Growing Profitably

Jefferies 2019 Global Industrials Conference

August 7, 2019

TopBuild®

SAFE HARBOR

Statements contained in this presentation that are not historical and reflect our views about future periods and events, including our future performance, the size of our market opportunity, new housing starts and other industry growth and development metrics, constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as “will,” “would,” “anticipate,” “expect,” “believe,” “plan,” “hope,” “estimates,” “suggests,” “has the potential to,” “projects,” “assumes,” “goal,” “targets,” “likely,” “should,” or “intend,” and other words and phrases of similar meanings, the negative of these terms, and similar references to anticipated or expected events, activities, trends, future periods or results. Forward-looking statements are based on management’s current expectations and are subject to risks and uncertainties that are difficult to predict and, accordingly, our actual results may differ materially from the results discussed or implied in our forward-looking statements. Forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including: 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; our ability to maintain our competitive position; our ability to integrate acquisitions; changes in the costs of the products we install and/or distribute; increases in fuel costs; significant competition in our industry; new housing starts and growth in our industry; seasonal effects on our business; and the other risks described under the caption entitled “Risk Factors” in our most recent Annual Report on Form 10-K filed with the SEC and under similar headings in our subsequently filed Quarterly Reports on Forms 10-Q and other filings 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.

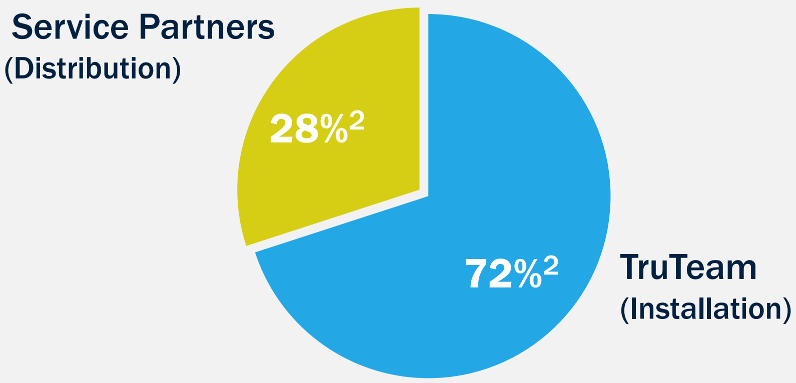
In addition to the U.S. GAAP financials, this presentation includes certain non-GAAP financial measures. The Company believes that the non-GAAP performance measures and ratios that are contained herein, which management uses to manage our business, provide users of this financial information with additional meaningful comparisons between current results and results in our prior periods. The non-GAAP measures have limitations as analytical tools and you should not consider them in isolation or as a substitute for an analysis of our results under U.S. GAAP. The Company considers these non-GAAP financial measures to be important because they provide useful measures of the operating performance of the company, exclusive of unusual events or actors that do not directly affect what we consider to be our core operating performance, and are used by the Company's management for that purpose.

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.

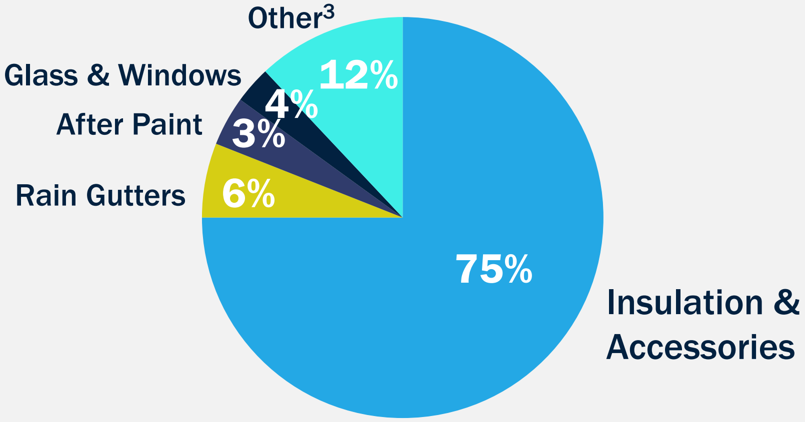
TOPBUILD AT-A-GLANCE

SPIN-DATE (from Masco)	HEADQUARTERS	MARKET-CAP[1]	U.S. EMPLOYEES
June 30, 2015	Daytona Beach, FL	$3.0B	10,000+

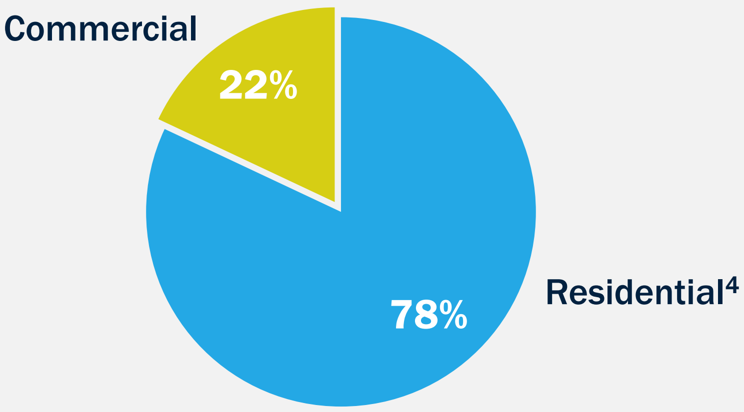
TTM Revenue
$2.6B



Product Mix



Business Mix



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

[1] As of 8/1/19; [2] Net of Eliminations [3]Primarily includes garage doors, fireplaces, firestopping and fireproofing; [4] Includes repair and remodel.

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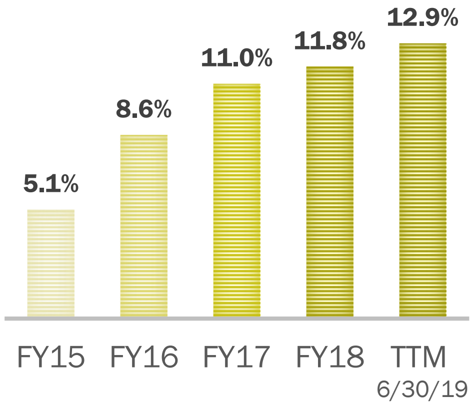
TWO BUSINESS SEGMENTS

TruTeam
Local Relationships. National Resources.



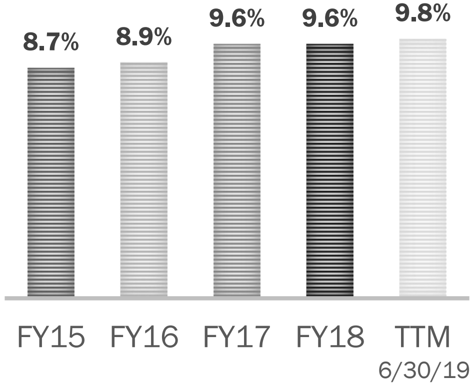
Adjusted Operating Margin

COMPETITIVE ADVANTAGES

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

- Close to 200 branches, 8,000+ 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

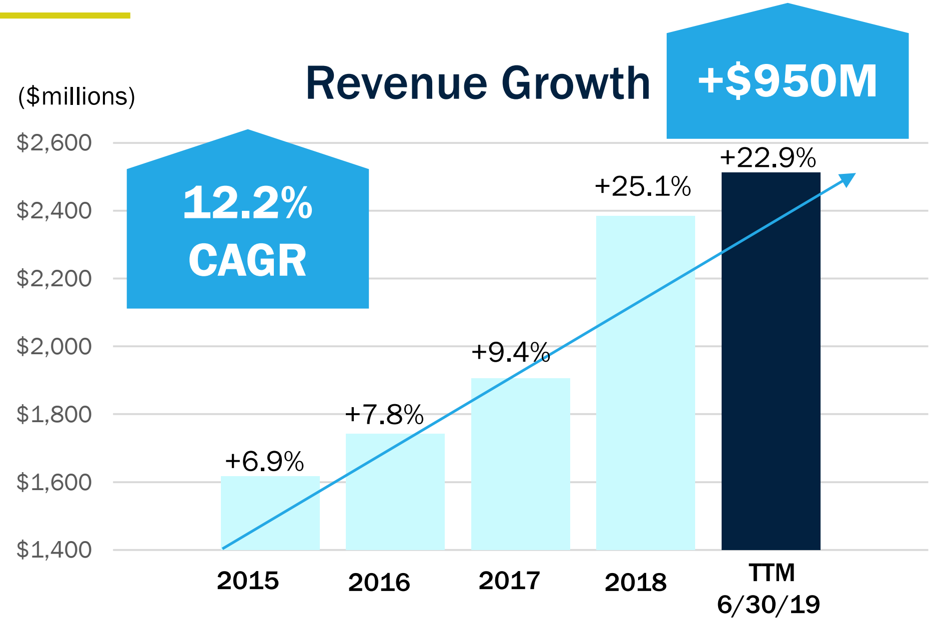
>40%+ Share of New Housing Starts

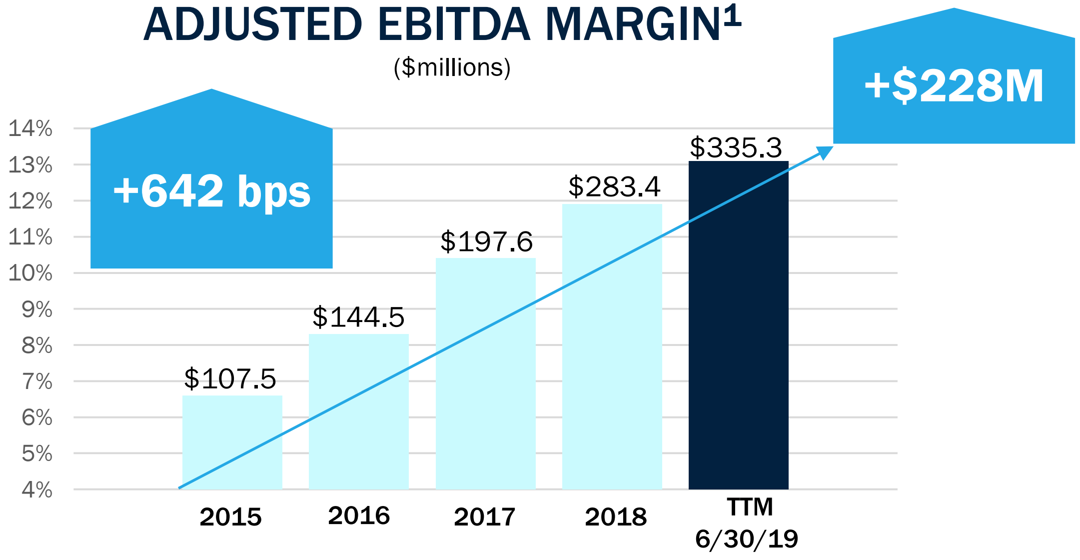
2x Size of Largest Competitor

BUILDERS & CONTRACTORS

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

Growing Profitably…According to Plan





- Operational Efficiency
  - Streamlined branch operations
  - Consolidated back office functions
  - Brought key talent back
- Strong Commercial Growth
  - Expanded footprint
  - Increased from 16% of total revenue to 22%

- Robust Capital Deployment
  - Completed 11 acquisitions
    - Generate almost $510M annual revenue
  - Repurchased $246M of stock
    - $54.10 average price per share

DELIVERING ON STRATEGIC GOALS
DRIVING LONG-TERM SHAREHOLDER VALUE

[1] *See slides 23-25 for GAAP to non-GAAP reconciliations*

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Capital Allocation

- **Completed acquisition of Viking Insulation in July**
  - Headquartered in Burbank, CA
  - Founded in 1974
  - Fiberglass insulation installation for residential and light commercial projects

- **Acquisitions number one priority with strong track record**
  - Acquired 11 companies since 2016, generating almost $510M of annual revenue
- **Robust pipeline of acquisition targets**
- **Disciplined and strategic approach to adjacent product categories**
- **Share repurchases number two priority**
  - $200M share repurchase program in place
  - Repurchased ~197,000 shares in Q2 at an average per share price of $75.57

Delivering Strong Returns to Our Shareholders

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
  - Robust pipeline of projects
  - Value proposition for general contractors

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)

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

TopBuild®

Financial Overview

Second Quarter 2019

($ in millions)

	TopBuild	TruTeam	Service Partners
Sales	$660.1	$483.0	$213.5
YoY Δ	8.9%	12.5%	3.8%
Adj. Operating Profit[1]	$76.4	$68.8	$21.2
YoY Δ	32.2%	37.9%	5.7%
Adj. Operating Margin[1]	11.6%	14.2%	9.9%
YoY Δ	210 bps	260 bps	20 bps
Adj. EBITDA Margin[1]	14.2%		
YoY Δ	260 bps		

SOLID RESULTS, STRONG MARGIN EXPANSION

[1] *See slides 23-25 for GAAP to non-GAAP reconciliations*

Financial Overview

First Six Months 2019

($ in millions)

	TopBuild	TruTeam	Service Partners
Sales	$1,279.4	$932.4	$418.0
YoY Δ	16.6%	22.9%	6.2%
Adj. Operating Profit[1]	$135.5	$120.3	$41.9
YoY Δ	41.2%	51.5%	10.3%
Adj. Operating Margin[1]	10.6%	12.9%	10.0%
YoY Δ	190 bps	240 bps	40 bps
Adj. EBITDA Margin[1]	13.2%		
YoY Δ	260 bps		

STRONG PERFORMANCE AND PROFITABLE GROWTH

[1] See slides 23-25 for GAAP to non-GAAP reconciliations

2019 Outlook

($M)

$2,610 to $2,640
Revenue

- Low end unchanged
- High end lowered by $30M

$345 to $355
Adjusted EBITDA[1]

- Low end raised by $15M
- High end raised by $5M

ASSUMES

1.23M to 1.27M
Housing Starts

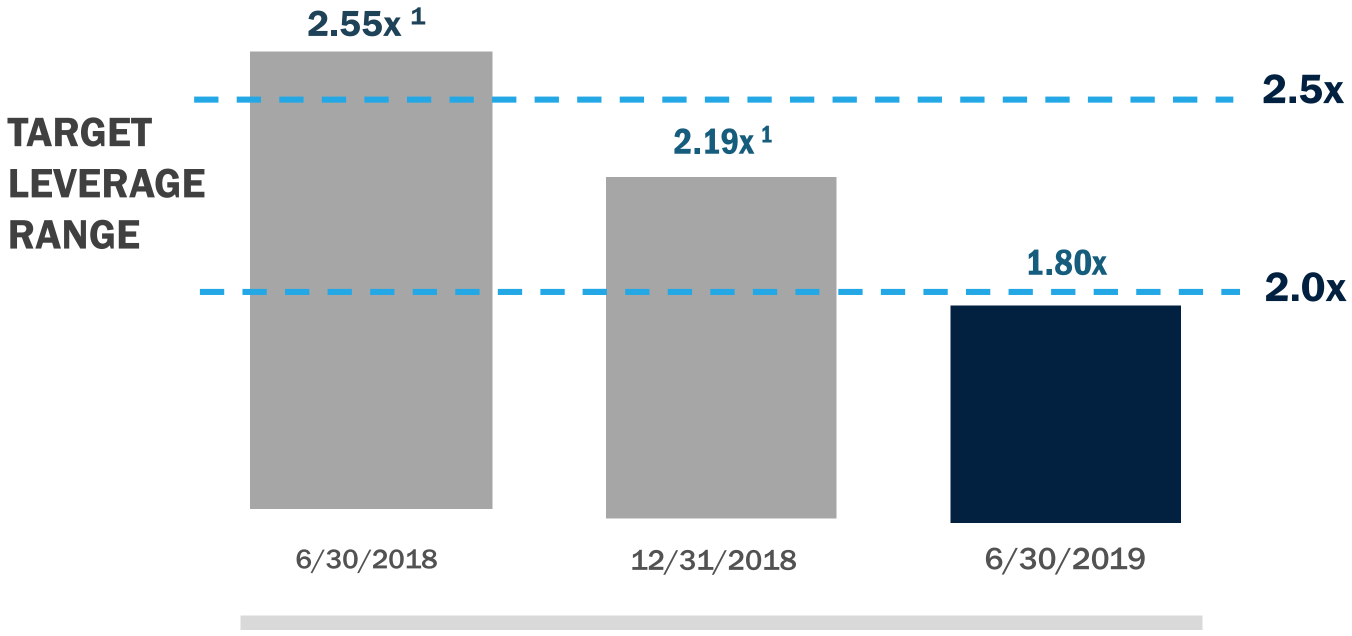
2019 EXPECTED TO BE ANOTHER STRONG YEAR

[1] See Guidance Reconciliation table on slide 26

TopBuild

LEVERAGE

Total Debt	$745.6
Less Cash	141.8
Net Debt	**$603.8**
Adj. EBITDA	$335.3
Leverage	1.80x



[1] *Proforma LTM EBITDA to account for USI acquisition*

STRONG BALANCE SHEET

LOOKING AHEAD

TopBuild®

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

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

Questions?

TopBuild®


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 June 30, 2019	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Change	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018	Change
TruTeam							
Sales	$ 1,854,560	$ 483,028	$ 429,423	*12.5 %*	$ 932,410	$ 758,817	*22.9 %*
Operating profit, as reported	$ 237,742	$ 68,423	$ 49,635		$ 119,722	$ 78,965	
Operating margin, as reported	12.8 %	*14.2 %*	*11.6 %*		*12.8 %*	*10.4 %*	
Rationalization charges	592	81	236		199	453	
Acquisition related costs	403	277	—		403	—	
Operating profit, as adjusted	$ 238,737	$ 68,781	$ 49,871		$ 120,324	$ 79,418	
Operating margin, as adjusted	12.9 %	*14.2 %*	*11.6 %*		*12.9 %*	*10.5 %*	
Service Partners							
Sales	$ 844,873	$ 213,487	$ 205,621	*3.8 %*	$ 417,951	$ 393,387	*6.2 %*
Operating profit, as reported	$ 82,575	$ 21,151	$ 20,009		$ 41,748	$ 37,912	
Operating margin, as reported	9.8 %	*9.9 %*	*9.7 %*		*10.0 %*	*9.6 %*	
Rationalization charges	243	—	—		109	25	
Operating profit, as adjusted	$ 82,818	$ 21,151	$ 20,009		$ 41,857	$ 37,937	
Operating margin, as adjusted	9.8 %	*9.9 %*	*9.7 %*		*10.0 %*	*9.6 %*	

[1] Trailing twelve months

TopBuild

Consolidated GAAP to Non-GAAP Reconciliation

($ in 000s)

	TTM[1] Ended June 30,	Three Months Ended June 30,			Six Months Ended June 30,		
	2019	2019	2018	Change	2019	2018	Change
Consolidated TopBuild							
Sales before eliminations	$ 2,699,433	$ 696,515	$ 635,044		$ 1,350,361	$ 1,152,204	
Intercompany eliminations	(133,155)	(36,403)	(29,075)		(70,919)	(54,792)	
Net sales after eliminations	$ 2,566,278	$ 660,112	$ 605,969	*8.9 %*	$ 1,279,442	$ 1,097,412	*16.6 %*
Operating profit, as reported - segments	$ 320,317	$ 89,574	$ 69,644		$ 161,470	$ 116,877	
General corporate expense, net	(33,028)	(7,130)	(20,686)		(16,734)	(29,579)	
Intercompany eliminations and other adjustments	(23,253)	(6,405)	(5,277)		(12,078)	(9,725)	
Operating profit, as reported	$ 264,036	$ 76,039	$ 43,681		$ 132,658	$ 77,573	
Operating margin, as reported	10.3 %	*11.5 %*	*7.2 %*		*10.4 %*	*7.1 %*	
Rationalization charges †	4,566	142	4,341		1,969	5,138	
Acquisition related costs	3,547	251	9,799		903	13,281	
Operating profit, as adjusted	$ 272,149	$ 76,432	$ 57,821		$ 135,530	$ 95,992	
Operating margin, as adjusted	10.6 %	*11.6 %*	*9.5 %*		*10.6 %*	*8.7 %*	

[1] Trailing twelve months

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

Adjusted EBITDA Reconciliation

($ in 000s)

	TTM[1] Ended June 30,	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2019	2018	2019	2018
Net income, as reported	**$ 171,246**	**$ 52,051**	**$ 27,153**	**$ 90,035**	**$ 53,540**
Adjustments to arrive at EBITDA, as adjusted:					
Interest expense and other, net	36,972	9,105	7,240	18,374	9,530
Income tax expense	55,818	14,883	9,288	24,249	14,503
Depreciation and amortization	49,772	13,062	9,743	25,538	15,185
Share-based compensation	13,405	4,513	2,995	7,485	5,397
Rationalization charges	4,566	142	4,341	1,969	5,138
Acquisition related costs	3,547	251	9,799	903	13,281
EBITDA, as adjusted	**$ 335,326**	**$ 94,007**	**$ 70,559**	**$ 168,553**	**$ 116,574**
Net Sales	**$ 2,566,278**	**$ 660,112**	**$ 605,969**	**$ 1,279,442**	**$ 1,097,412**
EBITDA margin, as adjusted	13.1 %	14.2 %	11.6 %	13.2 %	10.6 %

[1] Trailing twelve months

2019 Guidance Reconciliation Table

($ in 000,000s)

	Twelve Months Ending December 31, 2019			
	Low		High	
Estimated net income	**$**	**170.5**	**$**	**185.6**
Adjustments to arrive at estimated EBITDA, as adjusted:				
Interest expense and other, net		38.9		35.9
Income tax expense		61.5		66.9
Depreciation and amortization		54.0		50.0
Share-based compensation		14.6		12.1
Rationalization charges		4.0		2.5
Acquisition related costs		1.5		2.0
Estimated EBITDA, as adjusted	**$**	**345.0**	**$**	**355.0**

TopBuild®