



THE **AZEK**[®]
COMPANY



Investor Presentation

August 2020

Disclaimer

Important Notice

Some statements made in this presentation may constitute “forward-looking statements” within the meaning of the federal securities laws. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts, but rather are based on current expectations, estimates, assumptions, forecasts or projections about the company’s industry and the company’s business and financial results. Forward-looking statements often include words such as “anticipates,” “estimates,” “expects,” “projects,” “forecasts,” “intends,” “plans,” “believes,” “suggests,” “estimate,” “target,” “should,” “could,” “would,” “may,” “might,” or “will” and words and terms of similar import. Forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside our control. Forward-looking statements include, but are not limited to, statements about our market opportunity and the potential growth of that market, the potential impact of the COVID-19 public health pandemic, our strategy, outcomes and growth prospects, trends in our industry and markets and the competitive environment in which we operate. Actual results, events, developments, performance or achievements may vary materially from those stated in, or implied by, any forward-looking statements, and the assumptions on which forward-looking statements are based may prove to be incorrect. Factors and uncertainties that might cause such differences in such forecasts and projections and other forward-looking statements include, but are not limited to: the fact that our business, financial condition and results of operations are being, and are expected to continue to be, adversely affected by the current COVID-19 pandemic, the fact that demand for our products is significantly influenced by general economic conditions and trends in consumer spending on outdoor living and home exteriors; risks associated with us competing against other manufacturers; risks related to the seasonal nature of certain of our products and the impact of changes in weather conditions and product mix; our ability to develop and introduce new and improved products; our ability to effectively manage changes in our manufacturing process; risks related to our ability to accurately predict demand for our products and to maintain relationships with key distributors or other customers; risks related to shortages in supply, price increases or deviation in the quality of raw materials; our ability to retain management; risks related to acquisitions or joint ventures; our ability to maintain product quality and product performance and potential exposures resulting from our product warranties; our ability to ensure that our products comply with local building codes and ordinances; risks arising from the material weaknesses we have identified in our internal control over financial reporting; and our ability to maintain an effective system of internal controls. Other risks may also cause actual results to differ materially from those projected by any forward-looking statements. New factors emerge from time to time and it is not possible for us to predict all such factors, nor can we assess the impact of any such factor on our business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. The forward-looking statements made in this presentation relate only to events as of the date on which such statements are made. We disclaim any intention and undertake no obligation to update or revise any forward-looking statements after the date of this presentation or to conform such statements to actual results or revised expectations, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

In addition, while we believe the industry and market data included in this presentation were based on reasonable assumptions when prepared, the industry and market data involve risks and uncertainties and are subject to change based on various factors. In particular, the market and industry estimates in this presentation were prepared prior to the COVID-19 pandemic. The COVID-19 pandemic may materially affect the growth of various of the markets discussed in this presentation, and we cannot predict the extent to which these estimates will be affected. These and other factors could cause results to differ materially from those expressed in, or implied by, the estimates made by independent parties and by us.

Non-GAAP Measures

This presentation (i) contains non-GAAP measures, (ii) uses terms which are not generally used in presentations made in accordance with GAAP, (iii) uses terms which 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 measures used in this presentation to the closest comparable GAAP measure, see the Appendix hereto.

A Unique, Long-Term Growth Story

Sustainability is at Our Core

Category leader in sustainable building products focused on recycling plastic waste, preserving natural resources and utilizing energy-efficient manufacturing processes

Resilient, Growing Markets with Material Conversion

Large, high growth markets benefitting from long-term material conversion, favorable secular trends in Outdoor Living and stable R&R demand through economic cycles

Branded Category Leader in Well-Structured Markets

Well known in the industry as a leader in innovation generally holding #1 or #2 market positions in core product categories

Multiple Levers to Drive Growth

Driving above-market growth and accelerating conversion through new products, leveraging downstream-focused salesforce and increased retail penetration

Attractive Margins with Significant Upside

Customer value proposition and vertically integrated, U.S. manufacturing base drives attractive margins with significant upside from recent investments in recycling and continuous improvement initiatives (including AIMS) ⁽¹⁾

Execution-Focused Management Team

Diverse management team with significant public company and industry experience executing goal-orientated strategic roadmap

1. AZEK Integrated Management System (AIMS).

The AZEK Mission and Values



BEAUTIFULLY ENGINEERED TO LAST

We are an industry-leading manufacturer of beautiful, low-maintenance building products and we are committed to accelerating the use of recycled materials



- ✓ Core Value: Always Do The Right Thing
- ✓ Drives Everyday Behavior



PURPOSE

Who We Are

We make homes and structures more beautiful and more useful with leading-edge sustainable products



- ✓ Beauty
- ✓ Sustainability



PROOF

Why We're Different

We leverage our material science to create premium branded products that are stylish, long-lasting, low-maintenance and sustainable



- ✓ Material Science
- ✓ Low Maintenance



THE PATH AHEAD

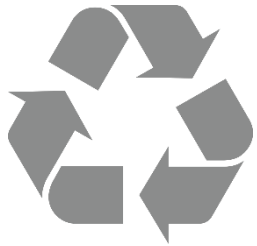
Where We're Going

We are positioned to profitably grow the overall market, the category and our presence by engineering new products that accelerate conversion to better performing materials



- ✓ Expand Market
- ✓ Accelerate Conversion

Always Do the Right Thing – ESG Highlights



Recycle

- Nearly 300mm lbs. of waste and scrap diverted from landfills in 2019 through our recycle program
- ~98% of scrap re-used
- ~80% and ~50% of the content in our TimberTech capped composite and capped polymer decking products, respectively, is recycled material
- ~44% of extruded materials from recycle in 2019, and we expect this to increase to ~54% in 2020



Environmental

- Majority of manufactured products are recyclable at the end of their useful lives
- >1mm trees saved since 2015
- Reducing carbon impact from deforestation of exotic woods
- Chicago HQ: LEED Certified 2019
- Efficient water usage – closed-looped water filtration systems that recycle ~96% of water used



Social

- Focus on Safety – 45% improvement in reportable events since 2016
- Committed to diversity:
 - 50% executive team gender / ethnic diversity
- Engaged employee base; employees granted celebratory shares at IPO
- Manufactured in the U.S.
- Community engagement through charitable giving and service events



Governance

- 30% gender / ethnic diversity on Board of Directors
- Committed to diversity & sound governance; expanding our ESG policies, programs, initiatives and disclosures to further demonstrate commitment
- ESG strategy oversight by Board of Directors
- Separate Board Chair and Chief Executive Officer

AZEK at a Glance

LEADER IN BRANDED OUTDOOR LIVING PRODUCTS



AZEK BY THE NUMBERS

- ✓ Headquartered in Chicago, IL with facilities in OH, PA and MN
- ✓ ~1,500 employees
- ✓ ~190 direct sellers
- ✓ 130+ distributor branches
- ✓ 4,200+ active pro dealers (AZEK Building Product)
- ✓ ~98% of sales in North America

\$851mm / 10.5%

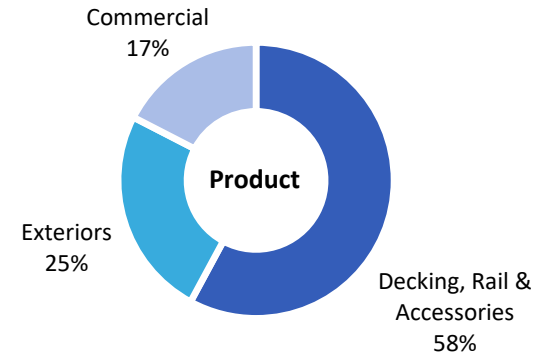
LTM 6/30 Net Sales / YoY % Growth

\$200mm / 23.5%

LTM 6/30 Adj. EBITDA / % Margin

BROAD & COMPLEMENTARY PORTFOLIO

(2019 Net Sales)



HISTORY & RECENT STRATEGIC INVESTMENTS

- 30-year history with legacy of product innovation
- 20+ years in decking
- Created branded trim category
- 9 new decking products launched since 2016
- Acquisitions of Ultralox, Versatex & Return Polymers expand portfolio & capabilities
- Multi-year strategic growth & margin expansion plan underway
- Downstream investments in sales, marketing, trim, retail
- Recycling vertical-integration
- \$40M+ SG&A last 2 years
- \$60M+ capital investments last 2 years

A leading branded Outdoor Living building products company across diversified product categories

Source: Company information and management estimates. Note: FY ended September.

Leading Brands and Differentiated Product Portfolio

RESIDENTIAL

83% 2019 NET SALES | 90% 2019 ADJ. EBITDA ⁽¹⁾



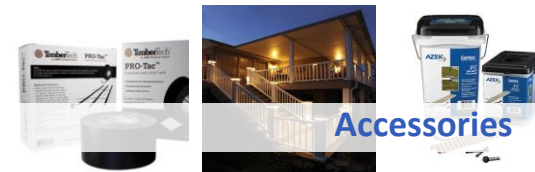
Decking



Exteriors



Rail



Accessories

COMMERCIAL

17% 2019 NET SALES | 10% 2019 ADJ. EBITDA ⁽¹⁾



Scranton Products

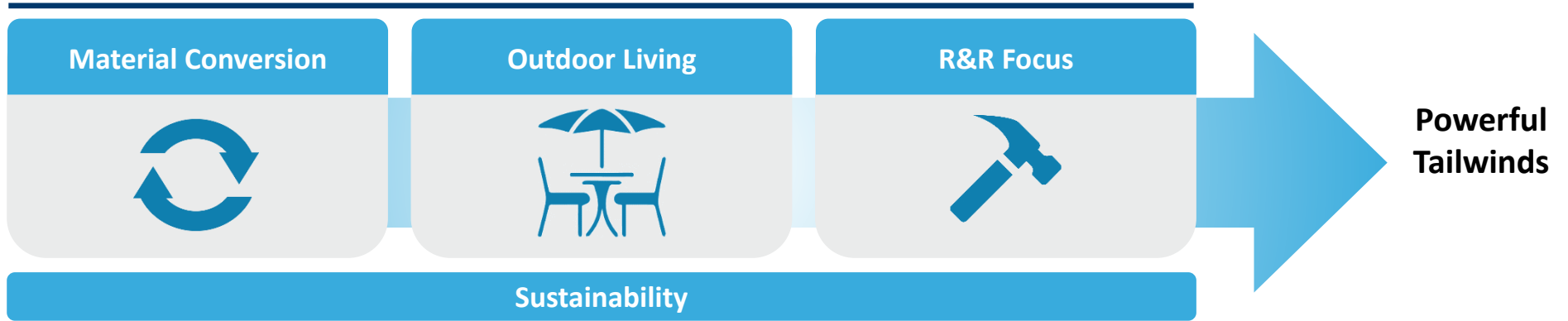


Vycom

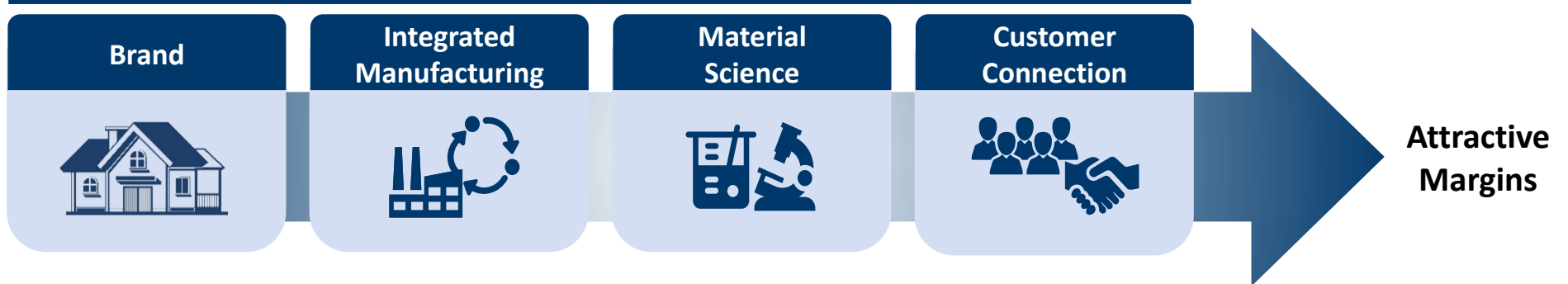
1. Segment Adj. EBITDA contribution percentages exclude the impact of corporate and unallocated costs.

AZEK's Value Creation Model

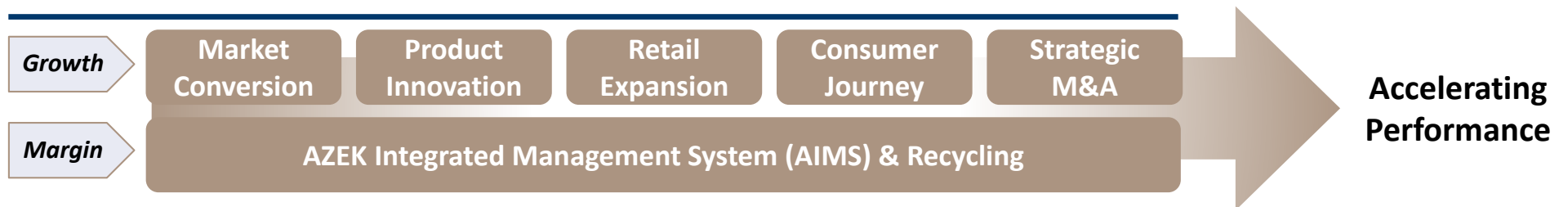
ATTRACTIVE MARKETS

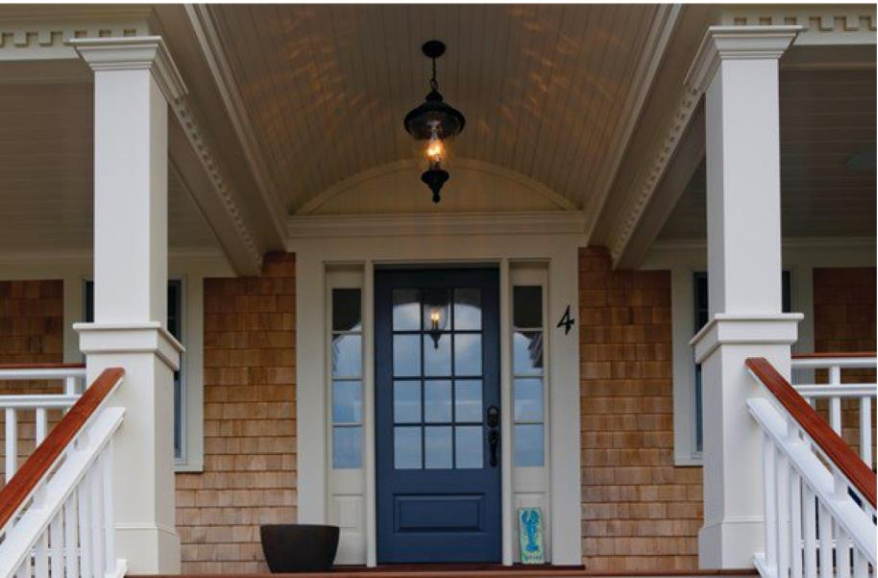


CORE STRENGTHS



FOCUSED STRATEGY





Appendix

Non-GAAP Reconciliations

ADJUSTED EBITDA & ADJUSTED EBITDA MARGIN RECONCILIATION

<i>(\$ in millions)</i>	Twelve Months Ended June 30, 2020	% of Net Sales 2020
Net income (loss)	\$ (58.8)	-6.9%
Interest expense	84.9	10.0%
Depreciation and amortization	99.5	11.7%
Income tax expense (benefit)	(3.3)	-0.4%
Stock-based compensation costs	21.2	2.5%
Business transformation costs ⁽¹⁾	4.4	0.5%
Acquisition costs ⁽²⁾	2.0	0.2%
Initial public offering costs	9.6	1.1%
Other costs ⁽³⁾	2.9	0.4%
Capital structure transaction costs ⁽⁴⁾	37.5	4.4%
Total adjustments	258.7	30.4%
Adjusted EBITDA / Adjusted EBITDA Margin	\$ 199.9	23.5%

Notes:

- Business transformation costs include startup costs of our new recycling facility of \$2.4 million, compensation costs related to the transformation of the senior management team of \$0.8 million, consulting and other costs related to repositioning of our brands of \$0.3 million, costs related to relocation of our corporate headquarters of \$0.2 million and other integration-related costs of \$0.7 million for the twelve months ended June 30, 2020.
- Acquisition costs reflect costs directly related to completed acquisitions of \$1.3 million and inventory step-up adjustments related to recording the inventory of acquired businesses at fair value on the date of acquisition of \$0.7 million for the twelve months ended June 30, 2020.
- Other costs include costs related to an incentive plan associated with our IPO of \$2.0 million, costs for legal expenses of \$0.5 million and reduction in workforce costs of \$0.4 million for the twelve months ended June 30, 2020.
- Capital structure transaction costs include loss on extinguishment of debt of \$1.9 million for the 2021 Senior Notes (as defined in our Quarterly Report on Form 10-Q for the three months ended June 30, 2020) and \$35.6 million for the 2025 Senior Notes (as defined in our Quarterly Report on Form 10-Q for the three months ended June 30, 2020) for the twelve months ended June 30, 2020.



THE **AZEK**[®]
COMPANY

Beautifully Engineered to Last

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