

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

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

Date of Report: **November 5, 2003**

BEAZER HOMES USA, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation)

001-12822

(Commission File Number)

54-2086934

(IRS Employer Identification No.)

1000 Abernathy Road, Suite 1200

Atlanta Georgia 30328

(Address of Principal Executive Offices)

(770) 829-3700

(Registrant's telephone number, including area code)

None

(Former name or former address, if changed since last report)

Item 7. Financial Statements and Exhibits.

(c) Exhibits

99.1 Press release issued November 5, 2003.

Item 12. Results of Operations and Financial Condition

On November 5, 2003, Beazer Homes USA, Inc. (the "Company") reported earnings and results of operations for the quarterly period ended September 30, 2003 and the fiscal year ended September 30, 2003. A copy of this press release is attached hereto as exhibit 99.1. For additional information, please see the press release.

2

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BEAZER HOMES USA, INC.

Date: November 5, 2003

By: /s/ JAMES O'LEARY

James O'Leary
Executive Vice President and Chief Financial Officer

3

[Item 7. Financial Statements and Exhibits.](#)

[Item 12. Results of Operations and Financial Condition](#)

[SIGNATURES](#)

[Beazer Homes Logo]

**PRESS RELEASE
FOR IMMEDIATE RELEASE**

**Beazer Homes Reports Record Earnings:
Fourth Quarter Diluted EPS of \$4.18 Up 38%;
Fiscal 2003 Diluted EPS of \$12.78 Up 19%
Board of Directors Declares
Quarterly Cash Dividend of \$0.10 per share;
Company Also Announces Strengthened Brand and Strategic Growth Initiatives**

ATLANTA, November 5, 2003—Beazer Homes USA, Inc. (NYSE: BZH) (www.beazer.com) today announced results for the quarter and year ended September 30, 2003, reporting record earnings. The Company also announced that its Board of Directors has declared a quarterly cash dividend of \$0.10 per common share. In addition, the Company also released information about its new branding initiative and provided details regarding strategic growth initiatives. Highlights of the quarter and year, compared to the same periods of the prior year, are as follows:

Quarter Ended September 30, 2003

- **Record diluted EPS: \$4.18 (up 38% vs. \$3.03 in prior year)**
- Record home closings: 5,014 (up 4%)
- Record total revenues: \$1.0 billion (up 15%)
- Earnings before interest, taxes, depreciation and amortization (EBITDA): \$115.4 million (up 37%)
- EBITDA margin: 11.1% (up 180 basis points)
- Record net income: \$57.2 million (up 41%)
- Record September quarter new orders: 3,862 (up 4%)

Year Ended September 30, 2003

- **Record diluted EPS: \$12.78 (up 19% vs. \$10.74 in prior year)**
- Record home closings: 15,409 (up 13%)
- Record total revenues: \$3.2 billion (up 20%)
- Earnings before interest, taxes, depreciation and amortization (EBITDA): \$354.2 million (up 39%)
- EBITDA margin: 11.1% (up 150 basis points)
- Record net income: \$172.7 million (up 41%)
- Record new orders: 16,316 (up 20%)

Record Year-End Backlog

- Record year-end backlog: 7,426 homes (up 14%), sales value \$1.6 billion (up 27%)

Record Earnings for September Quarter and Fiscal Year

"Beazer Homes ends the year with a strong finish, surpassing numerous milestones," said President and Chief Executive Officer Ian J. McCarthy. "For the first time we generated annual revenues in excess of \$3 billion and the fourth quarter marked our first-ever \$1 billion revenue quarter. This was accompanied by significant increases in earnings, illustrating our ongoing commitment to achieving

profitable growth by leveraging our size, scale and geographic reach, as well as executing specific growth and profitability initiatives."

"Beazer Homes' year-end backlog now stands at 7,426 homes with a sales value of \$1.6 billion, up 14% and 27%, respectively from the backlog homes and sales value at September 30, 2002. This sizable year-end backlog increase provides excellent visibility for another strong performance during fiscal 2004," added McCarthy.

Strong Financial Position; Profit Margin Expansion in Fiscal 2003

"We continued to strengthen Beazer Homes' financial position during fiscal 2003," said James O'Leary, Executive Vice President and Chief Financial Officer. "Interest coverage (EBITDA divided by interest incurred) increased from 5.0x to 5.4x, and at year-end, debt to total capitalization improved to 43% from 48% at

September 30, 2002. Net debt to total capitalization now stands at 40%, including \$73.4 million of cash on the balance sheet. Furthermore, we achieved significant profit margin improvement and expect recently introduced profit improvement initiatives to yield further increases to our margins in the future."

During the fourth quarter and fiscal 2003, the Company increased its EBITDA margin by 180 and 150 basis points, respectively. This improvement reflects strong industry fundamentals and greater emphasis on more focused profit improvement initiatives. These gains were achieved despite higher warranty expenses associated with construction defect claims from water intrusion in the Midwest and inventory write-downs in the Southeast.

Board of Directors Declares Quarterly Dividend

The Company also announced its intention to begin paying a quarterly cash dividend. The Board of Directors on November 4, 2003 declared an initial quarterly cash dividend of \$0.10 per common share payable December 22, 2003 to shareholders of record at the close of business on December 10, 2003. "The decision by the Board to institute a quarterly dividend reflects its continued confidence in the Company's prospects for the future to both invest in the Company's growth and to allocate capital to dividends for our shareholders," said McCarthy.

Branding and Strategic Growth Initiatives

The Company also announced a new branding initiative. "On October 15, Beazer Homes began rolling out a strengthened brand identity which is the result of more than two years of work aimed at building a unified consumer brand across all regions in which we operate," said McCarthy. "Beazer Homes becomes a more dynamic force when we present ourselves as one company with one name, one logo, one message and one purpose."

"This undertaking is about much more than a universal name and a new look," McCarthy continued. "The homebuilding industry continues to undergo change and rapid consolidation with large public builders poised to capitalize on sustainable competitive advantages." To benefit from these trends and achieve its growth potential, Beazer Homes will differentiate itself through qualities that lead to good recommendations, referrals to family and friends, and repeat purchases by loyal customers. "While our brand strategy has many components," said McCarthy, "the customer is the constant focus. A strengthened, national brand identity positions us to consistently address the needs of our customers across all of our markets."

"Beazer Homes has grown both organically and through acquisition, establishing one of the most diversified geographic footprints in the industry," added McCarthy. "Significant opportunity exists to build on the strengths Beazer Homes has established in terms of size, experience, capabilities and talent. Moving forward, we will focus on consistently achieving sustainable and profitable growth. We will accomplish this through strategic growth initiatives that leverage our national brand, capitalize on our broad geographic profile through focused product expansion and price-point diversification, as well as drive best practices to achieve optimal efficiencies. All of these efforts are designed to deliver maximum value to our customers, and in turn, to our shareholders."

Beazer Homes Targets EPS Growth of 10-15% in Fiscal 2004

"Our strong backlog coupled with our expectations of continued strength in the housing market provide

us confidence in our future growth opportunities," said McCarthy. "We believe strong demographic trends combined with constraints on housing supply will continue to drive earnings growth for large public homebuilders, such as Beazer Homes. In addition, our strategic growth priorities, as outlined above, will place us in a strong position for continued success. As such, we expect to generate diluted earnings per share in the range of \$14.00—\$14.75 in fiscal 2004, representing approximately 10-15% growth over fiscal 2003."

Beazer Homes USA, Inc., headquartered in Atlanta is one of the country's ten largest single-family homebuilders with operations in Arizona, California, Colorado, Delaware, Florida, Georgia, Indiana, Kentucky, Maryland, Mississippi, Nevada, New Jersey, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Texas and Virginia. Beazer Homes also provides mortgage origination and title services to its homebuyers.

Notes

Forward-Looking Statements:

Certain statements in this press release are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. Such risks, uncertainties and other factors include, but are not limited to changes in general economic conditions, fluctuations in interest rates, increases in raw materials and labor costs, levels of competition and other factors described in the Company's Annual Report for the year ended September 30, 2002.

Non-GAAP Financial Measures:

EBITDA is not a generally accepted accounting principle (GAAP) financial measure. EBITDA is calculated by adding to net income the provision for income tax, depreciation, amortization and interest. EBITDA should not be considered an alternative to net income determined in accordance with GAAP as an indicator of operating performance. Because some analysts and companies may not calculate EBITDA in the same manner as Beazer, the EBITDA information presented above may not be comparable to similar presentations by others. Beazer's management believes that EBITDA reflects the changes in the Company's operating results, particularly changes in the Company's net income, and

believes it to be an effective measure of operating performance. A reconciliation of EBITDA to net income, the most directly comparable GAAP measure, is provided below:

	Quarter Ended September 30,	
	2003	2002
Reconciliation of Net Income to EBITDA		
Net Income	\$ 57,164	\$ 40,658
Add:		
Income taxes	37,321	26,545
Interest	17,302	14,176
Depreciation and amortization	3,623	3,131

EBITDA	\$	115,410	\$	84,510
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Year Ended
September 30,

2003

2002

Reconciliation of Net Income to EBITDA

Net Income	\$	172,745	\$	122,634
Add:				
Income taxes		112,784		79,425
Interest		55,451		43,001
Depreciation and amortization		13,220		9,453
EBITDA	\$	354,200	\$	254,513
Interest Incurred	\$	65,295	\$	51,171
Interest Coverage		5.4x		5.0x

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-Tables Follow-

BEAZER HOMES USA, INC.
CONSOLIDATED OPERATING AND FINANCIAL DATA
(Dollars in thousands, except per share amounts)

FINANCIAL DATA

	Quarter Ended September 30,		Year Ended September 30,					
	2003	2002	2003	2002				
INCOME STATEMENT								
Revenues	\$	1,039,923	\$	904,331	\$	3,177,408	\$	2,641,173
Costs and expenses:								
Home construction and land sales		812,681		720,661		2,478,584		2,112,414
Interest		17,302		14,176		55,451		43,001
Selling, general and administrative expense		117,306		105,394		356,648		292,584
Expenses related to early retirement of debt		—		—		7,570		—
Operating income		92,634		64,100		279,155		193,174
Other income		1,851		3,103		6,374		8,885
Income before income taxes		94,485		67,203		285,529		202,059
Income taxes		37,321		26,545		112,784		79,425
Net income	\$	57,164	\$	40,658	\$	172,745	\$	122,634
Net income per common share:								
Basic	\$	4.38	\$	3.21	\$	13.41	\$	11.64
Diluted	\$	4.18	\$	3.03	\$	12.78	\$	10.74
Weighted average shares outstanding, in thousands:								
Basic		13,060		12,647		12,886		10,535
Diluted		13,679		13,407		13,514		11,415
Interest incurred	\$	15,677	\$	16,653	\$	65,295	\$	51,171
Depreciation and amortization	\$	3,623	\$	3,131	\$	13,220	\$	9,453

SELECTED BALANCE SHEET DATA

	September 30,			
	2003	2002		
Cash	\$	73,372	\$	124,989
Inventory		1,723,483		1,364,133
Total assets		2,212,034		1,892,847

Total debt	741,365	739,100
Shareholders' equity	993,695	799,515

BEAZER HOMES USA, INC.
CONSOLIDATED OPERATING AND FINANCIAL DATA (Continued)
(Dollars in thousands)

OPERATING DATA

	Quarter Ended September 30,		Year Ended September 30,	
	2003	2002	2003	2002
SELECTED OPERATING DATA				
Closings:				
Southeast region	1,770	1,719	5,160	4,575
West region	1,379	1,272	4,688	4,442
Central region	405	331	1,239	1,121
Mid-Atlantic region	449	324	1,238	1,412
Midwest region	1,011	1,193	3,084	2,053
Total closings	5,014	4,839	15,409	13,603
New orders, net of cancellations:				
Southeast region	1,298	1,185	5,614	4,623
West region	1,452	1,175	5,142	4,669
Central region	268	327	1,128	1,244
Mid-Atlantic region	273	263	1,655	1,365
Midwest region	571	781	2,777	1,709
Total new orders	3,862	3,731	16,316	13,610
Backlog at end of period	7,426	6,519		
Dollar value of backlog at end of period	\$ 1,644,814	\$ 1,293,290		
Active subdivisions:				
Southeast region	178	188		
West region	97	73		
Central region	39	34		
Mid-Atlantic region	40	35		
Midwest region	140	138		
Total active subdivisions	494	468		

BEAZER HOMES USA, INC.
CONSOLIDATED OPERATING AND FINANCIAL DATA (Continued)
(Dollars in thousands)

	Quarter Ended September 30,		Year Ended September 30,	
	2003	2002	2003	2002
SUPPLEMENTAL FINANCIAL DATA:				
Revenues				
Home sales	\$ 1,007,416	\$ 885,548	\$ 3,097,021	\$ 2,594,910
Land and lot sales	19,266	8,422	39,069	18,051
Mortgage origination revenue	16,801	14,689	57,152	41,006
Intercompany elimination—mortgage	(3,560)	(4,328)	(15,834)	(12,794)
Total revenues	\$ 1,039,923	\$ 904,331	\$ 3,177,408	\$ 2,641,173
Cost of home construction and land sales				
Home sales	\$ 797,959	\$ 717,347	\$ 2,459,564	\$ 2,109,756
Land and lot sales	18,282	7,642	34,854	15,452
Intercompany elimination—mortgage	(3,560)	(4,328)	(15,834)	(12,794)
Total costs of home construction and land sales	\$ 812,681	\$ 720,661	\$ 2,478,584	\$ 2,112,414

Selling, general and administrative								
Homebuilding operations	\$	107,785	\$	97,316	\$	325,657	\$	269,655
Mortgage origination operations		9,521		8,078		30,991		22,929
Total selling, general and administrative	\$	117,306	\$	105,394	\$	356,648	\$	292,584
