Beazer Homes USA, Inc.
Q4 2022 Earnings Presentation

BEAZER HOMES

Forward Looking Statements

This presentation contains forward-looking statements. These forward-looking statements represent our expectations or beliefs concerning future events, and it is possible that the results described in this press release will not be achieved. These forward-looking statements are subject to risks, uncertainties and other factors, many of which are outside of our control, that could cause actual results to differ materially from the results discussed in the forward-looking statements, including, among other things: (i) the cyclical nature of the homebuilding industry and further deterioration in homebuilding industry conditions; (ii) continued increases in mortgage interest rates and reduced availability of mortgage financing due to, among other factors, recent and likely continued actions by the Federal Reserve to address sharp increases in inflation; (iii) other economic changes nationally and in local markets, including changes in consumer confidence, wage levels, declines in employment levels, and an increase in the number of foreclosures, each of which is outside our control and affects the affordability of, and demand for, the homes we sell; (iv) continued supply chain challenges negatively impacting our homebuilding production, including shortages of raw materials and other critical components such as windows, doors, and appliances; (v) continued shortages of or increased costs for labor used in housing production, and the level of quality and craftsmanship provided by such labor; (vi) 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; (vii) potential negative impacts of the COVID-19 pandemic, which, in addition to exacerbating each of the risks listed above and below, may include a significant decrease in demand for our homes or consumer confidence generally with respect to purchasing a home, an inability to sell and build homes in a typical manner or at all, increased costs or decreased supply of building materials, including lumber, or the availability of subcontractors, housing inspectors, and other third-parties we rely on to support our operations, and recognizing charges in future periods, which may be material, for goodwill impairments, inventory impairments and/or land option agreement abandonments; (viii) factors affecting margins, such as increased sales incentives and mortgage rate buy down programs; 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 production and overhead cost structure; not being able to pass on cost increases through pricing increases; (ix) the availability and cost of land and the risks associated with the future value of our inventory, such as asset impairment charges we took on select California assets during the second quarter of fiscal 2019; (x) our ability to raise debt and/or equity capital, due to factors such as limitations in the capital markets (including market volatility) or adverse credit market conditions, 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; (xi) market perceptions regarding any capital raising initiatives we may undertake (including future issuances of equity or debt capital); (xii) changes in tax laws or otherwise regarding the deductibility of mortgage interest expenses and real estate taxes; (xiii) increased competition or delays in reacting to changing consumer preferences in home design; (xiv) 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; (xv) the potential recoverability of our deferred tax assets; (xvi) increases in corporate tax rates; (xvii) 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; (xviii) the results of litigation or government proceedings and fulfillment of any related obligations; (xix) the impact of construction defect and home warranty claims; (xx) the cost and availability of insurance and surety bonds, as well as the sufficiency of these instruments to cover potential losses incurred; (xxi) the impact of information technology failures, cybersecurity issues or data security breaches; (xxii) the impact of governmental regulations on homebuilding in key markets, such as regulations limiting the availability of water; (xxiii) the success of our ESG initiatives, including our ability to meet our goal that every home we build will be Net Zero Energy Ready by 2025 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 Net Zero future; and (xxiv) terrorist acts, protests and civil unrest, political uncertainty, acts of war or other factors over which the Company has no control.

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

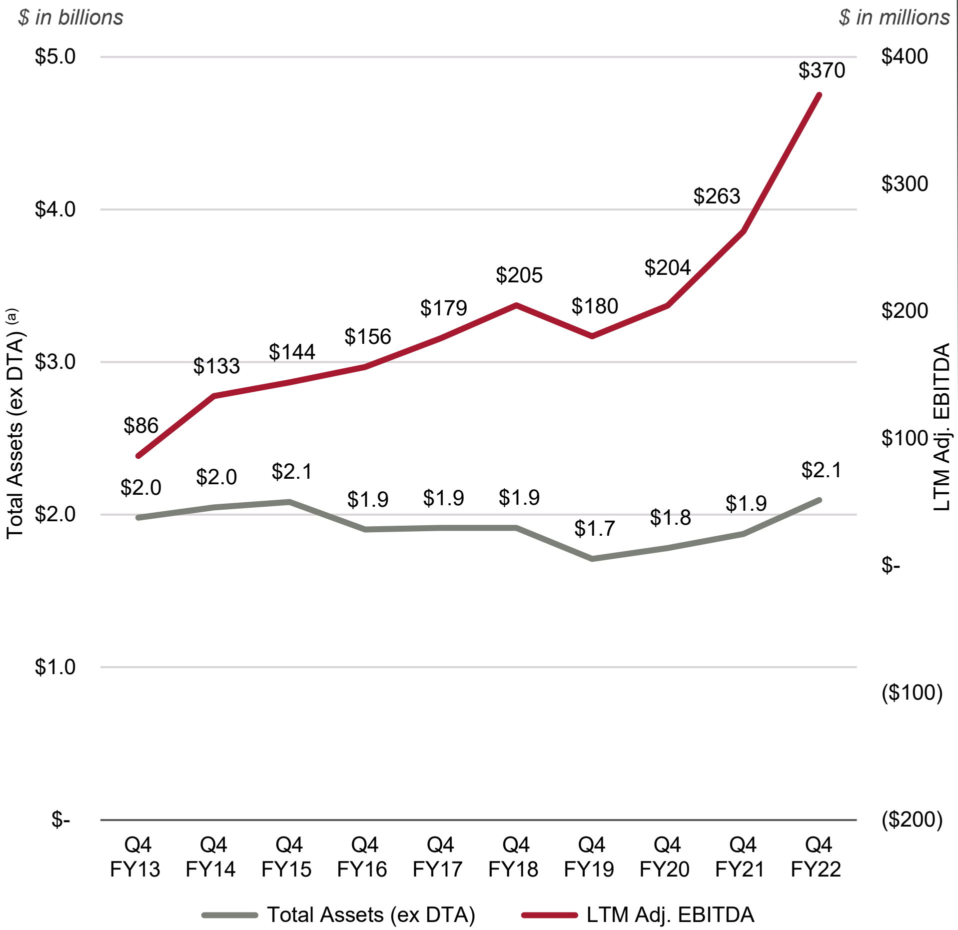
Sr. Vice President & Chief Financial Officer

Fiscal 2022 Highlights

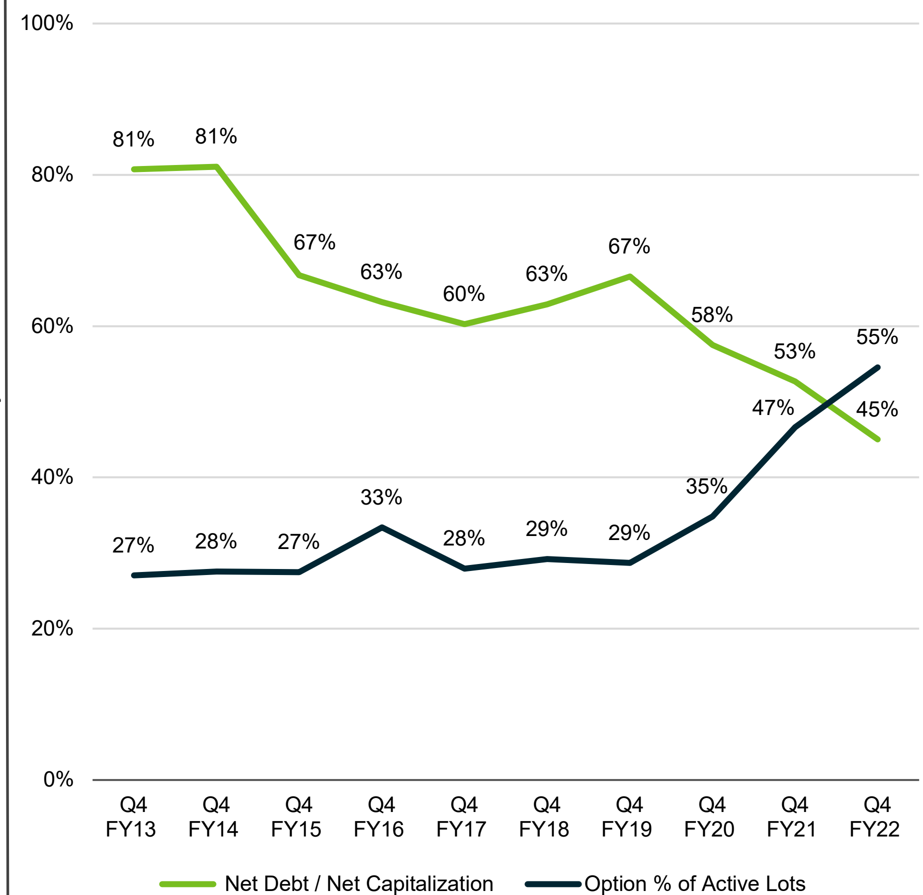
Strategic Objectives	Results
Double-Digit EBITDA Growth	40.9% ✓
Diluted Earnings per Share > $5.00	$7.17 ✓
Return on Equity > 20%	26.5% ✓
Total Debt < $1B	$983mm ✓
Double-Digit Lot Position Growth	~14% ✓

Balanced Growth Strategy Creates…

Better Returns



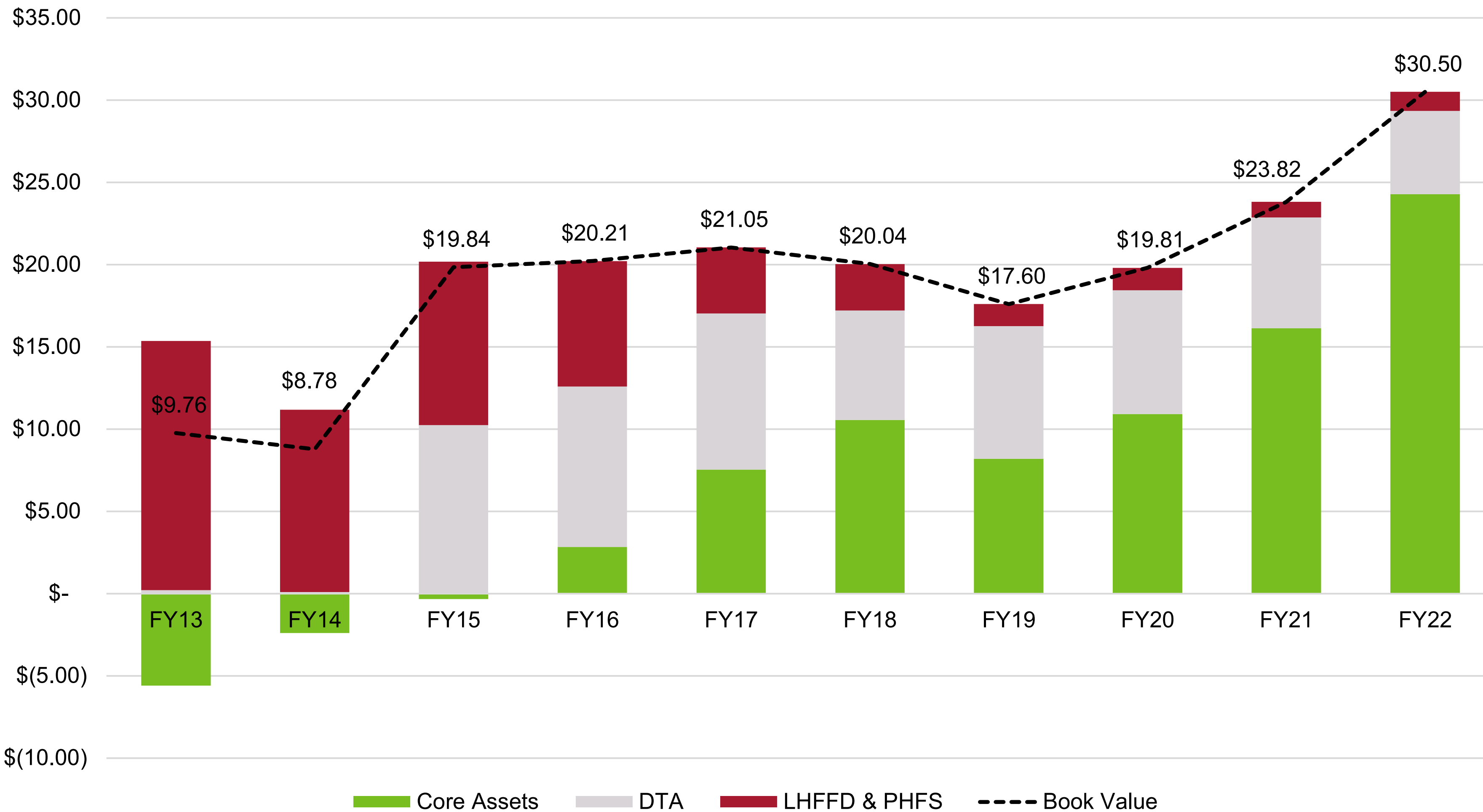
Balance Sheet Improvement



(a) Total Assets is end of period Assets excluding Deferred Tax Assets. Amounts presented have been impacted by the reclassification of debt issuance costs required by Accounting Standards Update 2015-03. The debt issuance costs reclassified for FY13, FY14, and FY15 amounted to $16.6 million, $15.8 million, and $11.9 million, respectively.

Balanced Growth Strategy Creates…

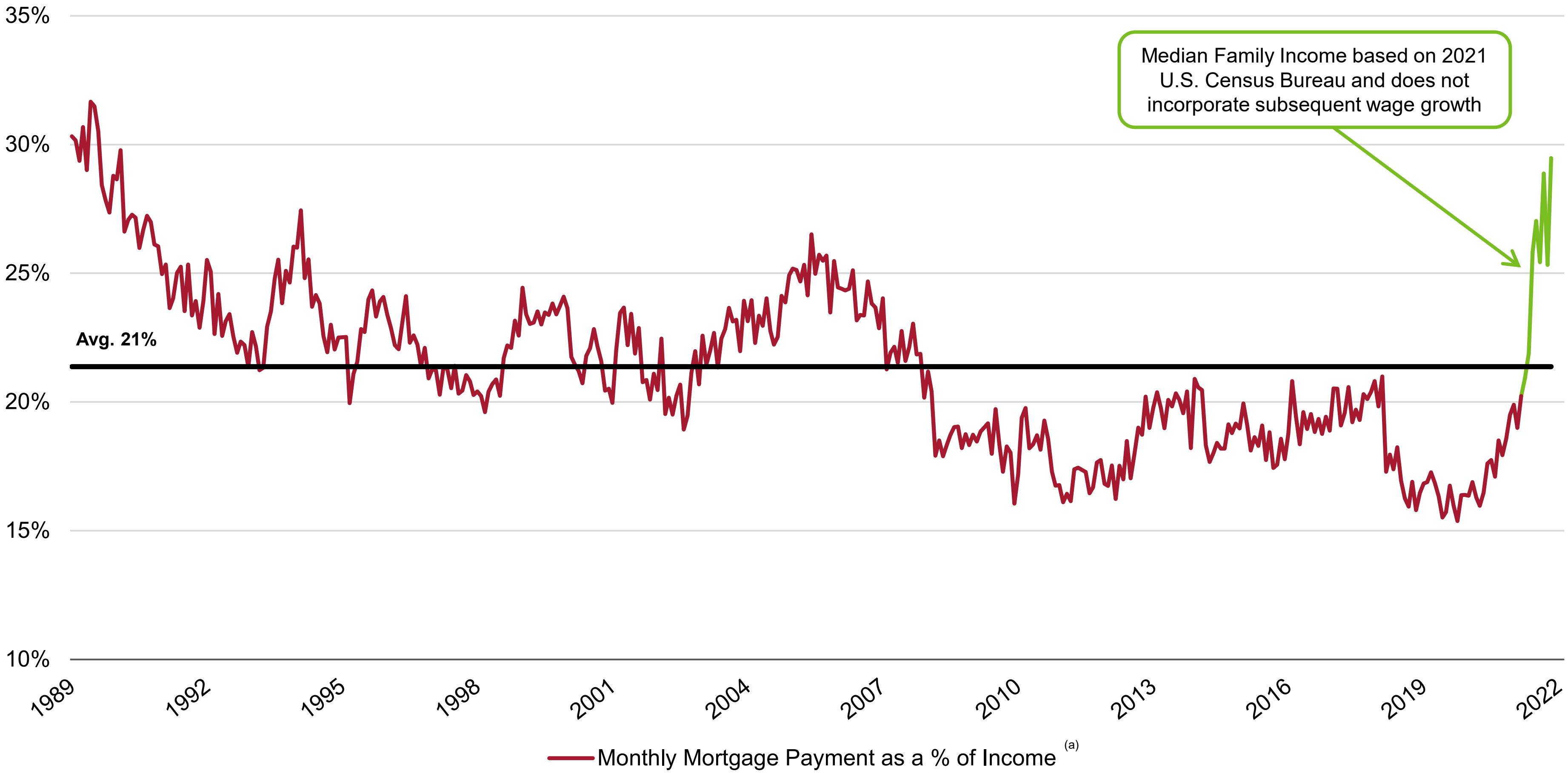
Shareholder Value



Notes: Common shares outstanding less non-vested shares at period-end used for all per share calculations
Balances as of 9/30 used for all periods
Core Assets per share is calculated using the residual of our book value per share after DTA per share and LHFFD & PHFS per share

Affordability Is The Issue

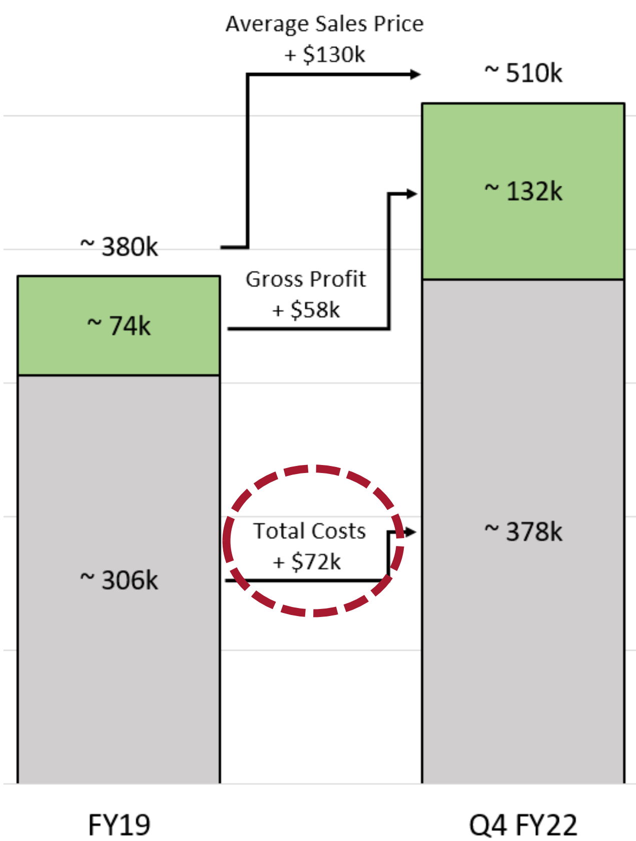
Monthly Mortgage Payment as a % of Income



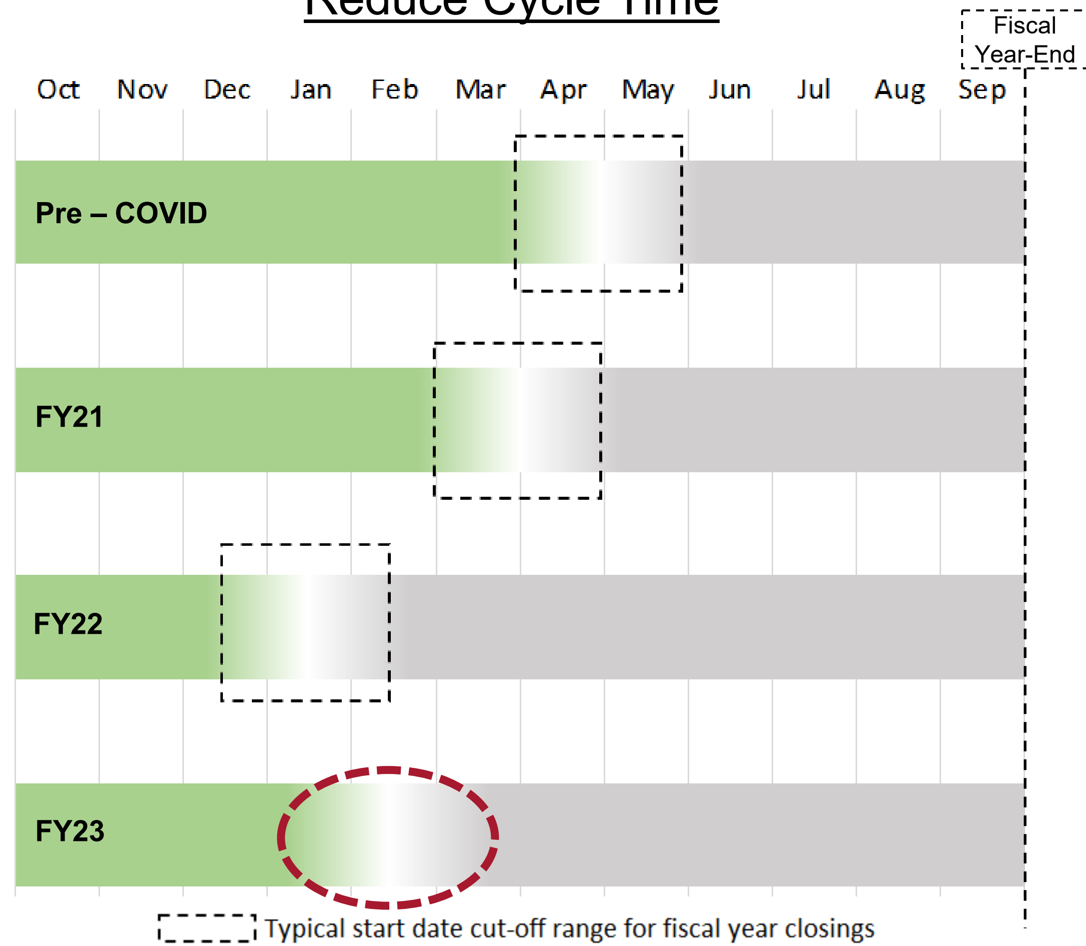
[a] Monthly median new residential sales price of homes sold in United States published by the U.S. Census / Department of Housing and Urban Development (HUD) Survey of Construction (SOC)
Calculated monthly mortgage payment assumes 20% down payment on 30-year conventional mortgage
Annual median family income published by Federal Reserve Bank of St. Louis
Due to timing of data being published, 2021-2022 reflects most current available data (i.e., median new residential sales prices through 9/2022 and median family income data from 2021)

Fiscal 23 Operational Initiatives

Reduce Construction Cost



Reduce Cycle Time



Competitive Strategy

Our consumer strategy is to deliver

Extraordinary Value at an Affordable Price

MORTGAGE **CHOICE**

SURPRISING PERFORMANCE

- Provides flexible loan programs, rate locks and buy-downs
- Drives lower rates and fees
- Delivers improved customer experience and service

- Exceeds the current energy code and latest ENERGY STAR® standards
- Saves our customers money every month with lower utility bills
- Furthers our path toward our Net Zero Energy Ready commitment

Fiscal 2022 Results

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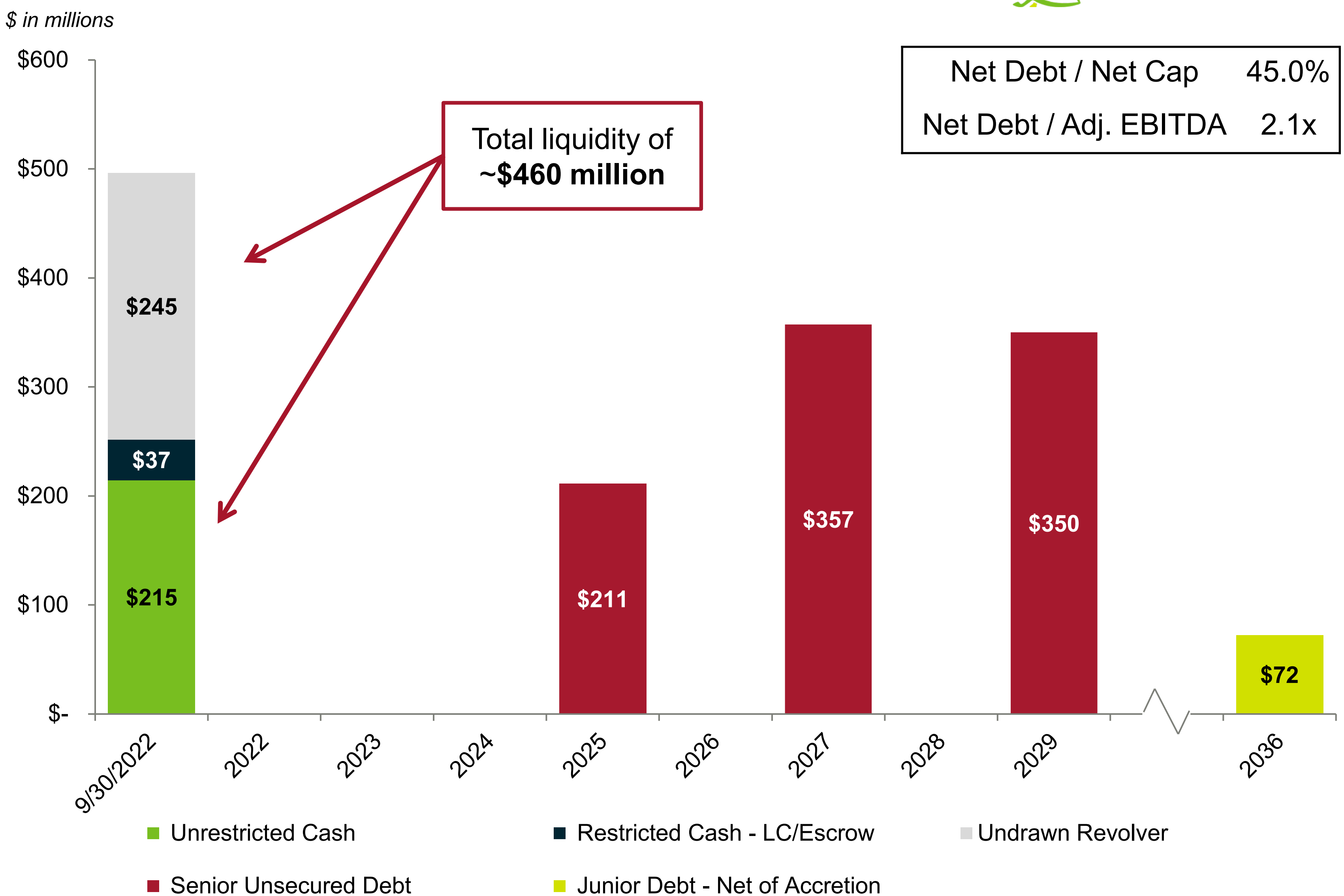
Results	FY22	YoY Change
Adjusted EBITDA ($mm) [(a)]	$370.1	40.9%
Net Income - Cont. Ops. ($mm)	$220.7	80.6%
Diluted Earnings per Share	$7.17	78.8%
Sales Pace	2.8	(22.7%)
Cancellation Rate	17.6%	650 bps
Homebuilding Revenue ($mm)	$2,302.5	8.2%
Adjusted HB Gross Margin % [(b)]	26.3%	330 bps
SG&A as % of Total Revenue	10.9%	(50 bps)
Interest Amort. % of HB Revenue	3.1%	(100 bps)

[(a)] Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix
[(b)] Excludes impairments, abandonments, and interest amortized to cost of sales

Fiscal Year-End 2022 Metrics

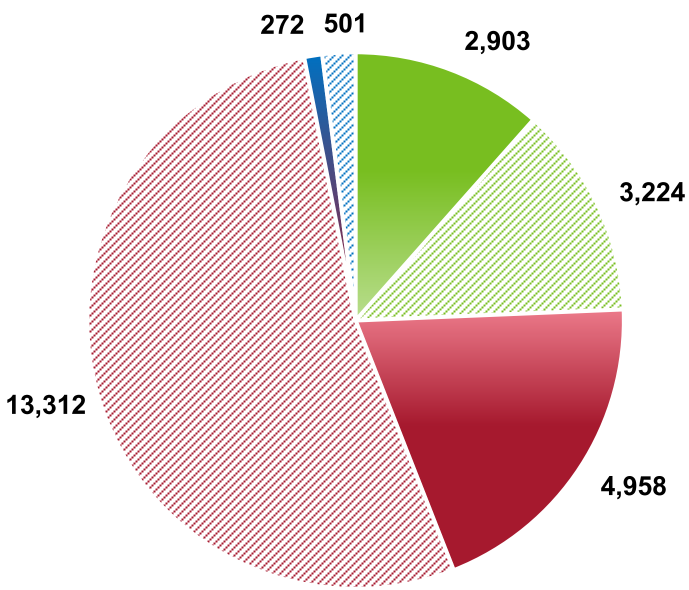
Net Debt / Net Cap	45.0%
Net Debt / Adj. EBITDA	2.1x



Land Position

25,170 total controlled lots
24,397 active controlled lots

Lot Position as of September 30, 2022



Immediate Availability – 24%
- Homes Under Construction
- Finished Lots

Near-Term Availability – 73%
- Owned Land Under Dev
- Lots Under Contract

Long-Term and Non-Strategic Assets – 3%
- Land Held for Future Dev
- Property Held for Sale

Community Count Activity

Active Communities on 9/30/2022	123
Opening in Next ~6 Months	~25
Under Development (excluding any communities opening in N6M)	~50
Approved But Not Yet Closed (excluding any communities opening in N6M)	~80
Closing in Next ~12 Months	(40 - 60)

1st Quarter Expectations

Metric	Expectations
Sales Pace	<2.0
Backlog Conversion[(b)]	Up 400 - 450 bps
Average Selling Price ($k)	~$535
Adjusted HB Gross Margin % [(a)] [(b)]	Down 150 - 200 bps
SG&A (absolute $)[(b)]	Up ~$4mm
Adjusted EBITDA	$45 - 50mm
Interest Amort. % of HB Revenue	Mid 3’s
Tax Rate	~17%

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

Fiscal 2023 Strategy

Affordability and Availability Initiatives

- Adjust price, size & features
- Reduce construction costs
- Reduce construction cycle time

Additional Operational Disciplines

- Align production with sales
- Align organizational structure with volume
- Cautious with capital allocation

Wrap-up

Excellent Fiscal 2022 Results

Continue to Execute Our Balanced Growth Strategy

Confident in Underlying Housing Fundamentals

Appendix

Q4 Results

$ in millions (except ASP)

	Q4 FY21	Q4 FY22	Δ
Profitability			
Total Revenue	$ 590.9	$ 827.7	40.1%
Adjusted EBITDA [a]	$ 76.1	$ 143.3	$ 67.2
Net Income - Cont. Ops.	$ 48.4	$ 86.8	$ 38.4
Unit Activity			
New Home Orders	1,069	704	(34.1%)
Closings	1,407	1,616	14.9%
Average Selling Price ($k)	$ 418.7	$ 510.7	22.0%
Cancellation Rate	11.7 %	32.8 %	2,110 bps
Active Community Count, Avg [b]	119	123	3.4%
Sales Pace	3.0	1.9	(36.3%)
Margins			
HB Gross Margin % [c]	23.2 %	25.9 %	270 bps
SG&A as % of Total Revenue	11.0 %	8.9 %	(210 bps)
Balance Sheet			
Unrestricted Cash	$ 246.7	$ 214.6	$ (32.1)
Land & Development Spend	$ 245.5	$ 150.8	$ (94.7)

[a] Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix
[b] Active Community Count was 117 at 9/30/2021 and 123 at 9/30/2022
[c] Excludes impairments, abandonments, and interest amortized to cost of sales

FY22 Results

$ in millions (except ASP)

	FY21	FY22	Δ
Profitability			
Total Revenue	$ 2,140.3	$ 2,317.0	8.3%
Adjusted EBITDA [(a)]	$ 262.7	$ 370.1	$ 107.4
Net Income - Cont. Ops.	$ 122.2	$ 220.7	$ 98.5
Unit Activity			
New Home Orders	5,564	4,061	(27.0%)
Closings	5,287	4,756	(10.0%)
Average Selling Price ($k)	$ 402.4	$ 484.1	20.3%
Cancellation Rate	11.1 %	17.6 %	650 bps
Active Community Count, Avg [(b)]	127	120	(5.6%)
Sales Pace	3.7	2.8	(22.7%)
Margins			
HB Gross Margin % [(c)]	23.0 %	26.3 %	330 bps
SG&A as % of Total Revenue	11.4 %	10.9 %	(50 bps)
Balance Sheet			
Unrestricted Cash	$ 246.7	$ 214.6	$ (32.1)
Land & Development Spend	$ 595.5	$ 573.6	$ (21.9)

[(a)] Details are included on the “Adjusted EBITDA Reconciliation” slide in the appendix
[(b)] Active Community Count was 117 at 9/30/2021 and 123 at 9/30/2022
[(c)] Excludes impairments, abandonments, and interest amortized to cost of sales

Adjusted EBITDA Reconciliation

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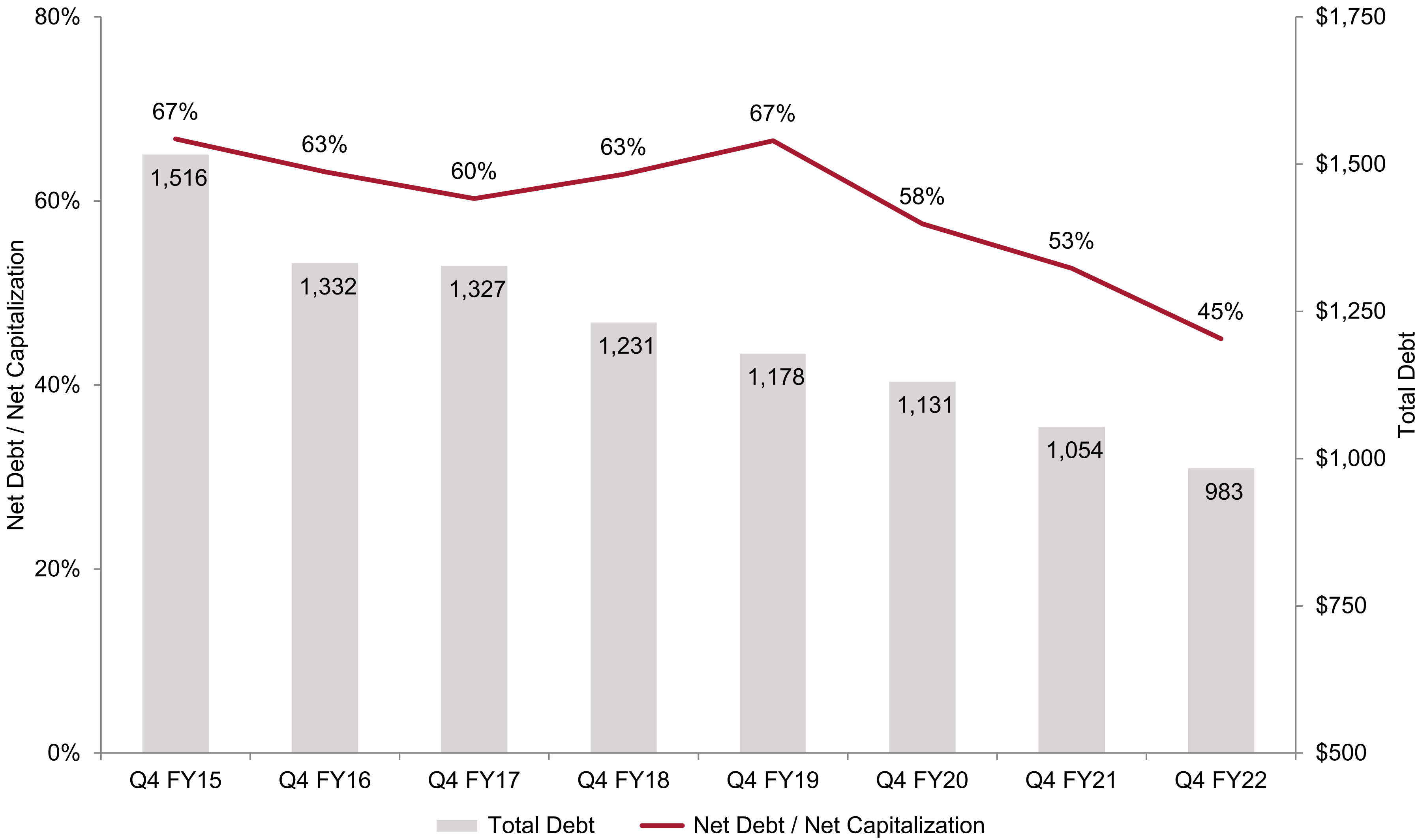
(In thousands)	Three Months Ended September 30, 2021	**2022**	21 v 22	Fiscal Year Ended September 30, 2021	**2022**	21 v 22
Net income	$ 48,361	**$ 86,823**	$ 38,462	$ 122,021	**$ 220,704**	$ 98,683
(Benefit) expense from income taxes	(1,086)	**23,584**	24,670	21,501	**53,267**	31,766
Interest amortized to home construction and land sales expenses and capitalized interest impaired	21,838	**25,516**	3,678	87,290	**72,058**	(15,232)
Interest expense not qualified for capitalization	—	**—**	—	2,781	**—**	(2,781)
EBIT	69,113	**135,923**	66,810	233,593	**346,029**	112,436
Depreciation and amortization	3,482	**4,259**	777	13,976	**13,360**	(616)
EBITDA	72,595	**140,182**	67,587	247,569	**359,389**	111,820
Stock-based compensation expense	2,913	**1,963**	(950)	12,167	**8,478**	(3,689)
Loss (gain) on extinguishment of debt	412	**(387)**	(799)	2,025	**(309)**	(2,334)
Inventory impairments and abandonments[a]	157	**1,589**	1,432	853	**2,524**	1,671
Litigation settlement in discontinued operations	—	**—**	—	120	**—**	(120)
Restructuring and severance expenses	—	**—**	—	(10)	**—**	(10)
Adjusted EBITDA	$ 76,077	**$ 143,347**	$ 67,270	$ 262,724	**$ 370,082**	$ 107,358

[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.

Backlog Detail

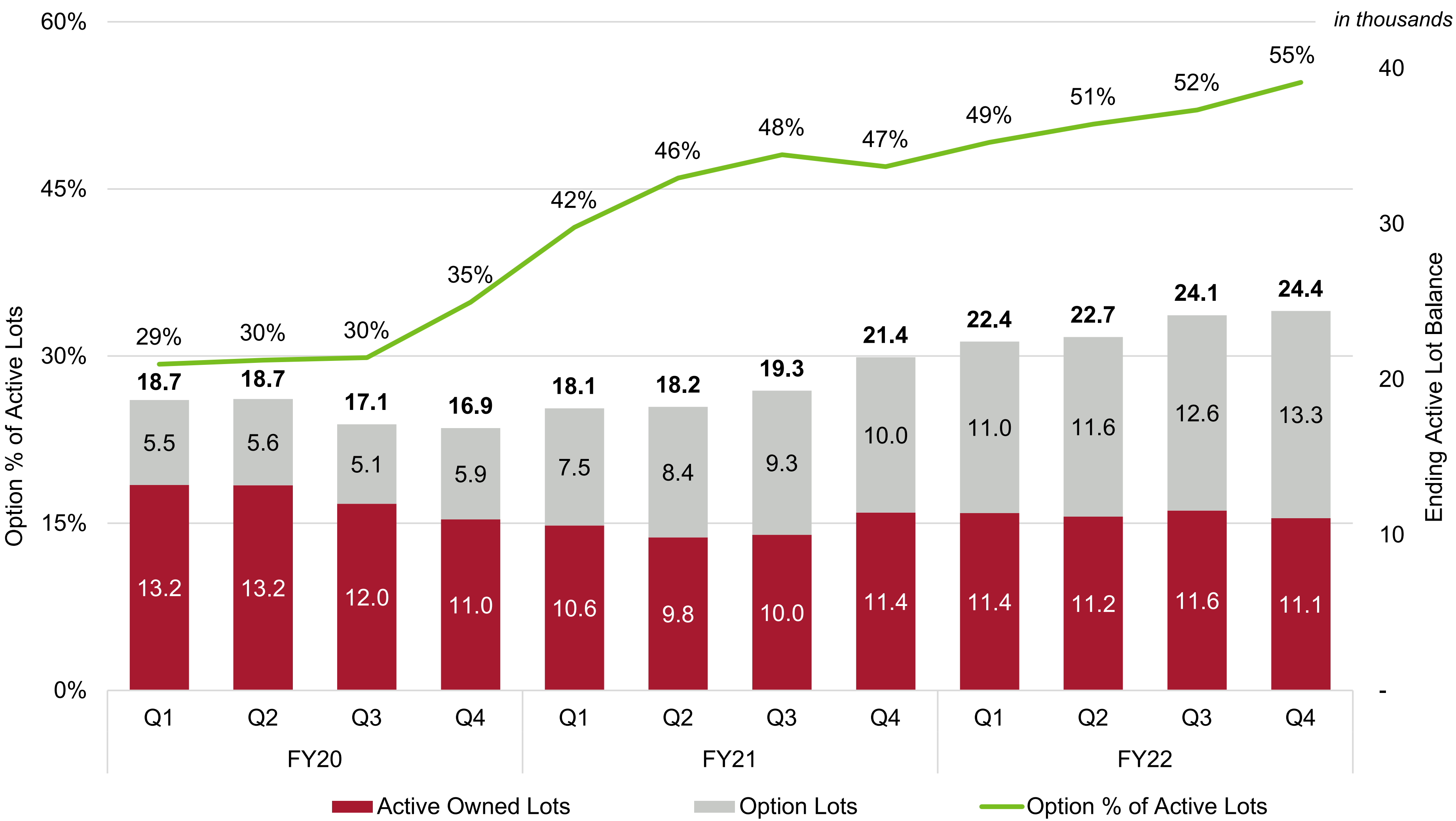
	Q4 FY21	Q4 FY22
Quarter Ending Backlog (units)	2,786	2,091
Quarter Ending Backlog ($ in millions)	$ 1,284.0	$ 1,144.9
ASP in Backlog ($ in thousands)	$ 460.9	$ 547.5
Quarter Beg. Backlog	3,124	3,003
Scheduled to Close in Future Qtrs.	(1,504)	(1,239)
Backlog Scheduled to Close in the Qtr.	1,620	1,764
Backlog Activity:		
Cancellations	(25)	(157)
Pushed to Future Qtrs.	(325)	(234)
Close Date Brought Forward	66	71
Sold & Closed During the Qtr.	71	172
Total Closings in the Quarter	1,407	1,616
Backlog Conversion Rate	45.0%	53.8%

Reducing Leverage



Note: Total Debt is net of unamortized debt issuance costs and accretion

Land For Future Growth

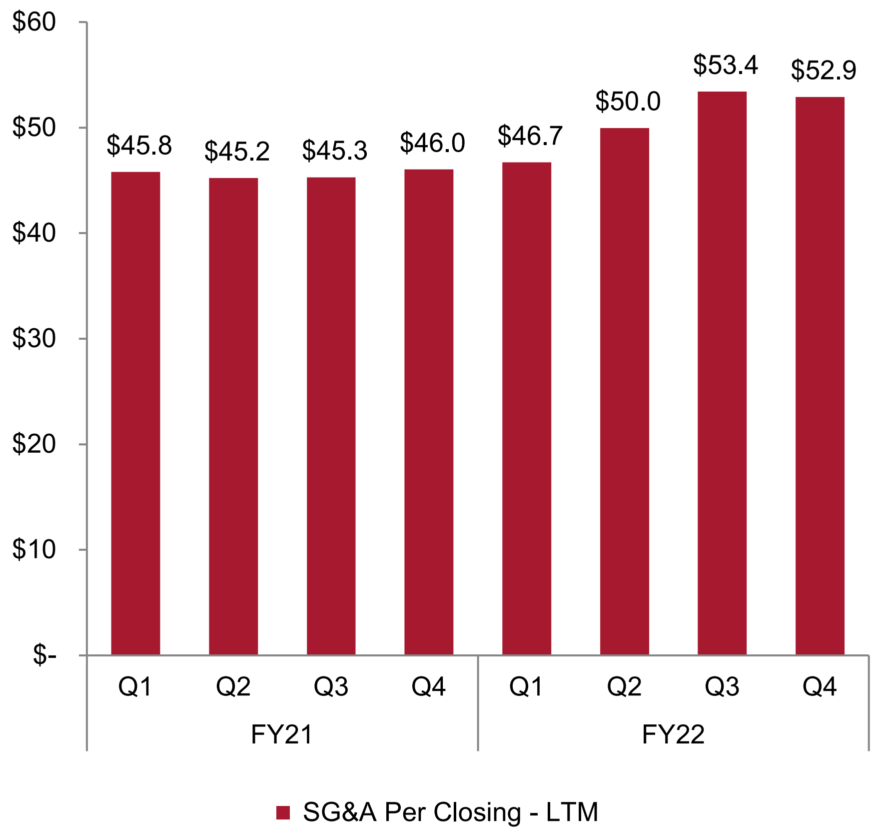


Note: Totals may not foot due to rounding

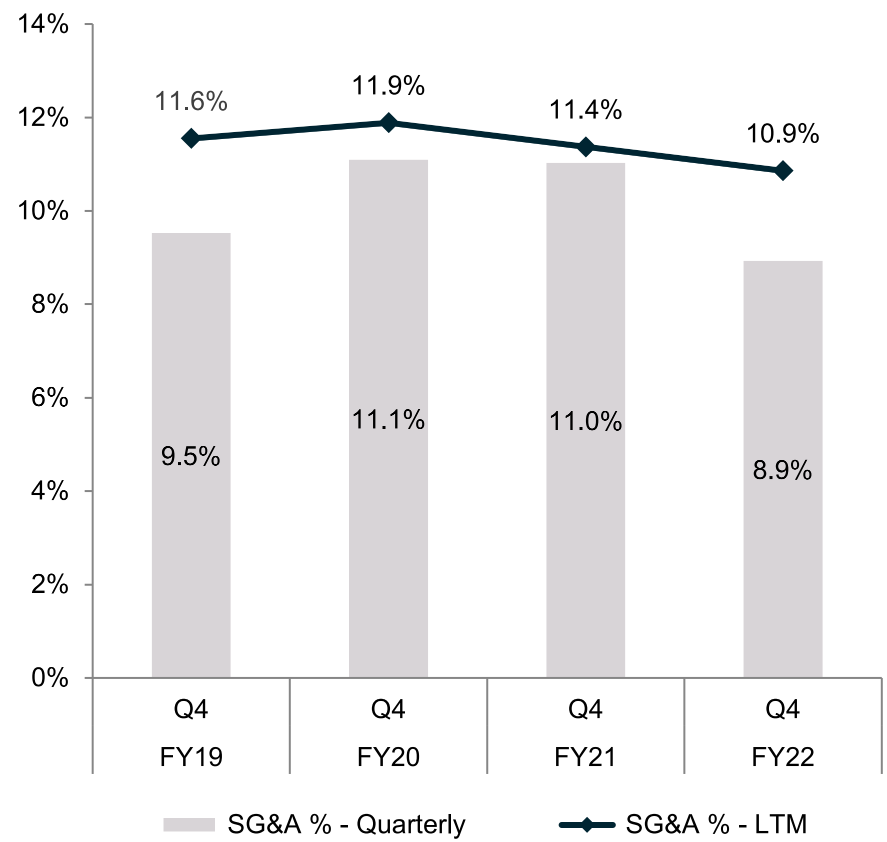
SG&A Leverage is a Priority

SG&A Per Closing
LTM Homebuilding

$ in thousands



SG&A Leverage
% of Total Revenue



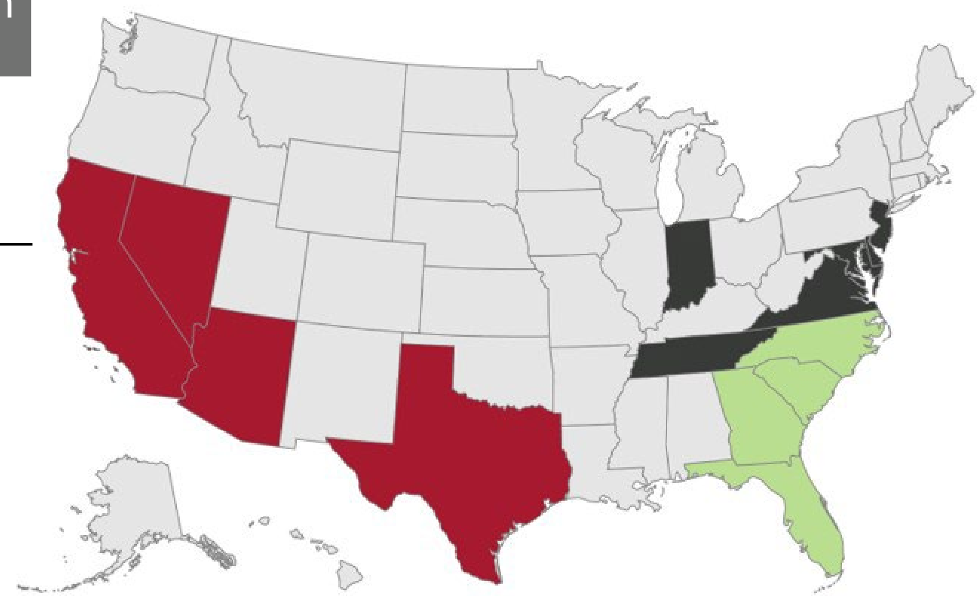
Geographic Mix Impacts ASP & Margins

($ in thousands)

	FY21 ASP	FY22 ASP	Change in ASP ($)	Change in ASP (%)	FY21 Closings	FY22 Closings	Change in Mix
West	$377.0	$468.7	$91.7	24.3%	55.7%	59.6%	3.9%
East	$477.6	$514.4	$36.8	7.7%	22.4%	22.7%	0.3%
Southeast	$390.2	$497.2	$107.0	27.4%	21.9%	17.7%	(4.2%)

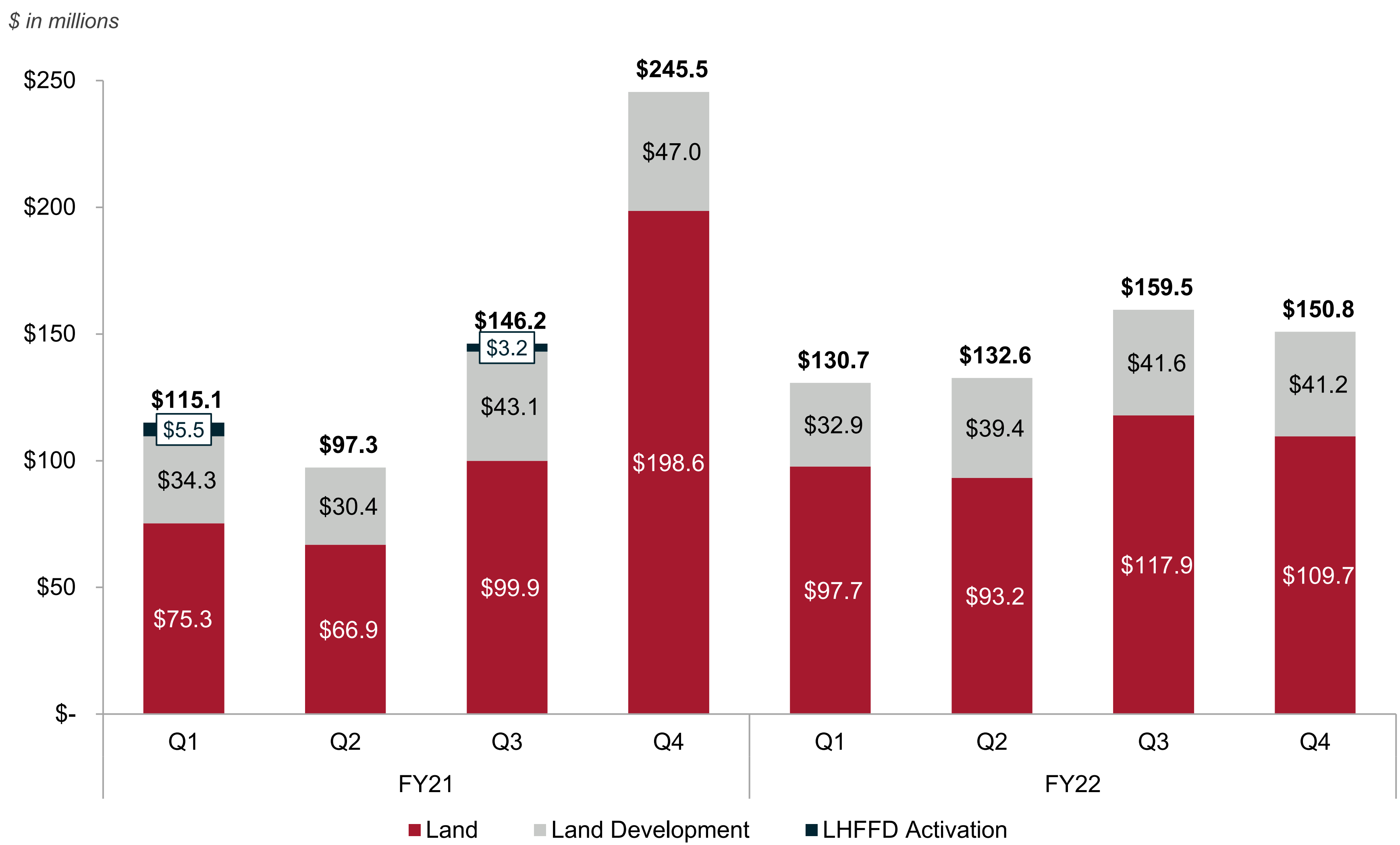
	FY21 GM%[a]	FY22 GM%[a]	Change in GM%
West	24.4%	26.6%	220 bps
East	22.3%	24.9%	260 bps
Southeast	21.9%	25.1%	320 bps

- ASP and gross margins were higher across our footprint



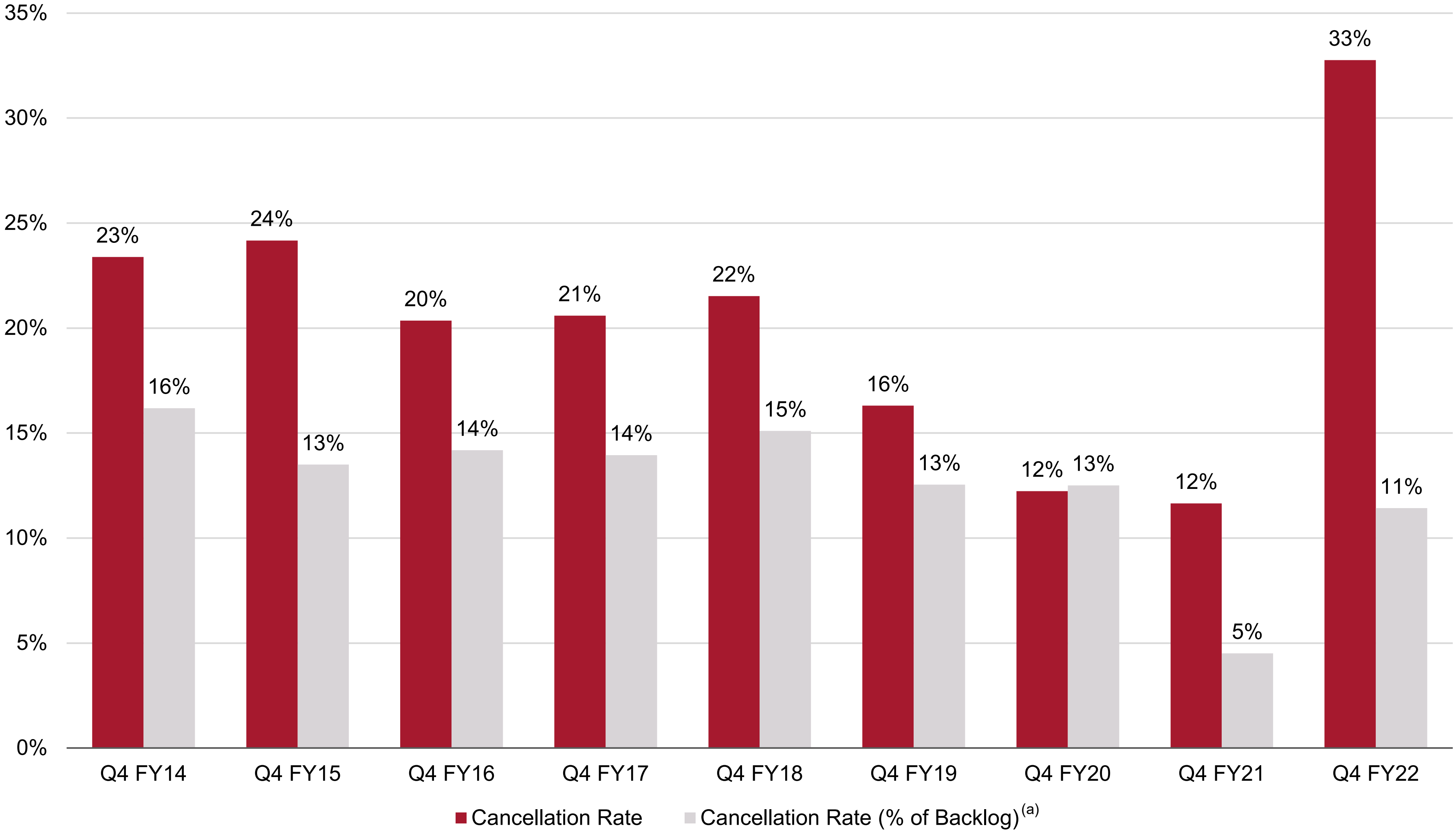
[a] Segment gross margin excludes impairments, abandonments, and interest amortized to cost of sales

Land Spend



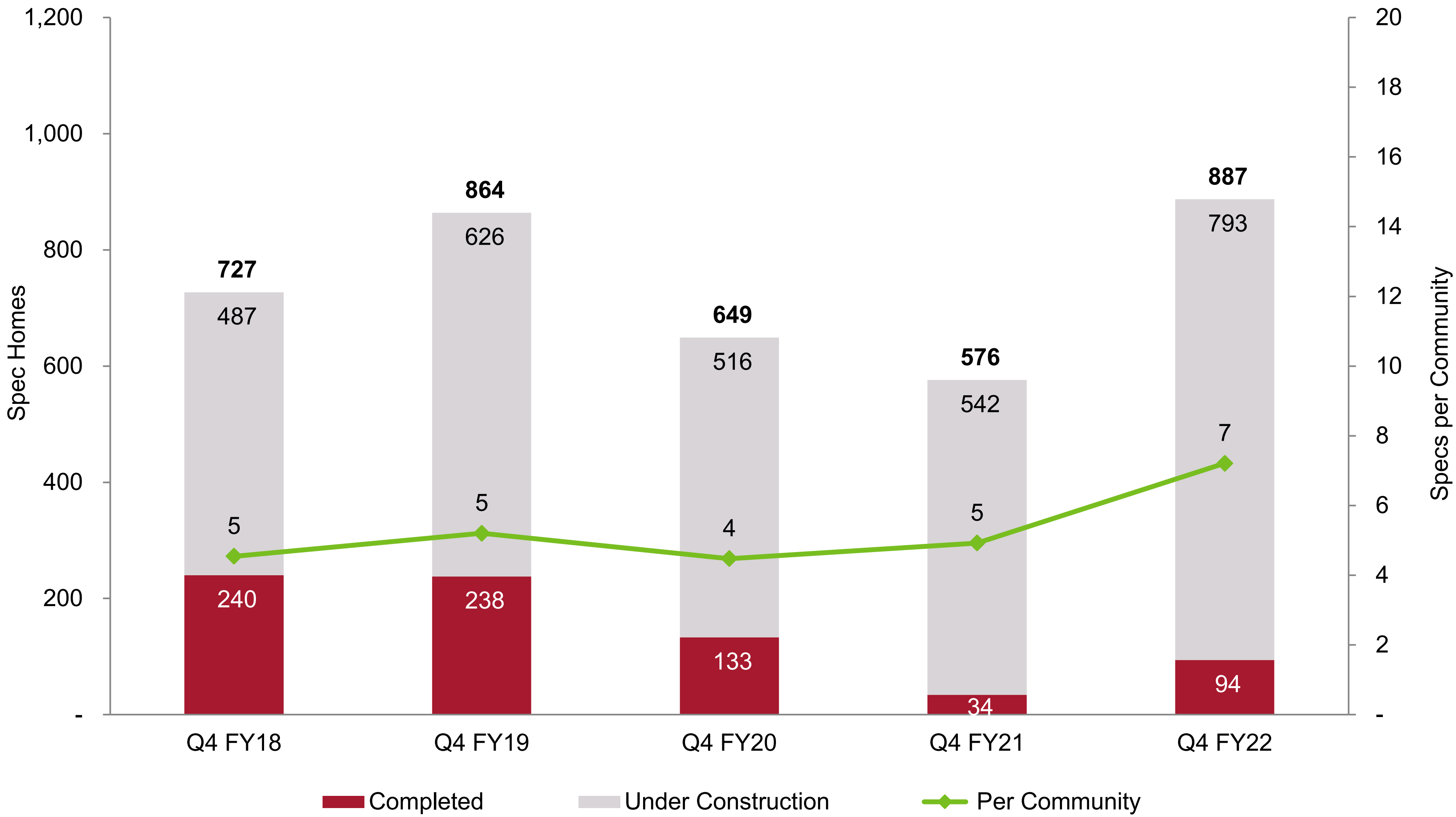
Note: Totals may not foot due to rounding

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

Deferred Tax Assets - Summary

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($ in millions)	September 30, 2021	September 30, 2022
Deferred Tax Assets	$ 233.8	$ 181.8
Valuation Allowance	$ (29.1)	$ (25.4)
Net Deferred Tax Assets	**$ 204.7**	**$ 156.4**

As of September 30, 2022, 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 2021 conclusion. Valuation allowance of $25.4 million as of September 30, 2022 remains on various state attributes for which we have concluded it is not more likely than not that these attributes would be realized. See our fiscal 2022 Form 10-K for additional detail.