Growing Profitably

J.P. Morgan Homebuilding & Building Products Conference

May 14, 2019

TopBuild®

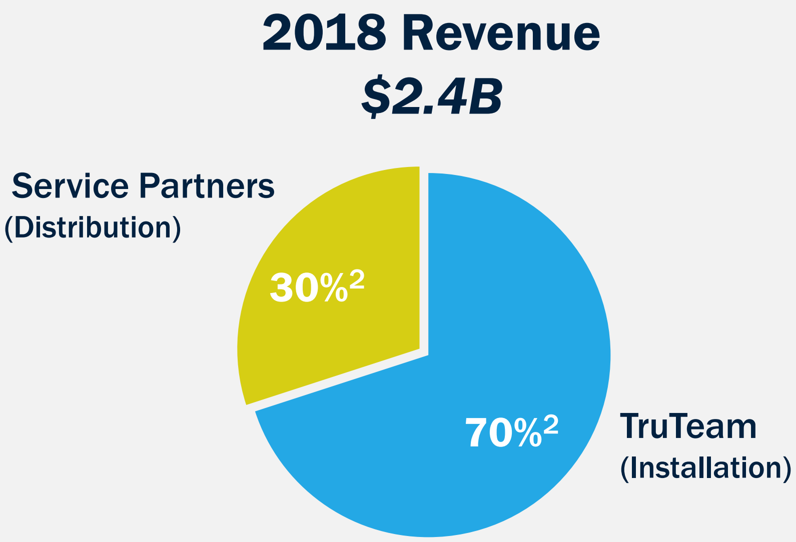
SAFE HARBOR

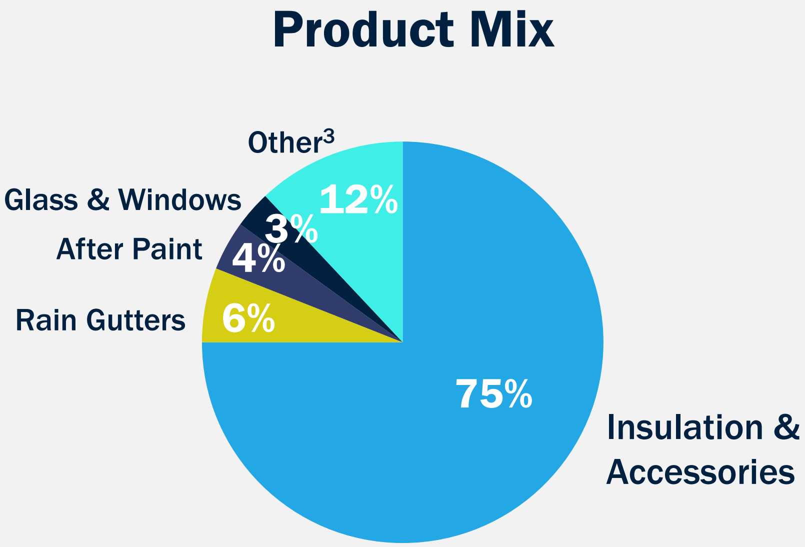
Statements contained in this presentation and during question and answer panels that reflect our views about our future performance constitute “forward-looking statements” under the Private Securities Litigation Reform Act of 1995. Forward- looking statements can be identified by words such as “believe,” “anticipate,” “appear,” “may,” “might,” “will,” “should,” “intend,” “plan,” “estimate,” “expect,” “assume,” “seek,” “forecast,” “anticipates,” “appears,” “believes,” “estimates,” “predicts,” “potential” or “continue,” the negative of these terms and similar references to future periods. These views involve risks and uncertainties that are difficult to predict and, accordingly, our actual results may differ materially from the results discussed in our forward-looking statements. We caution you against relying on any of these forward-looking statements. Our future performance may be affected by our reliance on residential new construction, residential repair/remodel and commercial construction, our reliance on third-party suppliers and manufacturers, our ability to attract, develop and retain talented personnel and our sales and labor force, our ability to maintain consistent practices across our locations and our ability to maintain our competitive position. We discuss many of the risks we face under the caption entitled “Risk Factors” in our 10K and Form 10Q filed with the SEC. Our forward-looking statements in this presentation speak only as of the date of this presentation. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. Unless required by law, we undertake no obligation to update publicly any forward-looking statements as a result of new information, future events or otherwise.

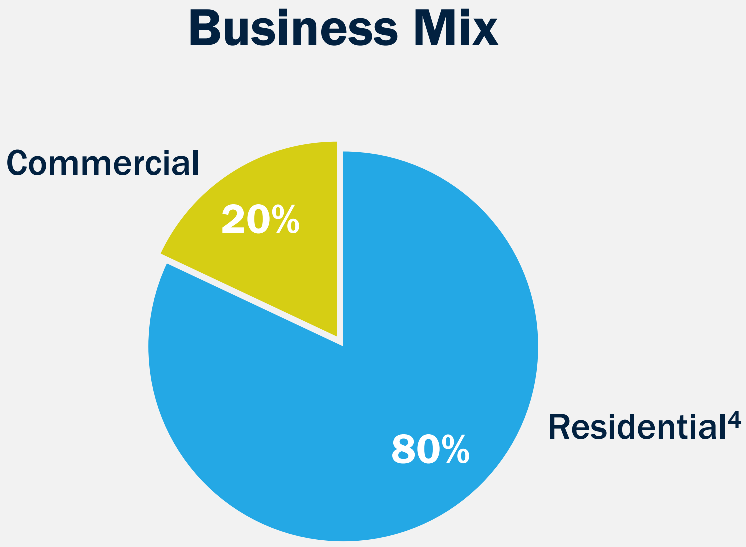
The Company believes that the non-GAAP performance measures and ratios that are contained herein, used in managing the business, may provide users of this financial information with additional meaningful comparisons between current results and results in prior periods. Non-GAAP performance measures and ratios should be viewed in addition to, and not as an alternative for, the Company's reported results under accounting principles generally accepted in the United States. Additional information about the Company is contained in the Company's filings with the SEC and is available on TopBuild's website at www.topbuild.com.

TOPBUILD AT-A-GLANCE

SPIN-DATE (from Masco)	HEADQUARTERS	MARKET-CAP[1]	U.S. EMPLOYEES
June 30, 2015	Daytona Beach, FL	$2.9B	10,000+







LARGEST PURCHASER, INSTALLER AND DISTRIBUTOR OF INSULATION IN THE U.S.

[1] As of 5/10/19; [2] Net of Eliminations [3]Primarily includes garage doors, fireplaces, firestopping and fireproofing; [4] Includes repair and remodel.

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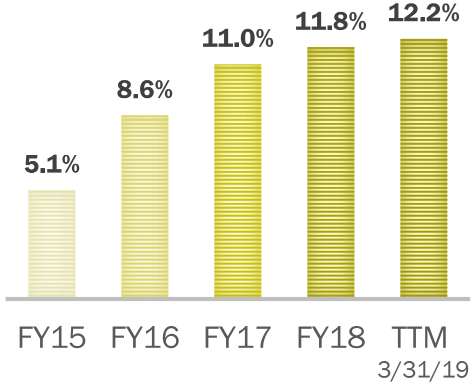
TWO BUSINESS SEGMENTS

TruTeam
Local Relationships. National Resources.



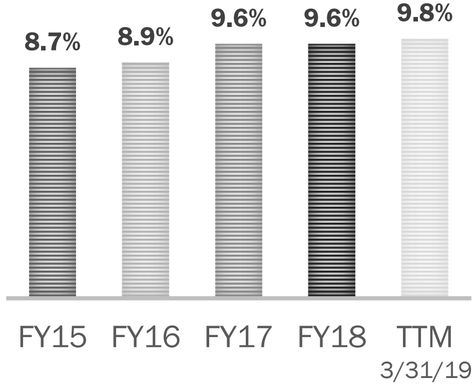
Adjusted Operating Margin

COMPETITIVE ADVANTAGES

#1 or #2
Insulation Installer in Majority of Top MSAs

- Over 200 branches, 7,000+ installers
- Unrivaled national scale and buying power
- Established relationships with manufacturers
- Strong local presence and brands
- Ability to flex labor across footprint
- Recognized building science expertise
- Institutional focus on safety

SERVICE partners



Adjusted Operating Margin

One-stop Solution
for Insulation Products and Services

- Over 75 branches
- Industry's most efficient order processing fulfillment and delivery system
- Exceptional service and reliability
- Flexible job-site delivery (less than full truckload)
- Product training for contractors
- Credit availability

GROWTH DRIVERS

1. Residential Construction
2. Commercial Construction
3. Stricter Energy Codes

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ONE COMPANY LEVERAGING TWO LEADING CHANNELS

TruTeam
Local Relationships. National Resources.

INSTALLATION

Provide contractor services to all builders

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SCALE ADVANTAGE

Building Science Expertise

SERVICE partners

DISTRIBUTION

Distributes products to a variety of customers

Small Contractors, Lumber Yards, Retail

Access to

50K+

Builders and General Contractors

TOGETHER, WE REACH CUSTOMERS REGARDLESS OF SIZE OR GEOGRAPHIC LOCATION

WE ARE CRITICAL TO THE INSULATION SUPPLY CHAIN

PRIMARY FIBERGLASS & SPRAY FOAM INSULATION MANUFACTURERS

BASF The Chemical Company

KNAUF

OWENS CORNING

ICYNENE The Evolution of Insulation

Accela

CertainTeed

JM Johns Manville

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#1 in Residential Insulation Installation

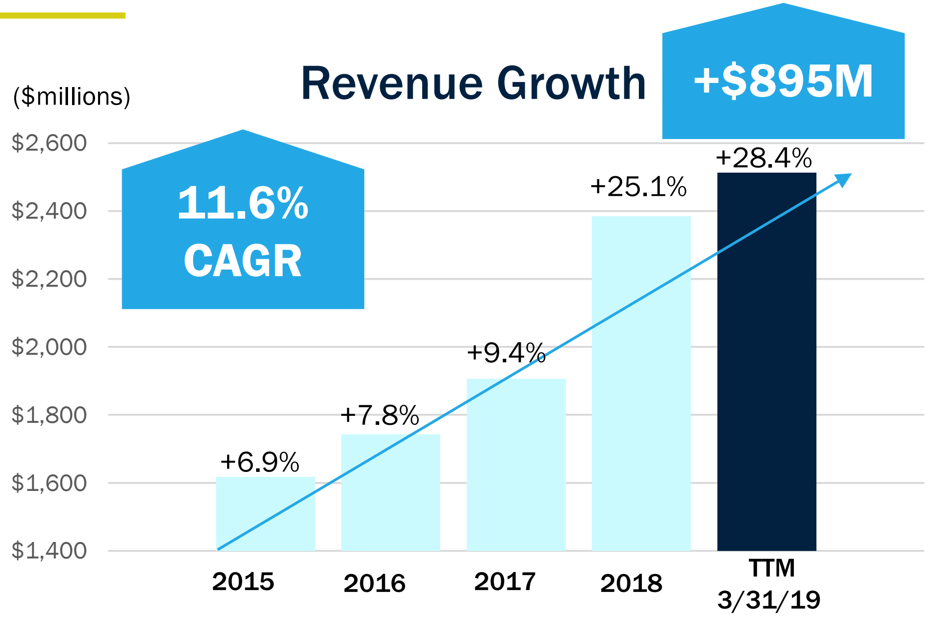
>40%+ Share of New Housing Starts

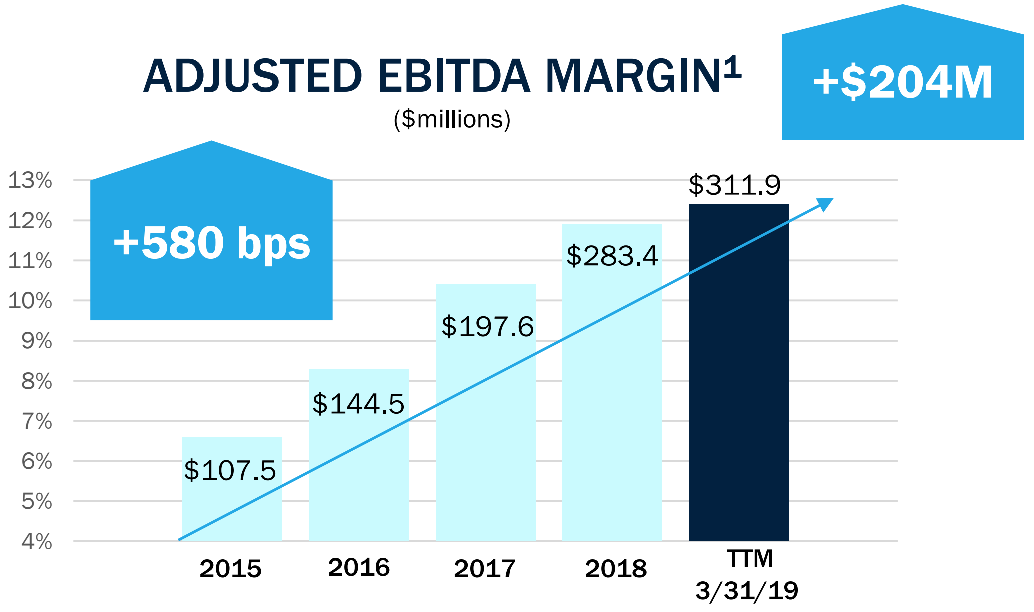
2x Size of Largest Competitor

BUILDERS & CONTRACTORS

- Residential New Construction Highly Fragmented
- 50K+ U.S. Home Builders
- Labor Constraints

Growing Profitably...According to Plan





- Operational Efficiency
  - Revenue increased 55%
  - Streamlined branch operations
  - Brought key talent back
- Strong Commercial Growth
  - Expanded footprint
  - Increased from 16% of total revenue to 20+%

- Robust Capital Deployment
  - Completed 10 Acquisitions
    - Generate ~$500M+ annual revenue
  - Repurchased $231M of stock
    - $53.13 average price per share

DELIVERING ON STRATEGIC GOALS AND DRIVING LONG-TERM SHAREHOLDER VALUE

[1] *See slides 26 & 27 for GAAP to non-GAAP reconciliation*

USI ACQUISITION

Closed May 1, 2018

- **Acquired for $475 million**
- **Funding**
  - $400 million Senior Notes, 5.625%, unsecured
  - $100 million delayed-draw term loan
- **Integration Essentially Complete**
  - Exceeded all milestones
  - All USI locations successfully transferred to BLD operating systems
  - Back office and corporate functions consolidated
  - Supply chain integrated
  - Efficiently sharing labor and materials
  - Branch consolidations well underway
  - Significantly accretive within year one

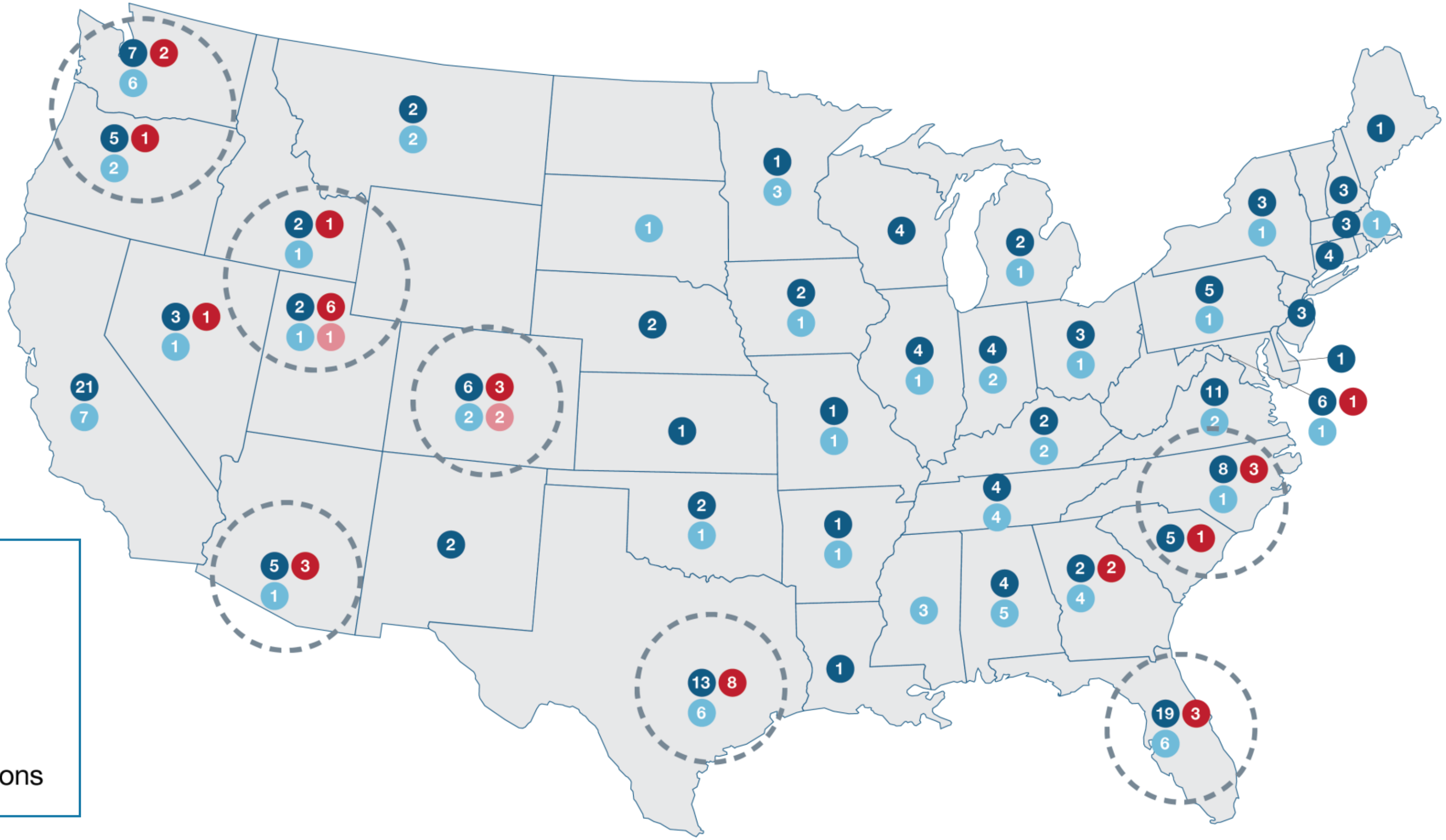
USI

A WELL-RUN BUSINESS, SIMILAR CULTURE TO TOPBUILD

FOOTPRINT WITH USI ACQUISITION

SOUTH
- TruTeam: 44
- Service Partners: 38
- **Total: 82**

WEST
- TruTeam: 72
- Service Partners: 26
- **Total: 98**



- TruTeam
- Service Partners
- USI - Installation
- USI - Distribution
- High-Growth Regions

MIDWEST
- TruTeam: 33
- Service Partners: 19
- **Total: 52**

NORTHEAST
- TruTeam: 52
- Service Partners: 7
- **Total: 59**

INCREASED PENETRATION IN HIGH-GROWTH REGIONS

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COMMERCIAL BUSINESS

- **$5B opportunity – TopBuild has ~10% share**
- **Most branches participate in light commercial**
- **Heavy commercial initiative**
  - Dedicated branches to identify, bid and execute projects
  - Margins > residential new construction
  - Fragmented and narrowly focused competitive set
  - 6-18 months project visibility
  - Strong pipeline of projects
  - Value proposition for general contractors
    - Able to provide bundled solution of products
    - Established and financially stable company
    - Experience installing a broad array of products
    - Strict safety standards and quality control

WE ARE THE LARGEST PLAYER IN THIS VERY FRAGMENTED INDUSTRY

COMMERCIAL OPPORTUNITIES

LIGHT

- Retail
- Small Office
- Hotel
- Education

<4 Stories

Typical $2k - $50k

LARGE

Larger footprint projects that crossover in application between light and heavy commercial

Typical $50k - $200k

HEAVY

- High Rises
- Hospitals
- Universities
- Stadiums/Arenas

> 4 Stories

Typical $200k+

TOP 25 MSA'S PRESENT BEST OPPORTUNITIES (~80% OF ALL PROJECTS)

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COMMERCIAL APPLICATIONS

LIGHT	LARGE	HEAVY

SIMPLE ---------- **INSULATION** ---------- *COMPLEX*

- Thermal & Sound Batts
- Spray Foam
- Horizontal Thermal Insulation/Expand MBI presence with SP

- Air/Vapor Barrier
- Slab Edge Firestop
- Spray Fireproofing

- Top Wall Firestop
- Expansion Joints

WE DISTRIBUTE AND INSTALL EVERY TYPE OF INSULATION

FINANCIAL OVERVIEW

Financial Overview

2018 RESULTS

($ in millions)

	TopBuild	TruTeam	Service Partners
Sales	$2,384	$1,681	$820
YoY Δ	25.1%	31.2%	14.0%
Adj. Operating Profit[1]	$233	$198	$79
YoY Δ	35.3%	40.9%	14.8%
Adj. Operating Margin[1]	9.8%	11.8%	9.6%
YoY Δ	80 bps	80 bps	0 bps
Adj. EBITDA Margin[1]	11.9%		
YoY Δ	150 bps		

STRONG PERFORMANCE AND PROFITABLE GROWTH

[1] *See slides 26 & 27 for GAAP to non-GAAP reconciliation*

Financial Overview

First Quarter 2019

($ in millions)	TopBuild	TruTeam	Service Partners
Sales	$619	$449	$204
YoY Δ	26.0%	36.4%	8.9%
Adj. Operating Profit[1]	$59	$52	$21
YoY Δ	54.8%	74.4%	15.5%
Adj. Operating Margin[1]	9.5%	11.5%	10.1%
YoY Δ	170 bps	250 bps	60 bps
Adj. EBITDA Margin[1]	12.0%		
YoY Δ	260 bps		

2019 OFF TO A STRONG START

[1] *See slides 26 & 27 for GAAP to non-GAAP reconciliation*

2019 GUIDANCE

($M)

ASSUMES

$2,610 to $2,670 Revenue	$330 to $350 Adjusted EBITDA[1]	1,260K to 1,300K Housing Starts



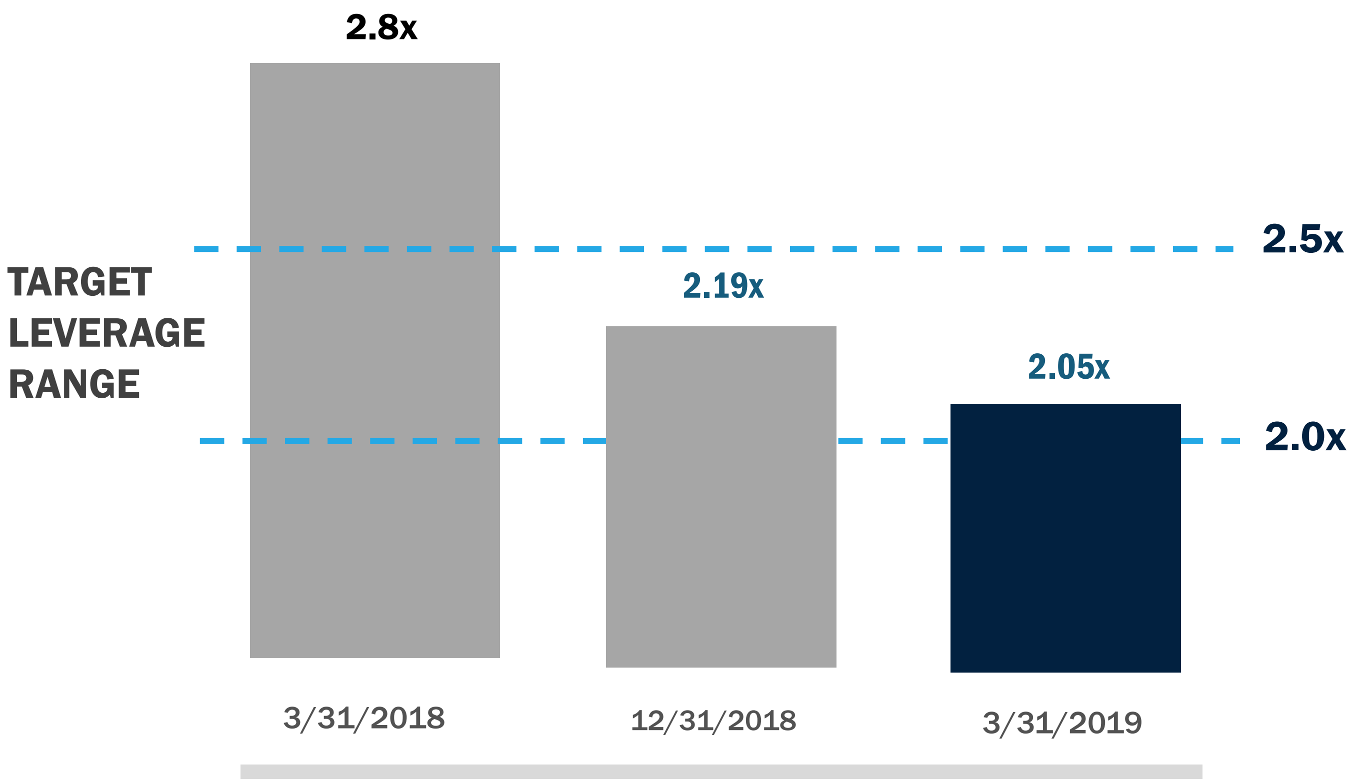

2019 GUIDANCE ADJUSTED TO REFLECT FIRST QUARTER RESULTS

[1] *See Guidance Reconciliation table on slide 29*

LEVERAGE

First Quarter 2019

Total Debt	$746.4
Less Cash	98.3
Net Debt	**$648.1**
Adj. EBITDA[1,2]	$315.5
Leverage	2.05x



WELL WITHIN OUR TARGETED RANGE

1 Proforma LTM EBITDA [2] *See slides 26 & 27 for GAAP to non-GAAP reconciliation*

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LOOKING AHEAD

LONG-TERM POSITIVE OUTLOOK FOR CONSTRUCTION INDUSTRY

- STRONG ECONOMY
- WAGE AND JOB GROWTH
- HOUSEHOLD FORMATIONS INCREASING
- PENT-UP DEMAND
- STARTS BELOW HISTORICAL LEVELS

TOPBUILD ADVANTAGES

1. Our Footprint Covers 95% of All Housing Starts
2. Largest Buyer of Insulation Facilitates Preferred Partnerships with Suppliers
3. Diversified Business Model
4. Employer of Choice

MACROECONOMIC TRENDS SUPPORTING GROWTH

OUR CONTINUED FOCUS

- Drive operational improvements through best in class execution
- Grow heavy and light commercial businesses
- Increase market share organically and through acquisitions
- Review adjacent product opportunities
- Maximize long-term value

EXPECT 2019 WILL BE ANOTHER SOLID YEAR FOR TOPBUILD

CAPITAL DEPLOYMENT

- M&A #1 Priority
  - Core products primary focus
  - Strong synergies
  - Solid customer base
  - Immediately accretive
  - Enhance footprint
- Return Excess Capital to Shareholders
  - $200M share repurchase program in place

OVER $830M DEPLOYED, $600M M&A & $230M SHARE BUYBACKS

OUR BUSINESS MODEL IS DIFFERENTIATED

CORE STRENGTHS

1. Unrivaled National Scale and Buying Power
2. Operational Excellence Focused on Continuous Improvement
3. Ability to Flex Labor Across Footprint and Industry
4. Tenured Relationships with Customers and Suppliers
5. Exceptional Service and Reliability
6. Focus on Safety

COMPETITIVE DIFFERENTIATORS

TruTeam® Local Relationships. National Resources.

- Strong Local Presence and Reputation
- Ability to Leverage our Footprint, Best Practices and Assets
- Building Science Expertise

SERVICE® partners

- Flexible Delivery (Less than Full Truckload) "One-Stop Shop"
- Efficient Order Processing and Logistics
- Product Breadth and Knowledge


NEW YORK STOCK EXCHANGE
TopBuild
Construction strong and proud.
BLD
LISTED
NYSE
SERVICE
partners
TruTeam
BLD
LISTED
NYSE


TruTeam

Questions?


NEW YORK STOCK EXCHANGE
TopBuild
Construction strong and proud.
BLD LISTED NYSE
SERVICE partners
TruTeam
BLD LISTED NYSE


TruTeam

Appendix

Segment GAAP to Non-GAAP Reconciliation

($ in 000s)

	TTM[1] Ended March 31, 2019	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018	Change	Year Ended December 31, 2018	Year Ended December 31, 2017	Change
Installation							
Sales	$ 1,800,956	$ 449,383	$ 329,394	*36.4 %*	$ 1,680,967	$ 1,281,296	*31.2 %*
Operating profit, as reported	$ 218,955	$ 51,299	$ 29,330		$ 196,986	$ 109,316	
Operating margin, as reported	12.2 %	*11.4 %*	*8.9 %*		*11.7 %*	*8.5 %*	
Significant legal settlement	—	—	—		—	30,000	
Rationalization charges	(99)	118	217		—	—	
Acquisition related costs	970	125	—		845	1,056	
Operating profit, as adjusted	$ 219,826	$ 51,542	$ 29,547		$ 197,831	$ 140,372	
Operating margin, as adjusted	12.2 %	*11.5 %*	*9.0 %*		*11.8 %*	*11.0 %*	
Distribution							
Sales	$ 837,007	$ 204,464	$ 187,766	*8.9 %*	$ 820,309	$ 719,759	*14.0 %*
Operating profit, as reported	$ 81,434	$ 20,597	$ 17,902		$ 78,739	$ 68,733	
Operating margin, as reported	9.7 %	*10.1 %*	*9.5 %*		*9.6 %*	*9.5 %*	
Rationalization charges	243	109	25		159	23	
Operating profit, as adjusted	$ 81,677	$ 20,706	$ 17,927		$ 78,898	$ 68,756	
Operating margin, as adjusted	9.8 %	*10.1 %*	*9.5 %*		*9.6 %*	*9.6 %*	

[1] Trailing twelve months

Consolidated GAAP to Non-GAAP Reconciliation

($ in 000s)

	TTM[1] Ended March 31,	Three Months Ended March 31,			Year Ended December 31,		
	2019	2019	2018	Change	2018	2017	Change
Consolidated TopBuild							
Sales before eliminations	$ 2,637,963	$ 653,847	$ 517,160		$ 2,501,276	$ 2,001,055	
Intercompany eliminations	(125,828)	(34,517)	(25,716)		(117,027)	(94,789)	
Net sales after eliminations	$ 2,512,135	$ 619,330	$ 491,444	*26.0 %*	$ 2,384,249	$ 1,906,266	*25.1 %*
Operating profit, as reported-segment	$ 300,389	$ 71,896	$ 47,232		$ 275,725	$ 178,049	
General corporate expense, net	(46,584)	(9,604)	(8,893)		(45,873)	(24,722)	
Intercompany eliminations and other adjustments	(22,127)	(5,674)	(4,446)		(20,899)	(16,463)	
Operating profit, as reported	231,678	56,618	33,893		208,953	136,864	
Operating margin, as reported	9.2 %	*9.1 %*	*6.9 %*		*8.8 %*	*7.2 %*	
Significant legal settlement	—	—	—		—	30,000	
Rationalization charges †	8,766	1,827	797		7,736	3,755	
Acquisition related costs	13,095	652	3,482		15,925	1,256	
Operating profit, as adjusted	$ 253,539	$ 59,097	$ 38,172		$ 232,614	$ 171,875	
Operating margin, as adjusted	10.1 %	*9.5 %*	*7.8 %*		*9.8 %*	*9.0 %*	

[1] Trailing twelve months

† Rationalization charges include corporate level adjustments as well as segment operating adjustments.

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Adjusted EBITDA Reconciliation

($ in 000s)

	TTM[1] Ended March 31,	Three Months Ended March 31,		Year Ended December 31,	
	2019	2019	2018	2018	2017
Net income, as reported	**$ 146,347**	**$ 37,983**	**$ 26,388**	**$ 134,752**	**$ 158,133**
Adjustments to arrive at EBITDA, as adjusted:	—				
Interest expense and other, net	35,108	9,269	2,290	28,129	7,738
Income tax expense	50,223	9,366	5,215	46,072	(30,093)
Depreciation and amortization	46,452	12,475	5,442	39,419	16,453
Share-based compensation †	11,887	2,972	2,402	11,317	9,274
Significant legal settlement	—	—	—	—	30,000
Rationalization charges	8,766	1,827	797	7,736	3,755
Loss on extinguishment of debt	—	—	—	—	1,086
Acquisition related costs	13,095	652	3,482	15,925	1,256
EBITDA, as adjusted	**$ 311,878**	**$ 74,544**	**$ 46,016**	**$ 283,350**	**$ 197,602**
Net Sales	**$ 2,512,135**	**$ 619,330**	**$ 491,444**	**$ 2,384,249**	**$ 1,906,266**
EBITDA margin, as adjusted	12.4 %	12.0 %	9.4 %	11.9 %	10.4 %

[1] Trailing twelve months

† Amounts for the year ending December 31, 2017, excludes $0.6 million of share-based compensation included in the line item, rationalization charges.

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2019 Guidance Reconciliation Table

($ in 000,000s)

	Twelve Months Ending December 31, 2019	
	Low	High
Estimated net income	**$ 160.1**	**$ 183.0**
Adjustments to arrive at estimated EBITDA, as adjusted:		
Interest expense and other, net	38.9	35.9
Income tax expense	57.7	66.0
Depreciation and amortization	54.0	50.0
Share-based compensation	14.6	12.1
Rationalization charges	4.0	2.0
Acquisition related costs	0.7	1.0
Estimated EBITDA, as adjusted	**$ 330.0**	**$ 350.0**

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