

First Quarter 2019

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Safe Harbor

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U.S. Housing Overview

First Quarter 2019

- Affordability issues improving
 - Mortgage rates have declined from 2018 high
 - Input costs, including lumber, moderating
- Builders focusing on entry level homes
- Inventory tight
- Job and wage growth strong
- Starts remain well below historical level of 1.4M to 1.5M

Long-term Supply and Demand Fundamentals Suggest Healthy Construction Environment for Next Several Years

Financial Highlights

First Quarter 2019

- 26.0% revenue growth, 7.1% same branch
- 250 bps gross margin expansion
- 12.0% adjusted EBITDA margin, up 260 bps
- 22.3% incremental EBITDA margin
 - 32.2% same branch
 - 18.6% acquisitions
- 45.2% increase in adjusted EPS to \$1.06

**Leveraging Our Unique Diversified Business Model
to Produce Outstanding Results**

Capital Allocation

First Quarter 2019

- Acquisitions number one priority
 - Acquired 10 companies since 2016
 - Generating over \$500M of annual revenue
- Robust pipeline of acquisition targets
 - Core products and services primary focus
- Disciplined and strategic approach to adjacent product categories
 - Accretive
 - Scalable
 - Ease of execution
- Share repurchases number two priority
 - \$200M share repurchase program in place

Delivering Strong Returns to Our Shareholders

Financial Overview

First Quarter 2019

(\$ in 000s)	Three Months Ended March 31, 2019
Sales	\$619,330
Y-O-Y Change	26.0%
Adjusted Operating Profit*	\$59,097
Y-O-Y Change	54.8%
Adjusted Operating Margin*	9.5%
Y-O-Y Change	170 bps
Adjusted EBITDA*	\$74,544
Y-O-Y Change	62.0%
Adjusted EBITDA Margin*	12.0%
Y-O-Y Change	260 bps

Continuing to Drive Strong Top and Bottom Line Results

* See slides 17 & 18 for adjusted EBITDA reconciliation and GAAP to non-GAAP reconciliation

Adjusted EPS

First Quarter 2019 (\$ in 000s)

	Three Months Ended March 31,	
	2019	2018
Income before income taxes, as reported	\$ 47,349	\$ 31,603
Rationalization charges	1,827	797
Acquisition related costs	652	3,482
Income before income taxes, as adjusted	49,828	35,882
Tax rate at 26.5% and 27.0% for 2019 and 2018, respectively	(13,204)	(9,688)
Income, as adjusted	\$ 36,624	\$ 26,194
Income per common share, as adjusted	\$ 1.06	\$ 0.73
Weighted average diluted common shares outstanding	34,703,289	35,819,242

CapEx, Working Capital & Cash Flow

First Quarter 2019

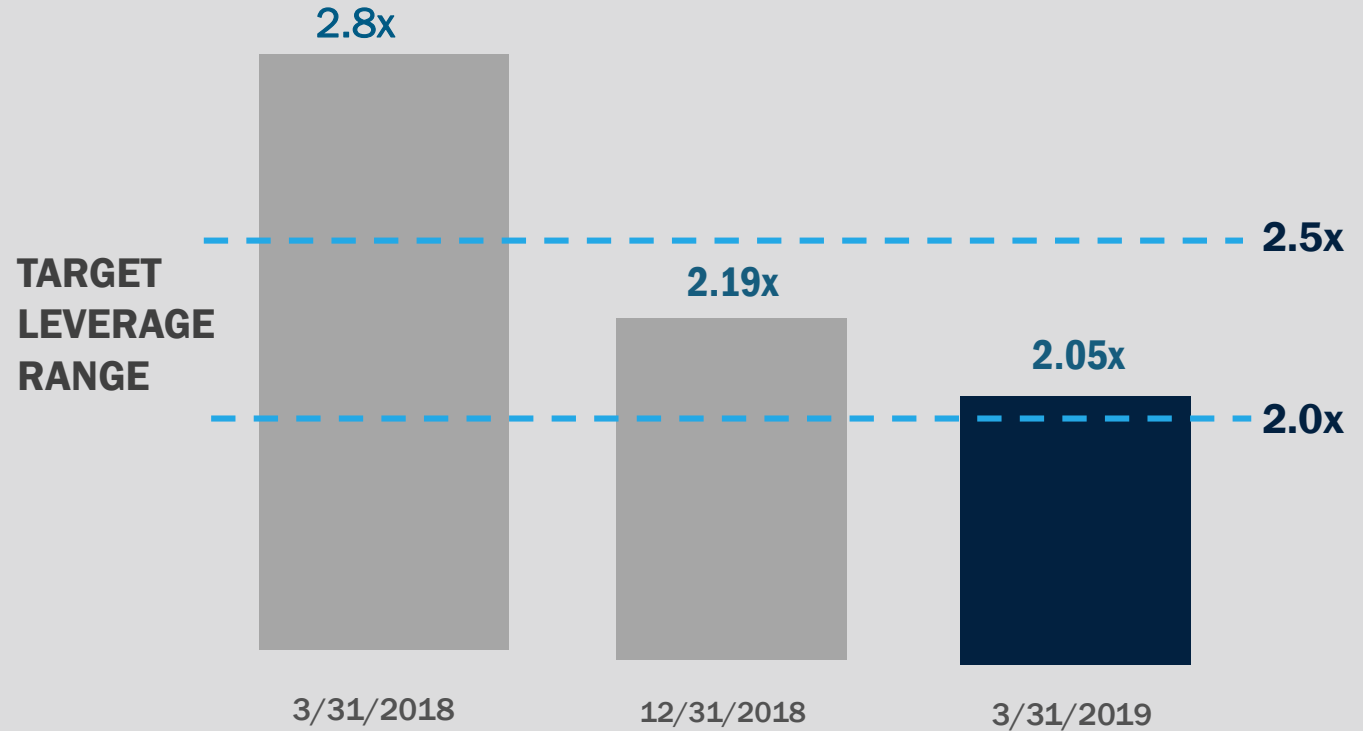
(\$ in 000s)	Three Months Ended March 31, 2019
CAPEX	\$10,213
Working Capital % to Sales (using Pro Forma LTM sales)	12.1%
Operating Cash Flow	\$23,522
Cash Balance	\$98,278

Strong Cash Flow Generation

Leverage

First Quarter 2019

Total Debt	\$746.4
Less Cash	98.3
Net Debt	\$648.1
Adj. EBITDA ¹	\$315.5
Leverage	2.05x



1. Proforma LTM EBITDA

Rapidly De-Leveraging and Well Within Our Targeted Range

2019 Outlook

First Quarter 2019

REVENUE

\$2,610M to \$2,670M

- ✓ Low end raised by \$40M
- ✓ High end raised by \$35M

ADJUSTED EBITDA*

\$330M to \$350M

- ✓ Low end raised by \$20M
- ✓ High end raised by \$20M

Assumes Housing Starts Between 1.26M and 1.3M

* See slides 17 & 19 for adjusted EBITDA reconciliation and GAAP to non-GAAP reconciliation

First Quarter 2019

(\$ in 000s)	Three Months Ended March 31, 2019
Sales	\$449,383
Y-O-Y Change	36.4%
Adjusted Operating Profit*	\$51,542
Y-O-Y Change	74.4%
Adjusted Operating Margin*	11.5%
Y-O-Y Change	250 bps

- Same Branch Sales up 10.5%
- Strong Residential & Commercial

- Capturing Share
- Great Operational Execution

First Quarter 2019

(\$ in 000s)	Three Months Ended March 31, 2019
Sales	\$204,464
Y-O-Y Change	8.9%
Adjusted Operating Profit*	\$20,706
Y-O-Y Change	15.5%
Adjusted Operating Margin*	10.1%
Y-O-Y Change	60 bps

Continued Solid Performance as We Drive Profitable Growth

Strong Commercial Growth

First Quarter 2019

- \$5B industry
 - Estimate BLD is largest industry player with high single-digit share
 - Very fragmented, specialized players
- Compared to residential new construction commercial:
 - Higher barriers to entry
 - Operates on a different cycle
 - Offers higher operating margins
- BLD's value proposition for general contractors:
 - Expertise in a broad array of products
 - Adherence to strict safety standards
 - Excellent quality control
 - Established and financially stable company

Robust Backlog – Long Runway for Growth

Fiberglass

First Quarter 2019

- Price increase in January had some traction
- Expect second price increase in 2019
 - Traction highly dependent on industry demand and housing starts
- More supply available vs. a year ago
- Spray foam continues to grow in acceptance

**High Confidence in Strength, Stability and Cost Effectiveness
of Our Supply Chain**

Competitive Operational Advantages

First Quarter 2019

- Integrated systems helps drive results
 - Share labor and material
 - Compare and rank branches and product performance
 - On-going focus on bottom quartile
- Local empowerment culture
 - Drives operational excellence and profitable growth
- Best leadership team in the industry

We are Relentless in Our Focus On Operational Efficiency

Appendix



Adjusted EBITDA Reconciliation

First Quarter 2019 (\$ in 000s)

	Three Months Ended March 31,	
	2019	2018
Net income, as reported	\$ 37,983	\$ 26,388
Adjustments to arrive at EBITDA, as adjusted:		
Interest expense and other, net	9,269	2,290
Income tax expense	9,366	5,215
Depreciation and amortization	12,475	5,442
Share-based compensation	2,972	2,402
Rationalization charges	1,827	797
Acquisition related costs	652	3,482
EBITDA, as adjusted	\$ 74,544	\$ 46,016

Segment GAAP to Non-GAAP Reconciliation

First Quarter 2019 (\$ in 000s)

	Three Months Ended March 31,		Change
	2019	2018	
Installation			
Sales	\$ 449,383	\$ 329,394	36.4 %
Operating profit, as reported	\$ 51,299	\$ 29,330	
<i>Operating margin, as reported</i>	11.4 %	8.9 %	
Rationalization charges	118	217	
Acquisition related costs	125	—	
Operating profit, as adjusted	\$ 51,542	\$ 29,547	
<i>Operating margin, as adjusted</i>	11.5 %	9.0 %	
Distribution			
Sales	\$ 204,464	\$ 187,766	8.9 %
Operating profit, as reported	\$ 20,597	\$ 17,902	
<i>Operating margin, as reported</i>	10.1 %	9.5 %	
Rationalization charges	109	25	
Operating profit, as adjusted	\$ 20,706	\$ 17,927	
<i>Operating margin, as adjusted</i>	10.1 %	9.5 %	

Reconciliation Table

First Quarter 2019 (\$ 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