



## **TopBuild to Acquire Progressive Roofing, Creating a New Platform for Growth**

### **Management's Prepared Remarks July 8, 2025**

#### **PI Aquino Vice President, Investor Relations**

Good morning, everyone, and thank you for joining us on short notice. With me today are Robert Buck, our President and CEO, and Rob Kuhns, our CFO. Earlier this morning, we issued a press release announcing that we've entered into a definitive agreement to acquire Progressive Roofing, a leader in the commercial roofing installation services sector.

Many of our remarks today will include forward-looking statements, which are subject to known and unknown risks and uncertainties, including those set forth in this morning's press release and in the company's SEC filings. The company assumes no obligation to update any forward-looking statements because of new information, future events, or otherwise.

Please note that some of the financial measures to be discussed during this call will be on a non-GAAP basis. These non-GAAP measures are not intended to be considered in isolation or as a substitute for results prepared in accordance with GAAP. We've provided a reconciliation of these financial measures to the most comparable GAAP measures in today's press release.

On our website, we've posted the release, as well as a presentation that provides an overview of the transaction that we will be referring to on this call. Let me now turn the call over to our President and CEO, Robert Buck, who will start on **slide 3**.

#### **Robert Buck President and Chief Executive Officer**

Good morning and thank you for joining us. Rob and I are excited to be with you to discuss today's announcement, which represents an important step in our growth journey. We'll cover the transaction overview first, and then I'll give you more detail on Progressive Roofing and our strategic rationale behind the deal. Rob will talk about the attractiveness of the commercial roofing industry and then we'll open it up for Q&A.

We are establishing a new platform for growth with the strategic acquisition of Progressive Roofing as we remain committed to creating value for our shareholders. Progressive is a highly profitable leader in commercial roofing installation and aftermarket services in the United States.

Progressive provides a full suite of offerings across the commercial roofing lifecycle. The company serves key geographies out of their 12 branch locations and will provide TopBuild with a great platform for future geographic expansion and growth.

Commercial roofing installation is a large, highly fragmented industry, with a total addressable market of about \$75 billion. A significant portion of commercial roofing services are non-discretionary, providing a non-cyclical, stable revenue stream with favorable margins.

**Rob Kuhns**  
**Chief Financial Officer**

From a financial perspective, Progressive has a solid track record of profitable growth. Revenue for the trailing twelve months ended March 31, 2025, totaled \$438 million, and the company delivered EBITDA of \$89 million – a very healthy margin of 20.3%. Given the company's financial strength, we anticipate that the transaction will be immediately accretive to EPS.

The acquisition has an all-cash consideration of \$810 million, which implies a multiple of 9.1x EBITDA. Assuming about \$5 million in synergies, this gets us to an 8.6x EBITDA multiple post-synergies.

We expect to fund the acquisition with proceeds from our recently expanded credit facility. Pro forma for the transaction, Net Debt to Adjusted EBITDA for the first quarter of 2025 is approximately 1.6x, which is well within our target leverage range. Finally, we expect the transaction to close early in the third quarter.

**Robert Buck**  
**President and Chief Executive Officer**

Looking at **Slide 4**, you can see more details on Progressive Roofing. The company, which was founded in 1978, offers comprehensive services across the full roofing lifecycle, from new construction to non-discretionary and recurring revenue streams from re-roofing and maintenance services. In fact, about 70% of Progressive's business is re-roofing, maintenance and services.

Progressive is one of the largest commercial roofing services companies in the United States. Its sales growth has outpaced the market for the last few years.

The company employs approximately 1,700 team members across the United States. The management team is highly experienced and brings deep industry expertise, a strong commitment to safety, and a track record of attracting and retaining labor.

Approximately 80% of Progressive's customer base are multi-year repeat clients, a direct result of the high-quality work and service they deliver. Progressive's customers span a diverse set of verticals, including industrial, technology, government, education, and healthcare.

They've also been very successful at accelerating growth and extending their geographic reach through both greenfield and M&A activities.

Let me take you through our strategic rationale at a high level on **slide 5** and then Rob and I will cover each one in more detail.

Commercial roofing and this acquisition are a natural adjacency for TopBuild. First, it aligns with our TopBuild core strengths and culture. By building on our core competencies, we're better positioned for success, giving us the right to win.

Second, the acquisition of Progressive Roofing broadens our product and service offerings for general contractors.

Third, the addition of Progressive increases our exposure to non-cyclical and non-discretionary revenue drivers.

Finally, the transaction provides a scalable platform into a sector with a large, fragmented total addressable market.

Those of you that follow TopBuild closely have heard us talk over the last few quarters about our thoughts on adjacencies and how we think about building on our core strengths.

On **slide 6**, we've highlighted how Progressive Roofing's operations complement TopBuild and why the company is such a great fit.

- Both companies successfully utilize a dispersed branch business model, with local empowerment and central support.
- We both place high value on maintaining strong partnerships with our suppliers, many of which are shared.
- Progressive has also made meaningful investments in technology, processes, and training that capture performance metrics and provide data-driven insights across the business.
- Progressive and TopBuild are committed to safety and to cultivating a collaborative working environment. Safety programs, technical skill development, and well-defined career roadmaps have enabled each of us to become an employer of choice in a competitive labor market.
- Finally, like TopBuild, Progressive has a proven track record of successful, accretive acquisitions and integration of those businesses. The company brings with it a strong pipeline of opportunities that will add to our ongoing growth.

Turning to **slide 7**, on the left, you can see several of the shared suppliers across both businesses. The diagram on the right shows how Progressive expands our installation and service capabilities to provide the broadest offering of building envelope solutions for general contractor customers.

**Rob Kuhns**  
**Chief Financial Officer**

Thanks Robert. I'll start my comments on slide 8 and give you some color on the revenue streams of Progressive Roofing. Progressive's revenue is approximately 55% re-roofing and 15% maintenance and services, largely in-line with the overall commercial roofing industry. These revenue streams are driven by non-cyclical and non-discretionary demand. Demand for re-roofing and maintenance services continues to strengthen due to an aging installed base of commercial buildings and more frequent weather events.

30% of the company's revenue comes from new construction, with those roofs providing a pipeline for future maintenance, services, and eventually re-roofing.

**Slide 9** gives you a sense for just how large and how highly fragmented the commercial roofing services landscape is. With such a large total addressable market – approximately \$75 billion – the acquisition of Progressive Roofing represents a robust platform for scalable future growth.

On a combined basis, the 20 largest commercial roofing companies account for only about 10 percent of the market and no single player accounts for more than 2% of the market. The great majority of the landscape is made up of tens of thousands of privately owned, local businesses across the United States.

As Robert mentioned earlier, Progressive has a proven track record of scaling its business, both organically and via acquisition. The company has an established M&A playbook and a strong pipeline of acquisition opportunities. Importantly, the company has experience with integrating acquisitions, successfully realizing synergies, and driving margin expansion.

Together, the complementary M&A strengths of TopBuild and Progressive provide significant potential for growth.

Last week, TopBuild celebrated our 10-year anniversary as a public company, and as you can see on **slide 10** we've delivered very strong growth and returns over that period of time.

Having successfully completed 43 acquisitions in our 10 years, M&A continues to be our #1 capital allocation priority. Our insulation end-markets continue to provide significant white space for growth and you will see us continue to do acquisitions in that space.

In addition, we are extremely excited to be expanding those M&A growth opportunities into the Commercial Roofing market. Investors can rest assured that we will continue to maintain the disciplined M&A approach and rigorous diligence that we have in the past which has led to the profitable growth, strong free cash flows, and significant returns on invested capital that you see on this slide.

**Robert Buck**  
**President and Chief Executive Officer**

Let me close our call today by summarizing why we are so enthusiastic about this transaction on **slide 11**.

- Progressive Roofing and TopBuild are very closely aligned in how we operate our businesses, empower our branches and invest in our people and our culture.
- Together, we can broaden our building envelope offerings to commercial customers, while expanding into the \$75 billion commercial roofing installation and services market.
- The acquisition increases our sales resiliency given the sector's non-cyclical, non-discretionary, recurring revenue drivers. Approximately 70 percent of Progressive's revenue is generated by re-roofing and maintenance services.
- Progressive also provides a new platform for growth in a highly fragmented industry. Between our insulation end markets and commercial roofing installation and services, we have a well-developed M&A pipeline across a total addressable market of nearly \$95 billion.

We are very excited to welcome the Progressive Roofing Team to the TopBuild family. We anticipate hosting an Investor Day in the coming months to share our progress and our plans to continue driving sustainable, profitable growth and creating value for our shareholders. We expect to share more details soon.

[Q&A]

We appreciate all of you joining us on today's call. Please reach out with any questions, and we'll talk with you next when we announce our second quarter earnings in early August.