



**Engineering What's Next
in Outdoor Living®**

NYSE:TREX

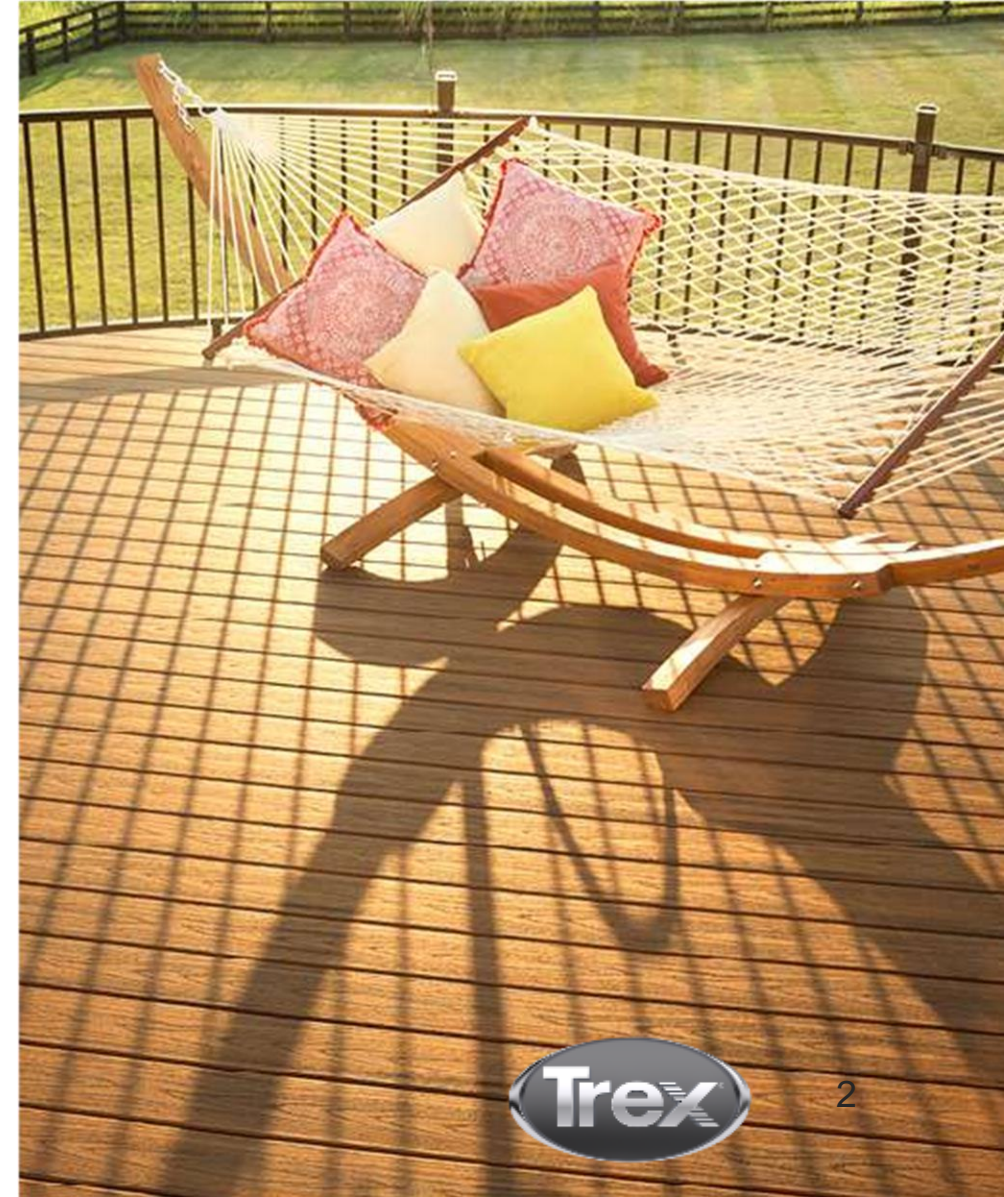
Investor Presentation

December 2019

Safe Harbor / Non-GAAP Measures

This presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are subject to risks and uncertainties that could cause the Company’s actual operating results to differ materially from those contemplated by the forward-looking statements. For further information on risk factors affecting the Company’s business, please refer to our most recent annual and quarterly reports filed with the U.S. Securities and Exchange Commission. The Company expressly disclaims any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

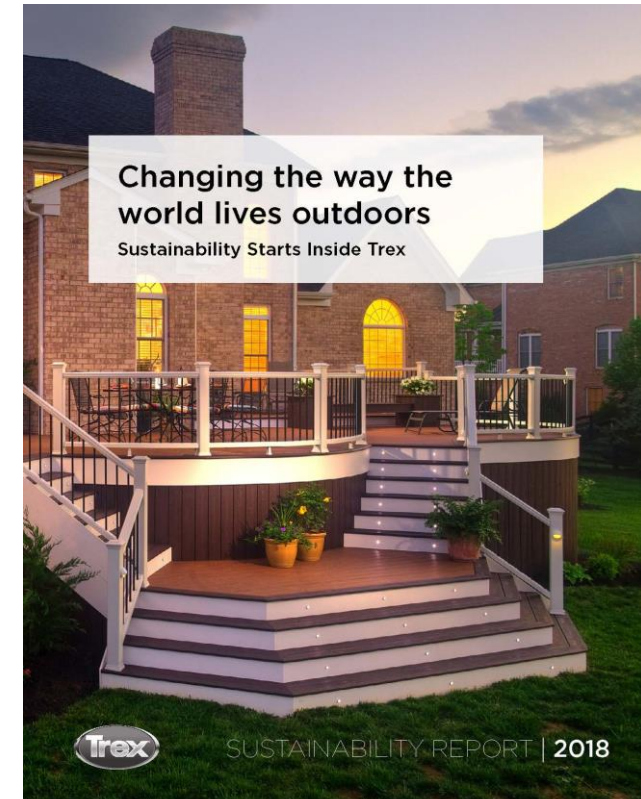
This presentation refers to certain financial measures not prepared in accordance with generally accepted accounting principles (GAAP), including adjusted net sales, adjusted gross margin, adjusted earnings before interest, taxes, depreciation, amortization (EBITDA), adjusted operating income, adjusted diluted earnings per share (EPS), free cash flow, and net debt. We believe that the use of non-GAAP measures helps investors to gain a better understanding of our core operating results and future prospects, consistent with how management measures and forecasts the Company’s performance, especially when comparing such results to previous periods or forecasts. The non-GAAP measures included in this presentation are not meant to be considered superior to or a substitute for our GAAP results. Reconciliations of the non-GAAP measures to the most directly comparable GAAP measures are available in the appendix to this presentation.



Environmental Highlights

Sustainability is in the DNA of Trex

- Decking is made from 95% recycled content; expansive recycling network
 - Estimated annual recycled plastic film and reclaimed wood fiber used: 800M+ pounds per year
- Nearly all internally generated scrap products from manufacturing operations are recycled internally
- A minimum of 50% of aluminum used is from recycled sources
- No significant emissions and exposure to carbon trends; resource reduction initiatives with year-over-year energy savings of 8% and annual water saved from our closed-loop system of 160M gallons



Changing the way the world lives outdoors
Sustainability Starts Inside Trex

IN CONTRAST TO ACQ-TREATED LUMBER DECKING* OVER A 25 YEAR PERIOD, TREX DECKING LIFECYCLE IMPACTS ARE:

- ↓ 36% FEWER GHG EMISSIONS
- ↓ 47% FEWER CRITERIA AIR POLLUTANTS
- ↑ 59% MORE ENERGY USE AND FEEDSTOCKS
- ↓ 84% LESS ACIDIFICATION
- ↓ 80% LESS EUTROPHICATION
- ↓ 53% LESS SMOG
- ↓ 93% LESS ECOLOGICAL TOXICITY
- ↑ 74% MORE PUBLIC SUPPLY PROCESS WATER USE

	2018	2017
Public supply process water use (liters)	5,080	2,920
Cooling water use (liters)	2,670	N/A

*Figures courtesy of the supplier. This comparison requires 25-year decks (a 25-year Trex deck, compared to a 25-year ACQ-treated lumber deck) and a 25-year lifespan while the decking has an assumed 25-year lifespan.

14 TREX SUSTAINABILITY REPORT 2018

See Full Sustainability Report Here: <https://documents.trex.com/is/content/Trex/trex-sustainability-report-2018pdf.pdf>



Social and Governance Highlights

Team Sustainability

- Offering competitive benefits and incentives to encourage employee retention and engagement
 - Voluntary turnover rate for employees with more than one year of service is less than 5%
- Expanding training and development to equip and develop future leaders
 - New leadership training program
 - Expanded hourly on-boarding training
- Safety first culture driving Low LTIR and RIR rates
- Leadership opportunities
 - 31% female leaders (Residential)
 - 25% female Board of Directors members
- Strong and effective corporate governance

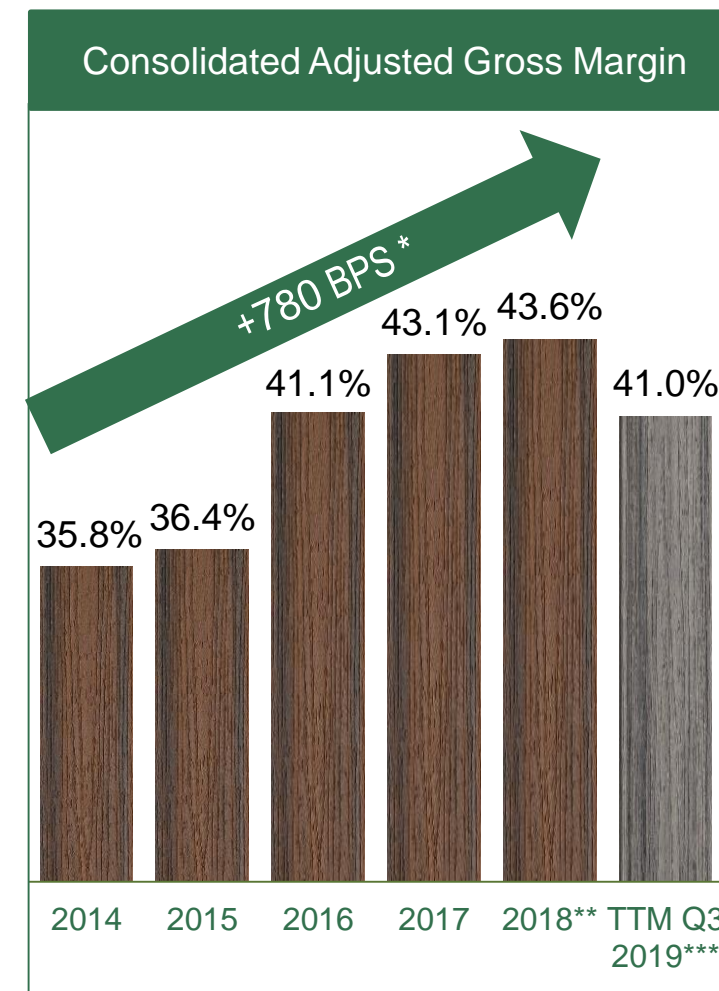
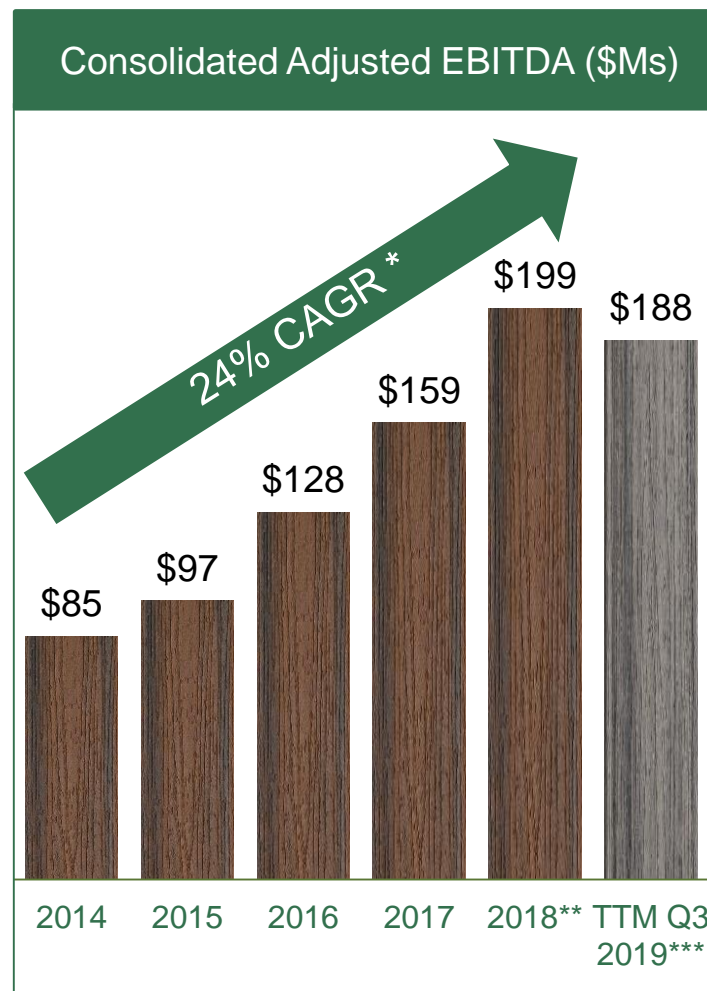
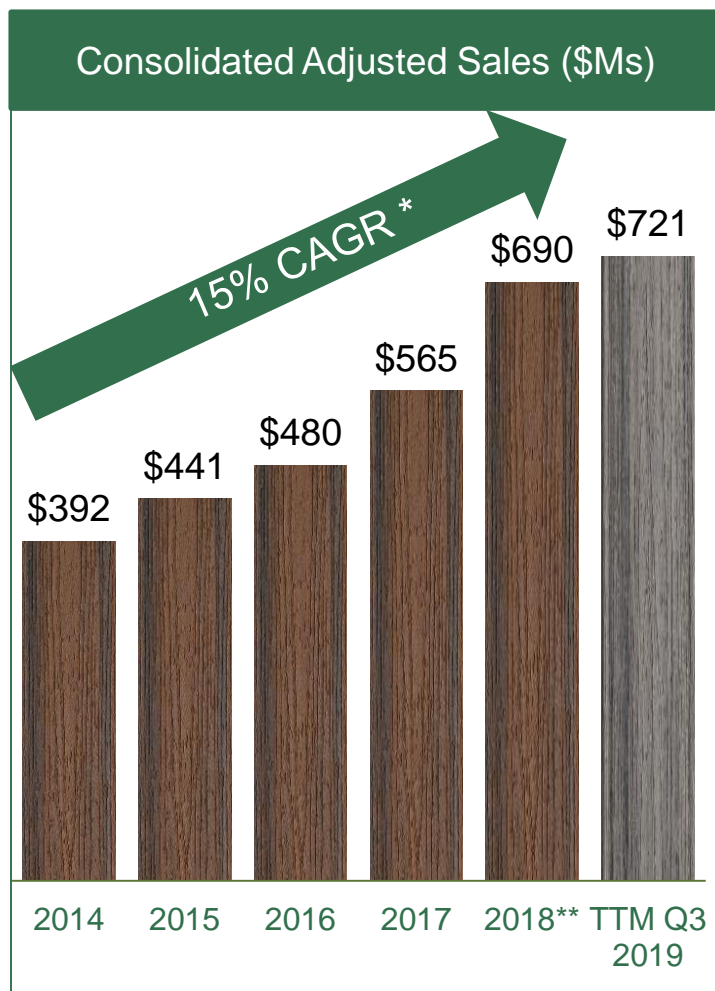
Community Sustainability

Meeting our local communities needs through focused charitable giving

- Engagement
 - Winchester Medical Center Healing Garden
 - United Way
 - City of Winchester and the Museum of the Shenandoah Valley
 - School Training
- Recycling Programs
 - The Plastic Film Recycling Challenge
 - Plastic Scholastic



Solid Long Term Results



* Calculations based on full year results through 2018

** 2018 results exclude \$6M non-recurring Sales charge

*** TTM Q3 2019 results include \$16M of Startup and Other Manufacturing Costs



Trex Company Strategic Growth Drivers

Disciplined investment strategies driving consistent profitable growth

Leveraging the Trex Brand

- Consumer engagement
- Channel presence
- Licensing
- Wood conversion

Expanding Reach

- Strong distribution network
- Contractor
- DIY
- Geographic
- Trex Commercial Products

Optimizing Operations

- Unique recycling business model
- Vertical integration
- Cost reduction
- Manufacturing throughput increase

Capital Allocation

- Reinvesting in the business
- M&A opportunities & integration
- Share repurchases



Trex Business Segments

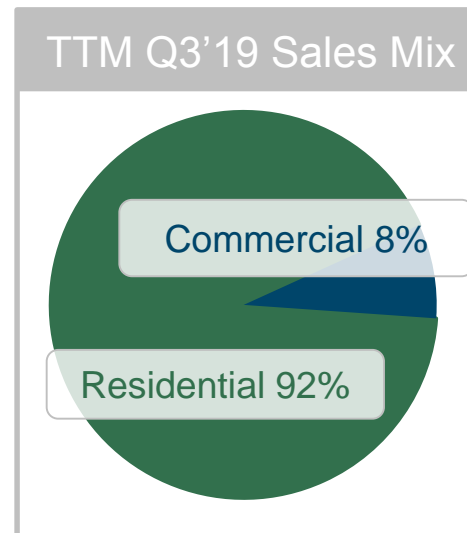
Residential

- Focus: increasing conversion from wood to composites
- Products: full suite of outdoor living solutions anchored by composite decking and railing
- Core Market Size
 - U.S. Residential⁽¹⁾ \$6 Billion
- Rapid growth outside of U.S.

(1) Joint Center for Housing Studies

Commercial

- Focus: delivering premium project-based railing and staging solutions
- Products: custom railing solutions, as well as standardized railing systems and staging solutions
- Core Market Size
 - U.S. Commercial Railing \$1 Billion



Residential Market Opportunity

Growing desire for unique outdoor living spaces

- Alternative materials to wood decking are projected to experience above average annual gains in demand through 2020⁽¹⁾

Outdoor living remains a leading home improvement market segment

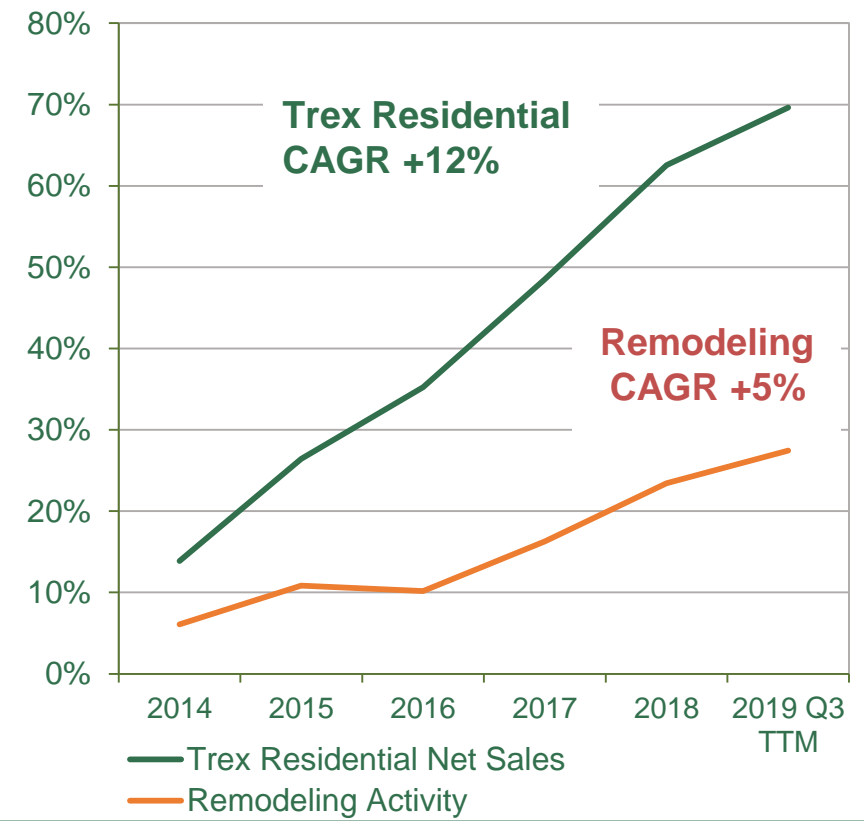
- Exterior property improvements capture 34% of home improvement spending

Increasing conversion from wood to composites

- 1% of market share gain from wood = \$50 million annual composite sales

Residential cumulative sales growth significantly outpaced gains in remodeling activity

Cumulative Trex Residential Net Sales⁽²⁾ and Remodeling Activity⁽³⁾ Growth



(1) Principia report on wood and competitive decking

(2) Residential adjusted sales

(3) Joint Center for Housing Studies



25 Years and Counting of Brand Leadership

Engineering what's next in outdoor living®

- Reinforcing Trex leading presence in the decking market

Drive conversion from wood

- Utilizing marketing, product, and lead generation
- Decks.com acquisition to target wood buyers

Make the Trex® decision that's right for you™

- Having more products that meet the needs of more segments allows for targeting of multiple endpoints including consumers, dealers, and contractors

Continued Industry Recognition and Awards

- Trex Company was named 2019 eco-leader by Green Builder Media.
- Trex Transcend® Earth Tones decking line earned a spot on Professional Remodeler's list of Top 100 Products of 2019.
- Ascent® Windscreen System by Trex Commercial Products captured top honors in the 2019 Glass Magazine Awards. The innovative glass windscreen was chosen by voters as the year's "Best Product Hardware or System."

#1 Consumer Awareness
Consumer Search
Website Traffic
Social Media
Sales
Market Share



Wood is our #1 Competitor

2018 Market Share

Composite
19%



Wood
81%

TREX OUTPERFORMS WOOD

Our high-performance composite deck boards are engineered to resist fading, scratches and stains, and eliminate time-consuming maintenance so you'll never step foot in the stain aisle again.



Unlike wood, Trex composite decking won't:

✓
ROT, WARP OR SPLINTER

✓
NEED SEASONAL PAINTING, SEALING
OR STAINING

✓
FADE OR STAIN

✓
BECOME FOOD FOR TERMITES

+1% Market Share increase =
\$50M in annual composite sales

2018 market share data based on company estimate.



New Products, New Consumers

Do-It-Yourself Consumers

- Incremental focus for Trex
- 59% of deck market
- Practical, thrifty
- Decisions driven by price & maintenance
- Products available in Pro & Retail Channels
- Lightweight boards for easy installation



APPEARANCE
opens the door...

PERFORMANCE
opens their minds...

PRICE
opens their wallets...



- Trex quality, new lower price point
 - \$1.75/LF (2x price of wood)
- Designed to accelerate conversion from wood

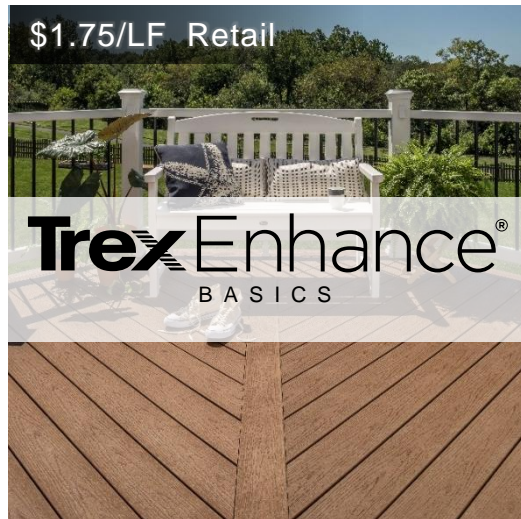


- Tropical looks, attractively priced
 - \$2.50/LF
- Trade-up opportunity from “Basic” wood buyers



2019/2020 Decking Product Platform

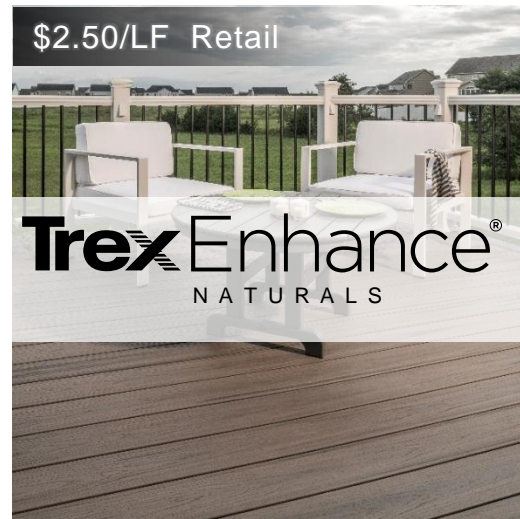
NEW in 2019



Priced to take share
from treated lumber

Low-cost tier

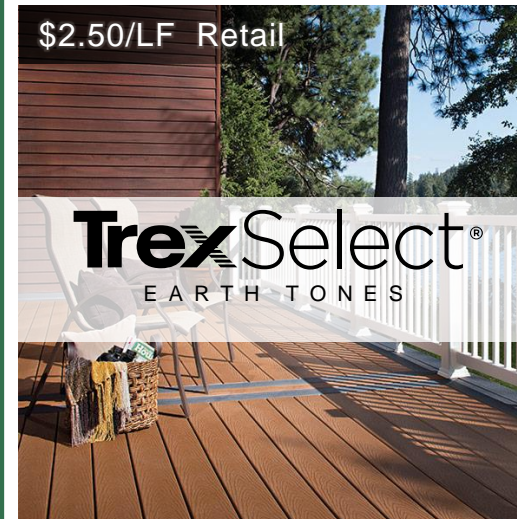
*We've engineered cost
out of the equation*



The beauty of wood
with the ease of
composite

Middle tier

(wood trade-up opportunity)



The perfect pairing
of price and minimal
maintenance

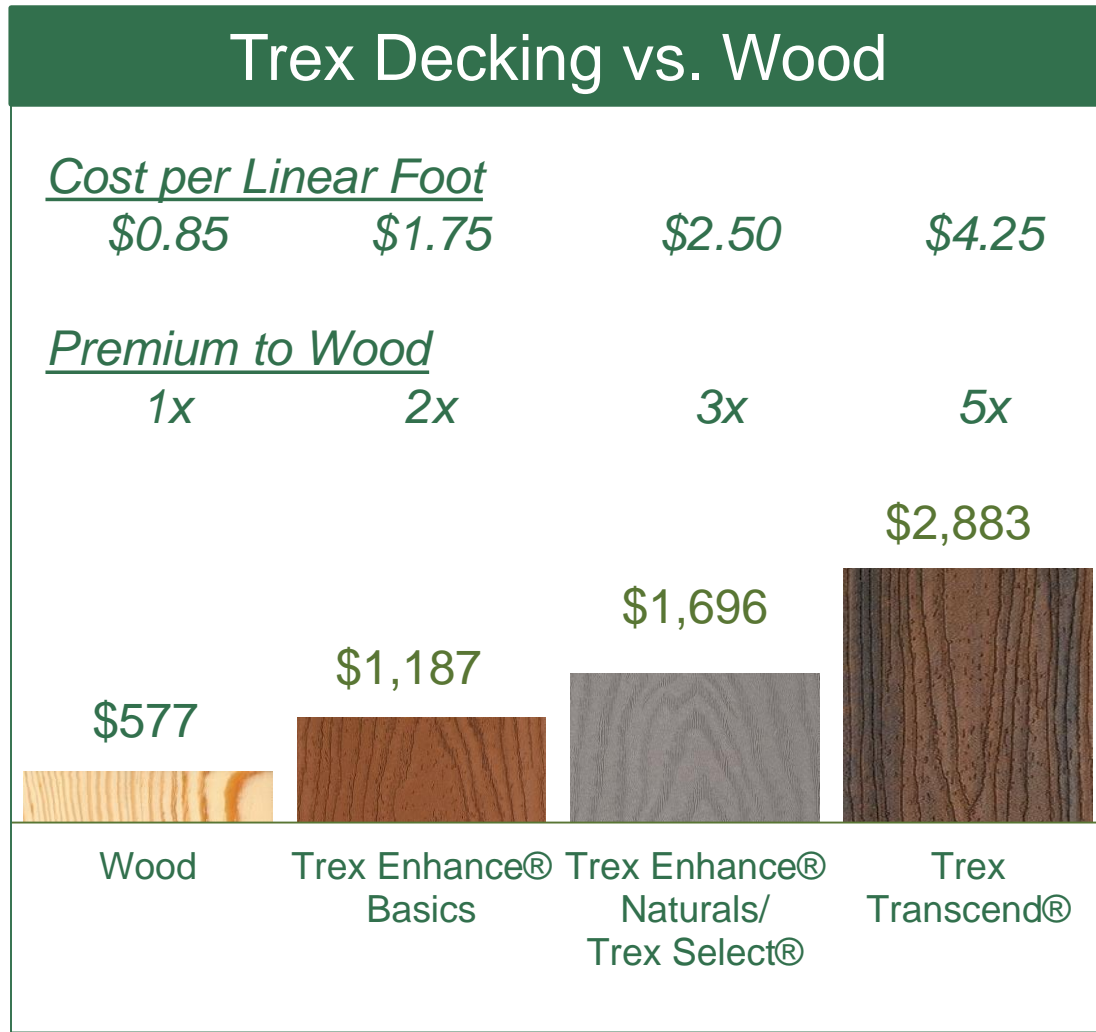


Elevated aesthetics
paired with the
highest level of
performance

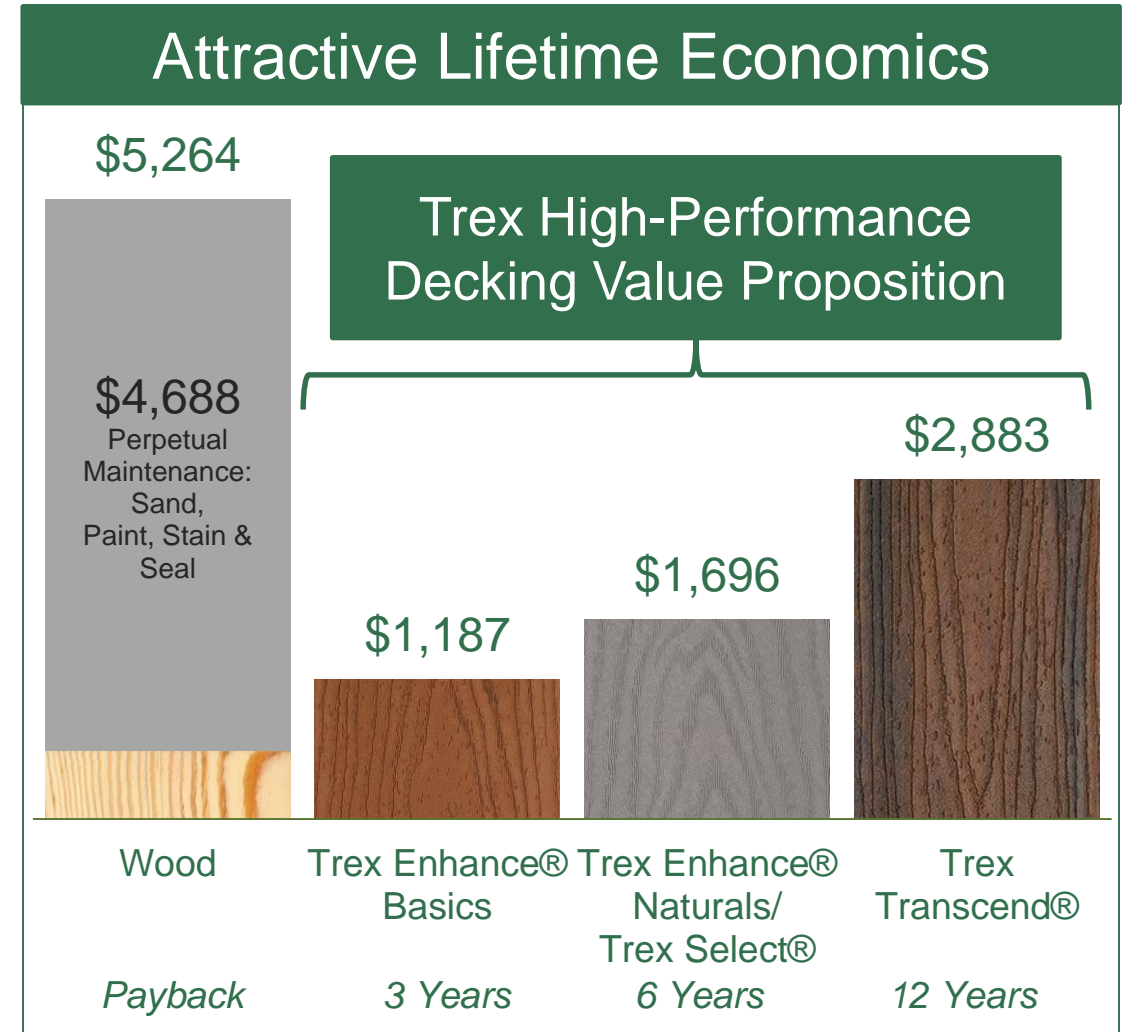
Premium tier



TREX: A Superior Value



Estimated Decking Cost for a 16' x 20' (or 30 m²) deck. Installation costs for 16' x 20' deck estimated at \$10,200. Based on Company findings.



Estimated Decking Costs and Maintenance Material Costs for a 16' x 20' (or 30 m²) deck over 25 years.



Full Suite of Outdoor Living Products

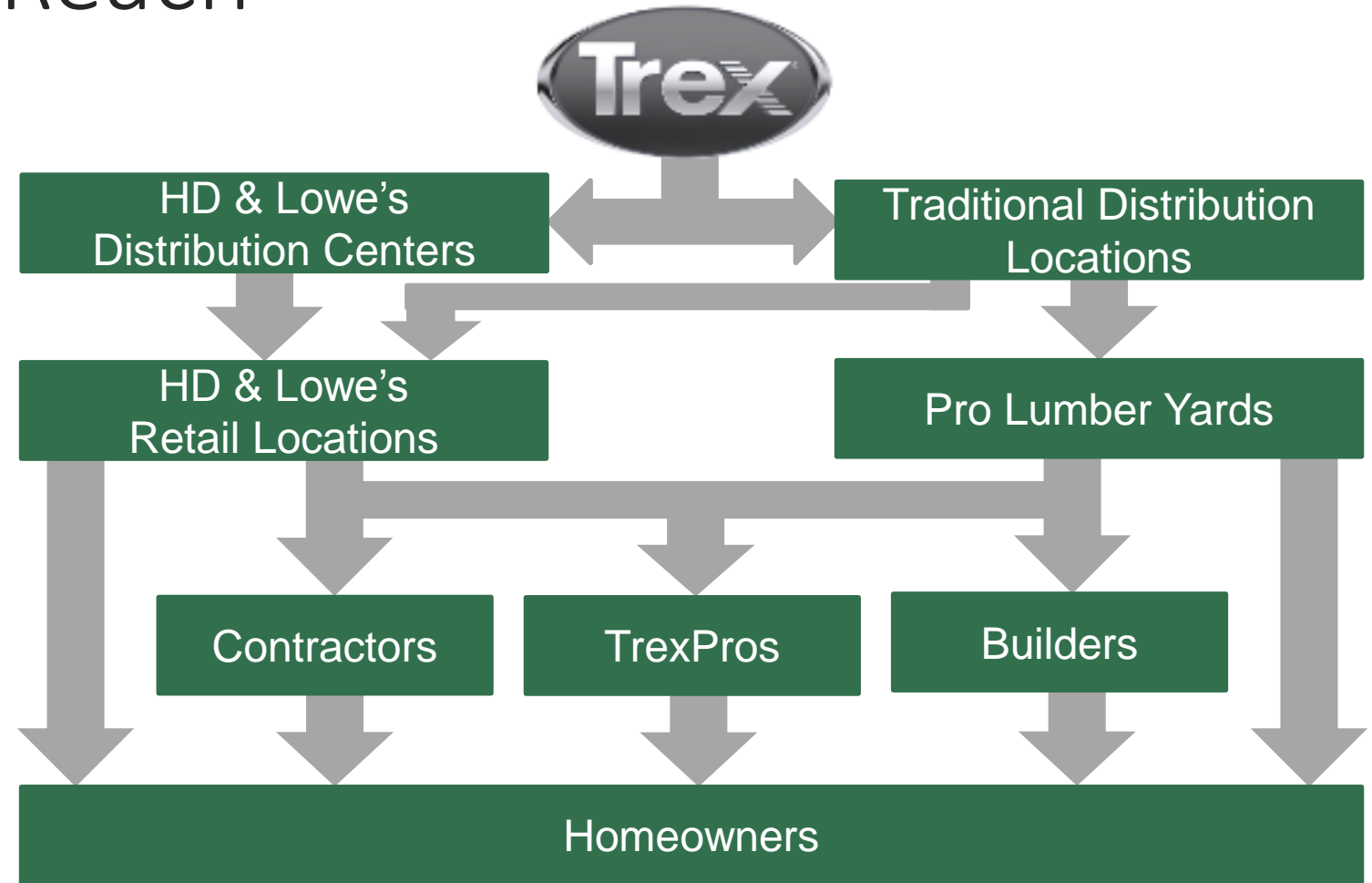


Licensed Products



Industry Leading Reach

- Over 6,700 stocking locations
- Strongest distribution channel in industry
- Well-positioned to take on wood nationally



International Growth

- Targeted approach to new markets
- Establish distributors in key markets
- Roll-outs in markets with higher GDP, personal income and desire for outdoor living solutions
- Apply Trex marketing capabilities to key target market opportunities
 - TV advertising, online ads, and paid search
 - Develop TrexPro network
- New products offer competitive value proposition against other composites and wood
- Faster growth than North American market
- Building global brand recognition



Trex Commercial Products

- Trex Commercial Products subsidiary formed by the acquisition of SC Company for \$71.8 million on July 31, 2017
- Enhances Trex presence in the Commercial Railing Market
- Market Leader in Stadium Railing
 - TCP Railing featured in all six projects nominated for 2018 “Sports Facility of the Year” ⁽¹⁾
- Diversifies Trex into growing commercial and multi-family markets
- Provides access to the specifier, architect and construction contract markets
- Offers Trex synergy and growth opportunities
 - Three railing lines to date have been engineered by Commercial Products and commercialized by Residential Products
 - Railing line co-developed – manufactured by Residential Products and marketed by Commercial Products



Major Projects



(1) 2018 Sports Business Awards by SportsBusiness Journal and SportsBusiness Daily

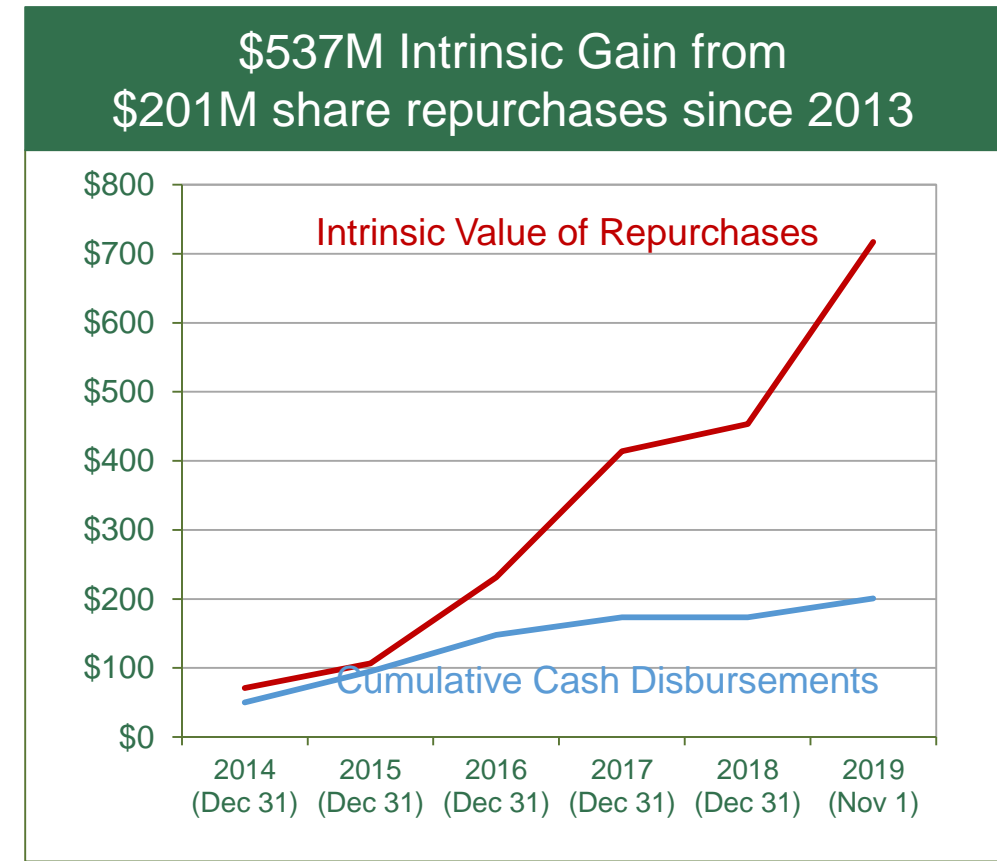


Financial Performance

Capital Allocation Strategy

Putting Free Cash Flow to work through Investment in Core Business and Strategic Opportunities

- \$131M capital expenditures since 2014
- 510 bps consolidated gross margin expansion since 2014
- \$273M in investments since 2013 funded from free cash flow
 - \$201M in share repurchases
 - \$72M for SC Company acquisition
- Acquisition of SC Company providing brand and product extension into commercial railing market
- 5.0M remaining share repurchases authorized



Investment Summary

Addresses one of the fastest growing markets for attractively-designed, customized outdoor living spaces

- **Brand Leader** in the Industry
- **Consistent Market Share Gains** against wood and within the composite industry
- National Footprint in Commercial Railing Market

Continuous engineering and manufacturing improvements drive significant operating leverage

- **Low-cost Manufacturer**; targeted investments to improve line throughput
- **Cost Reduction Initiatives** are driving savings
- **Sustainability** built into the Business; “Greenest” decking manufacturer
- **Recycling** – a strategic and cost advantage

Focus on new product development

- **Sales Expansion** of legacy Trex products into commercial segment, development of commercial products for the consumer market, and cost savings from other synergies
- **New Products** tailored to reach new consumer segments

Strong Balance Sheet and Cash Generation

- Invest in **Internal Growth** opportunities
- Fund future **Acquisitions**
- **Return Capital to Shareholders**





Appendix

Summary Financials

\$ Millions	2014	2015	2016	2017	2018	TTM Q3 2019
Adjusted Sales	\$392	\$441	\$480	\$565	\$690	\$721
Adjusted Gross Profit	\$140	\$160	\$197	\$243	\$301	\$295
<i>Adjusted Gross Margin %</i>	35.8%	36.4%	41.1%	43.1%	43.6%	40.9%
Adjusted SG&A	\$70	\$77	\$83	\$101	\$118	\$121
<i>% of Net Sales</i>	18%	18%	17%	18%	17%	17%
Adjusted Oper Income	\$70	\$83	\$114	\$142	\$183	\$174
<i>% of Net Sales</i>	18%	19%	24%	25%	26%	24%
Depreciation	\$15	\$14	\$14	\$17	\$16	\$14
Adjusted EBITDA	\$85	\$97	\$128	\$159	\$199	\$188
<i>% of Net Sales</i>	22%	22%	27%	28%	29%	26%
Free Cash Flow	\$46	\$39	\$75	\$87	\$104	\$134
Net Debt	-\$10	\$1	-\$19	-\$31	-\$106	-\$133
Inventory Turns	10.9	12.0	10.9	10.2	8.4	n/c
Adjusted ROIC	50.7%	56.1%	73.3%	67.5%	62.6%	n/c

n/c not comparable

TTM Q3 2019 results include \$17M of Startup and Other Manufacturing Costs



Non-GAAP Reconciliations

\$ Millions	2014	2015	2016	2017	2018	Q3 2018	Q3 2019	TTM Q3 2018	TTM Q3 2019
GAAP Sales	\$392	\$441	\$480	\$565	\$684	\$166	\$195	\$666	\$721
2018 Net Sales charge for product repositioning					\$6	\$6		\$6	
Adjusted Sales	\$392	\$441	\$480	\$565	\$690	\$172	\$195	\$672	\$721
GAAP Gross Profit	\$140	\$155	\$187	\$243	\$295	\$67	\$82	\$286	\$295
2013/2015/2016 legacy product warranty reserve for pre-2008 Nevada production		\$5	\$10						
2018 Net Sales charge for product repositioning					\$6	\$6		\$6	
Adjusted Gross Profit	\$140	\$160	\$197	\$243	\$301	\$73	\$82	\$292	\$295
<i>Adjusted Gross Margin</i>	<i>35.8%</i>	<i>36.4%</i>	<i>41.1%</i>	<i>43.1%</i>	<i>43.6%</i>	<i>42.5%</i>	<i>42.4%</i>	<i>43.4%</i>	<i>40.9%</i>
GAAP Operating Income	\$68	\$77	\$104	\$142	\$177	\$39	\$55	\$170	\$174
2013/2015/2016 legacy product warranty reserve for pre-2008 Nevada production		\$5	\$10						
2018 Net Sales charge for product repositioning					\$6	\$6		\$6	
2013/2014 SG&A charges for mold class action settlement, Dulles lease charges, and expenses/breakage fees for terminated transaction	\$2								
Adjusted Operating Income	\$70	\$83	\$114	\$142	\$183	\$45	\$55	\$176	\$174
GAAP Net Income	\$42	\$48	\$68	\$95	\$135	\$29	\$42	\$128	\$134
GAAP Income Tax	\$25	\$29	\$35	\$47	\$42	\$10	\$14	\$42	\$41
GAAP Net Interest	\$1	\$1	\$1	\$0	-\$0	-\$0	-\$1	\$0	-\$1
GAAP Depreciation/Amortization	\$15	\$14	\$14	\$17	\$17	\$4	\$4	\$18	\$14
2013/2015/2016 legacy product warranty reserve for pre-2008 Nevada production		\$5	\$10						
2018 Net Sales charge for product repositioning					\$6	\$6		\$6	
2013/2014 SG&A charges for mold class action settlement, Dulles lease charges, and expenses/breakage fees for terminated transaction	\$2								
Adjusted EBITDA	\$85	\$97	\$128	\$159	\$199	\$49	\$59	\$194	\$188
GAAP Operating Cash Flows	\$59	\$63	\$85	\$102	\$138	\$117	\$56	\$124	\$183
GAAP Investing Cash Flows	-\$13	-\$23	-\$10	-\$87	-\$34	-\$4	-\$18	-\$26	-\$49
Add back Acquisitions	-\$0	-\$0	-\$0	\$72					
Free Cash Flow	\$46	\$39	\$75	\$87	\$104	\$113	\$38	\$99	\$134
GAAP Debt	\$0	\$7	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less: GAAP Cash	-\$10	-\$6	-\$19	-\$31	-\$106	-\$107	-\$133	-\$107	-\$133
Net Debt	-\$10	\$1	-\$19	-\$31	-\$106	-\$107	-\$133	-\$107	-\$133
GAAP EPS *	\$0.63	\$0.76	\$1.14	\$1.62	\$2.29	\$0.50	\$0.72	\$2.18	\$2.29
Impact of Adjustments to OI (net of tax)	\$0.67	\$0.87	\$0.12	\$0.00	\$0.08	\$0.08	\$0.00	\$0.08	\$0.00
Adjusted EPS *	\$1.31	\$1.63	\$1.26	\$1.62	\$2.37	\$0.58	\$0.72	\$2.25	\$2.29

* Prior Period EPS and Adjusted EPS restated for impact of June 18, 2018 2-for-1 stock split.





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