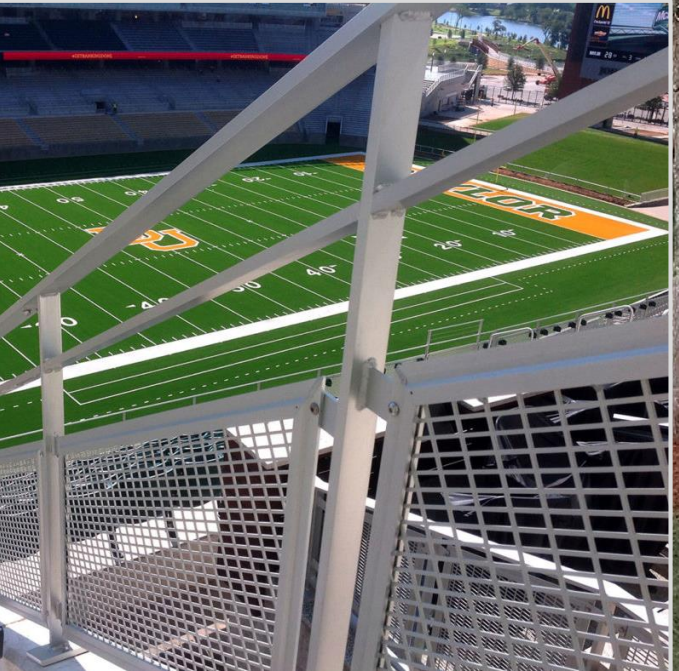


Investor Presentation

September 2018





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.

THE COMPANY AT A GLANCE



- ✓ Products designed to create unique outdoor living experiences
- ✓ World's leading and best known brand in outdoor living
- ✓ Largest manufacturer of high-performance composite decking and railing
- ✓ 25% CAGR in Adjusted EBITDA over the last five years
- ✓ 2-for-1 stock split distributed on June 18, 2018
- ✓ Consistent strong cash generation providing
 - \$186M in return of capital to shareholders since 2013
(5.5M remaining share repurchases authorized)
 - \$72M in M&A activities (July 2017 SC Companies acq)
- ✓ Future organic growth will be driven by continued market share gains from composite and wood competitors, engineering improvements, and operating efficiencies

Consolidated 2018 Q2

Net Sales	\$207M	+31% Y/Y
Gross Margin	44.1%	-150bps
Residential Gross Margin	45.9%	+30bps
EBITDA	\$62M	+28%
EBITDA Margin	30.1%	
Diluted EPS	\$0.73	+49% *

Consolidated TTM 2018 Q2

Net Sales	\$640M	+21% Y/Y
Gross Margin	42.8%	+10bps **
Residential Gross Margin	45.2%	+250bps **
EBITDA	\$180M	+19% **
EBITDA Margin	28.1%	
Diluted EPS	\$1.96 *	+39% * **

* Prior periods adjusted for 2-for-1 stock split.

** Calculations based on adjusted 2016 results.

Disciplined investment strategies driving consistent profitable growth

Extending the Trex Brand

- Digital capabilities
- Wood conversion
- Consumer engagement
- Licensing
- Trex Commercial Products

Expanding Reach

- Contractor focus
- DIY
- Geographic
- Trex Commercial Products
- Strengthening distribution network

Optimizing Operations

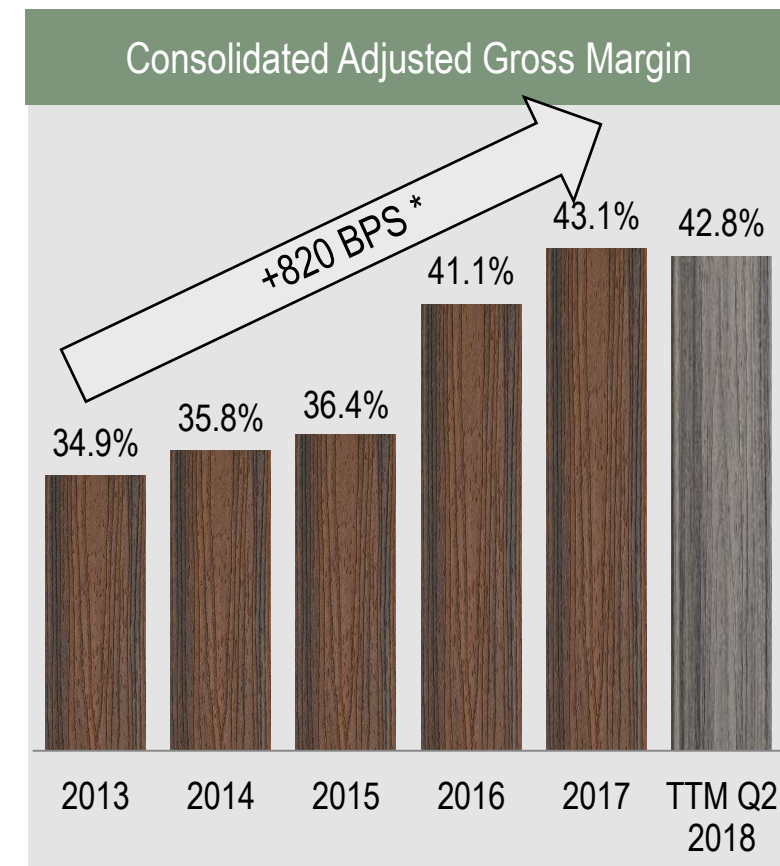
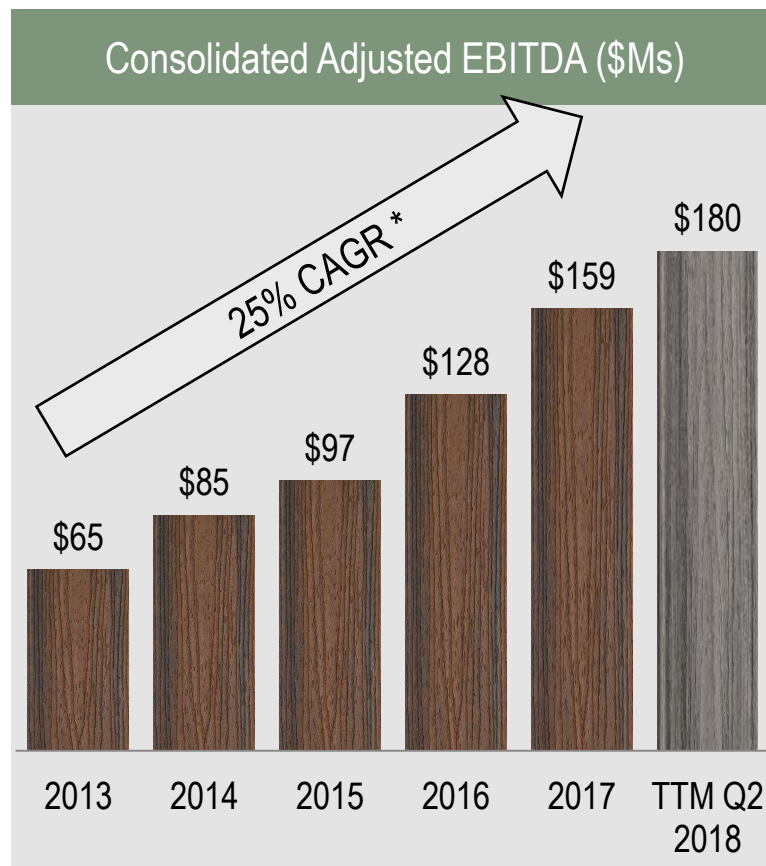
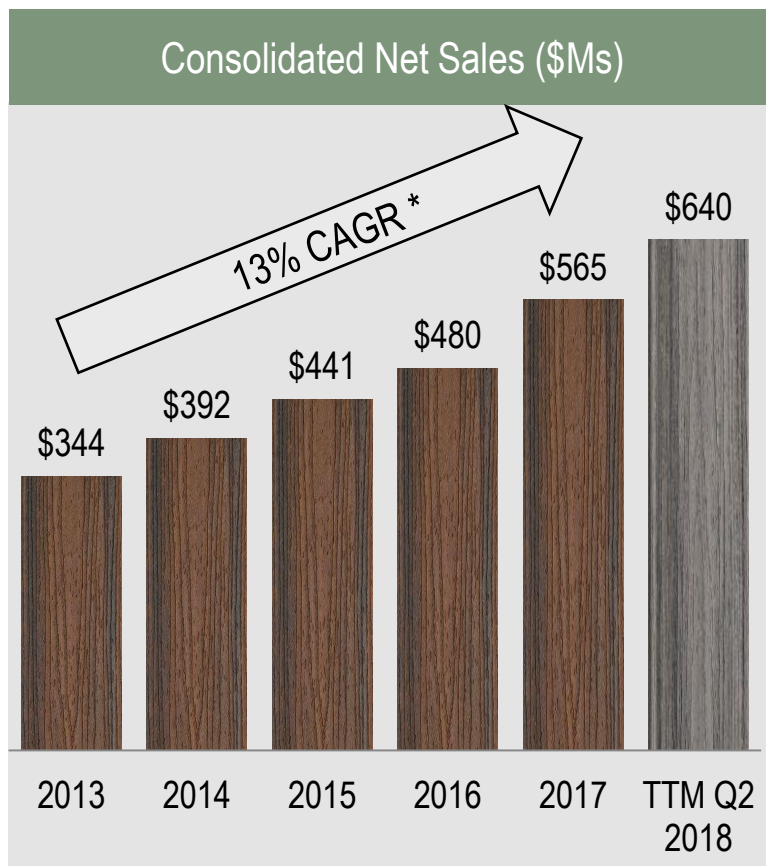
- Cost reduction
- Vertical integration
- Unique recycling business model
- Manufacturing throughput increase

Capital Allocation

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

Sustainability; “greenest” manufacturer in the industry

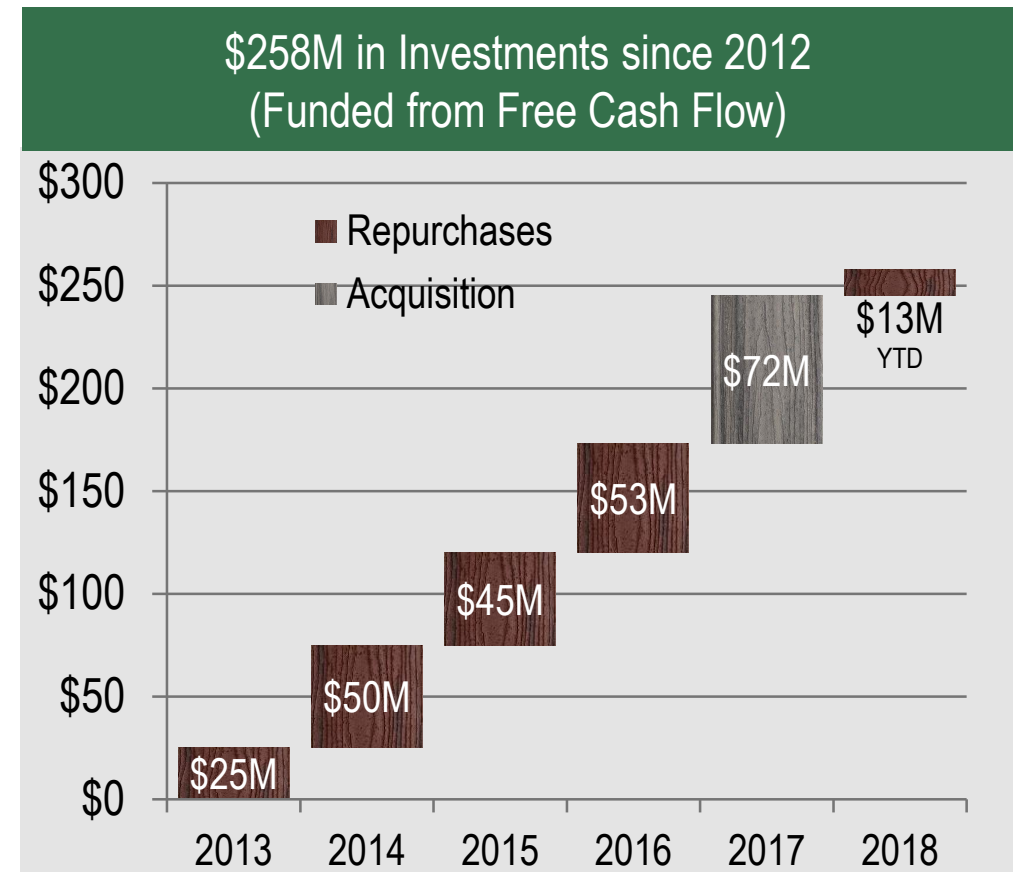
Solid financial profile with strong free cash flow and a focus on continuous improvement to drive margin expansion



* Calculations based on full year results through 2017

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

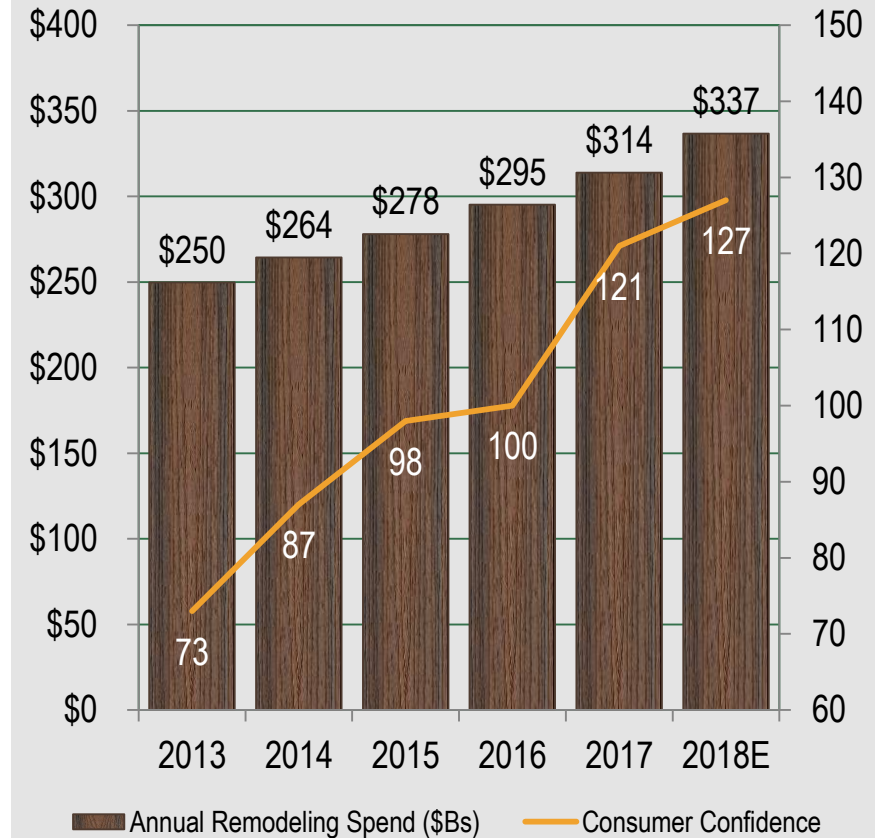
- ✓ \$72M capital expenditures since 2013
- ✓ 820 bps consolidated gross margin expansion
- ✓ \$186M in return of capital to shareholders since 2013
- ✓ Acquisition of SC Company providing brand and product extension into commercial railing market
- ✓ 5.5M remaining share repurchases authorized





- ✓ 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
- ✓ Core Markets (North America)
 - U.S. Residential⁽²⁾ \$6 Billion
 - U.S. Commercial Railing \$1 Billion
- ✓ Rapid business growth outside of North America
- ✓ Increasing conversion from wood to composites
 - 1% of market share gain from wood = +\$50 million annual composite revenue
- ✓ Repair and remodeling projected to grow by 7.3% through Q4 2018⁽²⁾
 - Strong correlation between Trex Sales, Remodeling Spending and Consumer Confidence

Annual Remodeling Spend⁽²⁾ and Consumer Confidence⁽³⁾ Trends



(1) Principia report on wood and competitive decking

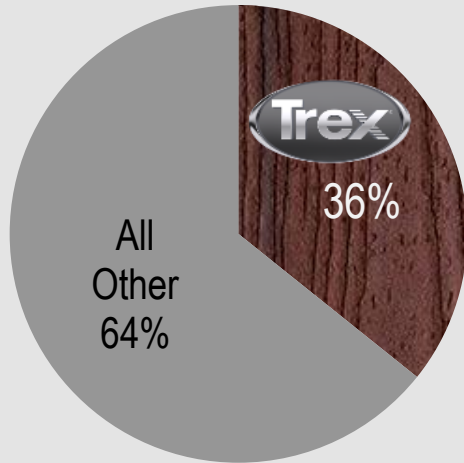
(2) Joint Center for Housing Studies

(3) Consumer Confidence (NAR U.S. Economic Outlook: July 2018)

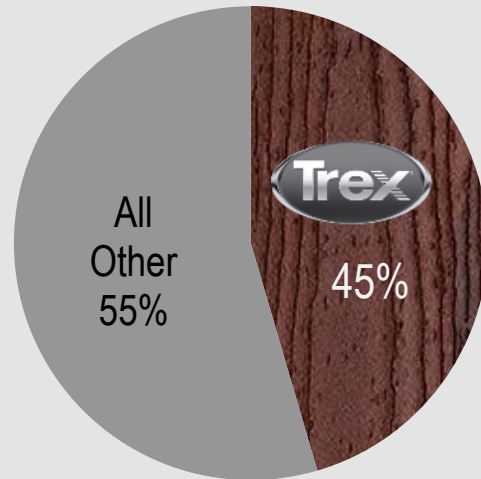


Composite Market Share Trends

2012



2016

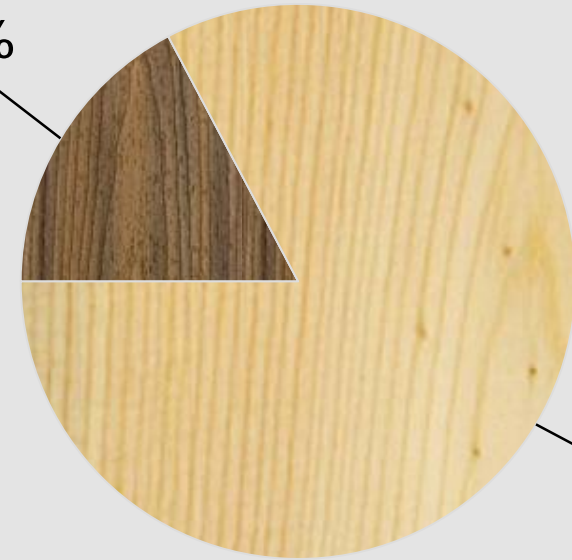


Consistent market share gains in the composite decking industry
(Principia Residential Decking and Railing 2013 & 2018)

Taking Share from Wood

+1% market share increase for
Composites since 2014

Composite
17%



Wood
83%

Substantial Growth Opportunity

(Principia Partners 2016 vs 2014; based on decking LF sold)



- ✓ “Engineering What’s Next in Outdoor Living” ®

- Reinforces Trex leading presence in the premium decking market

- ✓ Award-winning campaign – Multi-faceted strategy

- Targeting multiple endpoints: dealers, contractors, and consumers

- ✓ Multi-year consumer campaign to drive conversion from wood

- Leading the “What’s Next” for the next phase of industry growth

- ✓ Recent Awards

- “Best of Houzz” design award – 4th year in a row
- Readers’ Choice award *Green Builder* magazine – 8th year in a row (April 2018)
- “Brand most used” *Builder* magazine award – 11th year in a row (April 2018)

Customer Engagement @ trex.com

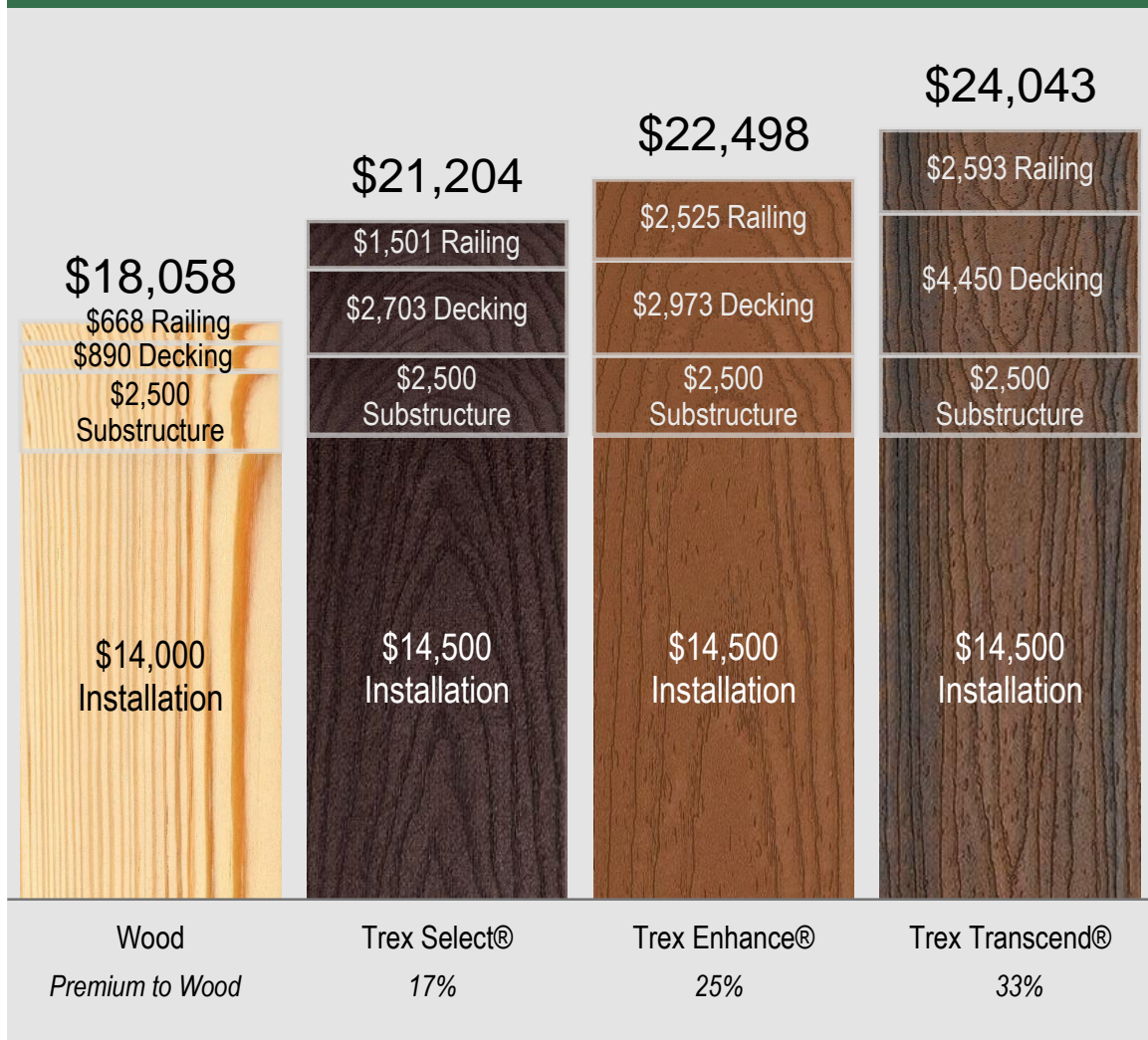
Makes it easy for homeowners to select and build with Trex

Tools driving growth in all Trex.com purchase indicators

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

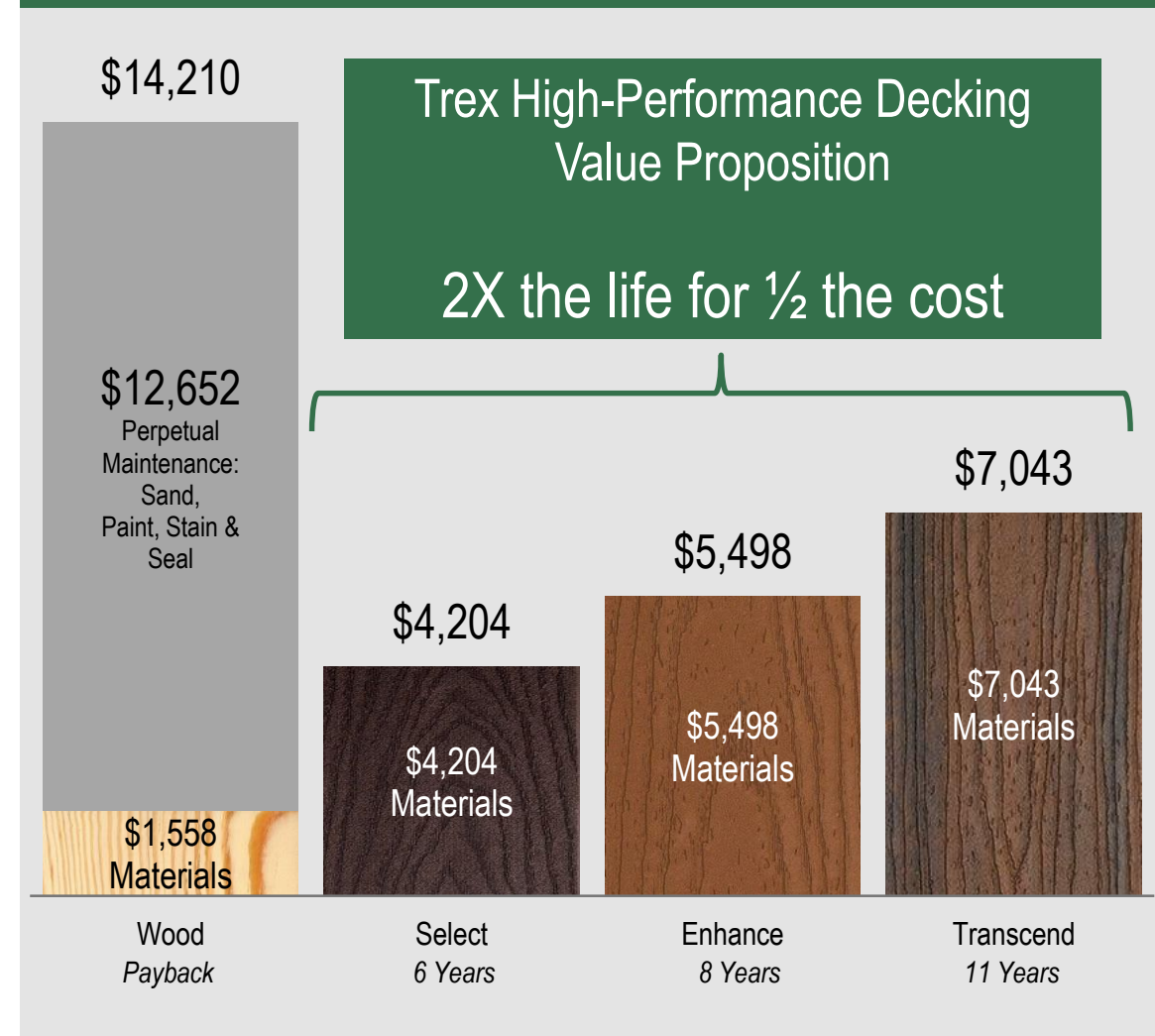


Installed Cost vs. Wood



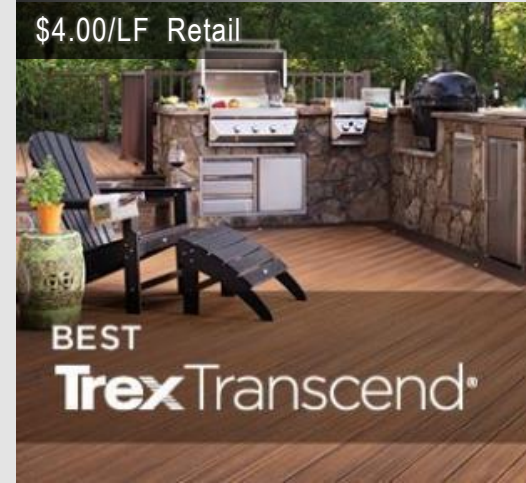
Estimated Professionally Installed Cost for a 20' x 25' deck. Based on Company findings.

Attractive Lifetime Economics



Estimated Installed Decking Costs and Maintenance Material Costs for a 20' x 25' deck over 25 years.

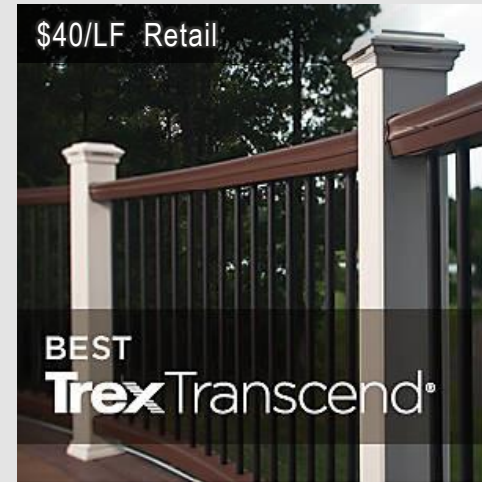
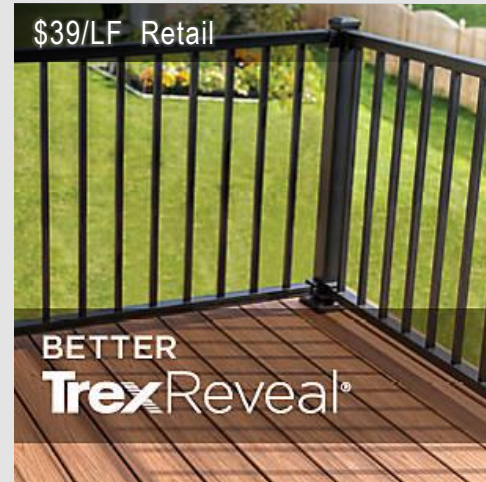
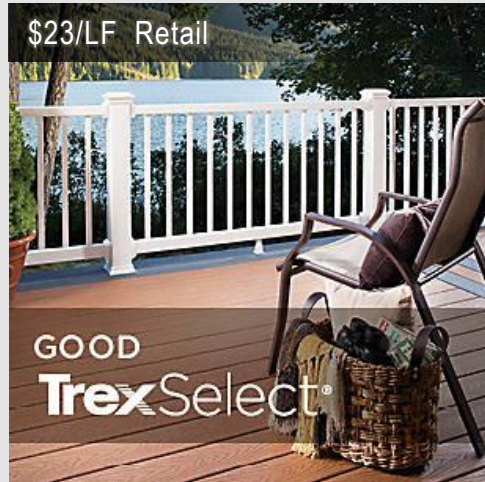
Decking



Other Trex Products

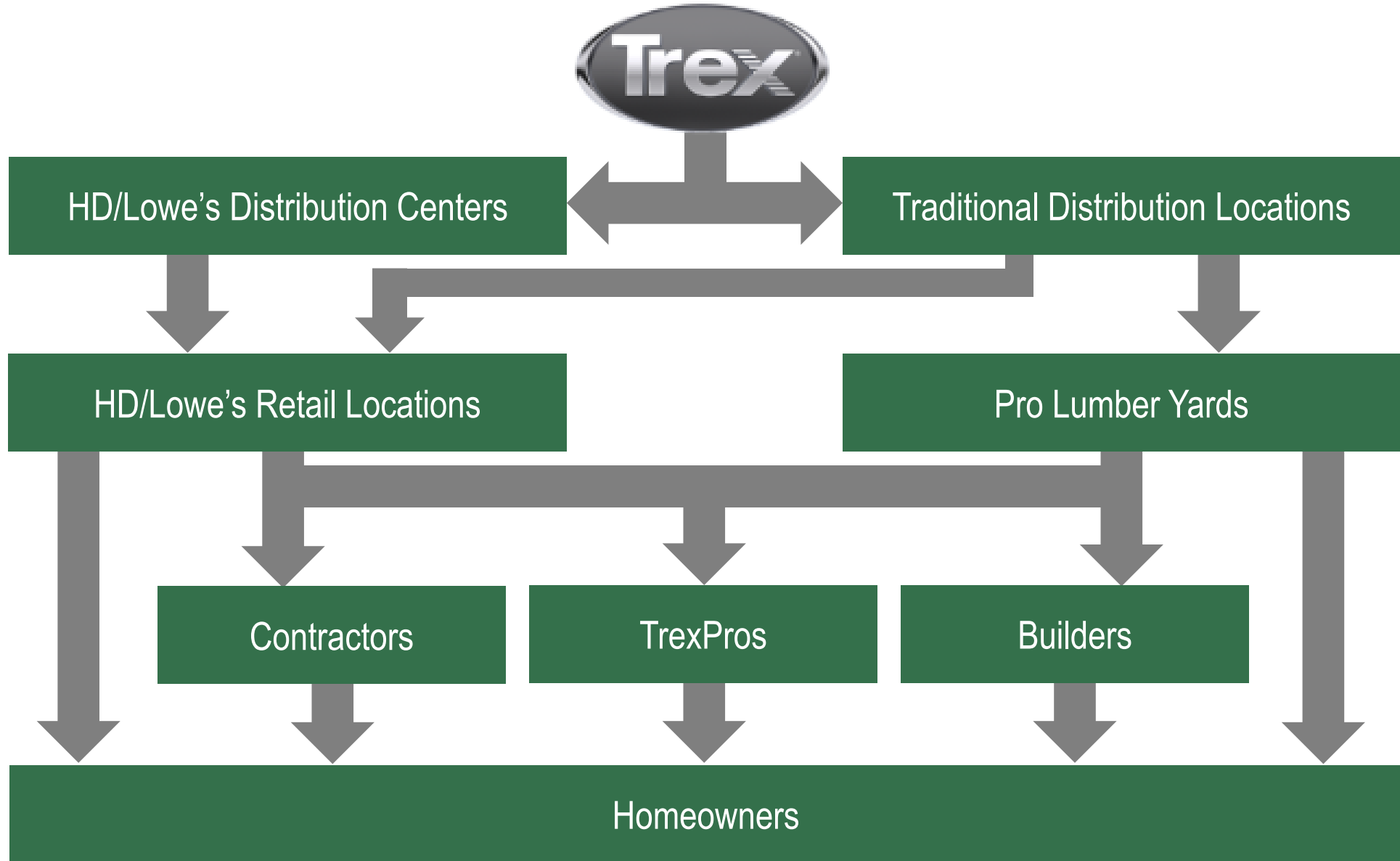
- ✓ Elevations®
 - Steel Substructure
- ✓ Hidden Fasteners
- ✓ Outdoor Lighting

Railing



Licensed Products

- ✓ Outdoor furniture
- ✓ Outdoor storage/ kitchen
- ✓ Pergolas
- ✓ RainEscape®
- ✓ Saw Blades
- ✓ Spiral stairs





Pro Lumber Yards



Over
6,700
stocking locations

Distribution Partner Locations



Major Retailers





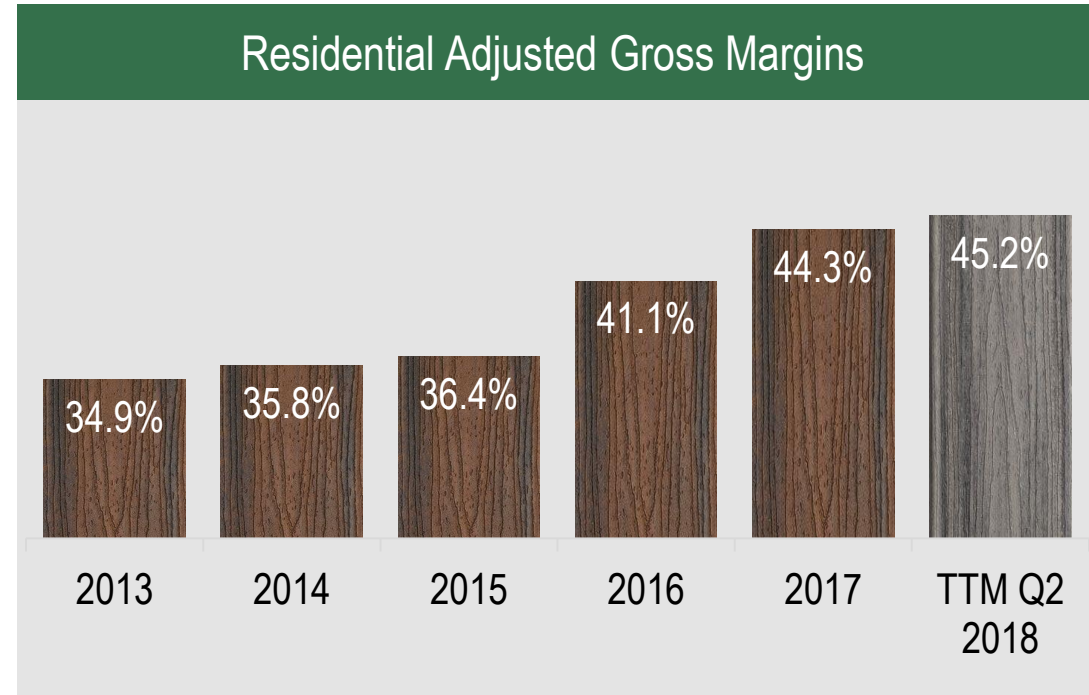
Targeted approach to new market entry

- ✓ Focus on markets with higher GDP, personal income and desire for outdoor living solutions
- ✓ Applying Trex marketing capabilities to new market opportunities
 - TV advertising, online ads, and paid search
 - Development of TrexPro network

TRACK RECORD OF MARGIN ENHANCEMENT



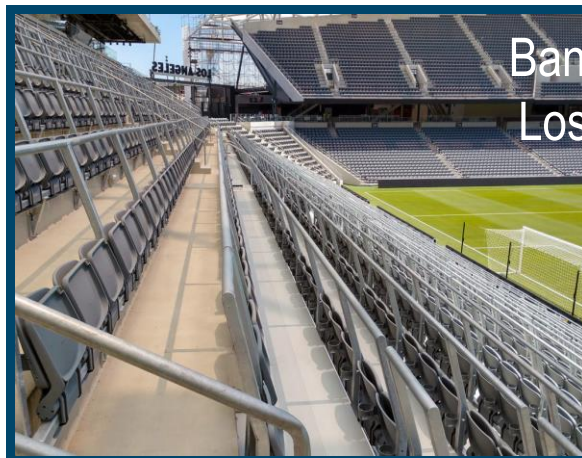
- ✓ History of expanding gross margins
 - Productivity enhancements
 - Cost reduction initiatives
 - Lean/Six sigma programs
 - Recycling – strategic advantage
 - Improving capacity utilization
- ✓ Made from 95% recycled content; Expansive recycling network
 - Cost advantage from recycled raw materials
- ✓ Established culture of safety & quality



TREX COMMERCIAL PRODUCTS

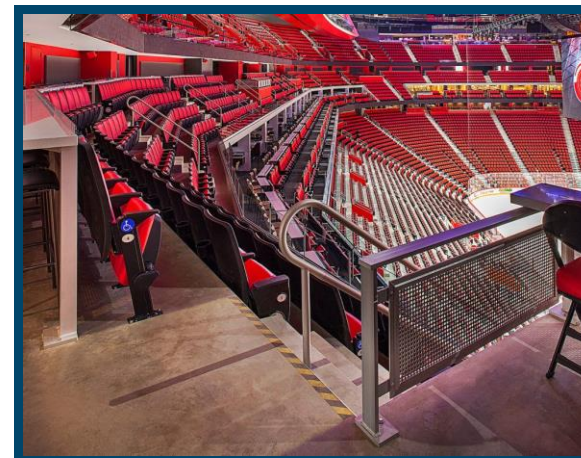


- ✓ Trex Commercial Products subsidiary formed by the acquisition of SC Company for \$71.8 million on July 31, 2017
- ✓ Enhances Trex presence in the Commercial Railing Market
- ✓ Market Leader in Stadium Railing
 - All six projects nominated for 2018 “Sports Facility of the Year” featured TCP Railing
- ✓ Recently Completed Projects



Banc of California Stadium
Los Angeles Football Club

*Innovative Safe
Standing System with
Integrated Seating*



Little Caesars Arena
Detroit, MI

*Winner
“Sports Facility
of the Year”*

STRATEGIC FIT & INTEGRATION



- ✓ Diversifies Trex into growing commercial and multi-family markets
- ✓ Provides access to the specifier, architect and construction contract markets
- ✓ Cultivates innovation and increases internal capabilities
- ✓ Offers custom design and engineering
- ✓ Adds competencies in welding and fabrication
- ✓ Targeted EBITDA margin expansion to 20%+
- ✓ Offers Trex synergy and growth opportunities
 - Extends Trex brand reach
 - Enables Trex residential product line extension into additional categories
 - Trex Rod Rail line introduced in 2018 and represents the first launch of a multi-product pipeline
 - Cross-selling product opportunities
 - Accelerates timeline from concept to introduction

Major Projects



Architects and GC Relationships



- ✓ Addresses one of the fastest growing markets for attractively-designed, customized outdoor living spaces
 - Brand Leader in the Industry
 - Consistent Market Share Gains
 - National Footprint in Commercial Railing Market
- ✓ Continuous engineering and manufacturing improvements drive significant operating leverage
 - Low-cost Manufacturer; Capacity to Increase Utilization
 - Cost Reduction Initiatives are driving significant savings
 - Sustainability built into the Business; “Greenest” decking manufacturer
 - Recycling – a strategic 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
- ✓ Strong Balance Sheet and Cash Generation
 - Invest in internal growth opportunities
 - Fund future acquisitions
 - Return capital to shareholders

SUMMARY FINANCIALS



							TTM Q2
\$ Millions	2012	2013	2014	2015	2016	2017	2018
Net Sales	\$307	\$344	\$392	\$441	\$480	\$565	\$640
Adjusted Gross Profit	\$106	\$120	\$140	\$160	\$197	\$243	\$274
<i>Adjusted Gross Margin %</i>	34.5%	34.9%	35.8%	36.4%	41.1%	43.1%	42.8%
Adjusted SG&A	\$70	\$71	\$70	\$77	\$83	\$101	\$113
<i>% of Net Sales</i>	23%	21%	18%	18%	17%	18%	18%
Adjusted Oper Income	\$36	\$49	\$70	\$83	\$114	\$142	\$161
<i>% of Net Sales</i>	12%	14%	18%	19%	24%	25%	25%
Depreciation	\$17	\$16	\$15	\$14	\$14	\$17	\$19
Adjusted EBITDA	\$53	\$65	\$85	\$97	\$128	\$159	\$180
<i>% of Net Sales</i>	17%	19%	22%	22%	27%	28%	28%
Free Cash Flow	\$53	\$33	\$46	\$39	\$75	\$87	\$81
Net Debt	\$3	-\$4	-\$10	\$1	-\$19	-\$31	\$6
Inventory Turns	8.7	11.2	10.9	12.0	10.9	10.2	n/c
Adjusted ROIC	19.5%	36.9%	50.7%	56.1%	73.3%	67.5%	n/c

n/c not comparable

APPENDIX

NON-GAAP RECONCILIATIONS



\$ Millions	2012	2013	2014	2015	2016	2017	Q2 2017	Q2 2018	TTM Q2 2017	TTM Q2 2018
GAAP Gross Profit	\$85	\$99	\$140	\$155	\$187	\$243	\$72	\$91	\$205	\$274
Legacy Product Warranty Reserve *	\$21	\$21		\$5	\$10				\$10	
Adjusted Gross Profit	\$106	\$120	\$140	\$160	\$197	\$243	\$72	\$91	\$215	\$274
<i>Adjusted Gross Margin</i>	<i>34.5%</i>	<i>34.9%</i>	<i>35.8%</i>	<i>36.4%</i>	<i>41.1%</i>	<i>43.1%</i>	<i>45.6%</i>	<i>44.1%</i>	<i>42.7%</i>	<i>42.8%</i>
GAAP Operating Income	\$13	\$25	\$68	\$77	\$104	\$142	\$45	\$58	\$117	\$161
Legacy Product Warranty Reserve *	\$21	\$21		\$5	\$10	\$0			\$10	
Non-recurring S&GA charges	\$2	\$3	\$2							
Adjusted Operating Income	\$36	\$49	\$70	\$83	\$114	\$142	\$45	\$58	\$127	\$161
GAAP Net Income	\$3	\$35	\$42	\$48	\$68	\$95	\$29	\$43	\$77	\$118
GAAP Income Tax	\$1	-\$11	\$25	\$29	\$35	\$47	\$16	\$14	\$39	\$42
GAAP Net Interest	\$9	\$1	\$1	\$1	\$1	\$0	\$0	\$0	\$1	\$1
GAAP Depreciation/Amortization	\$17	\$16	\$15	\$14	\$14	\$17	\$4	\$5	\$15	\$19
Legacy Product Warranty Reserve *	\$21	\$21		\$5	\$10				\$10	
Non-recurring S&GA charges	\$2	\$3	\$2							
Adjusted EBITDA	\$53	\$65	\$85	\$97	\$128	\$159	\$49	\$62	\$141	\$180
GAAP Operating Cash Flows	\$60	\$45	\$59	\$63	\$85	\$102	\$87	\$96	\$69	\$100
GAAP Investing Cash Flows	-\$7	-\$13	-\$13	-\$23	-\$10	-\$87	-\$3	-\$12	-\$16	-\$97
Add back Acquisitions	\$0	\$0	-\$0	-\$0	-\$0	\$72	\$0	\$6	\$0	\$78
Free Cash Flow	\$53	\$33	\$46	\$39	\$75	\$87	\$84	\$91	\$52	\$81
GAAP Debt	\$5	\$0	\$0	\$7	\$0	\$0	\$0	\$9	\$0	\$9
Less: GAAP Cash	-\$2	-\$4	-\$10	-\$6	-\$19	-\$31	-\$9	-\$3	-\$9	-\$3
Net Debt	\$3	-\$4	-\$10	\$1	-\$19	-\$31	-\$9	\$6	-\$9	\$6
GAAP EPS **	\$0.04	\$0.50	\$0.63	\$0.76	\$1.14	\$1.61	\$0.49	\$0.73	\$1.31	\$1.96
Impact of Adjustments to OI (net of tax)	\$0.73	\$0.90	\$0.67	\$0.87	\$0.12	\$0.00	\$0.00	\$0.00	\$0.11	\$0.00
Adjusted EPS **	\$0.77	\$1.41	\$1.31	\$1.63	\$1.26	\$1.61	\$0.49	\$0.73	\$1.41	\$1.96

Certain totals may not foot due to rounding

* Legacy product warranty reserve related to the surface flaking issue that affected a portion of products produced at our Nevada plant before 2007

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



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

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NYSE: TREX

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