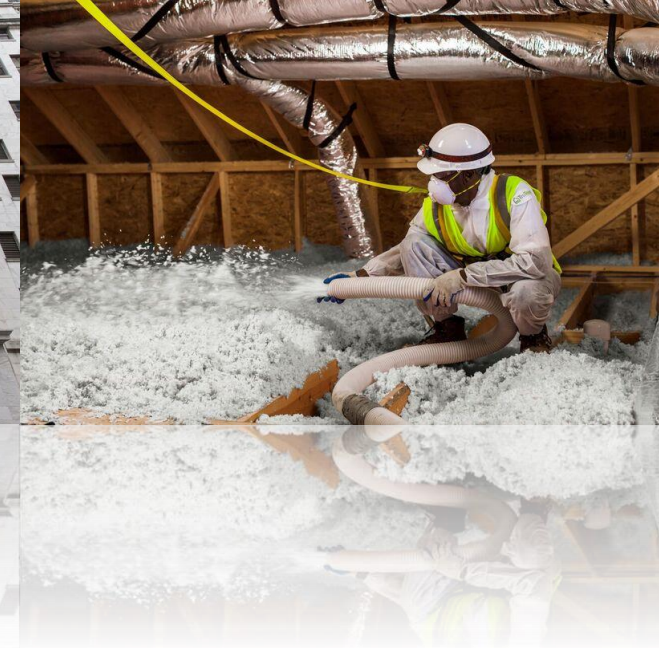


**Third Quarter
2019**

October 31, 2019



Jerry Volas, CEO

Robert Buck, President & COO

John Peterson, CFO

Safe Harbor

Statements contained in this presentation that are not historical and reflect our views about future periods and events, including our future performance, 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; 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. 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. Non-GAAP performance measures and ratios should be viewed in addition, and not as an alternative, to the Company’s reported results under generally accepted accounting principles in the United States. A reconciliation of these financial measures to the most comparable (GAAP measures in tables included in this presentation). 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.

U.S. Housing Overview

Third Quarter 2019

- Builder confidence/order profile remains strong
- Single family starts improving
- Inventory tight
- Job and wage growth strong
- Mortgage rates low
- Projected household formations indicate significant growth
- Starts remain well below historical level of 1.4M to 1.5M

All Signs Point Towards Continued Growth in New Home Construction

Financial Highlights

Third Quarter 2019

- 5.4% increase in net sales
- 130 bps gross margin expansion to 26.3%
- 160 bps operating margin expansion to 11.8%
- 140 bps adjusted EBITDA margin expansion to 14.4%
- 39.1% incremental EBITDA margin
- 24.4% increase in adjusted EPS to \$1.53

Our Results Reflect the Strength of Our Diversified Model and Our Continued Focus on Operational Efficiency

Capital Allocation

Third Quarter 2019

- Acquisitions number one priority
 - Acquired 11 companies since 2016
- Robust pipeline of acquisition candidates
- Share repurchases number two priority
 - \$200M share repurchase program in place
 - \$50M ASR announced...completion expected 1Q 2020
 - Since 2016, repurchased 4.9M shares at an average per share price of \$56.74

Acquisitions Generating ~\$515M of Annual Revenue

Financial Overview

Third Quarter 2019

(\$ in 000s)	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2019
Sales	\$682,330	\$1,961,771
Y-O-Y Change	5.4%	12.4%
Adjusted Operating Profit*	\$80,584	\$216,114
Y-O-Y Change	16.0%	30.6%
Adjusted Operating Margin*	11.8%	11.0%
Y-O-Y Change	110 bps	150 bps
Adjusted EBITDA*	\$97,977	\$266.5
Y-O-Y Change	16.3%	32.7%
Adjusted EBITDA Margin*	14.4%	13.6%
Y-O-Y Change	140 bps	210 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

Third Quarter 2019 (\$ in 000s)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Income before income taxes, as reported	\$ 71,591	\$ 57,014	\$ 185,875	\$ 125,057
Rationalization charges	8	1,668	1,977	6,807
Acquisition related costs	131	1,578	1,034	14,859
Income before income taxes, as adjusted	71,730	60,260	188,886	146,723
Tax rate at 26.5% and 27.0% for 2019 and 2018, respectively	(19,008)	(16,270)	(50,055)	(39,615)
Income, as adjusted	\$ 52,722	\$ 43,990	\$ 138,831	\$ 107,108
Income per common share, as adjusted	\$ 1.53	\$ 1.23	\$ 4.02	\$ 2.99
Weighted average diluted common shares outstanding	34,367,902	35,789,383	34,541,635	35,815,357

CapEx, Working Capital & Cash Flow

Third Quarter 2019

(\$ in 000s)	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
CAPEX	\$34,100	\$42,379
Working Capital % to Sales (using Pro Forma LTM sales)	11.6%	11.3%
Operating Cash Flow	\$182,779	\$96,033
Cash Balance	\$171,591	\$93,463

Strong Balance Sheet

2019 Outlook

Third Quarter 2019

SALES

\$2,625M to \$2,645M

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

ADJUSTED EBITDA*

\$354M to \$360M

- ✓ Low end raised by \$9M
- ✓ High end raised by \$5M

Assumes Housing Starts Between 1.245M and 1.275M

* See slides 17 & 19 for adjusted EBITDA reconciliations

Our Strong Performance is a Direct Result of...

Third Quarter 2019

- Our team's hard work, alignment and cadence by which we run the business
- Our ongoing operational efficiency initiatives
- Our commitment to excellent customer service
- Our strong customer and supplier relationships
- Our insistence that growth and profit go hand in hand

Continued Focus on Profitable Growth

Third Quarter 2019

(\$ in 000s)	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2019
Sales	\$498,390	\$1,430,800
Y-O-Y Change	7.3%	17.0%
Adjusted Operating Profit*	\$69,886	\$190,210
Y-O-Y Change	14.2%	35.3%
Adjusted Operating Margin*	14.0%	13.3%
Y-O-Y Change	80 bps	180 bps

- Outpacing Lagged Starts
- Volume and Selling Prices both Strong

- Continuing to Expand Margins
- Great Operational Execution

Third Quarter 2019

(\$ in 000s)	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2019
Sales	\$220,947	\$638,899
Y-O-Y Change	3.8%	5.4%
Adjusted Operating Profit*	\$23,406	\$65,263
Y-O-Y Change	20.9%	13.9%
Adjusted Operating Margin*	10.6%	10.2%
Y-O-Y Change	150 bps	70 bps

- Stronger Operational Execution
- Improved Portfolio Mix

- Good Cost Control
- Price discipline

* See slide 18 for GAAP to non-GAAP reconciliation

Strong Commercial Growth

Third Quarter 2019

- Same branch commercial revenue
 - 18.8% increase 3Q 2019
 - 21.4% increase first nine months 2019
- ~23% of total BLD revenue
- Accretive margins
- Opportunities for growth
 - Expand market share at existing branch locations
 - Make strategic acquisitions to enhance product offerings in key markets
 - Identify greenfield opportunities

Robust Backlog – Bidding Projects Well into 2022

Labor and Material

Third Quarter 2019

- Labor remains tight
 - TopBuild “employer of choice” including full benefits package, training and education assistance
 - Ability to share labor across footprint...major differentiator
- Highly confident in our supply chain
- Spray foam growing but at slower pace
 - Growth impacted by builder focus on entry level homes
 - Still ~2X cost of fiberglass

**We Remain Confident in our Ability to Recruit Labor
and Manage our Supply Chain**

Core Values and Culture

Third Quarter 2019

- Putting the safety of our people first
- Delivering results with integrity, respect and accountability
- Focusing on exceeding the expectations of our customers
- Continuously improving and encouraging idea sharing
- Aligning as one team and valuing diversity
- Making a difference in the communities we serve
- Empowering our employees to be their best, individually and as a team

Our Values are a Key Component of our Success

Appendix



Adjusted EBITDA Reconciliation

Third Quarter 2019 (\$ in 000s)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Net income, as reported	\$ 54,976	\$ 42,658	\$ 145,011	\$ 96,198
Adjustments to arrive at EBITDA, as adjusted:				
Interest expense and other, net	8,854	9,203	27,228	18,734
Income tax expense	16,615	14,356	40,864	28,859
Depreciation and amortization	13,467	11,948	39,005	27,133
Share-based compensation	3,926	2,848	11,411	8,244
Rationalization charges	8	1,668	1,977	6,807
Acquisition related costs	131	1,578	1,034	14,859
EBITDA, as adjusted	\$ 97,977	\$ 84,259	\$ 266,530	\$ 200,834

Segment GAAP to Non-GAAP Reconciliation

Third Quarter 2019 (\$ in 000s)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	Change	2019	2018	Change
TruTeam						
Sales	\$ 498,390	\$ 464,540	7.3 %	\$ 1,430,800	\$ 1,223,357	17.0 %
Operating profit, as reported	\$ 69,846	\$ 61,004		\$ 189,568	\$ 139,969	
<i>Operating margin, as reported</i>	14.0 %	13.1 %		13.2 %	11.4 %	
Rationalization charges	(16)	177		183	629	
Acquisition related costs	56	—		459	—	
Operating profit, as adjusted	\$ 69,886	\$ 61,181		\$ 190,210	\$ 140,598	
<i>Operating margin, as adjusted</i>	14.0 %	13.2 %		13.3 %	11.5 %	
Service Partners						
Sales	\$ 220,947	\$ 212,948	3.8 %	\$ 638,899	\$ 606,335	5.4 %
Operating profit, as reported	\$ 23,406	\$ 19,229		\$ 65,154	\$ 57,141	
<i>Operating margin, as reported</i>	10.6 %	9.0 %		10.2 %	9.4 %	
Rationalization charges	—	134		109	159	
Operating profit, as adjusted	\$ 23,406	\$ 19,363		\$ 65,263	\$ 57,300	
<i>Operating margin, as adjusted</i>	10.6 %	9.1 %		10.2 %	9.5 %	

Reconciliation Table

Third Quarter 2019 (\$ in 000,000s)

	Twelve Months Ending December 31, 2019	
	Low	High
Estimated net income	\$ 179.7	\$ 188.5
Adjustments to arrive at estimated EBITDA, as adjusted:		
Interest expense and other, net	37.0	35.0
Income tax expense	64.8	68.0
Depreciation and amortization	54.0	52.0
Share-based compensation	14.0	13.0
Rationalization charges	3.0	2.5
Acquisition related costs	1.5	1.0
Estimated EBITDA, as adjusted	\$ 354.0	\$ 360.0