



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

NYSE:TREX

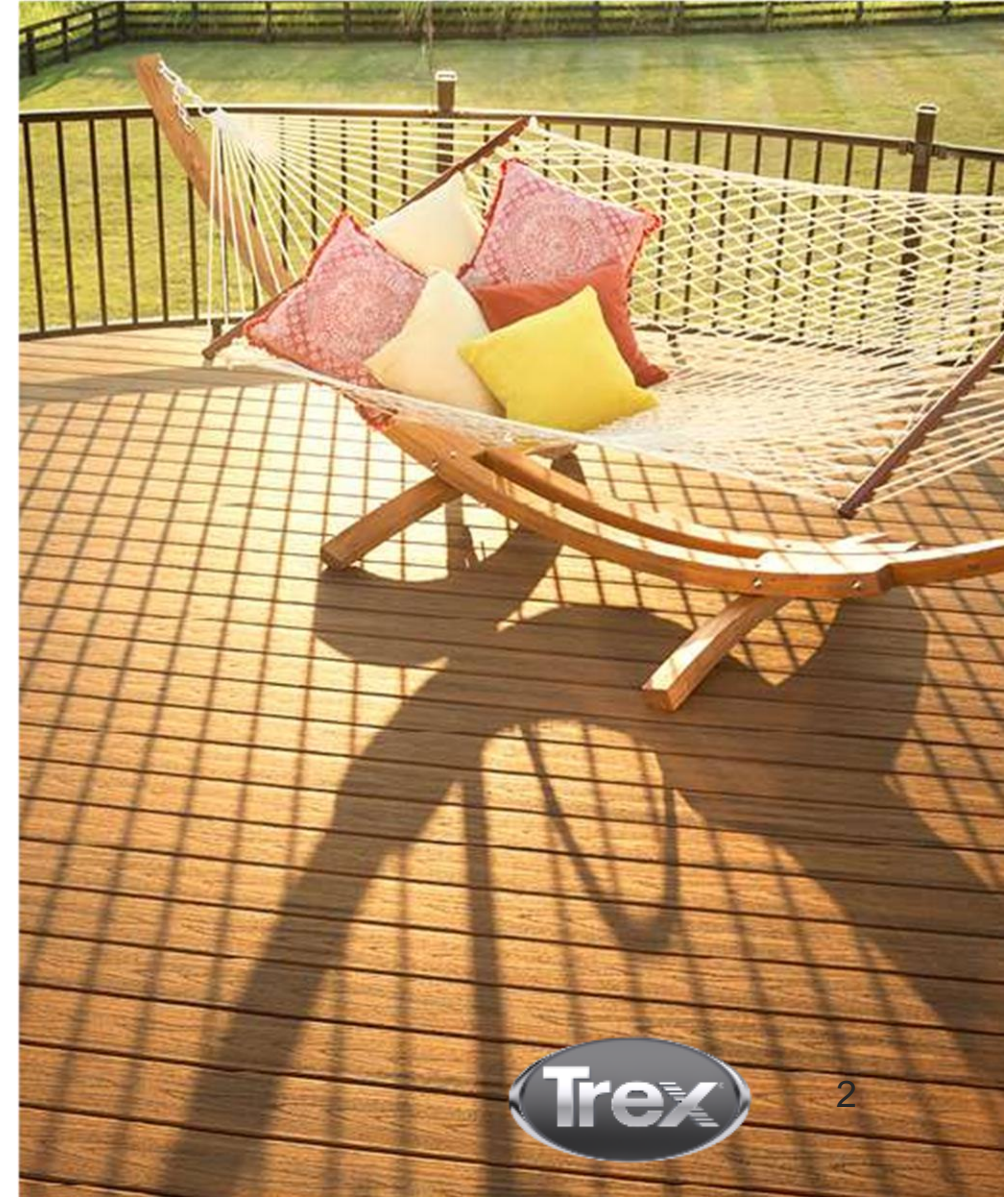
Investor Presentation

June 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.



Trex Company Strategic Growth Drivers

Disciplined investment strategies driving consistent profitable growth

Leveraging the Trex Brand	Expanding Reach	Optimizing Operations	Capital Allocation
<ul style="list-style-type: none">• Wood conversion• Digital capabilities• Consumer engagement• Channel presence• Licensing	<ul style="list-style-type: none">• Contractor focus• DIY• Geographic• Trex Commercial Products• Strengthening distribution network	<ul style="list-style-type: none">• Cost reduction• Vertical integration• Unique recycling business model• Manufacturing throughput increase	<ul style="list-style-type: none">• Reinvesting in the business• M&A opportunities & integration• Share repurchases



Environmental, Social and Governance (ESG)

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: 500M+ 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

SUSTAINABILITY REPORT | 2018

IN CONTRAST TO ACO-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

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

Figures rounded to the nearest 10. This comparison requires 25' wide decks (1.00 Trex decks, 1.00 treated wood decks) for a 25' wide deck. Trex 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>



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

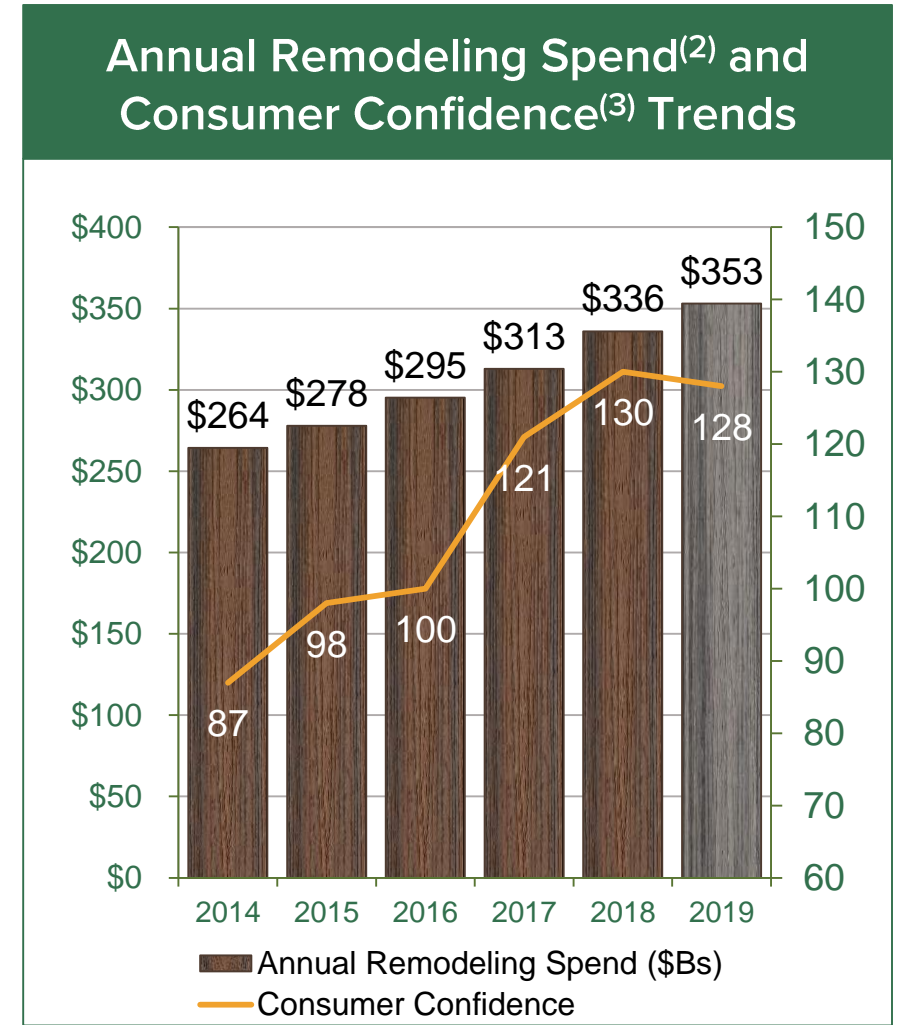
- Exterior property improvements capture 34% of home improvement spending

Increasing conversion from wood to composites

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

Repair and remodeling projected to grow 5%+ for 2019⁽²⁾

- Strong correlation between Trex Sales, Remodeling Spending and Consumer Confidence



(1) Principia report on wood and competitive decking

(2) Joint Center for Housing Studies

(3) Consumer Confidence (NAR U.S. Economic Outlook: May 2019)



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

- “Best of Houzz” design award, 5th year in a row
- #1 preferred decking brand, PRODUCTS Brand Use Survey
- Readers’ Choice award for greenest decking brand from *Green Builder* magazine, 8th year in a row
- *Builder* magazine 2018 Brand Use Study’s “Brand used most”, “Brand used most in the past two years”, and top position in the “quality” category

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



Wood is our #1 Competitor

2016 Market Share

Composite
17%



Wood
83%

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

Principia Partners 2016; based on decking LF sold. Trex expects next independent report covering 2017/18 market share data will be available in mid-2019



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

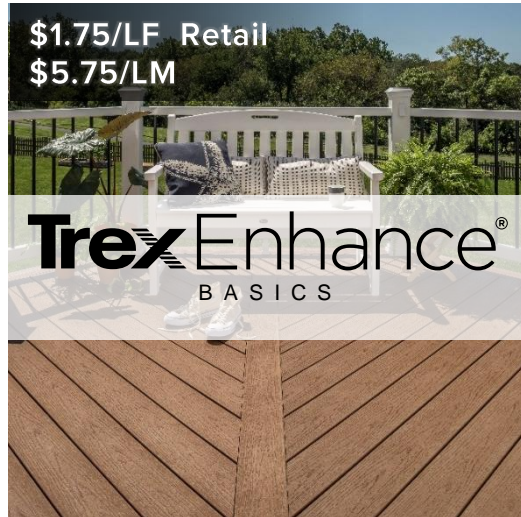


- Tropical looks, attractively priced
 - \$2.50/LF
- Trade-up opportunity from “Basic” wood buyers



2019 Decking Product Platform

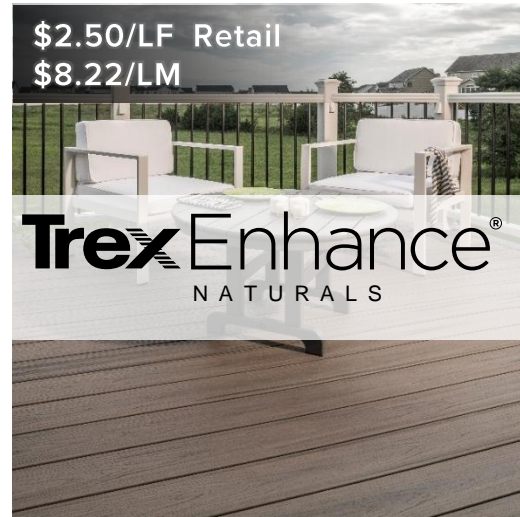
NEW for 2019



Priced to take share
from treated lumber

Low-cost tier

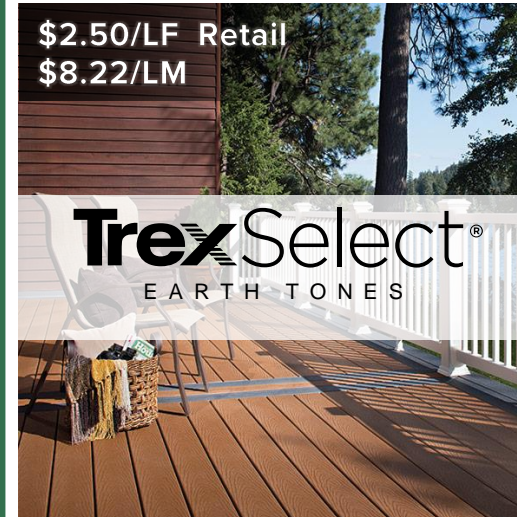
*We've engineered cost
out of the equation*



The beauty of wood
with the ease of
composite

Middle tier

(wood trade-up opportunity)



The perfect pairing
of price and minimal
maintenance

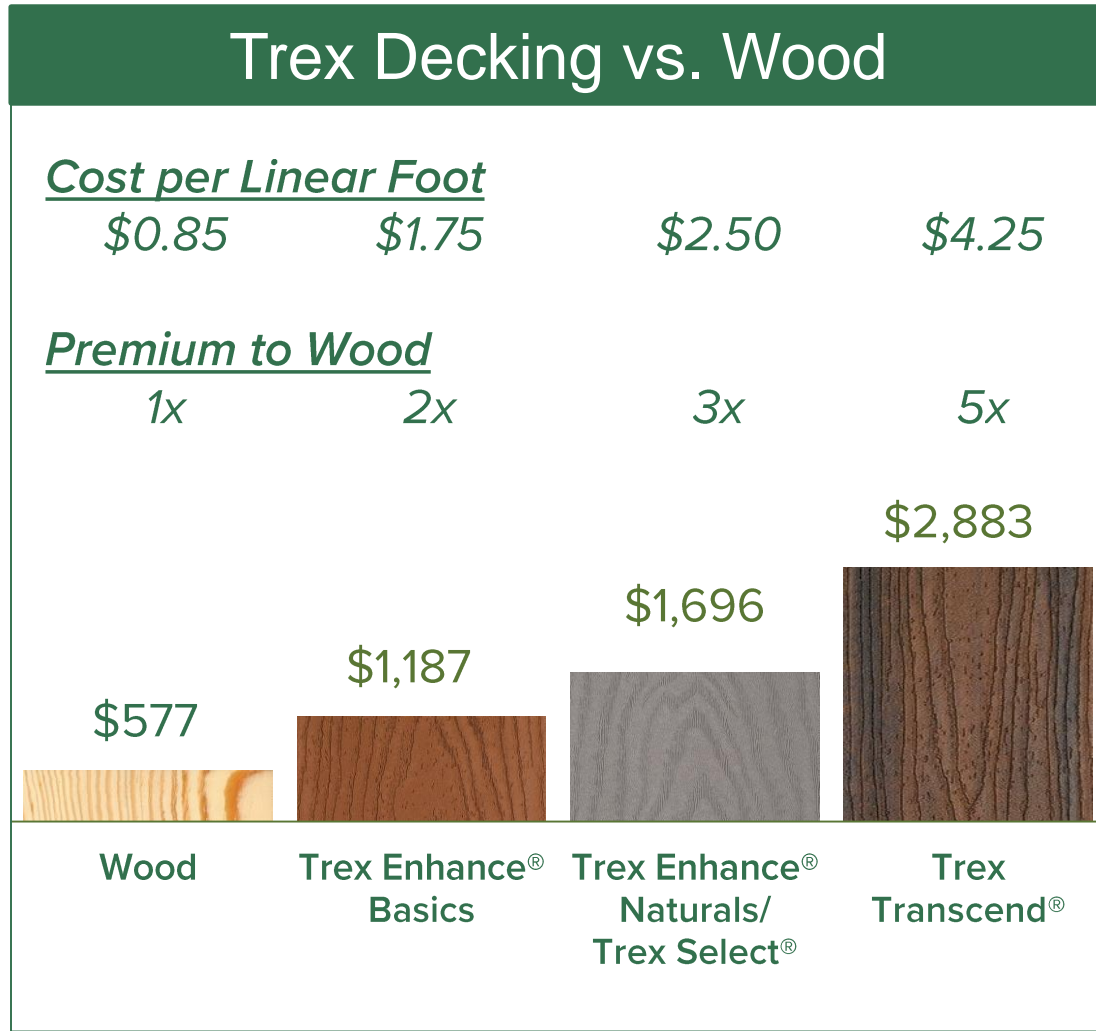


Elevated aesthetics
paired with the
highest level of
performance

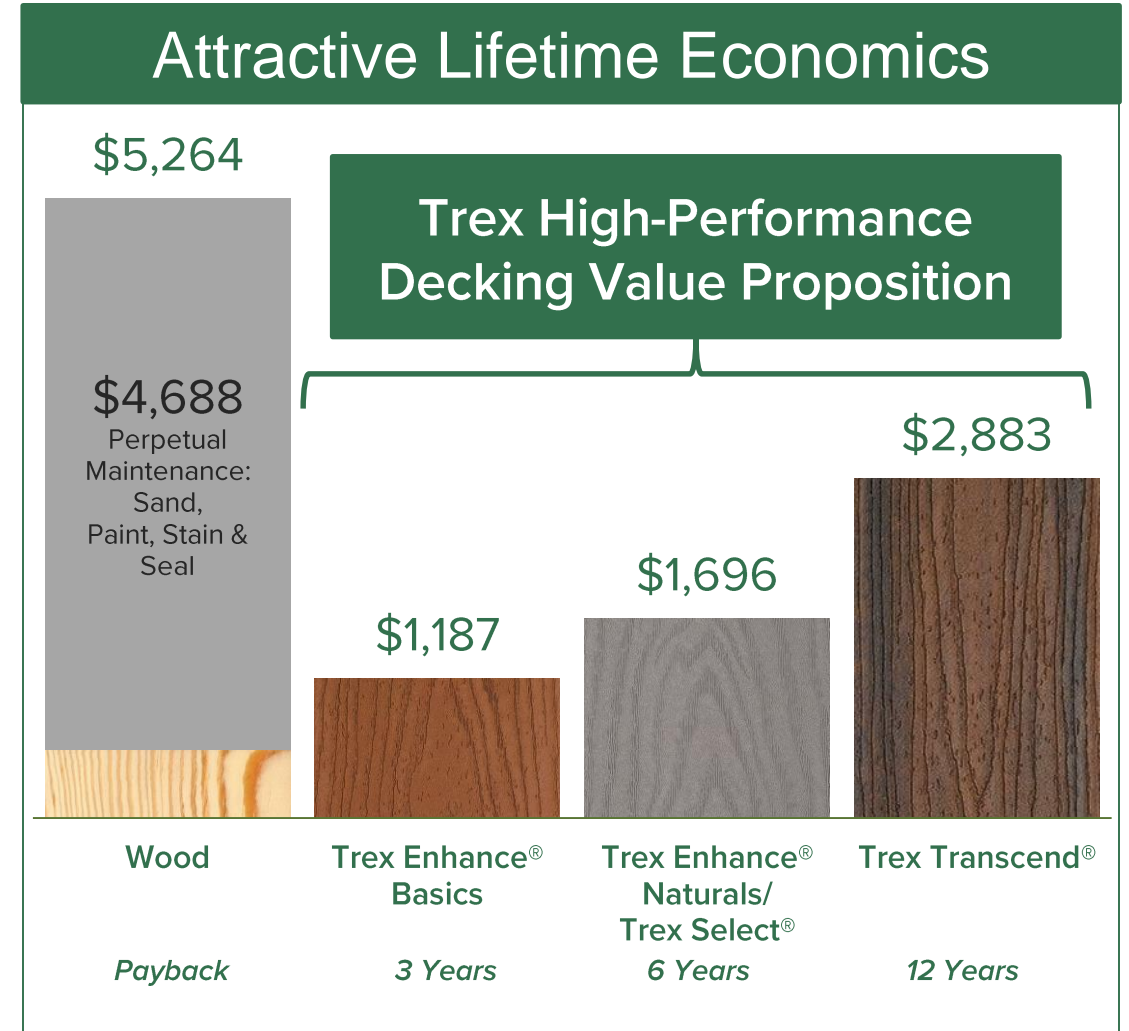
Premium tier



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.



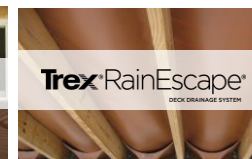
Estimated Decking Costs and Maintenance Material Costs for a 16' x 20' (or 30 m²) deck over 25 years.



Full Suite of Outdoor Living Products

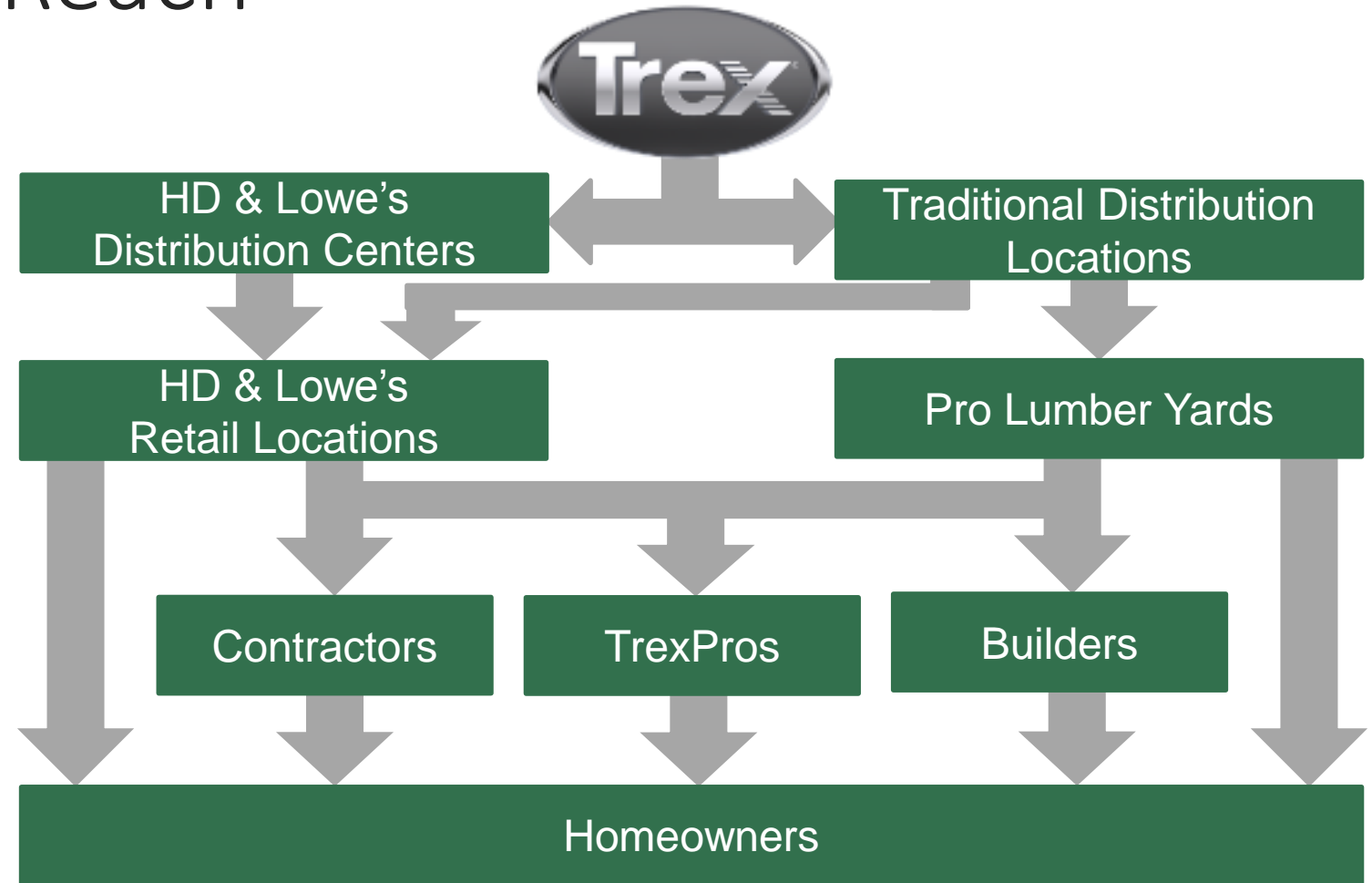


Licensed Products



Industry Leading Reach

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



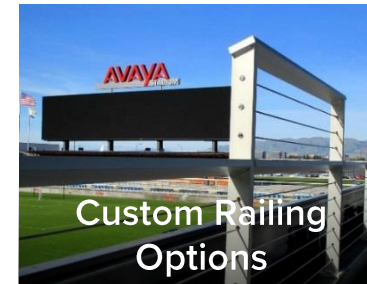
International Growth

- 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
- Targeted EBITDA margin expansion to 20%+
- Offers Trex synergy and growth opportunities
 - Three railing lines to date have been engineered by Commercial Products and commercialized by Residential Products



Major Projects

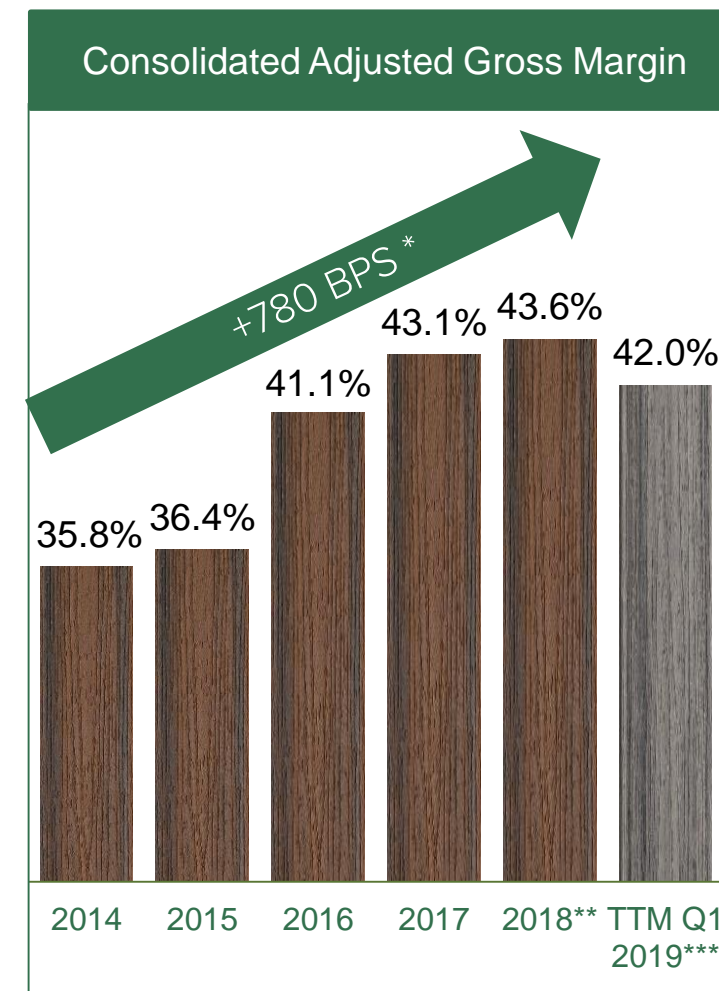
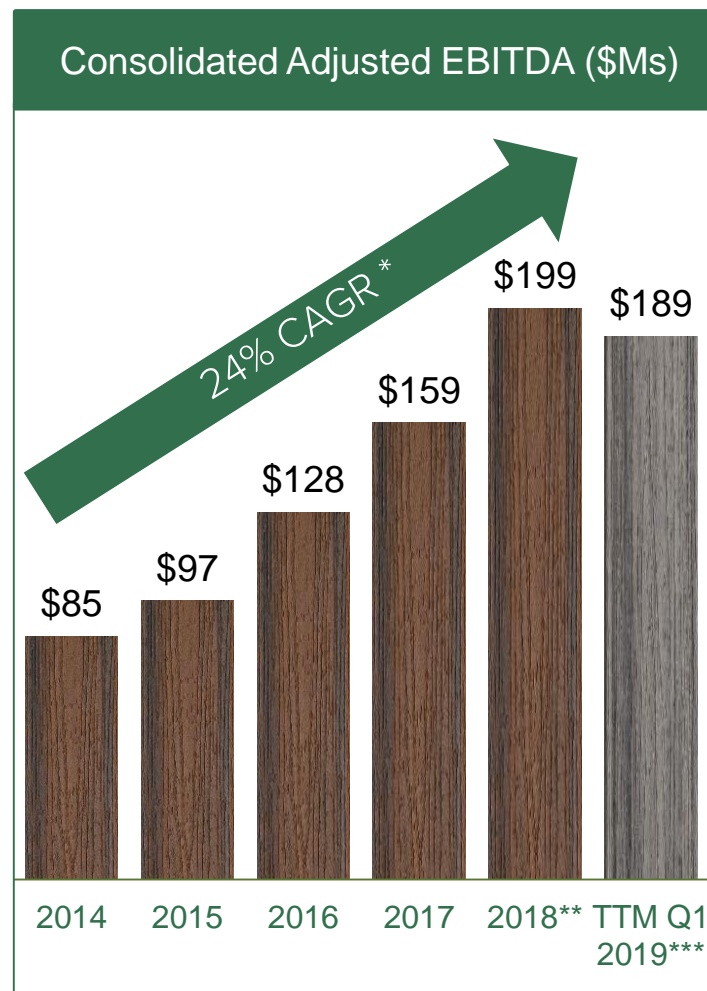
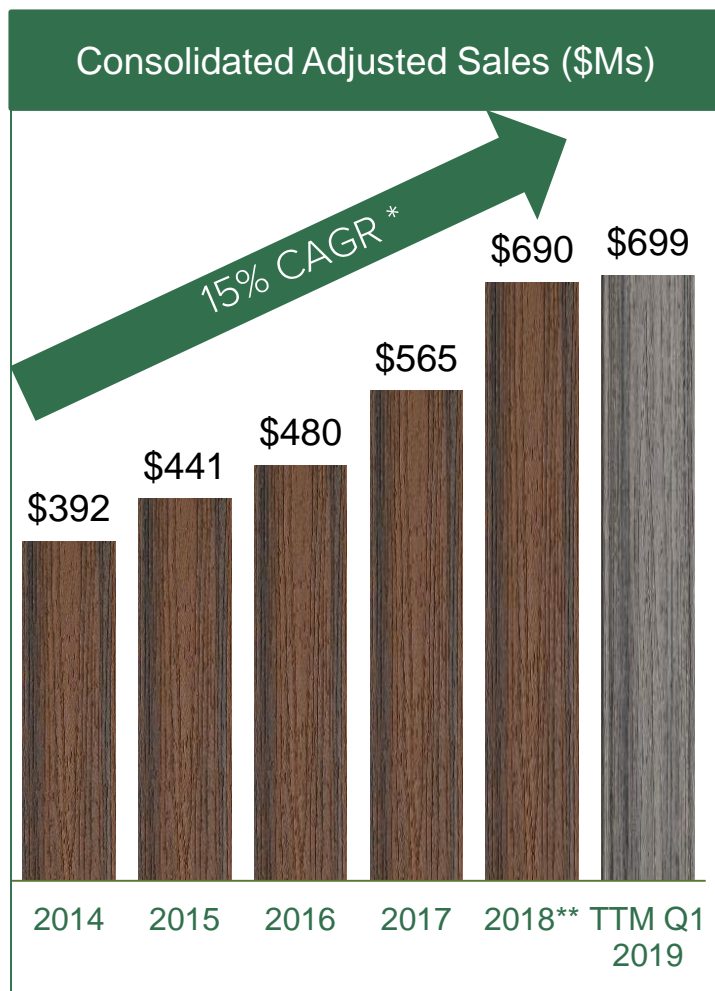


(1) 2018 Sports Business Awards by SportsBusiness Journal and SportsBusiness Daily



Financial Performance

Solid Long Term Results



* Calculations based on full year results through 2018

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

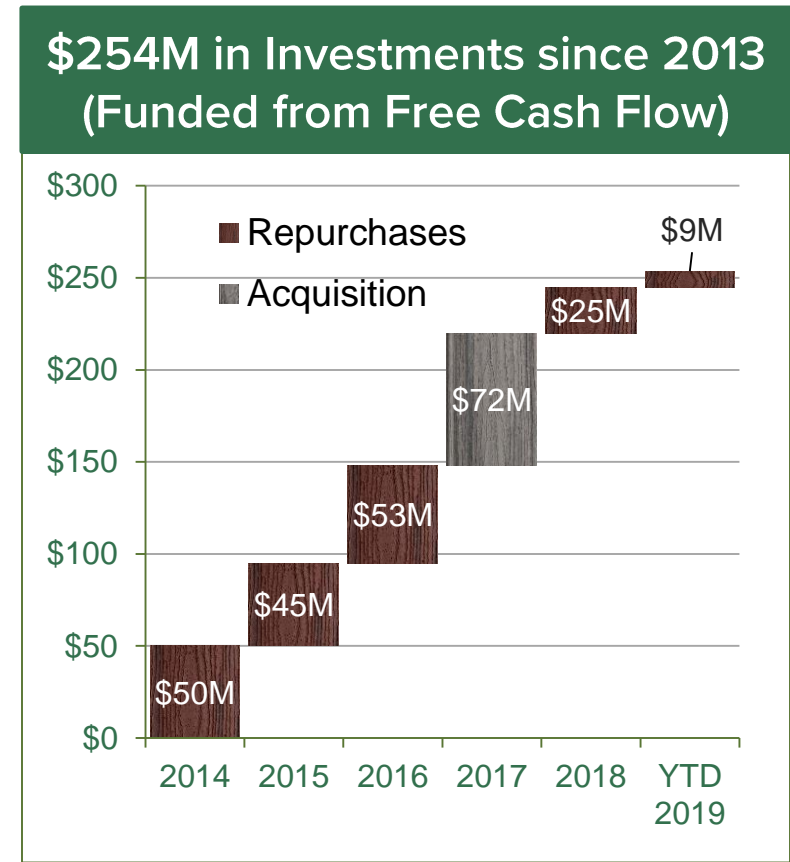
*** TTM Q1 2019 results include \$10M of Startup and Other Manufacturing Costs



Capital Allocation Strategy

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

- \$95M capital expenditures since 2014
- 780 bps consolidated gross margin expansion since 2014
- \$182M in return of capital to shareholders since 2014
- Acquisition of SC Company providing brand and product extension into commercial railing market
- 5.2M 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**



A photograph of a modern building interior featuring a prominent curved staircase with glass railings and stainless steel handrails. The space is bright and open, with a curved ceiling and recessed lighting. In the background, there are colorful chairs and a large white pillar. The word "Appendix" is centered in the middle of the image.

Appendix

Summary Financials

\$ Millions	2014	2015	2016	2017	2018	TTM Q1 2019
Adjusted Sales	\$392	\$441	\$480	\$565	\$690	\$699
Adjusted Gross Profit	\$140	\$160	\$197	\$243	\$301	\$294
<i>Adjusted Gross Margin %</i>	35.8%	36.4%	41.1%	43.1%	43.6%	42.0%
Adjusted SG&A	\$70	\$77	\$83	\$101	\$118	\$119
<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%	25%
Depreciation	\$15	\$14	\$14	\$17	\$16	\$15
Adjusted EBITDA	\$85	\$97	\$128	\$159	\$199	\$189
<i>% of Net Sales</i>	22%	22%	27%	28%	29%	27%
Free Cash Flow	\$46	\$39	\$75	\$87	\$104	\$89
Net Debt	-\$10	\$1	-\$19	-\$31	-\$106	\$27
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 Q1 2019 results include \$10M of Startup and Other Manufacturing Costs



Non-GAAP Reconciliations

\$ Millions	2014	2015	2016	2017	2018	Q1 2018	Q1 2019	TTM Q1 2018	TTM Q1 2019
GAAP Sales	\$392	\$441	\$480	\$565	\$684	\$171	\$180	\$592	\$693
2018 Net Sales charge for product repositioning					\$6				\$6
Adjusted Sales	\$392	\$441	\$480	\$565	\$690	\$171	\$180	\$592	\$699
GAAP Gross Profit	\$140	\$155	\$187	\$243	\$295	\$77	\$69	\$255	\$288
2013/2015/2016 legacy product warranty reserve for pre-2008 Nevada production		\$5	\$10		\$6				
2018 Net Sales charge for product repositioning									\$6
Adjusted Gross Profit	\$140	\$160	\$197	\$243	\$301	\$77	\$69	\$255	\$294
<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>44.8%</i>	<i>38.6%</i>	<i>43.1%</i>	<i>42.0%</i>
GAAP Operating Income	\$68	\$77	\$104	\$142	\$177	\$48	\$39	\$148	\$168
2013/2015/2016 legacy product warranty reserve for pre-2008 Nevada production		\$5	\$10		\$6				
2018 Net Sales charge for product repositioning									\$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	\$48	\$39	\$148	\$174
GAAP Net Income	\$42	\$48	\$68	\$95	\$135	\$37	\$32	\$104	\$129
GAAP Income Tax	\$25	\$29	\$35	\$47	\$42	\$10	\$8	\$43	\$40
GAAP Net Interest	\$1	\$1	\$1	\$0	-\$0	\$0	-\$0	\$0	-\$0
GAAP Depreciation/Amortization	\$15	\$14	\$14	\$17	\$17	\$5	\$3	\$18	\$15
2013/2015/2016 legacy product warranty reserve for pre-2008 Nevada production		\$5	\$10						
2018 Net Sales charge for product repositioning					\$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	\$52	\$43	\$166	\$189
GAAP Operating Cash Flows	\$59	\$63	\$85	\$102	\$138	-\$98	-\$110	\$90	\$126
GAAP Investing Cash Flows	-\$13	-\$23	-\$10	-\$87	-\$34	-\$5	-\$9	-\$88	-\$37
Add back Acquisitions	-\$0	-\$0	-\$0	\$72				\$72	\$0
Free Cash Flow	\$46	\$39	\$75	\$87	\$104	-\$104	-\$119	\$74	\$89
GAAP Debt	\$0	\$7	\$0	\$0	\$0	\$85	\$35	\$85	\$35
Less: GAAP Cash	-\$10	-\$6	-\$19	-\$31	-\$106	-\$3	-\$8	-\$3	-\$8
Net Debt	-\$10	\$1	-\$19	-\$31	-\$106	\$82	\$27	\$82	\$27
GAAP EPS *	\$0.63	\$0.76	\$1.14	\$1.61	\$2.28	\$0.63	\$0.54	\$1.77	\$2.19
Impact of Adjustments to OI (net of tax)	\$0.67	\$0.87	\$0.12	\$0.00	\$0.08	\$0.00	\$0.00	\$0.00	\$0.08
Adjusted EPS *	\$1.31	\$1.63	\$1.26	\$1.61	\$2.35	\$0.63	\$0.54	\$1.77	\$2.26

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





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