payable	\$ 164,389	\$ 154,256
Operating lease liabilities	19,778	18,969
Other liabilities	149,900	156,961
Total debt (net of debt issuance costs of \$8,310 and \$5,759, respectively)	1,025,349	978,028
Total liabilities	<u>1,359,416</u>	<u>1,308,214</u>
Stockholders' equity:		
Preferred stock (par value \$0.01 per share, 5,000,000 shares authorized, no shares issued)	—	—
Common stock (par value \$0.001 per share, 63,000,000 shares authorized, 31,047,510 issued and outstanding and 31,351,434 issued and outstanding, respectively)	31	31
Paid-in capital	853,895	864,778
Retained earnings	378,185	238,010
Total stockholders' equity	<u>1,232,111</u>	<u>1,102,819</u>
Total liabilities and stockholders' equity	<u>\$ 2,591,527</u>	<u>\$ 2,411,033</u>

See accompanying notes to consolidated financial statements.

BEAZER HOMES USA, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

<i>in thousands (except per share data)</i>	Fiscal Year Ended September 30,		
	2024	2023	2022
Total revenue	\$ 2,330,197	\$ 2,206,785	\$ 2,316,988
Home construction and land sales expenses	1,903,907	1,763,449	1,776,518
Inventory impairments and abandonments	1,996	641	2,963
Gross profit	424,294	442,695	537,507
Commissions	80,056	73,450	74,336
General and administrative expenses	186,345	179,794	177,320
Depreciation and amortization	14,867	12,198	13,360
Operating income	143,026	177,253	272,491
(Loss) gain on extinguishment of debt, net	(437)	(546)	309
Other income, net	16,496	5,939	1,189
Income from continuing operations before income taxes	159,085	182,646	273,989
Expense from income taxes	18,910	23,958	53,271
Income from continuing operations	140,175	158,688	220,718
Loss from discontinued operations, net of tax	—	(77)	(14)
Net income	<u>\$ 140,175</u>	<u>\$ 158,611</u>	<u>\$ 220,704</u>
Weighted-average number of shares:			
Basic	30,548	30,353	30,432
Diluted	30,953	30,747	30,796
Basic income per share:			
Continuing operations	\$ 4.59	\$ 5.23	\$ 7.25
Discontinued operations	—	—	—
Total	<u>\$ 4.59</u>	<u>\$ 5.23</u>	<u>\$ 7.25</u>
Diluted income per share:			
Continuing operations	\$ 4.53	\$ 5.16	\$ 7.17
Discontinued operations	—	—	—
Total	<u>\$ 4.53</u>	<u>\$ 5.16</u>	<u>\$ 7.17</u>

See accompanying notes to consolidated financial statements.

BEAZER HOMES USA, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

<i>in thousands</i>	Common Stock		Paid-in Capital	(Accumulated Deficit) Retained Earnings	Total
	Shares	Amount			
Balance as of September 30, 2021	31,294	\$ 31	\$ 866,158	\$ (141,305)	\$ 724,884
Net income and comprehensive income	—	—	—	220,704	220,704
Stock-based compensation expense	—	—	8,478	—	8,478
Stock option exercises	1	—	5	—	5
Shares issued under employee stock plans, net	518	—	—	—	—
Forfeiture and other settlements of restricted stock	(55)	—	—	—	—
Common stock redeemed for tax liability	(308)	—	(6,631)	—	(6,631)
Share repurchases	(570)	—	(8,154)	—	(8,154)
Balance as of September 30, 2022	30,880	\$ 31	\$ 859,856	\$ 79,399	\$ 939,286
Net income and comprehensive income	—	—	—	158,611	158,611
Stock-based compensation expense	—	—	7,275	—	7,275
Stock option exercises	14	—	262	—	262
Shares issued under employee stock plans, net	675	—	—	—	—
Forfeiture and other settlements of restricted stock	(12)	—	—	—	—
Common stock redeemed for tax liability	(206)	—	(2,615)	—	(2,615)
Balance as of September 30, 2023	31,351	\$ 31	\$ 864,778	\$ 238,010	\$ 1,102,819
Net income and comprehensive income	—	—	—	140,175	140,175
Stock-based compensation expense	—	—	7,391	—	7,391
Stock option exercises	3	—	20	—	20
Shares issued under employee stock plans, net	387	1	—	—	1
Forfeiture and other settlements of restricted stock	(61)	—	—	—	—
Common stock redeemed for tax liability	(177)	—	(5,366)	—	(5,366)
Share repurchases	(455)	(1)	(12,928)	—	(12,929)
Balance as of September 30, 2024	<u>31,048</u>	<u>\$ 31</u>	<u>\$ 853,895</u>	<u>\$ 378,185</u>	<u>\$ 1,232,111</u>

See accompanying notes to consolidated financial statements.

BEAZER HOMES USA, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>in thousands</i>	Fiscal Year Ended September 30,		
	2024	2023	2022
Cash flows from operating activities:			
Net income	\$ 140,175	\$ 158,611	\$ 220,704
Adjustments to reconcile net income to net cash (used in) provided by operating activities:			
Depreciation and amortization	14,867	12,198	13,360
Stock-based compensation expense	7,391	7,275	8,478
Inventory impairments and abandonments	1,996	641	2,963
Deferred and other income tax expense	18,910	23,936	53,267
(Gain) loss on disposal of fixed assets	(426)	1,113	(332)
Gain on sale of investment	(8,591)	—	—
Loss (gain) on extinguishment of debt, net	437	546	(309)
Changes in operating assets and liabilities:			
Increase in accounts receivable	(19,825)	(9,708)	(10,205)
Decrease in income tax receivable	—	9,987	—
Increase in inventory	(282,061)	(14,749)	(231,445)
Decrease (increase) in other assets	341	(2,784)	(2,761)
Increase in trade accounts payable	10,133	10,615	10,250
(Decrease) increase in other liabilities	(20,892)	(19,624)	17,104
Net cash (used in) provided by operating activities	<u>(137,545)</u>	<u>178,057</u>	<u>81,074</u>
Cash flows from investing activities:			
Capital expenditures	(22,353)	(20,334)	(15,048)
Proceeds from sale of fixed assets	428	445	339
Purchases of investment securities	(8,087)	(9,779)	—
Other	—	(2)	—
Net cash used in investing activities	<u>(30,012)</u>	<u>(29,670)</u>	<u>(14,709)</u>
Cash flows from financing activities:			
Repayment of debt	(202,195)	(8,998)	(73,900)
Proceeds from issuance of debt	250,000	—	—
Repayment of borrowings from credit facility	(280,000)	—	(195,000)
Borrowings from credit facility	280,000	—	195,000
Debt issuance costs	(5,653)	(2,575)	—
Repurchase of common stock	(12,928)	—	(8,154)
Tax payments for stock-based compensation awards	(5,366)	(2,615)	(6,631)
Stock option exercises	20	262	5
Net cash provided by (used in) financing activities	<u>23,878</u>	<u>(13,926)</u>	<u>(88,680)</u>
Net (decrease) increase in cash, cash equivalents, and restricted cash	(143,679)	134,461	(22,315)
Cash, cash equivalents, and restricted cash at beginning of period	386,289	251,828	274,143
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 242,610</u>	<u>\$ 386,289</u>	<u>\$ 251,828</u>

See accompanying notes to consolidated financial statements.

BEAZER HOMES USA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Description of Business

Beazer Homes USA, Inc. (“we,” “us,” “our,” “Beazer,” “Beazer Homes” or the “Company”) is a geographically diversified homebuilder with active operations in 13 states within three geographic regions in the United States: the West, East, and Southeast.

Our homes are designed to appeal to homeowners at different price points across various demographic segments and are generally offered for sale in advance of their construction. Our objective is to provide our customers with homes that incorporate extraordinary value at an affordable price, delivered through our three strategic differentiators of Mortgage Choice, Choice Plans[®], and Surprising Performance, while seeking to maximize our investment returns over the course of a housing cycle.

(2) Basis of Presentation and Summary of Significant Accounting Policies

Basis of Consolidation

The accompanying consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), and present the consolidated financial position, income, stockholders' equity, and cash flows of Beazer Homes USA, Inc. and its consolidated subsidiaries. Intercompany transactions and balances have been eliminated in consolidation. Our net income is equivalent to our comprehensive income, so we have not presented a separate statement of comprehensive income.

In the past, we have discontinued homebuilding operations in various markets. Results from certain of these exited markets are reported as discontinued operations in the accompanying consolidated statements of operations for all periods presented.

Our fiscal year 2024 began on October 1, 2023 and ended on September 30, 2024. Our fiscal year 2023 began on October 1, 2022 and ended on September 30, 2023. Our fiscal year 2022 began on October 1, 2021 and ended on September 30, 2022.

Reclassification

Certain prior period amounts have been reclassified to conform to current period presentation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make informed estimates and judgments that affect the amounts reported in the consolidated financial statements and accompanying notes. Accordingly, actual results could differ from these estimates.

Cash and Cash Equivalents and Restricted Cash

We consider highly liquid investments with maturities of three months or less when acquired to be cash equivalents. As of September 30, 2024, the majority of our cash and cash equivalents were on demand deposits with major banks. These assets were valued at par and had no withdrawal restrictions. Restricted cash includes cash restricted by state law or a contractual requirement, including cash collateral for our outstanding cash-secured letters of credit (refer to Note 7).

Accounts Receivable and Allowance

Accounts receivable include receivables from municipalities related to the development of utilities or other infrastructure, land banker reimbursements to be received related to land development costs, rebates to be received from our suppliers, escrow proceeds to be received from title companies associated with closed homes, and other miscellaneous receivables. Generally, we receive cash from title companies within a few days of the home being closed. We regularly review our receivable balances for collectability and record an allowance for expected credit losses.

Owned Inventory

Owned inventory includes land acquisition costs, land development costs, home construction costs, capitalized interest, real estate taxes, direct overhead costs and capitalized indirect costs incurred during land development and home construction, and common costs that benefit the entire community, less impairments, if any. Land acquisition, land development and other common costs (both incurred and estimated to be incurred) are allocated to individual lots on a pro-rata basis, and the cost of individual lots is transferred to homes under construction when home construction begins. Changes in estimated land and other common costs to be incurred in a community are generally allocated to the remaining lots on a prospective basis. Home construction costs are accumulated on a per-home basis. Cost of home closings includes the specific construction costs of the home and the allocated lot costs. Refer to Note 4 for further discussion of our inventory balance.

Inventory Valuation - Projects in Progress

Projects in progress inventory includes homes under construction and land under development grouped together as communities. Generally, upon the commencement of land development activities, it may take three to five years (depending on, among other things, the size of the community and its sales pace) to fully develop, sell, construct and close all the homes in a typical community. Projects in progress are stated at cost unless facts and circumstances indicate that the carrying value of the assets may not be recoverable.

We assess our projects in progress inventory for indicators of impairment at the community level on a quarterly basis. We evaluate, among other things, the average sales price and margins on recent home closings, homes in backlog and expected future home sales for each community. If indicators of impairment are present for a community with more than ten homes remaining to close, we perform a recoverability test by comparing the expected undiscounted cash flows for the community to its carrying value. This undiscounted cash flow analysis requires important assumptions including, among other things, the current and future home sale prices, margins and the pace of closings to occur in the future. For those communities whose carrying values exceed the aggregate undiscounted cash flows, we perform a discounted cash flow analysis to determine the fair value of the community, and impairment charges are recorded if the fair value of the community's inventory is less than its carrying value.

The assumptions used in the determination of fair value of projects in progress communities are based on factors known to us at the time such estimates are made and our expectations of future operations and market conditions. The fair value of the community is estimated using the present value of the estimated future cash flows using discount rates commensurate with the risk associated with the underlying community. Should the estimates or expectations used in determining estimated fair values deteriorate in the future, we may be required to recognize additional impairment charges and write-offs related to these assets, and such amounts could be material.

Inventory Valuation - Land Held for Future Development

Land held for future development consists of communities for which construction and development activities are expected to occur in the future or have been idled. All applicable carrying costs, such as interest and real estate taxes, are expensed as incurred. Land held for future development is stated at cost unless facts and circumstances indicate that the carrying value of the assets may not be recoverable, such as the future enactment of a development plan or the occurrence of outside events. We evaluate the potential plans for each community in land held for future development if changes in facts and circumstances occur that would give rise to a more detailed analysis for a change in the status of a community.

Inventory Valuation - Land Held for Sale

Land held for sale includes land and lots that do not fit within our homebuilding programs or strategic plans in certain markets. We record land held for sale at the lower of the asset's carrying value or fair value less costs to sell (net realizable value). Land is classified as held for sale when the following criteria are met:

- management has the authority and commits to a plan to sell the land;
- the land is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of land assets;
- there is an active program to locate a buyer and the plan to sell the property has been initiated;
- the sale of the land is probable within one year;
- the property is being actively marketed at a reasonable sale price relative to its current fair value; and

- it is unlikely that the plan to sell will be withdrawn or that significant changes to the plan will be made.

We evaluate the net realizable value of a land held for sale asset when indicators of impairment are present. In determining the fair value of the assets less cost to sell, we consider factors including current sales prices for comparable assets in the area, recent market analysis studies, appraisals, any recent legitimate offers and listing prices of similar properties. If the current carrying value of the asset exceeds the estimated fair value less cost to sell, the asset is impaired and written down to its estimated fair value less cost to sell.

Due to uncertainties in the estimation process, it is reasonably possible that actual results could differ from the estimates used in our analysis. Our assumptions about land sales prices require significant judgment because the market is highly sensitive to changes in economic conditions. We calculate the estimated fair values of land held for sale based on current market conditions and assumptions made by management, which may differ materially from actual results and may result in additional impairments if market conditions deteriorate.

Lot Option Agreements and Variable Interest Entities (VIE)

In addition to purchasing land directly, we utilize lot option agreements that enable us to defer acquiring portions of properties owned by third parties and unconsolidated entities until we have determined whether to exercise our lot option. The majority of our lot option agreements require a non-refundable cash deposit or issuance of an irrevocable letter of credit or surety bond based on a percentage of the purchase price of the land for the right to acquire lots during a specified period at a specified price. Purchase of the properties under these agreements is contingent upon satisfaction of certain requirements by us and the sellers. Under lot option agreements, our liability is generally limited to forfeiture of the non-refundable deposits, letters of credit or surety bonds, and other non-refundable amounts incurred. If the Company cancels a lot option agreement, the cancellation would result in a write-off of the related deposits and pre-acquisition costs, but would not expose the Company to the overall risks or losses of the applicable entity we are purchasing from. We expect to exercise, subject to market conditions and seller satisfaction of contract terms, most of our remaining option agreements. Various factors, some of which are beyond our control, such as market conditions, weather conditions, and the timing of the completion of development activities, will have a significant impact on the timing of option exercises or whether lot options will be exercised at all.

The following table provides a summary of our interests in lot option agreements as of September 30, 2024 and 2023:

<i>in thousands</i>	September 30, 2024	September 30, 2023
Deposits and non-refundable pre-acquisition costs incurred ^(a)	\$ 227,770	\$ 165,371
Remaining purchase price if lot option agreements are exercised	\$ 1,458,679	\$ 949,447

^(a) Amount is included as a component of land under development within our owned inventory in the consolidated balance sheets.

In accordance with Accounting Standards Codification (ASC) Topic 810, *Consolidation* (ASC 810), if the entity holding the land under option is a VIE, the Company's deposit represents a variable interest in that entity. ASC 810 requires a company to consolidate a VIE if the company is determined to be the primary beneficiary. To determine whether we are the primary beneficiary of the VIE, we first evaluate whether we have the ability to control the activities of the VIE that most significantly impact its economic performance. Such activities include, but are not limited to, (1) the ability to determine the budget and scope of land development work, if any; (2) the ability to control financing decisions for the VIE; (3) the ability to acquire additional land into the VIE or dispose of land in the VIE not under contract with Beazer; and (4) the ability to change or amend the existing option agreement with the VIE. If we are not determined to control such activities, we are not considered the primary beneficiary of the VIE and thus do not consolidate the VIE. If we do have the ability to control such activities, we will continue our analysis by determining if we are expected to absorb a potentially significant amount of the VIE's losses or, if no party absorbs the majority of such losses, if we will benefit from potentially a significant amount of the VIE's expected gains.

If we are the primary beneficiary of the VIE, we will consolidate the VIE even though creditors of the VIE have no recourse against the Company. For those we consolidate, we record the remaining contractual purchase price under the applicable lot option agreement, net of option deposits already paid, to consolidated inventory not owned with an offsetting increase to obligations related to consolidated inventory not owned on our consolidated balance sheets. Also, to reflect the total purchase price of this inventory on a consolidated basis, we present the related option deposits as consolidated inventory not owned. No VIEs required consolidation as of September 2024 and 2023 because we have determined that we were not the primary beneficiary of any VIEs.

Property and Equipment, Net

Our property and equipment is recorded at cost, net of accumulated depreciation. Depreciation is computed on a straight-line basis based on estimated useful lives as follows:

<u>Asset Class</u>	<u>Useful Lives</u>
Buildings and improvements	25 - 30 years
Information systems	Lesser of estimated useful life of the asset or 5 years
Furniture, fixtures and computer and office equipment	3 - 7 years
Model and sales office improvements	Lesser of estimated useful life of the asset or estimated life of the community
Leasehold improvements	Lesser of the lease term or the estimated useful life of the asset

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the identifiable net assets from the businesses that we acquire. The Company's entire goodwill balance is recorded in our Southeast reportable segment. The Company evaluates goodwill for impairment at the reporting unit level annually during the fourth quarter or more often if indicators of impairment exist.

The Company has the option to perform a qualitative or quantitative assessment to determine whether the fair value of a reporting unit exceeds its carrying value. Qualitative factors may include, but are not limited to, economic conditions, industry and market considerations, cost factors, overall financial performance of the reporting unit and other entity and reporting unit specific events. If after assessing these qualitative factors, the Company determines it is more likely than not that the fair value of the reporting unit is less than the carrying value, then a quantitative assessment is performed.

The fair value of the reporting unit is estimated using a combination of the income approach, utilizing the discounted cash flow method, and the market approach, utilizing readily available market valuation multiples. If the estimated fair value of the reporting unit is less than its carrying value, an impairment will be recognized for the amount by which the carrying amount exceeds the reporting unit's fair value. Determining the fair value of a reporting unit under the quantitative goodwill impairment assessment requires the Company to make estimates and assumptions regarding future operating results, cash flows (including timing), discount rates, expected growth rates, capital expenditures and cost of capital, similar to those a market participant would use to assess fair value. We also make certain assumptions about future economic conditions and other data. Many of the factors used in assessing fair value are outside the control of management, and these assumptions and estimates may change in future periods.

During the fourth quarter of 2024, the Company performed its annual goodwill impairment analysis and concluded our goodwill was not impaired.

Other Assets

Our other assets principally include prepaid expenses, assets related to our deferred compensation plan (refer to Note 14 for a discussion of our deferred compensation plan), investment securities, unamortized debt issuance costs on our Senior Unsecured Revolving Credit Facility, and certificates of deposit used to secure our stand-alone letters of credit facilities (refer to Note 7 for a discussion of our credit facilities) .

Other Liabilities

Our other liabilities principally include accrued compensations and benefits, accrued interest on our outstanding borrowings, customer deposits, warranty reserves, litigation accruals, income tax liabilities and other accruals related to our operations. Refer to Note 11 for details of our other liabilities.

Income Taxes

Our provision for income taxes is comprised of taxes that are currently payable and deferred taxes that relate to temporary differences between financial reporting carrying values and tax bases of assets and liabilities. Deferred tax assets and liabilities result from deductible or taxable amounts in future years when such assets and liabilities are recovered or settled and are measured using the enacted tax rates and laws that are expected to be in effect when the assets and liabilities are recovered or settled. We include any estimated interest and penalties on tax related matters in income taxes payable. We recognize the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. We record interest and penalties related to unrecognized tax benefits in income tax expense within our consolidated statements of operations. Changes in recognition of measurement are recorded in the period in which the change in judgment occurs. Refer to Note 12 for a detailed discussion of our tax provision, deferred tax assets and valuation allowance.

Our income tax receivable for fiscal 2022 included the refundable portion of our alternative minimum tax (AMT) credit. We received payment of \$9.2 million AMT credit refund as well as interest payment of \$0.4 million during our fiscal 2023.

Revenue Recognition

We recognize revenue upon the transfer of promised goods to our customers in an amount that reflects the consideration to which we expect to be entitled by applying the process specified in ASC Topic 606, *Revenue from Contracts with Customers*.

The following table presents our total revenue disaggregated by revenue stream for the periods presented:

<i>in thousands</i>	Fiscal Year Ended September 30,		
	2024	2023	2022
Homebuilding revenue	\$ 2,292,984	\$ 2,198,400	\$ 2,302,520
Land sales and other revenue	37,213	8,385	14,468
Total revenue ^(a)	\$ 2,330,197	\$ 2,206,785	\$ 2,316,988

^(a) Please see Note 17 for total revenue disaggregated by reportable segment.

Homebuilding revenue

Homebuilding revenue is reported net of discounts and is generally recognized when title to and possession of the home is transferred to the buyer at the closing date. The performance obligation to deliver the home is generally satisfied in less than one year from the original contract date. Home sale contract assets consist of cash from home closings held by title companies in escrow for our benefit, typically for less than five days, and are considered accounts receivable. Contract liabilities include customer deposits related to sold but undelivered homes and totaled \$18.7 million and \$27.6 million as of September 30, 2024 and 2023, respectively. Of the customer liabilities outstanding as of September 30, 2023, \$25.8 million was recognized in revenue during the fiscal year ended September 30, 2024 upon closing of the related homes, and \$1.6 million was refunded to or forfeited by the buyer.

Land sales and other revenue

Land sales revenue relates to land that does not fit within our homebuilding programs or strategic plans. Land sales typically require cash consideration on the closing date, which is generally when performance obligations are satisfied. We also provide title examinations for our homebuyers in certain markets. Revenues associated with our title operations are recognized when closing services are rendered and title insurance policies are issued, both of which generally occur as each home is closed.

Home Construction Expenses

Home construction expenses include the specific construction costs of the home and the allocated lot costs (land acquisition, land development and other common costs are allocated to individual lots on a pro-rata basis based on the number of lots remaining to close within the community). All home closing costs are charged to home construction expenses in the period when the revenues from home closing are recognized.

Sales discounts and incentives include discounts on home prices, discounts on home building options and option upgrades, and seller-paid financing or closing costs, including rate buydowns. Home price discounts and option discounts are accounted for as a reduction in the sale price of the home, thereby decreasing the amount of revenue we recognize on that closing. All other sales incentives are recognized as a cost of selling the home and are included in home construction expenses.

Estimated future warranty costs are charged to home construction expense in the period when the revenues from home closings are recognized. Such estimated warranty costs generally range from 0.3% to 1.1% of total revenue recognized for each home closed. Additional warranty costs are charged to home construction expenses as necessary based on management's estimate of the costs to remediate existing claims. See Note 8 for a more detailed discussion of warranty costs and related reserves.

Advertising Costs

Advertising costs related to continuing operations of \$19.9 million, \$15.1 million and \$14.4 million for our fiscal years 2024, 2023 and 2022, respectively, were expensed as incurred and were included in general and administrative (G&A) expenses in the consolidated statements of operations.

Fair Value Measurements

Certain of our assets are required to be recorded at fair value on a recurring basis, for example, the fair value of our deferred compensation plan assets is based on quoted market prices (Level 1) or market-corroborated inputs (Level 2). Certain of our assets are required to be recorded at fair value on a non-recurring basis when events and circumstances indicate that the carrying value may not be recovered (Level 3). For example, we review our long-lived assets, including inventory, for recoverability when factors indicate an impairment may exist, but no less than quarterly. Fair value is based on estimated cash flows discounted for market risks associated with the long-lived assets. The fair value of certain of our financial instruments approximates their carrying amounts due to the short maturity of these assets and liabilities or the variable interest rates on such obligations. The fair value of our publicly-held debt is generally estimated based on quoted bid prices for these instruments (Level 2). Certain of our other financial liabilities are estimated by discounting scheduled cash flows through maturity or using market rates currently being offered on loans with similar terms and credit quality. See Note 9 for additional discussion of our fair value measurements.

Stock-Based Compensation

We use the Black-Scholes option-pricing model to value our stock option grants. Restricted stock awards with market conditions are valued using the Monte Carlo valuation method. Other restricted stock awards without market conditions are valued based on the market price of the Company's common stock on the date of the grant. In addition, we reflect the benefits of tax deductions in excess of recognized compensation cost as an operating cash outflow. Compensation cost arising from all stock-based compensation awards is recognized as expense using the straight-line method over the vesting period and is included in G&A in our consolidated statements of operations. See Note 15 for additional discussion of our stock-based compensation.

Recent Accounting Pronouncements

Segment Reporting. In November 2023, the FASB issued Accounting Standards Update (ASU) 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. ASU 2023-07 expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items, and interim disclosures of a reportable segment's profit or loss and assets. ASU 2023-07 will be effective for our fiscal year ending September 30, 2025 and for our interim periods starting in our first quarter of fiscal 2026. Early adoption is permitted and the amendments in this update are required to be applied on a retrospective basis. The Company is currently evaluating the impact that the adoption of ASU 2023-07 may have on our consolidated financial statements and disclosures.

Income Taxes. In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. ASU 2023-09 is intended to enhance the transparency and decision usefulness of income tax disclosures. The amendments in ASU 2023-09 address investor requests for enhanced income tax information primarily through changes to the rate reconciliation and income taxes paid information. ASU 2023-09 will be effective for our fiscal year ending September 30, 2026. Early adoption is permitted and the amendments in this update should be applied on a prospective basis. The Company is currently evaluating the impact that the adoption of ASU 2023-09 may have on our consolidated financial statements and disclosures.

Income Statement Disclosures. In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. ASU 2024-03 requires disclosure of additional information about specific expense categories in the notes to the financial statements. ASU 2024-03 will be effective for our fiscal year ending September 30, 2028. Early adoption is permitted and the amendments in this update should be applied either prospectively to financial statements issued for reporting periods after the effective date of this ASU or retrospectively to any or all prior periods presented in the financial statements. The Company is currently evaluating the impact that the adoption of ASU 2024-03 may have on our consolidated financial statements and disclosures.

(3) Supplemental Cash Flow Information

The following table presents supplemental disclosure of non-cash and cash activity as well as a reconciliation of total cash balances between the consolidated balance sheets and consolidated statements of cash flows for the periods presented:

<i>in thousands</i>	Fiscal Year Ended September 30,		
	2024	2023	2022
Supplemental disclosure of non-cash activity:			
Increase in operating lease right-of-use assets ^(a)	\$ 4,114	\$ 10,829	\$ 835
Increase in operating lease liabilities ^(a)	\$ 4,114	\$ 11,276	\$ 835
Derecognition of investment in unconsolidated entities ^(b)	\$ —	\$ —	\$ 3,641
Supplemental disclosure of cash activity:			
Interest payments	\$ 75,226	\$ 67,342	\$ 70,132
Income tax payments	\$ 11,359	\$ 1,956	\$ 4,216
Tax refunds received	\$ —	\$ 9,987	\$ —
Reconciliation of cash, cash equivalents and restricted cash:			
Cash and cash equivalents	\$ 203,907	\$ 345,590	\$ 214,594
Restricted cash	38,703	40,699	37,234
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	\$ 242,610	\$ 386,289	\$ 251,828

^(a) Represents leases renewed or additional leases that commenced during the fiscal years ended September 30, 2024, 2023 and 2022.

^(b) Represents the derecognition of investment in unconsolidated entities associated with the carrying value of previously held interest in Imagine Homes upon the acquisition of substantially all of the assets of Imagine Homes during the quarter ended June 30, 2022.

(4) Owned Inventory

The components of our owned inventory are as follows as of September 30, 2024 and 2023:

<i>in thousands</i>	September 30, 2024	September 30, 2023
Homes under construction	\$ 754,705	\$ 644,363
Land under development	1,023,188	870,740
Land held for future development	19,879	19,879
Land held for sale	19,086	18,579
Capitalized interest	124,182	112,580
Model homes	99,600	90,062
Total owned inventory	<u>\$ 2,040,640</u>	<u>\$ 1,756,203</u>

Homes under construction include homes substantially finished and ready for delivery and homes in various stages of construction, including costs of the underlying lot, direct construction costs and capitalized indirect costs. As of September 30, 2024, we had 2,315 homes under construction, including 1,154 spec homes totaling \$360.9 million (827 in-process spec homes totaling \$231.4 million, and 327 finished spec homes totaling \$129.5 million). As of September 30, 2023, we had 2,163 homes under construction, including 779 spec homes totaling \$218.0 million (645 in-process spec homes totaling \$162.0 million, and 134 finished spec homes totaling \$56.0 million).

Land under development consists principally of land acquisition, land development and other common costs. These land related costs are allocated to individual lots on a pro-rata basis, and the lot costs are transferred to homes under construction when home construction begins for the respective lots. Certain of the fully developed lots in this category are reserved by a customer deposit or sales contract.

Land held for future development consists of communities for which construction and development activities are expected to occur in the future or have been idled and are stated at cost unless facts and circumstances indicate that the carrying value of the assets may not be recoverable. All applicable carrying costs, such as interest and real estate taxes, are expensed as incurred.

Land held for sale includes land and lots that do not fit within our homebuilding programs or strategic plans in certain markets, and land is classified as held for sale once certain criteria are met (refer to Note 2). These assets are recorded at the lower of the carrying value or fair value less costs to sell (net realizable value).

The amount of interest we are able to capitalize depends on our qualified inventory balance, which considers the status of our inventory holdings. Our qualified inventory balance includes the majority of our homes under construction and land under development but excludes land held for future development and land held for sale (see Note 5 for additional information on capitalized interest).

Total owned inventory by reportable segment is presented in the table below as of September 30, 2024 and 2023:

<i>in thousands</i>	Projects in Progress ^(a)	Land Held for Future Development	Land Held for Sale	Total Owned Inventory
September 30, 2024				
West	\$ 1,023,140	\$ 3,483	\$ 17,110	\$ 1,043,733
East	411,914	10,888	1,300	424,102
Southeast	365,676	5,508	676	371,860
Corporate and unallocated ^(b)	200,945	—	—	200,945
Total	\$ 2,001,675	\$ 19,879	\$ 19,086	\$ 2,040,640
September 30, 2023				
West	\$ 914,908	\$ 3,483	\$ 14,702	\$ 933,093
East	325,395	10,888	3,201	339,484
Southeast	297,142	5,508	676	303,326
Corporate and unallocated ^(b)	180,300	—	—	180,300
Total	\$ 1,717,745	\$ 19,879	\$ 18,579	\$ 1,756,203

^(a) Projects in progress include homes under construction, land under development, capitalized interest, and model home categories from the preceding table.

^(b) Projects in progress amount includes capitalized interest and indirect costs that are maintained within our Corporate and unallocated segment.

Inventory Impairments

The following table presents, by reportable segment, our total impairment and abandonment charges for the periods presented:

<i>in thousands</i>	Fiscal Year Ended September 30,		
	2024	2023	2022
Land Held for Sale:			
West	\$ —	\$ —	\$ 1,303
Corporate and unallocated ^(a)	—	—	565
Total impairment charges on land held for sale	\$ —	\$ —	\$ 1,868
Abandonments:			
West	\$ 1,805	\$ 487	\$ 289
East	91	154	143
Southeast	100	—	663
Total abandonments charges	\$ 1,996	\$ 641	\$ 1,095
Total impairment and abandonment charges	\$ 1,996	\$ 641	\$ 2,963

^(a) Amount represents capitalized interest and indirects balance that was impaired. Capitalized interest and indirects are maintained within our Corporate and unallocated segment.

Projects in Progress Impairments

We assess our projects in progress inventory for indicators of impairment at the community level on a quarterly basis. If indicators of impairment are present for a community with more than ten homes remaining to close, we perform a recoverability test by comparing the expected undiscounted cash flows for the community to its carrying value. If the aggregate undiscounted cash flows are in excess of the carrying value, the asset is considered to be recoverable and is not impaired. If the carrying value exceeds the aggregate undiscounted cash flows, we perform a discounted cash flow analysis to determine the fair value of the community, and impairment charges are recorded if the fair value of the community's inventory is less than its carrying value.

No project in progress impairments were recognized during the fiscal years ended September 30, 2024, 2023 and 2022.

Land Held for Sale Impairments

Impairments on land held for sale generally represent write downs of these properties to net realizable value based on sales contracts, letters of intent, current market conditions and recent comparable land sale transactions, as applicable. Absent an executed sales contract, our assumptions related to land sales prices require significant judgment because the real estate market is highly sensitive to changes in economic conditions, and our estimates of sale prices could differ significantly from actual results.

No land held for sale impairment charges were recognized during the fiscal years ended September 30, 2024 and 2023. During the fiscal year ended September 30, 2022, we recognized \$1.9 million land held for sale impairment charges related to two held for sale communities in the West segment. The fair value of land held for sale inventory is measured on a nonrecurring basis and has been determined using unobservable inputs (Level 3). The impairment-date fair value of land held for sale assets that were impaired during the fiscal year ended September 30, 2022 was \$0.9 million. Refer to Note 9 for further discussion on fair value measurements and fair value hierarchy.

Abandonments

From time to time, we may determine to abandon lots or not exercise certain option agreements that are not projected to produce adequate results or no longer fit with our long-term strategic plan. Additionally, in certain limited instances, we are forced to abandon lots due to seller non-performance, permitting or other regulatory issues that do not allow us to build on those lots. If we intend to abandon or walk away from a property, we record an abandonment charge to earnings for the non-refundable deposit amount and any related capitalized costs in the period such decision is made. During the fiscal years ended September 30, 2024, 2023 and 2022, we recognized \$2.0 million, \$0.6 million and 1.1 million in abandonment charges, respectively. As we grow our business in the years ahead, the dollar value of abandonment charges may also grow.

(5) Interest

Interest capitalized during the fiscal years ended September 30, 2024, 2023 and 2022 was based upon the balance of inventory eligible for capitalization. The following table presents certain information regarding interest for the periods presented:

<i>in thousands</i>	Fiscal Year Ended September 30,		
	2024	2023	2022
Capitalized interest in inventory, beginning of period	\$ 112,580	\$ 109,088	\$ 106,985
Interest incurred	79,835	71,981	74,161
Capitalized interest impaired	—	—	(439)
Capitalized interest amortized to home construction and land sales expenses ^(a)	(68,233)	(68,489)	(71,619)
Capitalized interest in inventory, end of period	\$ 124,182	\$ 112,580	\$ 109,088

^(a) Capitalized interest amortized to home construction and land sales expenses varies based on the number of homes closed during the period and land sales, if any, as well as other factors.

(6) Property and Equipment

The following table presents our property and equipment as of September 30, 2024 and 2023:

<i>in thousands</i>	September 30, 2024	September 30, 2023
Model furnishings and sales office improvements	\$ 32,179	\$ 24,736
Information systems	30,140	25,745
Furniture, fixtures and office equipment	15,447	12,692
Leasehold improvements	3,226	3,026
Buildings and improvements	1,382	1,382
Property and equipment, gross	82,374	67,581
Less: Accumulated depreciation	(43,746)	(36,437)
Property and equipment, net	\$ 38,628	\$ 31,144

(7) Borrowings

The Company's debt, net of unamortized debt issuance costs consisted of the following as of September 30, 2024 and 2023:

<i>in thousands</i>	Maturity Date	September 30, 2024	September 30, 2023
6.750% Senior Notes (2025 Notes)	March 2025	\$ —	\$ 202,195
5.875% Senior Notes (2027 Notes)	October 2027	357,255	357,255
7.250% Senior Notes (2029 Notes)	October 2029	350,000	350,000
7.500% Senior Notes (2031 Notes)	March 2031	250,000	—
Unamortized debt issuance costs		(8,310)	(5,759)
Total Senior Notes, net		948,945	903,691
Junior Subordinated Notes (net of unamortized accretion of \$24,369 and \$26,436, respectively)	July 2036	76,404	74,337
Senior Unsecured Revolving Credit Facility	March 2028	—	—
Total debt, net		\$ 1,025,349	\$ 978,028

As of September 30, 2024, the future maturities of our borrowings were as follows:

Fiscal Years Ending September 30,

<i>in thousands</i>	
2025	\$ —
2026	—
2027	—
2028	357,255
2029	—
Thereafter	700,773
Total	\$ 1,058,028

Senior Unsecured Revolving Credit Facility

The Senior Unsecured Revolving Credit Facility (Unsecured Facility) provides working capital and letter of credit borrowing capacity of \$300.0 million. The \$300.0 million capacity includes a letter of credit facility of up to \$100.0 million. The Company has the right from time to time to request to increase the size of the commitments under the Unsecured Facility by up to \$100.0 million for a maximum of \$400.0 million. In March 2024, the Company executed an amendment to extend the termination date (Termination Date) from October 13, 2026 to March 15, 2028. The Company may borrow, repay, and reborrow amounts under the Unsecured Facility until the Termination Date.

Substantially all of the Company's significant subsidiaries are full and unconditional guarantors of the Unsecured Facility and are jointly and severally liable for obligations under the Unsecured Facility.

As of September 30, 2024, we had no borrowings and no letters of credit outstanding under the Unsecured Facility, resulting in a remaining capacity of \$300.0 million. The Unsecured Facility requires compliance with certain covenants, including affirmative covenants, negative covenants and financial covenants. As of September 30, 2024, the Company believes it was in compliance with all such covenants.

Letter of Credit Facilities

The Company has entered into stand-alone letter of credit agreements with banks, secured with cash or certificates of deposit, to maintain pre-existing letters of credit and to provide for the issuance of new letters of credit (in addition to the letters of credit issued under the Unsecured Facility). As of September 30, 2024 and 2023, the Company had letters of credit outstanding under these additional facilities of \$36.4 million and \$31.2 million, respectively. The Company may enter into additional arrangements to provide additional letter of credit capacity.

Senior Notes

The Company's Senior Notes are unsecured obligations that rank equally in right of payment with all existing and future senior unsecured obligations, senior to all of the Company's existing and future subordinated indebtedness, and effectively subordinated to the Company's future secured indebtedness, to the extent of the value of the assets securing such indebtedness. Substantially all of the Company's significant subsidiaries are full and unconditional guarantors of the Senior Notes and are jointly and severally liable for obligations under the Senior Notes. Each guarantor subsidiary is a wholly owned subsidiary of Beazer Homes. The Senior Notes and related guarantees are structurally subordinated to all indebtedness and other liabilities of all of the Company's subsidiaries that do not guarantee these notes.

The Company's Senior Notes are issued under indentures that contain certain restrictive covenants which, among other things, restrict our ability to pay dividends, repurchase our common stock, incur certain types of additional indebtedness, and make certain investments. Compliance with the Senior Note covenants does not significantly impact the Company's operations. The Company believes it was in compliance with the covenants contained in the indentures of all of its Senior Notes as of September 30, 2024.

In March 2024, we issued and sold \$250.0 million aggregate principal amount of the 2031 Notes at par (before underwriting and other issuance costs) through a private placement to qualified institutional buyers. Interest on the 2031 Notes is payable semiannually and began in September 2024. The 2031 Notes will mature in March 2031. The covenants related to the 2031 Notes are substantially consistent with our other Senior Notes.

During the fiscal year ended September 30, 2024, we also repurchased \$4.3 million and redeemed the remaining \$197.9 million of our outstanding 2025 Notes using cash on hand and proceeds from the issuance of the 2031 Notes, resulting in a loss on extinguishment of debt of \$0.4 million. The Company terminated, cancelled, and discharged all of its obligations under the 2025 Notes as of March 31, 2024.

During the fiscal year ended September 30, 2023, we repurchased \$9.0 million of our outstanding 2025 Notes using cash on hand, resulting in a net loss on extinguishment of debt of less than \$0.1 million.

During the fiscal year ended September 30, 2022, we repurchased \$6.0 million of our outstanding 2027 Notes and \$18.4 million of our outstanding 2025 Notes using cash on hand, resulting in a gain on extinguishment of debt of \$0.3 million.

For additional redemption features, refer to the table below that summarizes the redemption terms of our Senior Notes:

Senior Note Description	Issuance Date	Maturity Date	Redemption Terms
5.875% Senior Notes	October 2017	October 2027	Callable at any time prior to October 15, 2022, in whole or in part, at a redemption price equal to 100.000% of the principal amount, plus a customary make-whole premium; on or after October 15, 2022, callable at a redemption price equal to 102.938% of the principal amount; on or after October 15, 2023, callable at a redemption price equal to 101.958% of the principal amount; on or after October 15, 2024, callable at a redemption price equal to 100.979% of the principal amount; on or after October 15, 2025, callable at a redemption price equal to 100.000% of the principal amount, plus, in each case, accrued and unpaid interest.
7.250% Senior Notes	September 2019	October 2029	Callable at any time prior to October 15, 2024, in whole or in part, at a redemption price equal to 100.000% of the principal amount, plus a customary make-whole premium; on or after October 15, 2024, callable at a redemption price equal to 103.625% of the principal amount; on or after October 15, 2025, callable at a redemption price equal to 102.417% of the principal amount; on or after October 15, 2026, callable at a redemption price equal to 101.208% of the principal amount; on or after October 15, 2027, callable at a redemption price equal to 100.000% of the principal amount, plus, in each case, accrued and unpaid interest.
7.500% Senior Notes	March 2024	March 2031	On or prior to March 15, 2027, we may redeem up to 35% of the aggregate principal amount of the 2031 Notes with the net cash proceeds of certain equity offerings at a redemption price equal to 107.500% of the principal amount, plus accrued and unpaid interest to, but excluding, the redemption date, provided at least 65% of the aggregate principal amount of the 2031 Notes originally issued remains outstanding immediately after such redemption. Callable at any time prior to March 15, 2027, in whole or in part, at a redemption price equal to 100.000% of the principal amount, plus a customary make-whole premium; on or after March 15, 2027, callable at a redemption price equal to 103.750% of the principal amount; on or after March 15, 2028, callable at a redemption price equal to 101.875% of the principal amount; on or after March 15, 2029, callable at a redemption price equal to 100.000% of the principal amount, plus, in each case, accrued and unpaid interest.

Junior Subordinated Notes

The Company's unsecured junior subordinated notes (Junior Subordinated Notes) mature on July 30, 2036 and have an aggregate principal balance of \$100.8 million as of September 30, 2024. The securities have a floating interest rate as defined in the Junior Subordinated Notes Indentures, which was a weighted-average of 7.97% as of September 30, 2024. The obligations relating to these notes are subordinated to the Unsecured Facility and the Senior Notes. In January 2010, the Company restructured \$75.0 million of these notes (Restructured Notes) and recorded them at their then estimated fair value. Over the remaining life of the Restructured Notes, we will increase their carrying value until this carrying value equals the face value of the notes. As of September 30, 2024, the unamortized accretion was \$24.4 million and will be amortized over the remaining life of the Restructured Notes. The remaining \$25.8 million of the Junior Subordinated Notes are subject to the terms of the original agreement, have a floating interest rate equal to a three-month LIBOR (on and prior to June 30, 2023) plus 2.45% per annum, or three-month SOFR (on and after July 1, 2023) plus 2.71% per annum, resetting quarterly, and are redeemable in whole or in part at par value. The material terms of the \$75.0 million Restructured Notes are identical to the terms of the original agreement except that the floating interest rate is subject to a floor of 4.25% and a cap of 9.25%. In addition, beginning on June 1, 2012, the Company has the option to redeem the \$75.0 million principal balance in whole or in part at 75% of par value; beginning on June 1, 2022, the redemption price increased by 1.785% annually. As of September 30, 2024, the Company believes it was in compliance with all covenants under the Junior Subordinated Notes.

(8) Contingencies

Beazer Homes and certain of its subsidiaries have been and continue to be named as defendants in various construction defect claims, complaints, and other legal actions. The Company is subject to the possibility of loss contingencies related to these alleged defects as well as others arising from its business. In determining loss contingencies, we consider the likelihood of loss and our ability to reasonably estimate the amount of such loss. An estimated loss is recorded when it is considered probable that a liability has been incurred and the amount of loss can be reasonably estimated.

Warranty Reserves

We currently provide a limited warranty ranging from one to two years covering workmanship and materials per our defined quality standards. In addition, we provide a limited warranty for up to ten years covering certain defined structural element failures.

Our homebuilding work is performed by subcontractors who typically must agree to indemnify us with regard to their work and provide certificates of insurance demonstrating that they have met our insurance requirements and have named us as an additional insured under their policies. Therefore, many claims relating to workmanship and materials that result in warranty spending are the primary responsibility of these subcontractors.

Warranty reserves are included in other liabilities within the consolidated balance sheets, and the provision for warranty accruals is included in home construction expenses in the consolidated statements of operations. Reserves covering anticipated warranty expenses are recorded for each home closed, which are a function of the number of home closings in the period, the selling prices of the homes closed and the rates of accrual per home estimated as a percentage of the selling price of the home. Management assesses the adequacy of warranty reserves each reporting period based on historical experience and the expected costs to remediate potential claims. Our review includes a quarterly analysis of the historical data and trends in warranty expense by division. An analysis by division allows us to consider market specific factors such as warranty experience, the number of home closings, the selling prices of homes, product mix, and other data in estimating warranty reserves. In addition, the analysis also contemplates the existence of any non-recurring or community-specific warranty-related matters that might not be included in historical data and trends that may need to be separately estimated based on management's judgment of the ultimate cost of repair for that specific issue. While estimated warranty liabilities are adjusted each reporting period based on the results of our quarterly analyses, we may not accurately predict actual warranty costs, which could lead to significant changes in the reserve.

In addition, we maintain third-party insurance, subject to applicable self-insured retentions, for most construction defects that we encounter in the normal course of business. We believe that our warranty and litigation accruals and third-party insurance are adequate to cover the ultimate resolution of our potential liabilities associated with known and anticipated warranty and construction-defect related claims and litigation. However, there can be no assurance that the terms and limitations of the limited warranty will be effective against claims made by homebuyers; that we will be able to renew our insurance coverage or renew it at reasonable rates; that we will not be liable for damages, the cost of repairs, and/or the expense of litigation surrounding possible construction defects, soil subsidence, or building related claims; or that claims will not arise out of events or circumstances not covered by insurance and/or not subject to effective indemnification agreements with our subcontractors.

Changes in warranty reserves are as follows for the periods presented:

<i>in thousands</i>	Fiscal Year Ended September 30,		
	2024	2023	2022
Balance at beginning of period	\$ 13,046	\$ 13,926	\$ 12,931
Warranty provision	9,483	9,672	13,093
Warranty expenditures	(9,812)	(10,552)	(12,098)
Balance at end of period	\$ 12,717	\$ 13,046	\$ 13,926

Insurance Recoveries

The Company has insurance policies that provide for the reimbursement of certain warranty costs incurred above specified thresholds for each period covered. Amounts recorded for anticipated insurance recoveries are reflected within the consolidated statements of operations as a reduction of home construction expenses, if applicable. Amounts not yet received from our insurer are recorded on a gross basis, without any reduction for the associated warranty expense, within accounts receivable on our consolidated balance sheets, if applicable.

Litigation

In the normal course of business, we and certain of our subsidiaries are subject to various lawsuits and have been named as defendants in various claims, complaints, and other legal actions, most relating to construction defects, moisture intrusion, and product liability. Certain of the liabilities resulting from these actions are covered in whole or in part by insurance.

We cannot predict or determine the timing or final outcome of these lawsuits or the effect that any adverse findings or determinations in pending lawsuits may have on us. In addition, an estimate of possible loss or range of loss, if any, cannot presently be made with respect to certain of these pending matters. An unfavorable determination in pending lawsuits could result in the payment by us of substantial monetary damages that may not be fully covered by insurance. Further, the legal costs associated with the lawsuits and the amount of time required to be spent by management and our Board of Directors on these matters, even if we are ultimately successful, could have a material adverse effect on our financial condition, results of operations, or cash flows.

We have an accrual of \$9.3 million and \$9.4 million in other liabilities on our consolidated balance sheets related to litigation matters as of September 30, 2024 and 2023, respectively.

Surety Bonds and Letters of Credit

We had outstanding letters of credit and surety bonds of \$36.4 million and \$332.2 million, respectively, as of September 30, 2024, related principally to our obligations to local governments to construct roads and other improvements in various developments.

(9) Fair Value Measurements

As of the dates presented, we had assets on our consolidated balance sheets that were required to be measured at fair value on a recurring or non-recurring basis. We use a fair value hierarchy that requires us to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable either directly or indirectly through corroboration with market data; and
- Level 3 – Unobservable inputs that reflect our own estimates about the assumptions market participants would use in pricing the asset or liability.

Certain of our assets are required to be recorded at fair value on a non-recurring basis when events and circumstances indicate that the carrying value of these assets may not be recoverable. We review our long-lived assets, including inventory, for recoverability when factors indicate an impairment may exist, but no less than quarterly. The fair value of assets deemed to be impaired is determined based upon the type of asset being evaluated. The fair value of our owned inventory assets, when required to be calculated, is further discussed within Notes 2 and 4. Due to the substantial use of unobservable inputs in valuing the assets on a non-recurring basis, they are classified within Level 3.

Determining within which hierarchical level an asset or liability falls requires significant judgment. We evaluate our hierarchy disclosures each quarter. The following table presents the period-end balances of assets measured at fair value for each hierarchy level:

<i>in thousands</i>	Level 1	Level 2	Level 3	Total
As of September 30, 2024				
Deferred compensation plan assets ^(a)	\$ 8,115	\$ —	\$ —	\$ 8,115
As of September 30, 2023				
Deferred compensation plan assets ^(a)	\$ 6,495	\$ —	\$ —	\$ 6,495
As of September 30, 2022				
Deferred compensation plan assets ^(a)	\$ —	\$ 3,179	\$ —	\$ 3,179

^(a) Amount is measured at fair value on a recurring basis and included in other assets within the consolidated balance sheets.

The fair value of cash and cash equivalents, restricted cash, accounts receivable, trade accounts payable, other liabilities, and amounts due under the Unsecured Facility (if outstanding) approximate their carrying amounts due to the short maturity of these assets and liabilities. When outstanding, obligations related to land not owned under option agreements approximate fair value.

The following table presents the carrying value and estimated fair value of certain other financial assets and liabilities as of September 30, 2024 and 2023:

<i>in thousands</i>	As of September 30, 2024		As of September 30, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Certificates of deposit ^(a)	\$ 9,449	\$ 9,584	\$ 1,951	\$ 1,986
Total financial assets	\$ 9,449	\$ 9,584	\$ 1,951	\$ 1,986
Financial liabilities^(b)				
Senior Notes ^(c)	\$ 948,945	\$ 976,494	\$ 903,691	\$ 858,528
Junior Subordinated Notes ^(d)	76,404	76,404	74,337	74,337
Total financial liabilities	\$ 1,025,349	\$ 1,052,898	\$ 978,028	\$ 932,865

^(a) Certificates of deposit held for investment with an original maturity greater than three months are carried at original cost plus accrued interest and reported as other assets on the condensed consolidated balance sheets. The type of certificates of deposit that the Company invests in are not considered debt securities under ASC Topic 320, *Investments - Debt Securities*. The estimated fair value of our certificates of deposit has been determined using quoted market rates (Level 2).

^(b) Carrying amounts for financial liabilities are net of unamortized debt issuance costs or accretion.

^(c) The estimated fair value of our publicly-held Senior Notes has been determined using quoted market rates (Level 2).

^(d) Since there is no trading market for our Junior Subordinated Notes, the fair value of these notes is estimated by discounting scheduled cash flows through maturity (Level 3). The discount rate is estimated using market rates currently being offered on loans with similar terms and credit quality. Judgment is required in interpreting market data to develop these estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that we could realize in a current market exchange.

(10) Operating Leases

The Company leases certain office space and equipment under operating leases for use in our operations. We recognize operating lease expense on a straight-line basis over the lease term. Certain of our lease agreements include one or more options to renew. The exercise of lease renewal options is generally at our discretion. Variable lease expense primarily relates to maintenance and other monthly expense that do not depend on an index or rate.

We determine if an arrangement is a lease at contract inception. Lease and non-lease components are accounted for as a single component for all leases. Operating lease right to use assets and liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term, which includes optional renewal periods if we determine it is reasonably certain that the option will be exercised. As our leases do not provide an implicit rate, the discount rate used in the present value calculation represents our incremental borrowing rate determined using information available at the commencement date.

Operating lease expense is included as a component of general and administrative expenses in our consolidated statements of operations. Sublease income and variable lease expenses are de minimis. For the fiscal years ended September 30, 2024, 2023 and 2022, we recorded operating lease expense of \$4.4 million, \$4.0 million and \$4.0 million, respectively. Cash payments on lease liabilities during the fiscal years ended September 30, 2024, 2023 and 2022 totaled \$4.2 million, \$4.3 million and \$4.4 million, respectively.

At September 30, 2024 and 2023, weighted-average remaining lease term and discount rate were as follows:

	September 30,	
	2024	2023
Weighted-average remaining lease term	6.6 years	7.0 years
Weighted-average discount rate	6.30%	5.98%

The following is a maturity analysis of the annual undiscounted cash flows reconciled to the carrying value of the operating lease liabilities as of September 30, 2024:

Fiscal Years Ending September 30,

<i>in thousands</i>	
2025	\$ 4,572
2026	4,117
2027	3,215
2028	2,982
2029	2,905
Thereafter	7,084
Total lease payments	<u>24,875</u>
Less: imputed interest	5,097
Total operating lease liabilities	<u>\$ 19,778</u>

(11) Other Liabilities

Other liabilities include the following as of September 30, 2024 and 2023:

<i>in thousands</i>	September 30, 2024	September 30, 2023
Accrued compensations and benefits	\$ 45,335	\$ 50,242
Customer deposits	18,669	27,577
Accrued interest	23,369	23,132
Warranty reserves	12,717	13,046
Litigation accruals	9,297	9,404
Income tax liabilities	2,399	272
Other	38,114	33,288
Total	<u>\$ 149,900</u>	<u>\$ 156,961</u>

(12) Income Taxes

The Company's expense from income taxes from continuing operations consists of the following for the periods presented:

<i>in thousands</i>	Fiscal Year Ended September 30,		
	2024	2023	2022
Current federal	\$ 8,377	\$ —	\$ —
Current state	5,101	1,896	4,859
Deferred federal	6,317	18,997	47,239
Deferred state	(885)	3,065	1,173
Total expense from income taxes	<u>\$ 18,910</u>	<u>\$ 23,958</u>	<u>\$ 53,271</u>

The Company's expense from income taxes from continuing operations differs from the amount computed by applying the federal income tax statutory rate as follows for the periods presented:

<i>in thousands</i>	Fiscal Year Ended September 30,		
	2024	2023	2022
Income tax computed at statutory rate	\$ 33,408	\$ 38,356	\$ 57,538
State income taxes, net of federal benefit	3,273	2,874	4,482
Permanent differences	9,140	2,037	3,341
Stock-based compensation	1,055	179	(389)
Tax credits	(27,918)	(20,287)	(12,081)
Deferred rate change	53	665	346
Other, net	(101)	134	34
Total expense from income taxes	<u>\$ 18,910</u>	<u>\$ 23,958</u>	<u>\$ 53,271</u>

The principal differences between our effective tax rate and the U.S. federal statutory rate for fiscal years 2024, 2023 and 2022 relate to state taxes, permanent differences and tax credits. Due to the effects of tax credits, our income tax expense is not always directly correlated to the amount of pre-tax income for the associated periods.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of our assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The tax effects of significant temporary differences that give rise to the net deferred tax assets are as follows as of September 30, 2024 and 2023:

<i>in thousands</i>	September 30, 2024	September 30, 2023
Deferred tax assets:		
Federal and state net operating loss and tax credit carryforwards	\$ 126,547	\$ 138,856
Incentive compensation	8,621	11,422
Warranty and other reserves	6,613	6,918
Inventory adjustments	7,914	3,942
Property, equipment and other assets	6,199	5,458
Uncertain tax positions	705	705
Other	4,816	2,504
Total deferred tax assets	161,415	169,805
Valuation allowance	(27,578)	(30,438)
Total deferred tax assets, net of valuation allowance	\$ 133,837	\$ 139,367
Deferred tax liabilities:		
Operating lease right-of-use assets	\$ (4,286)	\$ (4,182)
Intangible assets	(1,026)	(1,236)
Total deferred tax liabilities	(5,312)	(5,418)
Net deferred tax assets	\$ 128,525	\$ 133,949

As of September 30, 2024, our gross deferred tax assets included \$21.3 million of federal net operating loss (NOL) carryforwards, \$74.1 million of federal tax credits, and \$33.6 million of state NOL carryforwards. The majority of our federal NOL carryforwards expire in our fiscal 2030, our federal tax credits expire at various dates through our fiscal 2044, and our state NOL carryforwards expire at various dates through our fiscal 2044. As of September 30, 2024, valuation allowance of \$27.6 million remains on various state NOL carryforwards for which the Company has concluded that it is more likely than not that these attributes will not be realized.

We experienced an “ownership change” as defined in Section 382 of the Internal Revenue Code (Section 382) as of January 12, 2010. Section 382 contains rules that limit the ability of a company that undergoes an “ownership change” to utilize its net operating loss carryforwards, tax credits and certain built-in losses or deductions recognized during the five-year period after the ownership change to offset future taxable income. Because the five-year period has expired, we have determined the actual impact and final classification of those amounts, which are properly reflected in the amounts presented above. There can be no assurance that another ownership change, as defined in the tax law, will not occur. If another “ownership change” occurs, a new annual limitation on the utilization of net operating loss carryforwards, tax credits and built-in losses would be determined as of that date. This limitation, should one be required in the future, is subject to assumptions and estimates that could differ from actual results.

Valuation Allowance

A reduction of the carrying amounts of deferred tax assets by a valuation allowance is required if, based on the available evidence, it is more likely than not that such assets will not be realized. Accordingly, we assess the need to establish valuation allowances for deferred tax assets periodically based on the more-likely-than-not realization threshold criterion. In our assessment, appropriate consideration is given to all positive and negative evidence related to the realization of the deferred tax assets. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carryforward periods, the Company's experience with operating loss carryforwards and tax credit carryforwards not expiring unused, the Section 382 limitation on our ability to carryforward pre-ownership change net operating losses, recognized built-in losses or deductions, and tax planning alternatives. Our assessment, while rooted in actual Company performance, are highly subjective and rely on certain estimates, including forecasts, which could differ materially from actual results.

In fiscal 2024, our conclusions about our ability to more likely than not realize all of our federal and certain state tax attributes remain consistent with our prior determinations. We considered positive factors including our recent earnings levels, interest savings from our debt reduction strategies, shortage in housing supply, and our backlog. The negative factors included the overall health of the broader economy, elevated mortgage interest rates, and softening housing demand due to affordability challenges. As of September 30, 2024, the Company will have to cumulatively generate \$654.8 million in pre-tax income over the course of its carryforward period to realize its deferred tax assets prior to their expiration, which, as previously discussed, is the Company's fiscal 2044.

Unrecognized Tax Benefits

A reconciliation of our unrecognized tax benefits is as follows for the beginning and end of each period presented:

<i>in thousands</i>	Fiscal Year Ended September 30,		
	2024	2023	2022
Balance at beginning of year	\$ 3,358	\$ 3,358	\$ 3,358
Additions for tax positions related to current year	—	—	—
Additions for tax positions related to prior years	—	—	—
Reductions in tax positions of prior years	—	—	—
Lapse of statute of limitations	(938)	—	—
Balance at end of year	\$ 2,420	\$ 3,358	\$ 3,358

If we were to recognize our \$2.4 million gross unrecognized tax benefits remaining as of September 30, 2024, substantially all would result in adjustments to other tax accounts, primarily deferred taxes. Additionally, we had no accrued interest or penalties as of September 30, 2024, 2023 and 2022. If applicable, we would record interest and penalties related to unrecognized tax benefits in income tax expense within our consolidated statements of operations.

In the normal course of business, we are subject to audits by federal and state tax authorities regarding various tax liabilities. The statute of limitations for our major tax jurisdictions remains open for examination for fiscal year 2007 and subsequent years. As of September 30, 2024, we expect \$0.4 million of our uncertain tax positions will reverse within the next twelve months.

(13) Stockholders' Equity

Preferred Stock

The Company currently has no shares of preferred stock outstanding.

Common Stock

As of September 30, 2024, the Company had 63,000,000 shares of common stock authorized and 31,047,510 shares both issued and outstanding.

Common Stock Repurchases

In May 2022, the Company's Board of Directors approved a share repurchase program that authorizes the Company to repurchase up to \$50.0 million of its outstanding common stock. The repurchase program has no expiration date. During the fiscal year ended September 30, 2024, the Company repurchased 455 thousand shares of its common stock for \$12.9 million at an average price per share of \$28.41 through open market transactions. All shares have been retired upon repurchase. The aggregate reduction to stockholders' equity related to share repurchases during the fiscal year ended September 30, 2024 was \$12.9 million. As of September 30, 2024, the remaining availability of the share repurchase program was \$28.9 million.

No share repurchases were made during fiscal year 2023. During the fiscal year ended September 30, 2022, the Company repurchased 570 thousand shares of its common stock for \$8.2 million at an average price per share of \$14.33 through open market transactions. The aggregate reduction to stockholders' equity related to share repurchases during the fiscal year ended September 30, 2022 was \$8.2 million.

Dividends

The indentures under which our Senior Notes were issued contain certain restrictive covenants, including limitations on our payment of dividends. There were no dividends paid during our fiscal 2024, 2023 or 2022.

Section 382 Rights Agreement

Our certificate of incorporation prohibits certain transfers of our common stock that could result in an ownership change as defined in Section 382. In addition, we are currently party to a rights agreement intended to act as a deterrent to any person desiring to acquire 4.95% or more of our common stock. These instruments are designed to preserve the value of certain tax assets associated with our net operating loss carryforwards, tax credits and built-in losses under Section 382. In February 2022, our stockholders approved an extension of these protective provisions in our certificate of incorporation and the rights agreement. The rights agreement is scheduled to expire in November 2025.

(14) Retirement and Deferred Compensation Plans

401(k) Retirement Plan

The Company sponsors a defined-contribution plan that is a tax-qualified retirement plan under section 401(k) of the Internal Revenue Code (the Plan). Substantially all employees are eligible for participation in the Plan. Participants may defer and contribute from 1% to 80% of their salary to the Plan, with certain limitations on highly compensated individuals. The Company matches up to 50% of the participant's contributions limited to 6% of the participant's earnings. The participant's contributions vest immediately, while the Company's contributions vest over five years. The total Company contributions for the fiscal years ended September 30, 2024, 2023 and 2022 were \$3.5 million, \$3.2 million and \$3.5 million, respectively. During fiscal 2024, 2023 and 2022, participants forfeited \$0.9 million, \$0.7 million and \$0.3 million, respectively, of unvested matching contributions.

Deferred Compensation Plan

The Beazer Homes USA, Inc. Deferred Compensation Plan (the DCP) is a non-qualified deferred compensation plan for a select group of executives and highly compensated employees. The DCP allows the executives to defer current compensation on a pre-tax basis to a future year, until termination of employment. The objectives of the DCP are to assist executives with financial planning and capital accumulation and to provide the Company with a method of attracting, rewarding and retaining executives. Participation in the DCP is voluntary. The Company may voluntarily make a contribution to the participants' DCP accounts. For the years ended September 30, 2024, 2023 and 2022, the Company contributed \$0.2 million, \$0.2 million and \$0.2 million, respectively, to the participants' DCP accounts in the form of voluntary contributions, which was recorded as compensation expense within general and administrative expenses in our consolidated statements of operations. DCP assets of \$8.1 million and \$6.5 million as of September 30, 2024 and 2023, respectively, are included in other assets on our consolidated balance sheets and are recorded at fair value. Realized and unrealized gains and losses on DCP assets are recorded in other income, net within our consolidated statement of operations. DCP liabilities of \$8.1 million and \$6.5 million as of September 30, 2024 and 2023, respectively, are included in other liabilities on our consolidated balance sheets.

(15) Stock-Based Compensation

The Company has shares available for grant under the Amended and Restated 2014 Beazer Homes USA, Inc. Long-Term Incentive Plan, as amended. We issue new shares upon the exercise of stock options and the grant of restricted stock awards. In cases of forfeitures and cancellations, those shares are returned to the share pool for future issuance. As of September 30, 2024, we had 3.0 million shares of common stock available for future issuances under our equity incentive plan, of which 11,150 shares are to be issued upon exercise of outstanding options.

Stock-based compensation expense is included in general and administrative expenses in our consolidated statements of operations. The following tables presents a summary of stock-based compensation expense related to stock options and restricted stock awards for the periods presented.

<i>in thousands</i>	Fiscal Year Ended September 30,		
	2024	2023	2022
Stock options expense	\$ 1	\$ —	\$ 1
Restricted stock awards expense	7,390	7,275	8,477
Stock-based compensation expense	\$ 7,391	\$ 7,275	\$ 8,478

Stock Options

Stock options have an exercise price equal to the fair market value of the common stock on the grant date, generally vest two or three years after the date of grant, and may be exercised thereafter until their expiration, subject to forfeiture upon termination of employment as provided in the applicable plan. Under certain conditions of retirement, eligible participants may receive a partial vesting of stock options. Stock options generally expire on the eighth anniversary from the date such options were granted, depending on the terms of the award.

The fair value of each stock option granted is estimated on the date of grant using the Black-Scholes option-pricing model (Black-Scholes Model). As of both September 30, 2024 and 2023, there was less than \$0.1 million of total unrecognized compensation cost related to unvested stock options. The cost remaining as of September 30, 2024 is expected to be recognized over a weighted-average period of 1.3 years.

During fiscal 2018, the Compensation Committee of our Board of Directors approved the Employee Stock Option Program (ESOP). This program is available to all full-time employees and is designed to enable employees to share in potential price appreciation of the Company's stock. The ESOP matches stock purchases made by eligible employees meeting certain conditions with an option to purchase an additional share of the Company's shares on a one-to-one basis. The exercise price of the options granted is equal to the closing price of the Company's stock on the day the underlying shares are purchased by the employee, which is also the ESOP grant date. The options will vest on the second anniversary of the date of grant but are forfeited if (1) the eligible employee no longer works for the Company or (2) the underlying shares are sold before the two-year vesting period is over. The total number of options available under the ESOP is limited to 100,000, each for one share of the Company's common stock, of which 32,118 options were granted through the end of fiscal 2024.

During the fiscal years ended September 30, 2024, 2023, and 2022, we issued 50, 100, and 236 stock options, respectively. All were issued under the ESOP.

Following is a summary of stock option activity for the periods presented:

	Fiscal Year Ended September 30,					
	2024		2023		2022	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Outstanding at beginning of period	13,575	\$ 9.61	27,507	\$ 14.31	114,259	\$ 17.89
Granted	50	27.73	100	27.98	236	16.58
Exercised	(2,475)	8.08	(13,796)	19.00	(988)	11.32
Expired	—	—	—	—	(86,000)	19.11
Forfeited	—	—	(236)	16.58	—	—
Outstanding at end of period	11,150	\$ 10.04	13,575	\$ 9.61	27,507	\$ 14.31
Exercisable at end of period	11,000	\$ 9.79	13,475	\$ 9.48	27,271	\$ 14.29

Restricted Stock Awards

The fair value of each restricted stock award with market conditions is estimated on the date of grant using the Monte Carlo valuation method. The fair value of restricted stock awards without market conditions is based on the market price of the Company's common stock on the date of grant. If applicable, the cash-settled component of any awards granted to employees is accounted for as a liability, which is adjusted to fair value each reporting period until vested.

Compensation cost arising from restricted stock awards granted to employees is recognized as an expense using the straight-line method over the vesting period. As of September 30, 2024 and 2023, there was \$6.8 million and \$6.9 million, respectively, of total unrecognized compensation cost related to unvested restricted stock awards. The cost remaining as of September 30, 2024 is expected to be recognized over a weighted-average period of 1.7 years.

During fiscal 2024, we issued time-based restricted stock awards and performance-based restricted stock awards with a payout subject to certain performance and market conditions. Each award type is discussed below.

Performance-Based Restricted Stock Awards

During the fiscal year ended September 30, 2024, we issued 75,288 shares of performance-based restricted stock (2024 Performance Shares), containing market conditions, to our executive officers and certain other employees. The 2024 Performance Shares are structured to be awarded based on the Company's performance under three pre-determined financial and operational metrics at the end of the three-year performance period. After determining the number of shares earned based on the financial and operational metrics, which can range from 0% to 175% of the targeted number of shares, the award will be subject to further upward or downward adjustment by as much as 30% based on the Company's relative total shareholder return (TSR) compared against a selected small to mid-cap homebuilder peers during the three-year performance period. The 2024 Performance Shares were valued using the Monte Carlo valuation model due to the existence of the TSR market condition and had an estimated fair value of \$28.69 per share on the date of grant.

A Monte Carlo valuation model requires the following inputs: (1) the expected dividend yield on the underlying stock; (2) the expected price volatility of the underlying stock; (3) the risk-free interest rate for the period corresponding with the expected term of the award; and (4) the fair value of the underlying stock. For the Company and each member of the peer group, the following inputs were used, as applicable, in the Monte Carlo valuation model to determine the fair value as of the grant date for performance-based restricted stock granted in each of the fiscal years ended.

	Fiscal Year Ended September 30,		
	2024	2023	2022
Expected volatility range	32.5% - 84.6%	41.5% - 86.9%	41.0% - 89.0%
Risk-free interest rate	4.57 %	4.26 %	0.81 %
Dividend yield	—	—	—
Grant-date stock price range	\$9.81 - \$142.79	\$10.31 - \$93.50	\$21.40 - \$142.99

Each of our performance shares represent a contingent right to receive one share of the Company's common stock if vesting is satisfied at the end of the three-year performance period. Our performance stock award plans provide that any performance shares earned in excess of the target number of performance shares issued may be settled in cash or additional shares at the discretion of the Human Capital Committee. We have no current plans to cash settle any additional performance-based restricted shares in the future.

The performance criteria of the 2022 Performance Share grant were satisfied as of September 30, 2024. Based on the actual performance level achieved, 71,470 performance-based restricted stock awards from the 2022 Performance Share grant cliff vested at the end of the three-year vesting period on November 12, 2024. Of the total \$2.1 million compensation cost related to these awards, we have recognized \$0.4 million, \$1.0 million and \$0.6 million during the fiscal years ended September 30, 2024, 2023 and 2022, respectively. The remaining \$0.1 million of unrecognized compensation cost will be recognized in the first quarter of fiscal 2025.

Time-Based Restricted Stock Awards

During the fiscal year ended September 30, 2024, we also issued 202,042 shares of time-based restricted stock (Restricted Shares) to our directors, executive officers, and certain other employees. Restricted Shares are valued based on the market price of the Company's common stock on the date of the grant. The Restricted Shares granted to our non-employee directors vest on the first anniversary of the grant, while the Restricted Shares granted to our executive officers and other employees generally vest ratably over three years from the date of grant.

Activity relating to all restricted stock awards for the periods presented is as follows:

	Fiscal Year Ended September 30, 2024					
	Performance-Based ^(a)		Time-Based		Total	
	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
Beginning of period	348,223	\$ 16.20	593,834	\$ 14.15	942,057	\$ 14.91
Granted	183,396	20.80	202,042	27.14	385,438	24.12
Vested	(210,176)	15.24	(336,821)	14.37	(546,997)	14.70
Forfeited	(17,731)	18.96	(43,268)	17.92	(60,999)	18.22
End of period	<u>303,712</u>	<u>\$ 19.48</u>	<u>415,787</u>	<u>\$ 19.89</u>	<u>719,499</u>	<u>\$ 19.72</u>

^(a) Grant and vesting activity during the fiscal year ended September 30, 2024 include 108,108 shares that were issued above target based on performance level achieved under performance-based restricted stock vesting in the current period.

	Fiscal Year Ended September 30, 2023					
	Performance-Based ^(a)		Time-Based		Total	
	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
Beginning of period	436,146	\$ 17.76	412,042	\$ 18.52	848,188	\$ 18.13
Granted	249,534	14.17	425,398	12.05	674,932	12.83
Vested	(334,736)	16.80	(234,218)	18.02	(568,954)	17.30
Forfeited	(2,721)	15.20	(9,388)	14.38	(12,109)	14.56
End of period	<u>348,223</u>	<u>\$ 16.20</u>	<u>593,834</u>	<u>\$ 14.15</u>	<u>942,057</u>	<u>\$ 14.91</u>

^(a) Grant and vesting activity during the fiscal year ended September 30, 2023 include 92,104 shares that were issued above target based on performance level achieved under performance-based restricted stock vesting in the current period.

	Fiscal Year Ended September 30, 2022					
	Performance-Based ^(a)		Time-Based		Total	
	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
Beginning of period	738,155	\$ 13.45	486,574	\$ 13.79	1,224,729	\$ 13.59
Granted	269,617	18.98	246,844	21.40	516,461	20.14
Vested	(552,417)	10.50	(286,182)	13.21	(838,599)	11.42
Forfeited	(19,209)	17.27	(35,194)	16.49	(54,403)	16.77
End of period	<u>436,146</u>	<u>\$ 17.76</u>	<u>412,042</u>	<u>\$ 18.52</u>	<u>848,188</u>	<u>\$ 18.13</u>

^(a) Grant and vesting activity during the fiscal year ended September 30, 2022 include 177,759 shares that were issued above target based on performance level achieved under performance-based restricted stock vesting in the current period.

(16) Earnings Per Share

Basic income per share is calculated by dividing net income by the weighted-average number of shares outstanding during the period. Diluted income per share adjusts the basic income per share for the effects of any potentially dilutive securities in periods in which the Company has net income and such effects are dilutive under the treasury stock method.

Following is a summary of the components of basic and diluted income per share for the periods presented:

<i>in thousands (except per share data)</i>	Fiscal Year Ended September 30,		
	2024	2023	2022
Numerator:			
Income from continuing operations	\$ 140,175	\$ 158,688	\$ 220,718
Loss from discontinued operations, net of tax	—	(77)	(14)
Net income	<u>\$ 140,175</u>	<u>\$ 158,611</u>	<u>\$ 220,704</u>
Denominator:			
Basic weighted-average shares	30,548	30,353	30,432
Dilutive effect of restricted stock awards	397	388	357
Dilutive effect of stock options	8	6	7
Diluted weighted-average shares ^(a)	<u>30,953</u>	<u>30,747</u>	<u>30,796</u>
Basic income per share:			
Continuing operations	\$ 4.59	\$ 5.23	\$ 7.25
Discontinued operations	—	—	—
Total	<u>\$ 4.59</u>	<u>\$ 5.23</u>	<u>\$ 7.25</u>
Diluted income per share:			
Continuing operations	\$ 4.53	\$ 5.16	\$ 7.17
Discontinued operations	—	—	—
Total	<u>\$ 4.53</u>	<u>\$ 5.16</u>	<u>\$ 7.17</u>

^(a) The following potentially dilutive shares were excluded from the calculation of diluted income per share as a result of their anti-dilutive effect.

<i>in thousands</i>	Fiscal Year Ended September 30,		
	2024	2023	2022
Stock options	—	11	22
Time-based restricted stock	2	—	—

(17) Segment Information

We currently operate in 13 states that are grouped into three homebuilding segments based on geography. Revenues from our homebuilding segments are derived from the sale of homes that we construct, land and lot sales, and our title operations. Land sales revenue relates to land that does not fit within our homebuilding programs or strategic plans. We also provide title examinations for our homebuyers in certain markets. Our reportable segments have been determined on a basis that is used internally by management for evaluating segment performance and resource allocations. We have considered the applicable aggregation criteria, and have combined our homebuilding operations into three reportable segments as follows:

West: Arizona, California, Nevada, and Texas^(a)

East: Delaware, Indiana, Maryland, New Jersey^(b), Tennessee, and Virginia

Southeast: Florida, Georgia, North Carolina, and South Carolina

^(a) On May 20, 2022, we acquired substantially all of the assets of Imagine Homes, a private San Antonio-based homebuilder in which the Company held a one-third ownership stake for the previous 16 years. The results of our San Antonio operations are reported herein within our West reportable segment.

^(b) During our fiscal 2015, we made the decision that we would not continue to reinvest in new homebuilding assets in our New Jersey division; therefore, it is no longer considered an active operation. However, it is included in this listing because the segment information below continues to include New Jersey.

Management's evaluation of segment performance is based on segment operating income. Operating income for our homebuilding segments is defined as homebuilding and land sales and other revenue less home construction, land development, land sales expense, title operations expense, commission expense, depreciation and amortization, and certain G&A expenses that are incurred by or allocated to our homebuilding segments. The accounting policies of our segments are those described in Note 2.

The following tables contain our revenue, operating income, and depreciation and amortization by segment for the periods presented:

<i>in thousands</i>	Fiscal Year Ended September 30,		
	2024	2023	2022
Revenue			
West	\$ 1,467,287	\$ 1,297,005	\$ 1,331,553
East	501,206	505,844	560,747
Southeast	361,704	403,936	424,688
Total revenue	<u>\$ 2,330,197</u>	<u>\$ 2,206,785</u>	<u>\$ 2,316,988</u>

<i>in thousands</i>	Fiscal Year Ended September 30,		
	2024	2023	2022
Operating income			
West	\$ 189,739	\$ 205,850	\$ 253,961
East	52,898	65,021	102,146
Southeast	45,666	57,326	68,726
Segment total	288,303	328,197	424,833
Corporate and unallocated ^(a)	(145,277)	(150,944)	(152,342)
Total operating income	<u>\$ 143,026</u>	<u>\$ 177,253</u>	<u>\$ 272,491</u>

^(a) Includes amortization of capitalized interest, capitalization and amortization of indirect costs, impairment of capitalized interest and capitalized indirect costs, when applicable, expenses related to numerous shared services functions that benefit all segments but are not allocated to the operating segments reported above, including information technology, treasury, corporate finance, legal, branding and national marketing, and certain other amounts that are not allocated to our operating segments.

Below operating income, we recognized a gain on sale of investment of \$8.6 million during the fiscal year ended September 30, 2024 within other income, net. We previously held a minority interest in a technology company specializing in digital marketing for new home communities, which was sold in March 2024. In exchange for the previously held investment, we received cash in escrow along with a minority partnership interest in the acquiring company, which was recorded within other assets in our consolidated balance sheets.

<i>in thousands</i>	Fiscal Year Ended September 30,		
	2024	2023	2022
Depreciation and amortization			
West	\$ 9,820	\$ 7,550	\$ 8,178
East	1,792	1,662	1,649
Southeast	1,478	1,655	1,843
Segment total	13,090	10,867	11,670
Corporate and unallocated ^(a)	1,777	1,331	1,690
Total depreciation and amortization	\$ 14,867	\$ 12,198	\$ 13,360

^(a) Represents depreciation and amortization related to assets held by our corporate functions that benefit all segments.

The following table presents capital expenditures by segment for the periods presented:

<i>in thousands</i>	Fiscal Year Ended September 30,		
	2024	2023	2022
Capital expenditures			
West	\$ 11,956	\$ 9,909	\$ 7,755
East	2,559	2,578	1,208
Southeast	1,526	1,452	1,215
Corporate and unallocated	6,312	6,395	4,870
Total capital expenditures	\$ 22,353	\$ 20,334	\$ 15,048

The following table presents assets by segment as of September 30, 2024 and 2023:

<i>in thousands</i>	September 30, 2024		September 30, 2023	
Assets				
West	\$ 1,114,450	\$ 994,597		
East	454,255	356,020		
Southeast	389,058	320,430		
Corporate and unallocated ^(a)	633,764	739,986		
Total assets	\$ 2,591,527	\$ 2,411,033		

^(a) Primarily consists of cash and cash equivalents, restricted cash, deferred taxes, capitalized interest and indirect costs, and other items that are not allocated to the segments.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Beazer Homes USA, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Beazer Homes USA, Inc. and subsidiaries (the "Company") as of September 30, 2024 and 2023, the related consolidated statements of operations, stockholders' equity, and cash flows, for each of the three years in the period ended September 30, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of September 30, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated November 13, 2024, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Owned Inventory—Valuation of Projects in Progress—Refer to Notes 2 and 4 to the financial statements.

Critical Audit Matter Description

Projects in progress inventory includes homes under construction and land under development grouped together as communities. Projects in progress are stated at cost unless facts and circumstances indicate that the carrying value of the assets may not be recoverable. The Company assesses its projects in progress inventory for indicators of potential impairment at the community level on a quarterly basis. The Company evaluates, among other things, the average sales price and margins on current homes and sales contracts in backlog for each community. As of September 30, 2024, the carrying value of the Company's projects in progress inventory was \$2.0 billion.

Given the subjectivity in determining whether impairment indicators are present at a community, management exercises significant judgment when evaluating for indicators of impairment. Accordingly, auditing management's judgments regarding the identification of impairment indicators involved an increased extent of effort and especially subjective auditor judgment.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the Company's identification of impairment indicators for projects in progress included the following, among others:

- We tested the operating effectiveness of controls over management's evaluation of impairment indicators.
- We evaluated management's impairment indicator analysis by:
 - Testing whether all communities classified as projects in progress inventory were included in the impairment indicators analysis.
 - Testing each community classified as projects in progress inventory for indicators of impairment including considering average sales price and margins on current homes and sales contracts in backlog.
 - Developing an independent expectation of indicators and comparing such expectations to those included in the impairment indicator analysis.

/s/ Deloitte & Touche LLP

Atlanta, Georgia
November 13, 2024

We have served as the Company's auditor since 1996.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Beazer Homes USA, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Beazer Homes USA, Inc. and subsidiaries (the “Company”) as of September 30, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended September 30, 2024, of the Company and our report dated November 13, 2024, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Atlanta, Georgia
November 13, 2024

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures***Evaluation of Disclosure Controls and Procedures***

Our management, under the supervision and with the participation of our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of September 30, 2024 pursuant to Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended (Exchange Act). Our disclosure controls and procedures are designed to ensure that information required to be disclosed in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. Based on the evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of September 30, 2024.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for the preparation and fair presentation of the consolidated financial statements included in this Annual Report on Form 10-K. The consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP) and reflect management's judgments and estimates concerning events and transactions that are accounted for or disclosed.

Our management is also responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). The Company's internal control over financial reporting is a process designed under the supervision of our CEO and CFO to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with U.S. GAAP.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements and even when determined to be effective, can only provide reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of our internal control over financial reporting as of September 30, 2024. Management's assessment was based on criteria for effective internal control over financial reporting described in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework). Based on this assessment, management concluded that the Company has maintained effective internal control over financial reporting as of September 30, 2024. The effectiveness of our internal control over financial reporting as of September 30, 2024 has been audited by Deloitte & Touche LLP, our independent registered public accounting firm, as stated in their report, which is included in Part II, Item 8 – Financial Statements and Supplementary Data.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the quarter ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information***Rule 10b5-1 Trading Arrangements***

During the three months ended September 30, 2024, none of the Company's directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

Item 9C. Disclosure Reporting Regarding Foreign Jurisdictions That Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item is incorporated by reference to our proxy statement for our 2025 Annual Meeting of Stockholders, which is expected to be filed on or before December 27, 2024.

Code of Ethics

Beazer Homes has adopted a Code of Business Conduct and Ethics (the “Code”) that applies to its principal executive officer, principal financial officer, principal accounting officer, and other senior financial officers. The Company’s Board of Directors approved amendments to the Code in November 2019 and then again in August 2024. The full text of the Code, as amended, can be found on the Company’s website at www.beazer.com. If at any time there is an amendment or waiver of any provision of the Code that is required to be disclosed, information regarding such amendment or waiver will be published on the Company’s website.

Item 11. Executive Compensation

The information required by this item is incorporated by reference to our proxy statement for our 2025 Annual Meeting of Stockholders, which is expected to be filed on or before December 27, 2024.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information relating to securities authorized for issuance under equity compensation plans is set forth above in Item 5 – Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities. All of the other information required by this item is incorporated by reference to our proxy statement for our 2025 Annual Meeting of Stockholders, which is expected to be filed on or before December 27, 2024.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information required by this item is incorporated by reference to our proxy statement for our 2025 Annual Meeting of Stockholders, which is expected to be filed on or before December 27, 2024.

Item 14. Principal Accountant Fees and Services

Our independent registered public accounting firm is Deloitte & Touche LLP (PCAOB ID No. 34).

Further information required by this item is incorporated by reference to our proxy statement for our 2025 Annual Meeting of Stockholders, which is expected to be filed on or before December 27, 2024.

PART IV

Item 15. Exhibits and Financial Statement Schedules

The following documents are filed as part of this Annual Report on Form 10-K.

(a) 1. Financial Statements

	Page Herein
Consolidated Balance Sheets as of September 30, 2024 and 2023	43
Consolidated Statements of Operations for the fiscal years ended September 30, 2024, 2023 and 2022	44
Consolidated Statements of Stockholders' Equity for the fiscal years ended September 30, 2024, 2023 and 2022	45
Consolidated Statements of Cash Flows for the fiscal years ended September 30, 2024, 2023 and 2022	46
Notes to Consolidated Financial Statements	47

2. Financial Statement Schedules

None required.

3. Exhibits

All exhibits were filed under File No. 001-12822, except as otherwise indicated below.

Exhibit Number	Exhibit Description
3.1	— Amended and Restated Certificate of Incorporation of the Company (incorporated herein by reference to Exhibit 3.1 of the Company's Form 10-K for the year ended September 30, 2008)
3.2	— Certificate of Amendment, dated April 13, 2010, to the Amended and Restated Certificate of Incorporation of the Company (incorporated herein by reference to Exhibit 3.1 of the Company's Form 10-Q for the quarter ended March 31, 2010)
3.3	— Certificate of Amendment, dated February 3, 2011, to the Amended and Restated Certificate of Incorporation of the Company, as amended (incorporated herein by reference to Exhibit 3.1 of the Company's Form 8-K filed on February 8, 2011)
3.4	— Certificate of Amendment, dated October 11, 2012, to the Amended and Restated Certificate of Incorporation of the Company, as amended (incorporated herein by reference to Exhibit 3.1 of the Company's Form 8-K filed on October 12, 2012)
3.5	— Certificate of Amendment, dated February 2, 2013, to the Amended and Restated Certificate of Incorporation of the Company, as amended (incorporated herein by reference to Exhibit 3.1 of the Company's Form 8-K filed on February 5, 2013)
3.6	— Certificate of Amendment, dated November 6, 2013, to the Amended and Restated Certificate of Incorporation of the Company, as amended (incorporated herein by reference to Exhibit 3.1 of the Company's Form 8-K filed on November 7, 2013)
3.7	— Certificate of Amendment, dated November 11, 2016, to the Amended and Restated Certificate of Incorporation of the Company, as amended (incorporated herein by reference to Exhibit 3.8 of the Company's Form 10-K for the year ended September 30, 2016)
3.8	— Certificate of Amendment, dated as of November 8, 2019, and effective as of November 12, 2019, to the Amended and Restated Certificate of Incorporation of the Company, as amended (incorporated herein by reference to Exhibit 3.8 of the Company's Form 10-K for the year ended September 30, 2019)
3.9	— Certificate of Amendment, dated November 9, 2022, to the Amended and Restated Certificate of Incorporation of Beazer Homes USA, Inc. (incorporated herein by reference to Exhibit 3.1 of the Company's Form 8-K filed on November 14, 2022)
3.10	— Fourth Amended and Restated Bylaws of the Company (incorporated herein by reference to Exhibit 3.3 of the Company's Form 10-K for the year ended September 30, 2010)
4.1	— Specimen Physical Common Stock Certificate of Beazer Homes USA, Inc. (incorporated herein by reference to Exhibit 4.1 of the Company's Form 10-K filed on November 10, 2015)
4.2	— Section 382 Rights Agreement, dated as of December 7, 2021, and effective as of November 14, 2022, between Beazer Homes USA, Inc. and American Stock Transfer & Trust Company, LLC, as Rights Agent (incorporated herein by reference to Exhibit 4.1 of the Company's Form 8-K filed on November 14, 2022)

- 4.3 — [Form of Indenture for Senior Debt Securities, between the Company and Regions Bank \(incorporated herein by reference to Exhibit 4.2\(a\) of the Company's Form S-3ASR filed on August 10, 2023\)](#)
- 4.4 — [Form of Indenture for Subordinated Debt Securities, between the Company and Regions Bank \(incorporated herein by reference to Exhibit 4.2\(b\) of the Company's Form S-3ASR filed on August 10, 2023\)](#)
- 4.5 — [Form of Junior Subordinated Indenture, dated June 15, 2006, between the Company and JPMorgan Chase Bank, National Association \(incorporated herein by reference to Exhibit 4.1 of the Company's Form 8-K filed on June 21, 2006\)](#)
- 4.6 — [Form of Amended and Restated Trust Agreement, dated June 15, 2006, among the Company, JPMorgan Chase Bank, National Association, Chase Bank USA, National Association, and certain individuals named therein as Administrative Trustees \(incorporated herein by reference to Exhibit 4.2 of the Company's Form 8-K filed on June 21, 2006\)](#)
- 4.7 — [Junior Subordinated Indenture between Beazer Homes USA, Inc. and Wilmington Trust Company, as trustee, dated as of January 15, 2010 \(incorporated herein by reference to Exhibit 10.2 of the Company's Form 8-K dated January 21, 2010\)](#)
- 4.8 — [Indenture, dated as of October 10, 2017, between the Company, the Guarantors and U.S. Bank National Association, as trustee \(incorporated herein by reference to Exhibit 4.1 of the Company's Form 8-K filed on October 10, 2017\)](#)
- 4.9 — [Form of 5.875% Senior Note due 2027 \(incorporated herein by reference to Exhibit 4.2 of the Company's Form 8-K filed on October 10, 2017\)](#)
- 4.10 — [Registration Rights Agreement, dated as of October 10, 2017, between the Company, the Guarantors and Credit Suisse Securities \(USA\) LLC, as representative of the Initial Purchasers \(incorporated herein by reference to Exhibit 4.3 of the Company's Form 8-K filed on October 10, 2017\)](#)
- 4.11 — [Indenture for 7.500% Senior Notes due 2031, dated March 15, 2024, by and among the Company, the Guarantors and Regions Bank, as trustee \(incorporated herein by reference to Exhibit 4.1 of the Company's Form 8-K filed on March 18, 2024\)](#)
- 4.12 — [Form of 7.500% Senior Note due 2031 \(incorporated by reference to Exhibit 4.2 of the Company's Form 8-K filed on March 18, 2024\)](#)
- 4.13 — [Indenture for 7.250% Senior Notes due 2029, dated as of September 24, 2019, by and among the Company, the Guarantors and U.S. Bank National Association, as trustee \(incorporated herein by reference to Exhibit 4.1 of the Company's Form 8-K filed on September 24, 2019\)](#)
- 4.14 — [Form of 7.250% Senior Note due 2029 \(incorporated herein by reference to Exhibit 4.2 of the Company's 8-K filed on September 24, 2019\)](#)
- 4.15 — [Registration Rights Agreement, dated as of September 24, 2019, by and among the Company, the Guarantors and Credit Suisse Securities \(USA\) LLC, as representative of the Initial Purchasers \(incorporated herein by reference to Exhibit 4.3 of the Company's Form 8-K filed on September 24, 2019\)](#)
- 4.16 — [Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 \(incorporated herein by reference to Exhibit 4.37 of the Company's Form 10-K for the year ended September 30, 2021\)](#)
- 10.1* — [Form of Indemnification Agreement \(incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on July 1, 2008\)](#)
- 10.2* — [2010 Equity Incentive Plan \(incorporated herein by reference to Exhibit 10.1 of the Company's Form 10-Q for the quarter ended March 31, 2010\)](#)
- 10.3* — [Form of 2010 Equity Incentive Plan Employee Award Agreement for Option and Restricted Stock Awards \(incorporated herein by reference to Exhibit 10.1 of the Company's Form 10-Q for the quarter ended June 30, 2010\)](#)
- 10.4* — [Form of 2010 Equity Incentive Plan Award Agreement for Option and Restricted Stock Awards \(Non-Employee Directors\) \(incorporated herein by reference to Exhibit 10.2 of the Company's Form 10-Q for the quarter ended June 30, 2010\)](#)
- 10.5* — [Form of 2010 Equity Incentive Plan Award Agreement for Option and Restricted Stock Awards \(Named Executive Officers\), dated as of November 16, 2011 \(incorporated herein by reference to Exhibit 10.1 of the Company's 8-K filed on November 22, 2011\)](#)
- 10.6* — [Form of 2010 Equity Incentive Plan Performance Cash Award Agreement \(Named Executive Officers\) \(incorporated herein by reference to Exhibit 10.1 of the Company's 10-Q for the quarter ended December 31, 2012\)](#)
- 10.7* — [2014 Long-Term Incentive Plan, as amended \(incorporated herein by reference to Appendix I of the Company's Form DEF 14A filed on December 19, 2016\)](#)

- 10.8* — [Form of 2014 Long-Term Incentive Plan Award Agreement for Restricted Stock Awards \(Named Executive Officers\) \(incorporated herein by reference to Exhibit 10.21 of the Company's Form 10-K filed on November 13, 2014\)](#)
- 10.9* — [Form of 2014 Long-Term Incentive Plan Award Agreement for TSR Performance Share Awards \(Named Executive Officers\) \(incorporated herein by reference to Exhibit 10.22 of the Company's Form 10-K filed on November 13, 2014\)](#)
- 10.10* — [Form of 2014 Long-Term Incentive Plan Award Agreement for Pre-Tax Income Performance Share Awards \(Named Executive Officers\) \(incorporated herein by reference to Exhibit 10.23 of the Company's Form 10-K filed on November 13, 2014\)](#)
- 10.11* — [Form of 2014 Long-Term Incentive Plan Award Agreement for Restricted Stock Awards \(Non-Employee Directors\) \(incorporated herein by reference to Exhibit 10.24 of the Company's Form 10-K filed on November 13, 2014\)](#)
- 10.12* — [Form of 2014 Long-Term Incentive Plan Award Agreement for Performance Shares \(Named Executive Officers\) \(incorporated herein by reference to Exhibit 10.1 of the Company's Form 10-Q filed on February 4, 2016\)](#)
- 10.13* — [Form of 2014 Long-Term Incentive Plan Award Agreement for Performance Shares \(Named Executive Officers\) \(incorporated herein by reference to Exhibit 10.26 of the Company's Form 10-K filed on November 14, 2017\)](#)
- 10.14* — [Severance and Change In Control Agreement by and between Allan P. Merrill and the Company, effective as of September 18, 2018 \(incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on September 24, 2018\)](#)
- 10.15* — [Severance and Change In Control Agreement by and between Robert L. Salomon and the Company, effective as of September 18, 2018 \(incorporated herein by reference to Exhibit 10.2 of the Company's Form 8-K filed on September 24, 2018\)](#)
- 10.16* — [Severance and Change In Control Agreement by and between Keith L. Belknap and the Company, effective as of September 18, 2018 \(incorporated herein by reference to Exhibit 10.29 of the Company's Form 10-K filed on November 13, 2018\)](#)
- 10.17* — [Severance and Change In Control Agreement by and between Michael Dunn and the Company effective as of August 1, 2024](#)
- 10.18* — [Severance and Change in Control Agreement, dated November 20, 2020 \(incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K/A filed on November 20, 2020\)](#)
- 10.19* — [Letter Agreement dated November 20, 2020 \(incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on November 20, 2020\), as amended](#)
- 10.20* — [Letter Agreement by and between Keith L. Belknap and the Company dated July 31, 2024 \(incorporated herein by reference to Exhibit 10.1 of the Company's Form 10-Q filed on August 1, 2024\)](#)
- 10.21* — [Offer Letter by and between Michael Dunn and the Company dated August 1, 2024](#)
- 10.22 — [Delayed-Draw Term Loan Facility, dated November 16, 2010, among Beazer Homes USA, Inc., Citibank, N.A. and Citigroup Global Markets Inc. \(incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on November 18, 2010\)](#)
- 10.23 — [Delayed-Draw Term Loan Facility, dated November 16, 2010, among Beazer Homes USA, Inc., Deutsche Bank AG Cayman Islands Branch and Deutsche Bank Securities Inc. \(incorporated herein by reference to Exhibit 10.2 of the Company's Form 8-K filed on November 18, 2010\)](#)
- 10.24 — [First Amendment to the Delayed-Draw Term Loan Facility, dated as of November 16, 2010, by and between Beazer Homes USA, Inc. and Citibank, N.A. \(incorporated herein by reference to Exhibit 10.2 of the Company's 8-K filed on August 9, 2012\)](#)
- 10.25 — [First Amendment to the Delayed-Draw Term Loan Facility, dated as of November 16, 2010, by and between Beazer Homes USA, Inc. and Deutsche Bank AG Cayman Islands Branch \(incorporated herein by reference to Exhibit 10.3 of the Company's 8-K filed on August 9, 2012\)](#)
- 10.26 — [Second Amended and Restated Credit Agreement, dated as of September 24, 2012, between Beazer Homes USA, Inc., as borrower, the lenders party thereto, the issuers party thereto, and Credit Suisse AG, Cayman Islands Branch, as agent \(incorporated herein by reference to Exhibit 10.1 of the Company's 8-K filed on September 26, 2012\)](#)
- 10.27 — [First Amendment to Second Amended and Restated Credit Agreement, dated as of November 10, 2014, between Beazer Homes USA, Inc., as borrower, the lenders party thereto, the issuers party thereto, and Credit Suisse AG, Cayman Islands Branch, as agent \(incorporated herein by reference to Exhibit 10.33 of the Company's Form 10-K filed on November 13, 2014\)](#)
- 10.28 — [Second Amendment to Second Amended and Restated Credit Agreement, dated as of November 6, 2015, between Beazer Homes USA, Inc., as borrower, the lenders party thereto, the issuers party thereto, and Credit Suisse AG, Cayman Islands Branch, as agent \(incorporated herein by reference to Exhibit 10.34 of the Company's 10-K filed on November 10, 2015\)](#)

10.29	—	Credit Agreement, dated March 11, 2016, by and between Beazer Homes USA, Inc. and Wilmington Trust (incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on March 11, 2016)
10.30	—	Third Amendment to Second Amended and Restated Credit Agreement, dated as of October 13, 2016, by and among Beazer Homes USA, Inc., as borrower, the lenders party thereto, the issuers party thereto, and Credit Suisse AG, Cayman Islands Branch (incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed October 13, 2016)
10.31	—	Fourth Amendment to the Second Amended and Restated Credit Agreement, dated as of September 24, 2012, among the Company, as borrower, the lenders party thereto, the issuers party thereto, and Credit Suisse AG, Cayman Islands Branch, as agent, as amended (incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on October 24, 2017)
10.32	—	Fifth Amendment to the Second Amended and Restated Credit Agreement, dated as of September 24, 2012, among the Company, as borrower, the lenders party thereto, the issuers party thereto, and Credit Suisse AG, Cayman Islands Branch, as agent, as amended (incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on October 5, 2018)
10.33	—	Sixth Amendment to the Second Amended and Restated Credit Agreement, dated as of September 24, 2012, among the Company, as borrower, the lenders party thereto, the issuers party thereto, and Credit Suisse AG, Cayman Islands Branch, as agent, as amended (incorporated herein by reference to Exhibit 10.1 of the Company's Form 10-Q filed on May 2, 2019)
10.34	—	Seventh Amendment to the Second Amended and Restated Credit Agreement, dated as of September 24, 2012, among the Company, as borrower, the lenders party thereto, the issuers party thereto, and Credit Suisse AG, Cayman Islands Branch, as agent, as amended (incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on September 10, 2019)
10.35	—	Term Loan Agreement, dated as of September 9, 2019, by and among the Company, the subsidiaries of the Company as guarantors thereto, and Credit Suisse International, as lender (incorporated herein by reference to Exhibit 10.2 of the Company's Form 8-K filed on September 10, 2019)
10.36	—	Form of 2014 Long-Term Incentive Plan Award Agreement for Performance Shares (Named Executive Officers) (incorporated herein by reference to Exhibit 10.2 of the Company's Form 10-Q for the quarter ended December 31, 2017)
10.37	—	Eighth Amendment to the Second Amended and Restated Credit Agreement, dated as of September 24, 2012, among the Company, as borrower, the lenders and issuers party thereto, and Credit Suisse AG, Cayman Islands Branch, acting as agent, as amended (incorporated herein by reference to Exhibit 10.45 of the Company's Form 10-Q filed on April 4, 2020)
10.38*	—	Amended and Restated 2014 Long-Term Incentive Plan, as amended
10.39	—	Ninth Amendment to the Second Amended and Restated Credit Agreement, dated as of September 24, 2012, among the Company, as borrower, the lenders party thereto, the issuers party thereto, and Credit Suisse AG, Cayman Islands Branch, as agent, as amended (incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on October 13, 2020)
10.40	—	Tenth Amendment to the Second Amended and Restated Credit Agreement, dated as of September 24, 2012, among the Company, as borrower, the lenders and issuers party thereto, and Credit Suisse AG Cayman Islands Branch, acting as agent, as amended (incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on September 27, 2021)
10.41	—	Credit Agreement, dated as of October 13, 2022, among Beazer Homes USA, Inc., the several lenders from time to time parties thereto and JPMorgan Chase Bank, N.A., as an issuing lender and administrative agent (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K, filed on October 13, 2022)
10.42	—	Commitment Increase Activation Notice, dated October 12, 2023, by and among Beazer Homes USA, Inc., Flagstar Bank, N.A. and JPMorgan Chase Bank, N.A., as administrative agent and issuing lender (incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q, filed on February 1, 2024)
10.43	—	Commitment Increase Activation Notice and New Lender Supplement, dated October 12, 2023, by and among Beazer Homes USA, Inc., Texas Capital Bank and JPMorgan Chase Bank, N.A., as administrative agent and issuing lender (incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q, filed on February 1, 2024)
19	—	Insider Trading Compliance Policy
21	—	Subsidiaries of the Company
22	—	List of Guarantor Subsidiaries (incorporated herein by reference to Exhibit 22 to the Company's Form 10-Q filed May 1, 2024)
23	—	Consent of Deloitte & Touche LLP
31.1	—	Certification pursuant to 17 CFR 240.13a-14 promulgated under Section 302 of the Sarbanes-Oxley Act of 2002

31.2	—	Certification pursuant to 17 CFR 240.13a-14 promulgated under Section 302 of the Sarbanes-Oxley Act of 2002
32.1#	—	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2#	—	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	—	The consolidated financial statements and accompanying notes in Part II, Item 8, “Financial Statements and Supplementary Data” of this Annual Report on Form 10-K are formatted in Inline XBRL
104	—	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

* Represents a management contract or compensatory plan or arrangement.

Furnished, not filed.

(b) Exhibits

Reference is made to Item 15(a)3 above. The following is a list of exhibits, included in item 15(a)3 above, that are filed concurrently with this report.

10.17*	—	Severance and Change In Control Agreement by and between Michael Dunn and the Company effective as of August 1, 2024
10.21*	—	Offer Letter by and between Michael Dunn and the Company dated August 1, 2024
10.38*	—	Amended and Restated 2014 Long-Term Incentive Plan, as amended
19	—	Insider Trading Compliance Policy
21	—	Subsidiaries of the Company
23	—	Consent of Deloitte & Touche LLP
31.1	—	Certification pursuant to 17 CFR 240.13a-14 promulgated under Section 302 of the Sarbanes-Oxley Act of 2002
31.2	—	Certification pursuant to 17 CFR 240.13a-14 promulgated under Section 302 of the Sarbanes-Oxley Act of 2002
32.1#	—	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2#	—	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	—	The consolidated financial statements and accompanying notes in Part II, Item 8, “Financial Statements and Supplementary Data” of this Annual Report on Form 10-K are formatted in Inline XBRL
104	—	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

* Represents a management contract or compensatory plan or arrangement.

Furnished, not filed.

(c) Financial Statement Schedules

Reference is made to Item 15(a)2 above.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 13, 2024

Beazer Homes USA, Inc.

By: /s/ Allan P. Merrill
Name: Allan P. Merrill
Chairman, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: November 13, 2024

By: /s/ Allan P. Merrill
Name: Allan P. Merrill
Chairman, President, Chief Executive Officer and Director

Date: November 13, 2024

By: /s/ David I. Goldberg
Name: David I. Goldberg
Senior Vice President and Chief Financial Officer

Date: November 13, 2024

By: /s/ Lloyd E. Johnson
Name: Lloyd E. Johnson
Director

Date: November 13, 2024

By: /s/ John J. Kelley III
Name: John J. Kelley III
Director

Date: November 13, 2024

By: /s/ Peter M. Orser
Name: Peter M. Orser
Director

Date: November 13, 2024

By: /s/ Norma A. Provencio
Name: Norma A. Provencio
Director

Date: November 13, 2024

By: /s/ June Sauvaget
Name: June Sauvaget
Director

Date: November 13, 2024

By: /s/ Danny R. Shepherd
Name: Danny R. Shepherd
Director

Date: November 13, 2024

By: /s/ Alyssa P. Steele
Name: Alyssa P. Steele
Director

SEVERANCE AND CHANGE IN CONTROL AGREEMENT

THIS SEVERANCE AND CHANGE IN CONTROL AGREEMENT (this “Agreement”) is entered into effective as of August 1, 2024 (the “Effective Date”), by and between Beazer Homes USA, Inc., a Delaware corporation (the “Company”), and Michael A. Dunn (“Executive”).

RECITALS

- A. Executive is an experienced leader with considerable skill and expertise valuable to the success of the Company.
- B. The Company desires to employ Executive and Executive wishes to provide his services to the Company.
- C. During employment with the Company, Executive will have access to certain Confidential Information and trade secrets of the Company and its Affiliates. It is desirable and in the best interests of the Company to protect the Confidential Information and trade secrets of the Company and its Affiliates, to prevent unfair competition by former executives of the Company following separation of their employment with the Company and to secure cooperation of former executives with respect to matters related to their employment with the Company.
- D. Executive acknowledges that his receipt of compensation and benefits under this Agreement depends on, among other things, Executive’s willingness to agree to and abide by the non-disclosure, non-competition, non-solicitation and other covenants contained in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises, the Company and Executive agree as follows:

1. Employment. As of the Effective Date, the Company will employ Executive, and Executive will accept such employment and perform services for the Company, upon the terms and conditions set forth in this Agreement. Executive is an at-will employee, whose employment with the Company may be terminated at any time, with or without Cause, for any reason or no reason, by either party, but subject to any notice requirements and post-termination obligations of the parties provided for in this Agreement.

2. Position and Duties.

(a) **Position with the Company.** Executive will be employed by the Company as Senior Vice President and General Counsel reporting to the President and Chief Executive Officer (“CEO”) of the Company. Executive shall have the duties and powers customarily associated with such offices and shall perform such duties and responsibilities as the CEO or the Board of Directors (the “Board”) may assign to him from time to time, which will be

consistent with his position. If requested by the Board, Executive will also serve on the board of directors of any of the Company's Affiliates and provide services to the Company, or any of its Affiliates, in such capacities as may be requested from time to time by the CEO or the Board, all without additional compensation.

(b) **Performance of Duties and Responsibilities.** While Executive is employed by the Company, Executive will serve the Company and its Affiliates faithfully and to the best of his ability and will devote his full time, attention and efforts to the business of the Company and its Affiliates and the promotion of the Company's interests. Executive will follow and comply with, and hereby agrees to be bound by, applicable policies, programs and procedures adopted by the Board or the Company from time to time, including without limitation, policies relating to business ethics, conflict of interest, trading the stock of the Company, non-discrimination and non-harassment, confidentiality and protection of trade secrets and programs relating to ownership of stock in the Company by executives. Executive agrees not to accept other employment or engage in other material business activity, including serving on the board of directors of other companies, except as approved in writing by the Board, but may participate in charitable and personal investment activities, so long as such activities do not interfere with the performance of his duties and responsibilities hereunder. Executive hereby represents and confirms that he is under no contractual or legal commitments that would prevent him from fulfilling his duties and responsibilities as set forth in this Agreement.

(c) **Place of Employment.** Executive's initial primary office will be at the Company's headquarters located at 2002 Summit Blvd NE, Atlanta, GA 30319. Executive will perform his duties primarily from such location, subject to business travel in the ordinary course of Executive's performance of his duties and responsibilities as may reasonably be required, including visits to the Company's then current offices and communities, as well as any new offices and communities the Company or its Affiliates shall operate from in the future.

3. **Compensation.**

(a) **Base Salary.** The Company shall pay to Executive an annual base salary of Three Hundred Fifty Thousand Dollars (\$350,000) (prorated for partial monthly and annual periods), less deductions and withholdings, which base salary shall be paid in accordance with the Company's normal payroll policies and procedures (the "Base Salary"). The Board or the Human Capital Committee of the Board (the "Committee") shall conduct annual performance reviews of Executive for merit increases and may, in its sole discretion, increase Executive's Base Salary from time to time.

(b) **Short-Term Incentive Compensation.** Executive shall be eligible to participate in the Company's annual cash incentive program (the "STIP") with an annual target bonus of seventy-five percent (75%) of Executive's Base Salary. The Board or the Committee will annually establish the terms and conditions of the STIP. Except as otherwise set forth herein, in order to be eligible to receive any performance-based bonus under this Section 3(b), Executive must be employed by the Company through the close of business on the first business day of the fiscal year immediately following the fiscal year for which such performance-based bonus was earned (or, if earlier, the date such performance-based bonus is paid). Achievement of

the performance criteria for each such fiscal year will be determined by the Committee, in its sole discretion, within sixty (60) days after the end of the applicable fiscal year and will be earned and paid in accordance with the Company's standard policies adopted from time to time, but in no event will any performance-based bonus under this Section 3(b) be paid later than last day of the calendar year during which the applicable fiscal year ends (e.g., for the fiscal year ending September 30, 2024 any payment would be made by no later than December 31, 2024).

(c) **Employee Benefits.** While Executive is employed by the Company hereunder, Executive shall be entitled to participate in all employee benefit plans and programs of the Company as are provided from time to time by the Company or its Affiliates to senior executives of the Company to the extent that Executive meets the eligibility requirements for each individual plan or program. The Company provides no assurance as to the adoption or continuance of any particular employee benefit plan or program, and Executive's participation in any such plan or program shall be subject to the provisions, rules and regulations of such plan or program.

(d) **Long-Term Incentive Compensation.** Executive shall be eligible to participate in the Company's 2014 Long-Term Incentive Plan (as the same may be amended or replaced, the "LTIP") and other long-term incentive compensation programs the Company may establish. Executive shall be eligible to receive annual awards or grants having a value of up to seventy-five percent (75%) of Executive's Base Salary (subject to increase or decrease by the Committee). The amount, form of award or grant, vesting and other terms and conditions of the award or grant shall be determined by the Committee, in its sole discretion.

(e) **Deferred Compensation Plan.** Executive will be eligible to participate in the Company's Deferred Compensation Plan ("DCP"). In addition to being able to contribute a portion of Executive's salary or bonus to the DCP, Executive will receive an annual Company contribution to his DCP account, which such contribution may, in the Committee's sole discretion, increase from time to time. Such contribution shall be paid in installments throughout the year in accordance with the Company's payroll practices.

(f) **Expenses.** The Company shall reimburse Executive for all reasonable out-of-pocket business, travel and entertainment expenses incurred by Executive in the performance of the duties and responsibilities hereunder. Such reimbursement shall be subject to the Company's normal policies and procedures for expense pre-approval and verification, documentation and reimbursement.

(g) **Vacation.** Executive shall be eligible for vacation each year in accordance with the Company's standard policies applicable to his position. Such vacation will be taken at such times so as not to disrupt the operations of the Company.

(h) **Recoupment of Incentive Compensation.** Performance-related bonuses and other incentive compensation, including equity awards, paid or granted to Executive will be subject to the terms of any policy of recovery or recoupment of compensation adopted from time to time by the Board or the Committee (as any such policy may be amended) as they deem necessary or desirable to provide for recovery of erroneously awarded compensation, including,

without limitation, to comply with the requirements of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (providing for recovery of erroneously awarded compensation), Section 304 of the Sarbanes-Oxley Act of 2002 (providing for forfeiture of certain bonuses and profits), and any implementing rules and regulations of the U.S. Securities and Exchange Commission and the national securities exchange on which the Company's stock is listed, adopted in accordance with either of those Acts, which policy is incorporated into this Agreement by this reference.

4. Confidential Information. Executive acknowledges that during his employment with the Company he will be in possession of, and will receive, Confidential Information (as hereinafter defined) and trade secrets of the Company and its Affiliates. Except as approved in writing by the Board or by Company policies approved by the Board, during his employment with the Company and at all times thereafter, Executive shall not divulge, furnish or make accessible to anyone or use in any way other than in the ordinary course of the business of the Company and its Affiliates, any Confidential Information or trade secrets of the Company or any of its Affiliates. For purposes of this Agreement, Confidential Information means and includes: (a) any confidential, proprietary or secret designs, processes, formulae, plans, devices or material (whether or not patented or patentable) directly or indirectly useful in any aspect of the business of the Company and/or its Affiliates, (b) any customer or supplier lists of the Company and/or its Affiliates, (c) any confidential, proprietary or secret development or research work of the Company and/or its Affiliates, (d) any strategic or other business, marketing or sales plans of the Company and/or its Affiliates, or (e) any financial data or plans respecting the Company and/or its Affiliates. Executive acknowledges that the Confidential Information and trade secrets constitute a unique and valuable asset of the Company and/or its Affiliates and represent a substantial investment of time and expense by the Company and/or its Affiliates, and that any disclosure or other use of such Confidential Information and trade secrets other than for the sole benefit of the Company and/or its Affiliates, would be wrongful and would cause irreparable harm to the Company and/or its Affiliates. The foregoing obligations of confidentiality shall not apply to any knowledge or information that (x) is now or subsequently becomes generally publicly known in the form in which it was obtained from the Company, other than as a direct or indirect result of the breach of this Agreement by Executive or (y) is required to be disclosed by legal process. The obligations of Executive in this Section 4 will continue throughout Executive's employment with the Company and indefinitely following the termination of Executive's employment with the Company. Notwithstanding the foregoing, in accordance with the Defend Trade Secrets Act of 2016, Executive understands that an individual may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret (as that term is defined in the Defend Trade Secrets Act of 2016) that is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney if such disclosure (a) is made solely for the purpose of reporting or investigating a suspected violation of law or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

5. Ventures; Intellectual Property. If, during his employment with the Company, Executive is engaged in or associated with the planning or implementing of any project, program or venture involving the Company and/or its Affiliates and a third party or parties, all

rights in such project, program or venture shall belong to the Company or its Affiliates. Except as approved in writing by the Board, Executive shall not be entitled to any interest in any such project, program or venture or to any commission, finder's fee or other compensation in connection therewith, other than the compensation to be paid to Executive by the Company as provided in this Agreement. Except as expressly permitted by Section 6(c), Executive shall have no interest, direct or indirect, in any customer or supplier that conducts business with the Company and/or its Affiliates, unless such interest has been disclosed in writing to and approved by the Board before such customer or supplier seeks to do business with the Company or its Affiliates, as applicable. All know-how, improvements and inventions, whether or not patentable, and trade secret information conceived or originated by Executive that arise during his employment with the Company or out of the performance of his duties and responsibilities under this Agreement or any related material or information shall be the property of the Company, and all rights therein are hereby assigned by Executive to the Company. All right, title and interest in all copyrightable material that Executive shall conceive or originate individually or jointly or commonly with others, and that arise during his employment with the Company or out of the performance of his duties and responsibilities under this Agreement, shall be the property of the Company, shall be considered "works made for hire," as defined in the U.S. Copyright Act, and are hereby assigned by Executive to the Company, along with ownership of any and all copyrights in the copyrightable material. Executive shall execute any and all instruments and perform all other acts necessary in furtherance of this Section 5, including without limitation, all actions necessary to file patent applications and to register copyrights on behalf of the Company. The obligations of Executive in this Section 5 shall survive the termination of Executive's employment with the Company.

6. Noncompetition and Nonsolicitation Covenants.

(a) Executive covenants and agrees that during employment and, in the event Executive receives severance payments as provided in Section 8 hereof, for the longer of (x) the twelve (12) month period immediately following Executive's Termination Date, or (y) the period immediately following Executive's Termination Date for which Executive receives severance pay as provided in Section 8 (whether paid in a lump sum or installments) (such applicable period in clause (x) or (y) being referred to herein as the "Restricted Period"), Executive will not (except on behalf of the Company or an Affiliate), directly or indirectly, serve or act as an owner, principal, partner, employee, officer, director, stockholder or consultant (which term does not include acting in an investment banking capacity) of a Competitive Business in the Restricted Area. For purposes hereof, (i) "Competitive Business" shall mean the production homebuilding business for single family homes (whether attached or detached) and other businesses in which the Company and its Affiliates are engaged (or have prepared written plans to engage) at any time during the period between the Effective Date and the Termination Date and the business activities related to such production homebuilding business, including acquiring and developing land and related improvements, land banking, the design, construction, marketing and sale of single family homes (whether attached or detached), arranging contracts with vendors, suppliers and subcontractors, and establishing warranty services; provided, however, Competitive Business shall not include providing businesses with consulting advice and contact information with respect to lending institutions and other financing sources, but only if such businesses and

their affiliates do not own or operate a production homebuilding business for single family homes, and (ii) the “Restricted Area” shall mean anywhere in the United States where the Company or any Affiliate is conducting, or is actively engaged in pursuing, the production homebuilding business for single family homes (whether attached or detached) on the Termination Date. Nothing in this Section 6(a) shall prohibit Executive from being a passive owner of not more than five percent (5%) of the outstanding shares of any class of securities of any Person listed on a national securities exchange which is engaged in a Competitive Business, so long as Executive has no active participation in the Competitive Business of such Person and does not serve on the board of directors or similar body of such Person.

(b) Executive covenants and agrees that during employment and during the Restricted Period, whether or not Executive is terminated with or without Cause, whether such termination is at the instance of Executive (with or without Good Reason) and regardless of whether Executive receives severance payments as provided in Section 8 hereof, Executive will not, on behalf of himself or directly or indirectly through another Person (including without limitation as an owner, principal, partner, officer, director, stockholder, employee, consultant or otherwise):

(i) call on, solicit for services, divert, take away or otherwise attempt in any manner to solicit the business of any customer, supplier or other business relation of the Company or any of its Affiliates for a purpose that is a Competitive Business, or in any way interfere with the relationship between any such customer, supplier or other business relation and the Company or any of its Affiliates (including, without limitation, inducing such Person to cease doing business with the Company or any of its Affiliates or making any negative statements or communications about the Company or any of its Affiliates); or

(ii) hire, engage, employ, solicit, take away, induce or attempt to hire, engage, solicit, take away or induce (either on Executive’s behalf or on behalf of any other Person) any Person who is then an employee or contractor of the Company or any of its Affiliates or who was an employee or contractor of the Company or any of its Affiliates (with respect to the Company’s or any of its Affiliates’ business) at any time during the twelve (12) month period immediately preceding Executive’s Termination Date, if applicable; provided, however, the foregoing shall not apply to any general solicitation conducted through the use of advertisements in the media, through the use of search firms or other routine recruiting activities, provided further that such searches are not specifically targeted at employees of the Company or any Affiliate and that any Person who Executive is otherwise precluded from hiring, engaging, employing, soliciting or taking away under this Section 6(b)(ii) is not hired to fill such open position.

(c) In the event Executive is subject to the noncompetition covenant set forth in Section 6(a) hereof, Executive shall notify the Company promptly upon his acceptance of employment (or commencement of providing consulting services) during the Restricted Period.

(d) The Company and Executive hereby agree and acknowledge that (i) the Company’s business is national in nature and therefore the geographic restrictions imposed by the noncompetition and nonsolicitation covenants set forth in Sections 6(a) and 6(b) hereof are

reasonable, necessary and appropriate in light of the nature of the Company's business; (ii) by having access to information concerning employees and customers of the Company, Executive shall obtain a competitive advantage as to such parties; (iii) the covenants and agreements of Executive contained in this Agreement are reasonably necessary to protect the interests of the Company in whose favor said covenants and agreements are imposed in light of the nature of the Company's business and the involvement of Executive in such business; (iv) the restrictions imposed by this Agreement are not greater than are necessary for the protection of the Company in light of the substantial harm that the Company will suffer should Executive breach any of the provisions of said covenants or agreements; and (v) the covenants and agreements of Executive contained in this Agreement form material consideration for this Agreement. In the event that a court of competent jurisdiction shall determine that any provision of this Agreement or the application thereof is unenforceable in whole or in part because of the geographic area, duration or scope thereof, the parties hereto agree that said court in making such determination shall have the power to modify the geographic area, duration and scope of such provision to the extent necessary to make it enforceable, and that the provision in its modified form shall be valid and enforceable to the full extent permitted by law.

(e) Executive acknowledges and affirms that a breach of Section 6(a) or 6(b) by Executive cannot be adequately compensated in an action for damages at law, and equitable relief would be necessary to protect the Company and its Affiliates from a violation of this Agreement and from the harm which this Agreement is intended to prevent. Accordingly, and notwithstanding anything contained in Section 14 hereof to the contrary, Executive agrees that in the event of any actual or threatened breach of such provisions, the Company and its Affiliates shall (in addition to any other remedies which they may have) be entitled to enforce their rights and Executive's obligations under this Section 6 not only by an action or actions for damages, but also by an action or actions for specific performance, temporary and/or permanent injunctive relief and/or other equitable relief in order to enforce or prevent any violations (whether anticipatory, continuing or future) of the provisions of this Section 6 (including the extension of the Restricted Period by a period equal to (i) the length of the violation of this Section 6, plus (ii) the length of any court proceedings necessary to stop such violation), and such relief may be granted without the necessity of proving actual damages or the inadequacy of money damages, or posting bond. In the event of a breach or violation by Executive of this Section 6, the running of the Restricted Period (but not Executive's obligations under this Section 6) shall be tolled with respect to Executive during the continuance of any breach of violation.

7. Termination of Employment.

(a) Executive's employment with the Company shall terminate upon:

(i) Executive's receipt of written notice from the Company of the termination of his employment for other than Cause (as hereinafter defined), effective as of the date indicated in such notice (which date may be the date of Executive's receipt of such notice);

(ii) Executive's receipt of written notice from the Committee that Executive's employment with the Company is being terminated for Cause, subject to compliance by the Committee with the procedures set forth in Section 8(h);

(iii) Executive's resignation or other voluntary termination of his employment (with or without Good Reason), including Retirement; provided that Executive shall be required to give thirty (30) days' advance written notice of his termination or resignation, except for a termination for Good Reason in which event the notice provisions of Section 8(l), shall apply;

(iv) Executive's Disability; or

(v) Executive's death.

(b) The date upon which Executive's termination of employment with the Company is effective shall be the "Termination Date."

(c) Upon termination of Executive's employment with the Company for any reason, Executive shall resign from all positions held as officer or director of the Company or its Affiliates effective as of the Termination Date.

(d) Upon termination of Executive's employment with the Company for any reason, Executive shall be entitled to receive unpaid Base Salary through the Termination Date, compensation for any earned but unused vacation or paid days off and any reimbursement of business expenses as provided in Section 3(e) hereof (together, the "Accrued Obligations") and any vested rights of Executive under any equity awards or agreements to the extent provided for in accordance with the terms of such awards or agreements.

8. Severance Pay Upon Termination of Employment.

(a) If Executive's employment with the Company is terminated by the Company without Cause or if Executive resigns with Good Reason and, in either instance, the Termination Date is not during the Change of Control Period, then the Company will pay to Executive as severance pay, an amount equal to (i) one and one-fourth (1.25) times the sum of his then current Base Salary and his target annual incentive bonus under the STIP for the Company's fiscal year in which his Termination Date occurs, and (ii) a pro rata annual incentive bonus under the STIP for the Company's fiscal year in which his Termination Date occurs (based upon the number of days that have elapsed in such fiscal year to the Termination Date) calculated based upon the Company's actual performance for such fiscal year. Such payments are subject to the conditions in Section 8(j), including, without limitation, subject to the condition that Executive is in compliance with the terms of Sections 4, 5 and 6 hereof. In addition Executive shall be entitled to receive the Accrued Obligations and the rights set forth in Section 7(d) hereof.

(b) If Executive's employment with the Company is terminated by the Company without Cause, or if Executive resigns with Good Reason and, in either instance, the Termination Date is during the Change in Control Period, then the Company will, subject to the conditions in Section 8(j) including, without limitation, subject to the condition that Executive is in compliance with Sections 4, 5 and 6 hereof, pay to Executive as severance pay an amount equal to two (2) times the sum of Executive's then current Base Salary and target annual

incentive bonus under the STIP for the Company's fiscal year in which his Termination Date occurs. In addition, Executive shall be entitled to receive the Accrued Obligations and the rights set forth in Section 7(d) hereof.

(c) Severance pay pursuant to Section 8(a)(i) will be paid to Executive in twelve (12) equal monthly installments commencing on the first normal payroll date of the Company after the sixty (60) day period following the Termination Date (but commencing no later than ninety (90) days after his Termination Date) and severance pay pursuant to Section 8(a)(ii) will be paid to Executive at the same time bonuses are paid to other executives for such fiscal year. Severance pay pursuant to Section 8(b) will be paid to Executive in a lump sum no later than sixty (60) days after the Termination Date provided that the Change in Control also constitutes a "change in ownership", "change in effective control" or "change in ownership of a substantial portion of the Company's assets" within the meaning of Code Section 409A. If the Change in Control does not constitute a "change in ownership", "change in effective control" or "change in ownership of a substantial portion of the Company's assets" within the meaning of Code Section 409A, severance pay pursuant to Section 8(b) in an amount equal to the severance pay pursuant to Section 8(a) (to the extent not exempt from Code Section 409A) will be paid in the same manner as payable under Section 8(a) and any additional amounts will be paid in a lump sum no later than sixty (60) days after the Termination Date. Severance pay shall be subject to all legally required tax withholdings and authorized deductions.

(d) If Executive is entitled to severance pay under Sections 8(a) or 8(b) above, Executive also shall be entitled to receive for up to twelve (12) months after his Termination Date, the group health, dental and vision coverages in which Executive participated immediately prior to the Termination Date at the same level as for active employees and in the same manner as if Executive's employment had not terminated. Any additional coverages Executive had at the Termination Date, including dependent coverage, will also be continued for that period on the same terms, to the extent permitted by the applicable policies or contracts. Executive will be responsible for paying any costs he was paying for those coverages at the Termination Date by separate check payable to the Company each month in advance (or by such other method as may be acceptable to the Company). If the terms of any benefit plan referred to in this subsection (d) or the laws applicable to that plan do not permit Executive's continued participation on the same basis as for active employees, then the Company will pay to Executive on the sixtieth (60th) day following the Termination Date a lump sum amount equal to the costs to continue such benefits for the twelve (12) month period, less the amount Executive would have to pay for such coverages.

(e) For awards granted to Executive under the LTIP (the "LTIP Awards") on or after the Effective Date, and for outstanding unvested LTIP Awards held by Executive as of the Effective Date, the following provisions shall apply and be incorporated into such LTIP Award agreements (capitalized terms used in this Section 8(e) and not otherwise defined in this Agreement shall have the meanings set forth in the LTIP):

(i) For Executive's LTIP Awards that vest solely on a time basis, in the event of (A) Executive's death or termination of employment for Disability, the LTIP

Awards shall become fully vested and nonforfeitable as of Executive's Termination Date, and (B) Executive's termination of employment by the Company without Cause, by Executive for Good Reason or by Executive's Retirement, the unvested LTIP Awards will vest with respect to such number of Shares (rounded to the nearest whole Share) equal to the product of the total number of Shares multiplied by a fraction (not to exceed one (1)) the numerator of which is equal to the number of whole months elapsed from the grant date to Executive's Termination Date and the denominator of which is the total number of months in the entire vesting period and the remaining Shares shall be forfeited.

(ii) For Executive's LTIP Awards that vest on a performance basis, in the event of (A) Executive's death or termination of employment for Disability, Shares equal to the Target Award shall become fully vested and non-forfeitable as of Executive's Termination Date and (B) Executive's termination of employment by the Company without Cause, by Executive for Good Reason or by Executive's Retirement, a pro rata amount of the Shares subject to the LTIP Award shall continue to be eligible to vest and be payable at the end of the Performance Period based upon the Company's performance for such Performance Period. The pro rata portion is determined by multiplying the actual number of Shares subject to the LTIP Award by a fraction (not to exceed one (1)) the numerator of which is equal to the number of whole months elapsed from the beginning of the Performance Period to Executive's Termination Date and the denominator of which is the total number of months in the entire Performance Period and the remaining Shares shall be forfeited.

(iii) In the event of an anticipated Change in Control, the Committee shall have the authority to determine that the LTIP Awards (which determination may be different for different types of LTIP Awards): (A) will be continued by the Company (if the Company is the surviving entity); or (B) will be assumed by the surviving entity or its parent or subsidiary; or (C) will be substituted for by the surviving entity or its parent or subsidiary with an equivalent award for the LTIP Award. If (A), (B) or (C) above apply, the continued, assumed or substituted awards will provide (X) similar terms and conditions, including vesting and performance measures, and preserve the same benefits as the LTIP Award that is being continued or replaced, and (Y) that, in the event of Executive's termination of employment by the Company without Cause or termination by the Executive for Good Reason, within the Change in Control Period, the unvested LTIP Award (or unvested substituted award) will fully vest (and at the Target Award level, if applicable) and become immediately nonforfeitable. If the Committee determines that (A), (B) or (C) shall not apply to the anticipated Change in Control (or makes no such determination), the LTIP Award shall fully vest on the Closing Date (and at the Target Award level, if applicable).

(iv) The outstanding unvested LTIP Awards held by Executive as of the Effective Date shall be amended in accordance with the provisions of this Section 8(e).

(f) In the event of termination of Executive's employment, the sole obligation of the Company hereunder shall be its obligation to make the payments called for by Section 8(a) or 8(b), as the case may be, and provide the benefits in Section 8(d), and the Company shall have no other obligation to Executive or to his beneficiaries or his estate, except as otherwise provided

by law, under the terms of any employee benefit plans or programs (excluding any severance plan or program) then maintained by the Company or any of its Affiliates in which Executive participates.

(g) Notwithstanding the foregoing provisions of this Section 8, the Company will not be obligated to make any payments under Section 8(a), Section 8(b) or Section 8(c) or provide the benefits under Section 8(d) hereof unless (i) Executive, if reasonably requested by the Board and for no additional consideration, completes such transitional duties as the Board may assign; (ii) Executive signs a release of claims in form satisfactory to the Company, which release shall contain a “carve-out” for any rights under Delaware law and the By-Laws of the Company to indemnification and advancement of expenses, on or before expiration of the twenty one (21) day period following the Termination Date and all applicable rescission periods provided by law have expired; and (iii) Executive is in compliance with the terms of this Agreement and any other agreements with the Company that survive the termination of Executive’s employment, including, without limitation, Executive is in compliance with the terms of Sections 4, 5 and 6 hereof. Notwithstanding any provision of this Agreement to the contrary, the timing of Executive’s execution of the release of claims will not, directly or indirectly, result in Executive designating the calendar year of any severance payment, and if a severance payment that is subject to execution of the release of claims could be made in more than one (1) taxable year, that payment will be made in the later taxable year.

(h) “Cause” means, in the good faith and reasonable judgment of the Committee, Executive has (i) willfully continued to fail to perform his duties with the Company or any of its Affiliates (occasioned by reason other than physical or mental illness or Disability of Executive); (ii) willfully engaged in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company; (iii) materially breached any of the restrictive covenants in Sections 4 and 6 of this Agreement; (iv) materially violated the Company’s Code of Business Conduct and Ethics (or any successor policy); or (v) been convicted of any felony (with no further possibility of appeal), or Executive has entered a guilty plea or plea of nolo contendere to any felony.

The termination of employment of Executive under clauses (i), (ii), (iii) and (iv) above shall not be deemed to be for “Cause” unless and until reasonable notice is provided to Executive that the Committee is considering terminating Executive’s employment for Cause and Executive is given an opportunity, together with his counsel, to be heard by the Committee.

(i) “Change of Control” shall mean:

(i) The acquisition by any Person (as hereinafter defined), including, without limitation, any group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of twenty five (25%) percent or more of either (A) the then outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of

directors (the “Outstanding Company Voting Securities”); provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change of Control: (1) any such acquisition directly from the Company unless it exceeds thirty-five (35%) of the Outstanding Company Common Stock or Outstanding Company Voting Securities, (2) any acquisition by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (4) any acquisition by any corporation pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (iii) of this section; or

(ii) Individuals who, as of the Effective Date, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date hereof whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board; or

(iii) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a “Business Combination”), in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one (1) or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, twenty-five percent (25%) or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (C) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; provided, that for purposes of this subsection, a Change of Control shall not be deemed to have occurred as result of such Business Combination if the Business Combination was approved by the Board and no Person’s ownership exceeds thirty-five percent (35%) of the outstanding shares or combined voting power of the company resulting from such Business Combination; or

(iv) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

(j) “Change of Control Period” shall mean the period commencing on the date of the consummation of a Change of Control (the “Closing Date”) and ending on the second (2nd) anniversary of the Closing Date.

(k) “Disability” means, as a result of a physical or mental injury or illness, Executive is unable to perform the essential functions of Executive’s job with reasonable accommodation for a period of (i) one hundred twenty (120) consecutive days or (ii) one hundred eighty (180) days in any twelve (12) month period. Any question as to the existence of a Disability to which the Executive and the Company cannot agree will be determined in writing by a qualified independent physician mutually acceptable to Executive and the Company. If Executive and the Company cannot agree as to a qualified independent physician, each will appoint a physician and those two physicians will select a third who shall make such determination in writing. This written determination of Disability will be final and conclusive for all purposes under this Agreement.

(l) “Good Reason” means, so long as no event, circumstance or condition has occurred or exists that would give rise to the Company’s right to terminate Executive for Cause, the occurrence of any of the following conditions without Executive’s consent:

(i) a material diminution in Executive’s authority, duties or responsibilities; or

(ii) a material diminution in Executive’s total compensation (including base salary, amounts received or to be received under the STIP, the LTIP and DCP and any other components of Executive’s then-compensation), compensation opportunities or benefits that is not part of a broader and comparable percentage reduction in such items for other similarly situated executives as part of an organizational cost cutting program; or

(iii) any other action or inaction that constitutes an uncured material breach by the Company of this Agreement; or

(iv) during the Change in Control Period, relocation of Executive’s primary office to a location more than thirty five (35) miles from Atlanta, Georgia.

Notwithstanding the foregoing, the occurrence of any of the events described above will not constitute Good Reason unless (A) Executive gives the Company written notice within fifteen (15) days after the initial occurrence of an event that Executive believes constitutes Good Reason and describes in such notice the details of such event; (B) the Company thereafter fails to cure any such event within fifteen (15) days after receipt of such notice; and (C) Executive’s Termination Date as a result of such event occurs at least thirty one (31) days after the Company’s receipt of the notice referred to in clause (A), but no more than sixty (60) days after the initial occurrence of such event.

(m) “Retirement” means a voluntary termination of employment by Executive (i) at age sixty-five (65) or older with at least five (5) years of service with the Company and/or its Affiliates or (ii) after at least twenty (20) years of service with the Company and/or its Affiliates.

9. Return of Records and Property. Upon termination of Executive’s employment with the Company or at any time upon the Company’s request, Executive shall promptly deliver to the Company any and all of the Company’s and its Affiliate’s records and any and all of the Company’s and its Affiliate’s property in his possession or under his control, including manuals, books, blank forms, documents, letters, memoranda, notes, notebooks, reports, printouts, computer disks, computer tapes, source codes, data, tables or calculations and all copies thereof, documents that in whole or in part contain any trade secrets or Confidential Information of the Company or its Affiliates and all copies thereof, and keys, access cards, access codes, passwords, credit cards, personal computers, telephones and other electronic equipment belonging to the Company or its Affiliates.

10. Remedies. Executive acknowledges that monetary damages alone will not adequately compensate the Company for the harm caused by any breach by him of the provisions of Sections 4, 5, 6, 9 or 11 hereof. Accordingly, in the event of any actual or threatened breach of any such provisions, and notwithstanding anything contained in Section 14 below to the contrary, the Company shall, in addition to any other remedies it may have, be entitled to injunctive and other equitable relief to enforce such provisions, and such relief may be granted without the necessity of proving actual monetary damages. Nothing in this Section 10 shall be construed to limit or prevent the Company from recovering any monetary damages it can prove as a result of Executive’s breach of Sections 4, 5, 6, 9 or 11 hereof.

11. Non-Disparagement. Executive will not at any time, during or after the Termination Date, disparage, defame or denigrate the reputation, character, image, products or services of the Company, or of any of its Affiliates, or, any of the Company’s or its Affiliate’s directors, officers, stockholders, members, employees or agents. The Company will not, except as may be required by law, issue any official press release or statement which is intended to disparage Executive.

12. Miscellaneous.

(a) Governing Law. All matters relating to the interpretation, construction, application, validity and enforcement of this Agreement, and any disputes or controversies arising hereunder, shall be governed by the laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule, whether of the State of Delaware or any other jurisdiction, that would cause the application of laws of any jurisdiction other than the State of Delaware.

(b) Jurisdiction and Venue. Executive and the Company consent to jurisdiction of the courts of the State of Georgia in the greater Atlanta, Georgia area and/or the United States District Court for the Northern District of Georgia, for the purpose of resolving all issues of law, equity or fact, arising out of or in connection with this Agreement, and any action

involving claims of a breach of this Agreement shall be brought in such courts. Each party consents to personal jurisdiction over such party in the state and/or federal courts of or in Georgia and hereby waives any defense of lack of personal jurisdiction. Venue, for the purpose of all such suits, shall be in any state or federal court in Georgia.

(c) Waiver of Jury Trial. SUBJECT TO SECTION 14 BELOW, IN THE EVENT OF ANY DISPUTE OR CONTROVERSY BETWEEN THE PARTIES ARISING HEREUNDER THAT IS THE SUBJECT OF A COURT PROCEEDING, THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY, AND HAVING HAD AN OPPORTUNITY TO CONSULT WITH COUNSEL, WAIVE ALL RIGHTS TO TRIAL BY JURY, AND AGREE THAT ANY AND ALL MATTERS SHALL BE DECIDED BY A JUDGE WITHOUT A JURY TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW.

(d) Entire Agreement. This Agreement contains the entire agreement of the parties relating to the compensation and benefits to be received by Executive under certain circumstances and supersedes all prior agreements and understandings with respect to such subject matter, and the parties hereto have made no agreements, representations or warranties relating to the subject matter of this Agreement that are not set forth herein. Without limiting the generality of the foregoing, this Agreement supersedes and replaces in its entirety the Prior Agreement and the Prior Agreement shall be of no force or effect.

(e) No Violation of Other Agreements or Obligations. Executive hereby represents and agrees that neither (i) Executive's entering into this Agreement nor (ii) Executive's carrying out the provisions of this Agreement, will violate any other agreement (oral, written or other) to which Executive is a party or by which Executive is bound, including without limitation any agreement to keep in confidence proprietary information, knowledge or data acquired by Executive in confidence or in trust prior to his employment with the Company. Executive will not disclose to the Company or induce the Company to use any confidential or proprietary information or material belonging to any previous employer or others and agrees not to enter into any agreement either written or oral in conflict with this Agreement.

(f) Amendments. No amendment or modification of this Agreement shall be deemed effective unless made in writing and signed by the parties hereto.

(g) No Waiver. No term or condition of this Agreement shall be deemed to have been waived, except by a statement in writing signed by the party against whom enforcement of the waiver is sought. Any written waiver shall not be deemed a continuing waiver unless specifically stated, shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

(h) Successors and Assigns. This Agreement will be binding upon and inure to the benefit of (a) the heirs, executors and legal representatives of Executive upon Executive's death or Disability and (b) any assignee or successor of the Company. Executive agrees that the Company may assign this Agreement. Any such assignee or successor of the Company will be deemed substituted for the Company (as applicable) herein. For purposes of this Section 12(h),

“successor” means any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company.

(i) Affiliated Entities. As used in this Agreement, the term “Affiliate” means, with respect to any Person, any Person controlling, controlled by or under common control with such Person, and, in the case of an individual, means his or her spouse, siblings, ascendants and descendants, and, with respect to the Company, includes, without limitation, each Person which controls the Company, is controlled by the Company or is under common control with the Company. For purposes of this definition, “control,” “controlled by” and “under common control with,” as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, by contract or otherwise. As used in this Agreement, the term “Person” means and includes an individual, a partnership, a joint venture, a corporation, a trust, an association, a limited liability company, an unincorporated organization and any other entity, and a government or any department, political subdivision or agency thereof.

(j) Notices. Notices required to be given under this Agreement must be in writing and will be deemed to have been given when notice is personally served, one (1) business day after notice is sent by reliable overnight courier or three (3) business days after notice is mailed by United States registered or certified mail, return receipt requested, postage prepaid, to the last known residence address of Executive or, in the case of the Company, to its principal office, to the attention of the Chairman of the Board of Directors, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address will be effective only upon receipt by the other party.

(k) Taxes. The Company may deduct from any payments made and benefits provided to Executive hereunder any withholding or other taxes which the Company is required or authorized to deduct under applicable law. Executive shall be liable and responsible for all of Executive’s tax obligations applicable to the compensation and benefits provided to Executive under this Agreement.

(l) Code Section 409A. This Agreement shall at all times be interpreted and operated in compliance with Section 409A of the Code. The parties intend that the payments and benefits under this Agreement will qualify for any available exceptions from coverage under Code Section 409A and this Agreement shall be interpreted accordingly. Without limiting the generality of the foregoing and notwithstanding any other provision of this Agreement to the contrary, (i) with respect to any payments and benefits under this Agreement to which Code Section 409A applies, all references in this Agreement to the Termination Date or other termination of Executive’s employment are intended to mean Executive’s “separation from service” within the meaning of Code Section 409A(a)(2)(A)(i), (ii) each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement, including, without limitation, under Section 8(a), shall be treated as a right to a series of separate payments, (iii) each such payment that is made within two and one-half (2-1/2) months following the end of the calendar year that contains the date of

the Executive's Termination Date is intended to be exempt from Code Section 409A as a short-term deferral within the meaning of the final regulations under Code Section 409A, (iv) each such payment that is made later than two and one-half (2-1/2) months following the end of the calendar year that contains the date of the Executive's Termination Date is intended to be exempt under the two-times pay exception of Treasury Reg. § 1.409A-1(b)(9)(iii), up to the limitation on the availability of that exception specified in the regulation, and (v) each payment that is made after the two-times pay exception ceases to be available shall be subject to delay (if necessary) as provided for "specified employees" below.

If Executive is a "specified employee" within the meaning of Code Section 409A at the time of Executive's separation from service, then to the extent necessary to avoid subjecting Executive to the imposition of any additional tax under Code Section 409A, amounts that would otherwise be payable under this Agreement during the six month period immediately following Executive's separation from service shall not be paid to Executive during such period, but shall instead be accumulated and paid to Executive (or, in the event of Executive's death, to Executive's estate) in a lump sum on the first business day after the earlier of the date that is six months following Executive's separation from service or Executive's death.

To the extent any reimbursements or in-kind benefits due to Executive under this Agreement are subject to Code Section 409A, (i) the expenses eligible for reimbursement or the in-kind benefits provided in any given calendar year will not affect the expenses eligible for reimbursement or the in-kind benefits provided in any other calendar year; (ii) the reimbursement of an eligible expense must be made no later than the last day of calendar year following the calendar year in which the expense was incurred; and (iii) the right to reimbursements or in-kind benefits cannot be liquidated or exchanged for any other benefit.

Notwithstanding the foregoing, no provision of this Agreement shall be interpreted or construed to transfer any liability for failure to comply with Code Section 409A from Executive or any other individual to the Company or any of its Affiliates.

(m) Counterparts. This Agreement may be executed in any number of counterparts (including by facsimile or other electronic transmission), and such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

(n) Severability. Subject to Section 6 hereof, to the extent that any portion of any provision of this Agreement shall be invalid or unenforceable, the remainder of such provision and of this Agreement shall be unaffected and shall continue in full force and effect, and so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid and unenforceable.

(o) Captions and Headings. The captions and paragraph headings used in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement or any of the provisions hereof.

13. Parachute Payments.

(a) Notwithstanding anything contained herein to the contrary, any payment or benefit received or to be received by Executive, whether payable pursuant to the terms of this Agreement or any other plan, arrangements, award agreement or other agreement with the Company or any Affiliate of the Company (collectively, the “Total Payments”), shall be reduced to the least extent necessary so that no portion of the Total Payments shall be subject to the excise tax imposed by Section 4999 of the Code, but only if, by reason of such reduction, the Net After-Tax Benefit (as defined below) received by Executive as a result of such reduction will exceed the Net After-Tax Benefit that would have been received by Executive if no such reduction was made. If excise taxes may apply to the Total Payments, the foregoing determination will be made by a nationally recognized accounting firm (the “Accounting Firm”) selected by the Company and reasonably acceptable to Executive. The Company will direct the Accounting Firm to submit any such determinations and detailed supporting calculations to both Executive and the Company not less than fifteen (15) days before the date on which a payment becomes due.

(b) If the Accounting Firm determines that a reduction in payments is required pursuant to this Section 13, cash benefits shall first be reduced, followed by a reduction of non-cash payments, including option or stock award vesting acceleration, in each case, beginning with payments that would be made last in time and only to the least extent necessary so that no portion thereof shall be subject to the excise tax imposed by Section 4999 of the Code, and the Company shall pay or provide such reduced amounts to Executive in accordance with the terms of this Agreement or any other applicable plan, arrangement or agreement governing such payments.

(c) If applicable, Executive and the Company will each provide the Accounting Firm access to and copies of any books, records and documents in their respective possession, reasonably requested by the Accounting Firm, and otherwise cooperate with the Accounting Firm in connection with the preparation and issuance of the determinations and calculations contemplated by this Section 13. The fees and expenses of the Accounting Firm for its services in connection with the determinations and calculations contemplated by this Section 13 will be borne by the Company.

(d) For purposes of this Section 13, “Net After-Tax Benefit” means (i) the Total Payments that Executive becomes entitled to receive from the Company or any Affiliate of the Company which would constitute “parachute payments” within the meaning of Code Section 280G, less (ii) the amount of all federal, state and local income and employment taxes payable by Executive with respect to the Total Payments, calculated at the maximum applicable marginal income tax rate, less (iii) the amount of excise taxes imposed on Executive with respect to the Total Payments under Section 4999 of the Code.

14. Arbitration; Attorneys’ Fees. Except as provided in Section 6(e) and Section 10, any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in Atlanta, Georgia by three arbitrators in accordance with the National Rules for the Resolution of Employment Disputes of the American Arbitration

Association in effect at the time of submission to arbitration. The provisions hereof are intended to supersede the Company's "RCB Program". Judgment may be entered on the arbitrators' award in any court having jurisdiction. For purposes of entering any judgment upon an award rendered by the arbitrators, the Company and Executive hereby consent to the jurisdiction of any or all of the following courts: (a) the United States District Court of the Northern District of Georgia, (b) any of the courts of the State of Georgia in the greater Atlanta, Georgia area, or (c) any other court having jurisdiction. The Company and Executive further agree that any service of process or notice requirements in any such proceeding shall be satisfied if the rules of such court relating thereto have been substantially satisfied. The Company and Executive hereby waive, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to such jurisdiction and any defense of inconvenient forum. The Company and Executive hereby agree that a judgment upon an award rendered by the arbitrators may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each party shall bear all of its own costs and expenses, including attorneys' fees, incurred in connection with any dispute under this Agreement, including in connection with any arbitration proceeding pursuant to this Section 14; provided, however, that if Executive incurs legal fees in seeking to defend, obtain or to enforce any rights or benefits provided by this Agreement and is successful in such defense, obtainment or enforcement of any rights or benefits through settlement, arbitration or otherwise, the Company shall promptly pay Executive's reasonable legal fees incurred in connection therewith.

[Signature Page Follows]

IN WITNESS WHEREOF, Executive and the Company have executed this Agreement as of the date set forth in the first paragraph.

COMPANY:

BEAZER HOMES USA, INC.

EXECUTIVE:

By: /s/ Allan P. Merrill

Name: Allan P. Merrill

Title: Chairman and CEO

/s/ Michael A. Dunn

Michael A. Dunn

July 29, 2024

Michael A. Dunn
600 Idlewood Drive
Sandy Springs, GA 30327

Dear Mike,

Congratulations on your promotion to SVP/General Counsel and a member of the Senior Leadership Team reporting to me. Your first day of employment in this position will be August 1, 2024 ("Start Date").

The details of your offer are as follows:

- **Base Salary** – On the Start Date, you will receive an annual base salary of **\$350,000**. The base salary will be paid bi-weekly in accordance with Beazer Homes' payroll practices as an exempt position (not eligible for overtime). All compensation shall be subject to the customary withholding tax and other employment taxes and deductions as required by law.
- **Annual Bonus** – You will continue to be eligible to participate in the Beazer Homes bonus plan however, with a new target bonus payout of **75%** of your base salary, prorated from your time in the position, with the opportunity to earn more or less than target bonus based on the level of achievement of metrics as pre-determined by the Company. As a member of the Senior Leadership Team, there is a potential for the bonus payout to be **150%** of your target bonus.
- **Long-Term Incentive Grant** – You will be eligible for long-term incentive awards for this position on such terms and such amounts as the Compensation Committee of the Board of Directors determines. Starting in Fiscal Year 2025, your target percentage will be **75%** of base salary and such awards are typically made in November of each year. You will be awarded a prorated amount of this based on time in position.
 - The restricted stock portion of the long-term incentive award typically vests ratably over three years.
 - The cash portion of your long-term incentive award would cliff vest three years from the grant date if the predetermined performance metrics are achieved.

From year to year there have been changes in the metrics for this award, however, by way of example only, the components for the Fiscal Year 2024 awards were

comprised of **30%** of the target percentage in time-based restricted stock, **30%** of the target percentage in performance-based restricted stock, and **40%** of the target percentage in a performance-based cash opportunity.

The restricted stock portion of the long-term incentive award vests ratably over three years.

The performance restricted stock portion of the long-term incentive award cliff vests three years from the grant date if the predetermined performance metrics are achieved.

The cash portion of your long-term incentive award cliff vests three years from the grant date if the predetermined performance metrics are achieved.

Upon the Start Date, you will be awarded a one-time long-term incentive grant, valued at **\$100,000** at time of grant, of restricted stock which will ratably vest over 3 years on each anniversary. You must be employed by the Company on such date to receive the award.

The full details and conditions of the long-term incentive awards will be provided to you in award agreements upon issuance. The award agreements will be the controlling document.

- **Deferred Compensation Plan (“DCP”)** – Starting in Fiscal Year 2025, you will receive an annual contribution in the amount of **\$50,000** paid bi-weekly in accordance with the Company’s payroll practices.
- **Benefits** – All other benefits and insurance coverages will remain in effect upon your promotion.

This offer letter does not create a contract of employment. Your employment is at will. Either you or Beazer Homes may terminate this employment at any time, for any reason with or without cause. You are not being hired for any specific term or duration and this offer letter does not create a contract of employment.

The letter contains all terms and conditions of the offer. Nothing herein affects Beazer’s rights to modify or adjust any benefits offered by the company.

As in the past, you shall work only in the interests of the Company and shall not engage in, or have any interest in, any other business without the prior written consent of the Company. All Company matters shall be treated as private and confidential.

As a reminder, employment with Beazer Homes is subject to the terms and procedures of the Beazer Homes RCB (Resolving Concerns at Beazer) Program,

which provides the sole and exclusive means of resolution of all grievances, disputes, and claims arising out of or relating to applications for employment, employment or termination of employment. We encourage you to review a copy of the RCB Program, which can be found in the Beazer Way section of the Company's intranet.

Congratulations on your new position! We look forward to your continued growth and are confident that you will bring the skills, experience, and commitment we need to continue the growth of our business.

Sincerely,

Allan Merrill
Chairman and CEO

Acceptance Signature: /s/ Michael A. Dunn
Print Name: Michael A. Dunn

AMENDED AND RESTATED 2014 LONG-TERM INCENTIVE PLAN

BEAZER HOMES USA, INC.

AMENDED AND RESTATED 2014 LONG-TERM INCENTIVE PLAN

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BEAZER HOMES USA, INC. AMENDED AND RESTATED

2014 LONG-TERM INCENTIVE PLAN

As Amended Effective as of February 8, 2024

Article 1 - General Provisions

- 1.1 *Establishment of Plan.* Beazer Homes USA, Inc., a Delaware corporation (the “Company”), previously established an incentive compensation plan known as the “Beazer Homes USA, Inc. 2014 Long-Term Incentive Plan” (the “Incentive Plan”). Effective as of February 5, 2020, the Board (as defined below) amended and restated the Incentive Plan to be known as the “Beazer Homes USA, Inc. Amended and Restated 2014 Long-Term Incentive Plan” (the “Plan”). Effective as of December 12, 2023 and subject to the approval of the Company’s stockholders, the Board amended the Plan, as set forth in this document.
- 1.2 *Purpose of Plan.* The objectives of the Plan are to (i) attract and retain employees, directors, and other persons who perform services for the Company and its affiliates by providing compensation opportunities that are competitive with other companies; (ii) provide incentives to those individuals who contribute significantly to the long-term performance and growth of the Company and its affiliates; and (iii) align the long-term financial interests of employees and other Eligible Participants with those of the Company’s stockholders.
- 1.3 *Types of Awards.* Awards under the Plan may be made to Eligible Participants in the form of (i) Incentive Stock Options, (ii) Nonqualified Stock Options, (iii) Stock Appreciation Rights, (iv) Restricted Stock, (v) Restricted Stock Units, (vi) Performance Shares, (vii) Performance Units, (viii) Other Stock-Based Awards, (ix) Long-Term Incentive Compensation Awards or any combination thereof.
- 1.4 *Effective Date.* The Plan, as amended, will become effective on the date on which the Company’s stockholders approve the Plan, as amended (the “Effective Date”).
- 1.5 *Termination of Plan.* No Awards shall be granted under the Plan after the tenth anniversary of the Effective Date. However, Awards granted under the Plan on or prior to the tenth anniversary of the Effective Date shall remain outstanding beyond that date in accordance with the terms and conditions of the Plan and the Agreements corresponding to such Awards.

Article 2 - Definitions

Except where the context otherwise indicates, the following definitions apply:

- 2.1 “Act” means the Securities Exchange Act of 1934, as now in effect or as hereafter amended. All citations to sections of the Act or rules thereunder are to such sections or rules as they may from time to time be amended or renumbered.
- 2.2 “Agreement” means the written agreement evidencing an Award granted under the Plan that specifies the size, form, terms, conditions and duration of each Award. As determined by the Committee, each Agreement shall consist of either (i) a written agreement in a form approved by the Committee and executed on behalf of the Company by an officer duly authorized to act on its behalf, or (ii) an electronic notice of Award grant in a form approved by the Committee and recorded by the Company (or its designee) in an electronic recordkeeping system used for the purpose of tracking Award grants under the Plan, and if required by the Committee, executed or otherwise electronically accepted by the recipient of the Award in such form and manner as the Committee may require. The Committee may authorize any officer of the Company (other than the particular Award recipient) to execute any or all Agreements on behalf the Company.
- 2.3 “Award” means an Option, a Stock Appreciation Right, Restricted Stock, a Restricted Stock Unit, a Performance Share, a Performance Unit, an Other Stock-Based Award, a Long-Term Incentive Compensation Award or a combination thereof.
- 2.4 “Award Pool” shall have the meaning ascribed to such term in Section 4.1.
- 2.5 “Board” means the Board of Directors of the Company, as constituted from time to time.
- 2.6 “Cause” means, “Cause” as defined under any written employment or service agreement applicable to the Participant at the time of the Participant’s termination or if no such employment or service agreement exists or if such employment or service agreement does not contain any such definition, “Cause” means (a) the Participant’s act or failure to act amounting to gross negligence or willful misconduct to the detriment of the Company or any affiliate; (b) the Participant’s dishonesty, fraud, theft or embezzlement of funds or properties in the course of Participant’s employment or service; (c) the Participant’s commission of or pleading guilty to or confessing to any felony; or (d) the Participant’s breach of any restrictive covenant agreement with the Company or any affiliate, including, but not limited to, covenants not to compete, non-solicitation covenants and non-disclosure covenants. “Cause” shall also include a material violation of the Company’s Code of Business Conduct & Ethics or any successor or similar Company policy governing ethical behavior. The existence of “Cause” under this Section 2.6 shall be determined in good faith by the Committee.

2.7 “Change in Control” means, except as otherwise expressly provided in an Agreement, the occurrence of any of the following events:

- (1) The accumulation in any number of related or unrelated transactions by any Person of Beneficial Ownership of twenty-five percent (25%) or more of the combined voting power of the Company’s voting stock; provided that for purposes of this subsection (a), a Change in Control will not be deemed to have occurred if the accumulation of twenty-five percent (25%) or more of the Beneficial Ownership of the combined voting power of the Company’s voting stock resulted from (i) any acquisition of voting stock by the Company or by any employee benefit plan (or related trust) sponsored or maintained by the Company or any affiliate or (ii) any acquisition of voting stock directly from the Company provided the Person’s Beneficial Ownership of the combined voting power of the Company’s voting stock at no time thereafter equals thirty-five percent (35%) or more of the combined voting power of the Company’s voting stock; or
- (2) Consummation of a merger, consolidation, reorganization or similar transaction (a “Business Combination”), unless, immediately following that Business Combination, (i) all or substantially all of the Persons who had Beneficial Ownership of the voting stock of the Company immediately prior to that Business Combination have Beneficial Ownership, directly or indirectly, of more than fifty percent (50%) of the combined voting power of the Company’s or the surviving entity’s voting stock resulting from that Business Combination (including, without limitation, an entity that as a result of that transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries), in substantially the same proportions relative to each other as their Beneficial Ownership, immediately prior to that Business Combination, of the voting stock of the Company, (ii) no Person acquires Beneficial Ownership of twenty five percent (25%) or more of the combined voting power of the Company’s or the surviving entity’s voting stock resulting from that Business Combination (including, without limitation, an entity that as a result of that transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries), and (iii) the Business Combination does not result in a Change in Control under subsection (c) below; provided that for purposes of this subsection (b), a Change in Control will not be deemed to have occurred as the result of any Person’s accumulation of Beneficial Ownership of twenty-five percent (25%) or more, but less than thirty-five percent (35%), of the combined voting power of the Company’s or the surviving entity’s voting stock resulting from that Business Combination so long as the Board approved the Business Combination; or
- (3) Less than a majority of the members of the Board of Directors of the Company or any entity resulting from a Business Combination are Incumbent Board Members; or

(4) Consummation of a sale or other disposition of all or substantially all of the assets of the Company, except pursuant to a Business Combination that would not cause a Change in Control under subsection (b) above; or

(5) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company, except pursuant to a Business Combination that would not cause a Change in Control under subsection (b) above

For purposes of this Section 2.7, the meaning of (i) “Person” shall be based on the definition of person in Section 3(a)(9) of the Act, as modified and used in Sections 13(d) and 14(d) of the Act, and (ii) “Beneficial Ownership” shall be as such term is used in Rule 13d-3 under the Act.

Incumbent Board Member means an individual who either is (a) a member of the Company’s Board as of the effective date of the adoption of this Plan or (b) a member who becomes a member of the Company’s Board subsequent to the date of the adoption of this Plan whose election, or nomination for election by the Company’s shareholders, was approved by a vote of a majority of the then Incumbent Board Members (either by a specific vote or by approval of the proxy statement of the Company in which that Person is named as a nominee for director, without objection to that nomination), but excluding, for that purpose, any individual whose initial assumption of office occurs as a result of an actual or threatened election contest (within the meaning of Rule 14a-11 of the Act) with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors.

Notwithstanding anything in this Plan or any Agreement to the contrary, to the extent any provision of this Plan or an Agreement would cause a payment of a 409A Award to be made because of the occurrence of a Change in Control, then such payment shall not be made unless such Change in Control also constitutes a “change in ownership”, “change in effective control” or “change in ownership of a substantial portion of the Company’s assets” within the meaning of Code section 409A. Other Participant rights that are tied to a Change in Control, such as vesting, shall not be affected by this paragraph.

2.8 “Code” means the Internal Revenue Code of 1986, as now in effect or as hereafter amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered and shall include all related regulations.

2.9 “Committee” means the Human Capital Committee of the Board, or the Board itself if no Human Capital Committee exists. If such Human Capital Committee exists, if and to the extent deemed necessary by the Board, such Human Capital Committee shall consist of two or more directors, all of whom are (i) “non-employee directors” within the meaning of Rule 16b-3 under the Exchange Act, and (ii) independent directors under the rules of any stock exchange on which the Company’s securities are traded.

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- 2.10 “Company” means Beazer Homes USA, Inc., a Delaware corporation, and its successors and assigns.
- 2.11 [Intentionally omitted]
- 2.12 “Director” means any individual who is a member of the Board; provided, however, that any individual who is both a member of the Board and employed by the Company or any other entity constituting the Employer shall not be considered a Director for purposes of the Plan.
- 2.13 “Disability” means, with respect to any Incentive Stock Option, a disability as determined under Code section 22(e)(3), and with respect to any other Award, a disability as determined under procedures established by the Committee or in any Agreement; provided that to the extent any provision of this Plan or an Agreement would cause a payment of a 409A Award to be made because of the Participant’s Disability, then there shall not be a Disability that triggers payment until the date (if any) that the Participant is disabled within the meaning of Code section 409A(a)(2)(C).
- 2.14 “Effective Date” shall have the meaning ascribed to such term in Section 1.4 above.
- 2.15 “Eligible Participant” means an employee of an Employer as well as any other natural person, including a Director or a person who provides bona fide services to an Employer, subject to any limitations as shall be determined by the Committee.
- 2.16 “Employer” means the Company and any entity during any period that it is a “parent corporation” or a “subsidiary corporation” with respect to the Company within the meaning of Code sections 424(e) and 424(f). With respect to all purposes of the Plan, including but not limited to, the establishment, amendment, termination, operation and administration of the Plan, the Company shall be authorized to act on behalf of all other entities included within the definition of “Employer.”
- 2.17 “Fair Market Value” means, on any given date:
- (1) if the Shares are listed on the NYSE on the given date, Fair Market Value on such date shall be the closing price for a Share on the NYSE on such date, or if no sale was reported on such date, on the last preceding day on which a sale was reported on the NYSE;
 - (2) if the Shares are listed on a national or regional securities exchange other than the NYSE on the given date, Fair Market Value on such date shall be the closing price for a Share on the securities exchange on such date or, if no sale was reported on such date, on the last preceding day on which a sale was reported on such exchange; or
 - (3) if neither (a) nor (b) applies on the given date, the fair market value of a Share on that date shall be determined in good faith by the Committee.

For purposes of subsection (b) above, if Shares are not traded on the NYSE but they are traded on more than one securities exchange on the given date, then the following exchange shall be referenced to determine Fair Market Value: (i) the NASDAQ, or (ii) if shares are not traded on the NASDAQ, the largest exchange on which Shares are traded.

Notwithstanding the foregoing, (i) in the case of an Option or SAR, Fair Market Value shall be determined in accordance with a definition of fair market value that permits the Award to be exempt from Code section 409A; and (ii) in the case of an Option that is intended to qualify as an ISO under Code section 422, Fair Market Value shall be determined by the Committee in accordance with the requirements of Code section 422.

2.18 “409A Award” means each Award that is not exempt from Code section 409A.

2.19 “Good Reason” means, “Good Reason” as defined under any written employment or service agreement applicable to the Participant at the time of the Participant’s termination or if no such employment or service agreement exists or if such employment or service agreement does not contain any such definition, “Good Reason” means the occurrence of any of the following conditions without the Participant’s consent:

- (1) a material diminution in the Participant’s authority, duties or responsibilities from those that existed on the date immediately preceding the Change in Control; or
- (2) relocation of the Participant’s primary office to a location more than thirty-five (35) miles from the location of the Participant’s primary office on the date immediately preceding the Change in Control.

Notwithstanding the foregoing, the occurrence of any of the events described above will not constitute Good Reason unless (i) the Participant gives the Company written notice within fifteen (15) days after the initial occurrence of an event that the Participant believes constitutes Good Reason and describes such event in the notice; (ii) the Company thereafter fails to cure any such event within fifteen (15) days after receipt of such notice; and (iii) the Participant’s termination as a result of such event occurs at least 31 days after the Company’s receipt of the notice referred to in clause (ii), but no more than 60 days after the initial occurrence of such event. The existence of “Good Reason” under this Section 2.19 shall be determined in good faith by the Committee.

2.20 “Incentive Stock Option” or “ISO” means an Option granted to an Eligible Participant under Article 5 of the Plan which is designated as an Incentive Stock Option and intended to meet the requirements of Code section 422.

2.21 “Insider” shall mean an individual who is, on the relevant date, subject to the reporting requirements of Section 16(a) of the Act.

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- 2.22 “Long-Term Incentive Compensation Award” means an Award that is granted pursuant to Article 10 of the Plan.
- 2.23 “Nonqualified Stock Option” or “NQSO” means an Option granted to an Eligible Participant under Article 5 of the Plan which is not intended to meet the requirements of Code section 422 or that otherwise does not meet such requirements.
- 2.24 “NYSE” means the New York Stock Exchange.
- 2.25 “Option” means an Incentive Stock Option or a Nonqualified Stock Option. An Option shall be designated as either an Incentive Stock Option or a Nonqualified Stock Option, and in the absence of such designation shall be a Nonqualified Stock Option.
- 2.26 “Option Price” means the price at which a Share may be purchased by exercise of an Option.
- 2.27 “Other Stock-Based Award” means any form of equity-based or equity-related award, other than an Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Performance Stock, or Performance Unit, that is granted pursuant to Article 9 of the Plan.
- 2.28 “Participant” means an Eligible Participant to whom an Award has been granted.
- 2.29 “Payment Date” shall have the meaning set forth in Section 5.5 of the Plan.
- 2.30 “Performance Share” means an Award under Article 8 of the Plan that is valued by reference to a Share, which value may be paid to the Participant by delivery of cash or Shares, or any combination thereof, as determined by the Committee, upon achievement of such performance objectives during the relevant performance period as the Committee shall establish at the time of such Award or thereafter.
- 2.31 “Performance Unit” means an Award under Article 8 of the Plan that has a value set by the Committee (or that is determined by reference to a valuation formula specified by the Committee), which value may be paid to the Participant by delivery of cash or Shares, or any combination thereof, as determined by the Committee, upon achievement of such performance objectives during the relevant performance period as the Committee shall establish at the time of such Award or thereafter.
- 2.32 “Plan” means the Beazer Homes USA, Inc. Amended and Restated 2014 Long-Term Incentive Plan, as set forth in this document and as it may be amended from time to time.
- 2.33 “Restricted Stock” means an Award of Shares under Article 7 of the Plan, which Shares are issued with such restriction(s) as the Committee, in its sole discretion, may impose.
- 2.34 “Restricted Stock Unit” means an Award under Article 7 of the Plan that is valued by reference to a Share, which value may be paid to the Participant by delivery of such property as the Committee shall

determine, including without limitation, cash or Shares, or any combination thereof, and that has such restriction(s) as the Committee, in its sole discretion, may impose.

- 2.35 “Restriction Period” means the period during which Restricted Stock or Restricted Stock Units are subject to one or more restrictions that will lapse based on the passage of time, the achievement of performance goals, or the occurrence of another event or events, as determined by the Committee and specified in the applicable Agreement.
- 2.36 “SAR Price” means the amount that is subtracted from the Fair Market Value of a Share at the time of exercise of a SAR to determine the amount payable, if any, upon exercise of the SAR.
- 2.37 “Share” means one share of common stock, par value \$.001 per share, of the Company, as may be adjusted pursuant to the provisions of Section 4.3 of the Plan.
- 2.38 “Stock Appreciation Right” or “SAR” means an Award granted under Article 6 which provides for an amount payable in Shares and/or cash, as determined by the Committee, equal to the excess of the Fair Market Value of a Share on the day the Stock Appreciation Right is exercised over the SAR Price.

Article 3 - Administration

3.1 *General.* This Plan shall be administered by the Committee.

3.2 *Authority of the Committee.*

- (1) The Committee shall have the full and exclusive discretionary authority to (i) interpret, construe and administer the terms and intent of the Plan and any Agreement (as well as any other agreement or document related to the Plan or an Award), (ii) select the persons who are eligible to receive an Award, (iii) act in all matters pertaining to the granting of an Award and the contents of the Agreement evidencing the Award, including the determination of the size, form, terms, conditions and duration of each Award, and (iv) make any amendment to an Award or Agreement consistent with the provisions of the Plan. The Committee may adopt such rules, regulations and procedures of general application for the administration of this Plan, as it deems appropriate. For the avoidance of doubt, the Committee shall have no authority to grant or amend any Award in a manner that contravenes the minimum vesting requirement set forth in Section 3.5 hereof.
- (2) The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Agreement in the manner and to the extent it shall deem desirable to address the matter.

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- (3) In the event the Company shall assume outstanding employee benefit awards or the right or obligation to make future such awards in connection with the acquisition of another corporation or business entity, the Committee may, in its discretion, make such adjustments in the terms of Awards under the Plan as it shall deem appropriate.
 - (4) In making any determination or in taking or not taking any action under the Plan, the Committee may obtain and may rely on the advice of experts, including employees of the Company and professional advisors.
 - (5) All acts, determinations and decisions of the Committee made or taken pursuant to grants of authority under the Plan or with respect to any questions arising in connection with the administration and interpretation of the Plan, including the severability of any and all of the provisions thereof, shall be conclusive, final and binding upon all parties, including the Company, its stockholders, any Employer, Participants, Eligible Participants and their estates, beneficiaries and successors.

3.3 *Rules for Foreign Jurisdictions.* Notwithstanding anything in the Plan to the contrary, the Committee may, in its sole discretion, (i) amend or vary the terms of the Plan in order to conform such terms with the requirements of each non-U.S. jurisdiction where an Eligible Participant is located or where an Eligible Participant's Award rights are otherwise regulated (including changes related to obtaining favorable tax treatment and avoiding unfavorable tax treatment) or in order to meet the goals and objectives of the Plan; (ii) establish one or more sub-plans for these purposes; and (iii) establish administrative rules and procedures to facilitate the operation of the Plan in such non-U.S. jurisdictions.

3.4 *Delegation of Authority.* The Committee may, in its discretion, at any time and from time to time, delegate to one or more of the members of the Committee such of its powers as it deems appropriate (provided that any such delegation shall be to at least two members of the Committee with respect to Awards to Insiders). Except with respect to Awards to Insiders, the Committee may, in its discretion, at any time and from time to time, delegate to one or more persons who are not members of the Committee any or all of its authority and discretion under Section 3.2 and 3.3, to the full extent permitted by law and the rules of any exchange on which Shares are traded.

3.5 *Agreements.* Each Award granted under the Plan shall be evidenced by an Agreement, provided that Awards granted on or after November 1, 2016 shall be subject to a vesting period of not less than one year from the date of grant, except where vesting occurs due to (i) a Participant's death or disability or (ii) with respect to Awards which in aggregate do not exceed five percent (5%) of the total number of Shares available under the Plan. Each Agreement shall be subject to and incorporate, by reference or otherwise, the applicable terms and conditions of the Plan, and may include any other terms and conditions, not inconsistent with the Plan, as determined by the Committee, including without limitation, provisions related to the consequences of termination of employment. A copy of the Agreement evidencing an

Award shall be provided to the affected Participant, and the Committee may, but need not, require that the Participant sign a copy of the Agreement.

- 3.6 *Indemnification.* In addition to such other rights of indemnification as they may have as members of the Board or as members of the Committee, the Company shall indemnify and hold harmless the members of the Committee against (i) reasonable expenses, including attorney's fees, actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal thereof, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan or any Award granted thereunder, (ii) all amounts paid by them in settlement thereof, provided such settlement is approved by independent legal counsel selected by the Company, and (iii) all amounts paid by them in satisfaction of a judgment in any such action, suit or proceeding, except as to matters as to which the Committee member has been negligent or engaged in misconduct in the performance of his duties (all amounts reimbursed hereunder are referred to as the "Reimbursement Expenses"); provided, that within 60 days after institution of any such action, suit or proceeding, a Committee member shall in writing offer the Company the opportunity, at its own expense, to handle and defend the same. In the performance of its responsibilities with respect to the Plan, the members of the Committee shall be entitled to rely upon, and no member of the Committee shall be liable for any action taken or not taken in good faith reliance upon, information and/or advice furnished by the Company's officers or employees, the Company's accountants, or the Company's counsel.

Article 4 - Shares Subject to the Plan

- 4.1 *Number of Shares.* Subject to adjustment as provided in Section 4.3, the aggregate number of Shares which are available for issuance pursuant to Awards under the Plan is 8,000,000 Shares, inclusive of the 2,000,000 Shares initially reserved under the Incentive Plan, the 1,850,000 Shares added to the Incentive Plan pursuant to the amendment approved by the Board on November 8, 2016, the 1,700,000 Shares added to the Plan pursuant to the amendment and restatement of the Incentive Plan approved by the Board on November 6, 2019 and the 2,450,000 Shares added to the Plan pursuant to the amendment approved by the Board on December 12, 2023 (the "Award Pool"). The Award Pool shall be available for all types of Awards granted under the Plan; there is no maximum number of Shares per type of Award. Such Shares shall be made available from Shares authorized but unissued or Shares held (or subsequently acquired) by the Company as treasury shares, including Shares purchased in the open market or in private transactions.

The following rules shall apply for purposes of determining the number of Shares available for issuance under the Plan:

- (1) Each Option shall be counted as one Share subject to an Award and deducted from the Award Pool.

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- (2) Each share of Restricted Stock, each Restricted Stock Unit that may be settled in Shares and each Other Stock-Based Award that may be settled in Shares shall be counted as one Share subject to an Award and deducted from the Award Pool. Restricted Stock Units and Other Stock-Based Awards that may not be settled in Shares shall not result in a deduction from the Award Pool.
 - (3) Each Performance Share that may be settled in Shares shall be counted as one Share subject to an Award, based on the number of Shares that would be paid under the Performance Share for achievement of target performance, and deducted from the Award Pool. Each Performance Unit that may be settled in Shares shall be counted as a number of Shares subject to an Award, based on the number of Shares that would be paid under the Performance Unit for achievement of target performance, with the number determined by dividing the value of the Performance Unit at the time of grant by the Fair Market Value of a Share at the time of grant, and this number shall be deducted from the Award Pool. In both cases, in the event that the Award is later settled based on above-target performance, the number of Shares corresponding to the above-target performance, calculated pursuant to the applicable methodology specified above, shall be deducted from the Award Pool at the time of such settlement; in the event that the Award is later settled upon below-target performance, the number of Shares corresponding to the below-target performance, calculated pursuant to the applicable methodology specified above, shall be added back to the Award Pool. Performance Shares and Performance Units that may not be settled in Shares shall not result in a deduction from the Award Pool.
 - (4) Each Stock Appreciation Right that may be settled in Shares shall be counted as one Share subject to an Award, regardless of the number of Shares actually delivered to a Participant, and deducted from the Award Pool. Stock Appreciation Rights that may not be settled in Shares shall not result in a deduction from the Award Pool.
 - (5) If an Award granted under the Plan lapses, expires, terminates, is forfeited or otherwise cancelled without issuance of the Shares or the Award is settled in cash in lieu of Shares, such Shares shall again be available for issuance pursuant to an Award under the Plan and shall be added back to the Award Pool. However, if the tax withholding obligation, exercise price or purchase price under an Award is satisfied by the Company retaining Shares that otherwise would have been issued in settlement of the Award or by Shares tendered by the Participant (either by actual delivery or attestation), the number of Shares so retained or tendered shall not again be available for issuance pursuant to an Award under this Plan and shall not be added back to the Award Pool. In addition, any Shares that are purchased by the Company with proceeds from the exercise of an Award shall not be added back to the Award Pool.

4.2 *Individual Limits.* Subject to adjustment as provided in Section 4.3, the following rules shall apply to Awards under the Plan. Sections 4.2(a) through (e) shall apply to Participants other than Directors, and Section 4.2(f) shall apply only to Directors.

- (1) *Options and SARs.* The maximum number of Options and Stock Appreciation Rights that, in the aggregate, may be granted in any one fiscal year to any one Participant shall be Seven Hundred Fifty Thousand (750,000).
- (2) *Restricted Stock and Restricted Stock Units.* The maximum number of Shares of Restricted Stock and Restricted Stock Units that, in the aggregate, may be granted in any one fiscal year to any one Participant shall be Two Hundred Fifty Thousand (250,000) Shares and Units.
- (3) *Performance Units.* The maximum number of Performance Units (valued as of the grant date) that, in the aggregate, may be granted in any one fiscal year to any one Participant shall be Five Hundred Thousand (500,000), to the extent settled in Shares, or Three Million Dollars (\$3,000,000), to the extent settled in cash. This limitation shall be applied based on the maximum amount that could be paid under the Award of Performance Units.
- (4) *Performance Shares and Other Stock-Based Awards.* The maximum number of Performance Shares and Other Stock-Based Awards that, in the aggregate, may be granted in any one fiscal year to any one Participant shall be Five Hundred Thousand (500,000). This limitation shall be applied based on the maximum amount that could be paid under the Award of Performance Shares and Other Stock-Based Awards.
- (5) *Long-Term Incentive Compensation Awards.* The maximum Long-Term Incentive Compensation Awards that, in the aggregate, may be granted in any one fiscal year to any one Participant shall be Three Million Dollars (\$3,000,000). This limitation shall be applied based on the maximum amount that could be paid under the Long-Term Incentive Compensation Awards.
- (6) *Director Award Limits.* The maximum fair value of Awards made in any one fiscal year to any Director shall not exceed \$350,000, with fair value determined as of the Award grant date under applicable accounting standards.

4.3 *Adjustment of Shares.* If any change in corporate capitalization, such as a stock split, reverse stock split, or stock dividend; or any corporate transaction such as a reorganization, reclassification, merger or consolidation or separation, including a spin-off, of the Company or sale or other disposition by the Company of all or a portion of its assets, any other change in the Company's corporate structure, or any distribution to stockholders (other than an ordinary cash dividend) results in the outstanding Shares, or any securities exchanged therefore or received in their place, being exchanged for a different number or

class of shares or other securities of the Company, or for shares of stock or other securities of any other corporation; or new, different or additional shares or other securities of the Company or of any other corporation being received by the holders of outstanding Shares; then the Committee shall make equitable adjustments, as it determines are necessary and appropriate, in:

- (1) the number and class of stock or other securities that comprise the Award Pool as set forth in Section 4.1;
- (2) the limitations on the aggregate number of Awards that may be granted in any one fiscal year to any one Participant as set forth in Section 4.2;
- (3) the number and class of stock or other securities subject to outstanding Awards, and which have not been issued or transferred under outstanding Awards;
- (4) the Option Price under outstanding Options, the SAR Price under outstanding Stock Appreciation Rights and the number of Shares to be transferred in settlement of outstanding Options and Stock Appreciation Rights; and
- (5) the terms, conditions or restrictions of any Award and Agreement, including the price payable for the acquisition of Shares.

It is intended that, if possible, any adjustments contemplated above shall be made in a manner that satisfies applicable legal requirements, as well as applicable requirements with respect to taxation (including, without limitation and as applicable in the circumstances, Code section 424 and Code section 409A) and accounting (so as to not trigger any charge to earnings with respect to such adjustment).

Without limiting the generality of the above, any good faith determination by the Committee as to whether an adjustment is required in the circumstances and the extent and nature of any such adjustment shall be final, conclusive and binding on all persons.

Article 5 - Stock Options

- 5.1 *Grant of Options.* Subject to the terms and provisions of the Plan, Options may be granted to Eligible Participants in such amounts and upon such terms, and at any time and from time to time, as shall be determined by the Committee. The Committee shall have sole discretion in determining the number of Shares subject to Options granted to each Participant. The Committee may grant a Participant ISOs, NQSOs or a combination thereof, and may vary such Awards among Participants; provided that only Participants who are common law employees of the Employer may be granted ISOs. Notwithstanding anything in this Article 5 to the contrary, except for Options that are specifically designated as intended to be subject to Code section 409A, Options may only be granted to individuals who provide direct services

on the date of grant of the Option to the Company or another entity in a chain of entities in which the Company or another such entity has a controlling interest (within the meaning of Treasury Regulation § 1.409A-1(b)(5)(iii)(E)) in each entity in the chain.

- 5.2 *Option Price.* The Option Price for each grant of an Option shall be determined by the Committee and shall not be less than one hundred percent (100%) of the Fair Market Value of a Share on the date the Option is granted. Notwithstanding the prior sentence, an Option may be granted with an Option Price that is less than one hundred percent (100%) of the Fair Market Value of a Share on the date the Option is granted if such Option is granted in replacement for an award previously granted by an entity that is assumed by the Company in a business combination, provided that the Committee determines that such Option Price is appropriate to preserve the economic benefit of the replaced award and will not impair the exemption of the Option from Code section 409A.
- 5.3 *Duration of Options.* Each Option shall expire at such time as the Committee shall determine at the time of grant; provided, however, that the Committee may extend the term of any Option that would otherwise expire at a time when the Participant is not permitted by applicable law or Company policy to exercise such Option; and provided, further, that no Option shall be exercisable later than the tenth (10th) anniversary of its grant date.
- 5.4 *Exercise of Options.* Options granted under the Plan shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance approve, including conditions related to the employment of or provision of services by the Participant to the Company or any Employer, which need not be the same for each grant or for each Participant. The Committee may provide in the Agreement for automatic accelerated vesting and other rights upon the occurrence of a Change in Control of the Company or upon the occurrence of other events as specified in the Agreement.
- 5.5 *Payment.* Options shall be exercised by the delivery of an oral, written or electronic notice of exercise to the Company or its designated representative, setting forth the number of Shares with respect to which the Option is to be exercised and satisfying any requirements that the Committee may apply from time to time. Full payment of the Option Price must be made on or prior to the Payment Date, as defined below. The Option Price shall be payable to the Company in United States dollars either: (a) in cash; (b) cash equivalent approved by the Committee; (c) if approved by the Committee, by tendering previously acquired Shares (or delivering a certification or attestation of ownership of such Shares) having an aggregate Fair Market Value at the time of exercise equal to the total Option Price (provided that the tendered Shares must have been held by the Participant for any period required by the Committee); (d) if approved by the Committee, by cashless exercise as permitted under Federal Reserve Board's Regulation T, subject to applicable securities law restrictions; (e) by any other means which the Committee determines to be consistent with the Plan's purpose and applicable law, including a net exercise; or (f) by any combination of the above. "Payment Date" shall mean the date on which a sale transaction in

connection with a cashless exercise (whether or not payment is actually made pursuant to a cashless exercise) would have settled in connection with the subject option exercise.

- 5.6 *Nontransferability of Options.* No ISO granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Except as otherwise provided in a Participant's Agreement or otherwise determined at any time by the Committee, no NQSO granted under this Article 5 may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution.
- 5.7 *Special Rules for ISOs.* In no event shall any Participant who owns (within the meaning of Code section 424(d)) stock of the Company possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any "parent" or "subsidiary" (within the meaning of Code section 424(e) or (f), respectively) be eligible to receive an ISO (i) at an Option Price less than one hundred ten percent (110%) of the Fair Market Value of a Share on the date the ISO is granted, or (ii) that is exercisable later than the fifth (5th) anniversary date of its grant date. The aggregate Fair Market Value of Shares with respect to which ISOs granted to a Participant are first exercisable in any calendar year under the Plan and all other incentive stock option plans of the Employer) shall not exceed One Hundred Thousand Dollars (\$100,000). For this purpose, Fair Market Value shall be determined with respect to a particular ISO on the date on which such ISO is granted.
- 5.8 *Dividends and Other Distributions.* A Participant receiving Options shall not possess voting rights and shall accrue dividend equivalents on Options only to the extent provided in the Agreement relating to the Award. Any rights to dividend equivalents on Options shall be subject to the same restrictions on vesting and payment as the underlying Award.

Article 6 - Stock Appreciation Rights

- 6.1 *Grant of SARs.* Subject to the terms and provisions of the Plan, SARs may be granted to Eligible Participants in such amounts and upon such terms, and at any time and from time to time, as shall be determined by the Committee. A Stock Appreciation Right may be granted to an Eligible Participant in connection with an Option granted under Article 5 of this Plan or may be granted independently of any Option. A Stock Appreciation Right shall entitle the holder, within the specified period, to exercise the SAR and receive in exchange therefor a payment having an aggregate value equal to the amount by which the Fair Market Value of a Share exceeds the SAR Price, times the number of Shares with respect to which the SAR is exercised. A SAR granted in connection with an Option (a "Tandem SAR") shall entitle the holder of the related Option, within the period specified for the exercise of the Option, to surrender the unexercised Option, or a portion thereof, and to receive in exchange therefore a payment having an aggregate value equal to the amount by which the Fair Market Value of a Share exceeds the Option Price, times the number of Shares under the Option, or portion thereof, which is surrendered.

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- 6.2 *Tandem SARs.* Each Tandem SAR shall be subject to the same terms and conditions as the related Option, including limitations on transferability, and shall be exercisable only to the extent such Option is exercisable and shall terminate or lapse and cease to be exercisable when the related Option terminates or lapses. The grant of a Tandem SAR must be concurrent with the grant of the Option.
- 6.3 *Payment.* The Committee shall have sole discretion to determine in each Agreement whether the payment with respect to the exercise of a SAR will be in the form of all cash, all Shares, or any combination thereof. If payment is to be made in Shares, the number of Shares shall be determined based on the Fair Market Value of a Share on the date of exercise.
- 6.4 *SAR Price.* The SAR Price for each grant of a SAR shall be determined by the Committee and shall not be less than one hundred percent (100%) of the Fair Market Value of a Share on the date the SAR is granted. Notwithstanding the prior sentence, a SAR may be granted with a SAR Price that is less than one hundred percent (100%) of the Fair Market Value of a Share on the date the SAR is granted if such SAR is granted in replacement for an award previously granted by an entity that is assumed by the Company in a business combination, provided that the Committee determines that such SAR Price is appropriate to preserve the economic benefit of the replaced award and will not impair the exemption of the SAR from Code section 409A.
- 6.5 *Duration of SARs.* Each SAR shall expire at such time as the Committee shall determine at the time of grant; provided, however, that the Committee may extend the term of any SAR that would otherwise expire at a time when the Participant is not permitted by applicable law or Company policy to exercise such SAR; and provided, further, that no SAR shall be exercisable later than the tenth (10th) anniversary of its grant date.
- 6.6 *Exercise of SARs.* SARs granted under the Plan shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance approve, including conditions related to the employment of or provision of services by the Participant with the Company or any Employer, which need not be the same for each grant or for each Participant. The Committee may provide in the Agreement for automatic accelerated vesting and other rights upon the occurrence of a Change in Control of the Company or upon the occurrence of other events as specified in the Agreement. Upon exercise of a Tandem SAR, the number of Shares subject to exercise under the related Option shall automatically be reduced by the number of Shares represented by the Option or portion thereof which is surrendered. SARs shall be exercised by the delivery of an oral, written or electronic notice of exercise to the Company or its designated representative, setting forth the number of Shares with respect to which the SAR is to be exercised and satisfying any requirements that the Committee may apply from time to time.
- 6.7 *Nontransferability of SARs.* Except as otherwise provided in a Participant's Agreement or otherwise determined at any time by the Committee consistent with securities and other applicable laws, rules and

regulations, no SAR granted under this Article 6 may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution.

- 6.8 *Dividends and Other Distributions.* A Participant receiving SARs shall not possess voting rights and shall accrue dividend equivalents on SARs only to the extent provided in the Agreement relating to the Award. Any rights to dividend equivalents on SARs shall be subject to the same restrictions on vesting and payment as the underlying Award.

Article 7 - Restricted Stock and Restricted Stock Units

- 7.1 *Grant of Restricted Stock/Unit.* Subject to the terms and provisions of the Plan, Restricted Stock Awards and Restricted Stock Unit Awards may be granted to Eligible Participants in such amounts and upon such terms, and at any time and from time to time, as shall be determined by the Committee. Awards of Restricted Stock/Units may be made either alone or in addition to or in tandem with other Awards granted under the Plan and may be current grants of Restricted Stock, deferred grants of Restricted Stock or Restricted Stock Units.
- 7.2 *Nontransferability.* Except as otherwise provided in this Article 7 or an Agreement, Restricted Stock and Restricted Stock Units may not be sold, exchanged, transferred, pledged, or otherwise alienated or hypothecated or otherwise disposed of during the Restriction Period or, in the case of Restricted Stock Units, until the date of delivery of Shares or other payment with respect to the Restricted Stock Units (other than by will or by the laws of descent and distribution). Further, except as otherwise provided in the applicable Agreement, a Participant's rights with respect to Shares of Restricted Stock or Restricted Stock Units shall be available during the Participant's lifetime only to the Participant or the Participant's legal representative.
- 7.3 *Certificates.* Upon an Award of Restricted Stock to a Participant, Shares of Restricted Stock shall be registered in the Participant's name. Certificates, if issued, may either be held in custody by the Company until the Restriction Period expires or until restrictions thereon otherwise lapse and/or be issued to the Participant and registered in the name of the Participant, bearing an appropriate restrictive legend and remaining subject to appropriate stop-transfer orders. If required by the Committee, the Participant shall deliver to the Company one or more stock powers endorsed in blank relating to the Restricted Stock. If and when the Restriction Period expires without a prior forfeiture of the Restricted Stock subject to such Restriction Period, unrestricted certificates for such shares shall be delivered to the Participant.

7.4 *Dividends and Other Distributions.* Except as provided in this Article 7 or in the Agreement, a Participant receiving a Restricted Stock Award shall have, with respect to such Restricted Stock Award, all of the rights of a stockholder of the Company, including the right to vote the Shares to the extent, if any, such Shares possess voting rights and the right to receive any dividends; provided, however, the Committee shall require that any dividends on such Shares of Restricted Stock shall be automatically deferred and reinvested in additional Restricted Stock subject to the same restrictions on vesting as the underlying Award, or that dividends and other distributions on Restricted Stock shall be paid to the Company for the account of the Participant and held pending and subject to the same restrictions on vesting as the underlying Award. A Participant receiving a Restricted Stock Unit Award shall not possess voting rights and shall accrue dividend equivalents on such Units only to the extent provided in the Agreement relating to the Award. Any rights to dividend equivalents on such Restricted Stock units shall be subject to the same restrictions on vesting as the underlying Award.

7.5 *Short-Term Deferral.* To the extent an Award described in this Section is a 409A Award and is subject to a substantial risk of forfeiture within the meaning of Code section 409A (or will be granted upon the satisfaction of a condition that constitutes such a substantial risk of forfeiture), any compensation due under the Award (or pursuant to a commitment to grant an Award) shall be paid in full not later than the 60th day following the date on which there is no longer such a substantial risk of forfeiture with respect to the Award (and the Participant shall have no right to designate the year of the payment), unless the Committee shall clearly and expressly provide otherwise at the time of granting the Award.

Article 8 - Performance Shares and Units

8.1 *Grant of Performance Shares/Units.* Subject to the terms and provisions of the Plan, Performance Shares and Performance Units may be granted to Eligible Participants in such amounts and upon such terms, and at any time and from time to time, as shall be determined by the Committee.

8.2 *Value of Performance Shares/Units.* Each Performance Unit shall have an initial value that is established by the Committee at the time of grant. In addition to any non-performance terms applicable to the Award, the Committee shall set performance goals in its discretion which, depending on the extent to which they are met, will determine the number and/or value of Performance Shares, Performance Units or both, as applicable, that will be paid out to the Participant. For purposes of this Article 8, the time period during which the performance goals must be met shall be called a "Performance Period." The Committee may, but is not obligated to, set such performance goals by reference to the performance measures set forth in Article 11.

8.3 *Earning of Performance Shares/Units.* Subject to the terms of this Plan, after the applicable Performance Period has ended, the holder of the Performance Shares/Units shall be entitled to receive a payout of the number and value of Performance Shares/Units earned by the Participant over the Performance Period, to

be determined as a function of the extent to which the corresponding performance goals have been achieved and any applicable non-performance terms have been met.

- 8.4 *Form and Timing of Payment of Performance Shares/Units.* Subject to the terms of this Plan and the applicable Agreement, the Committee, in its sole discretion, may pay earned Performance Shares/Units in the form of cash or Shares or other Awards (or a combination thereof) which have an aggregate Fair Market Value equal to the value of the earned Performance Shares/Units at the close of the applicable Performance Period. Any such Shares may be granted subject to any restrictions deemed appropriate by the Committee. The determination of the Committee with respect to the form and timing of payout of such Awards shall be set forth in the Agreement pertaining to the grant of the Award.
- 8.5 *Dividends and Other Distributions.* A Participant receiving a Performance Share/Unit Award shall not possess voting rights and shall accrue dividend equivalents on such Performance Shares/Units only to the extent provided in the Agreement relating to the Award. Any rights to dividend equivalents on Performance Shares/Units shall be subject to the same restrictions on vesting and payment as the underlying Award.
- 8.6 *Nontransferability.* Except as otherwise provided in this Article 8 or the applicable Agreement, Performance Shares/Units may not be sold, exchanged, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution.

Article 9 - Other Stock Based Awards

The Committee shall have the authority to specify the terms and provisions of other forms of equity-based or equity-related awards not described above that the Committee determines to be consistent with the purpose of the Plan and the interests of the Company. The Other Stock-Based Awards may provide for cash payments based in whole or in part on the value or future value of Shares, for the acquisition or future acquisition of Shares, or any combination of the foregoing. Notwithstanding the foregoing, where the value of an Other Stock-Based Award is based on the difference in the value of a Share at different points in time, the grant or exercise price will not be less than 100% of the Fair Market Value of the Shares on the date of grant unless the Other Stock-Based Award is granted in replacement for an award previously granted by an entity that is assumed by the Company in a business combination, provided that the Committee determines that the Other Stock-Based Award preserves the economic benefit of the replaced award.

In addition, a Participant receiving an Other Stock-Based Award shall not possess voting rights and shall accrue dividend equivalents on an Other Stock-Based Award only to the extent provided in the Agreement relating to the Award. Any rights to dividend equivalents on an Other Stock-Based Award shall be subject to the same restrictions on vesting and payment as the underlying Award.

Article 10 - Long-Term Incentive Compensation Awards

Subject to the terms of this Plan, the Committee will determine all of the terms and conditions of a Long-Term Incentive Compensation Award, including but not limited to the performance measures, performance period, the potential amount payable, and the timing of payment, subject to the following: (a) the Committee must require that payment of all or any portion of the amount subject to the Long-Term Incentive Compensation Award is contingent on the achievement of one or more performance measures during the period the Committee specifies, although the Committee may specify that all or a portion of the performance measures subject to an Award are deemed achieved upon a Participant's death, Disability or retirement, or such other circumstances as the Committee may specify; and (b) the performance period must relate to a period of more than one fiscal year of the Company. The Long-Term Incentive Compensation Awards will be payable in cash and the Committee may provide Participants with the right to defer all or part of any Award.

Article 11 - Performance Measures

11.1 *In General.* The Committee may, in its discretion, include performance conditions in any Award.

11.2 *Performance Measures.* The Committee may select performance measures for Awards granted to Eligible Participants from among the following: earnings, earnings per share, consolidated pre-tax earnings, net earnings, net income, operating income, EBIT (earnings before interest and taxes), EBITDA (earnings before interest, taxes, depreciation and amortization), gross margin, operating margin, profit margin, revenues, revenue growth, market value added, market share, economic value added, return measures (including but not limited to return on equity, return on investment, return on assets, return on net assets, and return on capital employed), total stockholder return, relative total stockholder return, profit, operating profit, economic profit, capitalized economic profit, after-tax profit, pre-tax profit, cash, cash flow measures (including but not limited to operating cash flow, free cash flow, and cash flow return), sales, sales volume, sales growth, assets, inventory turnover ratio, productivity ratios, Share price, cost, unit cost, expense ratios, charge-off levels, operating efficiency, operating expenses, improvement in or attainment of expense levels, working capital, improvement in or attainment of working capital levels, debt, debt to equity ratio, debt reduction, capital targets, consummation of acquisitions, dispositions, projects or other specific events or transactions, and/or such other metrics as may be approved by the Committee from time to time.

Any performance measure may be applied to the Company and any other entity included in the term "Employer" in the aggregate, to a selection of these, to each as a whole or alternatively, or to any business unit of the Company or any other entity included in the term "Employer", either individually, alternatively or in any combination and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to results for previous years or to a designated comparison group of entities or to a published or stock market or other index, in each case as specified by

the Committee. The Committee shall specify the period over which the performance goals for a particular Award shall be measured.

11.3 *Committee Determination of Achievement of Performance Goals; Adjustments.* The Committee shall determine whether the applicable performance goals have been met with respect to a particular Award and, if they have, the Committee shall so certify in writing and ascertain the amount payable under the applicable Award. The Committee is authorized to make adjustments in performance-based criteria or in the terms and conditions of other Awards in recognition of unusual or nonrecurring events affecting the Company or its financial statements (including, but not limited to, asset write-downs; litigation or claim judgments or settlements; reorganizations or restructuring programs; extraordinary, unusual, or nonrecurring items of gain or loss as defined under US generally accepted accounting principles; mergers, acquisitions or divestitures; and foreign exchange gains and losses) or changes in applicable laws, regulations or accounting principles. Such adjustments shall be made in accordance with guidelines established by the Committee at the time the performance-based Award is granted. The Committee shall also have the discretion to adjust downward the determinations of the degree of attainment of the pre-established performance goals.

If applicable tax and/or securities laws permit Committee discretion to alter the governing performance measures without obtaining stockholder approval of such changes, the Committee shall have sole discretion to make such changes without obtaining stockholder approval.

Article 12 - Beneficiary Designation

To the extent permitted by the Committee, each Participant under the Plan may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any vested but unpaid Award is to be paid in case of the Participant's death. In the absence of any such designation, vested but unpaid Awards outstanding at the Participant's death shall be paid to the Participant's estate.

Article 13 - Deferrals

The Committee may permit or require a Participant to defer such Participant's receipt of the payment of cash or the delivery of Shares that would otherwise be due to such Participant under any Award. If any such deferral election is required or permitted, the Committee shall, in its sole discretion, establish rules and procedures for such deferrals. Any deferrals required or permitted by the Committee of Awards shall be made in compliance with Code section 409A.

Article 14 - Withholding

14.1 *Tax Withholding.* The Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy Federal, state, and local taxes or

similar charges, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of or in connection with this Plan or any Award.

- 14.2 *Share Withholding.* With respect to withholding required upon the exercise of Options or SARs, upon the lapse of restrictions on Restricted Stock or Restricted Stock Units, upon the achievement of performance goals related to Performance Shares or Performance Units, or upon any other taxable event arising as a result of or in connection with an Award granted hereunder that is settled in Shares, unless other arrangements are made with the consent of the Committee, Participants shall satisfy the withholding requirement by having the Company withhold Shares having a Fair Market Value on the date the tax is to be determined equal to not more than the amount necessary to satisfy the Company's withholding obligations at the maximum statutory withholding rates. All such withholding arrangements shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

Article 15 - Amendment and Termination

- 15.1 *Amendment or Termination of Plan.* The Committee may at any time terminate or from time to time amend the Plan in whole or in part, but no such action shall adversely affect in any material respect any rights or obligations with respect to any Awards previously granted under the Plan, unless a Participant who is adversely affected by such amendment consents in writing. The Company will obtain the approval of the stockholders before amending the Plan to the extent required by Code section 422 and/or the rules of the exchange upon which the Shares are traded or other applicable law.
- 15.2 *Amendment of Agreement.* The Committee may, at any time, amend outstanding Agreements in a manner not inconsistent with the terms of the Plan; provided, however, if such amendment is adverse to the Participant in any material respect, as determined by the Committee, the amendment shall not be effective as to that Participant unless and until the Participant consents, in writing, to such amendment. To the extent not inconsistent with the terms of the Plan, the Committee may, at any time, amend an outstanding Agreement in a manner that is not unfavorable to the Participant without the consent of such Participant. Except to the extent provided in Section 4.3, the Committee shall not without the approval of the stockholders of the Company, (i) reduce the purchase price or base price of any previously granted Option or SAR, (ii) cancel any previously granted Option or SAR in exchange for another Option or SAR with a lower purchase price or base price or (iii) cancel any previously granted Option or SAR in exchange for cash or another award if the purchase price of such Option or the base price of such SAR exceeds the Fair Market Value of a Share on the date of such cancellation, in each case other than in connection with a Change in Control.
- 15.3 *Recoupment of Compensation or Cancellation of Awards.* Awards under the Plan shall be subject to any policy of recoupment of compensation adopted or amended from time to time by the Board or the Committee, including, without limitation, any policy it deems necessary or desirable to comply with the requirements of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act

(providing for recovery of erroneously awarded compensation), Section 304 of the Sarbanes-Oxley Act of 2002 (providing for forfeiture of certain bonuses and profits), and any implementing rules and regulations of the U.S. Securities and Exchange Commission and applicable listing standards of a national securities exchange adopted in accordance with either of these Acts which policy is incorporated into this Plan, the Awards and the Agreements. The Committee may provide in the Agreement that if a Participant engages in any “detrimental activity” (as defined in the Agreement), the Committee may, notwithstanding any other provision in this Plan to the contrary, cancel, rescind, suspend, withhold or otherwise restrict or limit any unexpired, unexercised, unpaid or deferred Award and require the Participant to pay to the Company the fair market value of the compensation received by the Participant from the Award.

Article 16 - Change in Control

Except as otherwise provided in an employment, change in control or similar agreement with the Company that provides for the effect of a Change in Control (as defined in the Plan or in any such other agreement for similar transactions) on outstanding Awards (an “Outstanding Award”) granted under the Plan to a Participant, the Agreement may provide (in addition to other provisions) that upon a Change in Control the Committee shall have the authority to determine (which determination may be different for different types or grants of Outstanding Awards or for different groups of Participants) that Outstanding Awards:

- (1) will be continued by the Company (if the Company is the surviving entity); or
- (2) will be assumed by the surviving entity or its parent or subsidiary; or
- (3) will be substituted for by the surviving entity or its parent or subsidiary with an equivalent award for the Outstanding Award.

If (a), (b) or (c) above do not apply to an Outstanding Award, the Agreement may provide that the Committee will in its discretion determine the impact of the Change in Control on the Outstanding Award, including the right to determine to fully vest Outstanding Awards that are not continued, assumed or substituted and to cash out Outstanding Awards.

If subsections (a), (b), or (c) above apply to an Outstanding Award, the continued, assumed or substituted awards will provide (i) similar terms and conditions and preserve the same benefits as the Outstanding Award that is being continued or replaced, and (ii) that, in the event of the Participant’s involuntary termination without Cause or termination for Good Reason on, or within the two-year period following, the date of the Change in Control, the Outstanding Award (or substituted award) will fully vest and become immediately exercisable and/or nonforfeitable.

The Agreement may contain such other provisions relating to the treatment of Outstanding Awards upon a Change in Control as the Committee determines are necessary or desirable.

In the event that any acceleration of vesting or other action with respect to an Award and any other payment or benefit received or to be received by a Participant would subject the Participant to any excise tax pursuant to Code section 4999 due to the characterization of such acceleration of vesting, action, payment or benefit as an “excess parachute payment” under Code section 280G, the Committee may in its discretion elect to reduce the amount payable with respect to an Award.

Article 17 - Miscellaneous Provisions

17.1 *Restrictions on Shares.* All certificates for Shares delivered under the Plan shall be subject to such stop-transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Shares are then listed and any applicable federal or state laws, and the Committee may cause a legend or legends to be placed on any such certificates to make appropriate reference to such restrictions. In making such determination, the Committee may rely upon an opinion of counsel for the Company.

Notwithstanding any other provision of the Plan, the Company shall have no liability to deliver any Shares under the Plan or make any other distribution of the benefits under the Plan unless such delivery or distribution would comply with all applicable laws (including, without limitation, the requirements of the Securities Act of 1933), and the applicable requirements of any securities exchange or similar entity.

17.2 *Rights of Stockholder.* Except as provided otherwise in the Plan or in an Agreement, no Participant receiving an Award shall have any right as a stockholder with respect to any Shares covered by such Award (including but not limited to the right to vote the Shares) prior to the date on which the Participant becomes the record holder of such Shares.

17.3 *No Implied Rights.* Nothing in the Plan or any Agreement shall confer upon any Participant any right to continue in the service of the Employer, or to serve as a Director thereof, or interfere in any way with the right of the Employer to terminate the Participant’s employment or other service relationship at any time and for any reason. Unless agreed by the Board or the Committee, no Award granted under the Plan shall be deemed salary or compensation for the purpose of computing benefits under any employee benefit plan, severance program, or other arrangement of the Employer for the benefit of its employees. To the extent that any person acquires a right to receive payments from the Company under the Plan, such right shall, except as otherwise provided by the Committee, be no greater than the right of an unsecured general creditor of the Company.

17.4 *Compliance with Code Section 409A.* At all times, this Plan, an Award and any Agreement shall be interpreted and operated (i) with respect to 409A Awards in accordance with the requirements of Code section 409A, and (ii) to maintain the exemptions from Code section 409A of Options, SARs and Restricted Stock and any Awards designed to meet the short-term deferral exception under Code section 409A. In addition, to the extent required to avoid a violation of the applicable rules under Code section

409A by reason of Code section 409A(a)(2)(B)(i), any payment under an Award shall be delayed until the earliest date of payment that will result in compliance with the rules of Code section 409A(a)(2)(B)(i) (regarding the required six-month delay for distributions to specified employees that are related to a separation from service). To the extent that a 409A Award provides for payment upon the recipient's termination of employment as an employee or cessation of service as a Director, the 409A Award shall be deemed to require payment upon the individual's "separation from service" within the meaning of Code section 409A.

17.5 *Successors.* The terms of the Plan and all outstanding Awards shall be binding upon the Company, and its successors and assigns.

17.6 *Tax Elections.* Each Participant agrees to promptly give the Committee a copy of any election made by such Participant under Code section 83(b) or any similar provision thereof. Notwithstanding the preceding sentence, the Committee may condition any Award on the Participant making or not making an election under Code section 83(b) with respect to the Award.

17.7 *Right of Setoff.* The Company or an Employer may, to the extent permitted by applicable law, deduct from and setoff against any amounts payable in connection with any Award, such amounts as may be owed by the Participant to the Company or an Employer.

17.8 *No Fractional Shares.* No fractional Shares shall be issued or delivered pursuant to the Plan or any Award; in the discretion of the Committee, the Company shall forfeit the value of fractional shares or make cash payments in lieu of fractional Shares.

17.9 *Uncertificated Shares.* To the extent that the Plan provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may be effected on a noncertificated basis, to the extent not prohibited by applicable law or the rules of any stock exchange.

17.10 *Legal Construction.*

(1) *Severability.* If any provision of this Plan or an Agreement is or becomes or is deemed invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan or any Agreement under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Agreement, it shall be stricken and the remainder of the Plan or the Agreement shall remain in full force and effect.

(2) *Gender and Number.* Where the context admits, words in any gender shall include the other gender, words in the singular shall include the plural and words in the plural shall include the singular.

(3) *Governing Law.* To the extent not preempted by federal law, the Plan and all Agreements hereunder shall be construed in accordance with and governed by the laws of the State of Delaware, excluding any conflicts or choice or law rule or principle that might otherwise refer construction or interpretation of the Plan or the Agreement (as applicable) to the substantive law of any other jurisdiction.

17.11 *Data Privacy; Transfer of Data.* By accepting an Award, a Participant (a) explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of any of Participant's personal data that is necessary to facilitate the implementation, administration and management of the Award and the Plan, (b) understands that the Company and any Employer may, for the purpose of implementing, administering and managing the Plan, hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, and details of all Awards or entitlements to Shares granted to Participant under the Plan or otherwise ("Data"), (c) understands that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, including any broker with whom the Shares issued with respect to an Award may be deposited, and that these recipients may be located in Participant's country or elsewhere, and that the recipient's country may have different data privacy laws and protections than Participant's country; (d) waives any data privacy rights Participant may have with respect to the Data; and (e) authorizes the Company and any Employer and its agents to store and transmit such information in electronic form.

IN WITNESS WHEREOF, this Plan is made effective this 8th day of February 2024.

BEAZER HOMES USA, INC.

By: /s/ Keith L. Belknap
Authorized Officer

ATTEST:

By: /s/ David I. Goldberg
Secretary

BEAZER HOMES USA, INC.**INSIDER TRADING COMPLIANCE POLICY**

(As adopted on November 8, 2023)

This Insider Trading Compliance Policy (this “Policy”) concerns the handling of material, non-public information relating to Beazer Homes USA, Inc. (“Beazer”, the “Company”, “our” or “we”) or other companies with which we deal and with the buying and selling of stock and other securities of Beazer and such other companies.

This Policy is in addition to other Company policies and agreements to which employees, officers and directors are subject, including any confidentiality agreements and the Company’s Code of Business Conduct and Ethics.

I. Employee Groups; Summary of Restrictions

For purposes of this Policy, each Beazer employee, officer and director is categorized into one of three groups as further described below. Different restrictions contained in this Policy apply to each group. All employees are in Group One unless otherwise described below or notified of being placed in a different category by the office of the General Counsel of the Company (the “General Counsel”). The General Counsel will work with the Company’s management team to determine the appropriate group for each employee. The General Counsel will notify each employee, officer and director if he or she has been initially placed into Group Two or Group Three and any employee, officer or director if at any time he or she is placed into a different group.

You should read this entire Policy. However, for your convenience, the following is a summary of the restrictions that apply to each group under this Policy:

Group One — The vast majority of our employees are in Group One. Members of Group One are required to comply with the restrictions on (1) trading in securities while in possession of material, non-public information (“insider trading”), as described in Section II, and (2) disclosing material non-public information to others (“tipping”), as described in Section III.

Group Two — Certain of our officers and other employees with regular access to material, non-public information are in Group Two (including but not limited to employees who prepare or have access to financial reporting and forecasting information and senior leadership team members who are not placed in Group Three). In addition to the general prohibitions against insider trading and tipping, members of Group Two may only purchase or sell Beazer securities during the trading windows described in Section IV.

Group Three — Members of our board of directors and certain senior officers are in Group Three, whose members are subject to the same restrictions as apply to Group Two. In addition, members of Group Three are required to pre-clear most transactions with the General Counsel, as described in Section V. Members of Group Three will also be notified separately of certain other trading restrictions and reporting requirements imposed on them by the federal securities laws and the rules and regulations of the Securities and Exchange Commission (“SEC”).

Regardless of group designation, any employee, officer or director of Beazer may be temporarily prohibited from buying or selling Beazer securities during special blackout periods. These special blackout periods are described in Section IV.

II. Insider Trading Prohibited

General Rule. No Beazer employee, officer or director may purchase or sell Beazer securities while he or she is in possession of material, non-public information relating to Beazer. This restriction does not apply to certain “Permitted Transactions,” which are discussed in Section VI of this Policy.

Employees, Officers and Directors. This Policy applies to all employees, officers and directors of Beazer and its subsidiaries. Each provision of this Policy that applies to an employee, officer and director also applies to:

- family members or other persons with whom they share a household;
- family members or other persons who principally rely on the employee, officer or director for their financial support, regardless of where those persons reside; and
- any entity (a) over which they have control or influence with respect to a transaction in securities (e.g., a trustee of a trust or an executor of an estate) or (b) in which they have a material financial interest; provided, however, that clause (b) shall not include a professional institutional investment entity in which any such person has such a material financial interest.

Likewise, when we refer to “you” in this Policy, we also mean each of the people and entities listed above with respect to you. Because the people and entities listed above are covered by this Policy, you will be responsible for their transactions in Beazer securities and, in order to maintain your compliance with this policy, you should ensure that they do not purchase or sell Beazer securities without your clearance.

Other Persons. It may be appropriate, in some circumstances, for persons who are not employed by Beazer (in addition to those listed above) to be subject to the same restrictions as Company employees and other “insiders.” These include, for example, contractors and consultants. If you are aware of a situation in which a contractor, consultant, advisor or other person not employed by Beazer is likely to have access to material, nonpublic information about the Company, you should consider whether those outside parties should be subject to restrictions and, if so, bring this situation to the attention of the General Counsel, who will consider whether it is appropriate to make arrangements to protect the Company.

Material, Non-Public Information.

Material. Information is considered “material” if:

- a reasonable investor would consider it important in making a decision on whether to buy, sell or hold the security;
- a reasonable investor would view the information as significantly altering the total mix of information in the marketplace about the company that issued the security; or
- the information could reasonably be expected to have an effect on the price of the security.

Non-public. Information is non-public until it has been “publicly disclosed,” meaning that it:

is published in such a way as to provide broad, non-exclusionary distribution of the information to the public; and
has been in the public domain for a sufficient period of time to be absorbed by the market and reflected in the price of the related securities.

Examples of public disclosure include the issuance of a press release or the filing of an appropriate report with the SEC. Information is generally considered to be “non-public” until the second business day after the information is released to the general public. However, this period varies depending on the type of information released, the market’s expectations relating to the subject matter of the release, and the market’s reaction after the information is released.

Examples of material, non-public information might include information about:

the Company’s financial or operating results, whether for completed periods or relating to expectations for future periods;
the gain or loss of a substantial customer or any significant change in the business relationship with a substantial customer or other important business partner;
the Company entering into or terminating any significant contract;
a material impairment or change in the value of the Company’s assets;
the filing of litigation or claims against the Company, developments in pending litigation or governmental investigations or proceedings, or other contingent liabilities affecting the Company;
proposals, plans or agreements, even if preliminary in nature, involving mergers, acquisitions, divestitures, recapitalizations, strategic alliances, joint ventures or significant purchases or sales of assets;
changes in top management;
significant labor negotiations or disputes;
significant accounting developments;
changes in dividend policies;
the declaration of a stock split;
the Company’s plans relating to its capital structure or outstanding securities, including issuances or repurchases of common stock or debt securities, and information about possible changes in the Company’s credit ratings;
a significant disruption in the Company’s operations or loss, breach or unauthorized access of the Company’s property or assets, including its facilities and information technology infrastructure; and
any other events that require the Company to file a Current Report on Form 8-K with the SEC.

Information may be material whether it is favorable or unfavorable to the Company. The list of examples provided above is merely illustrative, and there are many other types of information and events that may be material at any particular time, depending on the circumstances. Where there is any possibility that an item may be considered “material,” you should treat it as such and you should confer with the General Counsel if you would like to review any specific situation.

Other Companies. While this Policy prohibits trading in Beazer securities while you are in possession of material, non-public information about Beazer, it also prohibits trading in securities of any other company about which you learn material, non-public information in the course of performing your duties for Beazer. For example, you may be involved in a transaction in which Beazer expects to enter into (or terminate) a substantial business relationship with another company, or acquire another company, buy a substantial amount of its stock or enter into a joint venture with the company. Even though the size of the transaction may be immaterial to Beazer, it may be material to the other company. This Policy prohibits you from trading in the securities of that company, or any other company that may be directly or indirectly impacted by such transaction, while aware of this non-public information or from tipping others regarding the information. In addition, please remember that the Beazer Code of Business Conduct and Ethics prohibits you from engaging in outside interests that represent a conflict of interest with your obligations to Beazer.

Securities; All Transactions. This Policy prohibits certain transactions in the “securities” of Beazer. Although it is usually the case that the information you gain will be material with respect to Beazer common stock, any securities that Beazer issues, such as debt securities or preferred stock, are also subject to this Policy. This Policy also applies to stock options and other derivatives related to Beazer securities, as discussed below. Purchases and sales of Beazer securities are subject to the insider trading laws and the provisions of this Policy, whether they are executed in the public markets or in private transactions, and whether you execute the transaction directly or indirectly through another person or entity.

Investments. We expect our employees, officers and directors not to engage in speculative transactions that are designed to result in profit based on short-term fluctuations in the price of our securities. If you do purchase Beazer securities, we strongly encourage you to do so with the expectation of owning those securities for an extended period of time — at a minimum, for six months. We recognize, of course, that your personal circumstances may change due to unforeseen events, in which case you may be forced to more quickly liquidate Beazer securities that you originally purchased with the intent of holding as a long-term investment.

Short Sales. A “short sale” is a transaction involving securities which the seller does not own at the time of sale or, if the securities are owned by the seller, where they will be delivered on a delayed basis (meaning that the securities are not delivered within 20 days after the sale or deposited in the mail or other usual channels of transportation within five days after the sale). Selling securities “short” is consistent with an expectation that the price of the securities will decline in the near future and is often speculative in nature. Short selling may arouse suspicion in the eyes of the SEC that the person was trading on the basis of inside information, particularly when the trading occurs before a major company announcement or event. Accordingly, our employees, officers, and directors are prohibited from engaging in “short sales” of Beazer securities or in any transaction in Beazer securities which is entered into with the expectation of, or that will benefit from, a decline in the price of Beazer securities.

Options and Derivative Securities. Derivative securities are securities contracts or arrangements whose value varies in relation to the price of Beazer securities. For example, derivative securities would

include exchange-traded put or call options, as well as individually arranged derivative transactions, such as prepaid forwards or contracts-for-differences. Many forms of derivatives are speculative in nature (meaning that their value fluctuates based on short-term changes in the price of Beazer stock), and the purchase or sale of such derivatives by Beazer employees could motivate them to take actions that are in conflict with the long-term interests of other stockholders and could also cause the appearance of misuse of inside information. Accordingly, our employees, officers and directors are prohibited from purchasing or selling derivative securities, or entering into derivatives contracts relating to Beazer stock. The prohibition on transactions in derivatives does not apply to stock options and other interests issued under Beazer employee benefit plans; see Section VI below on “Permitted Transactions.” If you have any question as to whether a particular type of arrangement or derivative transaction is permitted under this Policy, you should contact the General Counsel.

Pledged Securities; Margin Loans; Hedges.

Under typical pledge or margin arrangements, a lender or broker is entitled to sell securities which you have deposited as collateral for loans if the value of your securities falls below a specified level or in certain other circumstances. Even though you did not initiate the sale or control its timing, because it is still a sale for your benefit, you may be subject to liability under insider trading laws if such a sale is made at a time when the “window” is closed (as described below) or you are in possession of material, non-public information at the time of such a sale. If such a sale involves a member of Group Three, it can bring unwanted negative publicity. In addition, pledging may be used as a part of hedging strategy that would remove the full risk and rewards of stock ownership, and sever your alignment with that of Beazer’s other security holders.

Group Three

Because of the concerns about pledging Beazer securities, members of Group Three are prohibited from pledging Beazer’s securities as collateral for a loan or hedging Beazer securities. This Policy does not prohibit members of Group Three from holding Beazer securities in brokerage accounts, so long as any Beazer securities held in such account are explicitly excluded from any margin or pledge arrangements and do not involve any hedging transaction. Sales of Beazer securities which are held in a margin account are not exempt from insider trading laws or this Policy. Accordingly, even though utilizing such accounts that exclude Beazer securities would not be subject to restrictions under this Policy, you should be extremely careful when utilizing a margin loan in a brokerage account that contains your Beazer securities.

Group One and Group Two

While persons that are not in Group Three are not prohibited from pledging Beazer stock, sales of Beazer securities that you have pledged as security for a loan or which are held in a margin account are not exempt from insider trading laws or this Policy. Accordingly, even though entering into such arrangements would not be considered a sale, and would not be subject to restrictions under this Policy, members of Group One and Group Two should be extremely careful when pledging Beazer securities, utilizing a margin loan in a brokerage account or otherwise using Beazer securities as collateral for a loan.

Any sale must be made in compliance with the restrictions under this Policy that apply to you, such as trading windows and pre-clearance requirements. As a result, if you pledge your Beazer securities or use Beazer securities to secure a margin loan, you may be forced to take actions (for instance, depositing additional money or selling other securities) in order to avoid your lender or broker

selling your Beazer securities at a time that would result in a violation of insider trading laws or this Policy. Similar cautions apply to any other arrangements under which you have used Beazer securities as collateral.

Members of Group Two must receive pre-clearance prior to entering into any pledge or margin arrangement involving Beazer securities to avoid an inadvertent violation of this Policy.

Safest Time for Transactions. All employees, whether or not subject to the trading windows or pre-clearance procedures described in this Policy, are reminded that the safest time for transactions in Beazer securities will generally be just after the trading window opens after the release by the Company of financial information relating to a completed quarter, as described in Section IV below. The appearance of improper trading may increase as the Company approaches the end of the next fiscal quarter.

III. Unauthorized Disclosure of Material, Non-public Information Prohibited

General Rule. No employee, officer or director may disclose material, non-public information about Beazer or any company with which Beazer deals to anyone outside of Beazer, unless authorized to do so.

Tipping. Under the federal securities laws, you can be held responsible not only for your own insider trading, but also for securities transactions by anyone to whom you disclose material, non-public information. Even if those to whom you disclose such information do not trade while aware of the information, you can be responsible for the trades of persons who received material, non-public information indirectly from you, if you are the ultimate or original source of their information.

Discussing or Recommending Beazer Securities. We recognize that employee enthusiasm for Beazer and its business prospects is a vital element of our success. You should, however, use extreme caution when discussing Beazer or our securities with anyone outside of Beazer. In the course of discussing Beazer or our securities, accidental disclosure of material, non-public information can occur and can be viewed as “tipping” or may violate other provisions of the federal securities laws, such as Regulation FD as described below. Likewise, recommendations of our securities can also result in embarrassing situations for you or the Company if you make a recommendation at a time when there is a pending announcement of material, non-public information by the Company, even if you are unaware of that information.

Internet Postings and Social Media. No employee, officer or director may disclose confidential information about Beazer on the Internet or through social media, including discussion forums, blogs and social media (such as Facebook, Twitter, Instagram, Snapchat, Reddit, Pinterest, YouTube and other social media networks). Disclosures of material, non-public information through this type of media may amount to a “tip” or leak of such information, in violation of this Policy, other Company policies regarding computer and social media usage and applicable law.

Authorization to Disclose Material, Non-public Information. We authorize only certain employees, officers and directors to make public disclosures of material, non-public information or to confer with persons outside the Company regarding such information (for example, our auditors, outside counsel and other advisors). Unless you are authorized to do so by the Chief Executive Officer, the Chief Financial Officer or the General Counsel, you should not discuss material, non-public information with anyone not in the Company (except in accordance with the Company’s policies regarding the protection

or authorized external disclosure of Company information). Even in discussions with other Beazer employees, you should consider the consequences of disclosing material, non-public information to them. For example, by doing so, you would preclude those persons from trading in Beazer's securities until the information is publicly disclosed. Accordingly, you should restrict the communication of material, non-public information to those employees, officers, and directors having a need to know in order to serve Beazer's interests.

Regulation FD (Fair Disclosure). There are SEC rules and regulations banning selective disclosure of material information relating to public companies. Generally, these regulations provide that when a public company (such as Beazer) discloses material, non-public information, it must provide broad, non-exclusionary public access to the information (for example, through press releases, conference calls or webcasts). Violations of these regulations can result in SEC enforcement actions, resulting in injunctions and severe monetary penalties. Regulation FD applies largely to a limited group of senior officers and the investor relations personnel who regularly communicate with securities market professionals and stockholders. Remember that no other Beazer employees, officers or directors are authorized to communicate information regarding the Company with securities market professionals, stockholders or members of the media. You should refer to Beazer's [Disclosure Policy] for further information about these regulations and requirements.

Non-Disclosure Agreements. Employees, officers and directors involved in transactions or other negotiations that require disclosure of material, non-public information with parties outside Beazer should generally have those to whom such information is being disclosed sign a non-disclosure agreement approved by the General Counsel. The non-disclosure agreement will require that the recipient of information not disclose the information to others and require the recipient not to trade in Beazer securities while in possession of such information. You should confer with the General Counsel whenever a non-disclosure agreement may be needed.

IV. Trading Windows

Standard Trading Windows. Members of Group Two and Group Three may only purchase or sell Beazer's securities:

- during the designated "Open Windows" described below; and
- when the individual is not otherwise in possession of material, non-public information.

Outside of the Open Windows, members of Group Two and Group Three may not purchase or sell Beazer securities, even if they are not personally aware of any material, non-public information. However, members of Group Two and Group Three may engage in Permitted Transactions (described in Section VI below) outside of the Open Windows.

We will communicate to each member of Group Two and Group Three when each trading window will open and close. Below is a schedule of open periods:

- Q1 (10/1 to 12/31) Open Period: Begins second business day after the quarterly earnings call through and including December 10th.
- Q2 (1/1 to 3/31) Open Period: Begins second business day after the quarterly earnings call through and including March 10th.

- Q3 (4/1 to 6/30) Open Period: Begins second business day after the quarterly earnings call through and including June 10th.
- Q4 (7/1 to 9/30) Open Period: Begins second business day after the quarterly earnings call through and including September 10th.

Notwithstanding the foregoing, you should not expect that the window will open on any particular date or remain open for any minimum period of time. Significant corporate developments may require changes to the schedule, including closing the window at the Company's option at any time.

Do not confuse the applicability of the Open Windows with the broader prohibition on trading when you are in possession of material, non-public information described in Section II. Regardless of whether the trading window is open or closed, you may not trade in Beazer securities if you are in actual possession of material, non-public information about Beazer.

Special Blackouts. We reserve the right to impose a trading blackout from time to time on all or any group of our employees, officers or directors when, in the judgment of the General Counsel and other senior officers, a blackout is warranted. During a special blackout, you will not be permitted to purchase or sell Beazer securities and you may or may not be allowed to execute Permitted Transactions (as defined below). A special blackout may also prohibit you from trading in the securities of other companies. If the General Counsel imposes a blackout to which you are subject, we will notify you when the blackout begins and when it ends and the securities and transactions to which it applies.

Standing Orders; Limit Orders. Purchases or sales resulting from standing orders or limit orders may result in the execution of orders without your control over the transaction or your awareness of the timing of the transaction. Even though you placed the order at a time when you were permitted to enter into transactions, you must be certain that this type of order will not be executed when you are in possession of material, non-public information about the Company or during a blackout period. Accordingly, any standing orders should be used only for a very brief period and with detailed instructions to the broker who will execute the transaction. (Standing orders under an approved Rule 10b5-1 Trading Plan, described below, will not be subject to these limitations.)

V. Pre-Clearance of Transactions

General. Before purchasing, selling or gifting Beazer securities, members of Group Three must obtain clearance of the transaction from the General Counsel. This clearance must be obtained **before** you place the order for, or otherwise initiate, any transaction in Beazer securities. Any pre-clearance that you obtain will be valid for a transaction executed within two business days, unless either the pre-clearance is granted for a shorter period or you learn of material, non-public information during that time. Whether or not your request for pre-clearance is granted, you must not inform anyone else of the results of your request.

Do not confuse pre-clearance of transactions with the broader prohibition on trading when you are in possession of material, non-public information described in Section II. Regardless of whether you have received pre-clearance for a transaction or whether a trading window is open or closed, you may not trade in Beazer securities if you are in actual possession of material, non-public information about Beazer.

Permitted Transactions. Members of Group Three are not required to receive pre-clearance prior to entering into any Permitted Transaction, except they are required to do so before exercising any stock options.

VI. Permitted Transactions

The following are “Permitted Transactions” (each described in more detail following the bullet point summary):

accepting or receiving stock options, shares of restricted stock or similar grants of securities under one of Beazer’s employee benefit plans (including elections to acquire securities in lieu of other compensation) or the cancellation or forfeiture of options, restricted stock or securities pursuant to Beazer’s plans;

purchasing securities under a Beazer employee stock purchase plan, if such a plan is in effect, but not making or changing any election to participate in a Beazer stock purchase plan (see further discussion which follows);

earning or vesting of stock options or shares of restricted stock and any related stock withholding;

exercising stock options issued under Beazer’s employee benefit plans in a cash exercise, a stock-for-stock exercise or a net stock exercise, payment of the exercise price in shares of already-owned stock and any related stock withholding transactions, but **not** (1) the sale of any stock acquired in the option exercise, (2) a “cashless exercise” in which shares of stock are sold in the market or (3) the use of proceeds from the sale of any such shares to exercise additional options (see further discussion which follows);

transferring shares of stock to an entity that does not involve a change in the beneficial ownership of the shares of stock, for example, to an inter vivos trust of which you are the sole beneficiary during your lifetime (see further discussion which follows);

making payroll contributions to any 401(k) plan, deferred compensation plan or any similar plan, but **not** (1) intraplan transfers involving any Beazer securities or (2) a change in “investment direction” under such plan to increase or decrease your percentage investment contribution allocated to Beazer securities (see further discussion which follows);

executing a transaction pursuant to a contract, instruction, or plan described in Securities Exchange Act Rule 10b5-1 (called a “Trading Plan”), as discussed below (see further discussion which follows); or

participating in any other transaction designated by the board of directors or any board committee or senior management, with reference to this Policy, as a Permitted Transaction.

Pre-Disclosure of Undisclosed Material, Non-public Information

You may not enter into any Permitted Transaction unless you have disclosed any material, non-public information of which you are aware to the General Counsel. If you are a director or an executive officer of Beazer, the information must be disclosed to the General Counsel, and the General Counsel must disclose any such information to the Chief Executive Officer before any transaction listed in Section VI above qualifies as a Permitted Transaction. This ensures that Beazer is fully aware of any material information affecting any security before you enter into a transaction involving Beazer securities.

Employee Benefit Plan Transactions. Included in the definition of Permitted Transactions are most of the ongoing transactions you might enter into under Beazer's equity-based benefit plans. For example, although your ongoing participation in a plan may involve the regular purchase of Beazer's common stock, either directly or pursuant to an investment election, those purchases are Permitted Transactions. ***Note, however, that the movement of balances in those plans into or out of Beazer securities or changes in your investment direction under those plans are not Permitted Transactions.*** This means that you may not make such transfers or elections while you are in possession of material, non-public information and that such transfers or elections must be made in compliance with any other restrictions under this Policy that apply to you (for instance, such transfers or elections could only be made during an open trading window, and if you are in Group Two or Group Three, with pre-clearance).

Transactions in employee stock options are also considered Permitted Transactions if there is no related sale on the market or to a person other than Beazer. ***Note, however, that a sale of stock following or in connection with an option exercise is not a transaction with Beazer and is, therefore, not a Permitted Transaction.*** Thus, you may engage in a cash exercise of an option as long as you retain the stock you buy in the exercise. You can also engage in stock-for-stock exercises or elect stock withholding without violating the Policy. However, it would not be a Permitted Transaction for you to exercise a stock option, sell the resulting stock and then use the proceeds from that sale to pay for the exercise of additional stock options in a same day sale. Although exercises of Beazer stock options are Permitted Transactions, members of Group Three must pre-clear all stock option exercises.

Transactions in Which There is No Change in Beneficial Ownership. Certain transactions involve merely a change in the form in which you own securities. For example, you may transfer shares of stock to a trust if you are the only beneficiary of the trust during your lifetime. Likewise, changing the form of ownership to include a member of your household as a joint owner or as a sole owner is generally a Permitted Transaction since members of your household are considered the same as you for purposes of this Policy (and the shares of stock will remain subject to the terms of this Policy).

Trading Plans. The SEC has enacted a rule (Rule 10b5-1 under the Securities Exchange Act) that provides an affirmative defense against violations of the insider trading laws if you enter into a contract, provide instructions, or adopt a written plan for a transaction in securities when you are not in possession of material, non-public information, even if it turns out that you had such information when the transaction is actually completed. The initiation of, and any modification to (including termination), any such Trading Plan will be deemed to be a transaction in the Company's securities, and such initiation or modification (including termination) is subject to all limitations and prohibitions relating to transactions in the Company's securities. Each such Trading Plan, and any modification (including termination) thereof, must be submitted to and pre-approved by the General Counsel, who may impose such conditions on the implementation and operation of the Trading Plan as the General Counsel deems necessary or advisable. However, compliance of the Trading Plan to the terms of Rule 10b5-1 and the execution of transactions pursuant to the Trading Plan are the sole responsibility of the person initiating the Trading Plan, not the Company or the General Counsel.

Trading Plans do not exempt individuals from complying with Section 16 short-swing profit rules or liability.

Rule 10b5-1 presents an opportunity for insiders to establish arrangements to sell (or purchase) Company stock without the restrictions of trading windows and black-out periods, even when there is undisclosed material information. A Trading Plan may also help reduce negative publicity that may result when key executives sell the Company's stock. Rule 10b5-1 only provides an "affirmative defense" in the event there is an insider trading lawsuit. It does not prevent someone from bringing a lawsuit.

A director, officer or employee may enter into a Trading Plan only when he or she is not in possession of material, non-public information, and only during a trading window period outside of the trading black-out period. Although transactions effected under a Trading Plan will not require further pre-clearance at the time of the trade, any transaction (including the quantity and price) made pursuant to a Trading Plan of a Section 16 reporting person must be reported to the Company promptly on the day of each trade to permit the Company's filing coordinator to assist in the preparation and filing of a required Form 4. Such reporting may be oral or in writing (including by e-mail) and should include the identity of the reporting person, the type of transaction, the date of the transaction, the number of shares involved and the purchase or sale price. However, the ultimate responsibility, and liability, for timely filing remains with the Section 16 reporting person.

The Company reserves the right from time to time to suspend, discontinue or otherwise prohibit any transaction in the Company's securities, even pursuant to a previously approved Trading Plan, if the General Counsel, in its discretion, determines that such suspension, discontinuation or other prohibition is in the best interests of the Company. Any Trading Plan submitted for approval hereunder should explicitly acknowledge the Company's right to prohibit transactions in the Company's securities. Failure to discontinue purchases and sales as directed shall constitute a violation of the terms of this Policy and result in a loss of the exemption set forth herein.

Officers, directors and employees may adopt Trading Plans with brokers that outline a pre-set plan for trading of the Company's stock, including the exercise of options. Trades pursuant to a Trading Plan generally may occur at any time. Trading Plans must be reviewed, approved and counter-signed by the Company, and must comply in all respects with the requirements of Rule 10b5-1, which include the following:

- a cooling-off period for insiders of the later of (1) 90 days following adoption of the Trading Plan; or (2) two business days following the disclosure in certain periodic reports of the Company's financial results for the fiscal quarter in which the plan was adopted (but not to exceed 120 days following adoption of the Trading Plan) before any trading can commence under the Trading Plan;
- a cooling-off period of 30 days for other persons;
- a condition for insiders to include a representation in their Trading Plan certifying, at the time of the adoption, that: (1) they are not aware of material nonpublic information about the Company or its securities; and (2) they are adopting the Trading Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5;
- a limitation on using multiple overlapping Trading Plans (except as otherwise permitted by Rule 10b5-1);
- a limitation on the ability of anyone other than issuers to rely on the affirmative defense for a single trade plan to one such Trading Plan during any consecutive 12-month period; and

- a condition that all persons entering into a Trading Plan must act in good faith with respect to that plan.

Please review the following description of how a Trading Plan works.

Pursuant to Rule 10b5-1, an individual's purchase or sale of securities will not be "on the basis of" material, non-public information if:

- First, before becoming aware of the information, the individual enters into a binding contract to purchase or sell the securities, provides instructions to another person to sell the securities or adopts a written plan for trading the securities (i.e., the Trading Plan).
- Second, the Trading Plan must either:
 - specify the amount of securities to be purchased or sold, the price at which the securities are to be purchased or sold and the date on which the securities are to be purchased or sold;
 - include a written formula or computer program for determining the amount, price and date of the transactions; or
 - prohibit the individual from exercising any subsequent influence over the purchase or sale of the Company's stock under the Trading Plan in question.
- Third, the purchase or sale must occur pursuant to the Trading Plan and the individual must not enter into a corresponding hedging transaction or alter or deviate from the Trading Plan.
- Fourth, the Trading Plan must satisfy the requirements set forth above.

Revocation of Trading Plans should occur only in unusual circumstances. Effectiveness of any revocation or amendment of a Trading Plan will be subject to the prior review and approval of the General Counsel. Revocation is effected upon written notice to the broker. Once a Trading Plan has been revoked, the participant must wait until the applicable cooling-off period has expired as described above before trading outside of a Trading Plan or establishing a new Trading Plan. You should note that revocation of a Trading Plan can result in the loss of an affirmative defense for past or future transactions under a Trading Plan. You should consult with your own legal counsel before deciding to revoke a Trading Plan. In any event, you should not assume that compliance with the aforementioned cooling-off period will protect you from possible adverse legal consequences of a Trading Plan revocation.

A person acting in good faith may amend a prior Trading Plan so long as such amendments are made outside of a quarterly trading black-out period and at a time when the Trading Plan participant does not possess material, non-public information. Plan amendments must not take effect for at least 30 days after the plan amendments are made.

Under certain circumstances, a Trading Plan *must* be revoked. This may include circumstances such as the announcement of a merger or the occurrence of an event that would cause the transaction either to violate the law or to have an adverse effect on the Company. The General Counsel or administrator of the Company's stock plans is authorized to notify the broker in such circumstances, thereby insulating the insider in the event of revocation.

VII. Sanctions for Violations of this Policy

The SEC, the stock exchanges and plaintiffs' lawyers focus on uncovering insider trading, and use sophisticated technologies to investigate suspicious activity.

A breach of the insider trading laws could expose the insider to criminal fines of up to \$5,000,000 and imprisonment of up to 20 years, in addition to civil penalties (up to three times the profits earned), and injunctive actions. In addition, punitive damages may be imposed under applicable state laws. Securities laws also subject controlling persons to civil penalties for illegal insider trading by employees. Controlling persons include directors, officers and supervisors. These persons may be subject to fines of up to the greater of \$2,479,282 (as adjusted from time to time) or three times the profit realized or loss avoided by the insider. Accordingly, all Beazer employees must comply with this policy and applicable securities laws and ensure that those employees who they supervise also comply.

Inside information does not belong to any of Beazer's individual employees, officers or directors. This information is an asset of the Company. For any person to use such information for personal benefit or to disclose it to others outside of the Company violates the Company's Code of Business Conduct and Ethics, this policy and federal securities laws. More particularly, insider trading is a fraud against members of the investing public and against the Company. Whether or not there is any actual trading of our securities, any violation of this Policy will be grounds for discipline, up to termination of employment for cause.

VIII. Administration of this Policy

Administration by the General Counsel. The day-to-day administration of this Policy will be carried out by the General Counsel. If you have any questions concerning the interpretation of this Policy, you should direct your questions to the General Counsel.

Reporting Violations. If you become aware of any violation of this Policy, you should report it immediately to the General Counsel, or otherwise in accordance with the Company's Code of Business Conduct and Ethics. Reports classified as accounting/audit irregularities, insider trading, improper loans to executives, retaliation against whistleblowers, fraud, kickbacks, falsification of Company records, or conflicts of interest will be referred automatically to the Company's Audit Committee. Employees will not be disciplined or retaliated against in any way for reporting violations in good faith.

Exemptions. An individual subject to the trading windows or special blackout periods described in Section IV may request the General Counsel to grant him or her a hardship exemption from those restrictions if he or she is not otherwise prohibited from trading under Section II. However, we anticipate that exemptions will be given very rarely and only in extreme circumstances.

Amendment of the Policy. Beazer's senior officers reserve the right to amend this Policy from time to time in consultation with the Nominating and Corporate Governance Committee of the Board of Directors. If the Policy is amended, we will communicate to you through normal communications channels the substance of any such changes.

Please bear in mind that the ultimate responsibility for complying with this Policy and applicable laws and regulations rests with you. You should use your best judgment and consult with the General Counsel and your legal and financial advisors, as needed.

SUBSIDIARIES OF THE COMPANY

Name	Jurisdiction of Incorporation
Ballard Green Utility Company	Maryland
Beazer Charity Foundation, Inc.	Delaware
Beazer Clarksburg, LLC	Maryland
Beazer Employee Disaster Assistance Corp.	Georgia
Beazer Fundamental, LLC	Delaware
Beazer Gain, LLC	Delaware
Beazer General Services, Inc.	Delaware
Beazer Homes Capital Trust I	Delaware
Beazer Homes Holdings, LLC	Delaware
Beazer Homes Indiana Holdings Corp.	Delaware
Beazer Homes Indiana LLP	Indiana
Beazer Homes Investments, LLC	Delaware
Beazer Homes, LLC	Delaware
Beazer Homes Sales, Inc.	Delaware
Beazer Homes Texas Holdings, Inc.	Delaware
Beazer Homes Texas, L.P.	Delaware
Beazer Mortgage Corporation	Delaware
Beazer Realty Corp.	Georgia
Beazer Realty Los Angeles, Inc.	Delaware
Beazer Realty Services, LLC	Delaware
BH Building Products, LP	Delaware
BH Investment Holdings, LLC	Delaware
BH Materials, LLC	Delaware
BH Procurement Services, Inc.	Delaware
Charity Home Insurance Agency, LLC	Delaware
Charity Title Agency, LLC	Texas
Charity Title Group, LLC	Delaware
Clarksburg Arora, LLC	Maryland
Clarksburg Skylark, LLC	Maryland
Dove Barrington Development LLC	Delaware
Gatherings, LLC	Delaware
Marshfield Land, LLC	Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-273878 on Form S-3ASR; Registration Statement Nos. 333-236484, and 333-222166 on Form S-4; and in Registration Statement Nos. 333-237347, 333-168794, 333-200542, 333-281505 and 333-215991 on Form S-8 of our reports dated November 14, 2024, relating to the consolidated financial statements of Beazer Homes USA, Inc. and subsidiaries (the “Company”) and the effectiveness of the Company’s internal control over financial reporting, appearing in this Annual Report on Form 10-K for the year ended September 30, 2024.

/s/ Deloitte & Touche LLP

Atlanta, Georgia
November 13, 2024

CERTIFICATION
PURSUANT TO 17 CFR 240.13a-14
PROMULGATED UNDER
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Allan P. Merrill, certify that:

1. I have reviewed this annual report on Form 10-K of Beazer Homes USA, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2024

/s/ Allan P. Merrill

Allan P. Merrill

President and Chief Executive Officer

CERTIFICATION
PURSUANT TO 17 CFR 240.13a-14
PROMULGATED UNDER
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David I. Goldberg, certify that:

1. I have reviewed this annual report on Form 10-K of Beazer Homes USA, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2024

/s/ David I. Goldberg

David I. Goldberg

Senior Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned Chief Executive Officer of Beazer Homes USA, Inc. (the "Company") hereby certifies that the Report on Form 10-K of the Company for the period ended September 30, 2024, accompanying this certification, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the periodic report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 13, 2024

/s/ Allan P. Merrill

Allan P. Merrill

President and Chief Executive Officer

The foregoing certification is being furnished solely pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and Section 1350 of Title 18, United States Code, and is not being filed as part of the report or as a separate disclosure document.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned Chief Financial Officer of Beazer Homes USA, Inc. (the “Company”) hereby certifies that the Report on Form 10-K of the Company for the period ended September 30, 2024, accompanying this certification, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the periodic report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 13, 2024

/s/ David I. Goldberg

David I. Goldberg

Senior Vice President and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and Section 1350 of Title 18, United States Code, and is not being filed as part of the report or as a separate disclosure document.