# Beazer Homes USA, Inc.
# Q4 2023 Earnings Presentation

BEAZER HOMES

# Forward Looking Statements

This press release contains forward-looking statements. These forward-looking statements represent our expectations or beliefs concerning future events, and it is possible that the results described in this press release will not be achieved. These forward-looking statements are subject to risks, uncertainties and other factors, many of which are outside of our control, that could cause actual results to differ materially from the results discussed in the forward-looking statements, including, among other things:

- the cyclical nature of the homebuilding industry and deterioration in homebuilding industry conditions;
- other economic changes nationally and in local markets, including declines in employment levels, increases in the number of foreclosures and wage levels, each 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 and reduced availability of mortgage financing due to, among other factors, additional actions by the Federal Reserve to address sharp increases in inflation;
- financial institution disruptions, such as recent bank failures;
- continued supply chain challenges negatively impacting our homebuilding production, including shortages of raw materials and other critical components such as windows, doors, and appliances;
- continued shortages of or increased costs for labor used in housing production, and the level of quality and craftsmanship provided by such labor;
- 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;
- 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;
- terrorist acts, protests and civil unrest, political uncertainty, acts of war or other factors over which the Company has no control, such as the conflict between Russia and Ukraine and the conflict in the Gaza strip;
- potential negative impacts of public health emergencies such as the COVID-19 pandemic;
- 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;
- 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.

# Introduction

## Allan P. Merrill

Chairman & Chief Executive Officer

## David I. Goldberg

Sr. Vice President & Chief Financial Officer

# Fiscal 2023 Highlights

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## Financial Highlights

Net Income ***>$150MM***

Land Investment ***~$600MM***

Leverage[(a)] ***~36%***

Stockholders' Equity ***>$1B***

*(a) Leverage refers to net debt to net capitalization*

## Operational Highlights

**Reduced Cycle Times**

**Positioned for Future Growth**

EPA Indoor airPLUS LEADER

**Grew Energy Efficiency**

TOP WORK PLACES 2023 USA

**Sustained Employee Engagement**

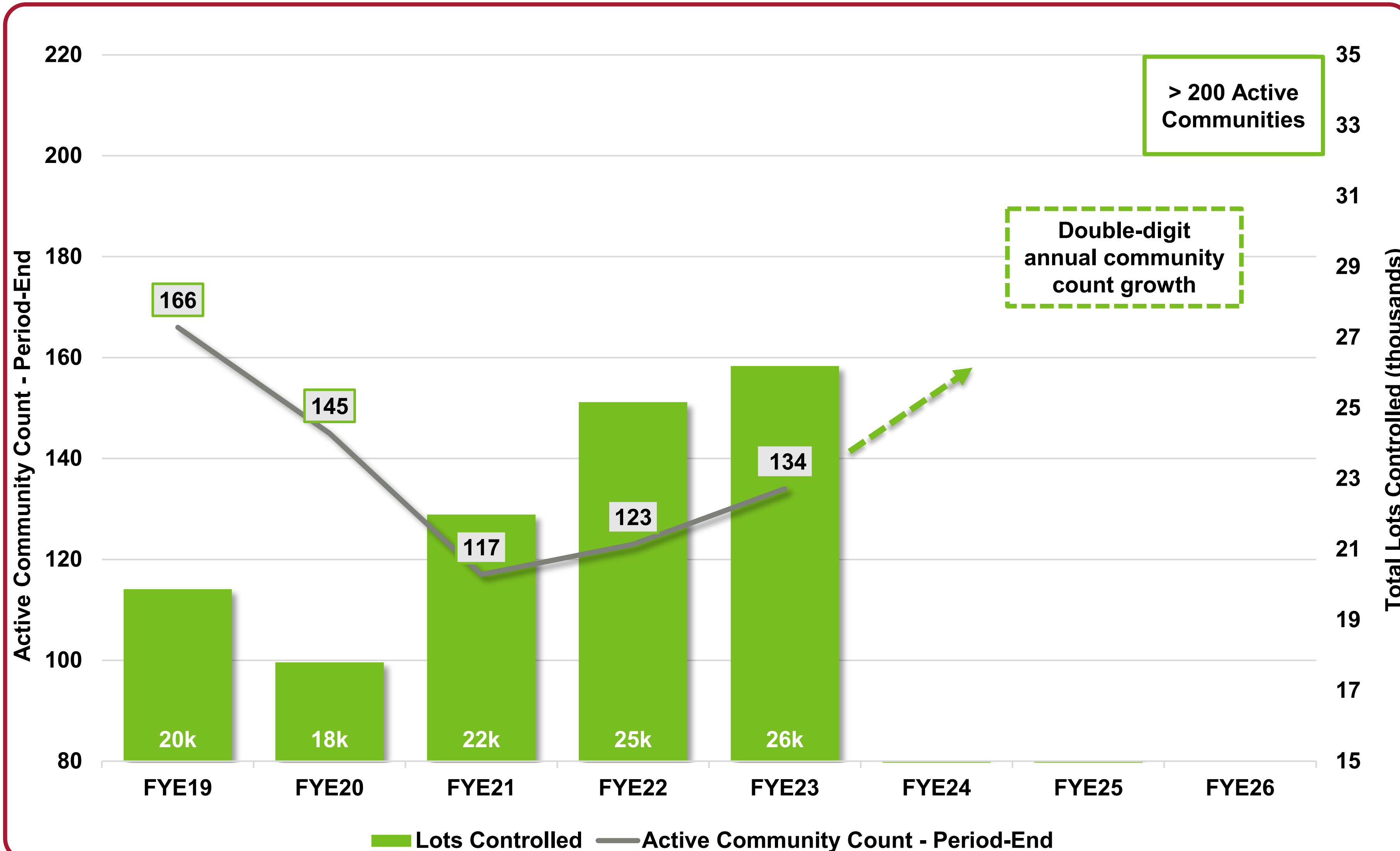
# Multi-Year Goals

**> 200 Communities**
*Fiscal Year-end 2026*

**< 30% Net Debt to Net Capitalization**
*Fiscal Year-end 2026*

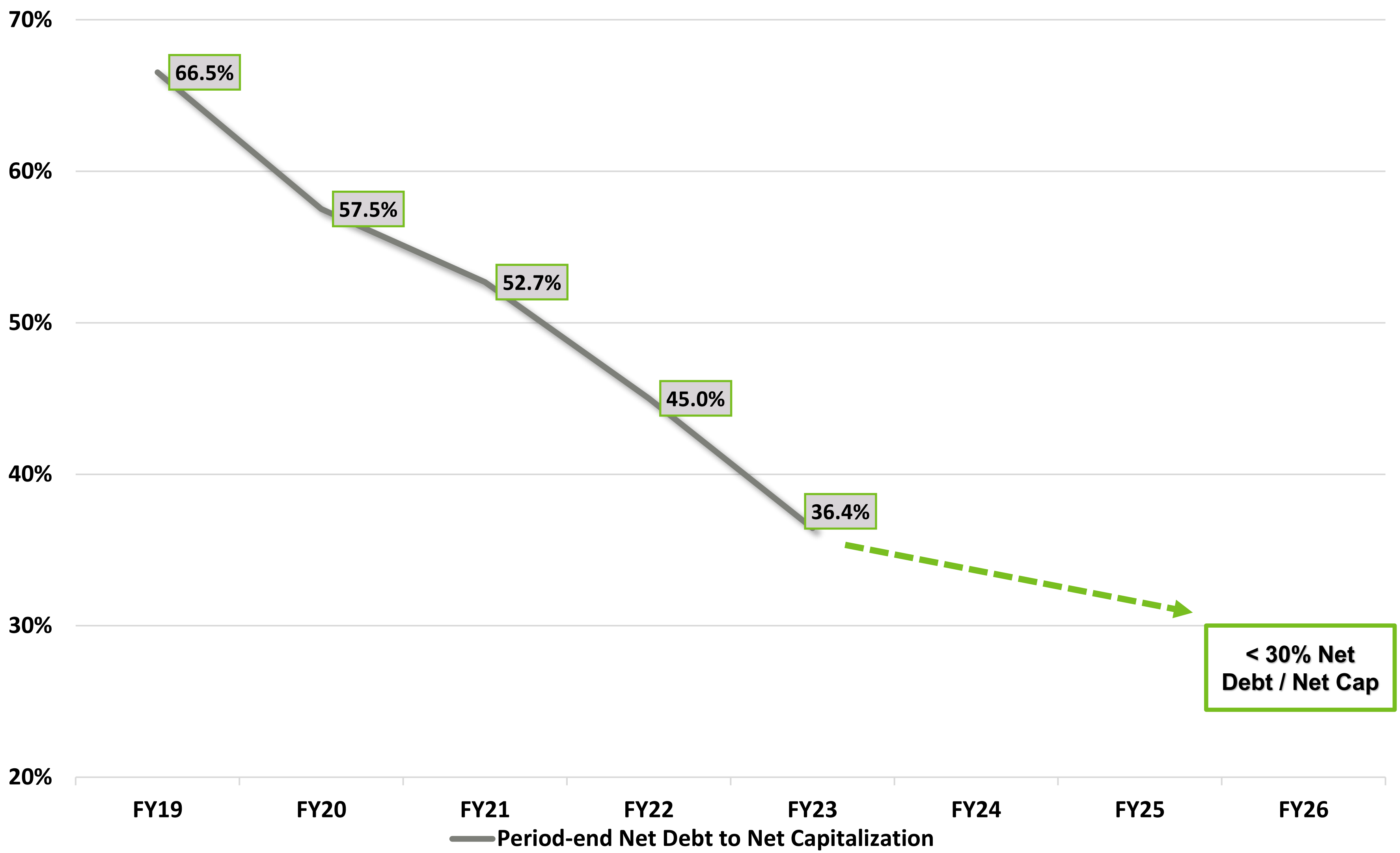
**100% Zero Energy Ready Starts**
*Calendar Year-end 2025*

# Growth From More Communities



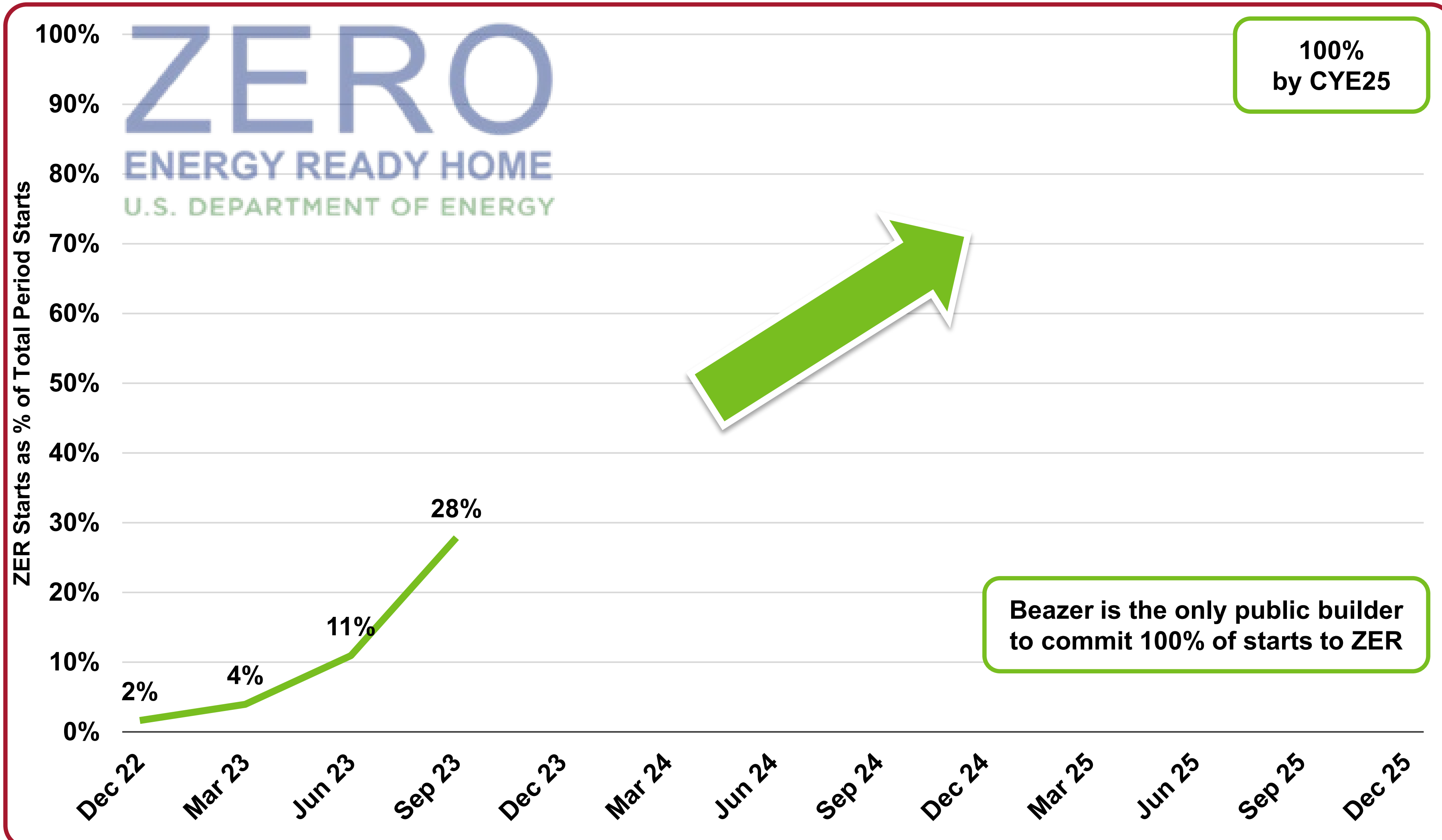

*Data labels reflect fiscal year-end total lots controlled and active community counts*

# Balance Sheet Improvement




*Data labels reflect fiscal year-end net debt to net capitalization percentages*
*See "Non-GAAP Net Debt to Net Capitalization Reconciliation" in the appendix*

# Zero Energy Ready Starts



# Affordability Remains a Challenge

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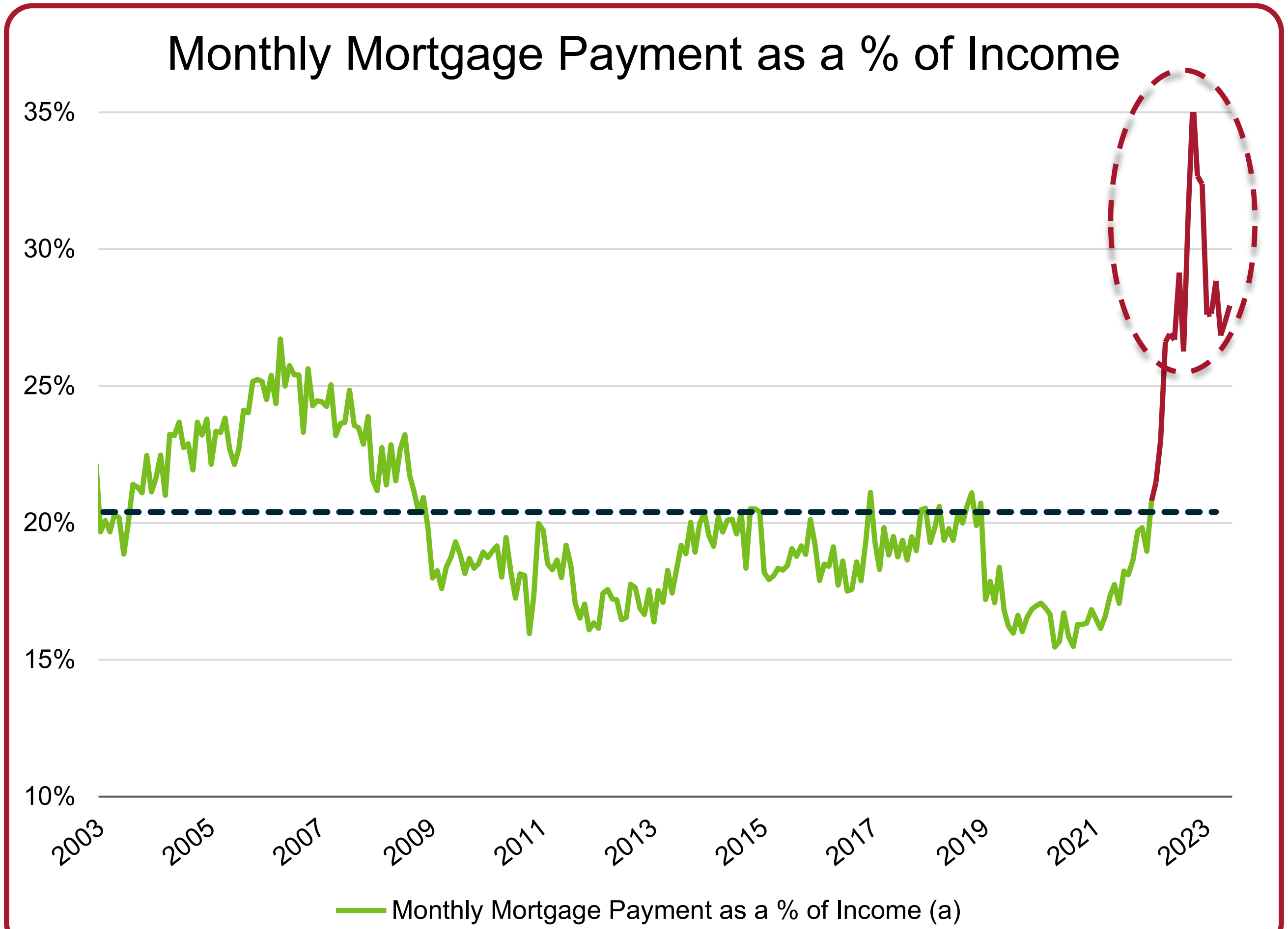


Our Three Differentiators

MORTGAGE CHOICE

SURPRISING PERFORMANCE

Choice Plans™

[a] Monthly median new residential sales price of homes sold in United States published by the U.S. Census / Department of Housing and Urban Development (HUD) Survey of Construction (SOC)
*Calculated monthly mortgage payment assumes 20% down payment on 30-year conventional mortgage*
*Annual median family income published by Federal Reserve Bank of St. Louis*
*Due to timing of data being published, 2022-2023 reflects most current available data (i.e., median new residential sales prices through 9/2023 and median family income data from 2022)*

# Growth Expected in Fiscal 2024

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| | |
|---|---|
| Community Count | ✓ |
| Closings | ✓ |
| Revenue | ✓ |
| Profitability | ✓ |
| Book Value | ✓ |

# Fiscal 2023 Results

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| Results | FY23 | YoY Change |
|---|---|---|
| New Home Orders | 3,866 | (4.8%) |
| Sales Pace | 2.6 | (8.4%) |
| Community Count, Avg | 125 | 3.9% |
| Community Count, Period End | 134 | 8.9% |
| Closings | 4,246 | (10.7%) |
| Adjusted Homebuilding Revenue ($MM) | $2,198.4 | (4.5%) |
| Average Selling Price ($K) | $517.8 | 7.0% |
| Adjusted HB Gross Margin % [a] | 23.1% | (320 bps) |
| SG&A as % of Total Revenue | 11.5% | 60 bps |
| Adjusted EBITDA ($MM) [b] | $272.0 | (26.5%) |
| Interest Amort. % of HB Revenue | 3.1% | Flat |
| Effective Tax Rate [c] | 13.1% | (630 bps) |
| Net Income - Cont. Ops. ($MM) | $158.6 | (28.1%) |
| Diluted EPS - Cont. Ops. | $5.16 | (28.0%) |

*[a] Excludes impairments, abandonments, and interest amortized to cost of sales. Details are included on "Non-GAAP Homebuilding Gross Margin Reconciliation" slide in the appendix*
*[b] Details are included on the "Non-GAAP Adjusted EBITDA Reconciliation" slide in the appendix*
*[c] Includes the benefit of energy efficiency tax credits*

# FY23 Cycle Time & Cost Reduction

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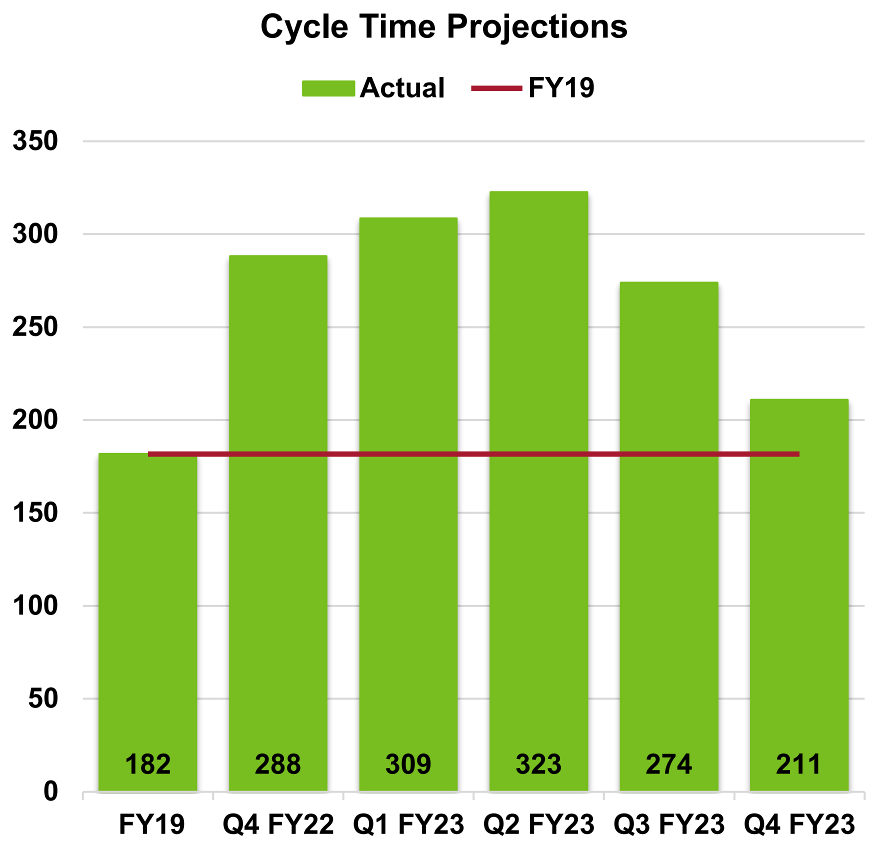
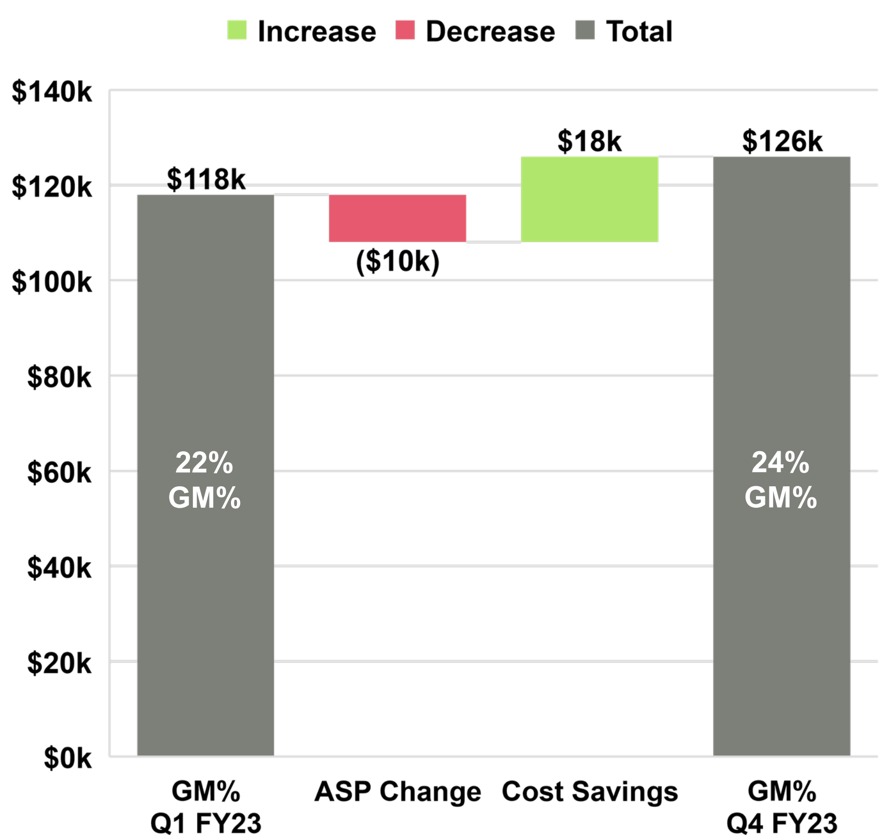
## Cycle Time Improvement




*Reflects sales to close cycle times of pre-sale closings excluding Gatherings*

## Construction Cost Reduction




*Reflects adjusted gross margin, excluding interest amortized to COS, abandonments, & impairments*
*Increase & decrease is relative to impact on gross margin*

# 1st Quarter Expectations

| Metric | Expectations |
|---|---|
| New Orders [a] | Up >30% |
| Community Count, Ending [a] | Up ~10% |
| Backlog Conversion | >45% |
| Average Selling Price | ~$510K |
| HB Gross Margin % [b] | >23% |
| SG&A Absolute Dollars [a] | Up ~$2MM |
| Adjusted EBITDA | ~$40MM |
| Interest Amort. % of HB Revenue | Low 3's |
| Effective Tax Rate | ~11% |
| Diluted EPS - Cont. Ops. | ~$0.70 |

[a] *vs. prior year quarter*
[b] *Excludes impairments, abandonments, and interest amortized to cost of sales*

# Fiscal 2024 Expectations

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| Metric | Expectations |
| --- | --- |
| Land Spend | >$700MM |
| Community Count | Double Digit Growth YoY |
| Backlog Conversion | Up YoY |
| Average Sales Price | ~$500k |
| HB Revenue | Up YoY |
| HB Gross Margin % [a] | 22% - 23% |
| Effective Tax Rate | 15% - 20% |
| Return on Equity | Double Digit |

[a] *Excludes impairments, abandonments, and interest amortized to cost of sales*

# Book Value Per Share Growth

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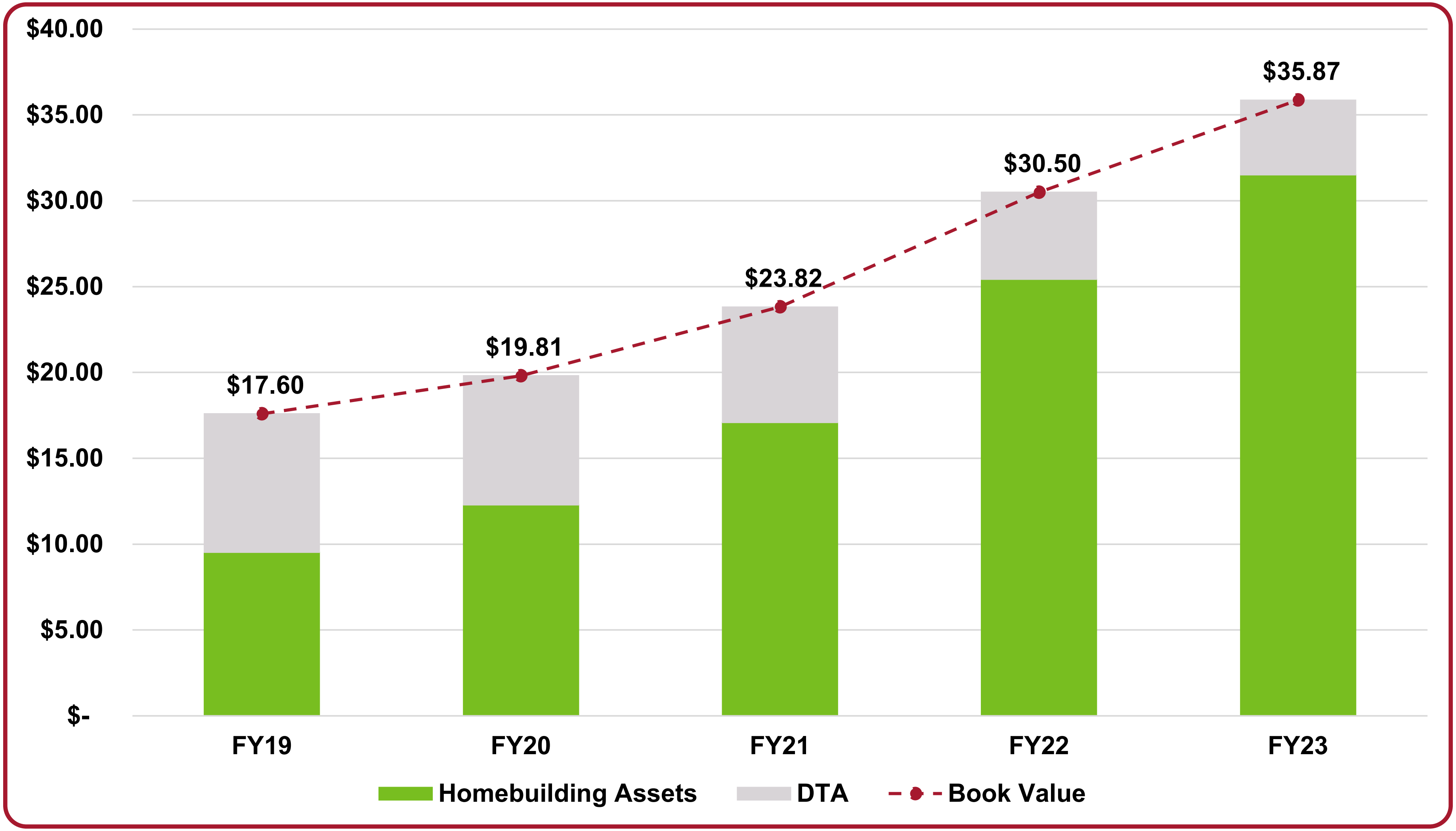
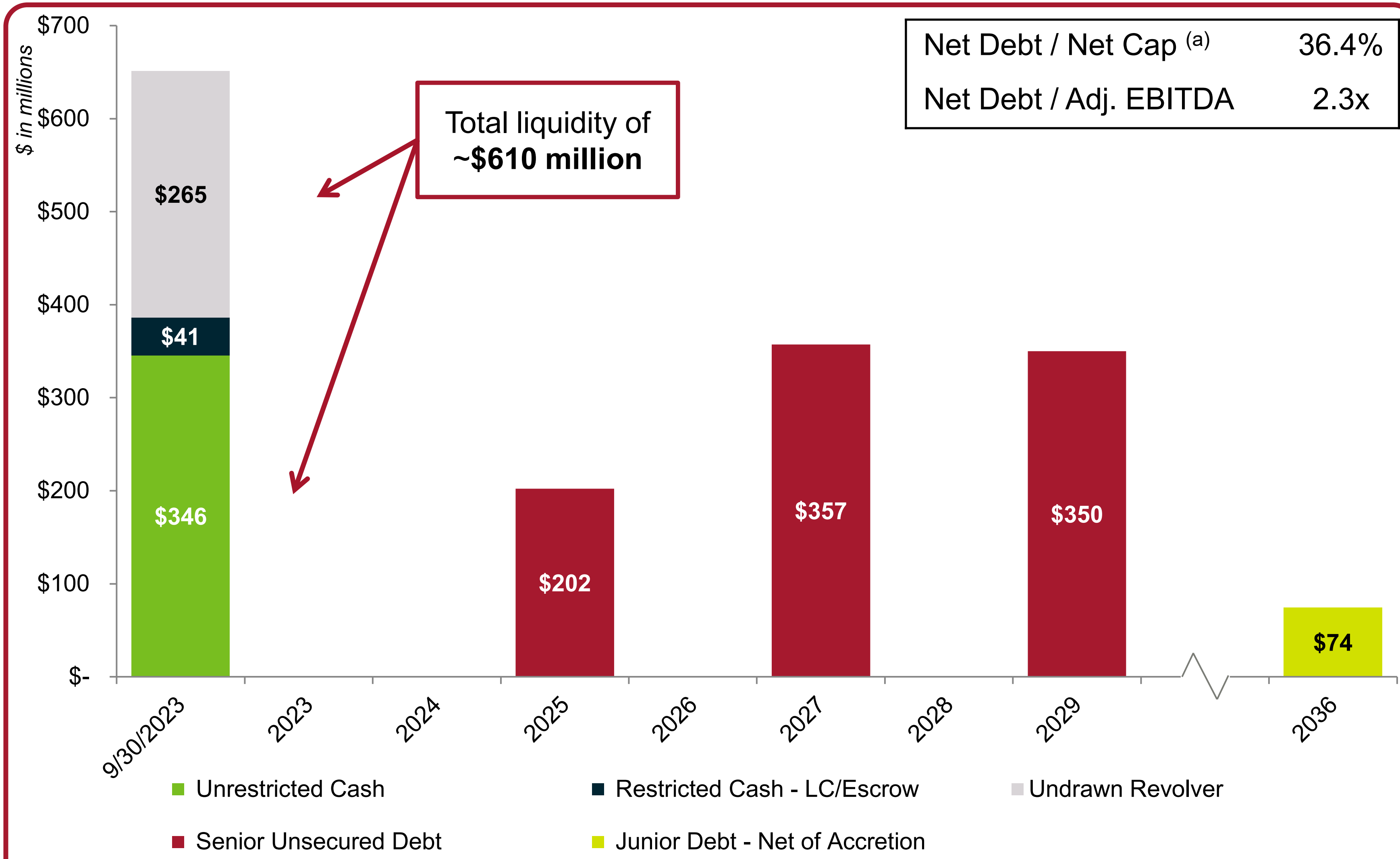



*Weighted-average shares outstanding at period-end used for all per share calculations*
*Balances as of 9/30 used for all periods*
*Homebuilding assets per share is calculated using the residual of our book value per share after DTA per share*

# Maturity Schedule




| | |
|---|---|
| Net Debt / Net Cap [(a)] | 36.4% |
| Net Debt / Adj. EBITDA | 2.3x |

[(a)] *See "Non-GAAP Net Debt to Net Capitalization Reconciliation" in the appendix*

# Wrap-Up

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## Strong FY23 results

## Growth Expected in FY24

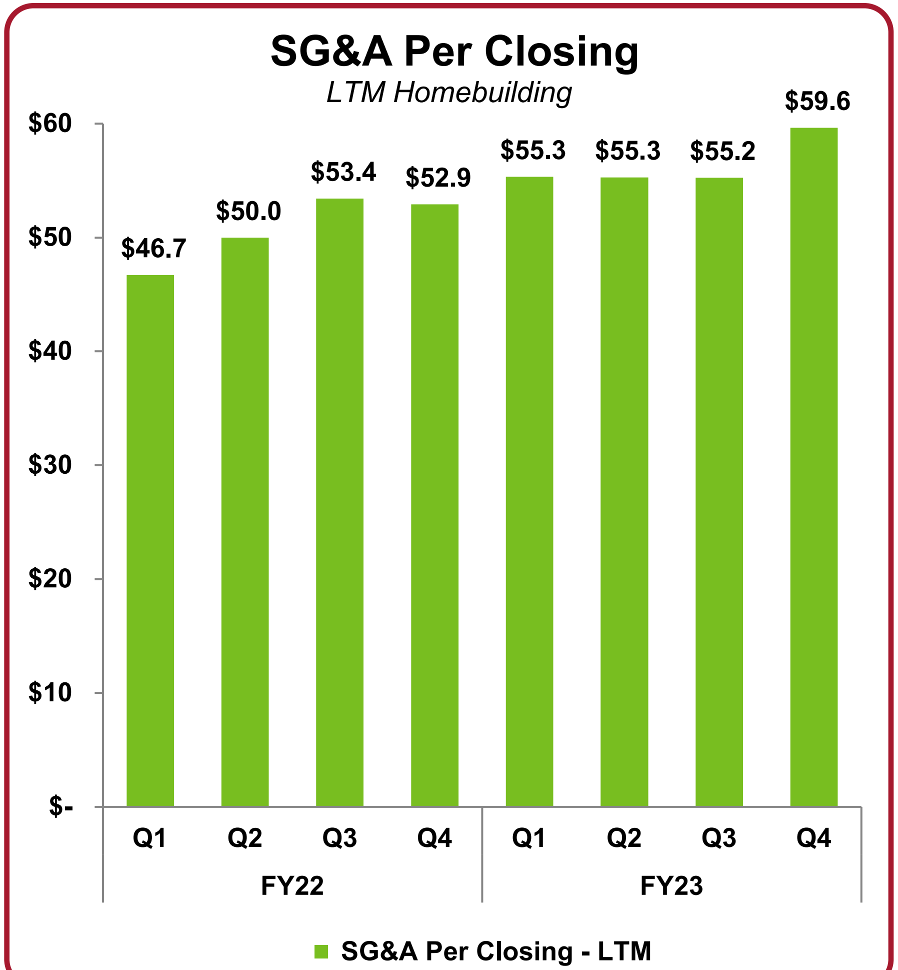
- Community Count
- Revenue
- Profitability & Book Value

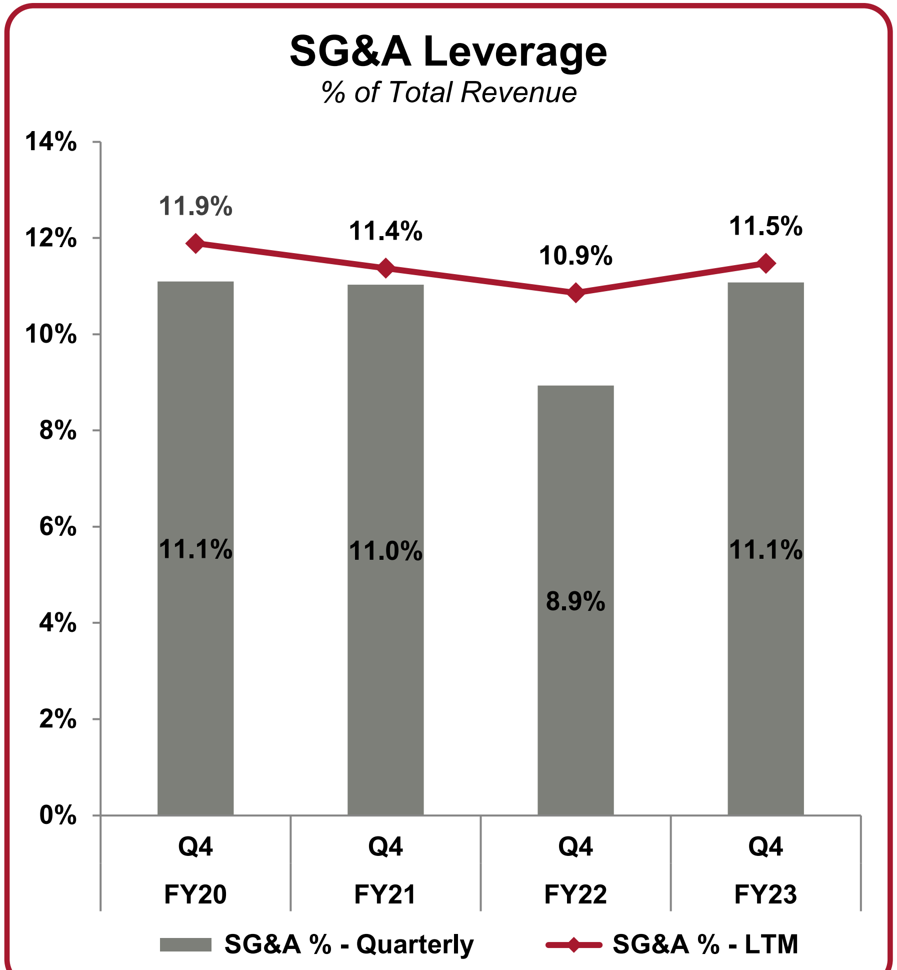
## Commitment to Multi-Year Goals

- > 200 Communities ~ FYE26
- < 30% Net Debt to Net Capitalization ~ FYE26
- 100% Zero Energy Ready Starts ~ CYE25

# Appendix

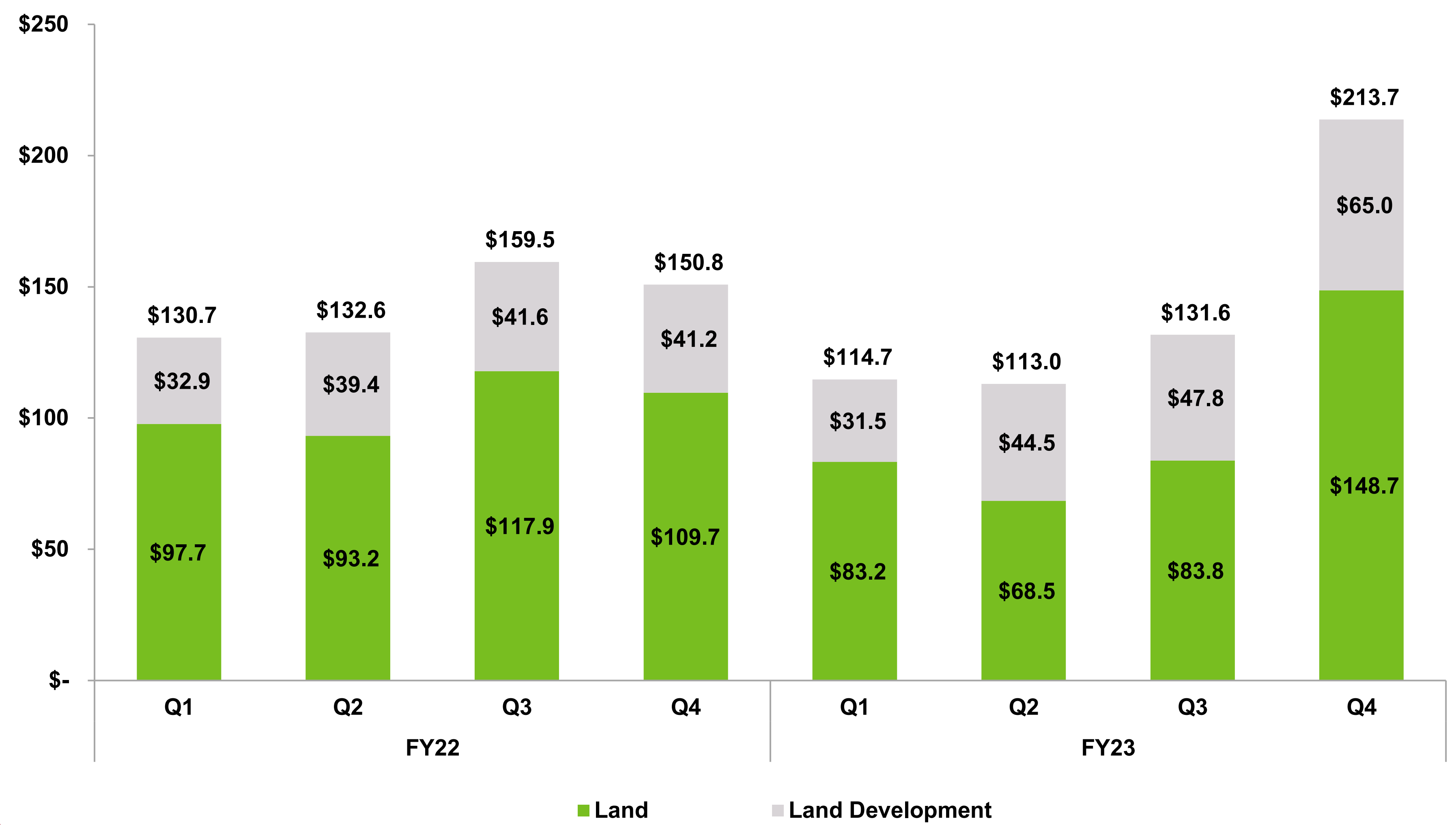
# Managing SG&A is a Priority




*$ in thousands*

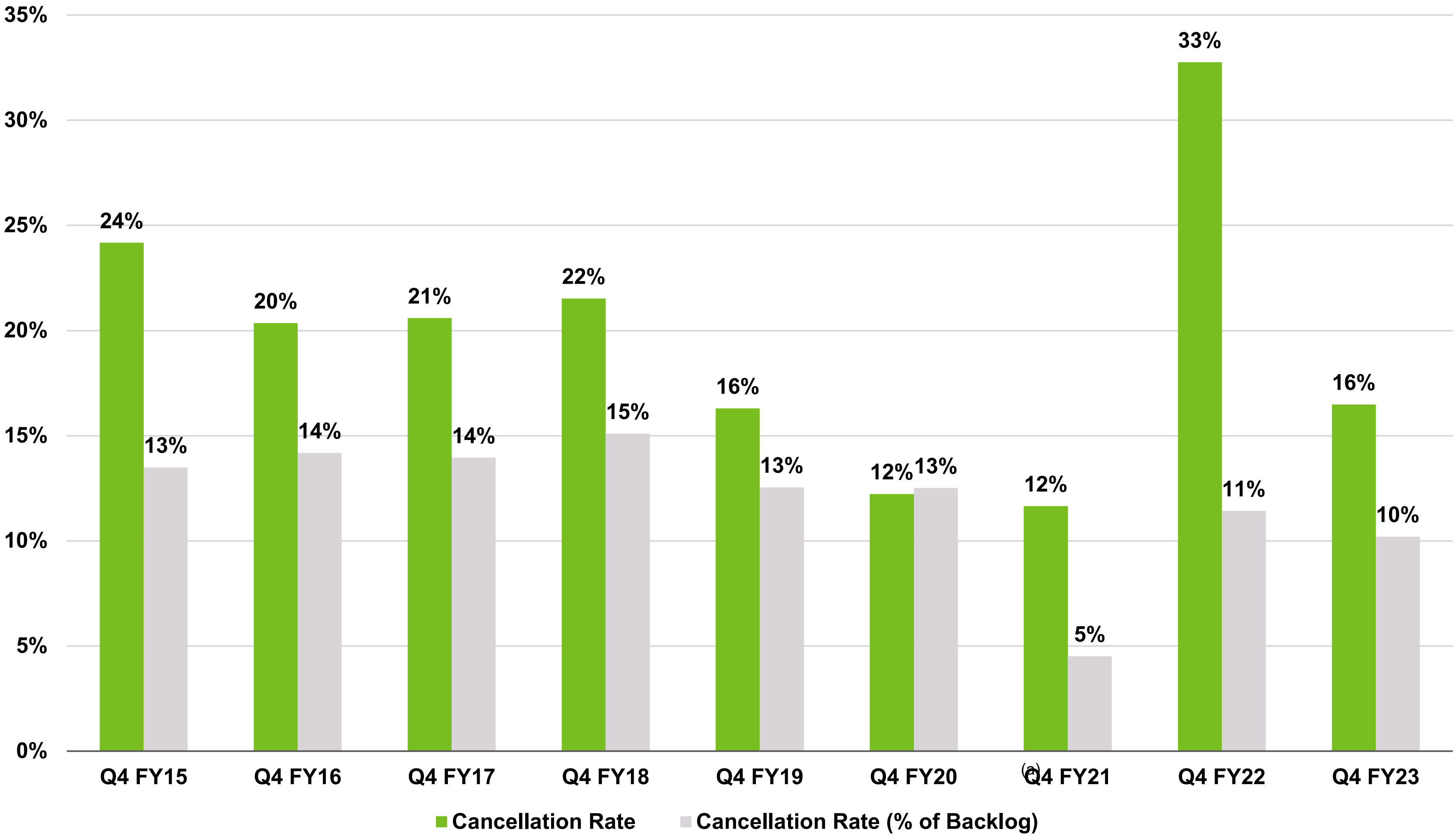
# Land Spend




*$'s in millions*

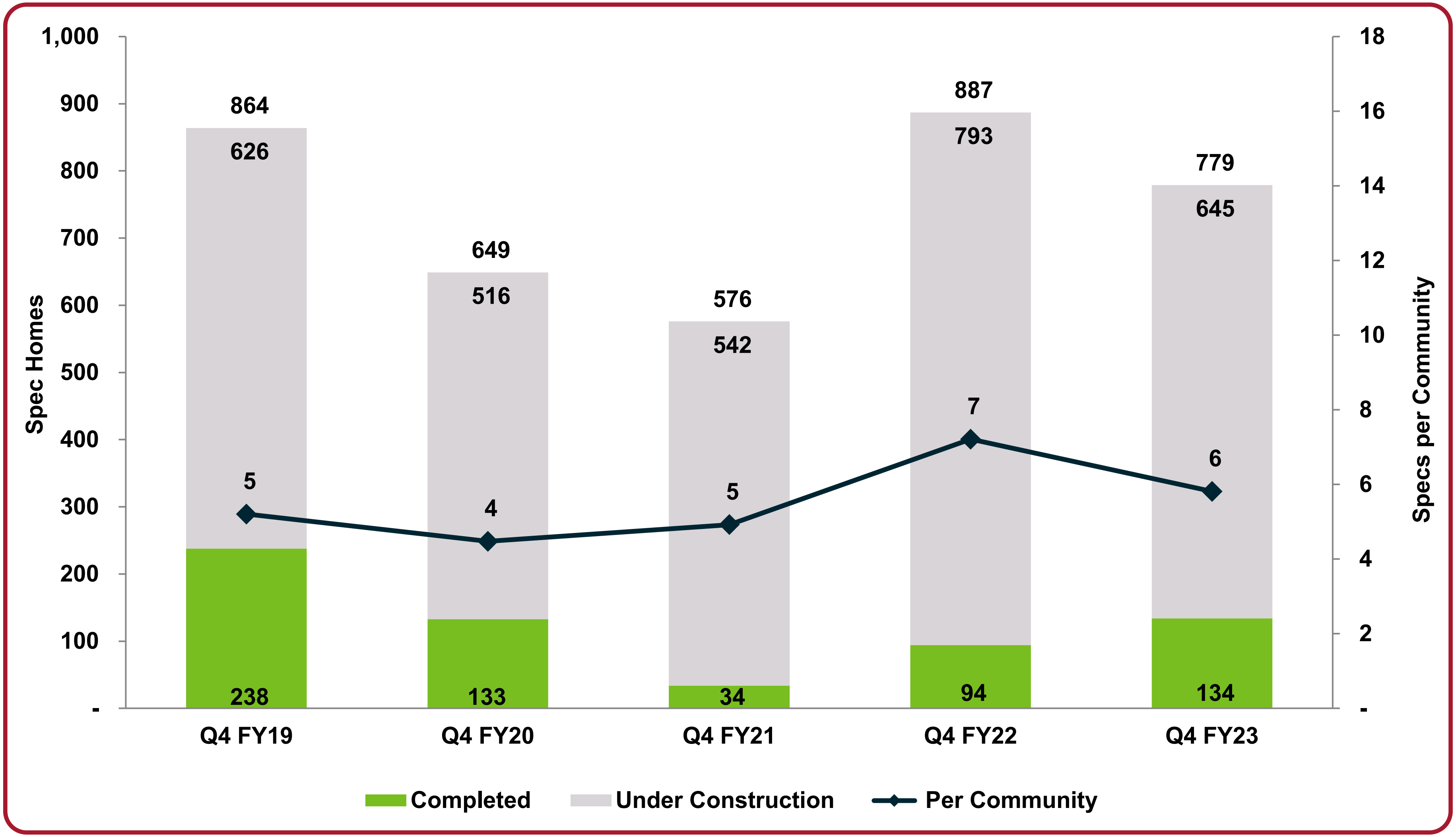
*Note: Totals may not foot due to rounding*

# Historical Cancellation Rates




[a] *Cancellation Rate as a % of Backlog is calculated using the quarter's beginning backlog units*

# Spec Homes



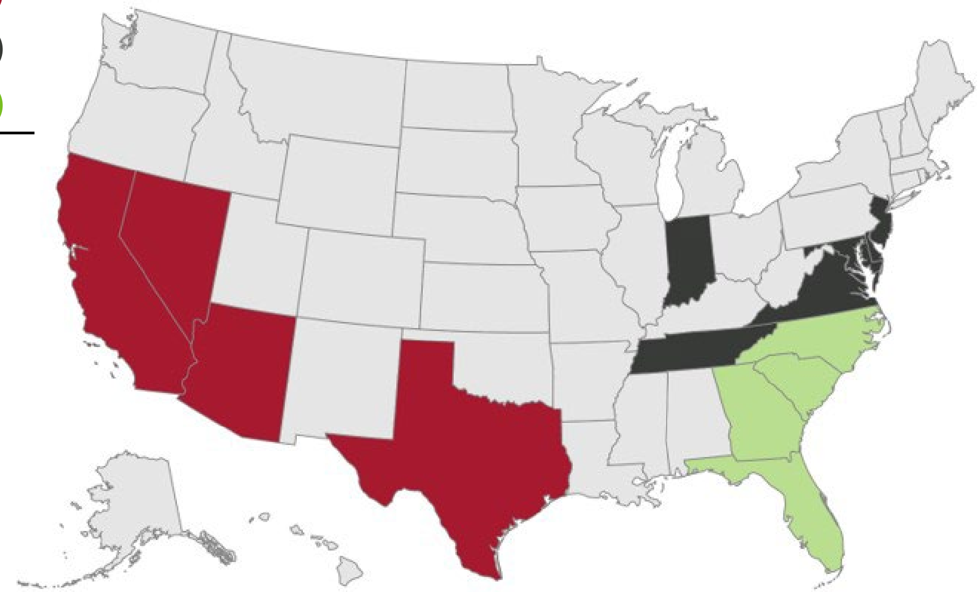

*Note: Spec count as of each quarter end includes Gatherings*

# Geographic Mix Impacts ASP & Margins

*($ in thousands)*

| | FY22 ASP | FY23 ASP | Change in ASP ($) | Change in ASP (%) | FY22 Closings | FY23 Closings | Change in Mix |
|---|---|---|---|---|---|---|---|
| West | $468.7 | $523.5 | $54.8 | 11.7% | 59.6% | 58.8% | (0.8%) |
| East | $514.4 | $532.2 | $17.8 | 3.5% | 22.7% | 22.9% | 0.2% |
| Southeast | $497.2 | $484.2 | $(13.0) | (2.6)% | 17.7% | 18.3% | 0.6% |

| | FY22 GM%[a] | FY23 GM%[a] | Change in GM% |
|---|---|---|---|
| West | 26.6% | 23.8% | (280 bps) |
| East | 24.9% | 20.5% | (440 bps) |
| Southeast | 25.1% | 22.9% | (220 bps) |



[a] *Segment gross margin excludes impairments, abandonments, and interest amortized to cost of sales. Details are included on the "Homebuilding Gross Margin Reconciliation" slide in the appendix*

# Q4 Results

*$ in millions (except ASP)*

| | Q4 FY22 | Q4 FY23 | Δ[d] |
|---|---|---|---|
| **Profitability** | | | |
| Total Revenue | $ 827.7 | $ 645.4 | (22.0%) |
| Net Income - Cont. Ops. | $ 86.8 | $ 55.8 | $ (31.1) |
| Adjusted EBITDA [a] | $ 143.3 | $ 90.0 | $ (53.4) |
| **Unit Activity** | | | |
| New Home Orders | 704 | 1,003 | 42.5% |
| Closings | 1,616 | 1,233 | (23.7%) |
| Average Selling Price ($k) | $ 510.7 | $ 520.5 | 1.9% |
| Cancellation Rate | 32.8% | 16.5% | (1,630 bps) |
| Active Community Count, Avg [b] | 123 | 130 | 5.7% |
| Sales Pace | 1.9 | 2.6 | 34.8% |
| **Margins** | | | |
| HB Gross Margin % [c] | 25.9% | 24.3% | (160 bps) |
| SG&A as % of Total Revenue | 8.9% | 11.1% | 220 bps |
| **Balance Sheet** | | | |
| Unrestricted Cash | $ 214.6 | $ 345.6 | $ 131.0 |
| Land & Development Spend | $ 150.8 | $ 213.7 | $ 62.9 |

*[a] Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix*
*[b] Active Community Count was 123 at 9/30/2022 and 134 at 9/30/2023*
*[c] Excludes impairments, abandonments, and interest amortized to cost of sales. Details are included on the "Homebuilding Gross Margin Reconciliation" slide in the appendix*
*[d] Changes are calculated using unrounded numbers*

# FY23 Results

*$ in millions (except ASP)*

| | FY22 | FY23 | Δ[d] |
|---|---|---|---|
| **Profitability** | | | |
| Total Revenue | $ 2,317.0 | $ 2,206.8 | (4.8%) |
| Adjusted EBITDA [a] | $ 370.1 | $ 272.0 | $ (98.1) |
| Net Income - Cont. Ops. | $ 220.7 | $ 158.7 | $ (62.0) |
| **Unit Activity** | | | |
| New Home Orders | 4,061 | 3,866 | (4.8%) |
| Closings | 4,756 | 4,246 | (10.7%) |
| Average Selling Price ($k) | $ 484.1 | $ 517.8 | 7.0% |
| Cancellation Rate | 17.6% | 20.3% | 270 bps |
| Active Community Count, Avg [b] | 120 | 125 | 3.9% |
| Sales Pace | 2.8 | 2.6 | (8.4%) |
| **Margins** | | | |
| HB Gross Margin % [c] | 26.3% | 23.1% | (320 bps) |
| SG&A as % of Total Revenue | 10.9% | 11.5% | 60 bps |
| **Balance Sheet** | | | |
| Unrestricted Cash | $ 214.6 | $ 345.6 | $ 131.0 |
| Land & Development Spend | $ 573.6 | $ 573.1 | $ (0.6) |

*[a] Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix*
*[b] Active Community Count was 123 at 9/30/2022 and 134 at 9/30/2023*
*[c] Excludes impairments, abandonments, and interest amortized to cost of sales*
*[d] Changes are calculated using unrounded numbers*

# Backlog Detail

BEAZER HOMES

| | | Q4 FY22 | | Q4 FY23 |
|---|---|---|---|---|
| Quarter Ending Backlog (units) | | 2,091 | | 1,711 |
| Quarter Ending Backlog ($ in millions) | $ | 1,144.9 | $ | 886.4 |
| ASP in Backlog ($ in thousands) | $ | 547.5 | $ | 518.0 |
| | | | | |
| Quarter Beg. Backlog | | 3,003 | | 1,941 |
| Scheduled to Close in Future Qtrs. | | (1,239) | | (902) |
| Backlog Scheduled to Close in the Qtr. | | 1,764 | | 1,039 |
| Backlog Activity: | | | | |
| Cancellations [(a)] | | (157) | | (71) |
| Pushed to Future Quarters | | (234) | | (68) |
| Close Date Brought Forward | | 71 | | 104 |
| Sold & Closed During the Qtr | | 172 | | 229 |
| Total Closings in the Quarter | | 1,616 | | 1,233 |
| | | | | |
| Backlog Conversion Rate | | 53.8% | | 63.5% |

[(a)] *Cancellations reference only the cancellations arising from homes scheduled to close in the quarter*

# Non-GAAP Homebuilding Gross Margin Reconciliation

BEAZER HOMES

| ($ in thousands) | HB Gross Profit | HB Gross Margin | Impairments & Abandonments (I&A) | HB Gross Profit excluding I&A | HB Gross Margin excluding I&A | Interest Amortized to COS (Interest) | HB Gross Profit excluding I&A and Interest | HB Gross Margin excluding I&A and Interest |
|---|---|---|---|---|---|---|---|---|
| | Three Months Ended September 30, 2023 | | | | | | | |
| West | $ 95,437 | 26.4 % | $ 25 | $ 95,462 | 26.4 % | $ — | $ 95,462 | 26.4 % |
| East | 34,466 | 20.9 % | — | 34,466 | 20.9 % | — | 34,466 | 20.9 % |
| Southeast | 27,687 | 24.0 % | — | 27,687 | 24.0 % | — | 27,687 | 24.0 % |
| Corporate & unallocated[a] | (21,665) | — | — | (21,665) | — | 19,919 | (1,746) | — |
| Total homebuilding | $ 135,925 | 21.2 % | $ 25 | $ 135,950 | 21.2 % | $ 19,919 | $ 155,869 | 24.3 % |

| ($ in thousands) | HB Gross Profit | HB Gross Margin | Impairments & Abandonments (I&A) | HB Gross Profit excluding I&A | HB Gross Margin excluding I&A | Interest Amortized to COS (Interest) | HB Gross Profit excluding I&A and Interest | HB Gross Margin excluding I&A and Interest |
|---|---|---|---|---|---|---|---|---|
| | Three Months Ended September 30, 2022 | | | | | | | |
| West | $ 118,889 | 26.8 % | $ 277 | $ 119,166 | 26.8 % | $ — | $ 119,166 | 26.8 % |
| East | 49,061 | 24.5 % | 143 | 49,204 | 24.5 % | — | 49,204 | 24.5 % |
| Southeast | 48,395 | 26.8 % | 180 | 48,575 | 26.9 % | — | 48,575 | 26.9 % |
| Corporate & unallocated[a] | (28,451) | — | — | (28,451) | — | 25,077 | (3,374) | — |
| Total homebuilding | $ 187,894 | 22.8 % | $ 600 | $ 188,494 | 22.8 % | $ 25,077 | $ 213,571 | 25.9 % |

[a] *Corporate and unallocated includes capitalized interest and capitalized indirect costs expensed to homebuilding cost of sale related to homes closed, as well as capitalized interest and capitalized indirect costs impaired in order to reflect projects in progress assets at fair value.*

# Non-GAAP Homebuilding Gross Margin Reconciliation

BEAZER HOMES

| ($ in thousands) | Fiscal Year Ended September 30, 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | HB Gross Profit | HB Gross Margin | Impairments & Abandonments (I&A) | HB Gross Profit excluding I&A | HB Gross Margin excluding I&A | Interest Amortized to COS (Interest) | HB Gross Profit excluding I&A and Interest | HB Gross Margin excluding I&A and Interest |
| 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 | HB Gross Margin | Impairments & Abandonments (I&A) | HB Gross Profit excluding I&A | HB Gross Margin excluding I&A | Interest Amortized to COS (Interest) | HB Gross Profit excluding I&A and Interest | HB Gross Margin excluding I&A and Interest |
| 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 | $ 131,549 | 25.1 % | $ — | $ 131,549 | 25.1 % | $ 15,679 | $ 147,228 | 28.1 % |

[a] *Corporate and unallocated includes capitalized interest and capitalized indirect costs expensed to homebuilding cost of sale related to homes closed, as well as capitalized interest and capitalized indirect costs impaired in order to reflect projects in progress assets at fair value.*

# Non-GAAP Adjusted EBITDA Reconciliation

| *(in thousands)* | Three Months Ended September 30, 2022 | **2023** | 23 v 22 | Fiscal Year Ended September 30, 2022 | **2023** | 23 v 22 |
|---|---|---|---|---|---|---|
| Net income | $ 86,823 | **$ 55,756** | $ (31,067) | $ 220,704 | **$ 158,611** | $ (62,093) |
| Expense from income taxes | 23,584 | **8,470** | (15,114) | 53,267 | **23,936** | (29,331) |
| Interest amortized to home construction and land sales expenses and capitalized interest impaired | 25,516 | **19,919** | (5,597) | 72,058 | **68,489** | (3,569) |
| EBIT | 135,923 | **84,145** | (51,778) | 346,029 | **251,036** | (94,993) |
| Depreciation and amortization | 4,259 | **3,758** | (501) | 13,360 | **12,198** | (1,162) |
| EBITDA | 140,182 | **87,903** | (52,279) | 359,389 | **263,234** | (96,155) |
| Stock-based compensation expense | 1,963 | **2,028** | 65 | 8,478 | **7,275** | (1,203) |
| (Gain) loss on extinguishment of debt | (387) | **13** | 400 | (309) | **546** | 855 |
| Inventory impairments and abandonments[(a)] | 1,589 | **25** | (1,564) | 2,524 | **641** | (1,883) |
| Restructuring and severance expenses | — | **—** | — | — | **335** | (335) |
| Adjusted EBITDA | $ 143,347 | **$ 89,969** | $ (53,378) | $ 370,082 | **$ 272,031** | $ (98,051) |

[(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."*

# Non-GAAP Net Debt to Net Capitalization Reconciliation

| *(in thousands)* | Fiscal Year Ended September 30, 2023 | Fiscal Year Ended September 30, 2022 |
|---|---|---|
| Total debt | **$ 978,028** | $ 983,440 |
| Stockholders' equity | **1,102,819** | 939,286 |
| Total capitalization | **$ 2,080,847** | $ 1,922,726 |
| Total debt to total capitalization ratio | **47.0 %** | 51.1 % |
| | | |
| Total debt | **$ 978,028** | $ 983,440 |
| Less: cash and cash equivalents | **345,590** | 214,594 |
| Net debt | **632,438** | 768,846 |
| Stockholders' equity | **1,102,819** | 939,286 |
| Net capitalization | **$ 1,735,257** | $ 1,708,132 |
| Net debt to net capitalization ratio | **36.4 %** | 45.0 % |

# Beazer Tax Benefits

| | FY23 | FY24 - FY25 | FY26 - FY33 [a] |
|---|---|---|---|
| **Energy Efficiency Credits** | Building industry-leading, energy efficient homes provides tax benefits:<br>**Prior tax code** – $2K Home<br>**Current tax code (Energy Star)** – $2.5K SFD<br>**Current tax code (DOE Zero Energy Ready)** – $5K SFD | | |
| **GAAP Taxes** | **< 15%**<br>(Current & prior years energy efficiency credits) | **> 15% & < 20%**<br>(Current & prior years energy efficiency credits) | **< 17%**<br>(Current year energy efficiency credits) |
| **Cash Taxes** | **No Cash Taxes Paid**<br>(Use of NOL's) | **Reduced Cash Taxes**<br>**~Aligned with GAAP Taxes beginning in FY26**<br>(Use of predominantly energy efficiency credits) [b] | |

[a] *Inflation Reduction Act of 2022 credits set to expire in December 2032, BZH's December FY33*
[b] *Utilization of energy efficient tax credits is limited to approximately 75% of a company's tax liability each year*

# Deferred Tax Assets - Summary

| *($ in millions)* | September 30, 2022 | | September 30, 2023 | |
|---|---|---|---|---|
| Deferred Tax Assets | $ | 181.8 | $ | 165.6 |
| Valuation Allowance | $ | (25.4) | $ | (30.4) |
| Deferred Tax Liabilities | $ | — | $ | (1.2) |
| Net Deferred Tax Assets | **$** | **156.4** | **$** | **134.0** |

*As of September 30, 2023, our conclusions on whether we are more likely than not to realize all of our federal tax attributes and certain portions of our state tax attributes remain consistent with our fiscal 2022 conclusion. Valuation allowance of $30.4 million as of September 30, 2023 remains on various state attributes for which we have concluded it is not more likely than not that these attributes would be realized at that time. See our fiscal 2023 Form 10-K for additional detail.*