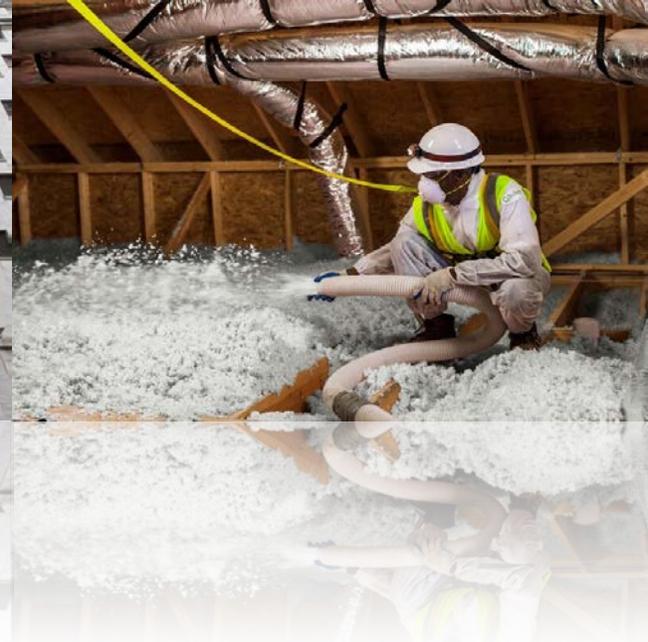




Jefferies

2018 Global Industrials Conference

August 9, 2018



Safe Harbor

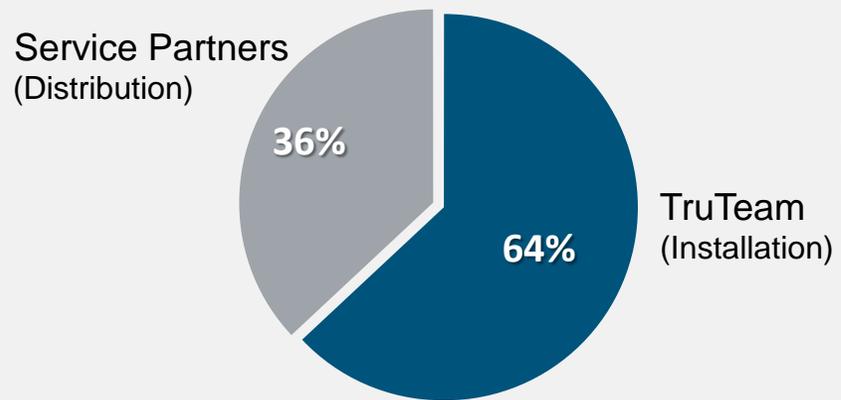
Statements contained in this presentation and during question and answer panels that reflect our views about our future performance constitute “forward-looking statements” under the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as “believe,” “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.

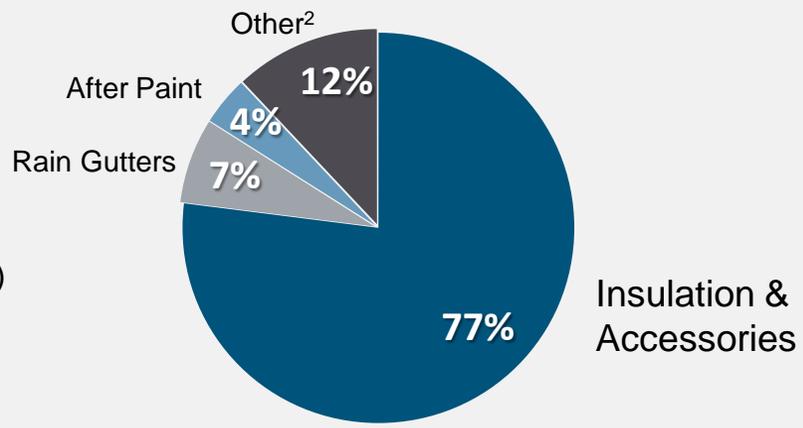
TopBuild at a Glance (at 12/31/17, pre USI acquisition)

| SPIN-DATE <small>(From Masco)</small> | HEADQUARTERS | MARKET-CAP ¹ | U.S. EMPLOYEES |
|---------------------------------------|-------------------|-------------------------|----------------|
| June 30, 2015 | Daytona Beach, FL | \$2.6B | 8,400+ |

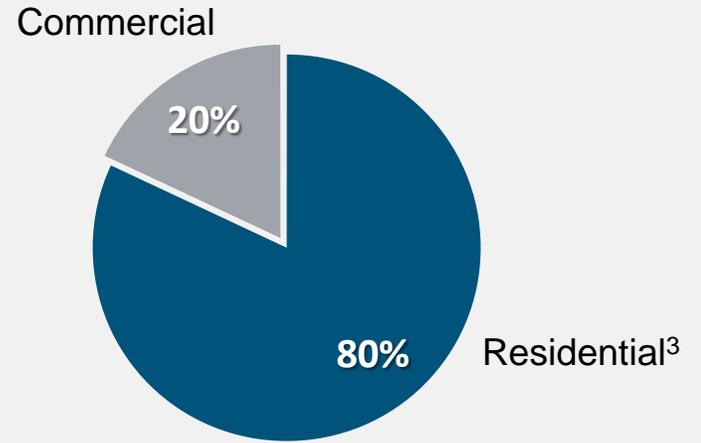
2017 Revenue \$1.9B



Product Mix



Business Mix



¹ As of 8/2/18; ² Primarily includes garage doors, fireplaces and fireproofing; ³ Includes repair and remodel.

Largest Purchaser, Installer and Distributor of Insulation in the U.S.

Business Segments

Competitive Advantages



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

- Unrivaled national scale and buying power
- Established relationships with manufacturers
- Strong local presence and brands
- Reliable and consistent service
- Recognized building science expertise
- Institutional focus on safety



**One-stop
Solution**
for Insulation Products
and Services

- 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



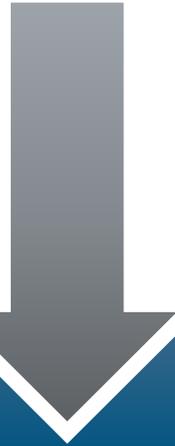
- Residential construction
- Commercial construction
- Stricter energy codes

One Company Leveraging Two Leading Channels



INSTALLATION

Provide contractor services to all builders



**SCALE
ADVANTAGE**
Building Science
Expertise



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



KNAUF



Accela

CertainTeed



**#1 in Residential
Installation**

**>40%+ Share of New
Housing Starts**

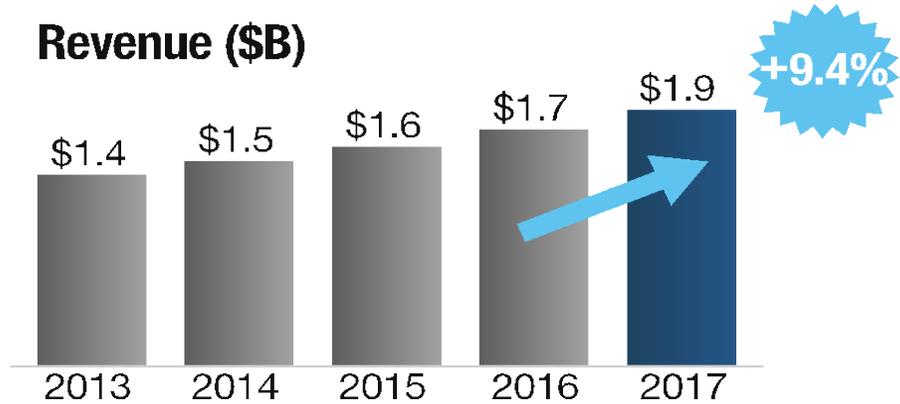
**2x Size of Largest
Competitor**

BUILDERS &
CONTRACTORS

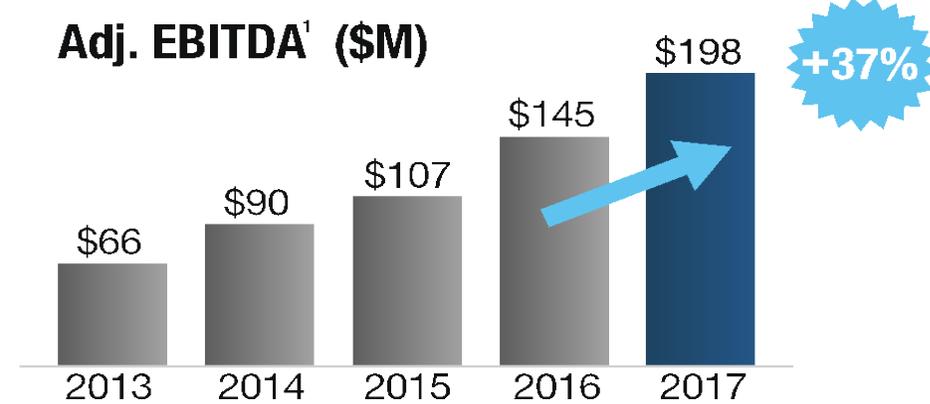
- Residential New Construction Highly Fragmented
- 50K+ U.S. Home Builders
- 50% of Housing Starts Covered by Large National/Regional Builders

Accelerating Profitable Growth (pre USI acquisition)

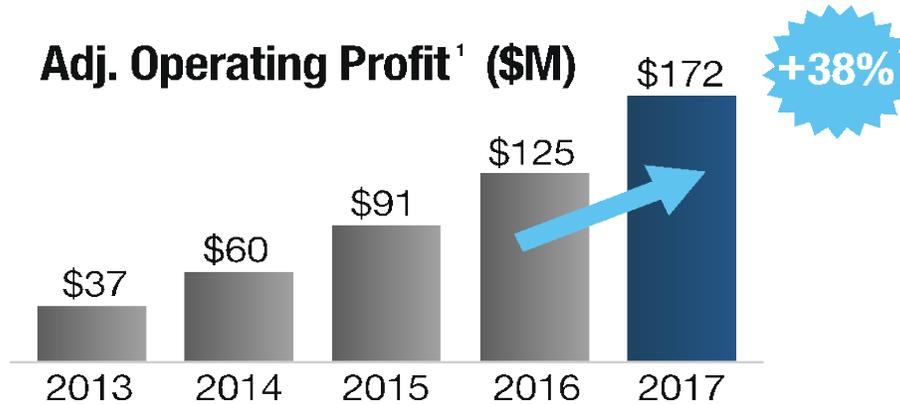
Revenue (\$B)



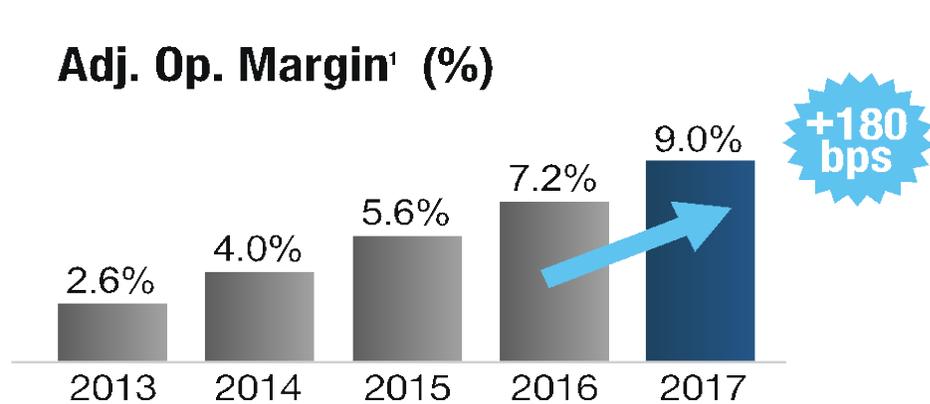
Adj. EBITDA¹ (\$M)



Adj. Operating Profit¹ (\$M)



Adj. Op. Margin¹ (%)



¹ Non-GAAP measure

Repositioning and Strengthening Business has Led to Successful Results



 **TopBuild™**



Operating Environment



Positive Outlook for Construction Industry

TopBuild Advantages



GENERAL ECONOMY



POPULATION GROWTH



HOUSEHOLD FORMATIONS



AGE OF HOUSING STOCK



NEW HOME CONSTRUCTION

Our Footprint Covers 95% of All Housing Starts

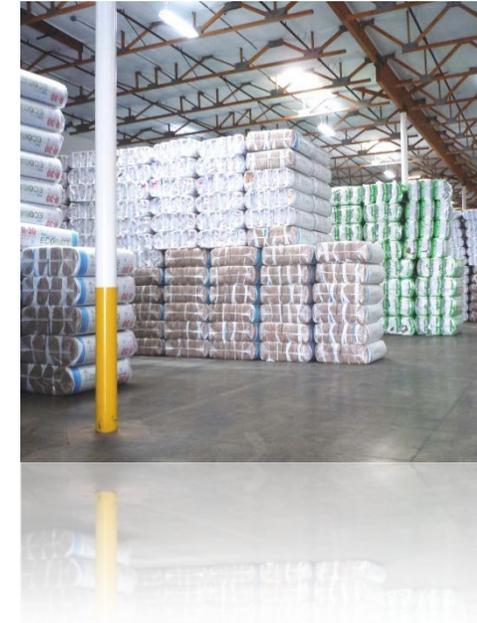
Largest Buyer of Insulation Facilitates Preferred Partnerships with Suppliers

Employer of Choice

Macro Economic Trends Supporting Growth

Material

- Material costs increasing
 - Three fiberglass cost increases announced 2018 YTD
 - Function of tight supply and higher freight costs
- Spray foam and cellulose better alternatives in some cases
 - YTD spray foam sales have increased:
 - 34.0% at TruTeam
 - 29.7% at Service Partners
- Confident we can push material cost increases through selling price increases
 - 1Q increase successfully passed through in 2Q
 - Expect to fully recover 2Q cost increase in Q3
- Insulation relatively small component of new home cost
- Inflationary environment positive for TopBuild when demand supports it
- Annual guidance incorporates 2018 manufacturers cost increases



Our Teams are Doing a Nice Job Recovering Material Cost Increases

Labor

- Construction labor remains tight
- BLD employer of choice
 - Strong earnings potential
 - Full suite of benefits
 - Opportunities for career growth
- Some wage inflation in certain regions
- Remain focused on improving labor productivity
- Gained additional 1,200 installers through USI acquisition
- Share labor, trucks and inventory seamlessly across branches



**Our Ability to Attract, Retain and Flex our Labor
is an Important Competitive Advantage**



 **TopBuild™**



USI Acquisition



USI Transaction – Acquisition Closed May 1, 2018

- Acquired for \$475 million in all cash transaction
- Funding
 - \$400 million Senior Notes
 - 5.625%, unsecured
 - Matures 2026
 - \$100 million delayed-draw term loan
- Expected to be accretive to GAAP EPS in the 12-month period after close
- Improves pro forma EBITDA margin and free cash flow profile
- Anticipate at least \$15 million of run-rate cost synergies by May 2020
- Contributed \$68.7M of revenue in May and June



A Well-Run Business, Similar Culture to TopBuild

USI Overview

Business Description

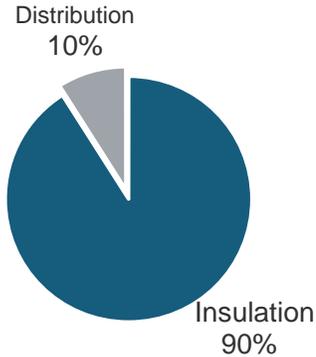
- A leading provider of insulation installation and distribution services to the residential and commercial construction markets
- Founded in 1998 and headquartered in St. Paul, MN
- 38 locations in 13 states
- Significant presence in high-growth regions: Pacific Northwest, Mountain West, Southwest and Southeast

Financials^{1,2}

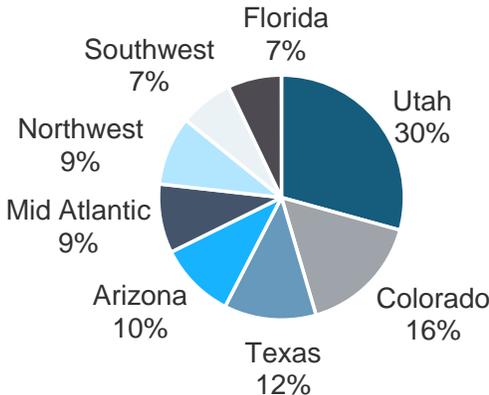
| | 2016 | 2017 | Change |
|---------------------------|--------------|--------------|-----------------|
| Revenue (\$M) | \$353 | \$375 | 6.1% |
| Adj. EBITDA (\$M) | \$45 | \$47 | 4.5% |
| Adj. EBITDA Margin | 12.7% | 12.5% | (20 bps) |

Revenue Mix³ (2017)

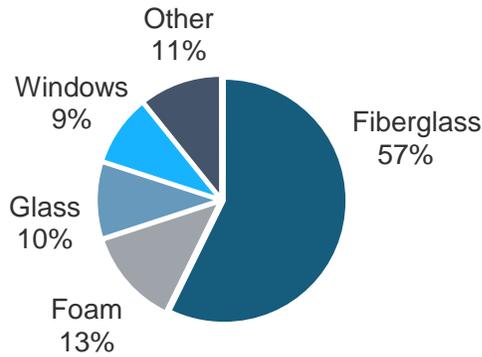
Segment¹



Region



Service Line



1. Acquisition does not include Construction Services; 2. Pro forma for all acquisitions; 3. Does not account for the impact of Glasshouse acquisition, corporate costs and eliminations

USI Fits Within TopBuild's Stated M&A Strategy

| | |
|--|--|
| ✓ Enhances Scale | <ul style="list-style-type: none">▪ Provides opportunity to combine leading installers and distributors of insulation and other building materials▪ Leverage across combined supply chain |
| ✓ Increases Penetration in Key Regions | <ul style="list-style-type: none">▪ Increases presence in high-growth regions: Pacific Northwest, Mountain West, Southwest and Southeast▪ Increases distribution presence in two key regions: Denver, CO and Salt Lake City, UT |
| ✓ Possesses Significant Value Creation Potential | <ul style="list-style-type: none">▪ At least \$15M of projected run-rate synergies by YE 2019 |
| ✓ Augments Business Product Mix & Capabilities | <ul style="list-style-type: none">▪ Adds highly complementary core insulation business▪ Strengthens position as leading installer and distributor▪ Enhances value proposition for customers |
| ✓ Provides Experienced Operators & Well-trained Direct Labor | <ul style="list-style-type: none">▪ Well-trained labor force closely aligned with same "best practices" as TopBuild▪ Exceptional service and reliability with an institutional focus on safety |

~\$500M of Annualized Revenue Acquired Since August 2016

USI Integration

- Hitting milestones
- Similar corporate cultures
- Two waves of branch locations integrated onto Oracle
 - Subsequent waves every month through October
- Rapidly transferring responsibilities to Daytona Beach Branch Support Center
 - Finance, IT, HR and Supply Chain
- By year-end 2018:
 - ✓ All core branches moved onto our operating systems
 - ✓ St. Paul office closed and all corporate functions consolidated
 - ✓ Redundant corporate positions eliminated
 - ✓ Back office operations streamlined
 - ✓ Begin optimization of branch operations
 - ✓ Supply chain leverage improved



The Integration Process is Proceeding Better Than Expected

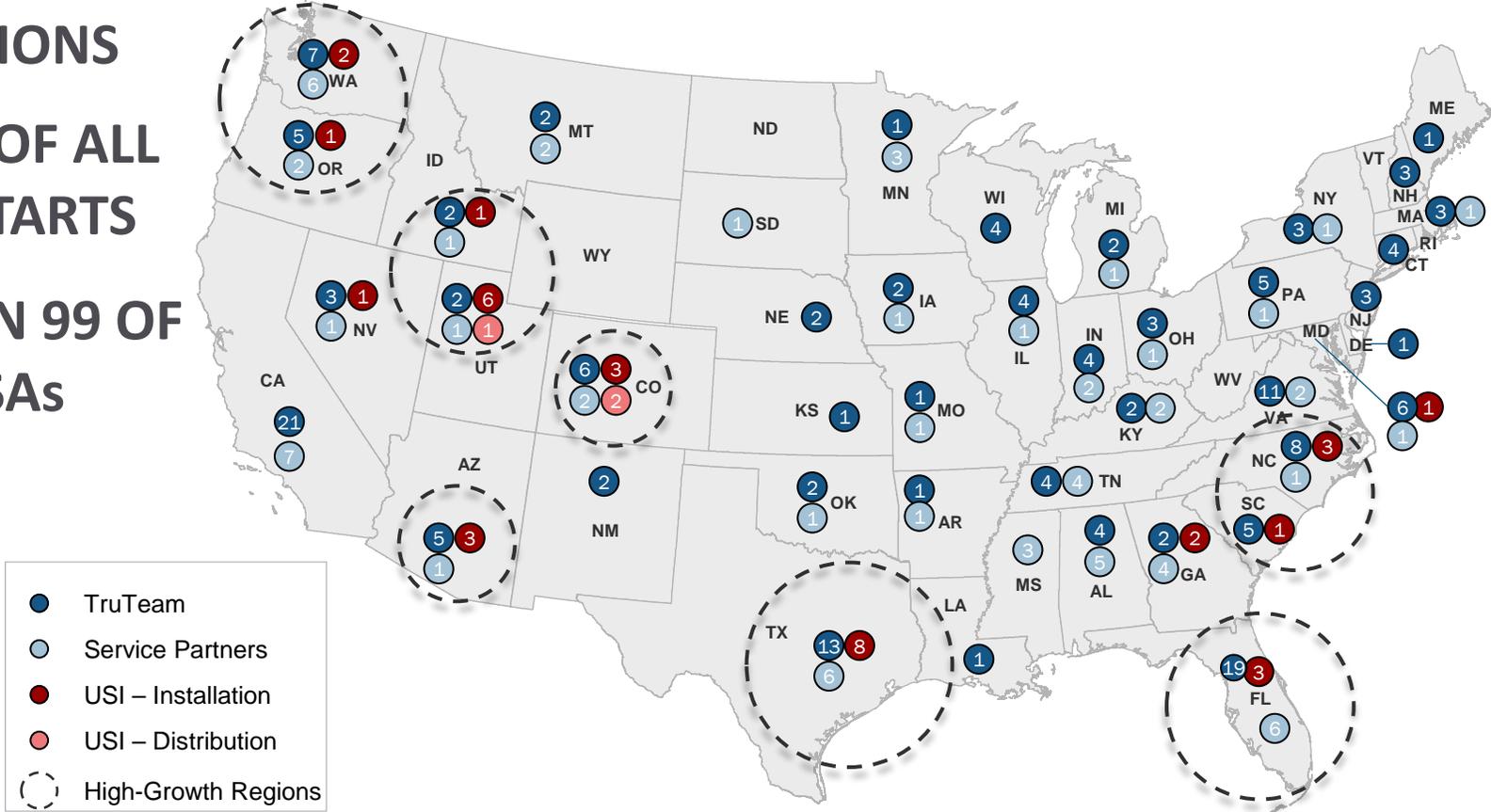
Footprint with USI Acquisition

LARGEST NETWORK IN U.S.

290+ LOCATIONS

SERVE 95% OF ALL HOUSING STARTS

PRESENCE IN 99 OF TOP 100 MSAs



Midwest

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

Northeast

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

South

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

West

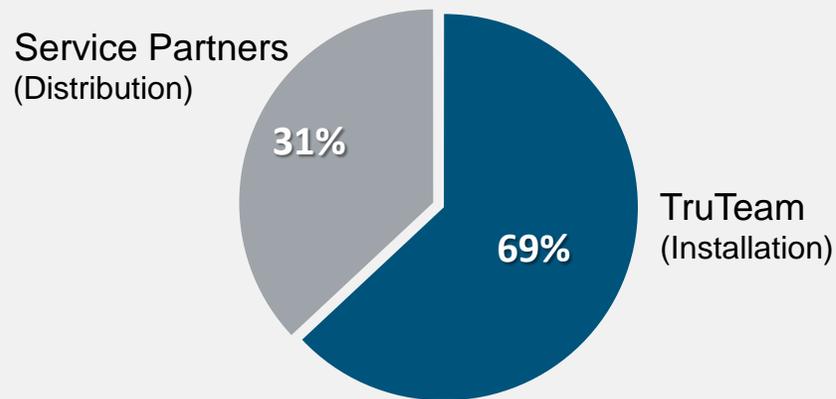
- TruTeam: 72
- Service Partners: 26
- Total: 98

Increases Penetration in High-Growth Regions

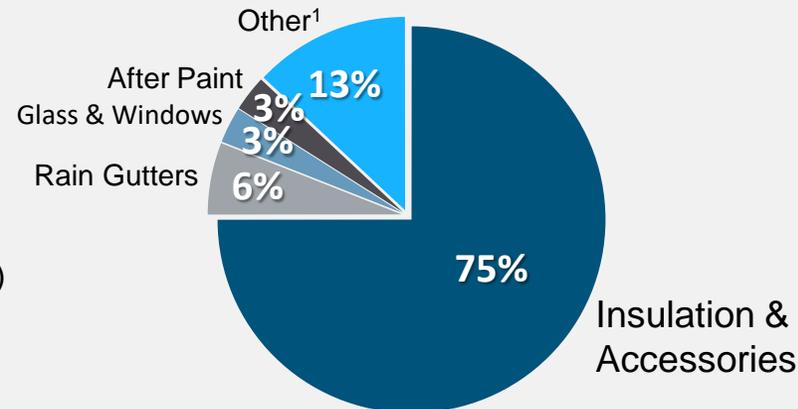
TopBuild at a Glance (proforma with USI)

| HEADQUARTERS | Locations | U.S. EMPLOYEES |
|-------------------|--------------|----------------|
| Daytona Beach, FL | Close to 300 | 10,000+ |

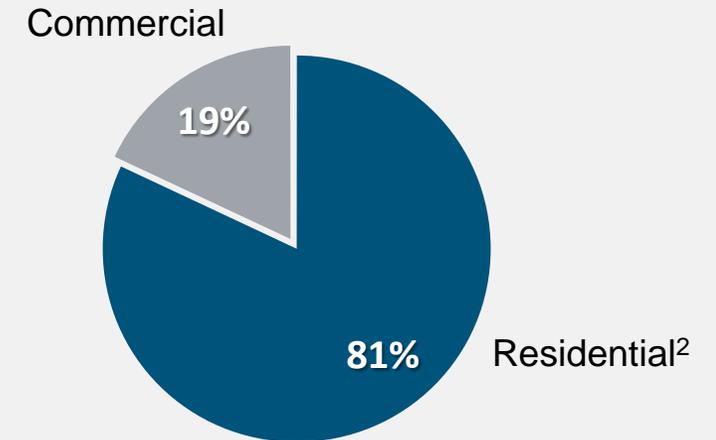
2017 Revenue \$2.3B



Product Mix



Business Mix



¹ Primarily includes garage doors, fireplaces and fireproofing; ² Includes repair and remodel.

Largest Purchaser, Installer and Distributor of Insulation in the U.S.



 **TopBuild™**



Second Quarter 2018



Financial Overview

2Q 2018



(\$ in 000s)

| | | | |
|--|------------------|------------------|------------------|
| Sales | \$605,969 | \$429,423 | \$205,621 |
| YoY Δ | 27.7% | 33.8% | 17.5% |
| Adj. Operating Profit¹ | \$57,821 | \$49,871 | \$20,009 |
| YoY Δ | 37.0% | 41.4% | 17.4% |
| Adj. Operating Margin¹ | 9.5% | 11.6% | 9.7% |
| YoY Δ | 60 bps | 60 bps | 0 bps |
| Adj. EBITDA Margin¹ | 11.6% | | |
| YoY Δ | 140 bps | | |

¹ Non-GAAP measure

Continued Strong Performance in 2Q 2018

Financial Overview

1H 2018



(\$ in 000s)

| | | | |
|--|--------------------|------------------|------------------|
| Sales | \$1,097,412 | \$758,817 | \$393,387 |
| YoY Δ | 19.8% | 24.0% | 13.9% |
| Adj. Operating Profit¹ | \$95,992 | \$79,418 | \$37,937 |
| YoY Δ | 35.6% | 40.1% | 16.6% |
| Adj. Operating Margin¹ | 8.7% | 10.5% | 9.6% |
| YoY Δ | 100 bps | 120 bps | 20 bps |
| Adj. EBITDA Margin¹ | 10.6% | | |
| YoY Δ | 160 bps | | |

¹ Non-GAAP measure

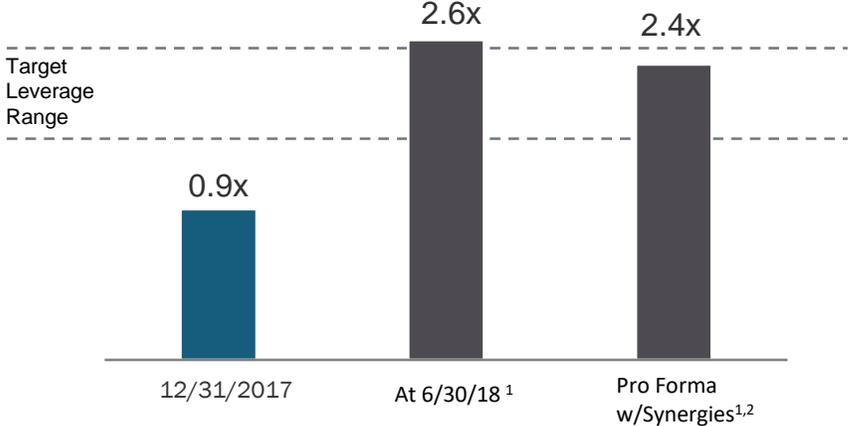
Strong Expansion of Adjusted EBITDA Margin

Financial Profile

(at 6/30/18)

| | |
|--------------------------------|----------------|
| Long-term Debt | \$750.8 |
| Less Cash | 65.7 |
| Net Debt | \$685.0 |
| Adj. EBITDA¹ | \$268.5 |
| Leverage | 2.55x |

LEVERAGE



1. Proforma LTM EBITDA
 2. Includes \$15M in cost saving synergies

With Synergies, Leverage is in Targeted Range

Long-term Targets and Annual Guidance

3-YEAR TARGETS

\$75M

of Residential Revenue for Every 50K Increase in Starts
(previously \$60M for every 50K increase in starts)

10%

Commercial Annual Growth

11% to 16%¹

Incremental EBITDA % (M&A)

8.5% to 9.5%

Working Capital (% of Sales)

22% to 27%

Incremental EBITDA % (Organic)

2.0% to 2.5%

Capex (% of Sales)

27%

(Lowered from 38%)
Normalized Tax Rate

¹ Acquisitions in year one.

2018 OUTLOOK (\$M)

REVENUE

\$2,358 to \$2,398

ADJUSTED EBITDA

\$269 to \$284

Assumptions:

- Housing starts between 1.260K and 1.280K
- Eight months of revenue from USI with \$2M-\$4M of cost savings synergies
- \$75 million of incremental revenue for every 50K increase in new housing starts



 **TopBuild™**



Wrap-up



Our Business Model is Differentiated

CORE STRENGTHS

Unrivaled National Scale and Buying Power

Operational Excellence Focused on Continuous Improvement

Footprint and Industry Competencies Enable Adjacent Expansions

Tenured Relationships with Customers and Suppliers

Exceptional Service and Reliability

Focus on Safety

COMPETITIVE DIFFERENTIATORS

Strong Local Presence and Reputation

Ability to Leverage our Footprint,
Best Practices and Assets

Building Science Expertise

Flexible Delivery (Less than Full Truckload)
"One-Stop Shop"

Efficient Order Processing and Logistics

Product Breadth and Knowledge

■ TruTeam ■ Service Partners