

#### Safe Harbor



This presentation contains "forwardlooking 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 forwardlooking 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 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.



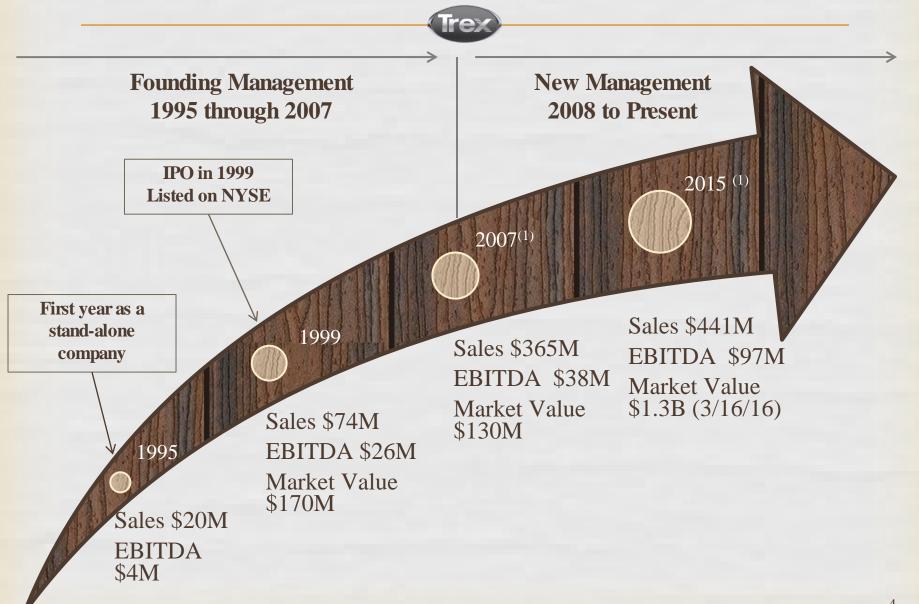
### Trex Recycling Heritage



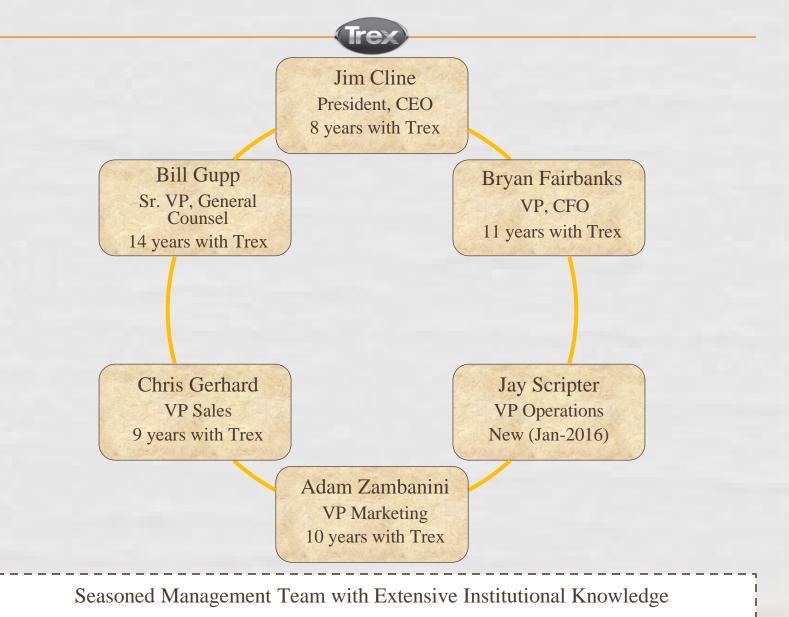
- > "Green" is not just a buzz word
  - It's in our DNA
  - Company founded on recycling principals
- ➤ Decking is made from 95% recycled content
  - Diversion of over 400 million pounds of plastic and wood from landfills each year
- Expansive recycling network
  - Corner stores to national retailers
  - Partnerships with community recyclers
  - Plastic Bag Challenge through schools
- ➤ Made in the USA



#### Trex Company History



### Executive Leadership



#### Trex Markets

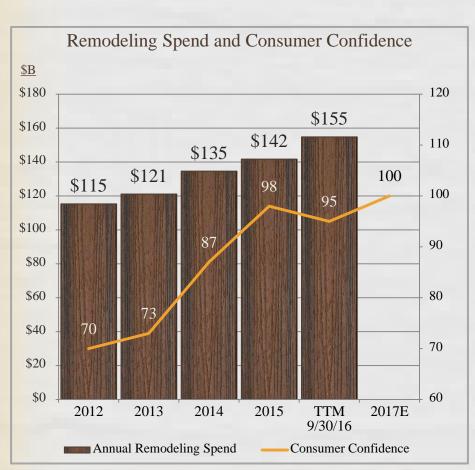


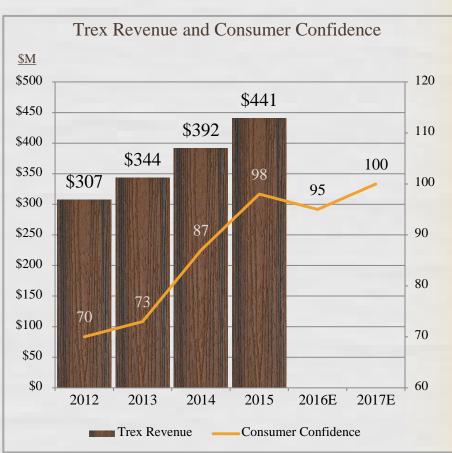


#### Key Economic Indicators



Consumer Confidence and Remodeling Spending correlate with Trex Revenue: Indicators signal continued growth for 2016 and 2017





### Market Opportunity



- Core Markets (North America)
  - U.S. Residential (1)

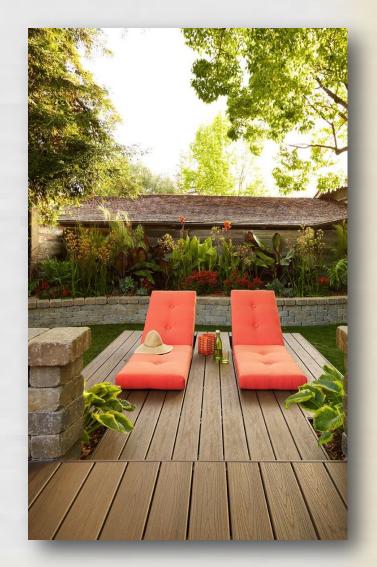
\$6B

- ➤ Growth Markets
  - Specialty Materials (2)

\$6B

- International
- Commercial

Over \$12 billion in annual opportunity



<sup>(1)</sup> Joint Center for Housing Studies

<sup>(2)</sup> Census Bureau

#### U.S. Market Dynamics



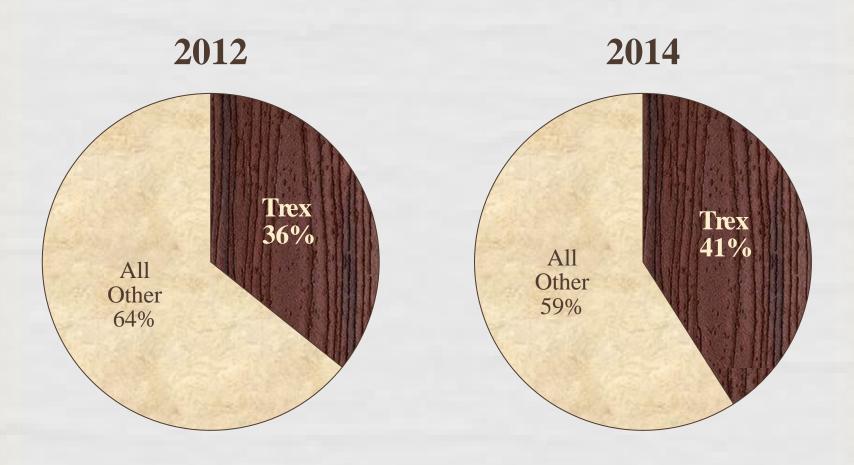
- Significant conversion to woodalternatives
- Housing age continues to increase (40% built from 1950 to 1980)
- Existing home sales on the rise
- Repair and remodeling projected growth
- Exterior property improvements/ replacements capture 34% of home improvement spending
- Growing desire for building unique outdoor living spaces



#### Wood-Alternative Market Share: N.A.



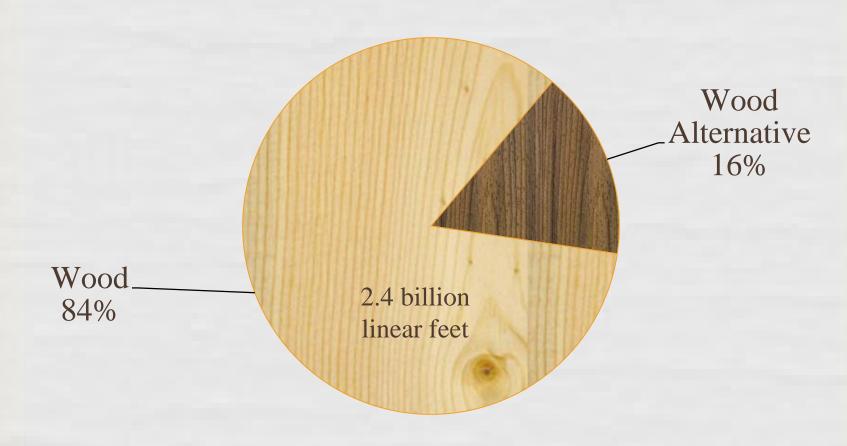
Trex has demonstrated residential market share gains



## Wood Conversion Opportunity: N.A.



Further opportunity for conversion from wood to wood-alternatives



# Company Overview





### The Trex Economic Engine



#### The Power of the Brand

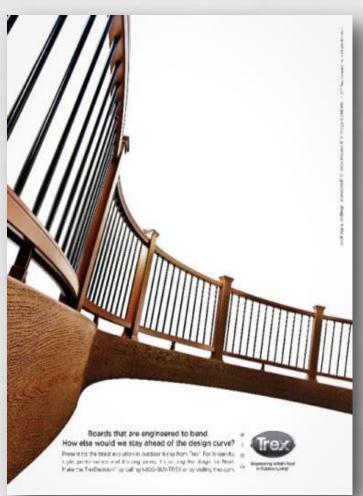




### Industry's Most Recognized Brand



- > Award-winning campaign
- ➤ Multi-faceted strategy
  - TV, print, digital
    - Optimizing digital presence
  - National consumer and trade advertising during peak season
  - Targeting dealers,
     contractors, and consumers
- Continue to grow leading brand awareness position



### Branding Campaign



- ➤ "Engineering What's Next in Outdoor Living""
  - Reinforces Trex's leading presence in the woodalternative market
  - Driving millions of media impressions and increased website visits
- Expanding our industryleading global reach



#### Branding Campaign





- » Available in a wide range of colors that can complement any home and never need sanding, staining or painting
- » Won't rot, split, splinter or crack
- » Stain resistant and washes clean with just a little soap and water or power washing
- » Termite proof
- » Guaranteed to still look and feel great for 25 years

- » Requires constant upkeep and needs seasonal painting, staining or sealing
- » Becomes a safety hazard when it rots, splits and splinters

VS.

- » Stains easily and requires extensive work to clean
- » Termites' favorite food, the insects can cause extensive structural damage
- » Color fades over time

### Cost Comparison over 25 Years



Trex significantly lowers the cost and effort of maintaining a deck over 25 years

\$8,667

\$2,740

\$0 Maintenance



Trex Select®

\$3,015

\$0 Maintenance



Trex Enhance®

\$4,380

\$0 Maintenance



Trex Transcend®

\$7,813 Maintenance

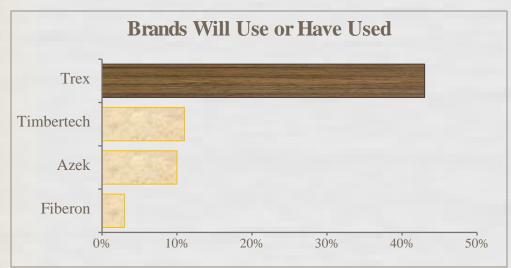
Annual:
Sand
Paint/stain
Seal
Power wash
(Materials Only)

\$854 Materials

Wood

## Branding Leadership









# Low-Cost Manufacturing

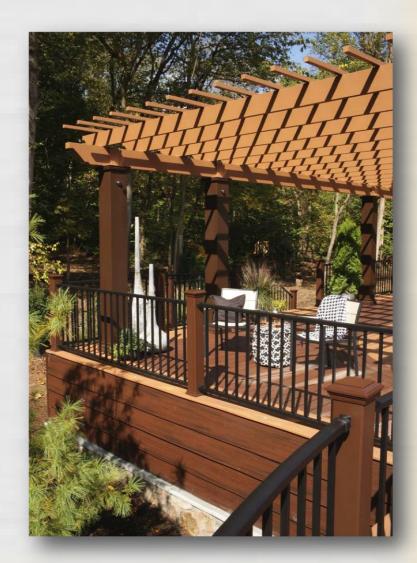




#### World-class Manufacturing Methods

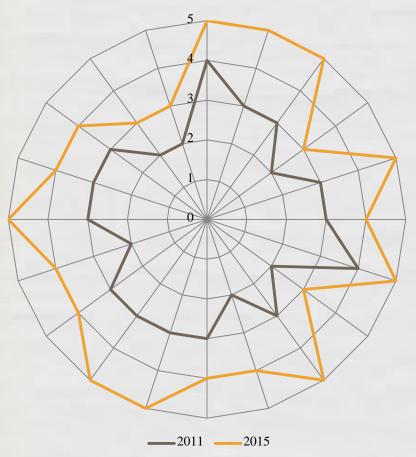


- An established culture of safety & quality
  - Lean 20 Keys of Excellence
- Optimizing lower cost recycled raw materials
- Improving productivity to drive additional capacity
- Real-time plant performance intelligence
- Cash generation through asset velocity



### Lean 20 Keys of Excellence





Focused on continuous improvement utilizing Lean strategies



## High-Performance Products





#### Decking and Railing Platforms



Decking



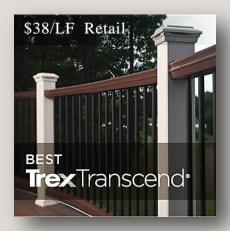




Railing

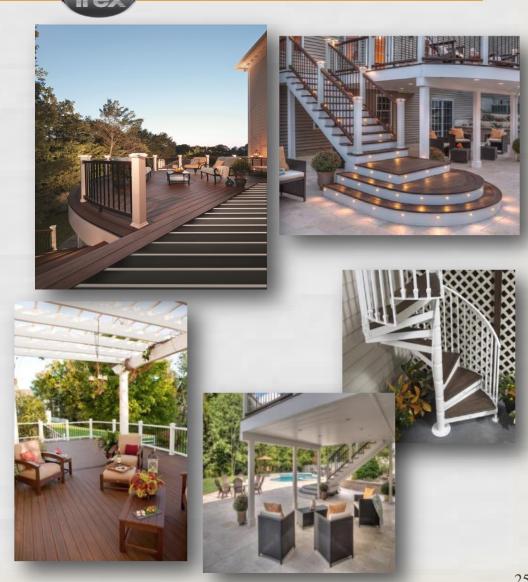






## Other Product Offerings

- > Elevations®
  - Steel Substructure
- Outdoor Lighting
- > Hidden fasteners
- Licensed Products
  - Pergolas
  - Outdoor furniture
  - Outdoor storage
  - Spiral stairs
  - RainEscape®
  - CustomCurve®
  - Saw blades



# Unparalleled Global Footprint





## Stocked in over 6,700 locations









Pro Lumber Yards

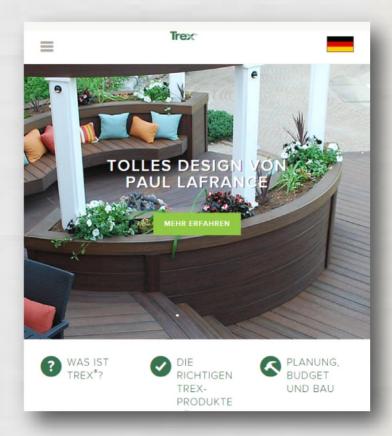


Global Expansion

#### Global Expansion



- Global brand recognition
- Trex now sold in 45 countries
  - Up from 2 in 2010
- Major Expansion Markets: Europe, Australia & Asia
  - Developing additional markets
- Market-specific product offerings



#### Specialty Materials



- > New Business
  - Pilot line began Q2 2014
  - Four lines now installed
- Target market is \$6B segment of the plastic film, sheet and bag market

- Strong Trex Business Fit
  - Leverages Trex core competencies of recycling and extrusion
  - Offsets cyclicality of core markets
  - Stable market seasonality



#### Financial Performance





#### Recent Financial Results



#### 2015 vs 2014

Revenue \$441M +13%

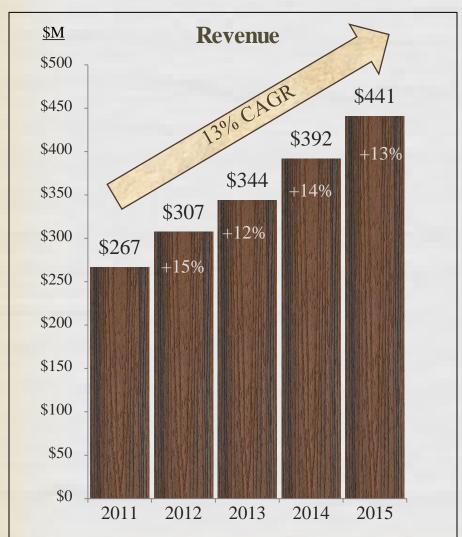
Gross
Margin<sup>(1)</sup>
36.9%
+110bps

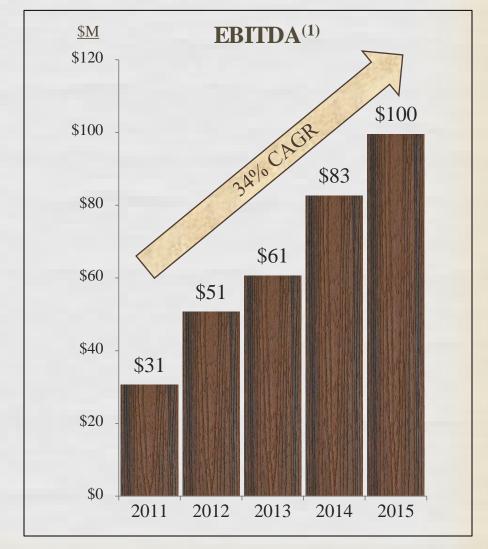
EBITDA<sup>(1)</sup>
\$99M
+20%

Record Revenue and Earnings

#### Consistent Financial Performance



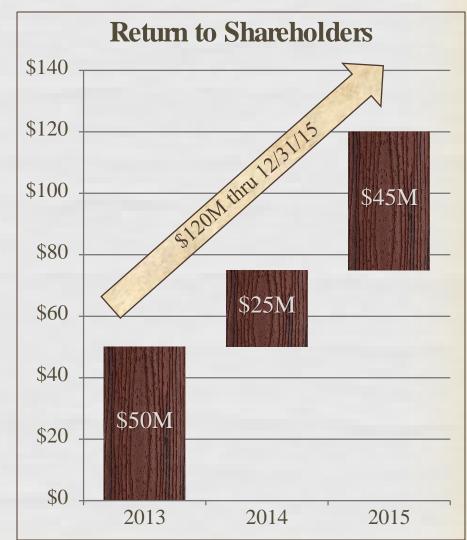




### Capital Structure Strategy



- Consistent strong cash generation providing for \$120M in return of capital to Shareholders from 2013 to 2015.
- ➤ 3.15M share purchase program recently authorized by the Board of Directors.
- Repurchases funded through free cash flow and \$100 million expansion of credit facility.



#### Trex Investment Summary



#### ➤ Global Leader

- High-performance product platform
- Award-winning branding
- Multiple distribution channels
- Innovative technologies

#### Strategic Growth

- Converting wood to WPC
- Advancing market share
- Global expansion
- Specialty materials

#### > Strong Balance Sheet

- Strong cash generation
- Competitive cost advantages
- Strategic flexibility
- Operational excellence



# Summary Financial Trends

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\$ Millions	2011	2012	2013	2014	2015	
Revenue	\$267	\$307	\$343	\$392	\$441	
Gross Profit	\$73	\$106	\$119	\$140	\$163	
Gross Margin %	27.3%	34.5%	34.6%	35.8%	36.9%	
SG&A	\$61	\$72	\$74	\$72	\$77	
% of Revenue	23%	23%	22%	18%	18%	
<b>Operating Income</b>	<b>\$12</b>	\$34	\$45	\$68	\$85	
% of Revenue	5%	11%	13%	17%	19%	
Depreciation	\$18	\$16	\$16	\$15	\$14	
EBITDA	\$31	\$51	\$61	\$83	\$99	
% of Revenue	11%	16%	18%	21%	23%	
Free Cash Flow	\$24	\$53	\$33	\$46	\$39	
Net Debt	\$50	\$3	-\$4	-\$10	\$1	
Inventory Turns	6.7	8.7	11.2	10.9	11.9	
Return on Equity	-4.0%	28.3%	48.1%	38.9%	47.4%	
Where applicable, amounts reflect non-GAAP results as reported in our SEC filings.						

