



Engineering What's Next
in Outdoor Living®



INVESTOR PRESENTATION

NYSE : TREX

June 2022



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 U.S. generally accepted accounting principles (GAAP), including adjusted net sales, adjusted gross margin, adjusted earnings before interest, taxes, depreciation and 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.





MORE THAN 30 YEARS OF LEADERSHIP IN OUTDOOR LIVING

Engineering what's next in Outdoor Living®

- Full suite of Outdoor Living products
- Strongest industry recognition and awards from home builders, consumers and contractors
- Sustainable product innovation is in our DNA

Driving conversion from wood

- New products for incremental consumers and fueling the DIY spirit
- Trex.com and Decks.com command nearly 57% of category web traffic

Leading distributor and dealer network

- Strongest distribution channel in the industry
- Over 6,700 stocking locations

Strong environmental credentials

- Decking comprised primarily of a blend of reclaimed wood fibers and recycled polyethylene film
- One of largest polyethylene film recyclers in North America, upcycling waste material into higher-value products

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





TREX ANNOUNCES NEXT GENERATION OF TRANSCEND DECKING

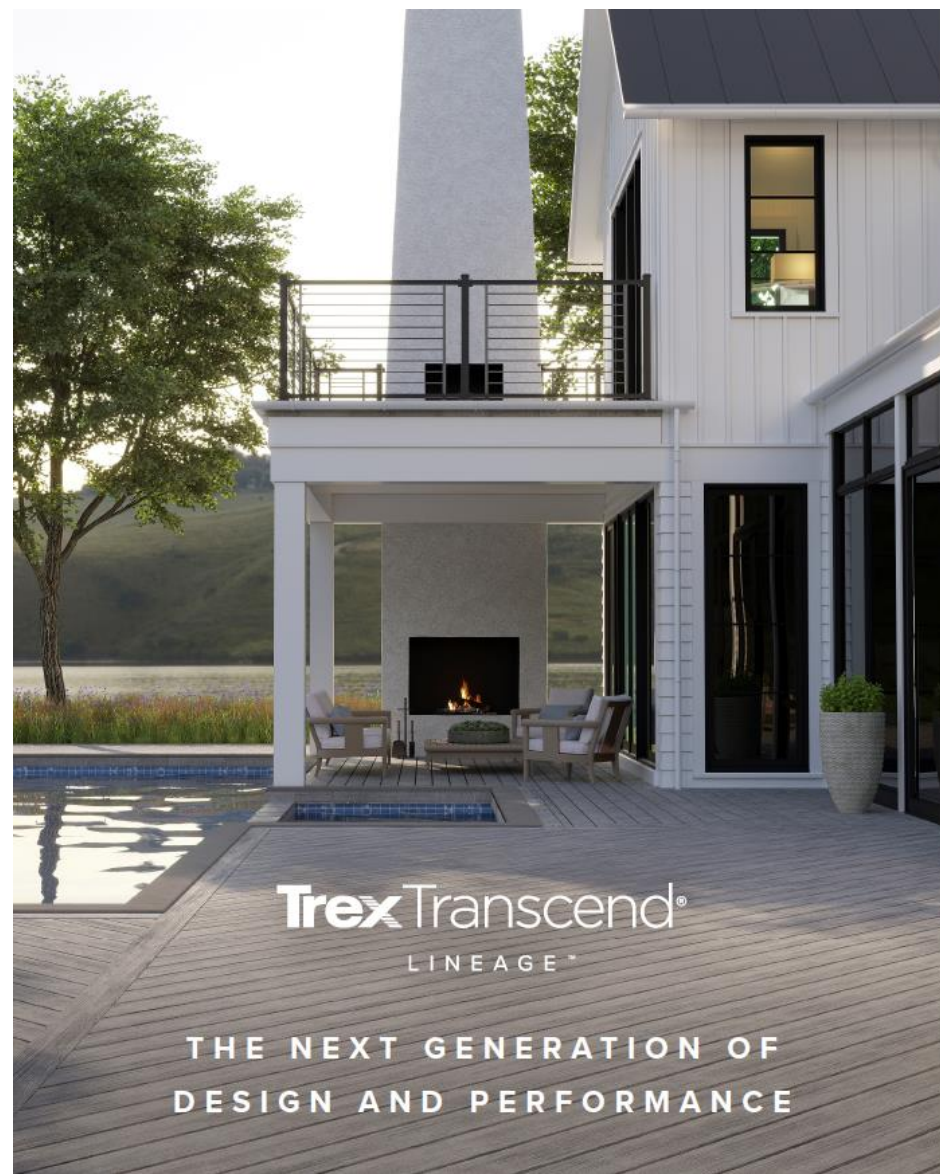
- Expands on the pedigree of Trex's premium Transcend decking line with refined aesthetics, trend-forward colors and enhanced performance features:
 - Elevated aesthetic with subtle, elegant graining that delivers an unmatched natural appearance
 - Engineered to keep your deck cooler*, even on the hottest days



- Launching regionally through Trex dealers and major home improvement retailers in June
 - Additional retail distribution will be added across the U.S. and Canada later this year.

TrexTranscend®
LINEAGE™

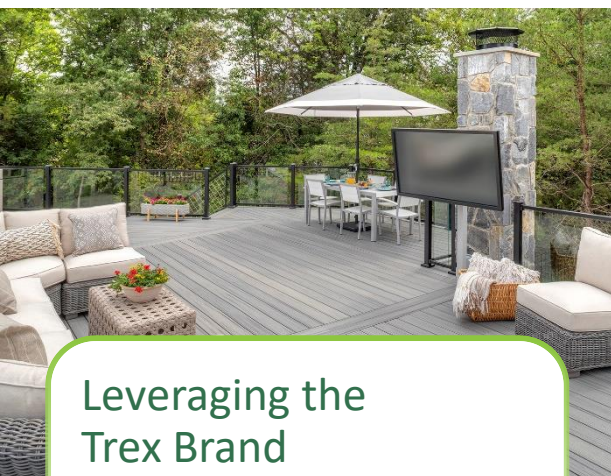
**Although Trex Transcend Lineage is designed to be cooler than most other composite decking products of a similar color, on a hot sunny day, it will get hot. On hot days, care should be taken to avoid extended contact between exposed skin and the deck surface, especially with young children and those with special needs.*





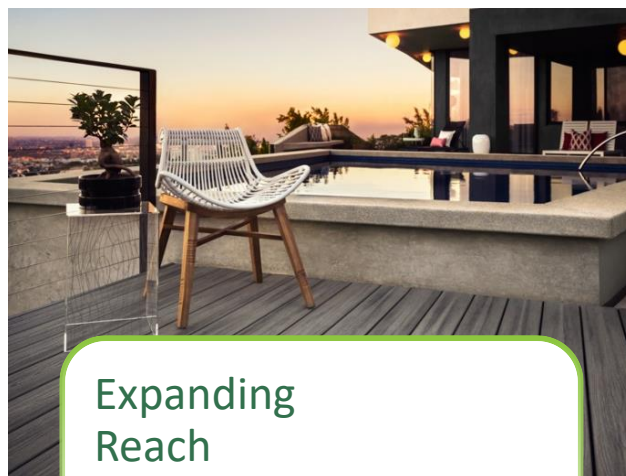
TREX COMPANY STRATEGIC GROWTH DRIVERS

Disciplined investment strategies driving consistent profitable growth



Leveraging the Trex Brand

- › Consumer engagement
- › Channel support
- › Licensing
- › Wood conversion



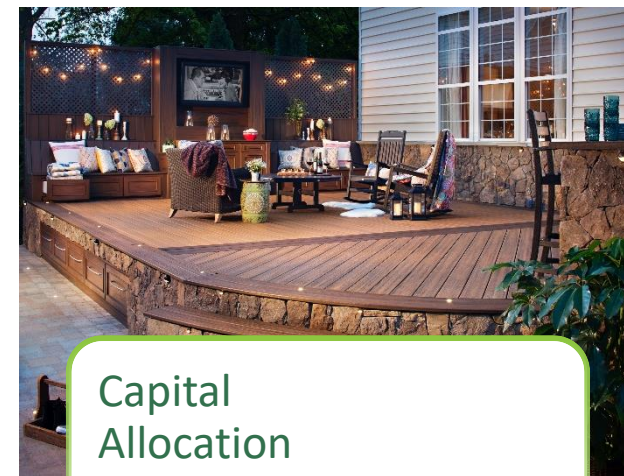
Expanding Reach

- › Unparalleled distribution network
- › Contractor
- › DIY
- › International
- › Trex Commercial Products



Optimizing Operations

- › Unique recycling business model
- › Vertical integration
- › Cost reduction
 - › Automation, Modernization, Energy utilization, Raw material processing
- › Consistent improvement in manufacturing throughput



Capital Allocation

- › Reinvesting in the business
- › Capacity expansion
- › Share repurchases
- › M&A opportunities

TREX COMPANY GROWTH INITIATIVES

Wood Conversion

- > Decking & railing market \$8B
- > Composite share for 2021 was ~25%, up over 200 bps vs 2020
- > 1% of wood share worth \$80M



International

- > 61% growth YOY
- > To date, Trex products have been sold into 42 countries outside of U.S.
- > Sales staff in Europe and Australia



Cladding

- > Alternative use of decking boards
- > \$100M+ market opportunity
- > Offers a cost-effective solution primarily for commercial applications



Significant vectors to drive growth over the long term

3RD PRODUCTION SITE ANNOUNCED

Trex is excited to be part of the Little Rock, AR community

- Best fit for Trex long term growth
 - Proximity to raw materials
 - Strong labor market
 - Near key growth regions for wood conversion
 - Adjacency to major transportation hubs
- 300 acres at the Port of Little Rock to house
 - Decking and railing production
 - Plastic film recycling and processing
 - Reclaimed wood storage
 - Warehousing and administrative offices
- Construction to begin in mid 2022
- Start of production slated for mid 2024



COST REDUCTION AND CONTINUOUS IMPROVEMENT INITIATIVES

Automation

- Invest in technology to automate repeatable tasks, thus reducing our reliance on manpower in a constrained labor environment and improving job satisfaction, efficiency, quality and throughput

Modernization

- Upgrade existing lines and older equipment with newer and proven technology to improve utilization, increase throughput and efficiency

Energy Utilization

- Through technology and machine upgrades, improve our energy utilization leveraging our ESG heritage

Material Processing

- Drive continuous improvement to increase material yield and widen the use of low-cost raw material supply





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⁽¹⁾
Core market size: \$8 billion⁽¹⁾ and growing

Outdoor living remains a leading home improvement market segment

Exterior property improvements capture 38% of home improvement spending and is the fastest growing segment

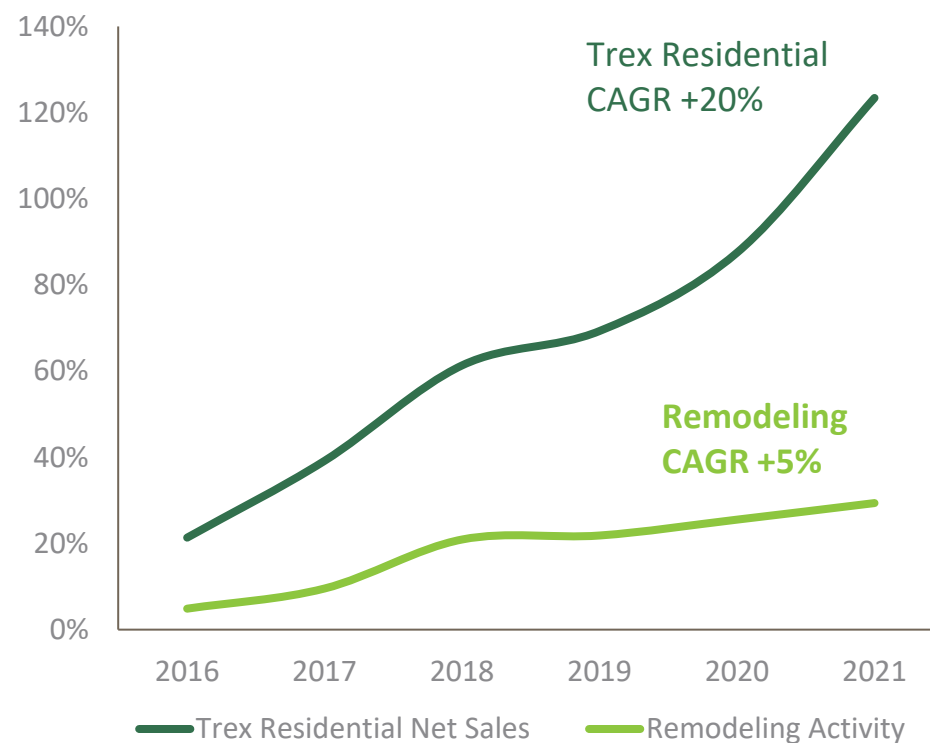
Increasing conversion from wood to composites

1% market share gain from wood = ~\$80M annual composite sales

Residential cumulative sales growth

Significantly outpaced gains in remodeling activity

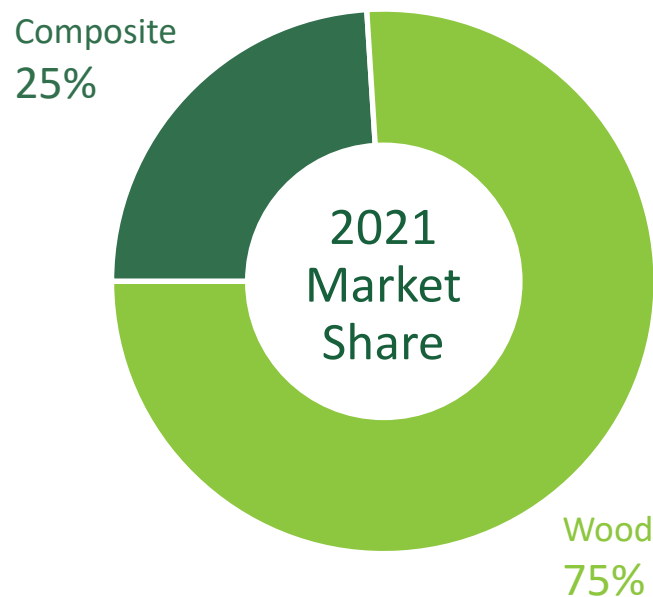
Cumulative Trex Residential Net Sales⁽²⁾ and Remodeling Activity⁽³⁾ Growth



(1) Market date includes decking and railing volume, per Principia report on wood and competitive decking
(2) Residential adjusted sales
(3) Joint Center for Housing Studies (US Residential)



WOOD IS OUR #1 COMPETITOR



$$\begin{array}{ccc} +1\% & = & \sim \$80\text{M} \\ \text{Market Share Increase} & & \text{Annual Composite Sales} \end{array}$$

Trex Outperforms Wood

Our high-performance, low-maintenance 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.

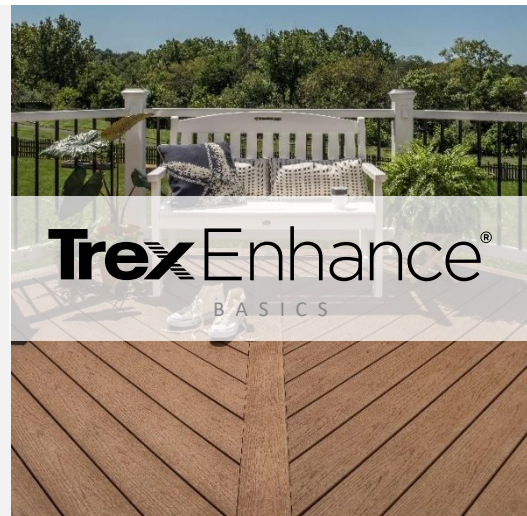


Unlike wood, Trex composite decking won't:

- ROT, WARP OR SPLINTER
- NEED SEASONAL PAINTING, SEALING OR STAINING
- FADE OR STAIN
- BECOME FOOD FOR TERMITES



2022 DECKING PRODUCT PLATFORM



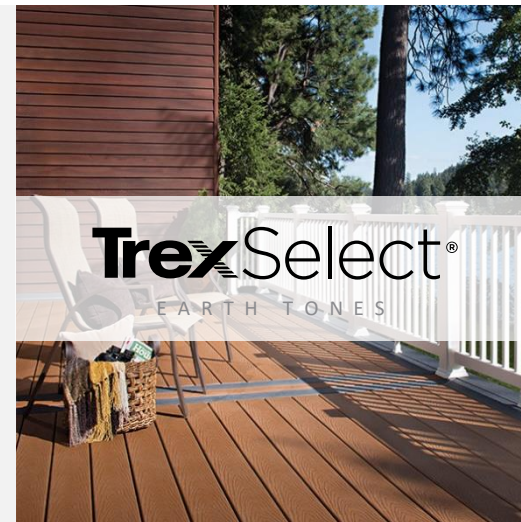
Priced to take share from
treated lumber

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



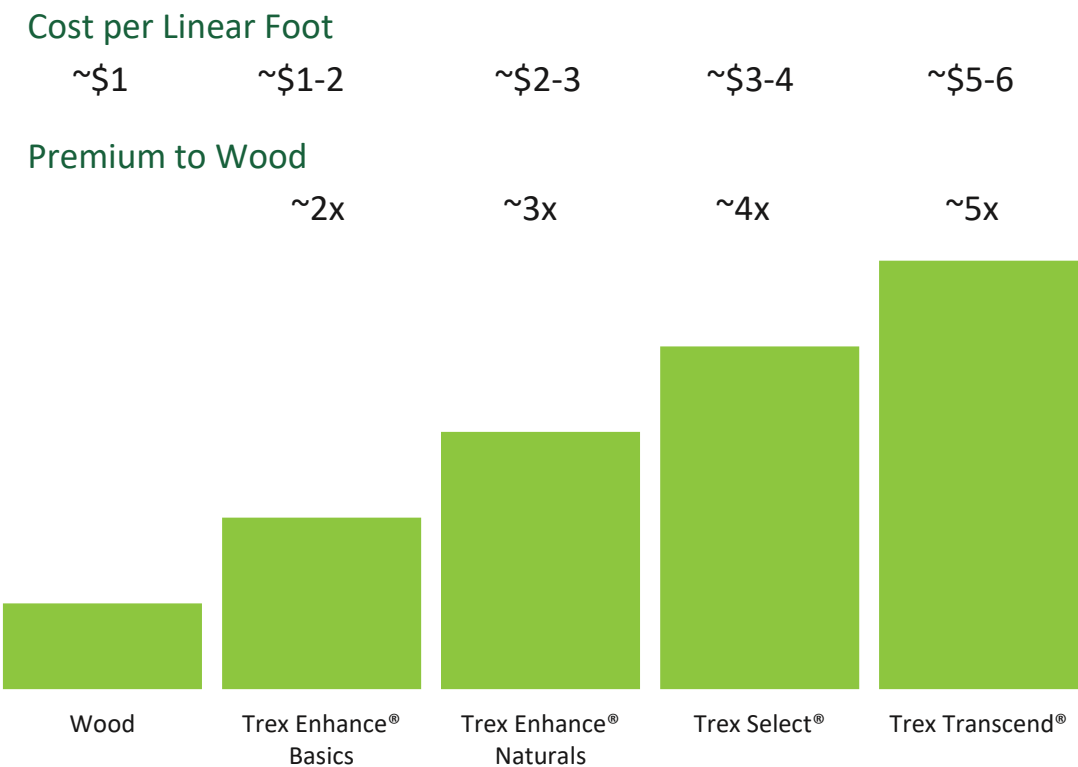
Elevated aesthetics paired
with the highest level of
performance

Premium tier
Discriminating homeowners
and contractors



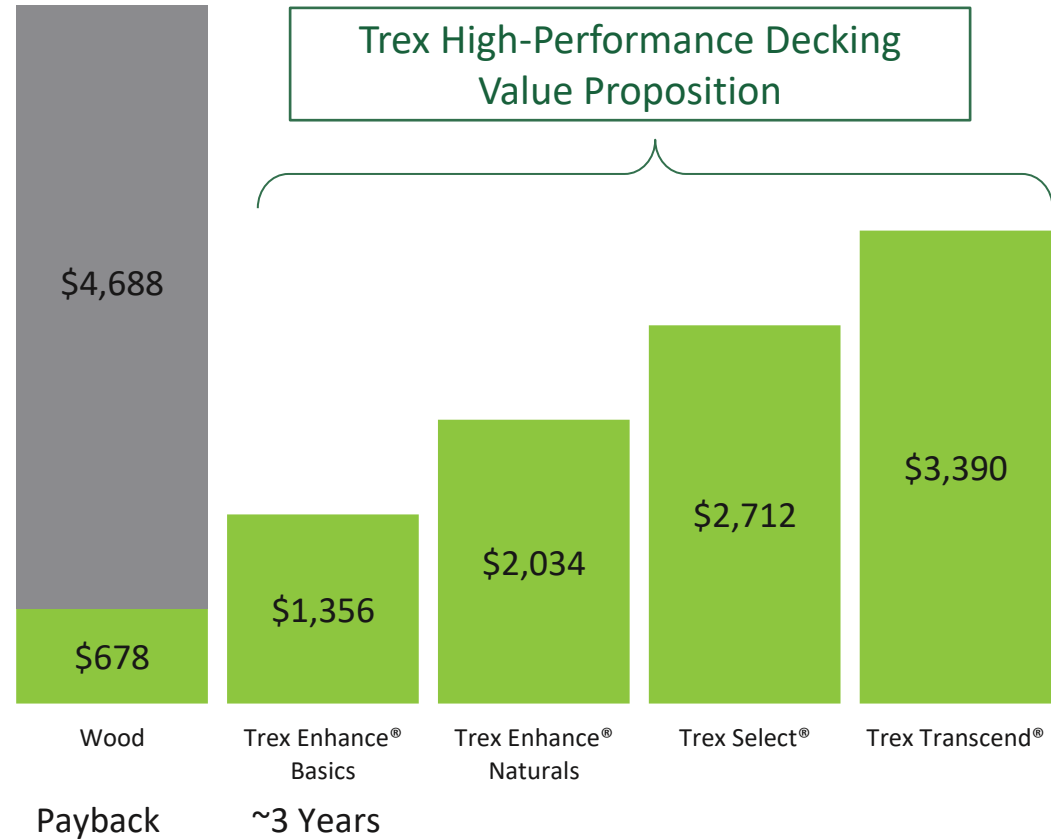
TREX: A SUPERIOR VALUE

Trex Decking vs. Wood ¹



1 - 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.

Attractive Lifetime Economics ²

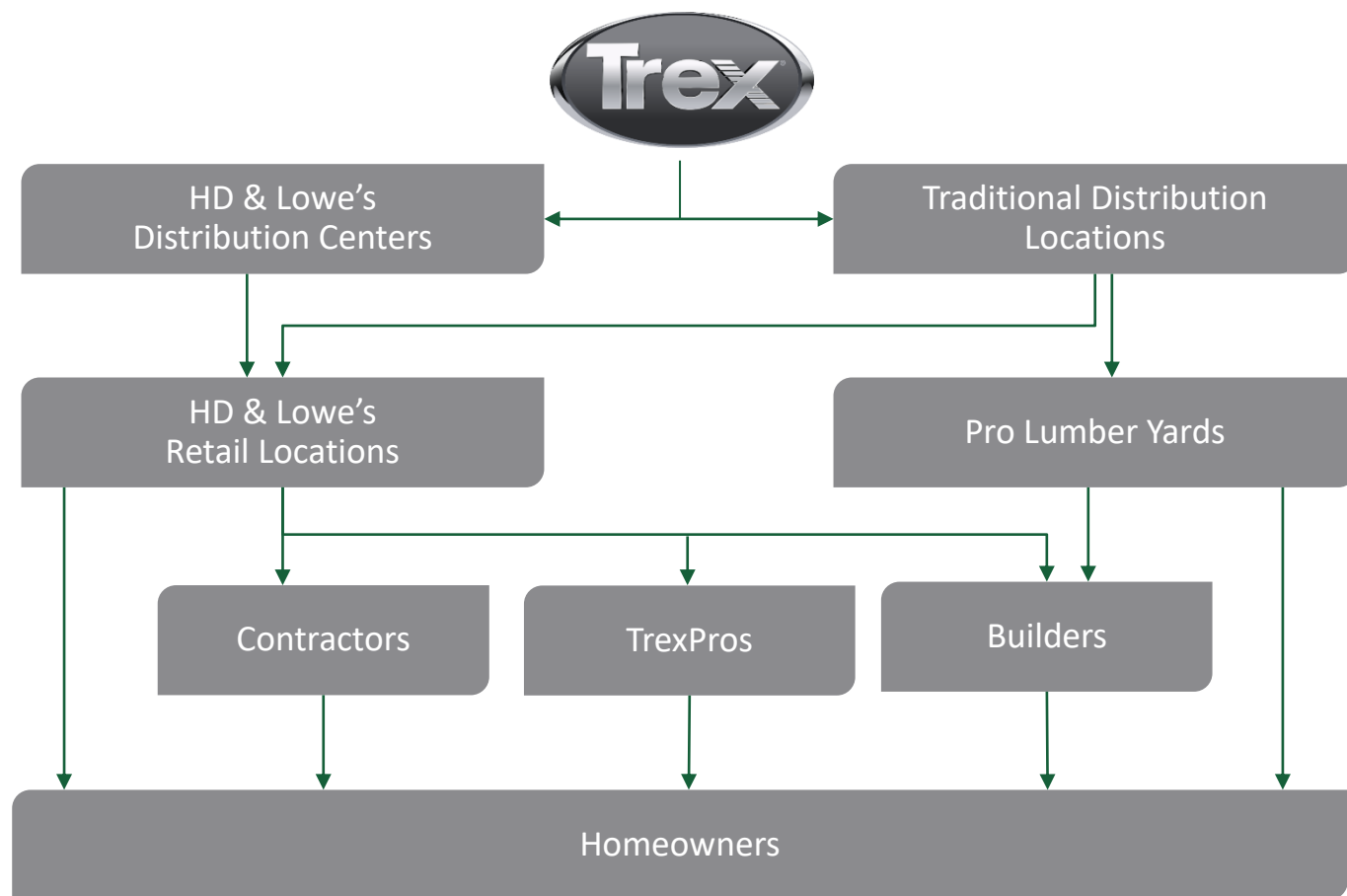


2 - Estimated Decking Costs and Maintenance Material Costs for a 16' x 20' (or 30 m²) deck over 25 years.

INDUSTRY LEADING REACH

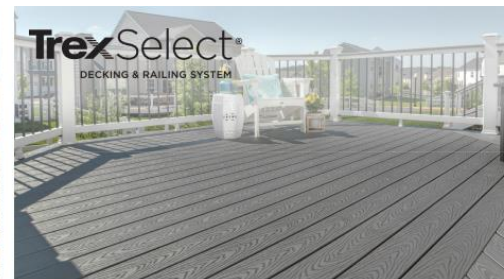
- Over 6,700 stocking locations
- Strongest distribution channel in industry
- Well-positioned to take on wood nationally

Distribution Partner Locations





FULL SUITE OF OUTDOOR LIVING PRODUCTS



Trex Protect™

Trex LatticeWorks™

Trex Spiral Stairs™

Trex Cornhole™

Trex Blade™
APPROVED COMPOSITE DECKING BLADE

Trex Glass

Trex Fencing



“WE SEE IT TOO” CAMPAIGN



- New 2022 marketing campaign is the largest in Trex history, positioning the Trex deck as the foundation of a lifetime of memories just outside the back door
- [A Lifetime of Memories | Trex Composite Decking \(60 Seconds\) - YouTube](#)
- The strength of the Trex brand with the consumer is the foundation for our market share leadership
- Trex brand awareness, leadership and commitment are at peak levels, driving the highest search interest in the composite decking category
 - Resulting in more web traffic, more leads, and more exposure for Trex dealers and contractors
 - Stocked in both national home improvement retailers
- Expanding brand internationally

THE SUN NEVER SETS ON A TREX DECK

- Targeted approach to new international 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
- Building global brand recognition



TREX COMMERCIAL PRODUCTS

- Enhances Trex presence in the Commercial Railing Market
 - Core market size \$1 billion
- A Market Leader in Stadium Railing
 - Dominant share of the market for railings used in newly built professional stadiums in North America
 - Soccer Stadium presence
 - Ascent® product awarded Best New Product by Glass Magazine
- Leverages relationships with developers, architects and contractors to grow market in less complex environments
 - 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





CAPITAL ALLOCATION STRATEGY

Putting Free Cash Flow to work through Investment in Core Business and Share Repurchases

Invest in Core

- >\$450M capital expenditures since 2016
- New capacity from \$200M capacity expansion to help meet higher demand levels
- 3rd site announced for start of production in 2024
 - ~\$400M in plant expenditures through 2025

Repurchase Shares

- \$425M in share repurchases over the past 10 years
- \$74M in FY21 repurchases
- \$75M in Q1'22 repurchases
- 7.2M remaining share repurchases authorized

2022 GUIDANCE

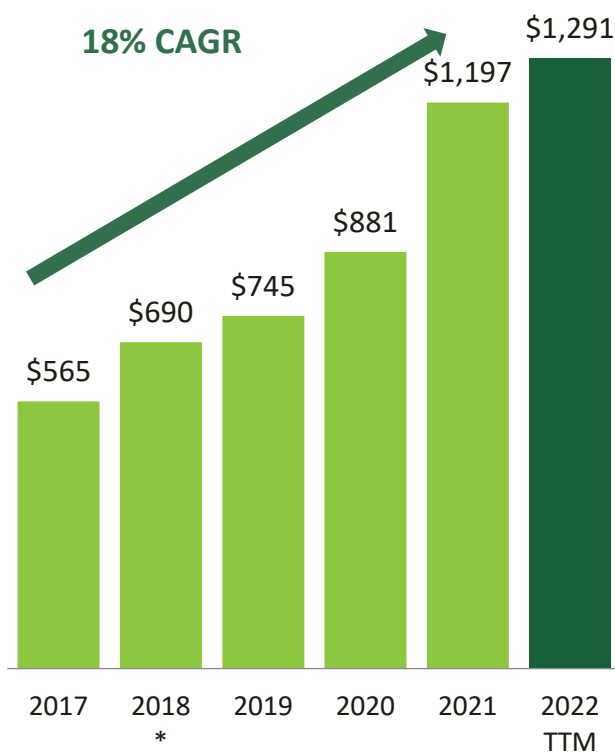
- Revenue: Strong double digit growth
 - Building blocks of year over year growth
 - Pricing
 - Pre-pandemic growth
 - Wood conversion
 - Less; 2021 channel infill
- Incremental EBITDA margin: 30-35%
- CapEx: \$200-220M
- SG&A % of sales: 12-13%
- Depreciation and amortization: \$40-45M
- Tax rate: 25%



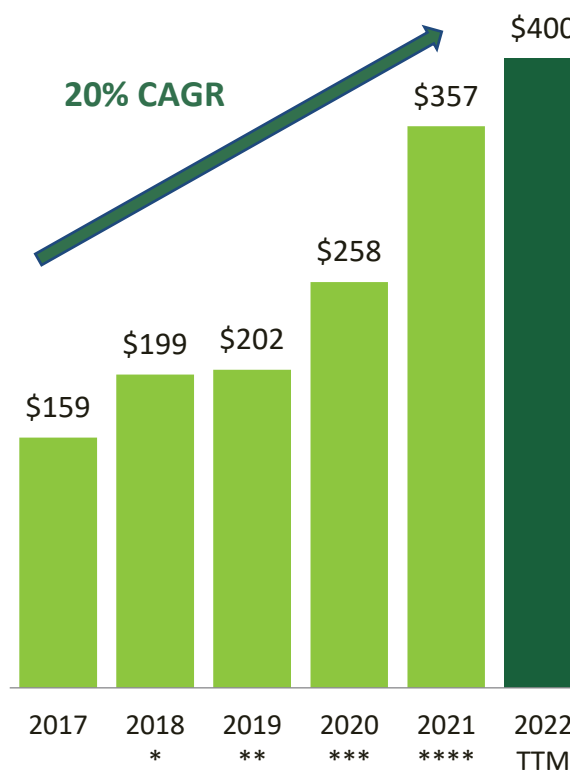


ATTRACTIVE LONG-TERM RESULTS

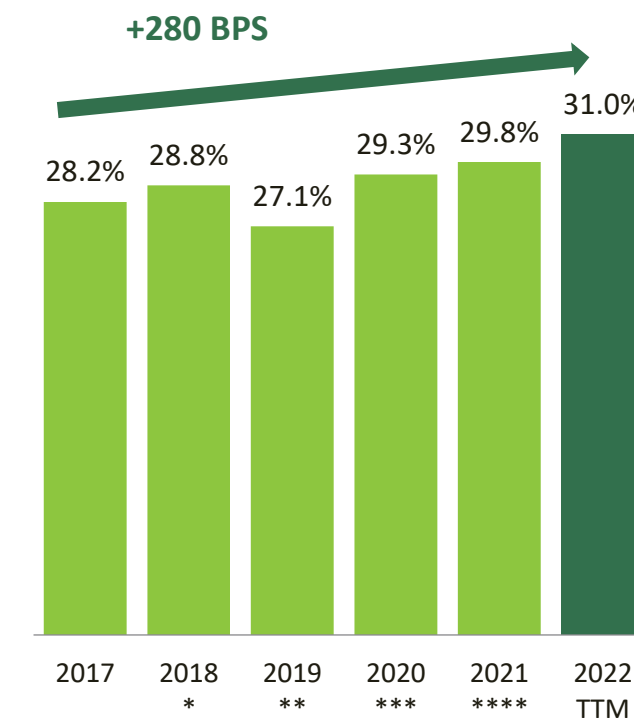
Consolidated Adjusted Sales
(\$Ms)



Consolidated Adjusted EBITDA
(\$Ms)



Consolidated Adjusted
EBITDA Margin



- * 2018 results exclude \$6M non-recurring Sales charge
- ** 2019 results include \$16M of startup and other costs related to new Enhance product launch
- *** 2020 results exclude \$6.5M legacy non-cash surface flaking charge
- **** 2021 results exclude \$54M goodwill impairment and \$8.7M gain on insurance proceeds

LEADERSHIP & RECOGNITION



Trex was again recognized in 2022 with a Best of Houzz Design award.



Trex was named one of Forbes 2021 America's Best Mid-size Companies, capturing the 12th spot on the list.



For the fourth time in the study's 15-year history, Trex earned top honors across all of the measured criteria for the Composite/PVC Decking category. Trex also outperformed all other brands in the Deck Railing category as well, further reinforcing its unparalleled prominence and preference among trade professionals.



For the 12th consecutive year, Trex® earned the designation "greenest" decking in the industry by the readers and once again received the highest score for decking in the Green Builder Media Brand Index.



Trex was recognized as America's most trusted outdoor decking brand by Lifestory Research in 2021.



Trex Signature® Railing was listed on *Green Builder Media's* 2021 list for "Hot 50 Products".



Lifestory Research America's Most Trusted Brand Survey named Trex® America's Most Trusted Outdoor Decking Brand



Trex was honored with the 2022 Green Builder Sustainable Product of the Year for **Trex® AR Deck Visualizer**

ESG - ENVIRONMENTAL

Products Born From Sustainable Innovation

Sustainability is built-in to our products, and we continually seek ways to strengthen our ESG performance

Trex Product Footprint Improvements

We reduced the lifecycle footprint per foot of our decking in every impact category between 2016 and 2019

- ↓ 9.5% GHG emissions
- ↓ 2.7% Air pollutants
- ↓ 10.3% Fossil fuel use
- ↓ 12.7% Acidification
- ↓ 50% Eutrophication
- ↓ 2.1% Smog
- ↓ 27% Water use from public supply
- ↓ 2.3% Cooling water use

Environmental Stewardship

UPCYCLING OUR RAW MATERIALS

We don't just recycle diverted wastes. We upcycle them, meaning we create a product of higher value and greater utility than the original materials

PROCESS WASTE RECYCLING

~100% production scrap recycled internally

WATER CONSERVATION

~99% Water recycled annually with closed-loop cooling systems across our Virginia and Nevada manufacturing facilities

CLEAN AIR TECHNOLOGIES

We recorded **ZERO** environmental compliance issues at our manufacturing operations in 2020



ESG - SOCIAL

Investing in Our People

FAIR AND EQUITABLE PAY

- We strive to be an industry leader in terms of hourly wages, salary and total compensation
- We regularly review our compensation structures for signs of emerging inequities along gender or ethnicity lines

DIVERSITY, EQUITY AND INCLUSION

- We are committed to offering a diverse, equitable and inclusive work environment
- Inclusivity forms the core of our approach to recruitment, training, engagement, retention and career development
- We continued refining our strategy to increase diversity in our workforce and ensure all employees feel supported and empowered to thrive in their roles

25%

WOMEN IN
WORKFORCE

26%

WOMEN IN
MANAGEMENT

20%

DIVERSE
EMPLOYEES

33%

WOMEN ON
BOARD OF
DIRECTORS

Social Impact in Our Communities

Through our recycling programs and community investment projects, we make a lasting impact on people and the planet

ENVIRONMENTAL OUTREACH

- We are one of the largest recyclers of polyethylene film bags, wraps and packaging in North America
- We are a leader in educating and engaging both the commercial and consumer sectors in recycling efforts
- From 2011 to 2020 approximately 3.5 million pounds of waste plastic film recycled through our community outreach programs
- Our NexTrex program has over 32,000 collection locations across the United States and Canada

COMMUNITY INVESTMENT

- Golden Award from United Way for our donation
- Feeding America
- Yellow Ribbon Fund

\$2.2 Million

COMMUNITY INVESTMENT BY TREX
AND ITS EMPLOYEES OVER THE
LAST SEVEN YEARS

ESG - GOVERNANCE

Board of Directors

STRONG BLEND OF STABILITY, EXPERIENCE AND DIVERSE PERSPECTIVES

- Separate CEO and Chairman
- Six current or former Chief Executive Officers
- 33% female directors
- Six independent directors
- Four board members with experience serving on other public company boards

Executive Compensation

THE CORE PRINCIPLES OF THE COMPANY'S EXECUTIVE COMPENSATION PROGRAM

- Pay competitively
- Pay-for-performance
- Utilize a Total Compensation Perspective
- Create an ownership culture - align executive officers' interests with those of our stockholders
- Improved financial performance

Directors and Officers Hold Significantly More Than Their Required Minimum Stock Holdings ¹

	Officers	Outside Directors
Required Shares	44,175	21,318
Shares Owned and Held	421,419	178,236
Multiple of Requirement Held	9.54	8.36

¹ Data is presented as an aggregate number of shares held by officers and directors, respectively. Data as of December 31, 2021. Figures vary from those in our 2019 ESG Report due to a two-for-one stock split of the company's common stock in September 2020, as well as increases in the company's stock price.

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** announced a 3rd production site in Little Rock, AR

Continuous engineering and manufacturing improvements drive significant operating leverage

- **Low-cost Manufacturing**; targeted investments to improve line throughput
- **Cost Reduction Initiatives** are driving savings; manufacturing automation and modernization, improved energy utilization and raw material processing
- **Sustainability** built into the business; “Greenest” decking manufacturer
- **Recycling** – a strategic and cost advantage

Focus on new product development

- **Expand Offering** of eco-friendly decking and railing products for a breadth of audiences, leverage commercial segment to develop products for the consumer market, and continually drive cost savings from other synergies
- **New Products** tailored to reach new consumer segments

Strong Balance Sheet and Cash Generation

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





Engineering What's Next
in Outdoor Living®

APPENDIX





SUMMARY FINANCIALS

\$ Millions	2017	2018	2019	2020	2021	TTM Q1 2022
Adjusted Sales	\$565	\$690	\$745	\$881	\$1,197	\$1,291
Adjusted Gross Profit	\$243	\$301	\$307	\$366	\$461	\$500
<i>Adjusted Gross Margin %</i>	<i>43.1%</i>	<i>43.6%</i>	<i>41.1%</i>	<i>41.5%</i>	<i>38.5%</i>	<i>38.7%</i>
Adjusted SG&A	\$101	\$118	\$118	\$126	\$140	\$148
<i>% of Net Sales</i>	<i>18%</i>	<i>17%</i>	<i>16%</i>	<i>14%</i>	<i>11%</i>	<i>11%</i>
Adjusted Oper Income	\$142	\$183	\$188	\$240	\$321	\$352
<i>% of Net Sales</i>	<i>25%</i>	<i>26%</i>	<i>25%</i>	<i>27%</i>	<i>27%</i>	<i>27%</i>
Depreciation	\$17	\$16	\$14	\$18	\$36	\$48
Adjusted EBITDA	\$159	\$199	\$202	\$258	\$357	\$400
<i>% of Net Sales</i>	<i>28%</i>	<i>29%</i>	<i>27%</i>	<i>29%</i>	<i>30%</i>	<i>31%</i>
Free Cash Flow	\$87	\$104	\$89	\$17	\$100	\$364
Net Debt	-\$31	-\$106	-\$149	-\$122	-\$141	-\$115
Adjusted ROIC	67.5%	62.6%	52.5%	46.9%	46.7%	n/c



NON-GAAP RECONCILIATIONS

\$ Millions	2017	2018	2019	2020	2021	TTM 2021	TTM 2022
GAAP Sales	\$565	\$684	\$745	\$881	\$1,197	\$926	\$1,291
2018 Net Sales charge for product repositioning		\$6					
Adjusted Sales	\$565	\$690	\$745	\$881	\$1,197	\$926	\$1,291
GAAP Gross Profit	\$243	\$295	\$307	\$359	\$461	\$366	\$500
Legacy product warranty reserve				\$6		\$6	
2018 Net Sales charge for product repositioning		\$6					
Adjusted Gross Profit	\$243	\$301	\$307	\$366	\$461	\$372	\$500
GAAP Operating Income	\$142	\$177	\$188	\$234	\$275	\$243	\$307
Legacy product warranty reserve				\$6		\$6	
2018 Net Sales charge for product repositioning		\$6					
Trex Commercial Products Goodwill Impairment					\$54		\$54
Gain on insurance proceeds at Trex Residential					-\$9		-\$9
Adjusted Operating Income	\$142	\$183	\$188	\$240	\$321	\$249	\$352
GAAP Net Income	\$95	\$135	\$145	\$176	\$209	\$182	\$232
GAAP Income Tax / Interest / Depreciation / Amortization	\$64	\$59	\$57	\$76	\$103	\$83	\$123
Legacy product warranty reserve				\$6		\$6	
2018 Net Sales charge for product repositioning		\$6					
Trex Commercial Products Goodwill Impairment					\$54		\$54
Gain on insurance proceeds at Trex Residential					-\$9		-\$9
Adjusted EBITDA	\$159	\$199	\$202	\$258	\$357	\$270	\$400
GAAP Operating Cash Flows	\$102	\$138	\$156	\$187	\$258	\$153	\$486
GAAP Investing Cash Flows	-\$87	-\$34	-\$67	-\$171	-\$158	-\$208	-\$123
Add back Acquisitions	\$72						
Free Cash Flow	\$87	\$104	\$89	\$17	\$100	-\$54	\$364
GAAP Diluted EPS *	\$0.81	\$1.14	\$1.24	\$1.51	\$1.80	\$1.57	\$2.00
Impact of Adjustments to OI (net of tax)	\$0.00	\$0.03	\$0.00	\$0.04	\$0.30	\$0.04	\$0.39
Adjusted Diluted EPS *	\$0.81	\$1.17	\$1.24	\$1.55	\$2.10	\$1.60	\$2.40

* Prior Period EPS and Adjusted EPS restated for impact of June 18, 2018 and September 15, 2020 2-for-1 stock splits.



Engineering What's Next
in Outdoor Living®

Trex Company, Inc.
NYSE: TREX

INVESTOR RELATIONS CONTACT:

Vicky Nakhla

AdvisIRy Partners

vnakhla@trex.com

646-625-4800

or

Dennis Schemm

Senior Vice President and CFO

dschemm@trex.com

540-542-6300

© 2022, Trex Company, Inc.