

Barclays 41st Annual Industrial Select Conference

> Investor Presentation

February 21, 2024



DISCLAIMER

Important Notice

This presentation contains "forward-looking statements" within the meaning of federal securities laws, including the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts contained in this presentation, including statements regarding future operations are forward-looking statements. In some cases, forward looking statements may be identified by words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "could," "would," "expect," "objective," "plan," "potential," "seek," "grow," "target," "if," and similar expressions intended to identify forward-looking statements. Projected financial information, including our future financial and operating performance, growth, liquidity and access to capital, cash flows and margin expansion targets, objectives and goals as well as statements regarding our guidance and outlook, are forward-looking statements. Other forward-looking statements may include, without limitation, market data and other statements about the markets in which we operate, including the economic environment, supply and demand balance and our ability to effectively manage our inventory and inventory in our distribution channels, wood conversion expectations as well as growth of our various markets and our expectations and ability to share in such growth: statements about future pricing for our products or our raw materials and our ability to successfully manage market risk and control or reduce costs; statements with respect to our ability to meet future goals and targets, including the environmental, recycling, social and governance targets we aspire to: statements about our future expansion plans, capital investments, capital allocation priorities and other future strategic initiatives; statements about any stock repurchase plans; statements about potential new products and product innovation: statements about the domestic and global economies, including statements about inflation and interest rates and their impact on us; statements about acquisitions or other strategic transactions; statements about our production levels and our ability to successfully manage such levels; and any other statements about our future business objectives, plans, strategies and initiatives, including our competitive position and prospects. We have based these forward-looking statements on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in the section titled "Risk Factors" set forth in our Annual Reports on Form 10-K, and Quarterly Reports on Form 10-Q and in our other filings with the U.S. Securities and Exchange Commission. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for us to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this presentation may not occur and actual results may differ materially and adversely from those anticipated or implied in the forward-looking statements. The information and opinions contained in this presentation speak only as of the date identified on the cover page hereof or as of the date specified herein. You should read this presentation with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect. You should not place undue reliance on the forward-looking statements contained in this presentation, and we undertake no obligation to publicly update or revise any forward-looking statements, except as required by law.

Non-GAAP Measures

This presentation (i) contains non-GAAP financial measures, (ii) uses terms that are not generally used in presentations made in accordance with GAAP, (iii) uses terms that are not measures of financial condition or profitability and (iv) contains terms which are unlikely to be comparable to similar measures used by other companies in our industry. As a result, these financial measures have limitations as analytical and comparative tools and you should not consider these items in isolation, or as a substitute for analysis of our results as reported under GAAP. For a reconciliation of non-GAAP financial measures used in this presentation to the closest comparable GAAP measure, see the Appendix hereto. INDUSTRY-LEADING OUTDOOR LIVING PORTFOLIO

TimberTech

Deck, Rail & Accessories

- + Decking + Railing + Pergolas + Porch
 - Fasteners + Lighting



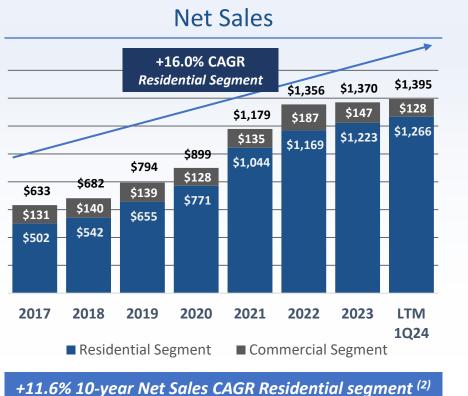
Home Exteriors

| Trim boards | Beadboard |
|-------------|-----------|
| Moulding | Column W |

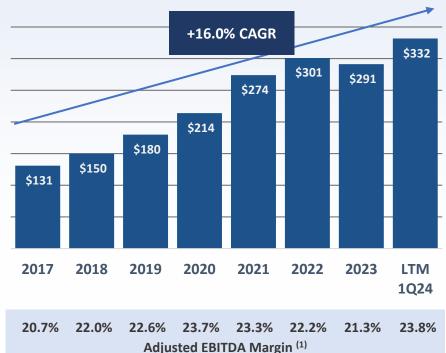
- + Cladding
- + Shingle Siding



HISTORY OF DELIVERING STRONG NET SALES AND ADJ. EBITDA GROWTH









Source: Company Financial Statements. (1) Non-GAAP. Refer to Appendix for reconciliations of Adjusted EBITDA and Adjusted EBITDA Margin to the most comparable GAAP financial measures. (2) Ten Year Net Sales compound annual growth rate, or CAGR, refers to the CAGR for the ten years ended September 30, 2023, on a trailing twelve-month basis. Our reported growth over this period reflects the contribution to net sales of acquisitions.

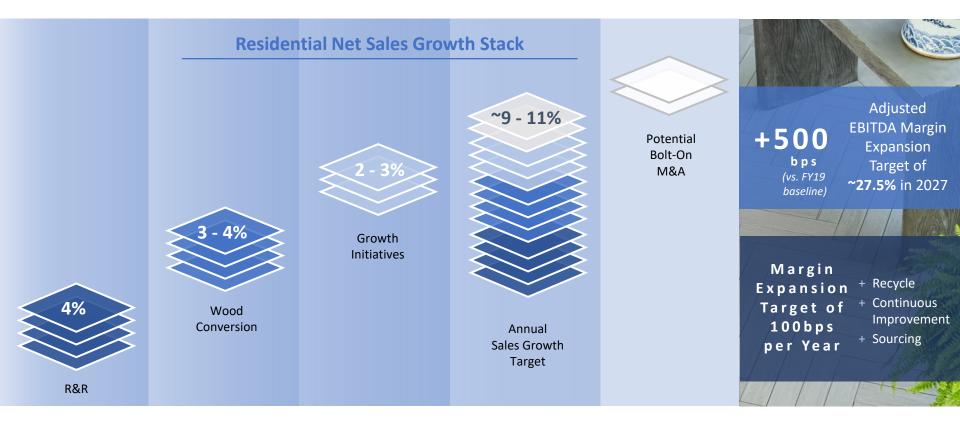
INDUSTRY-LEADING PRESENCE ACROSS THE U.S. & CANADA BENEFITING FROM LONG-TERM MATERIAL CONVERSION TRENDS





Source: Company information. (1) 2023 BUILDER Brand Use Report by Zonda (categories ranked include Decking: Composite/PVC and Exterior: Decorative Moulding/Trim/Columns). (2) Ten Year Net Sales compound annual growth rate, or CAGR, refers to the CAGR for the ten years ended September 30, 2023, on a trailing twelve-month basis. Our reported growth over this period reflects the contribution to net sales of acquisitions. (3) Non-GAAP. Refer to Appendix for reconciliations of Adjusted EBITDA and Adjusted EBITDA Margin to the comparable GAAP financial measures.

SALES GROWTH AND MARGIN EXPANSION EQUATION





STRONG & BROAD PORTFOLIO IS A COMPETITIVE ADVANTAGE TO CAPTURE & ACCELERATE GROWTH OPPORTUNITIES

Leading Decking Portfolio Enabled by Capped Polymer & Composite Technology



- + #1 premium decking on the market
- + Most realistic visuals of premium woods compared to others on the market
- + Class A Flame Spread Rating on Vintage & Landmark Collections
- + Multi-width options available (3.5", 5.5", 7.25")

High-Performance Composite & Aluminum Railing Solutions



- + Low-maintenance, long-lasting beauty that is durable and easily customizable
- + Unique UltraLox Interlocking[®] Technology
- Patented Panelized Aluminum
 Rail System Leads To Increased
 Contractor Productivity

Leading Exteriors Portfolio with Unique Trim and Siding Technology

State-of-the-Art Smart Pergolas and Cabanas



- + Classic white trim boards & moulding + PaintPro[®] technology exterior solutions
- Workability of wood, with low maintenance, durability benefit of engineered materials
- Functional, value-added trim & siding innovations that drive contractor productivity



- Unmatched design and functionality
- Pivoting louvered system gives users complete control of shade and comfort
- + Solution enables easy expansion of defined outdoor living space



WE PLAY IN ATTRACTIVE MARKETS WITH POWERFUL TAILWINDS

OUTDOOR LIVING POPULARITY + REPAIR & REMODEL EMPHASIS

Outdoor Living Spaces Ranked #1 in Popularity Amongst Architects for the past 10 years (AIA Survey)

Decking Projects #1 in Outdoor Upgrades Category (Houzz Survey)





OUTDOOR LIVING DECK, RAIL, EXTERIOR TRIM & PERGOLAS HOME EXTERIOR & OUTDOOR LIVING ADJACENCIES A CANANA

LARGE, ATTRACTIVE MARKETS

| \$5B | Decking |
|-------|---|
| \$4B | Exteriors |
| \$3B | Railing |
| \$1B | Pergolas/Structures |
| \$1B | Accessories |
| \$10B | Home Exterior & Outdoor Livin |
| | Adjacencies |
| | e.g., sub-structures, premium siding/cladding, premium outdoor |

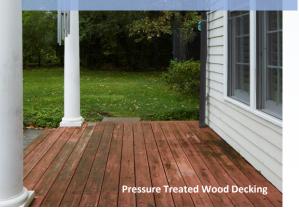
furniture, kitchens and other applications.

WOOD CONVERSION TO AZEK MATERIAL TYPES FUELS GROWTH

+75% Conversion Opportunity in Decking

+36-68% Conversion Opportunity in Trim

+64% Conversion Opportunity in Railing

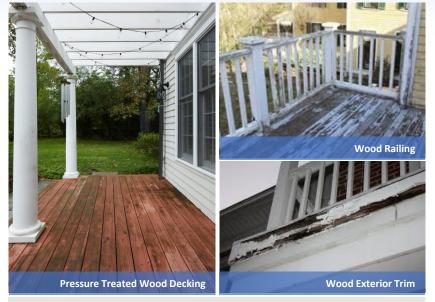


Sources: Principia, American Institute of Architects, Houzz, Freedonia, Grand View Research and company estimates.



Note: Market size estimates represent the most recent data available including 2022 and 2021 annual market sales. Decking, Trim and Railing conversion opportunity is based on volume demanded for wood solutions in billions of linear feet as a percentage of the total market according to Principia and company estimates. Trim conversion opportunity also includes engineered wood and fiber cement.

SECULAR TAILWINDS FROM MATERIAL CONVERSION OPPORTUNITIES



- + Prone to moisture damage, rotting, fading, warping and splintering
- + Requires seasonal maintenance such as sanding, sealing, staining and painting
- Inconsistent visuals over time



AZEK MATERIAL TYPES VALUE PROPOSITION

- + Low-maintenance
- + High-performance
- + Highly durable
- + Long-term beauty
- + 25-to-50 year limited Fade& Stain warranty
- Environmentallysustainable & made from up to 85% recycled materials

Wood represents approximately 40% to 75% of our core markets today highlighting the tremendous material conversion opportunity



LONG-TERM STRATEGY POSITIONS AZEK TO CONTINUE DELIVERING ABOVE MARKET GROWTH AND MARGIN EXPANSION



Better Today Than Yesterday



A UNIQUE, LONG-TERM GROWTH & MARGIN EXPANSION STORY

- > GROWING MARKETS BENEFITING FROM MATERIAL CONVERSION
- > THE INNOVATION LEADER IN OUTDOOR LIVING
- > A PORTFOLIO APPROACH TO GROWTH & MARGIN EXPANSION
- > STRONG FREE CASH FLOW GENERATION & DISCIPLINED CAPITAL ALLOCATION
- > SUSTAINABILITY IS CORE TO OUR BUSINESS









NON-GAAP RECONCILIATIONS

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN RECONCILIATION

| Fiscal year ending September 30 | 2017 FY | 2018 FY | 2019 FY | 2020 FY | 2021 FY | 2022 FY | 2023 FY | 2024 LTM Q1 |
|---|------------|------------|------------|------------|------------|------------|------------|----------------|
| \$ in millions) | | | | | | | | |
| Net Income (Loss) | (\$67.4) | \$6.7 | (\$20.2) | (\$122.2) | \$93.2 | \$75.2 | \$68.0 | \$119.5 |
| Interest expense | 61.6 | 68.7 | 83.2 | 71.2 | 20.3 | 25.0 | 39.3 | 37.9 |
| Depreciation | 30.0 | 26.3 | 33.7 | 44.6 | 51.8 | 68.0 | 86.2 | 86.0 |
| Amortization | 47.6 | 51.4 | 60.2 | 55.1 | 49.8 | 50.5 | 46.3 | 44.7 |
| Tax (benefit)/expense | (20.0) | (23.1) | (4.0) | (8.3) | 28.7 | 28.8 | 23.9 | 50.1 |
| Share-based compensation costs | 1.5 | 3.1 | 3.7 | 120.5 | 22.7 | 18.1 | 18.7 | 23.2 |
| Asset impairment costs ⁽¹⁾ | 48.8 | 0.9 | - | - | - | - | - | - |
| Business transformation costs ⁽²⁾ | 8.6 | 5.8 | 16.6 | 0.6 | - | - | - | - |
| Capital structure transaction costs ⁽³⁾ | 0.3 | 0.4 | - | 37.6 | - | - | - | - |
| Acquisition and divestiture costs ⁽⁴⁾ Non-recurring initial public offering and | - | 7.4 | 4.1 | 1.6 | - | 13.4 | 6.9 | 4.4 |
| secondary offering costs ⁽⁵⁾ | - | 0.8 | 9.1 | 8.6 | 2.6 | - | 1.1 | 1.1 |
| Inventories ⁽⁶⁾ | - | - | - | - | - | 19.3 | - | - |
| Gain on sale of business ⁽⁷⁾ | - | - | - | - | - | - | - | (38.5) |
| Other costs ⁽⁸⁾ | 20.3 | 1.7 | (6.8) | 4.2 | 5.2 | 2.8 | 0.8 | 3.4 |
| djusted EBITDA | \$131.3 | \$150.1 | \$179.6 | \$213.5 | \$274.2 | \$301.0 | \$291.2 | \$331.8 |
| Adjusted EBITDA Margin | 20.7% | 22.0% | 22.6% | 23.7% | 23.3% | 22.2% | 21.3% | 23.8% |

Notes:

4

- Asset impairment costs reflect tangible and intangible asset impairment costs of \$0.9 million and \$48.8 million for fiscal 2018 and 2017, respectively. The tangible asset impairment costs for fiscal 2017 include the write off of \$1.1 million of inventory relating to certain products determined not to be commercially viable.
- 2. Business transformation costs reflect consulting costs related to repositioning of brands of \$4.3 million and \$2.0 million in fiscal 2019 and 2017, respectively, compensation costs related to the transformation of the senior management team of \$0.6 million, \$2.3 million, \$0.2 million and \$4.3 million in fiscal 2020, 2019, 2018 and 2017, respectively, costs related to the relocation of corporate headquarters of \$2.0 million in fiscal 2019, startup costs of the Company's new recycling facility of \$5.3 million in fiscal 2019, and other integration-related costs of \$2.7 million, \$5.6 million and \$2.3 million in fiscal 2019, 2018 and 2017, respectively.
- Capital structure transaction costs include loss on extinguishment of debt of \$1.9 million for the 2021 Senior Notes and \$3.7 million for the 2025 Senior Notes for fiscal 2020, and debt related issuance costs of \$0.4 million and \$0.3 million for fiscal 2018 and 2017, respectively.
- Acquisition costs reflect costs related to divestiture of \$3.0 million, 3.0 million and \$0.5 million in the twelve months ended December 31, 2023, fiscal 2023 and 2022, respectively, costs directly related to completed acquisitions of \$1.4 million, \$3.9 million, \$4.1 million and \$4.9 million for the twelve months ended December 31, 2023, fiscal 2023, 2022, 2020, 2019 and 2018, respectively and inventory step-up adjustments related to recording the inventory of acquired businesses at fair value on the date of acquisition of \$1.4 million, \$0.7 million and \$2.5 million for fiscal 2022, 2020 and 2018, respectively.
- Initial public offering and secondary offering costs includes \$1.4 million in fees related to the Secondary offering of our Class A common stock completed in fiscal 2020.
- During the fourth quarter of fiscal 2022, we updated the process by which we estimate the value of
 our inventory. This included updating the assumptions that are used in determining and treating
 certain capitalized costs, primarily by incorporating the impacts of changes in the amount of
 recycled content introduced into our products.
- 7. Gain on sale of business relates to the sale of the Vycom business.
- 8. Other costs reflect costs related to the removal of dispensable equipment resulting from a modification of our manufacturing process of \$2.4 million in the twelve months ended December 31, 2023, reduction in workforce costs of \$0.8 million, \$0.5 million, \$1.6 million and \$0.4 million for the twelve months ended in December 31, 2023, fiscal 2023, 2022 and 2020, respectively, costs for legal expenses of \$5.2 million, \$5.0 million, \$5.9 million, \$5.0 million for fiscal 2017, 900 dotted to an incentive plan and other ancillary expenses associated with the initial public offering of \$0.1 million, \$2.4 million for fiscal 2022, 2021 and 2020, respectively, impact of the retroactive adoption of ASC 842 leases of \$0.5 million for fiscal 2021, income from an insurance recovery of legal loss of \$7.7 million for fiscal 2021, settlement costs of \$1.5 million in fiscal 2022, 2021 and 2020, respectively.



Investor Relations Contact: 312-809-1093 <u>ir@azekco.com</u> NYSE: AZEK



EXTERIORS

VERSATEX STRUXURE

Halling

SCRANTON

RETURN POLYMERS

MAAAAA