



Fourth Quarter And Year End 2023

Robert Buck, President & CEO
Rob Kuhns, CFO

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SAFE HARBOR

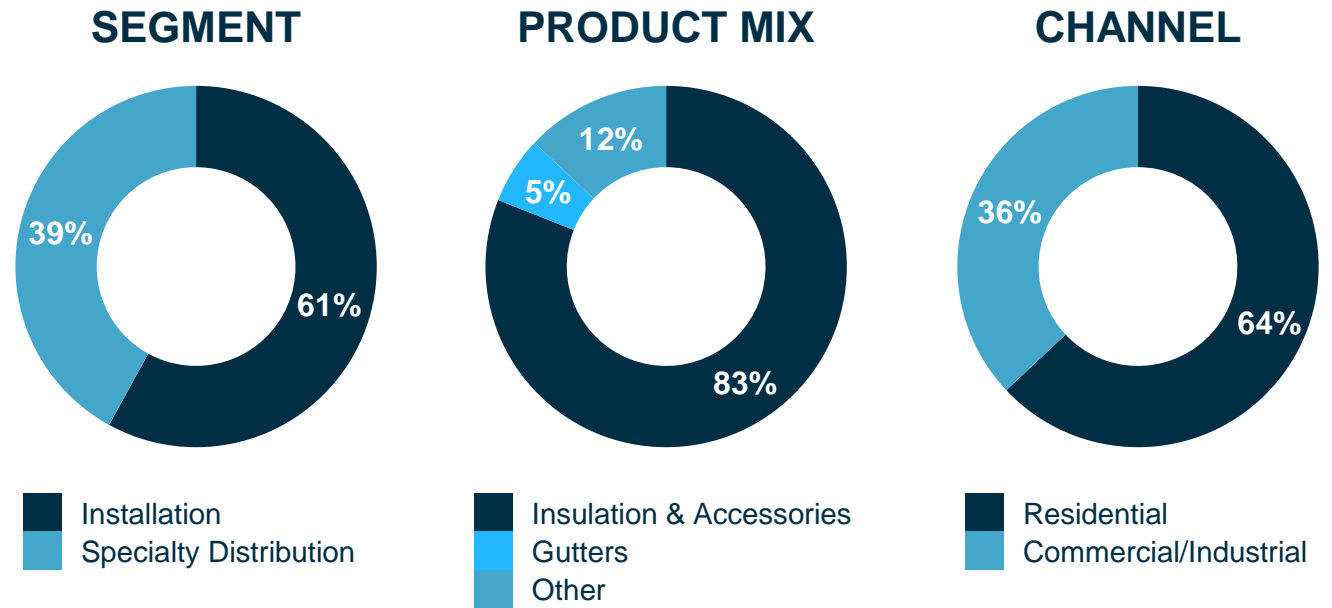
Statements contained herein reflect our views about future periods, including our future plans and performance, constitute “forward-looking statements” under the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as “will,” “would,” “anticipate,” “expect,” “believe,” “designed,” “plan,” or “intend,” 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 unduly relying on any of these forward-looking statements. Our future performance may be affected by a number of risks including but not limited to the material risks under the caption entitled “Risk Factors” in our most recent Annual Report, as filed with the SEC, as well as under the caption entitled “Risk Factors” in subsequent reports that we file 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 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, which management uses to manage our business, provide additional meaningful comparisons between current results and results in our prior periods. Non-GAAP performance measures and ratios should be viewed in addition, and not as an alternative, to the Company's reported results under United States GAAP. 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 SNAPSHOT (NYSE: BLD)

Key Stats

Headquarters	Daytona Beach, FL
Market Cap ¹	\$12.0B
Employees	~14,000
Total Branches	~410

Sales Breakdown



LEADING INSTALLER AND SPECIALTY DISTRIBUTOR OF INSULATION AND RELATED BUILDING MATERIAL PRODUCTS

¹ As of 12/31/23

OUR BUSINESS MODEL

Core Strengths

- Unique model, diversified end markets
- Laser focus on core business, insulation
- Multiple avenues for growth
- Unrivaled North American size and scale
- Operational excellence and performance driven
- M&A a core competency
- Recognized for exceptional labor, service and reliability
- Emphasis on talent development
- Safety of our people always comes first
- Business is inherently environmentally friendly

Our Values



BEST IN CLASS EXECUTION AND MAKING A DIFFERENCE LOCALLY

MULTIPLE AVENUES FOR GROWTH

Total Addressable Market of ~\$18.25B

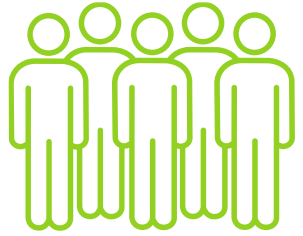
END-MARKET	MARKET SIZE	OUR FOCUS
Residential	~\$6.25B	<ul style="list-style-type: none"> • Superior labor network • Ability to serve builders/contractors of all sizes
Commercial Building Insulation	~\$6.25B	<ul style="list-style-type: none"> • Bundled product solutions • Provide services for light and heavy commercial projects
Commercial / Industrial Mechanical Insulation	~\$5.75B	<ul style="list-style-type: none"> • Industry leading service and custom engineered fabrication capabilities • Driving MRO business generating recurring revenue

GROWING ORGANICALLY AND THROUGH TARGETED ACQUISITIONS

OUR PEOPLE MAKE A DIFFERENCE



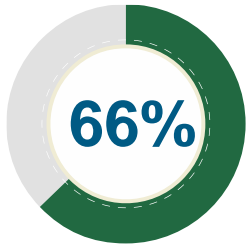
WORKFORCE AT A GLANCE



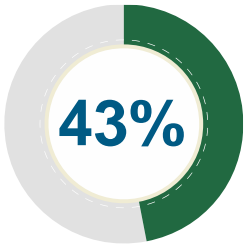
14,012
TOTAL EMPLOYEES



8,542
INSTALLERS



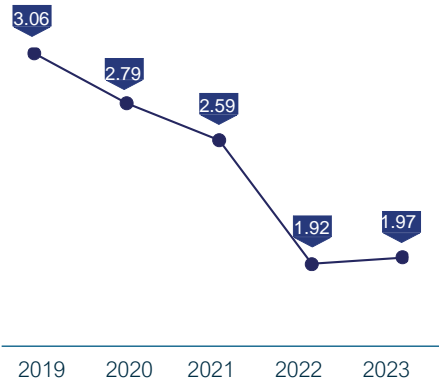
ETHNIC DIVERSITY



MANAGEMENT GENDER DIVERSITY

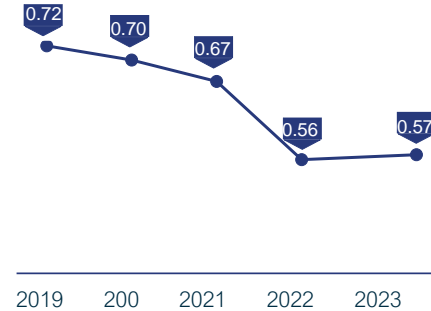
SAFETY PERFORMANCE

TOTAL INCIDENT RATE

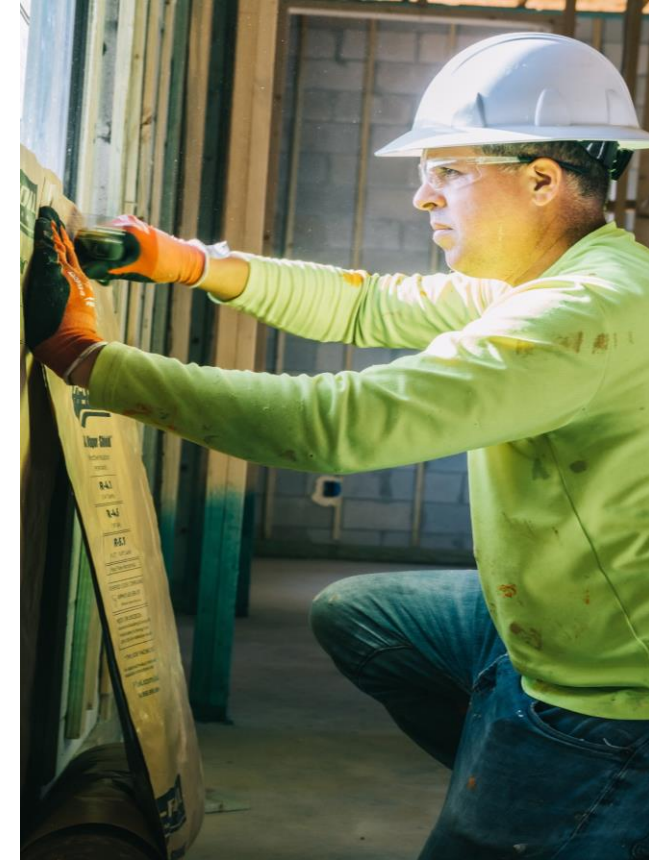


36% decrease
In Total Incident Rate since 2019

LOST TIME CASE RATE



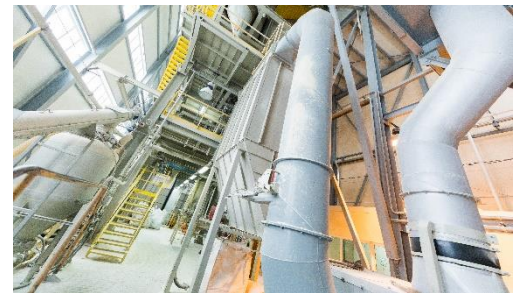
21% decrease
In Lost Time Case Rate since 2019



TOPBUILD RECOGNIZED AS A "GREAT PLACE TO WORK" BY EMPLOYEES

HIGHLIGHTS

- Strong 2023 results
 - Significantly better operating performance than original outlook
 - Light and heavy commercial and multi-family work driving organic growth
 - Improved working capital to 13.2% of sales
 - Generated \$785M of free cash flow
- Special operations initiatives expanded. Team focused on:
 - Driving operational efficiencies and labor and sales productivity
 - Sharing best practices for sustainable improvements
 - Improving bottom quartile of Installation and Specialty Distribution branches
- Completed four accretive acquisitions adding ~\$173M of annual revenue



DELIVERED OVER \$1 BILLION OF ADJUSTED EBITDA

FOURTH QUARTER FINANCIAL HIGHLIGHTS*

- 1.7% sales increase to \$1.3 billion
- 30.4% gross margin, up 70 bps
- 16.5% adjusted operating margin, up 30 bps
- 19.6% adjusted EBITDA margin, up 80 bps



CONSISTENTLY DELIVERING STRONG OPERATING RESULTS

2023 FINANCIAL HIGHLIGHTS*

- 3.7% sales increase to \$5.2 billion
- 30.9% gross margin, up 120 bps
- 17.3% adjusted operating margin, up 120 bps
- 20.2% adjusted EBITDA margin, up 140 bps



ANOTHER GREAT YEAR FOR TOPBUILD

INSTALLATION



Comparisons are to the periods ended December 31, 2022
(\$ in 000s)

	Three Months Ended December 31, 2023	Twelve Months Ended December 31, 2023
Sales	\$790,414	\$3,188,232
Change	3.8%	7.3%
Adjusted Operating Profit*	\$150,051	\$646,842
Change	5.6%	17.9%
Adjusted Operating Margin*	19.0%	20.3%
Change	30 bps	180 bps
Adjusted EBITDA Margin*	21.4%	22.5%
Change	60 bps	190 bps



- ✓ Revenue growth driven by strategic sales focus and M&A
- ✓ Strong multi-family backlog
- ✓ Taking advantage of light and heavy commercial opportunities
- ✓ Productivity initiatives continue to enhance results

DIVERSIFIED END MARKET STRATEGY DRIVING GROWTH

SELECT COMMERCIAL INSTALLATION PROJECTS

Los Angeles County Museum of Arts
Los Angeles, CA



Rendering Credit: LACMA

Ranch Lot Studio
Burbank, CA



Rendering Credit: Worthe Real Estate Group

Nashville International Airport
Nashville, TN

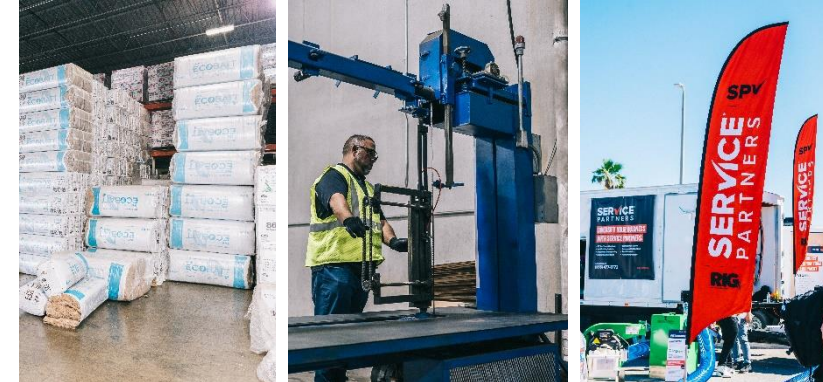


Rendering Credit: The Metropolitan Nashville Airport Authority

SPECIALTY DISTRIBUTION



Comparisons are to the periods ended December 31, 2022
(\$ in 000s)



**Three Months Ended
December 31, 2023** **Twelve Months Ended
December 31, 2023**

Sales Change	\$564,468 0.2%	\$2,268,339 (0.4%)
Adjusted Operating Profit* Change	\$83,355 3.0%	\$331,288 1.1%
Adjusted Operating Margin* Change	14.8% 40 bps	14.6% 20 bps
Adjusted EBITDA Margin* Change	17.5% 80 bps	17.3% 40 bps

- ✓ Full-year revenue decline largely driven by market shift to multi-family
- ✓ Solid commercial and industrial sales growth
- ✓ Projects coming on-line across diverse industries
- ✓ Recurring maintenance and repair work on commercial and industrial sites
- ✓ Continue to identify opportunities to enhance operational efficiencies

PLATFORM CONSISTENTLY DELIVERING TOP TIER RESULTS

SELECT SPECIALTY DISTRIBUTION PROJECTS

Eastman Chemical
Kingsport, TN



Credit: Eastman Chemical

Austal USA
Mobile, AL



Credit: Austal USA

LG Battery Plant
Holland, MI



Credit: LG Energy Solution

CAPITAL ALLOCATION

- Four acquisitions completed in 2023, ~\$173M in annual revenue
- Includes our third and fourth largest installation acquisitions, SRI and Best Insulation



- Residential insulation
- ~\$62M annual revenue
- Acquired January 2023



- Residential insulation
- ~\$5.4M annual revenue
- Acquired July 2023



- Residential insulation
- ~\$100M annual revenue
- Acquired July 2023



- Residential and commercial insulation
- ~\$5.3M annual revenue
- Acquired October 2023

ENHANCING OPERATIONS ACROSS OUR FOOTPRINT

Dedicated integration team with proven expertise

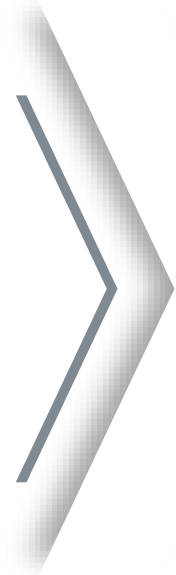
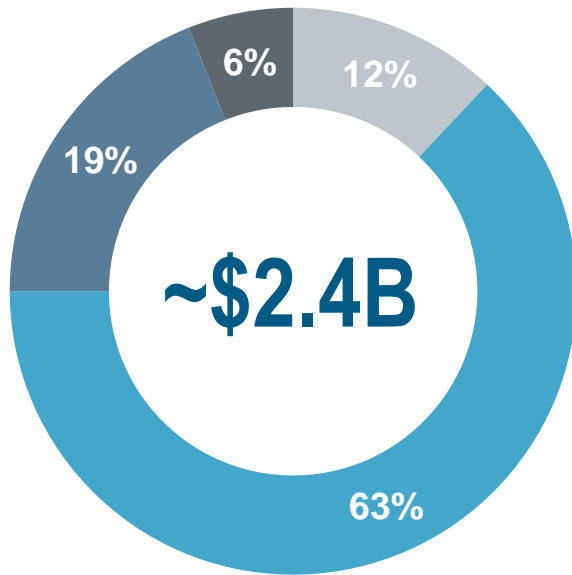
Highly complementary businesses enable substantial synergy realization

Consistent track record of successfully executing on plan

CREATING EXCEPTIONAL VALUE FOR SHAREHOLDERS

HISTORICAL CAPITAL ALLOCATION

USE OF CAPITAL
(1/1/19-12/31/23)



Internal Investments	<ul style="list-style-type: none"> • CapEx 1.5% of Sales • Investing in equipment upgrades and digitization
Acquisitions	<ul style="list-style-type: none"> • Completed 24 transactions <ul style="list-style-type: none"> • ~\$1.3B in revenue added • End-markets very fragmented
Share Repurchases	<ul style="list-style-type: none"> • ~\$446M in repurchases at an average share price of \$134.83

ACQUISITIONS ARE OUR #1 CAPITAL ALLOCATION PRIORITY

M&A: A CORE COMPETENCY

Strategic Rationale



Integration Expertise



Track Record of Success

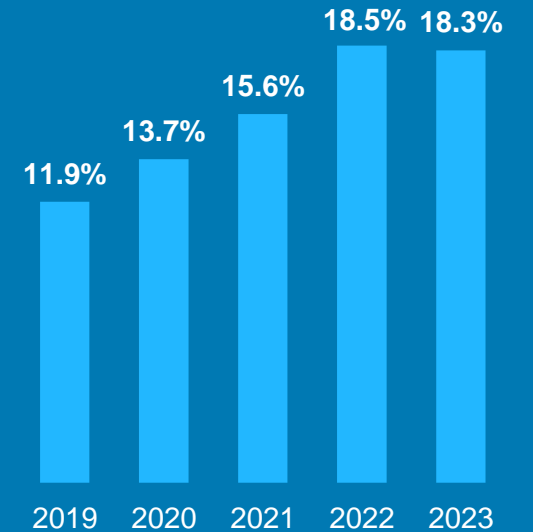


ROIC¹

- Focus on core Insulation products
- Enhance resources and capabilities
- Expand geographic presence and customer base
- Value accretive growth opportunities
- Aligns to culture and leadership

- Integrated 24 companies since 1/1/2019
- Dedicated integration team
- Timely conversion to our ERP system
- Realize synergies quickly

- Exceeded projected synergies, including DI and USI integrations
- Consistently expanded margins post-acquisitions
- Operational excellence focus enhances results



DISCIPLINED ACQUISITION STRATEGY CREATING SIGNIFICANT SHAREHOLDER RETURNS

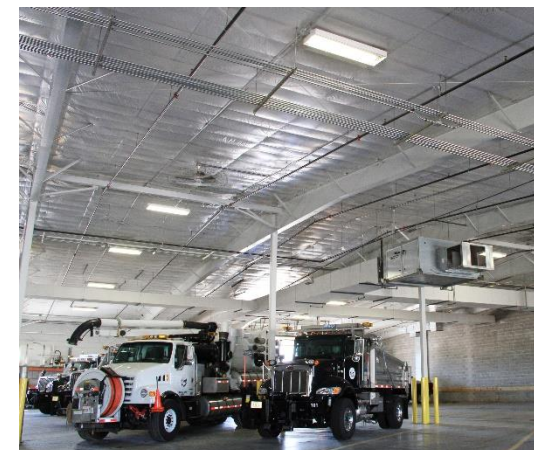
¹ Operating Profit and Average Invested Capital adjusted for USI and Distribution International acquisitions.
 Note: ROIC defined as $((1 - \text{Tax Rate}) * \text{Adjusted Operating Profit}) / (\text{LT Debt} + \text{Equity})$.

CAPEX, WORKING CAPITAL & CASH FLOW

\$ in 000s

	Twelve Months Ended December 31, 2023	Twelve Months Ended December 31, 2022
Operating Cash Flow	\$849,409	\$495,801
CAPEX	\$63,998	\$76,382
FREE CASH FLOW	\$785,411	\$419,419

	December 31, 2023	December 31, 2022
Cash Balance	\$848,565	\$240,069
Working Capital % to TTM Sales*	13.2%	15.7%



FREE CASH FLOW UP 87% FROM PRIOR YEAR

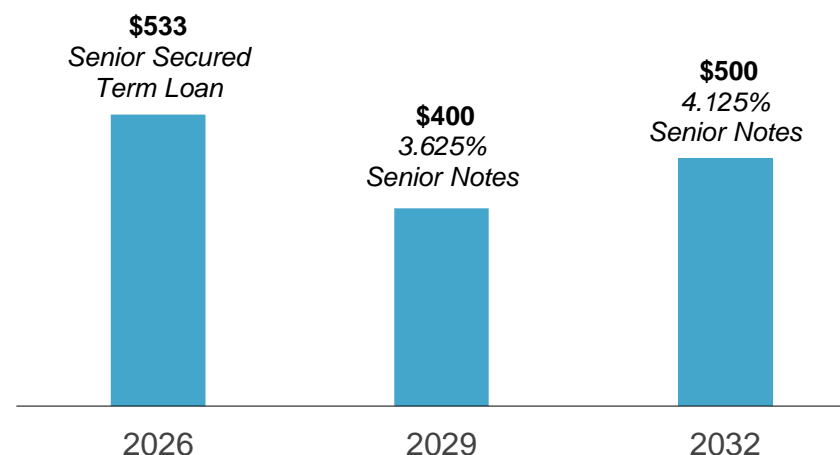
FLEXIBLE CAPITAL STRUCTURE

Capital Summary & Financial Highlights (\$M)

December 31, 2023	
Cash	\$ 848.6
Total Debt	\$ 1,434.5
Net Debt	\$585.9
TTM Proforma Adjusted EBITDA*	\$1,052.4
Net Leverage	0.56x
Available Credit Under Revolving Credit Facility	\$ 436.2
Cash & Cash Equivalents	\$ 848.6
Total Available Liquidity	\$1,284.8

Capital Structure (As of December 31, 2023)

Debt Maturity Schedule¹ (\$M)



Current Credit Ratings

S&P: BB+

Moody's: Ba1

HEALTHY BALANCE SHEET SUPPORTS CAPITAL ALLOCATION PRIORITIES

*See Appendix for Reconciliation

¹Excludes equipment notes

2024 OUTLOOK

(as of February 28, 2024)

SALES

\$5,360M to \$5,560M

ADJUSTED EBITDA*

\$1,040M to \$1,130M

2024 FULL-YEAR ASSUMPTIONS

RESIDENTIAL

Mid-Single Digit
Revenue Growth

COMMERCIAL/ INDUSTRIAL

Mid-Single Digit
Revenue Growth

INCOME TAX RATE

25% to 27%

WORKING CAPITAL

Goal: 12% to 14%

CAPEX

1.5% to 2% of Revenue

INCREMENTAL EBITDA

Organic: 22% to 27%
Acquisitions Year 1: 11% to 16%



ANOTHER YEAR OF PROFITABLE GROWTH EXPECTED



APPENDIX

ADJUSTED EBITDA RECONCILIATION (unaudited)

(\$ in 000s)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net income, as reported	\$ 146,382	\$ 143,834	\$ 614,254	\$ 555,989
Adjustments to arrive at EBITDA, as adjusted:				
Interest expense and other, net	10,458	15,194	53,342	55,029
Income tax expense	47,960	44,086	211,229	186,146
Depreciation and amortization	34,662	30,284	132,878	123,335
Share-based compensation	4,757	2,637	15,836	12,310
Rationalization charges	41	162	1,923	(172)
Acquisition related costs	7,381	1,216	19,698	7,974
EBITDA, as adjusted	\$ 251,641	\$ 237,413	\$ 1,049,160	\$ 940,611
Proforma acquisition EBITDA (a)			6,251	
Proforma disposition EBITDA (b)			(3,040)	
Proforma TTM EBITDA, as adjusted			\$ 1,052,371	

(a) Represents the trailing twelve months proforma impact of acquisitions completed in 2023.

(b) Represents the trailing twelve months proforma impact of dispositions completed in 2023

SEGMENT DATA (unaudited)

(\$ in 000s)

	Three Months Ended December 31,		Change	Year Ended December 31,		Change
	2023	2022		2023	2022	
Installation						
Sales	\$ 790,414	\$ 761,261	3.8 %	\$ 3,188,232	\$ 2,969,978	7.3 %
Operating profit, as reported	\$ 149,999	\$ 141,961		\$ 644,392	\$ 548,795	
<i>Operating margin, as reported</i>	19.0 %	18.6 %		20.2 %	18.5 %	
Rationalization charges	41	161		1,923	(174)	
Acquisition related costs	11	23		527	135	
Operating profit, as adjusted	\$ 150,051	\$ 142,145		\$ 646,842	\$ 548,756	
<i>Operating margin, as adjusted</i>	19.0 %	18.7 %		20.3 %	18.5 %	
Share-based compensation	372	339		1,496	1,296	
Depreciation and amortization	18,422	15,869		69,123	62,483	
EBITDA, as adjusted	\$ 168,845	\$ 158,353	6.6 %	\$ 717,461	\$ 612,535	17.1 %
<i>EBITDA margin, as adjusted</i>	21.4 %	20.8 %		22.5 %	20.6 %	
Specialty Distribution						
Sales	\$ 564,468	\$ 563,065	0.2 %	\$ 2,268,339	\$ 2,278,261	-0.4 %
Operating profit, as reported	\$ 83,355	\$ 80,692		\$ 330,938	\$ 326,226	
<i>Operating margin, as reported</i>	14.8 %	14.3 %		14.6 %	14.3 %	
Acquisition related costs	—	266		350	1,502	
Operating profit, as adjusted	\$ 83,355	\$ 80,958		\$ 331,288	\$ 327,728	
<i>Operating margin, as adjusted</i>	14.8 %	14.4 %		14.6 %	14.4 %	
Share-based compensation	298	104		1,286	1,041	
Depreciation and amortization	15,193	13,184		59,607	56,881	
EBITDA, as adjusted	\$ 98,846	\$ 94,246	4.9 %	\$ 392,181	\$ 385,650	1.7 %
<i>EBITDA margin, as adjusted</i>	17.5 %	16.7 %		17.3 %	16.9 %	
Total						
Sales before eliminations	\$ 1,354,882	\$ 1,324,326		\$ 5,456,571	\$ 5,248,239	
Intercompany eliminations	(68,808)	(59,783)		(261,877)	(239,495)	
Net sales after eliminations	\$ 1,286,074	\$ 1,264,543	1.7 %	\$ 5,194,694	\$ 5,008,744	3.7 %

MARGIN RECONCILIATION (unaudited)

(\$ in 000s)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Gross profit, as reported	\$ 391,116	\$ 375,672	\$ 1,603,820	\$ 1,486,719
<i>Gross margin, as reported</i>	30.4 %	29.7 %	30.9 %	29.7 %
Acquisition related costs	—	15	—	135
Gross profit, as adjusted	\$ 391,116	\$ 375,687	\$ 1,603,820	\$ 1,486,854
<i>Gross margin, as adjusted</i>	30.4 %	29.7 %	30.9 %	29.7 %
Operating profit, as reported - segments	\$ 233,354	\$ 222,653	\$ 975,330	\$ 875,021
General corporate expense, net	(16,787)	(9,650)	(52,067)	(38,018)
Intercompany eliminations	(11,767)	(9,889)	(44,438)	(39,839)
Operating profit, as reported	\$ 204,800	\$ 203,114	\$ 878,825	\$ 797,164
<i>Operating margin, as reported</i>	15.9 %	16.1 %	16.9 %	15.9 %
Rationalization charges	41	162	1,923	(172)
Acquisition related costs ¹	7,381	1,216	19,698	7,974
Operating profit, as adjusted	\$ 212,222	\$ 204,492	\$ 900,446	\$ 804,966
<i>Operating margin, as adjusted</i>	16.5 %	16.2 %	17.3 %	16.1 %
Share-based compensation	4,757	2,637	15,836	12,310
Depreciation and amortization	34,662	30,284	132,878	123,335
EBITDA, as adjusted	\$ 251,641	\$ 237,413	\$ 1,049,160	\$ 940,611
<i>EBITDA margin, as adjusted</i>	19.6 %	18.8 %	20.2 %	18.8 %

¹ Acquisition related costs include corporate level adjustments as well as segment operating adjustments.

SAME BRANCH AND ACQUISITION METRICS (unaudited)

(\$ in 000s)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net Sales				
Same branch	\$ 1,247,631	\$ 1,259,612	\$ 5,087,232	\$ 4,999,692
Acquisitions (a)	38,443	—	107,462	—
Dispositions (b)	—	4,931	—	9,052
Total	\$ 1,286,074	\$ 1,264,543	\$ 5,194,694	\$ 5,008,744
EBITDA, as adjusted				
Same branch	\$ 246,769	\$ 236,941	\$ 1,033,980	\$ 939,183
Acquisitions (a)	4,872	—	15,180	—
Dispositions (b)	—	472	—	1,428
Total	\$ 251,641	\$ 237,413	\$ 1,049,160	\$ 940,611
EBITDA, as adjusted, as a percentage of sales				
Same branch (c)	19.8 %		20.3 %	
Acquisitions (d)	12.7 %		14.1 %	
Total (e)	19.6 %	18.8 %	20.2 %	18.8 %
As Adjusted Incremental EBITDA, as a percentage of change in sales				
Same branch (f)	NM		108.3 %	
Acquisitions (d)	12.7 %		14.1 %	
Total (g)	66.1 %		58.4 %	

(a) Represents current year impact of acquisitions in their first twelve months

(b) Represents operating results in prior period previously classified as same branch, including \$4,121 net sales and \$956 EBITDA, as adjusted, in the third quarter of 2022, respectively

(c) Same branch metric, as adjusted, as a percentage of same branch sales

(d) Acquired metric, as adjusted, as a percentage of acquired sales

(e) Total EBITDA, as adjusted, as a percentage of total sales

(f) Change in same branch EBITDA, as adjusted, as a percentage of change in same branch sales

(g) Change in total EBITDA, as adjusted, as a percentage of change in total sales

NM Not Meaningful

INCOME PER COMMON SHARE RECONCILIATION (unaudited)

(\$ in 000s except share and per common share amounts)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Income before income taxes, as reported	\$ 194,342	\$ 187,920	\$ 825,483	\$ 742,135
Rationalization charges	41	162	1,923	(172)
Acquisition related costs	7,381	1,216	19,698	7,974
Income before income taxes, as adjusted	201,764	189,298	847,104	749,937
Tax rate at 26.0%	(52,459)	(49,217)	(220,247)	(194,984)
Income, as adjusted	\$ 149,305	\$ 140,081	\$ 626,857	\$ 554,953
Income per common share, as adjusted	\$ 4.69	\$ 4.40	\$ 19.73	\$ 17.11
Weighted average diluted common shares outstanding	31,805,569	31,838,352	31,776,901	32,440,405

ACQUISITION ADJUSTED NET SALES (unaudited)

(\$ in 000s)

	2023				Year Ended
	Q1	Q2	Q3	Q4	December 31, 2023
Net Sales	\$ 1,265,238	\$ 1,317,262	\$ 1,326,120	\$ 1,286,074	\$ 5,194,694
Acquisitions proforma adjustment [†]	31,847	26,978	5,400	55	64,280
Net sales, acquisition adjusted	<u>\$ 1,297,085</u>	<u>\$ 1,344,240</u>	<u>\$ 1,331,520</u>	<u>\$ 1,286,129</u>	<u>\$ 5,258,974</u>
Receivables, net plus inventories less accounts payable					\$ 694,155
<i>Receivables, net plus inventories less accounts payable as a percent of sales (TTM)</i> [†]					13.2 %

[†] Trailing 12 months sales have been adjusted for the pro forma effect of acquired branches

RECONCILIATION GUIDANCE TABLE (unaudited)

(\$ in 000,000)

	Twelve Months Ending December 31, 2024	
	Low	High
Estimated net income	\$ 588.0	\$ 667.0
Adjustments to arrive at estimated EBITDA, as adjusted:		
Interest expense and other, net	60.0	54.0
Income tax expense	206.0	234.0
Depreciation and amortization	140.0	135.0
Share-based compensation	21.0	18.0
Acquisition related costs	25.0	22.0
Estimated EBITDA, as adjusted	\$ 1,040.0	\$ 1,130.0

 **TopBuild**[®]

