Beazer Homes USA, Inc.
Q3 2018 Earnings Presentation

Venture Homes
Atlanta, GA

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Forward Looking Statements

This presentation contains forward-looking statements, including guidance concerning the remainder of fiscal 2018 and expectations regarding our performance in fiscal 2019, as well as expectations regarding Gatherings acquisition activity and the impact of the Venture Homes acquisition. These forward-looking statements represent our expectations or beliefs concerning future events, and it is possible that the results described in this press release will not be achieved. These forward-looking statements are subject to risks, uncertainties and other factors, many of which are outside of our control, that could cause actual results to differ materially from the results discussed in the forward-looking statements, including, among other things: (i) economic changes nationally or in local markets, changes in consumer confidence, declines in employment levels, inflation or increases in the quantity and decreases in the price of new homes and resale homes on the market; (ii) the cyclical nature of the homebuilding industry and a potential deterioration in homebuilding industry conditions; (iii) factors affecting margins, such as decreased land values underlying land option agreements, increased land development costs on communities under development or delays or difficulties in implementing initiatives to reduce our production and overhead cost structure; (iv) the availability and cost of land and the risks associated with the future value of our inventory, such as additional asset impairment charges or writedowns; (v) shortages of or increased prices for labor, land or raw materials used in housing production, and the level of quality and craftsmanship provided by our subcontractors; (vi) estimates related to homes to be delivered in the future (backlog) are imprecise, as they are subject to various cancellation risks that cannot be fully controlled; (vii) increases in mortgage interest rates, disruption in the availability of mortgage financing, the recent change in tax laws regarding the deductibility of mortgage interest for tax purposes or an increased number of foreclosures; (viii) government actions, policies, programs and regulations directed at or affecting the housing market (including the Tax Cuts and Jobs Act, the Dodd-Frank Act and the tax benefits associated with purchasing and owning a home); (ix) changes in existing tax laws or enacted corporate income tax rates, including pursuant to the Tax Cuts and Jobs Act; (x) our cost of and ability to access capital, due to factors such as limitations in the capital markets or adverse credit market conditions, and otherwise meet our ongoing liquidity needs, including the impact of any downgrades of our credit ratings or reductions in our tangible net worth or liquidity levels; (xi) our ability to reduce our outstanding indebtedness and to comply with covenants in our debt agreements or satisfy such obligations through repayment or refinancing; (xii) increased competition or delays in reacting to changing consumer preferences in home design; (xiii) weather conditions or other related events that could result in delays in land development or home construction, increase our costs or decrease demand in the impacted areas; (xiv) estimates related to the potential recoverability of our deferred tax assets; (xv) 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; (xvi) the results of litigation or government proceedings and fulfillment of any related obligations; (xvii) the impact of construction defect and home warranty claims; (xviii) the cost and availability of insurance and surety bonds, as well as the sufficiency of these instruments to cover potential losses incurred; (xix) the performance of our unconsolidated entities and our unconsolidated entity partners; (xx) the impact of information technology failures or data security breaches; (xxi) terrorist acts, natural disasters, acts of war or other factors over which the Company has little or no control; (xxii) the impact on homebuilding in key markets of governmental regulations limiting the availability of water; (xxiii) the failure to realize the anticipated benefits of the acquisition of Venture Homes within the time period currently expected (or at all) for any reason; or (xxiv) the risk that the integration of Venture Homes' operations into our own will be materially delayed or will be more costly or difficult than expected.

Any forward-looking statement speaks only as of the date on which such statement is made and, except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors that may impact the accuracy of the forward-looking statements in this release emerge from time-to-time, and it is not possible for management to predict all such factors. Please refer to the risk factors described in our most recent annual report on Form 10-K for a more detailed discussion of risks that may affect our business.

Introduction

Allan Merrill -	**President & Chief Executive Officer**
Bob Salomon -	**EVP & Chief Financial Officer**
David Goldberg -	**Vice President, Treasurer**

3rd Quarter Overview

Q3 & Subsequent Actions

- Improved revenue and profitability
- Increased land and development spend
- Expand Gatherings
- Venture Homes acquisition

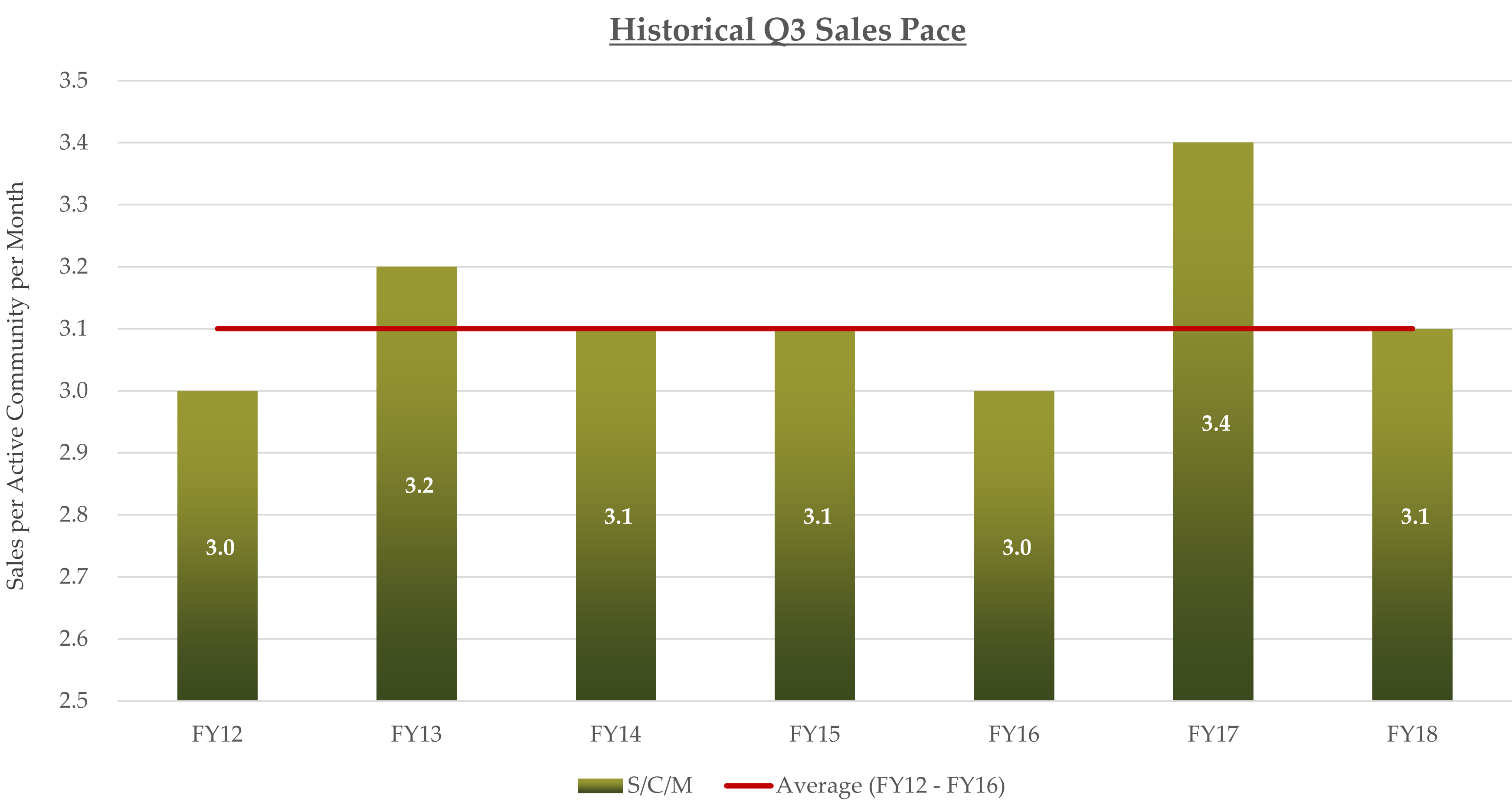
FY18

- Achievement of "2B-10"
- Completion of 3-year, $250 million debt retirement plan

FY19

- 170+ community count by FYE
- At least $2.50 in EPS
- Double-digit EBITDA growth
- 10%+ ROA
- Further deleveraging

Order Pace Remains Strong



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

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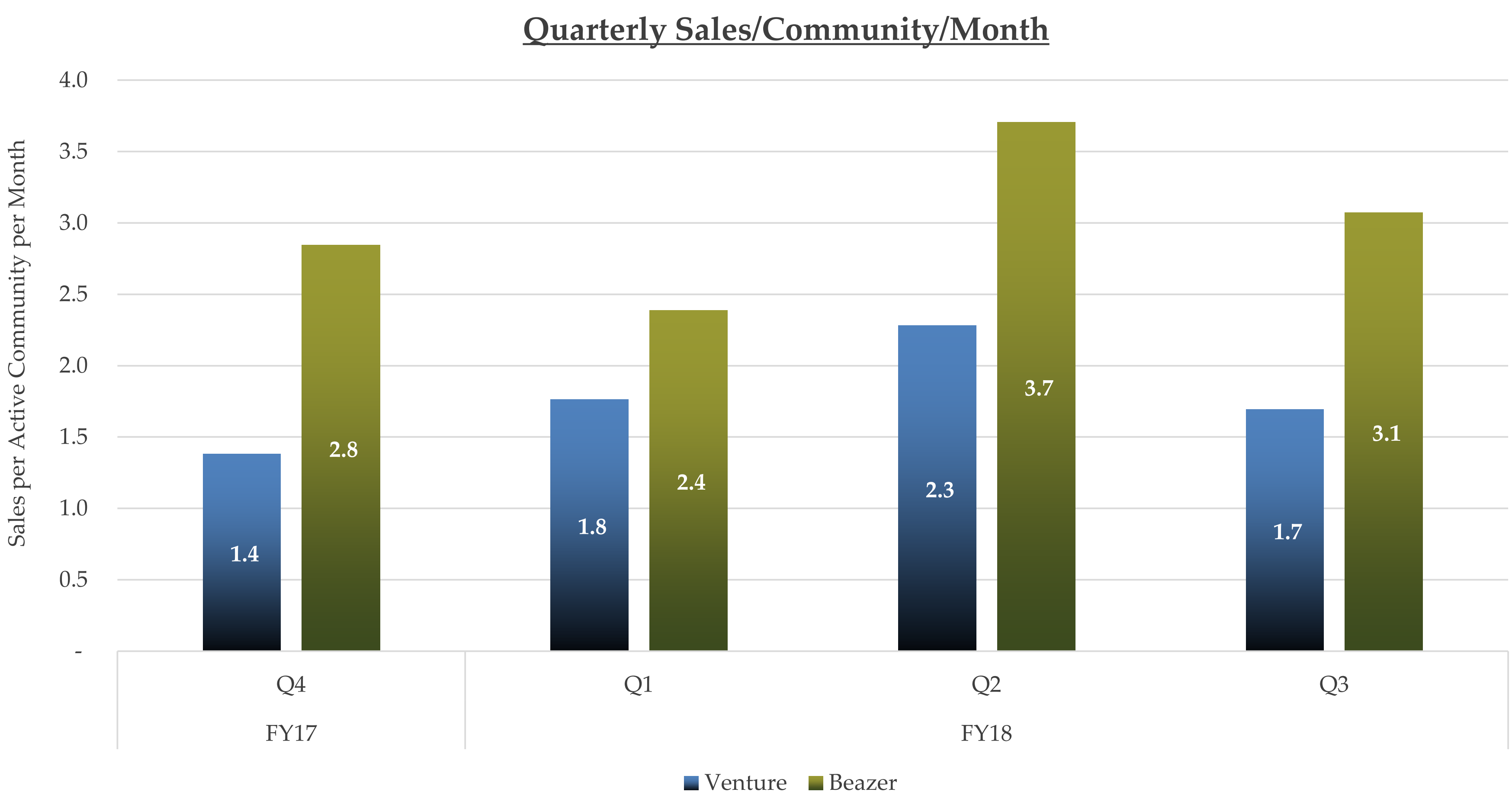
Opportunity Embedded in Venture



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

Fiscal 2019 Expectations

- Expectations
  - At least $2.50 in EPS
  - Double-digit EBITDA growth rate
  - ROA above 10%

- Major contributors to FY 2019 expectations
  - Significant top line growth
    - ASP growth
    - Community count growth
  - SG&A leverage
  - Reduced interest expense as % of revenue

3rd Quarter Results

Results	Q3 FY 2018	YoY Change
New Home Orders	1,450	(9.1%)
Sales Pace	3.1	(10.3%)
Average Selling Price ($k)	$364.5	+7.0%
Backlog ASP ($k)	$388.3	+10.4%
Closings	1,391	+0.3%
Backlog Conversion	60.2%	(180) bps
Average Community Count	157	+2
Homebuilding Revenue ($M)	$507.0	+7.3%
HB Gross Margin %*	20.8%	(50) bps
SG&A as % of Total Revenue	12.1%	(30) bps
Adjusted EBITDA** ($M)	$46.6	+5.3%
Net Income - Cont. Ops. ($M)	$13.4	+88.8%

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

“2B-10” Plan Ranges vs. LTM Results

		"2B-10" Plan Ranges	Q3 FY18 LTM Results
Revenue	Sales / Community / Month	2.8 - 3.2	3.0
	Average Selling Price ("ASP")	$340k - $350k	$352.1k
	Average Community Count	170 - 175	154
	Total Revenue	**$2.0 billion**	**$2.0 billion**
Margin	HB Gross Margin %*	21% - 22%	21.3%
	SG&A (% of Total Revenue)	11% - 12%	12.1%
	Adjusted EBITDA**	**$200 million**	**$191.4 million**

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

*Excludes impairments, abandonments, interest included in cost of sales and certain warranty items
**Details are included on the “Adjusted EBITDA Reconciliation” slide in the appendix

4th Quarter Guidance

Metric	Q4 FY18 vs Prior Year
New Home Orders	Up
Community Count	Up
Closings	Up
Backlog Conversion	Around 85%
Average Selling Price	Around $380k
HB Gross Margin %	20.5% - 21.0%
SG&A % of Total Revenue	Below 10%
Adjusted EBITDA	Up
Cash Land Spend	Up Significantly

Tax Rate	About 27% in Q4

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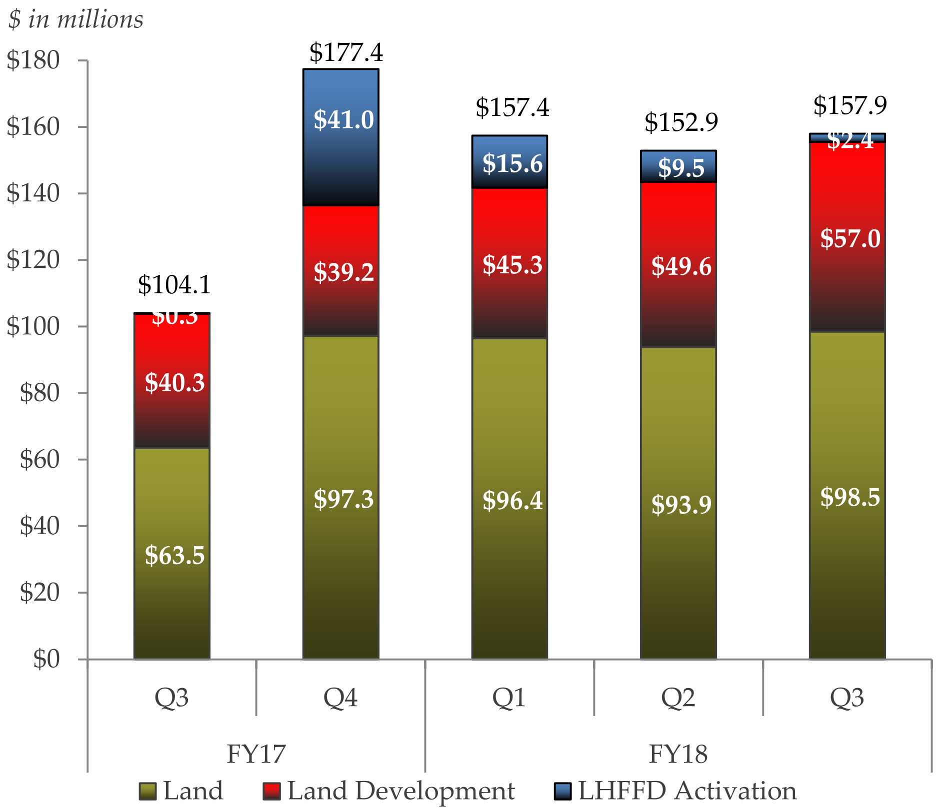
Land Spend & Lot Position

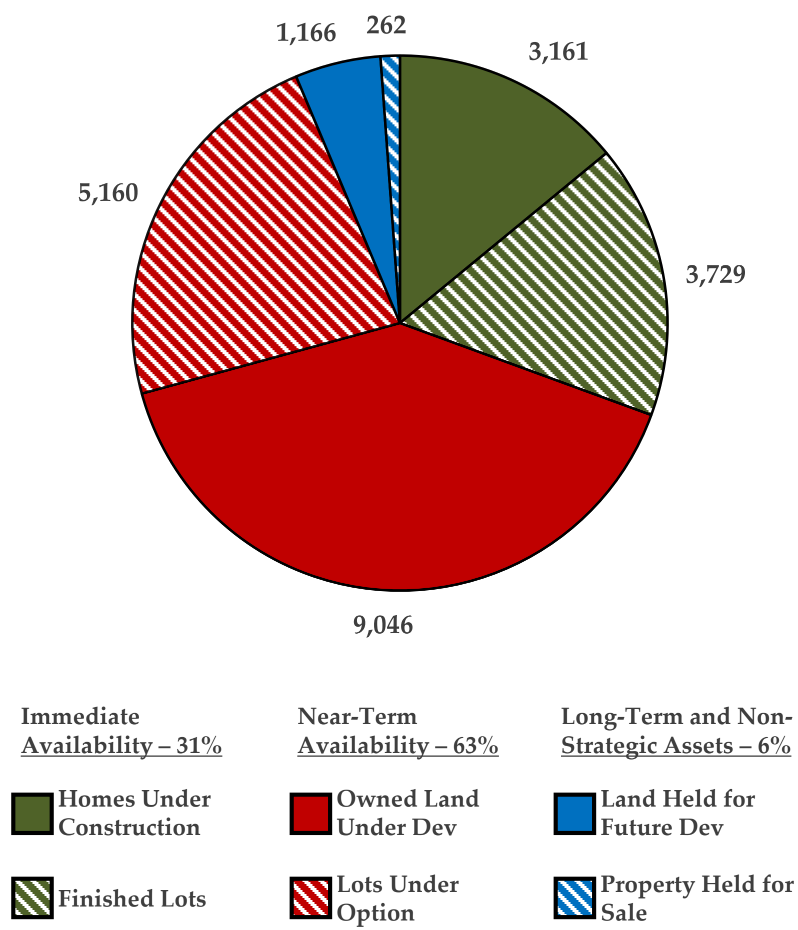
Quarterly Land Spend



Option Lots as % of Active Lots				
Q3 FY14	Q3 FY15	Q3 FY16	Q3 FY17	Q3 FY18
27%	28%	31%	31%	24%

22,524 total controlled lots
21,096 active lots

Lot Position at June 30, 2018



Note: Totals may not foot due to rounding

Driving ROA Through Increased Capital Efficiency

$191.4 million of LTM EBITDA equates to an ROA on active assets of 11.5%

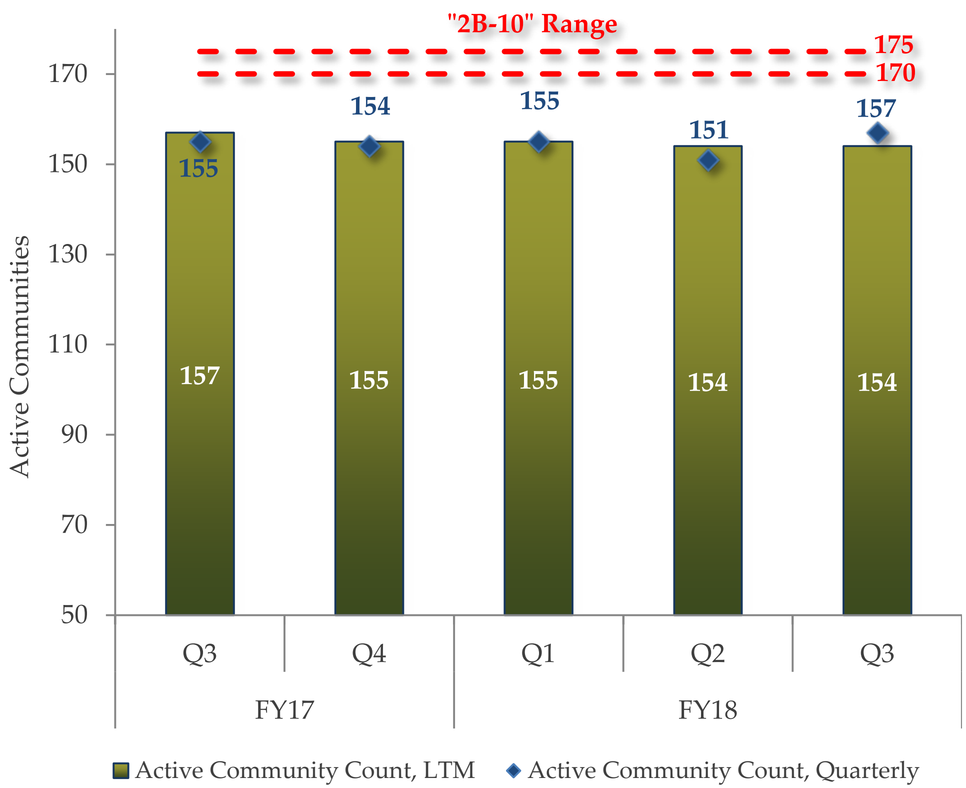
$ in millions		06/30/18
Unrestricted & Restricted Cash	$	148.5
Working Capital		39.0
PPE & Investments		26.4
Active Inventory		1,447.4
Former LHFFD - Under Development		226.1
LHFFD & PHFS		94.5
Deferred Tax Assets		195.1
Total Assets	$	2,177.0

$1.7B of total assets are "active"

$515.7M of total assets are "inactive"

Community Count Above 170 by 2019 FYE

Average Active Community Count



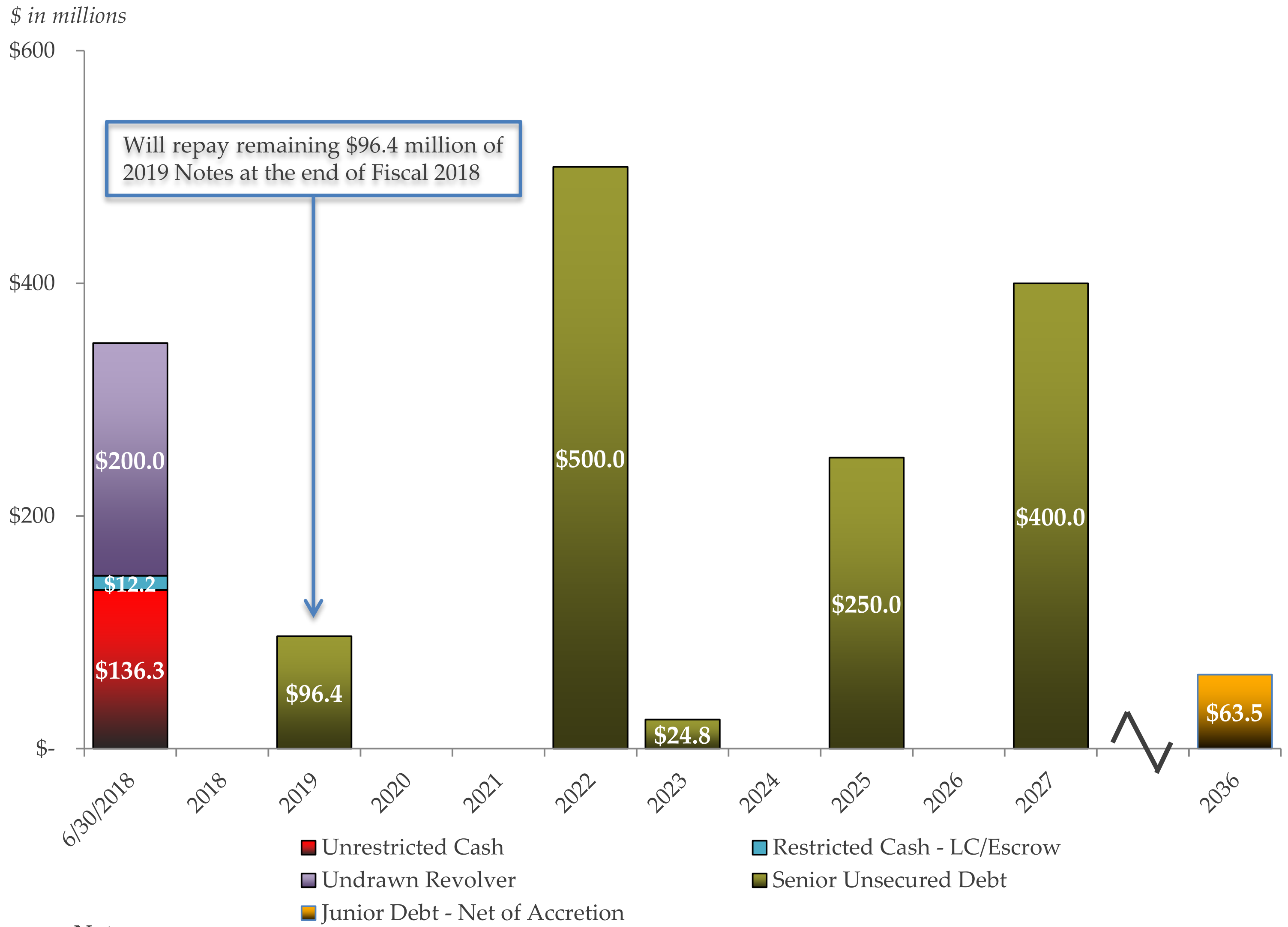
Community Count Activity

Active Communities at 6/30/2018			158
	BZH	Venture	Total
Opening in Next ~6 Months	+ 38	+ 21	+ 59
Under Development (excluding former LHFFD & opening in N6M)	+ 26	+ 6	+ 32
Former LHFFD Not Yet Activated (excluding opening in N6M)	+ 9	-	+ 9
Approved But Not Yet Closed (excluding opening in N6M)	+ 29	-	+ 29
Closing in Next ~6 Months	(37)	(9)	(46)

Includes 9 communities which were active at completion of transaction

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

Maturity Schedule – 6/30/2018

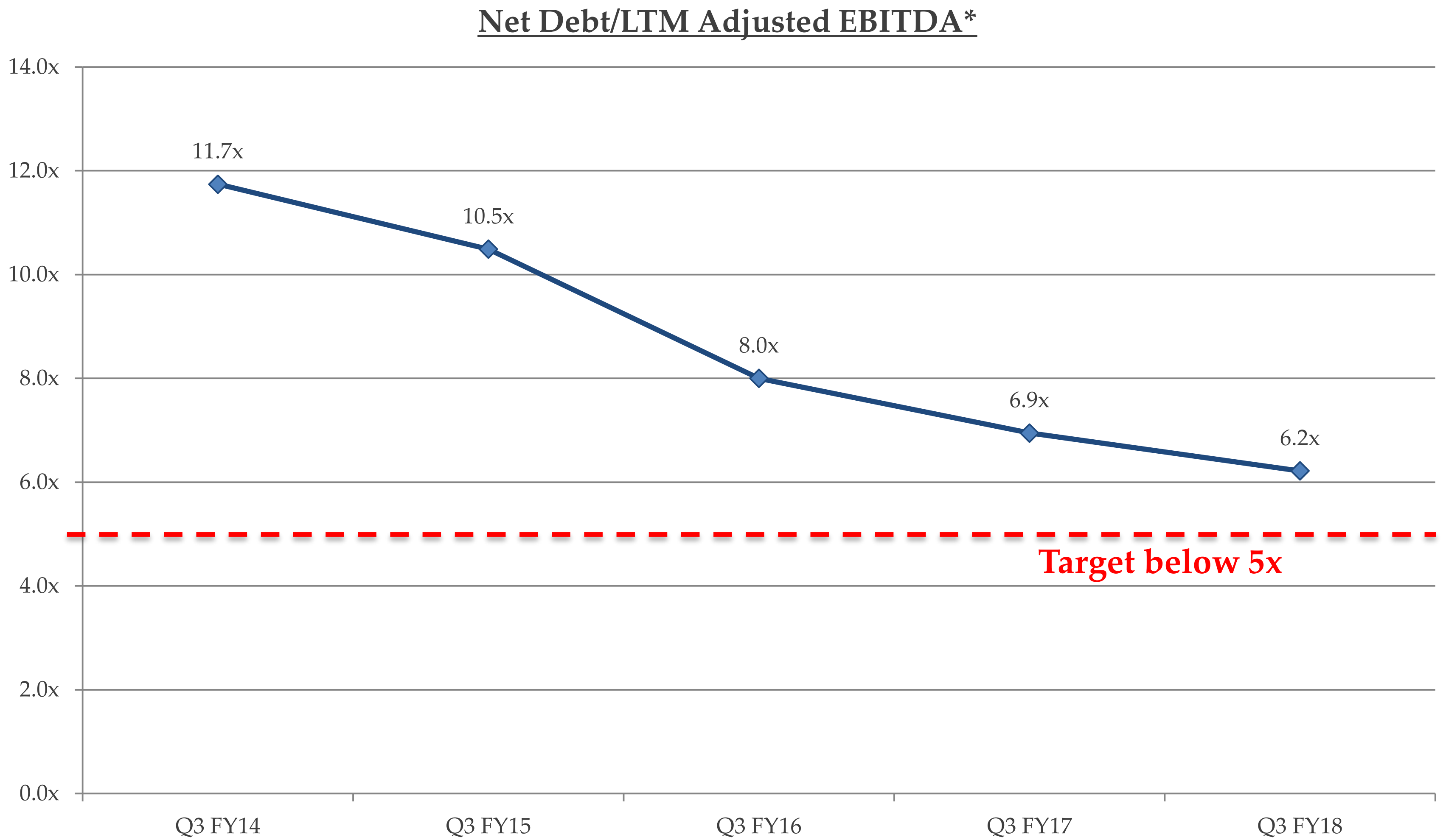


Notes:

-There is an additional $4.1 million of secured divisional debt on the balance sheet with various maturity dates

-Years are calendar years

Improving Leverage



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

Summary

Fiscal 2018

- Achievement of "2B-10" Plan
- Complete 3-year, $250 million debt reduction plan

Fiscal 2019

- Generate at least $2.50 in EPS
- Double-digit EBITDA growth
- ROA above 10%

Appendices

Q3 Results

$ in millions, except ASP

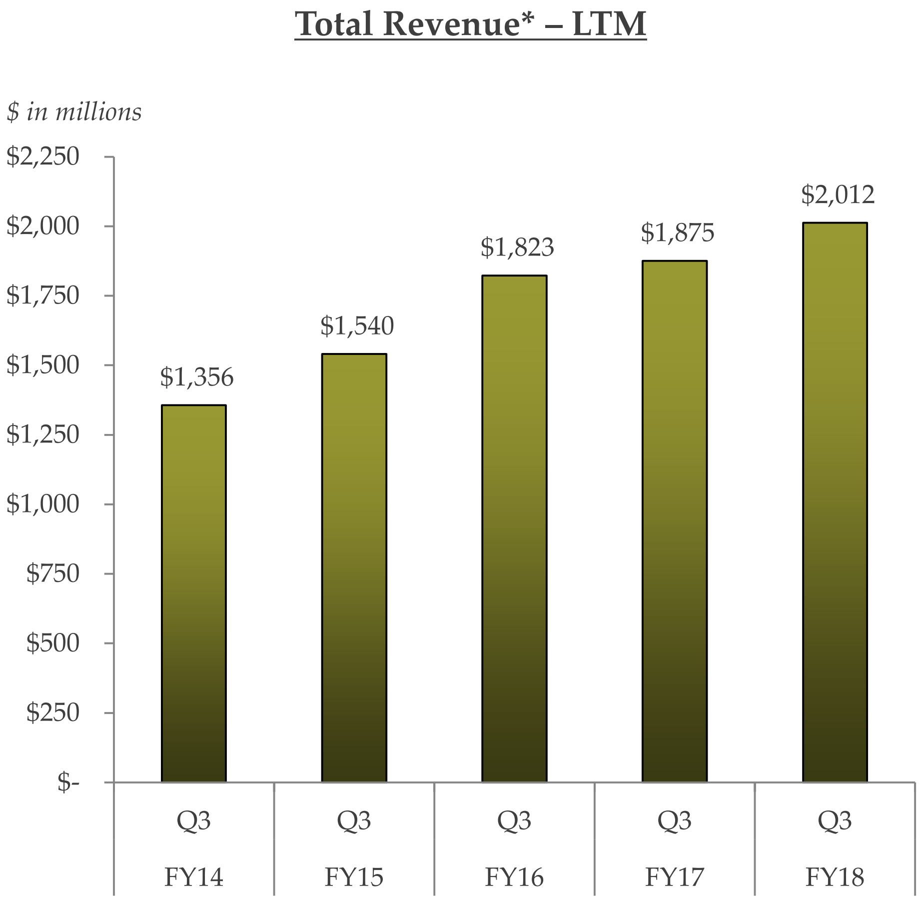
	FY17 Q3		FY18 Q3		Δ	
Profitability						
Total Revenue	$	478.6	$	511.5		6.9%
Adjusted EBITDA*	$	44.3	$	46.6	$	2.4
Net Income/Loss (Cont. Ops.)	$	7.1	$	13.4	$	6.3
Unit Activity						
Orders		1,595		1,450		(9.1)%
Closings		1,387		1,391		0.3%
Average Sales Price ($000's)	$	340.6	$	364.5		7.0%
Cancellation Rate		16.9%		18.6%		170 bps
Active Community Count, Avg**		155		157		1.3%
Sales/Community/Month		3.4		3.1		(10.3)%
Margins						
HB Gross Margin***		21.3%		20.8%		(50 bps)
SG&A (% of Total Revenue)		12.4%		12.1%		(30 bps)
Balance Sheet						
Unrestricted Cash	$	168.4	$	136.3	$	(32.1)
Land & Development Spending	$	103.8	$	155.5	$	51.7

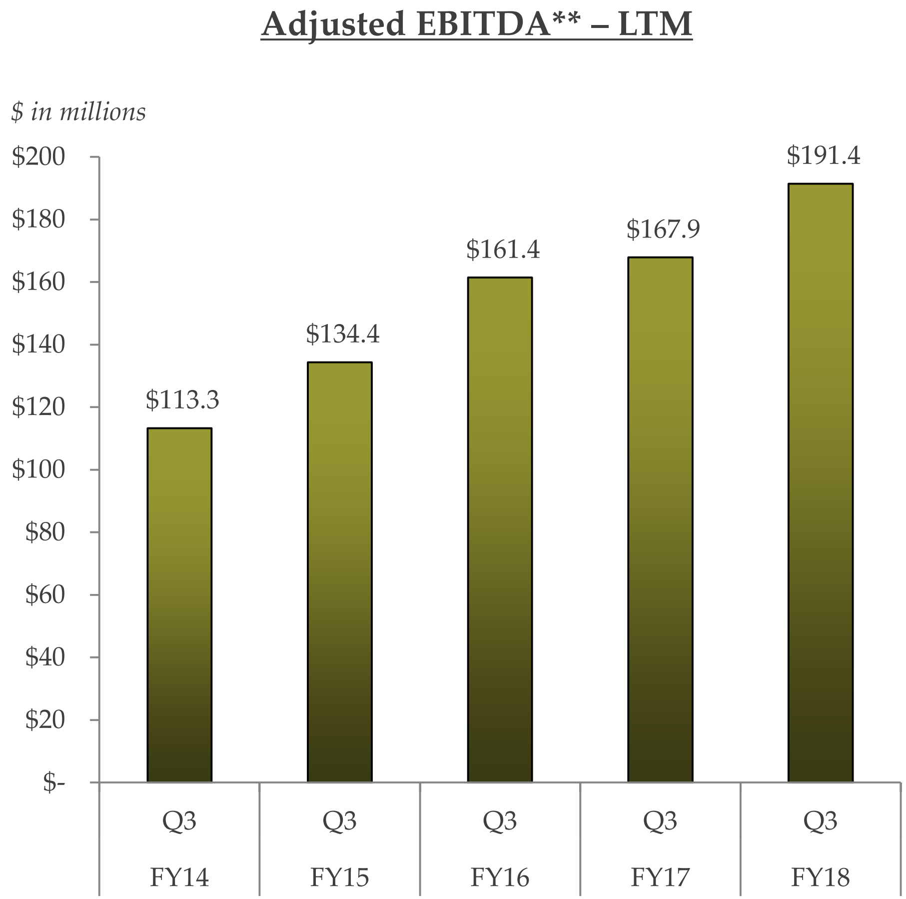
Note: Variances are calculated using un-rounded numbers
*Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix
**Active Community Count was 154 at 6/30/2017 and 158 at 6/30/2018
***Excludes impairments, abandonments, and interest included in cost of sales

Backlog Detail

		Q3 FY17		Q3 FY18
Quarter Ending Backlog (units)		2,444		2,371
Quarter Ending Backlog ($ in millions)	$	859.9	$	920.7
ASP in Backlog ($ in thousands)	$	351.8	$	388.3
Quarter Beg. Backlog		2,236		2,312
Scheduled to Close in Future Qtrs.		(1,064)		(1,184)
Backlog Scheduled to Close in the Qtr.		1,172		1,128
Backlog Activity:				
Cancellations		(82)		(79)
Pushed to Future Quarters		(86)		(72)
Close Date Brought Forward		103		85
Sold & Closed During the Qtr		280		329
Total Closings in the Quarter		1,387		1,391
Backlog Conversion Rate		**62.0%**		**60.2%**

Increases in LTM Revenue and EBITDA





*Total Revenue is for Continuing Operations
**Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix

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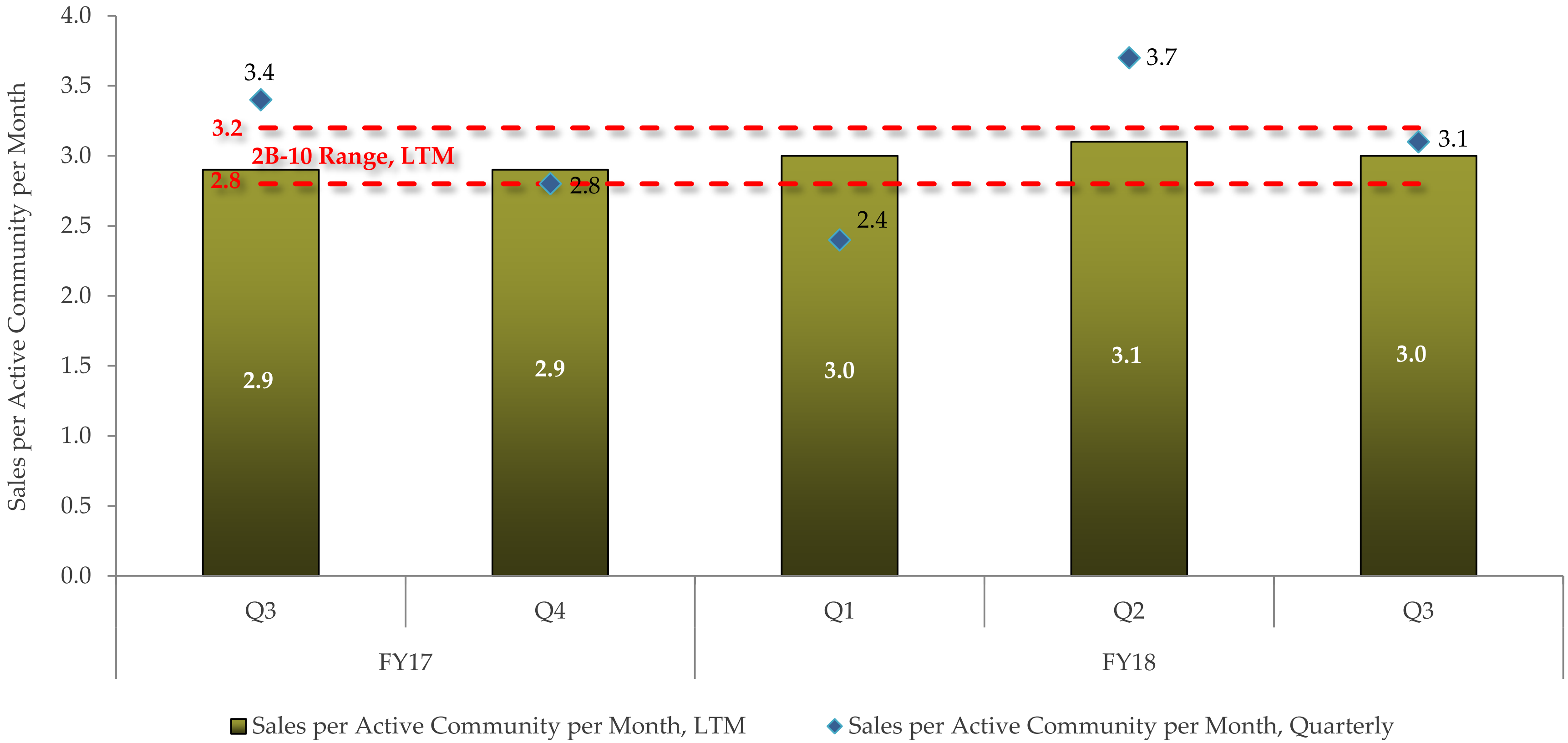
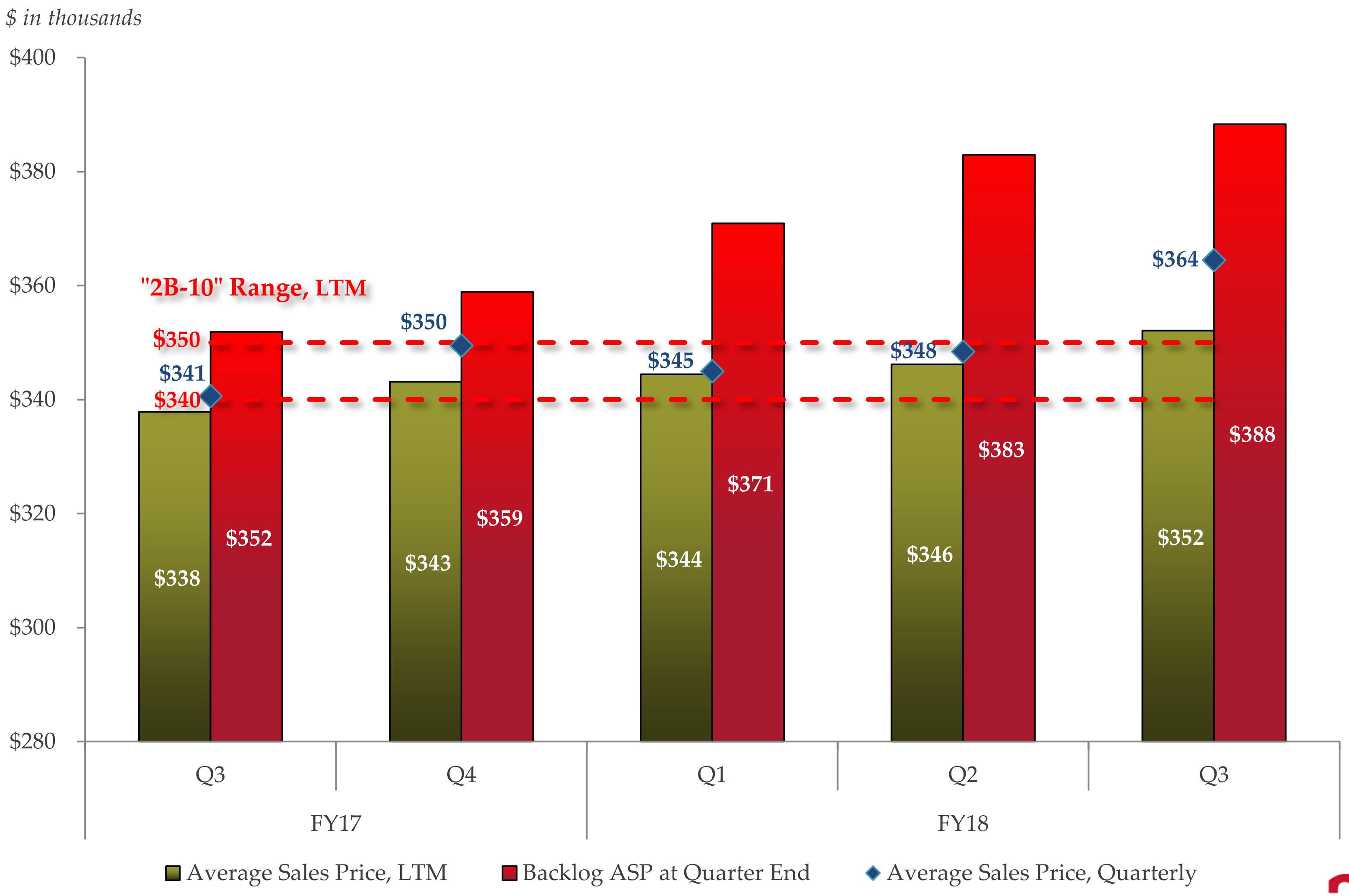
Sales Pace Within “2B-10” Target Range



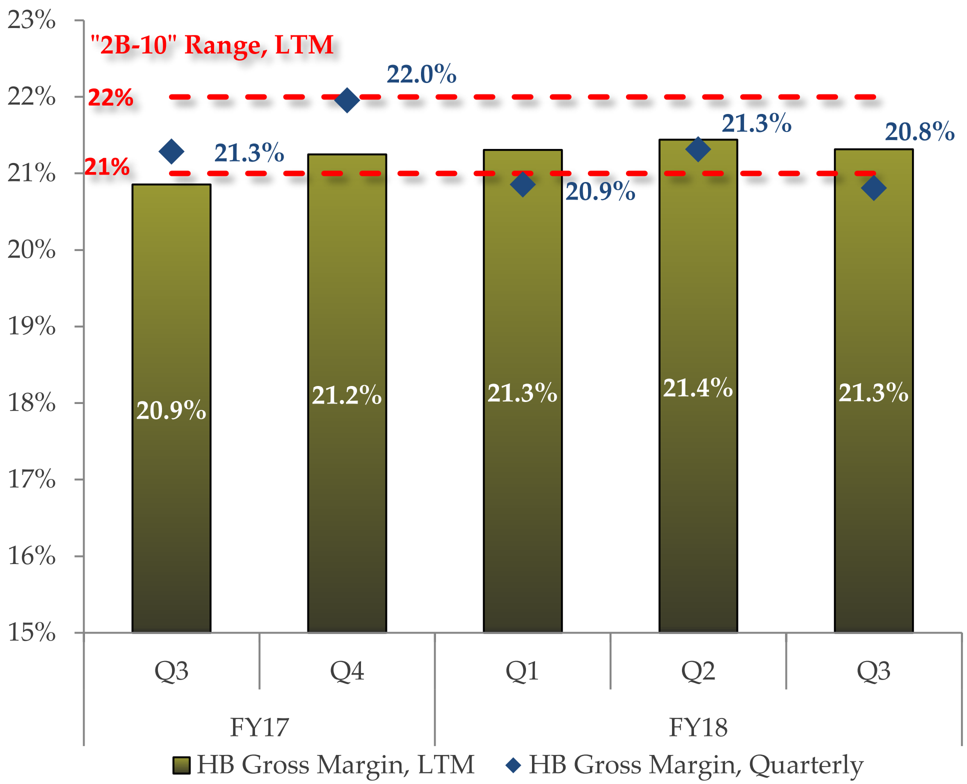
Note: An active community has achieved at least 2 initial sales and has at least 2 unsold units remaining

Backlog ASP Suggests Further Growth

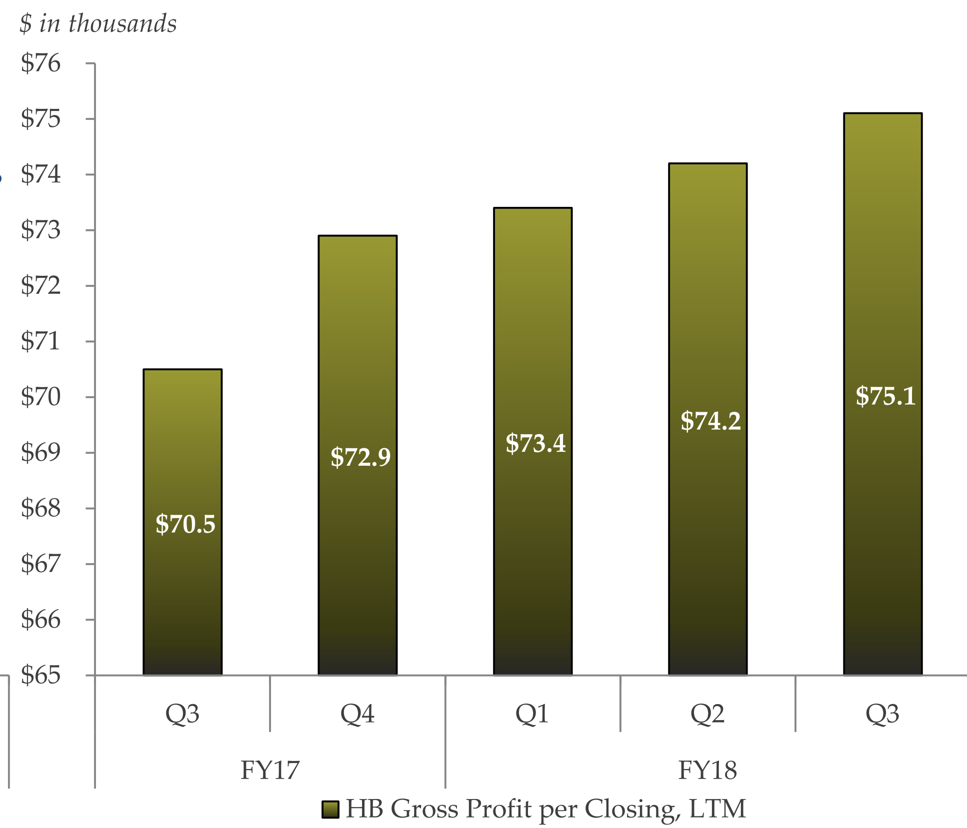


Gross Margin Within “2B-10” Range

Homebuilding Gross Margin*



Homebuilding Gross Profit Dollars Per Closing*



*Excludes impairments, abandonments and interest included in cost of sales as well as certain warranty items

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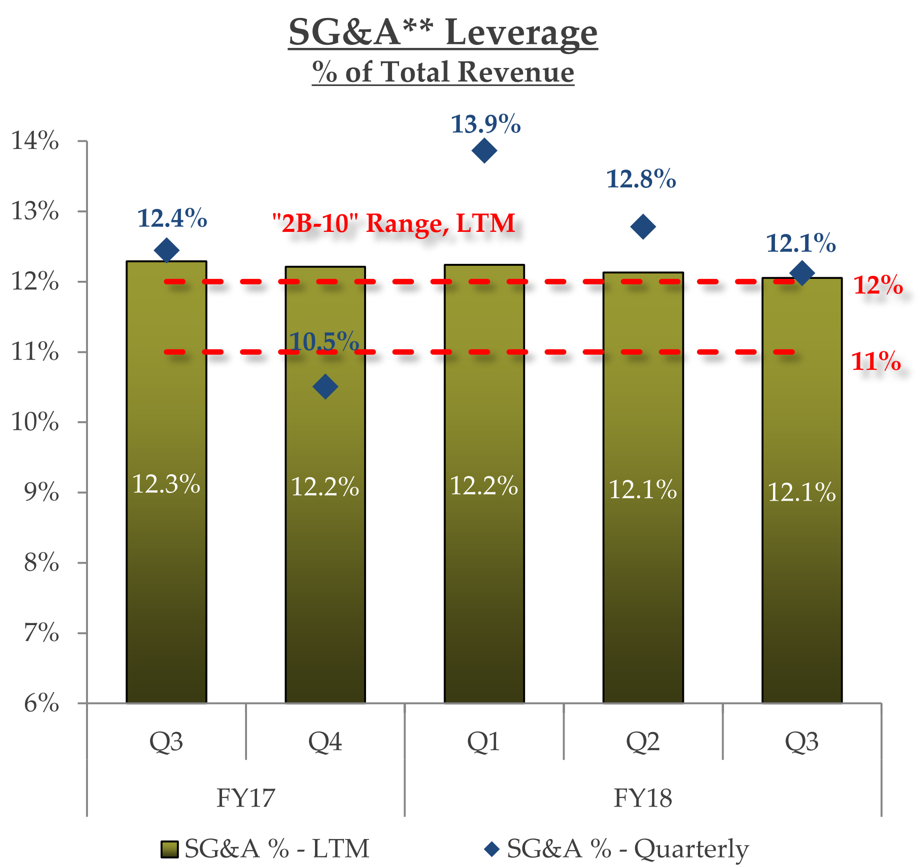
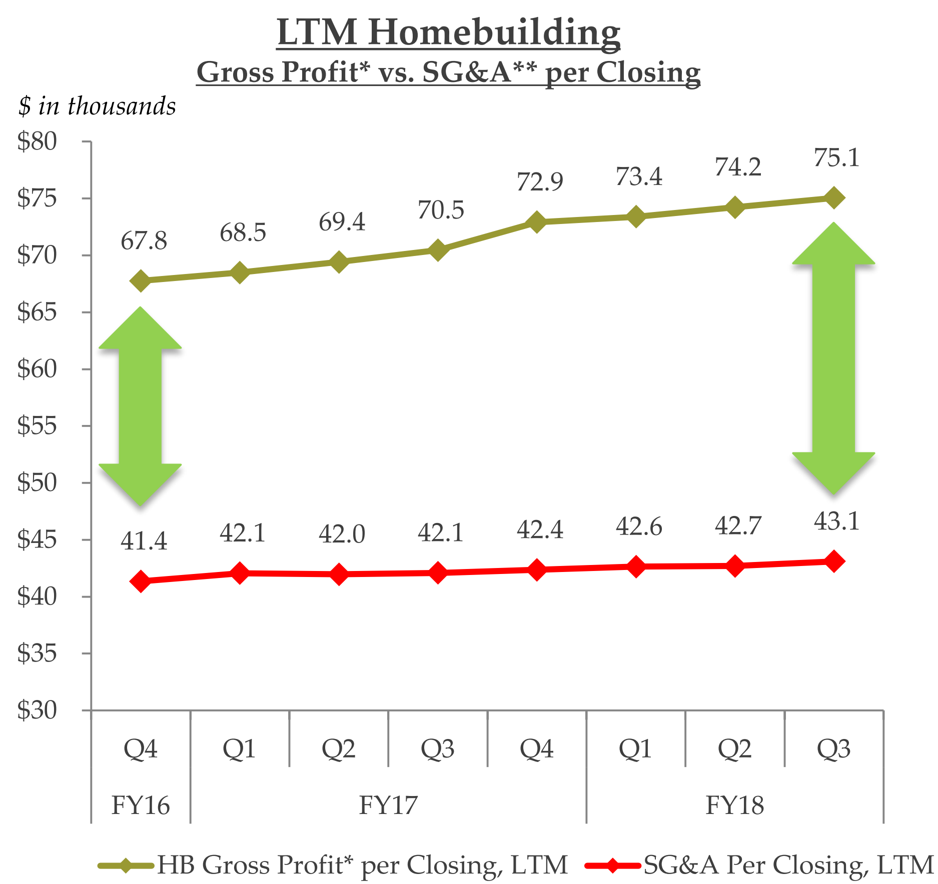
SG&A Leverage as Revenue Grows





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

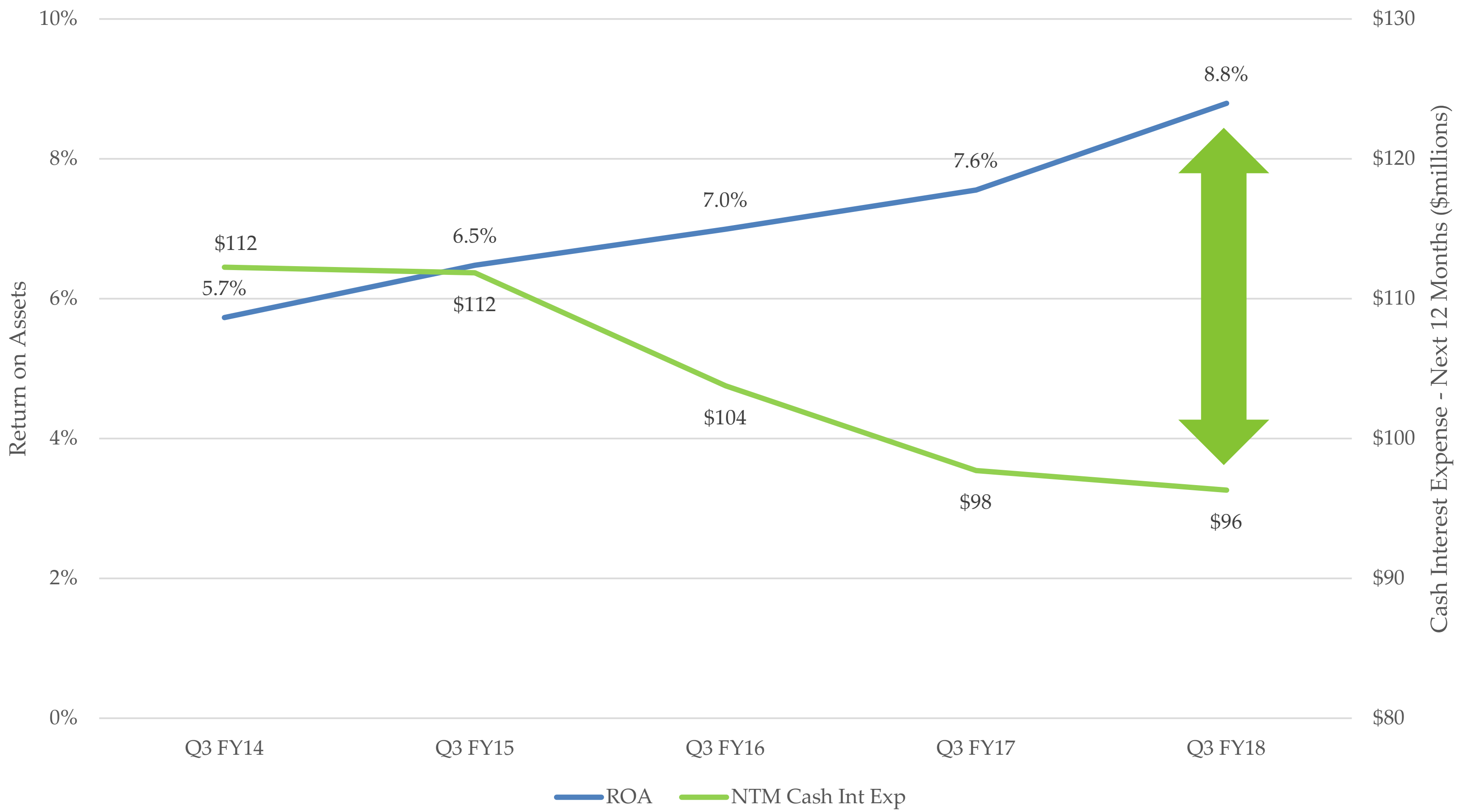
Capital Efficiency Strategies: LHFFD Impact on Margin

Fiscal Year 2018				
Capital Strategy	**Rationale**	**Gross Margin Impact**	**% of Revenue**	**Total Margin Impact**
Former LHFFD Assets	• Cash generation • Drive higher ROA • Incremental EBITDA	~ 500 bps	~ 8%	~ 40 bps
Slightly lower total margin impact in FY18 compared to FY17				

Capital Efficiency Strategies: Land Banking & ROA

- Margin impact related to the cost of using land bank financing is normally ~400bps, or ~20% of the gross margin
- Turnover benefit is typically 2x
- As a result, land banking is significantly ROA accretive
- For FY18, our % of closings from land banking will be up versus the prior year. However, based on our current portfolio of land banked deals, we do not expect a material impact on total company margin for the full year

Push Toward 10+ ROA with Declining Cost of Capital



<u>Notes</u>
- ROA is LTM Adjusted EBITDA/Total Assets at end of period
- NTM Cash Int Exp is cash interest due for following 12-month period assuming principal balances and interest rates remain fixed at their end of period position

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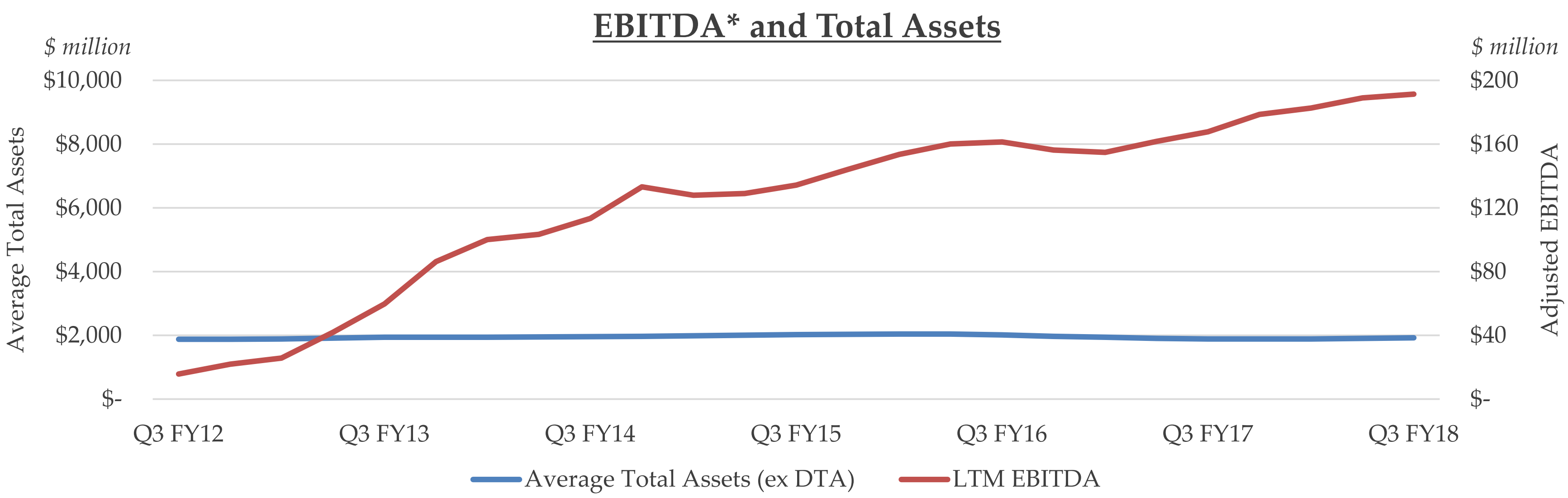
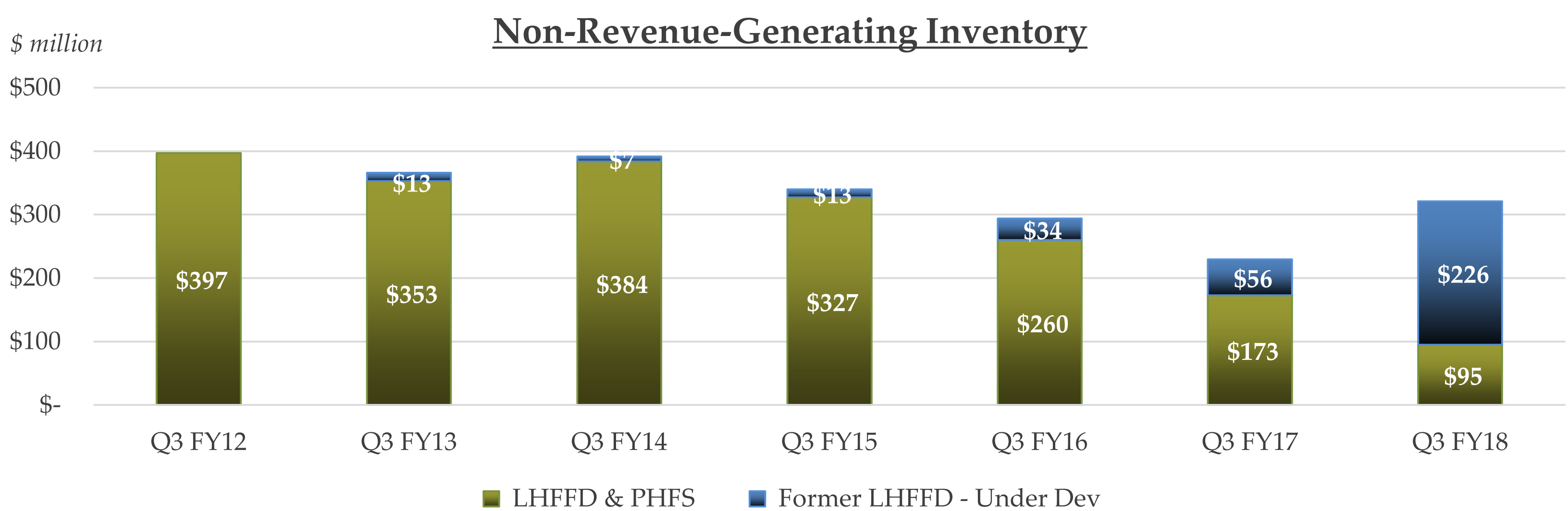
Improvements in ROA and Capital Efficiency





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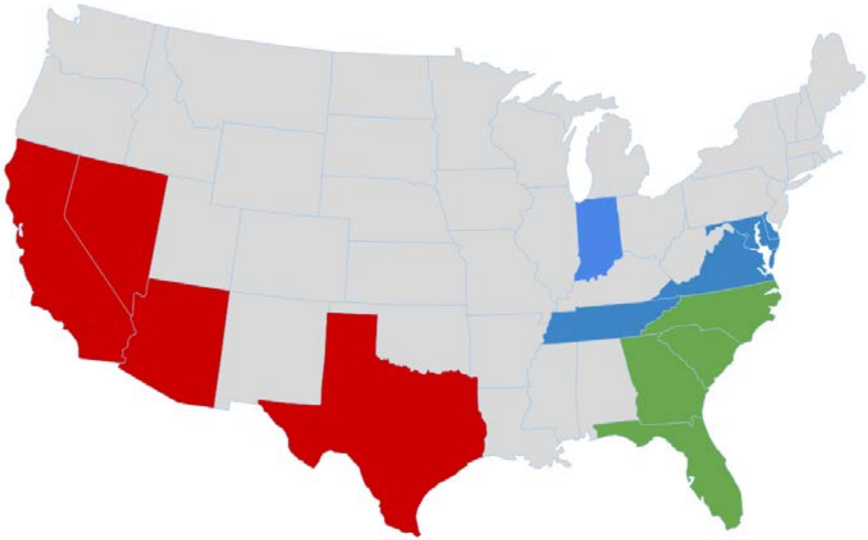
*Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix

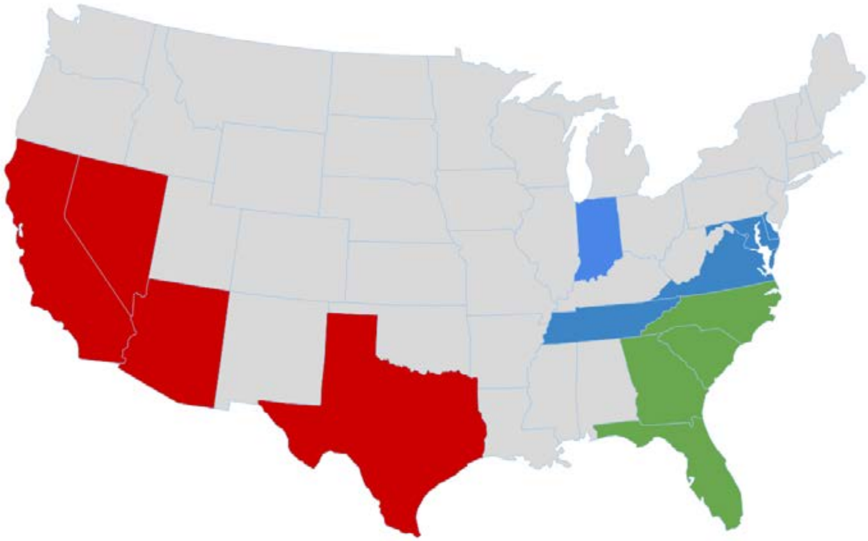
Geographic Mix Impacts Q3 ASP

	Q3 FY17 ASP	Q3 FY18 ASP	Change in ASP ($)	Change in ASP (%)	Q3 FY17 Closings	Q3 FY18 Closings	Change in Mix
West	$333k	$345k	$12k	3.4%	45.0%	50.4%	5.4%
East	$375k	$431k	$56k	14.9%	24.9%	21.5%	-3.4%
SE	$323k	$349k	$26k	8.1%	30.1%	28.1%	-2.0%



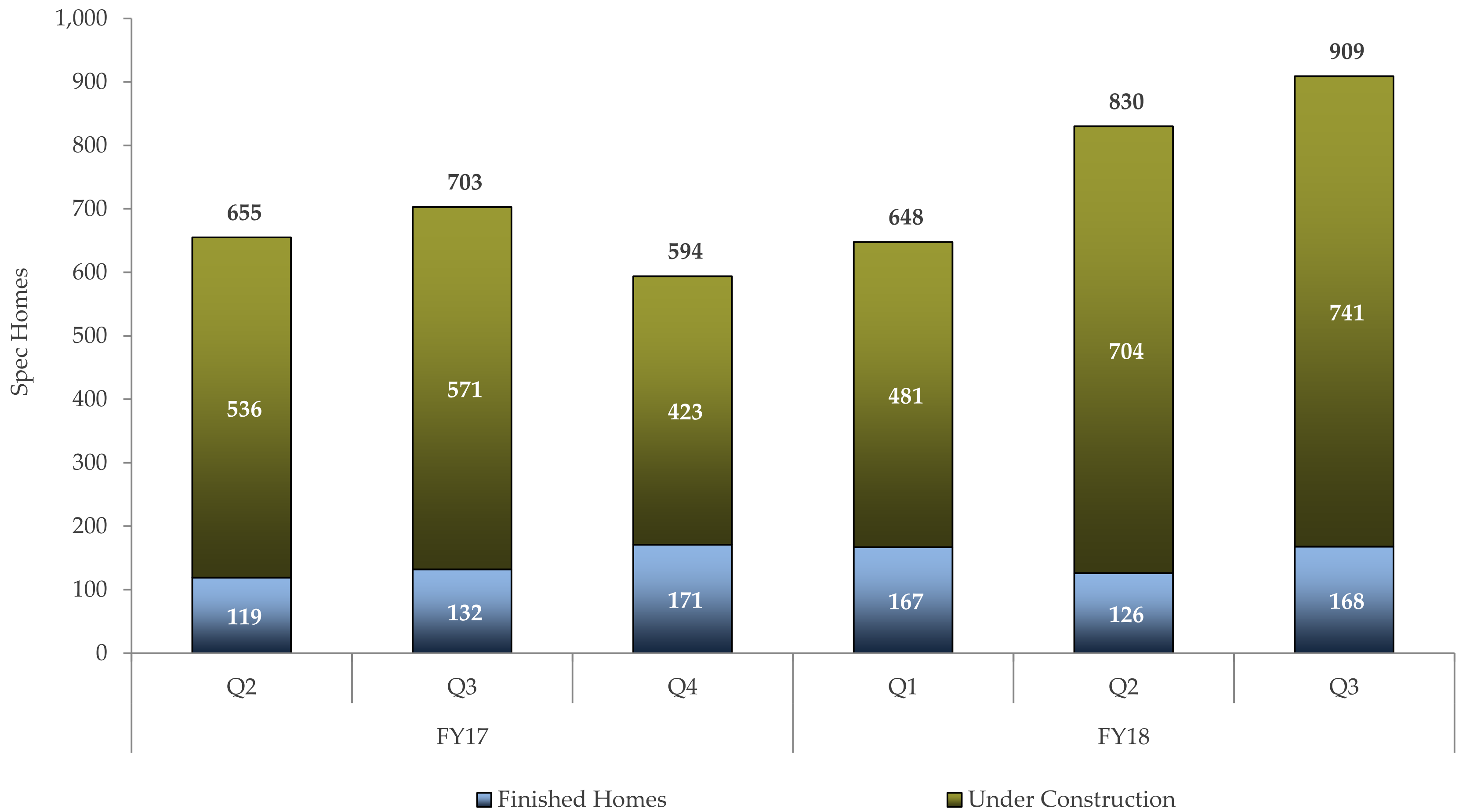
Geographic Mix Impacts Q3 Margin

	Q3 FY17 GM%	Q3 FY18 GM%	Change in GM%	Q3 FY17 Closings	Q3 FY18 Closings	Change in Mix
West	22.4%	22.1%	(30)bps	45.0%	50.4%	5.4%
East	20.5%	19.4%	(110)bps	24.9%	21.5%	-3.4%
SE	20.3%	18.4%	(190)bps	30.1%	28.1%	-2.0%



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

Available Specs



Note: Spec count as of each quarter-end

Debt Structure

(In thousands)	**Maturity Date**	**Next Call**	**Call Price**	**June 30, 2018**	**Sept 30, 2017**
5.750% Senior Notes	June 2019	3/15/2019	100.000	$ 96,393	$ 321,393
8.750% Senior Notes	March 2022	3/15/2019	104.375	500,000	500,000
7.250% Senior Notes	February 2023	2/1/2019	102.417	24,834	199,834
6.750% Senior Notes	March 2025	3/15/2020	105.063	250,000	250,000
5.875% Senior Notes	October 2027	10/15/2022	102.938	400,000	-
Unamortized debt premiums				2,833	3,413
Unamortized debt issuance costs				(15,170)	(14,800)
Total Senior Notes, net				**1,258,890**	**1,259,840**
Junior Subordinated Notes	July 2036			63,487	61,937
Other Secured Notes payable	Various Dates			4,126	5,635
Total debt, net				**$ 1,326,503**	**$ 1,327,412**

Notes:

Junior Subordinated Notes net of unamortized accretion of $37,286 and $38,873, respectively

Adjusted EBITDA Reconciliation

	Three Months Ended June 30,			LTM Ended June 30,		
(In thousands)	2017	2018	Variance	2017	2018	Variance
Net income (loss)	$ 7,123	$ 13,409	$ 6,286	$ (2,695)	$ (72,326)	$ (69,631)
Expense (benefit) from income taxes	5,740	4,261	(1,479)	13,083	117,186	104,103
Interest amortized to home construction and land sales expenses, capitalized interest impaired	21,895	22,450	555	85,779	90,043	4,264
Interest expense not qualified for capitalization	2,934	205	(2,729)	18,149	8,694	(9,455)
EBIT	**37,692**	**40,325**	**2,633**	**114,316**	**143,597**	**29,281**
Depreciation and amortization and stock-based compensation amortization	6,117	6,140	23	22,945	22,623	(322)
EBITDA	**43,809**	**46,465**	**2,656**	**137,261**	**166,220**	**28,959**
Loss on debt extinguishment	-	-	-	26,956	22,971	(3,985)
Inventory impairments and abandonments	470	168	(302)	936	2,255	1,319
Additional insurance recoveries from third-party insurer	-	-	-	-	-	-
Write-off of deposit on legacy land investment	-	-	-	2,700	-	(2,700)
Adjusted EBITDA	**$ 44,279**	**$ 46,633**	**$ 2,354**	**$167,853**	**$191,446**	**$ 23,593**

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Deferred Tax Assets - Summary

($ in millions)	**June 30, 2017**	**June 30, 2018**
Deferred Tax Assets	$ 378.6	$ 249.9
Valuation Allowance	(66.3)	(54.7)
Net Deferred Tax Assets	$ 312.4	$ 195.1

As of June 30, 2018, our valuation allowance of $54.7 million related to our deferred tax assets remains consistent with the determinations we made during the period ended September 30, 2017. See Form 10-Q for additional detail.

Note: Totals may not foot due to rounding