Beazer Homes USA, Inc.
Q2 2018 Earnings Presentation

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Forward Looking Statements

This presentation contains certain statements that may be deemed "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements represent our expectations or beliefs concerning future results, and it is possible that the results described will not be achieved. These forward-looking statements can generally be identified by the use of statements that include words such as "estimate," "project," "believe," "expect," "anticipate," "intend," "plan," "foresee," "likely," "will," "goal," "target" or other similar words or phrases. All forward-looking statements are based upon information available to us on the date of this presentation. 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 matters discussed in our Form 10-Q for the period ended March 31, 2018 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 in performance is contained in Part I, Item 1A— Risk Factors of our Annual Report on Form 10-K for the fiscal year ended September 30, 2017. 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: (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) a substantial increase in mortgage interest rates, increased 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, including water intrusion issues in Florida; (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; or (xxii) the impact on homebuilding in key markets of governmental regulations limiting the availability of water. 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 emerge from time-to-time, and it is not possible for management to predict all such factors.

Introduction

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

Strong Second Quarter of Fiscal 2018

Results	Q2 FY 2018	YoY Change
Homebuilding Revenue ($M)	$441.1	+4.6%
HB Gross Margin %*	21.3%	+60 bps
Adjusted EBITDA** ($M)	$39.5	+19.1%
Sales Pace	3.7	+10.3%
Land Spend ($M)	$143.4	+39.4%

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

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Emphasizing Value and Affordability

- Focus on serving Millennials and Baby Boomers

- Delivering Extraordinary Value at an Affordable Price
  - Desirable locations
  - Energy efficient homes
  - Choices (Choice Plans & Mortgage Choice)

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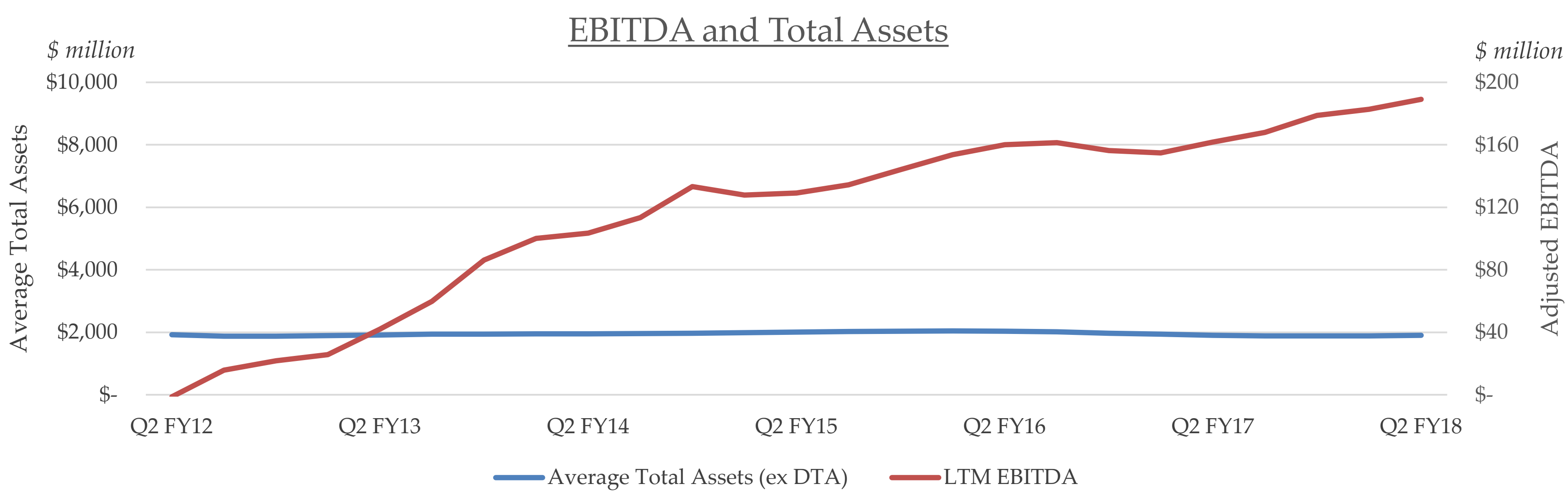
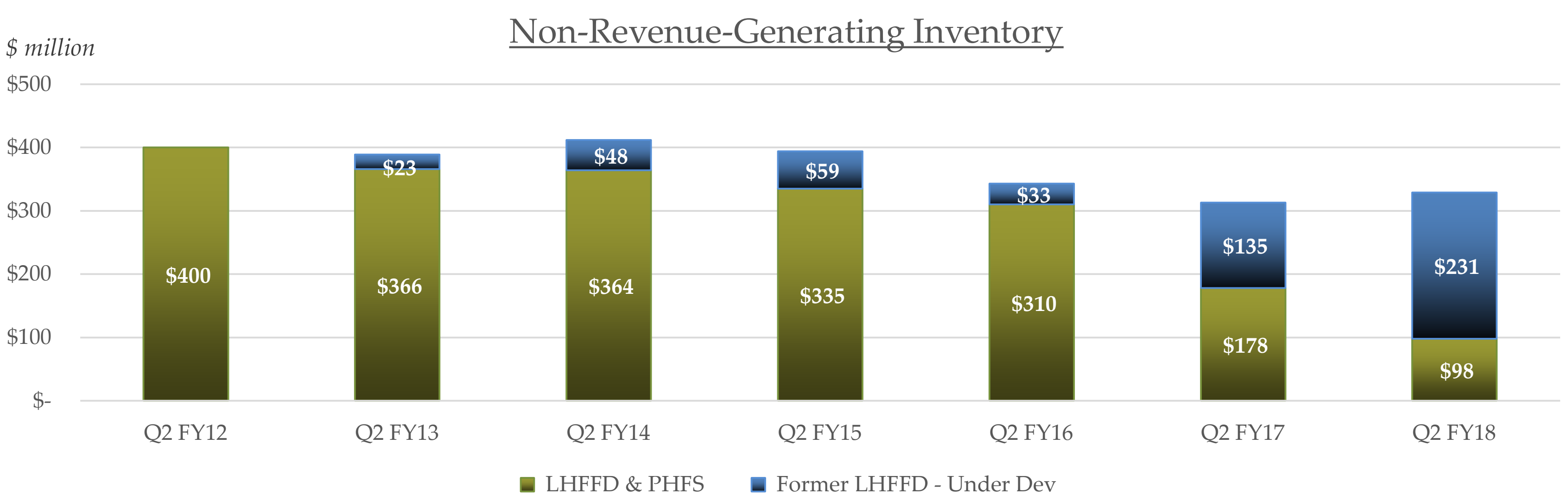
Improvements in ROA and Capital Efficiency





2nd Quarter Results

Results	Q2 FY 2018	YoY Change
New Home Orders	1,679	+8.4%
Sales Pace	3.7	+10.3%
Average Selling Price ($K)	$348.4	+2.3%
Backlog ASP ($K)	$383.0	+10.3%
Closings	1,266	+2.2%
Backlog Conversion	66.7%	+240 bps
Average Community Count	151	(3)
Homebuilding Revenue ($M)	$441.1	+4.6%
HB Gross Margin %*	21.3%	+60 bps
SG&A as % of Total Revenue	12.8%	(50) bps
Adjusted EBITDA** ($M)	$39.5	+19.1%
Net Income - Cont. Ops. ($M)	$11.6	NA

*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	Q2 FY18 LTM Results
Revenue	Sales / Community/ Month	2.8 - 3.2	3.1
	Average Selling Price ("ASP")	$340k - $350k	$346.2k
	Average Community Count	170 - 175	154
	Total Revenue	$2.0 billion	$2.0 billion
Margin	HB Gross Margin %*	21% - 22%	21.4%
	SG&A (% of Total Revenue)	11% - 12%	12.1%
	Adjusted EBITDA**	$200 million	$189.1 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

3rd Quarter Expectations

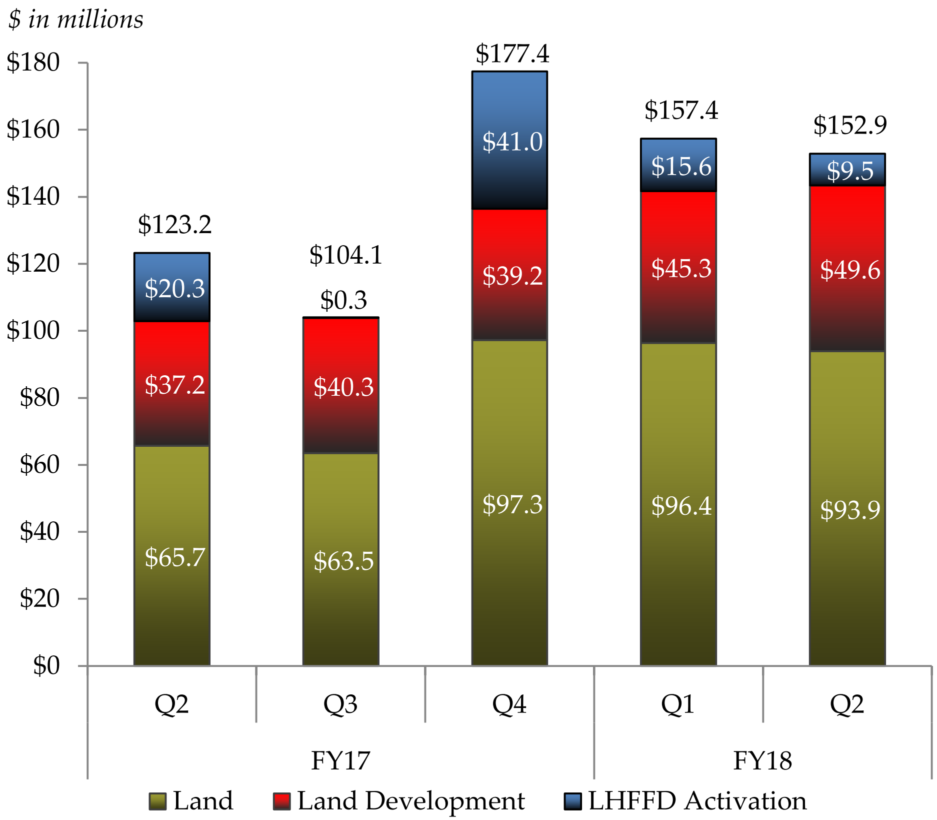
Metric	Q3 FY18 vs Prior Year
New Home Orders	Relatively Flat
Closings	Relatively Flat
Backlog Conversion	Around 60%
Average Selling Price	Around $370k
HB Gross Margin %	Slightly Below 21.0%
SG&A % of Total Revenue	Down
Adjusted EBITDA	Up
Land Spend	Up Significantly

Tax Rate	27% in 2H FY18

Land Spend & Lot Position

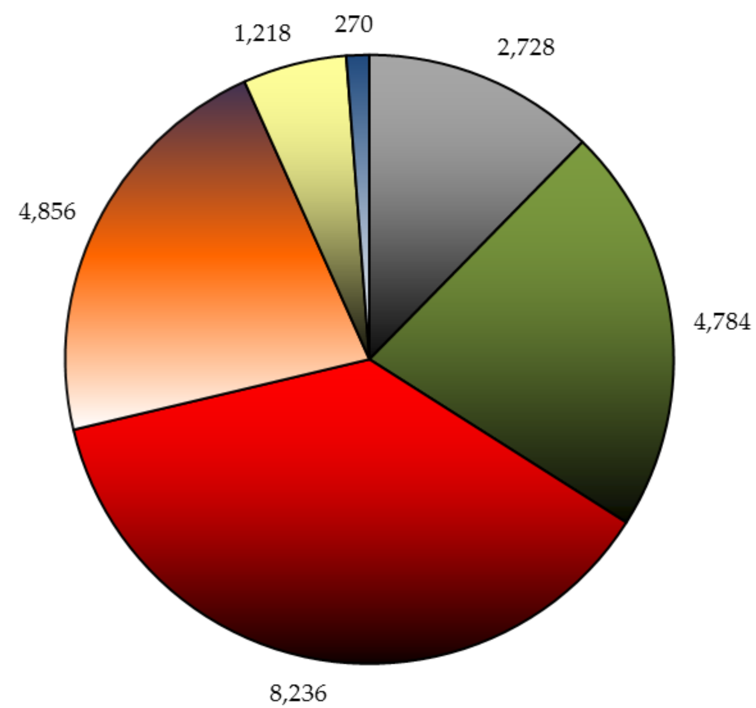
22,092 total controlled lots
20,604 active lots

Quarterly Land Spend



Option Lots as % of Active Lots				
Q2 FY14	Q2 FY15	Q2 FY16	Q2 FY17	Q2 FY18
25%	27%	30%	31%	24%

Lot Position at March 31, 2018



Immediate Availability – 34%
- Homes Under Construction
- Finished Lots

Near-Term Availability – 59%
- Owned Land Under Dev
- Lots Under Option

Long-Term and Non-Strategic Assets – 7%
- Land Held for Future Dev
- Property Held for Sale

Note: Totals may not foot due to rounding

Driving ROA Through Increased Capital Efficiency

$ in millions		03/31/18
Unrestricted & Restricted Cash	$	171.6
Working Capital		34.9
PPE & Investments		24.5
Active Inventory		1,348.5
Former LHFFD - Under Development		231.2
LHFFD & PHFS		97.6
Deferred Tax Assets		199.2
Total Assets	$	2,107.5

25% of Total Assets

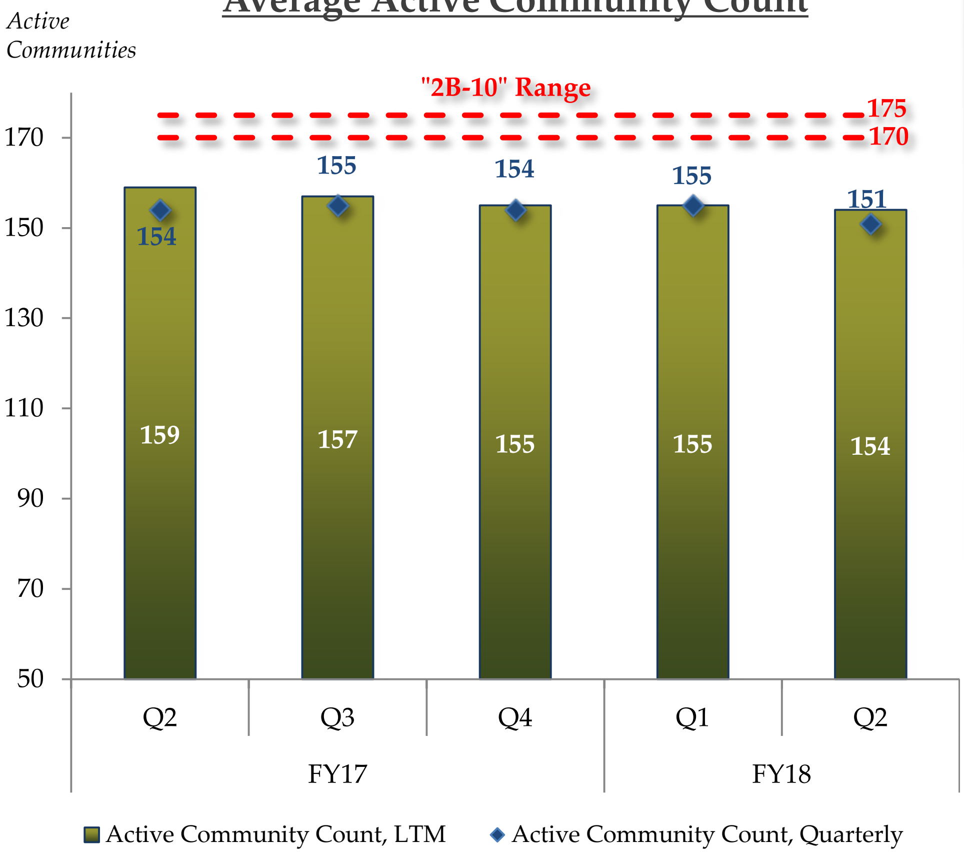
$328.8M

Nearly $330 million of our inventory will transition into revenue-generating assets

DTA will be monetized over time

Community Count

Average Active Community Count



Community Count Activity

Active Communities at 3/31/2018	153
Opening in Next ~6 Months	+ 37
Under Development (excluding former LHFFD & opening in N6M)	+ 19
Former LHFFD Not Yet Activated (excluding opening in N6M)	+ 13
Approved But Not Yet Closed (excluding opening in N6M)	+ 27
Closing in Next ~6 Months	(46)

The information above is as of 3/31/2018

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

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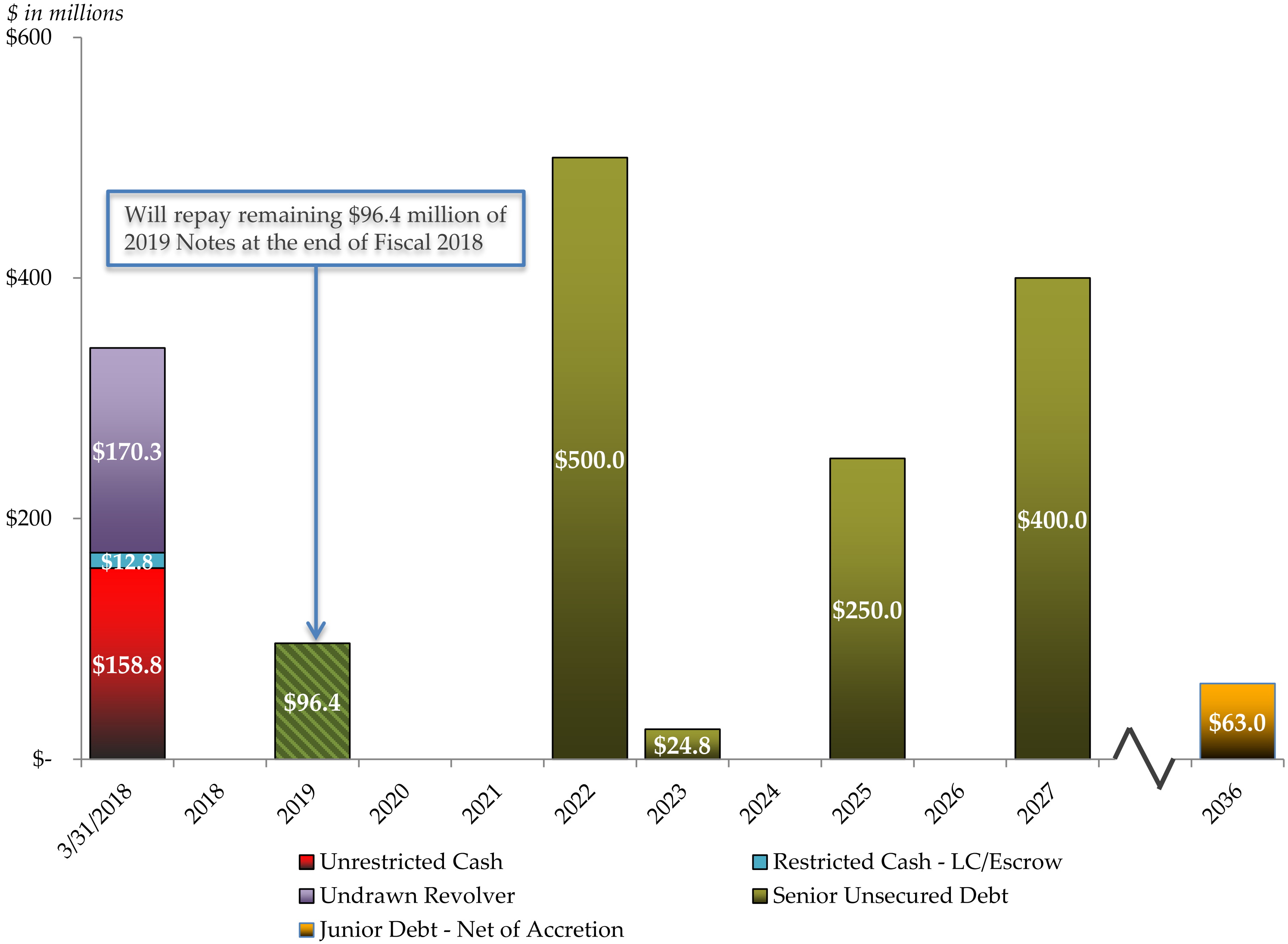
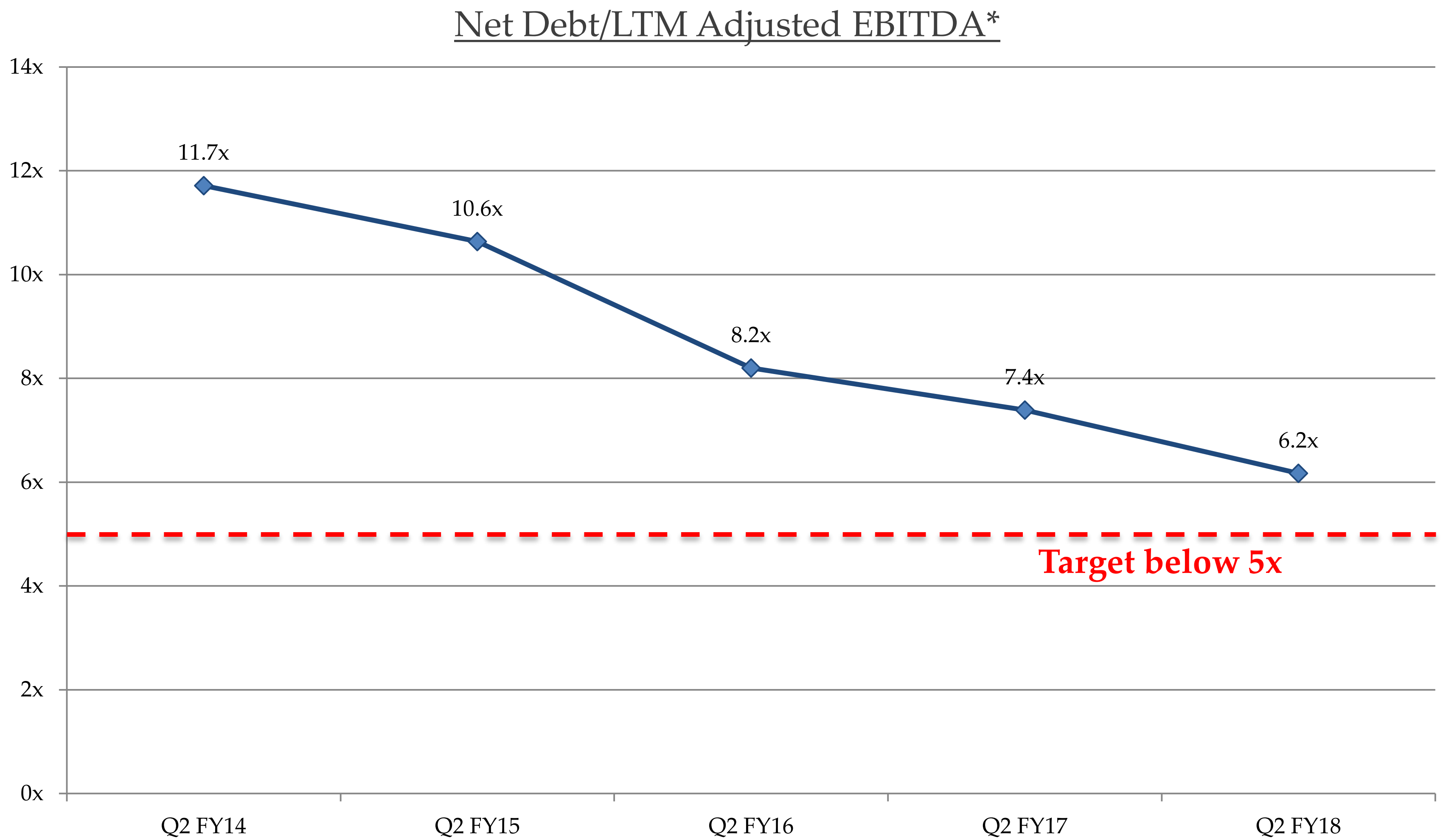
Maturity Schedule – 3/31/2018



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

Focus for Fiscal 2018

- Push to achieve “2B-10”
- Balanced Growth =
  Earnings Growth + Capital Efficiency
- Drive toward double-digit ROA

BP MS 150 (Houston/Austin, TX)
Supporting National MS Society

Rock 'n' Roll Marathon (Nashville, TN)
Supporting Fisher House Foundation

Appendices

Q2 Results

$ in millions, except ASP

	FY17 Q2	FY18 Q2	Δ
Profitability			
Total Revenue	$ 425.5	$ 455.2	7.0%
Adjusted EBITDA*	$ 33.2	$ 39.5	$ 6.3
Net Income/Loss (Cont. Ops.)	$ (7.5)	$ 11.6	$ 19.1
Unit Activity			
Orders	1,549	1,679	8.4%
Closings	1,239	1,266	2.2%
Average Sales Price ($000's)	$ 340.5	$ 348.4	2.3%
Cancellation Rate	16.6%	14.9%	(170 bps)
Active Community Count, Avg**	154	151	(1.7)%
Sales/Community/Month	3.4	3.7	10.3%
Margins			
HB Gross Margin***	20.7%	21.3%	60 bps
SG&A (% of Total Revenue)	13.3%	12.8%	(50 bps)
Balance Sheet			
Unrestricted Cash	$ 138.8	$ 158.8	$ 20.0
Land & Development Spending	$ 102.9	$ 143.4	$ 40.5

Note: Variances are calculated using un-rounded numbers
*Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix
**Active Community Count was 158 at 3/31/2017 and 153 at 3/31/2018
***Excludes impairments, abandonments, and interest included in cost of sales

Backlog Detail

		Q2 FY17		Q2 FY18
Quarter Ending Backlog (units)		2,236		2,312
Quarter Ending Backlog ($ in millions)	$	776.4	$	885.4
ASP in Backlog ($ in thousands)	$	347.2	$	383.0
Quarter Beg. Backlog		1,926		1,899
Scheduled to Close in Future Qtrs.		(898)		(839)
Backlog Scheduled to Close in the Qtr.		1,028		1,060
Backlog Activity:				
Cancellations		(83)		(73)
Pushed to Future Quarters		(65)		(97)
Close Date Brought Forward		72		73
Sold & Closed During the Qtr		287		303
Total Closings in the Quarter		1,239		1,266
Backlog Conversion Rate		**64.3%**		**66.7%**

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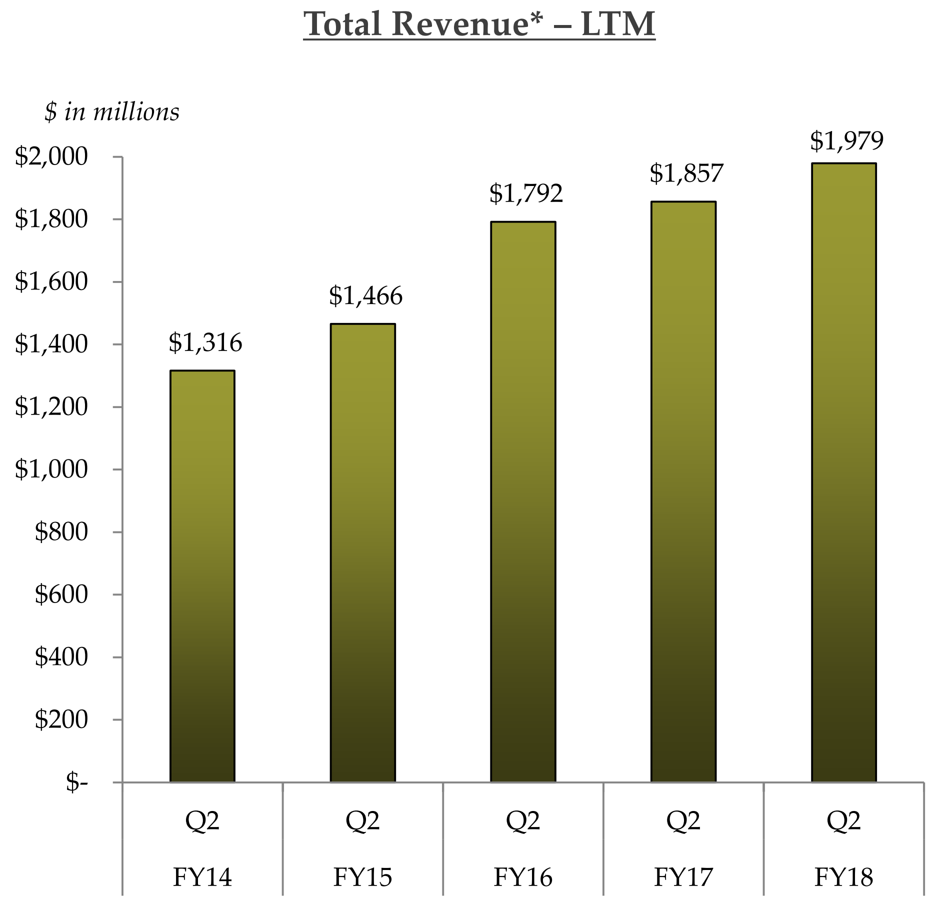
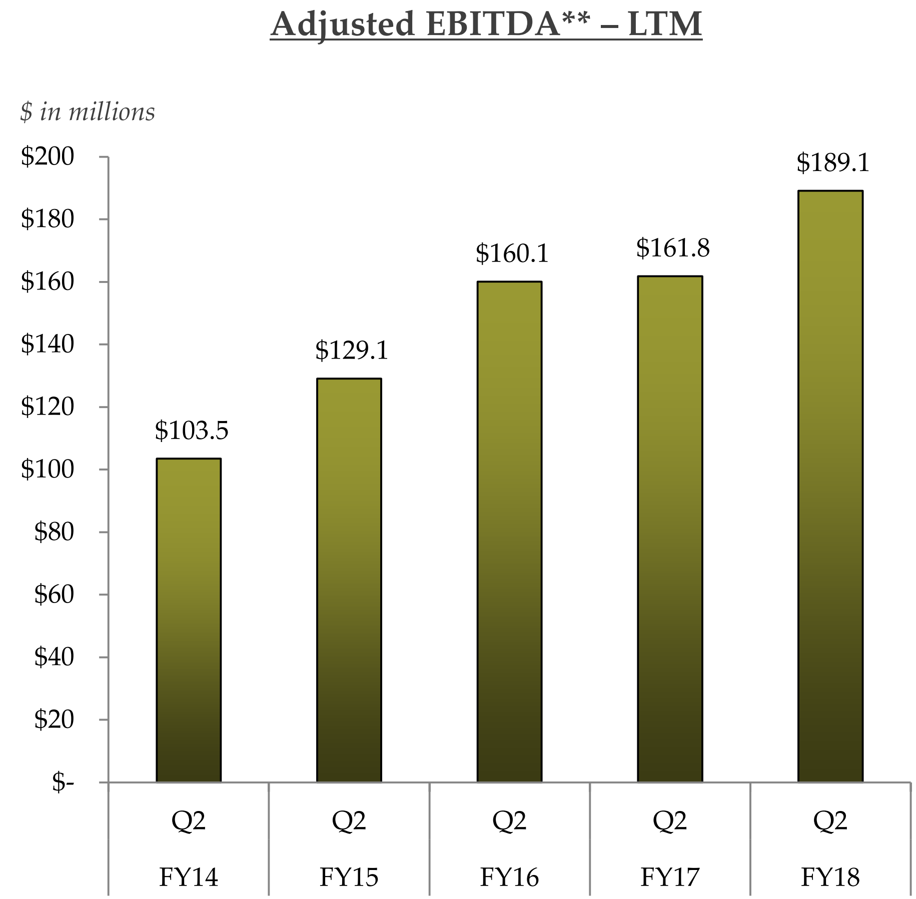
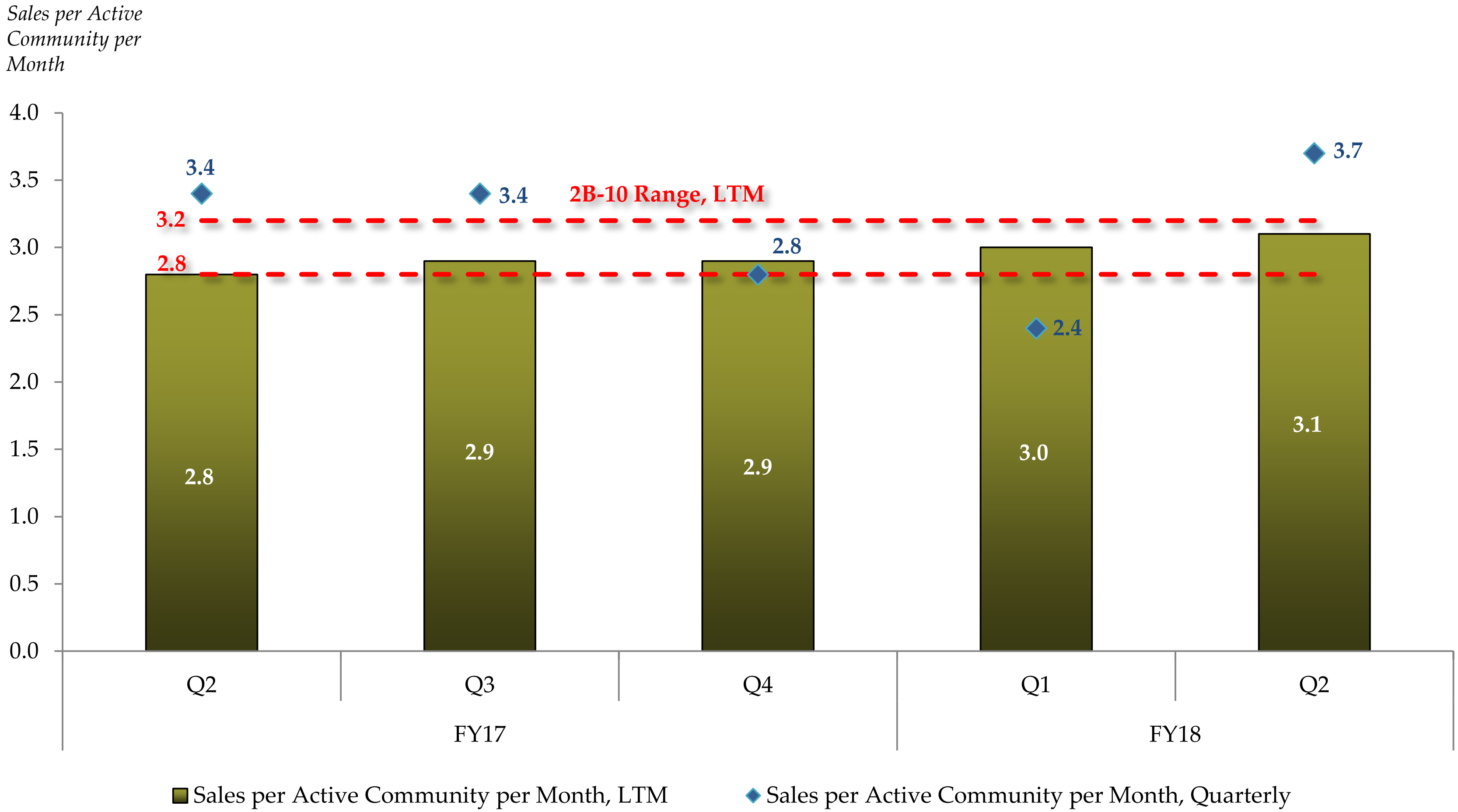
Increases in LTM Revenue and EBITDA





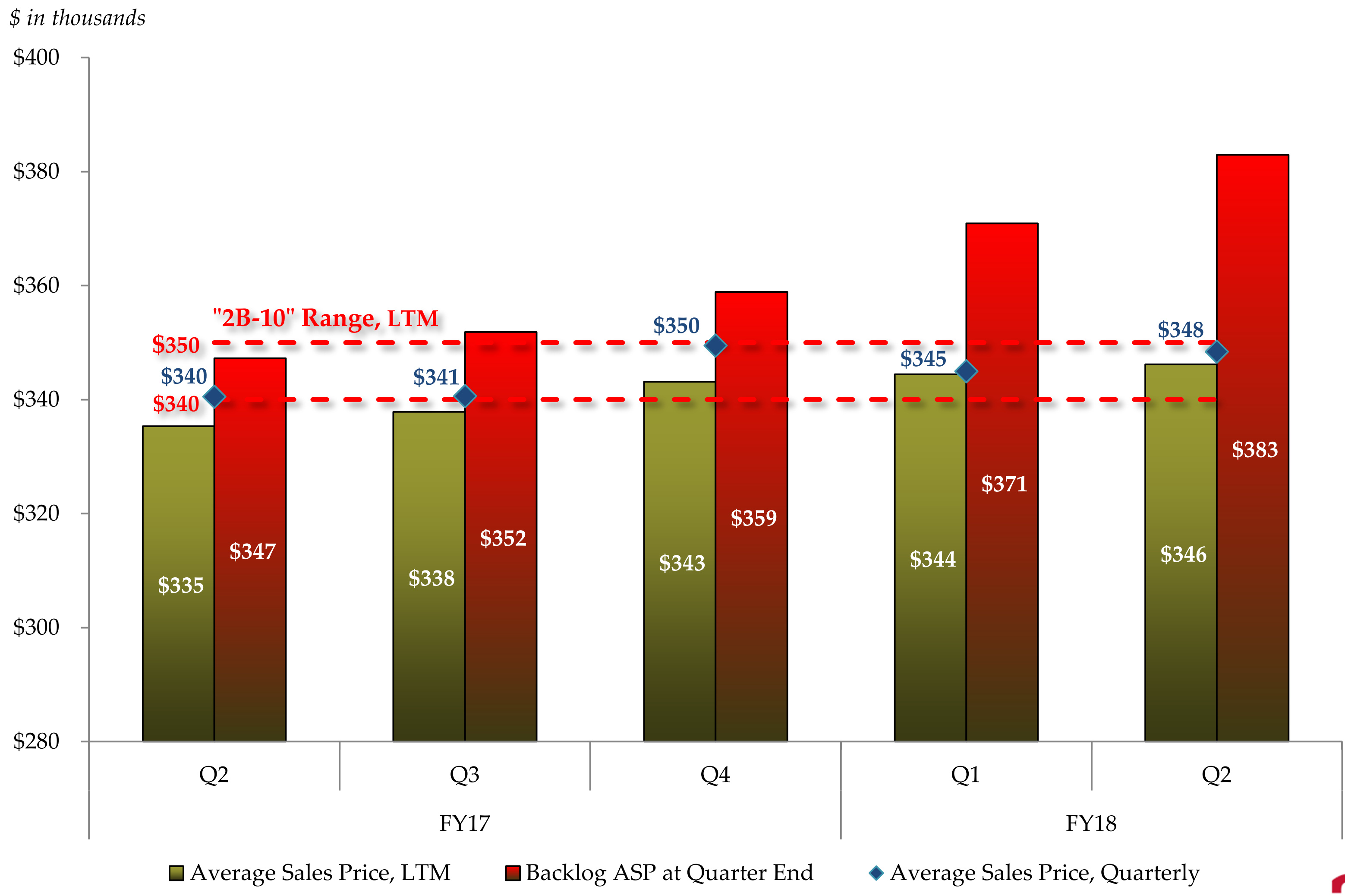
*Total Revenue is for Continuing Operations
**Details are included on the "Adjusted EBITDA Reconciliation" slide in the appendix

Sales Pace Within "2B-10" Target Range



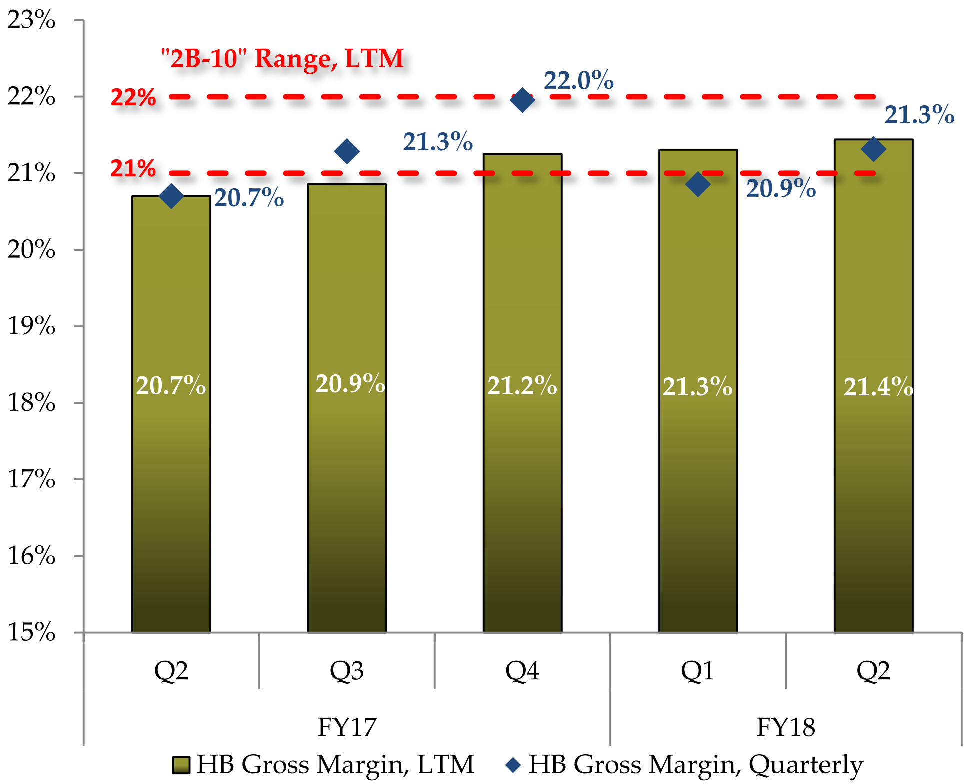
Note: An active community has achieved at least 2 initial sales and has at least 2 unsold units remaining

Backlog ASP Suggests Further Growth

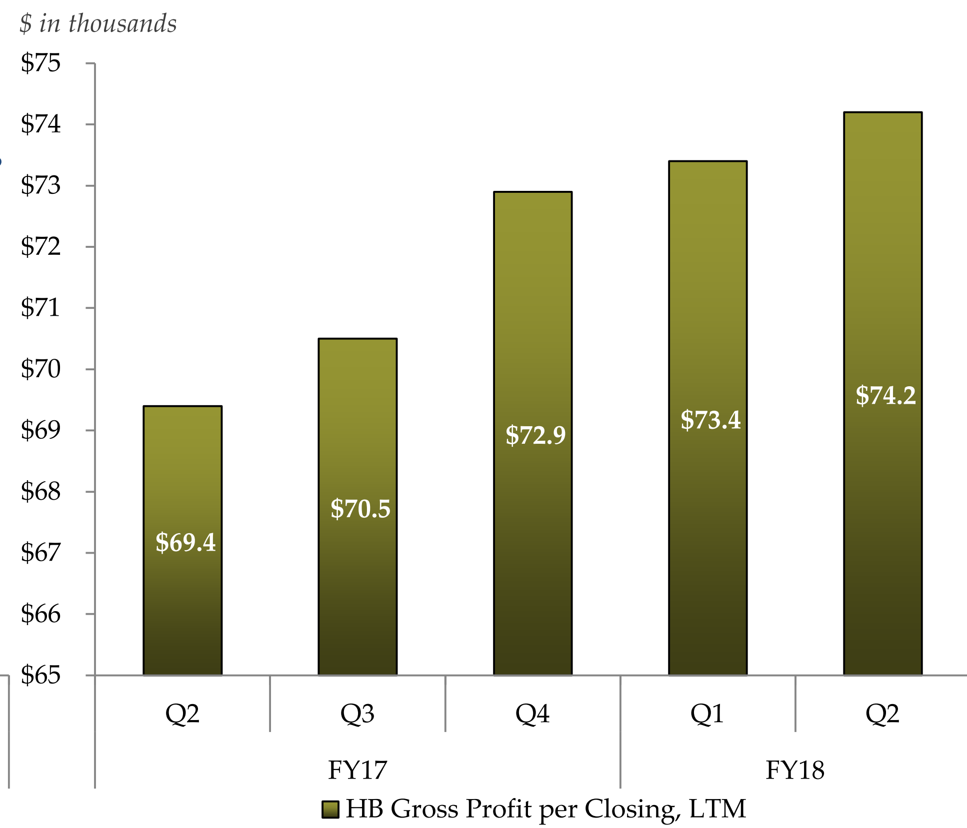


Gross Margin Within "2B-10" Range

Homebuilding Gross Margin*



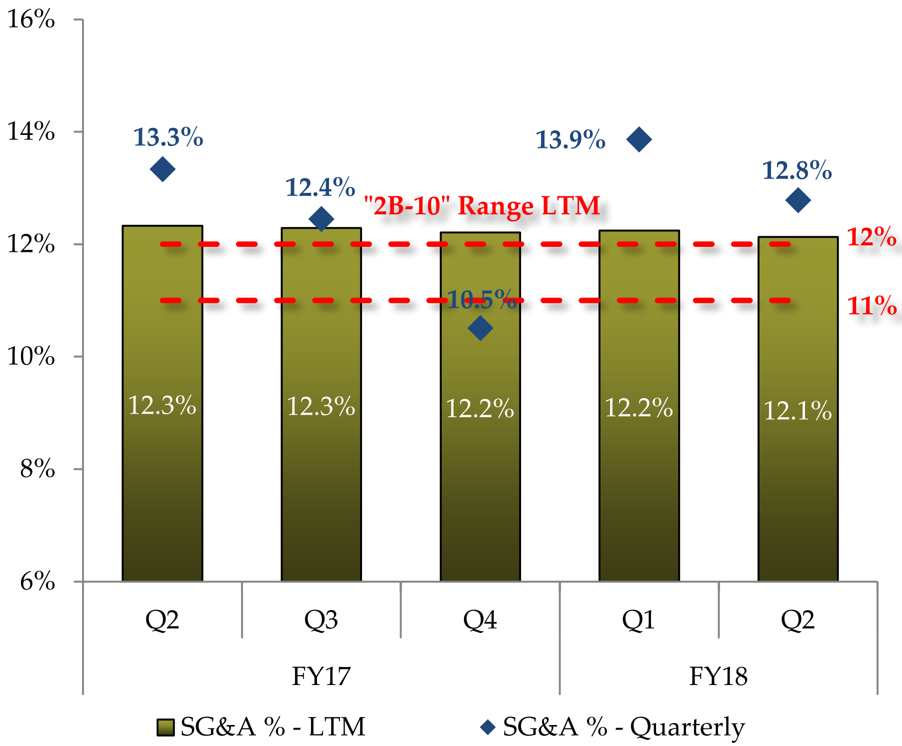
Homebuilding Gross Profit Dollars Per Closing*



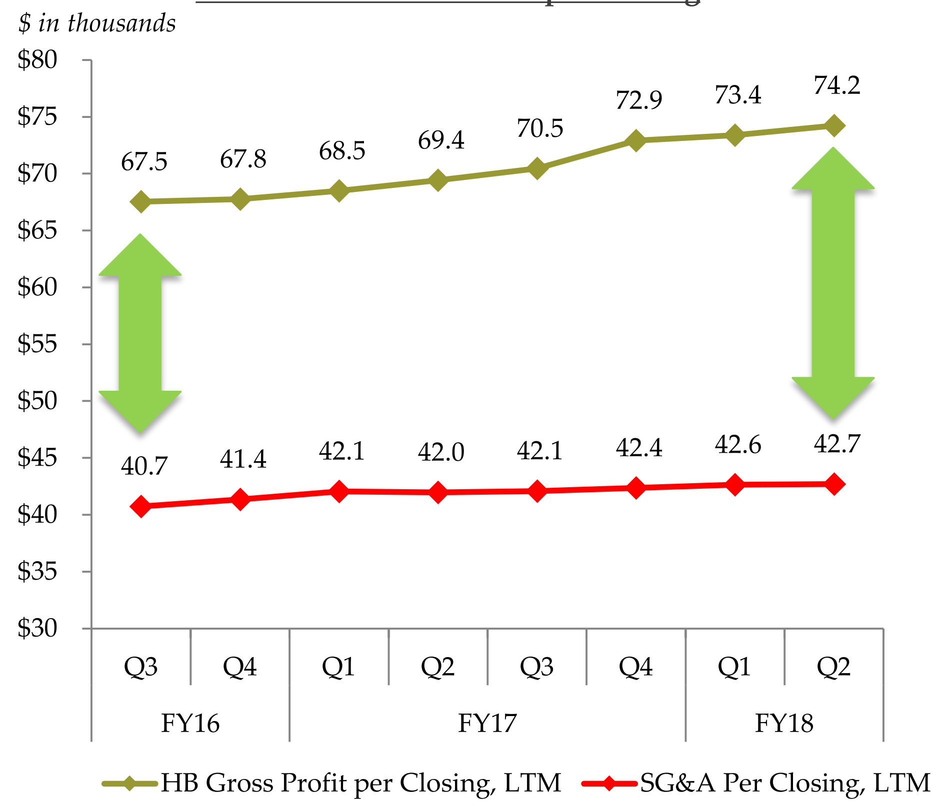
*Excludes impairments, abandonments and interest included in cost of sales as well as certain warranty items

SG&A Leverage as Revenue Grows

SG&A Leverage**
(% of Total Revenue)



LTM Homebuilding
Gross Profit* vs. SG&A per Closing**



*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

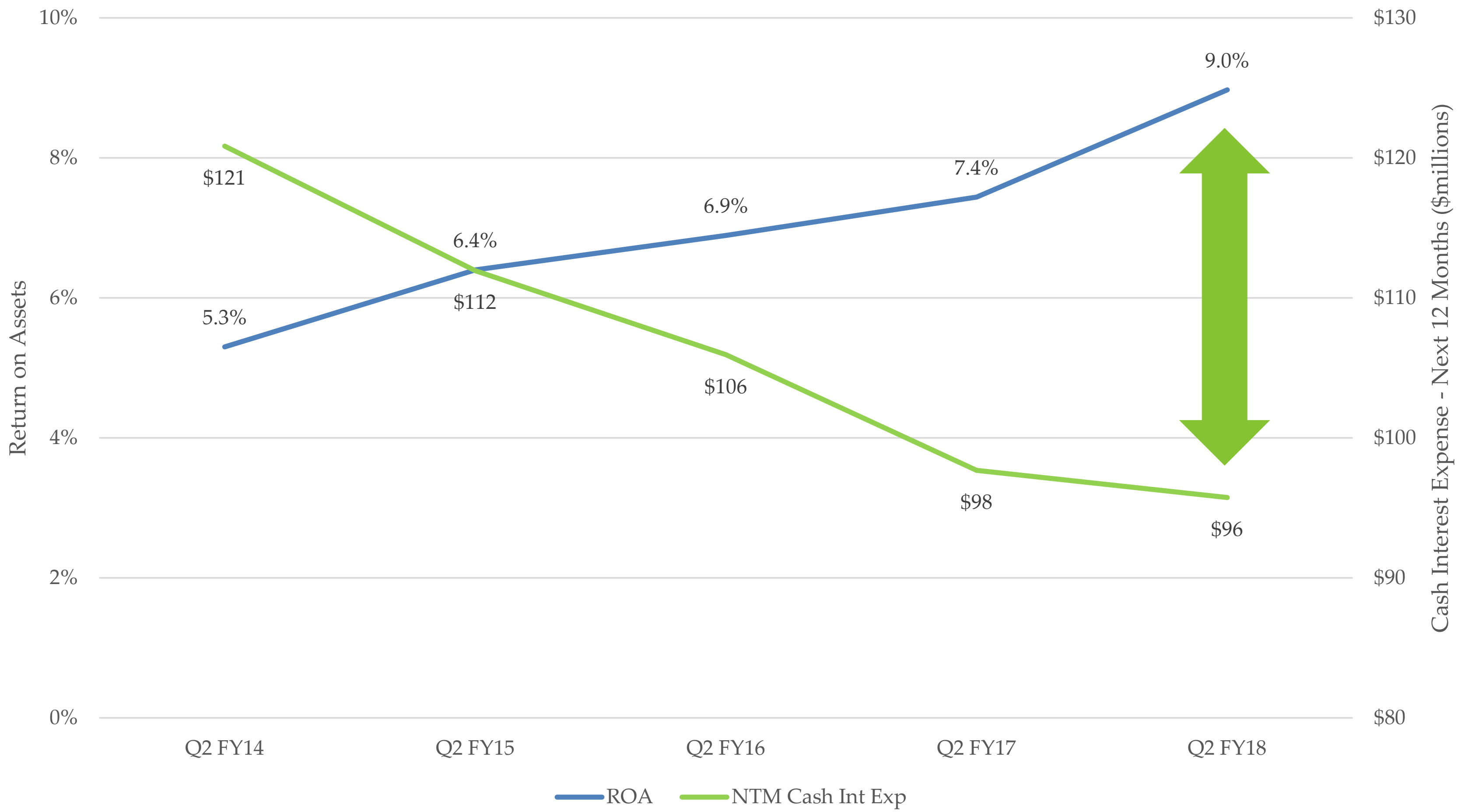
Capital Efficiency Strategies: LHFFD Impact on Margin

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



Notes

- 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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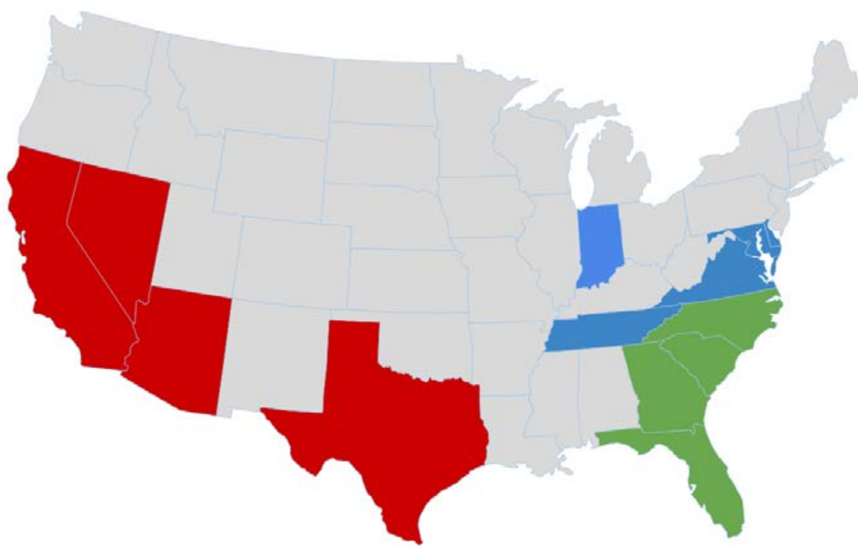
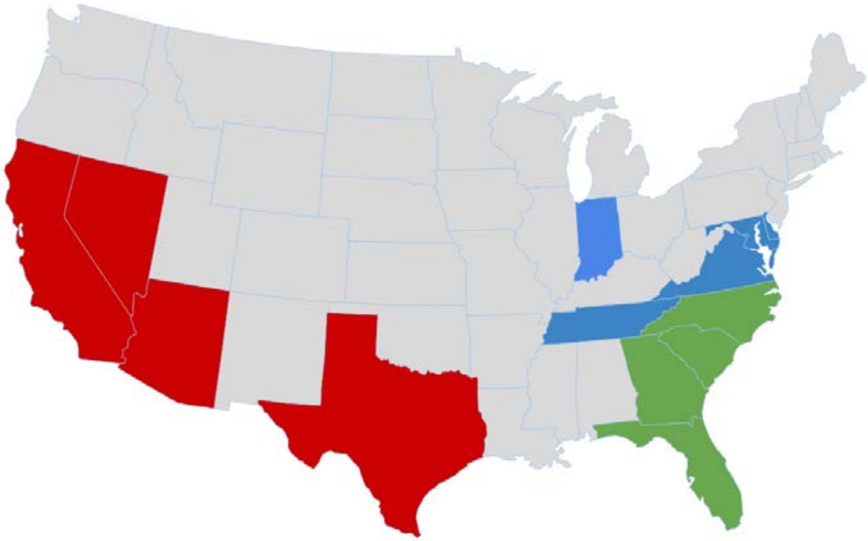
Geographic Mix Impacts Q2 ASP

	Q2 FY17 ASP	Q2 FY18 ASP	Change in ASP ($)	Change in ASP (%)	Q2 FY17 Closings	Q2 FY18 Closings	Change in Mix
West	$330K	$344K	$14K	4.3%	45.3%	51.5%	6.2%
East	$396K	$372K	$-24K	-6.1%	23.1%	22.0%	-1.1%
SE	$315K	$337K	$22K	7.1%	31.6%	26.5%	-5.1%



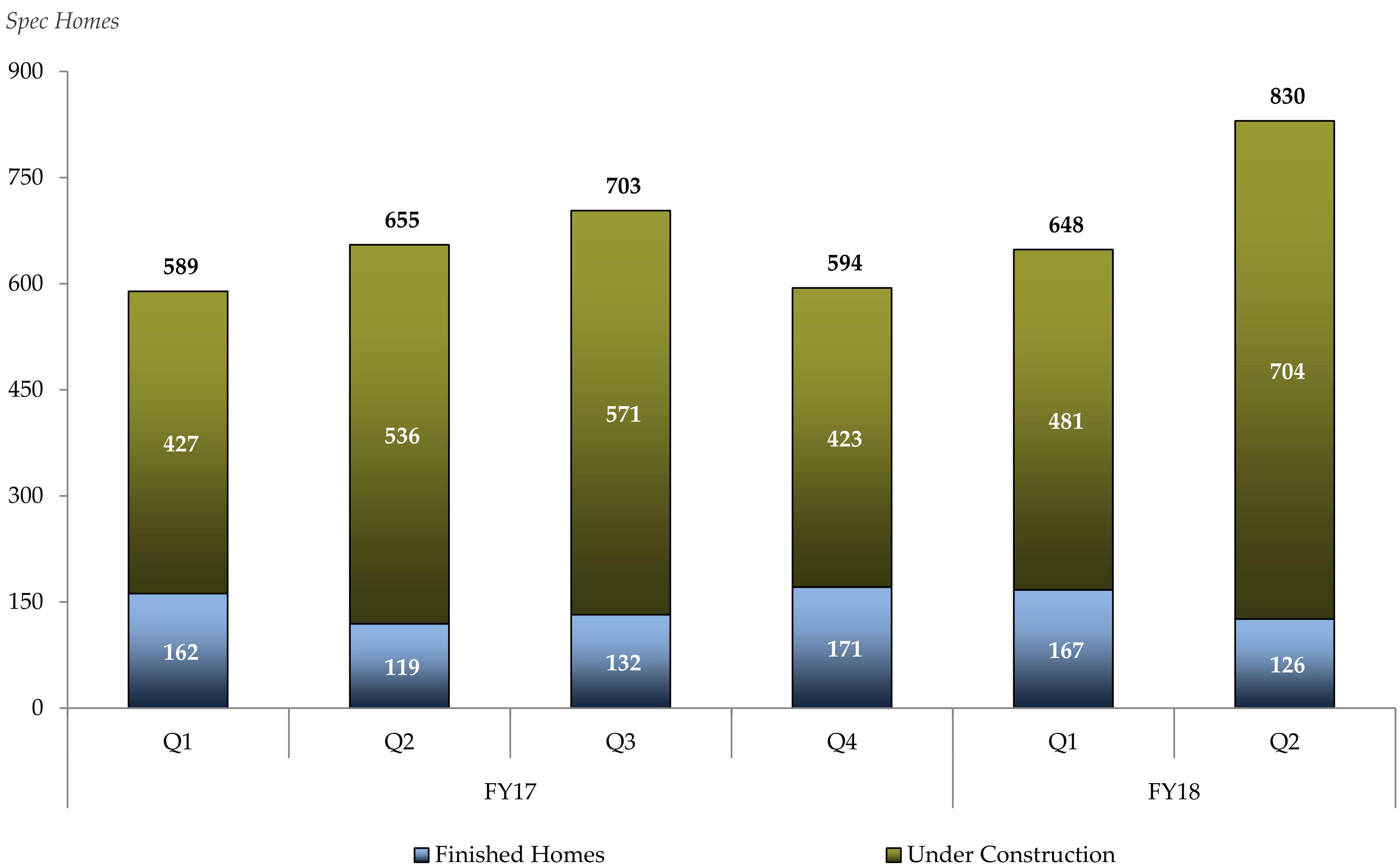
Geographic Mix Impacts Q2 Margin

	Q2 FY17 GM%	Q2 FY18 GM%	Change in GM%	Q2 FY17 Closings	Q2 FY18 Closings	Change in Mix
West	21.2%	23.1%	190bps	45.3%	51.5%	6.2%
East	19.4%	18.8%	(60)bps	23.1%	22.0%	-1.1%
SE	20.1%	17.3%	(280)bps	31.6%	26.5%	-5.1%



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**	**Mar 31, 2017**	**Mar 31, 2018**
5.750% Senior Notes	June 2019	3/15/2019	100.000	321,393	96,393
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	199,834	24,834
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				3,799	3,026
Unamortized debt issuance costs				(16,478)	(15,905)
Total Senior Notes, net				**1,258,548**	**1,258,348**
Junior Subordinated Notes	July 2036			60,903	62,970
Other Secured Notes payable	Various Dates			14,911	4,139
Total debt, net				**$ 1,334,362**	**$ 1,325,457**

Notes:

Junior Subordinated Notes net of unamortized accretion of $39,870 and $37,803, respectively

Adjusted EBITDA Reconciliation

(In thousands)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2018	Three Months Ended March 31, Variance	LTM Ended March 31, 2017	LTM Ended March 31, 2018	LTM Ended March 31, Variance
Net income (loss)	$ (7,535)	$ 11,558	$ 19,093	$ (4,036)	$ (78,612)	$ (74,576)
Expense (benefit) from income taxes	(4,493)	993	5,486	12,511	118,665	106,154
Interest amortized to home construction and land sales expenses, capitalized interest impaired	19,819	19,655	(164)	84,977	89,488	4,511
Interest expense not qualified for capitalization	4,046	1,650	(2,396)	20,621	11,423	(9,198)
EBIT	**11,837**	**33,856**	**22,019**	**114,073**	**140,964**	**26,891**
Depreciation and amortization and stock-based compensation amortization	5,495	5,664	169	22,272	22,600	328
EBITDA	**17,332**	**39,520**	**22,188**	**136,345**	**163,564**	**27,219**
Loss on debt extinguishment	15,563	-	(15,563)	26,527	22,971	(3,556)
Inventory impairments and abandonments	282	-	(282)	11,757	2,557	(9,200)
Additional insurance recoveries from third-party insurer	-	-	-	(15,500)	-	15,500
Write-off of deposit on legacy land investment	-	-	-	2,700	-	(2,700)
Adjusted EBITDA	**$ 33,177**	**$ 39,520**	**$ 6,343**	**$ 161,829**	**$ 189,092**	**$ 27,263**

Deferred Tax Assets - Summary

($ in millions)	**March 31, 2017**	**March 31, 2018**
Deferred Tax Assets	$ 383.6	$ 253.9
Valuation Allowance	(66.3)	(54.7)
Net Deferred Tax Assets	$ 317.3	$ 199.2

As of March 31, 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