# SECOND QUARTER 2023

Robert Buck, President & CEO
Rob Kuhns, CFO

August 2023

TopBuild

# 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.

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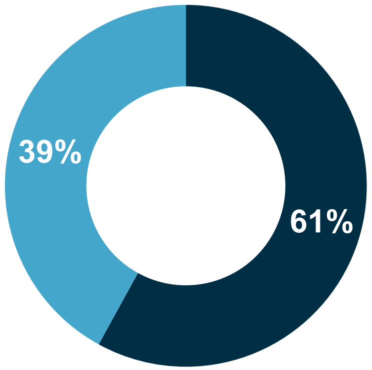
# TOPBUILD SNAPSHOT (NYSE: BLD)

## Key Stats

| | |
|---|---|
| Headquarters | **Daytona Beach, FL** |
| Market Cap[1] | **$8.5B** |
| Employees | **~13,000** |
| Total Branches | **~410** |

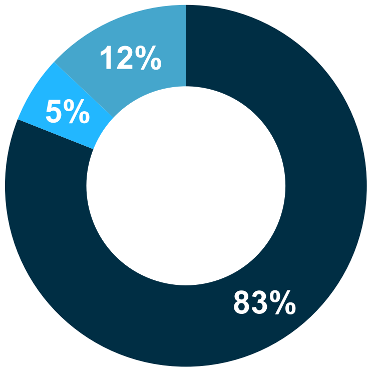
## Sales Breakdown

### SEGMENT



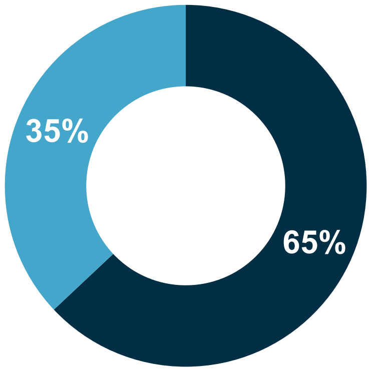

Installation
Specialty Distribution

### PRODUCT MIX




Insulation & Accessories
Gutters
Other

### CHANNEL




Residential
Commercial/Industrial

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

[1] As of 6/30/23

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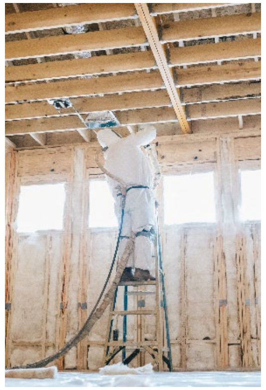
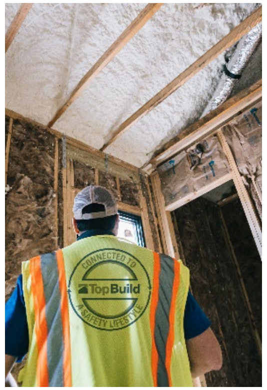
# BUSINESS UPDATE

- Solid second quarter results
- Favorable operating environment
- Installation sales up 8.0% primarily driven by:
  - Strong backlog of multi-family homes
  - Growing mix of commercial work, increased 22.6% from 2Q 2022
- Specialty Distribution sales down 2.3% primarily driven by:
  - Continued inventory reductions by our general contractor customers
  - Increased shift to multi-family work
  - Residential distribution volumes normalizing
- Continue to drive operational improvements throughout business
- Fiberglass no longer on allocation
- Labor remains constrained for industry, but a TopBuild strength
- Completed three acquisitions through July 31, 2023

**INCREASING OPTIMISM FOR SECOND HALF OF YEAR**

# SECOND QUARTER FINANCIAL HIGHLIGHTS*

- 3.4% sales increase
- 32.0% gross margin, up 190 bps
  - Highest in BLD's history
- 18.2% adjusted operating margin, up 180 bps
- 20.9% adjusted EBITDA margin, up 190 bps
  - Highest in BLD's history


**DELIVERING ANOTHER SOLID QUARTER**

*See Appendix for Reconciliation

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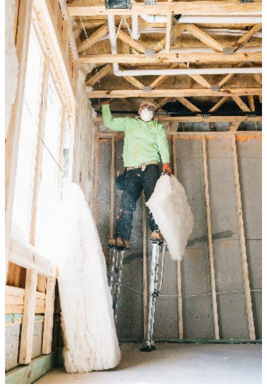
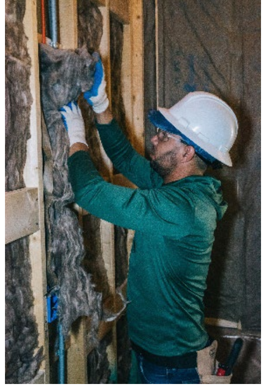
# INSTALLATION



TruTeam

Comparisons are to the quarter ended June 30, 2022

| ($ in 000s) | Three Months Ended June 30, 2023 |
|---|---|
| Sales<br>Y-O-Y Change | $809,055<br>**8.0%** |
| Adjusted Operating Profit*<br>Y-O-Y Change | $172,505<br>**23.3%** |
| Adjusted Operating Margin*<br>Y-O-Y Change | 21.3%<br>**260 bps** |
| Adjusted EBITDA Margin*<br>Y-O-Y Change | 23.4%<br>**260 bps** |

- ✓ Capitalizing on multiple avenues for growth with strategic mix of business
- ✓ Solid backlog of multi-family homes
- ✓ Taking advantage of light & heavy commercial opportunities to drive growth
- ✓ Productivity initiatives continue to enhance results

**STRONG PERFORMANCE CONTINUES**

*See Appendix for Reconciliation

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# SELECT COMMERCIAL INSTALLATION PROJECTS

### Nashville International Airport
Nashville, TN

Rendering Credit: The Metropolitan Nashville Airport Authority

### UCI Medical Center
Irvine, CA

Rendering Credit: Kilograph

### Festival Pier
Philadelphia, PA

Rendering Credit: Bernardon

### Shopify Distribution Center
San Bernadino, CA

Rendering Credit: CoStar

## LEAD APP TOOL DELIVERING COMMERCIAL OPPORTUNITIES

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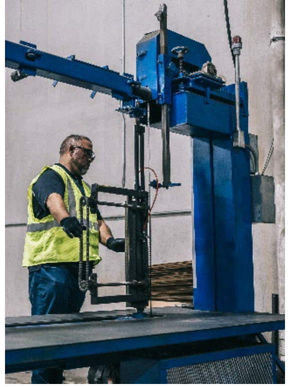
# SPECIALTY DISTRIBUTION



SERVICE PARTNERS DISTRIBUTION INTERNATIONAL

Comparisons are to the quarter ended June 30, 2022

| ($ in 000s) | Three Months Ended June 30, 2023 |
|---|---|
| Sales<br>Y-O-Y Change | $574,488<br>**(2.3%)** |
| Adjusted Operating Profit*<br>Y-O-Y Change | $85,980<br>**(1.3%)** |
| Adjusted Operating Margin*<br>Y-O-Y Change | 15.0%<br>**20 bps** |
| Adjusted EBITDA Margin*<br>Y-O-Y Change | 17.6%<br>**40 bps** |

- ✓ Residential distribution volumes normalizing
- ✓ Growing backlog of projects across diverse industries
- ✓ Benefiting from recurring maintenance and repair work
- ✓ Continue to identify opportunities to enhance operational efficiencies

**STRONG EXECUTION IN CURRENT ENVIRONMENT**

*See Appendix for Reconciliation

# SELECT SPECIALTY DISTRIBUTION PROJECTS

**Chevron Phillips Cedar Bayou Plant**
Baytown, TX

Photo Credit: Chevron Phillips Chemical

**Chevron Phillips Plant – Hexene Unit Addition**
Sweeney, TX

Photo Credit: Chevron Phillips Chemical

**Hampton University Dorms**
Hampton, VA

Photo Credit: Douglas W Reynolds (https://creativecommons.org/licenses/by-sa/4.0/deed.en)

**VOLUME OF LARGE AND MEGA PROJECTS INCREASING**

# CAPITAL ALLOCATION

- Three acquisitions completed YTD, ~$170M annual revenue

SRI

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

BEST | INSULATION

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

RMSF ROCKY MOUNTAIN SPRAY FOAM & WATERPROOFING

- Residential insulation
- $5.4M annual revenue
- Acquired July 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 STRONG VALUE FOR SHAREHOLDERS

# CAPEX, WORKING CAPITAL & CASH FLOW

$ in 000s

| | Six Months Ended June 30, 2023 | Six Months Ended June 30, 2022 |
|---|---|---|
| Operating Cash Flow | $385,797 | $217,697 |
| CAPEX | $30,672 | $36,034 |
| FREE CASH FLOW | **$355,125** | **$181,663** |

| | June 30, 2023 | December 31, 2022 |
|---|---|---|
| Cash Balance | $526,327 | $240,069 |
| Working Capital % to TTM Sales* | 14.9% | 15.7% |

## CAPITAL LIGHT MODEL GENERATING STRONG CASH FLOW

*See Appendix for Reconciliation

# FLEXIBLE CAPITAL STRUCTURE

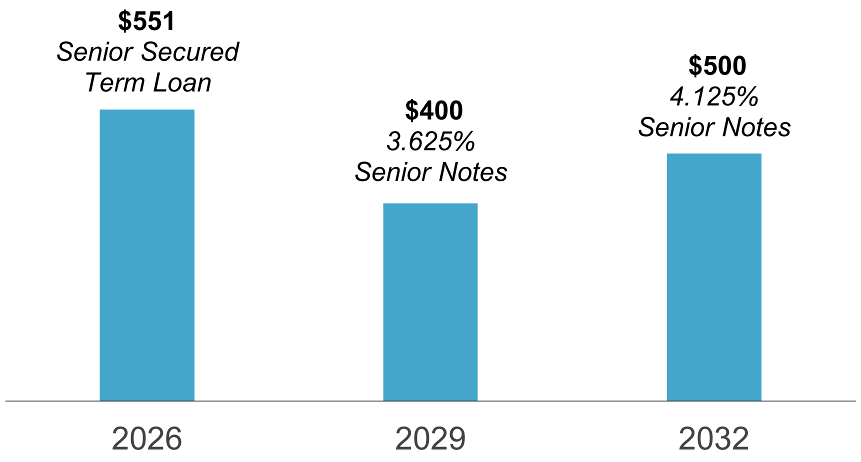
## Capital Summary & Financial Highlights ($M)

| June 30, 2023 | |
|---|---|
| Cash | $ 526.3 |
| Total Debt | $ 1,455.8 |
| Net Debt | $929.5 |
| TTM Proforma Adjusted EBITDA* | $1,014.7 |
| Net Leverage | 0.92x |

| Available Credit Under Revolving Credit Facility | $ 432.5 |
|---|---|
| Cash & Cash Equivalents | $ 526.3 |
| Total Available Liquidity | $ 958.8 |

## Capital Structure (As of June 30, 2023)

### Debt Maturity Schedule[1] ($M)




## Current Credit Ratings

**S&P: BB+**

**Moody's: Ba1**

**HEALTHY BALANCE SHEET SUPPORTS CAPITAL ALLOCATION PRIORITIES**

*See Appendix for Reconciliation

[1]Excludes equipment notes

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# 2023 OUTLOOK

(as of August 3, 2023)

## SALES

**$5,025M to $5,175M**

## ADJUSTED EBITDA*

**$950M to $1,000M**

## ASSUMPTIONS

**RESIDENTIAL**
Low Single Digit Revenue Decline

**COMMERCIAL/ INDUSTRIAL**
Mid-Single Digit Revenue Growth

**CAPEX**
1.5% to 2% of Revenue

**WORKING CAPITAL**
12% to 14%

**INCOME TAX RATE**
25% to 27%

**INCREMENTAL EBITDA**
Organic: 22% to 27%
Acquisitions Year 1: 11% to 16%






**OUTPERFORMING IN ANY ENVIRONMENT**

*See Appendix for Reconciliation

# 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

**SAFETY**
We put the ***safety*** of our ***people*** first.

**INTEGRITY**
We deliver results with ***integrity***, ***respect***, and ***accountability***.

**FOCUS**
We are ***customer-focused***, grounded in strong relationships.

**INNOVATION**
We are ***continuously improving*** and encourage idea sharing.

**UNITY**
We are united as one ***team***, valuing ***diversity***.

**COMMUNITY**
We ***make a difference*** in the communities we serve.

**EMPOWERMENT**
We are ***empowered*** to be our best, individually and as a team.

**BEST IN CLASS EXECUTION AND MAKING A DIFFERENCE LOCALLY**

# MULTIPLE AVENUES FOR GROWTH

## Total Addressable Market of $17.5B+

| END-MARKET | MARKET SIZE | OUR SHARE | OUR FOCUS |
|---|---|---|---|
| Residential | ~$6.0B | ~40% | • Superior labor network<br>• Ability to serve builders/contractors of all sizes |
| Commercial Building Insulation | ~$6.0B | ~11% | • Bundled product solutions<br>• Provide services for light and heavy commercial |
| Commercial / Industrial Mechanical Insulation | ~$5.5B | ~10% | • Industry leading service and custom engineered fabrication capabilities<br>• Driving MRO business for recurring revenue |

**GROWING ORGANICALLY AND THROUGH TARGETED ACQUISITIONS**

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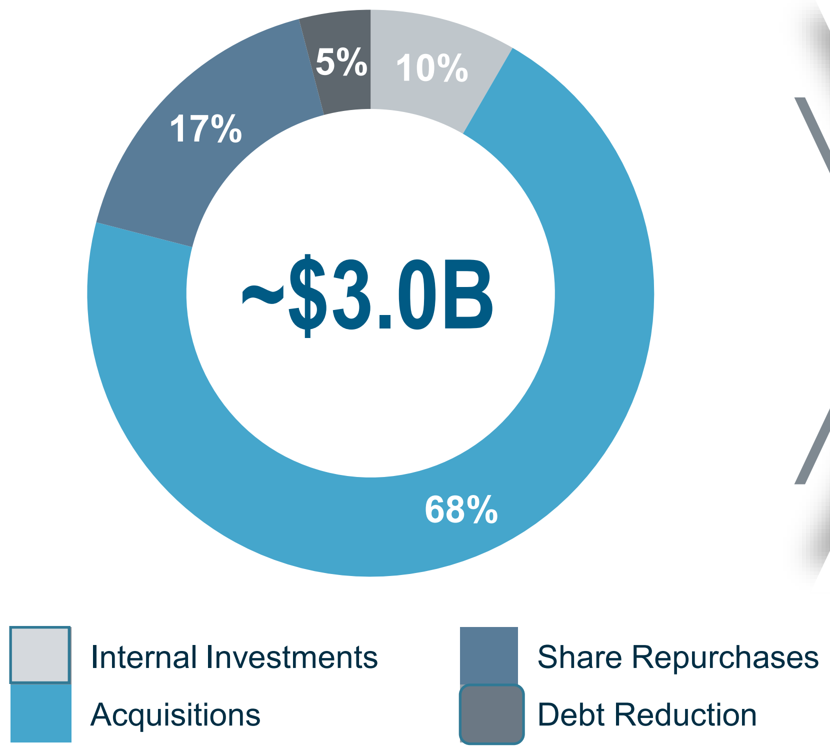
# CAPITAL ALLOCATION PAST FIVE YEARS

## USE OF CAPITAL

*(1/1/18-7/30/23)*




**Internal Investments**

- CapEx 1.6% of Sales
- Investing in equipment upgrades and digitization

**Acquisitions**

- Completed 26 transactions
  - ~$1.7B in revenue added
- End-markets very fragmented

**Share Repurchases**

- ~$510M in repurchases at an average share price of $112.67

**SIGNIFICANT VALUE CREATION**

# M&A: A Core Competency

## Strategic Rationale

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

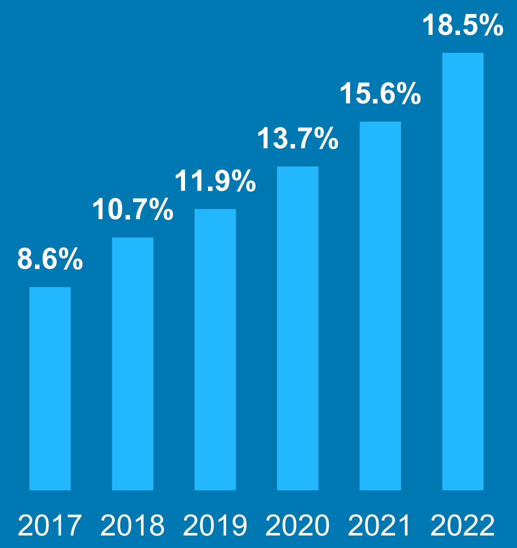
## Integration Competency

- Integrated 26 companies since 1/1/2018
- Dedicated integration team
- Timely conversion to our ERP system
- Realize synergies quickly

## Track Record of Success

- Exceeded projected synergies, including DI and USI integrations
- Consistently expanded margins post-acquisitions

## ROIC[1]




**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 - Tax Rate) * Adjusted Operating Profit) / (LT Debt + Equity).

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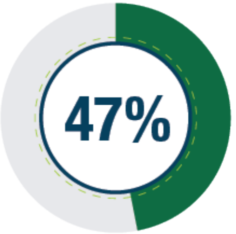
# OUR PEOPLE MAKE A DIFFERENCE

## WORKFORCE AT A GLANCE*

**13,119**
TOTAL EMPLOYEES

**7,832**
INSTALLERS


ETHNIC DIVERSITY

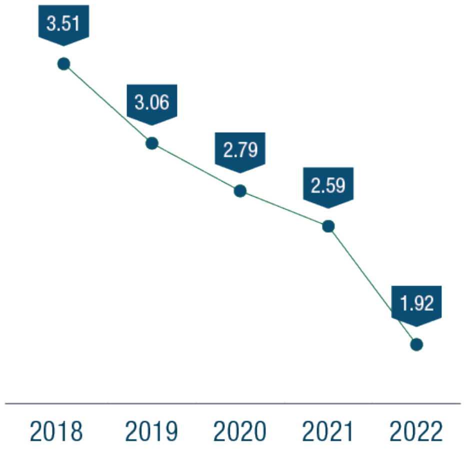



MANAGEMENT GENDER DIVERSITY**

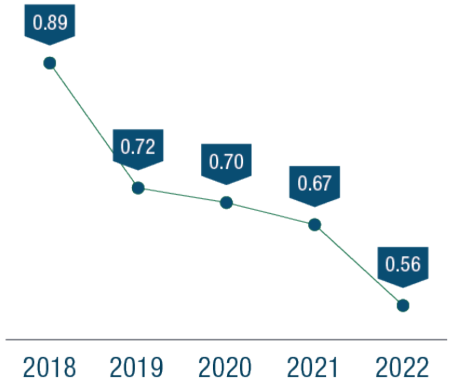
*As of 12/31/22 **Branch Center Support/Corporate Office Only

## SAFETY PERFORMANCE

### TOTAL INCIDENT RATE




### LOST TIME CASE RATE




**45% decrease**
in Total Incident Rate since 2018

**37% decrease**
in Lost Time Case Rate since 2018

**5 years**
of consecutive improvements

## 80% OF OUR EMPLOYEES RATE TOPBUILD AS A ‘GREAT PLACE TO WORK’

# ESG FOCUS AREAS

- Combatting climate change through sustainable products
- Employee health, safety and engagement
- Diversity and inclusion
- Business model resilience

**Sustainable by Design**[1]

Adding to insulation's ability to create a new environmental benefit is the use of recycled materials in its production.

**60%** recycled glass in typical fiberglass insulation

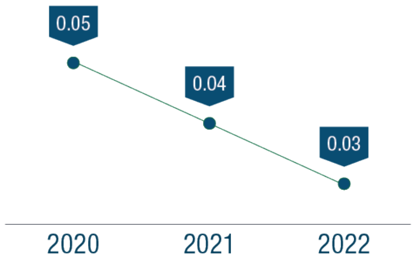
**75%** post-industrial recycled content in mineral wool

**85%** recycled material content in cellulose insulation

## GHG MANAGEMENT

### Direct Emissions Intensity

*(metric tons CO2e/revenue)*




| Emissions Source | 2020 | 2021 | 2022 |
|---|---|---|---|
| Fuel Combustion Emissions | 86,661 | 97,027 | 119,491 |
| Fugitive HFC Emissions | 46,152 | 41,226 | 28,299 |
| Total Direct Emissions (metric tons CO2e)* | 132,813 | 138,253 | 147,790 |
| Revenue (in thousands) | $2,718,038 | $3,486,207 | $5,008,744 |
| Direct Emissions Intensity | 0.05 | 0.04 | 0.03 |

*Excludes refrigerants, heating gas, 2020 data is metric tons CO2 and excludes $CH_4$ and $N_2O$

**STRONG COMMITMENT BY BOARD AND MANAGEMENT**

# APPENDIX

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# ADJUSTED EBITDA RECONCILIATION (unaudited)

## ($ in 000s)

| | Three Months Ended June 30, | | Six Months Ended June 30, | | Trailing Twelve Months Ended |
|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | June 30, 2023 |
| **Net income, as reported** | **$ 164,400** | **$ 143,697** | **$ 300,270** | **$ 258,410** | **$ 597,850** |
| Adjustments to arrive at EBITDA, as adjusted: | | | | | |
| Interest expense and other, net | 13,953 | 13,689 | 30,069 | 24,969 | 60,127 |
| Income tax expense | 58,750 | 49,835 | 106,195 | 87,796 | 204,545 |
| Depreciation and amortization | 32,551 | 30,122 | 64,652 | 60,621 | 127,365 |
| Share-based compensation | 3,751 | 3,334 | 6,886 | 7,061 | 12,134 |
| Rationalization charges | — | — | — | 473 | (645) |
| Acquisition related costs | 2,100 | 1,577 | 5,758 | 4,654 | 9,081 |
| **EBITDA, as adjusted** | **$ 275,505** | **$ 242,254** | **$ 513,830** | **$ 443,984** | **$ 1,010,457** |
| Proforma acquisition EBITDA [(a)] | | | | | 4,200 |
| **Proforma TTM EBITDA, as adjusted** | | | | | **$ 1,014,657** |

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

# SEGMENT DATA (unaudited)

## ($ in 000s)

| | Three Months Ended June 30, 2023 | Three Months Ended June 30, 2022 | Change | Six Months Ended June 30, 2023 | Six Months Ended June 30, 2022 | Change |
|---|---|---|---|---|---|---|
| **Installation** | | | | | | |
| Sales | $ 809,055 | $ 748,968 | 8.0 % | $ 1,576,145 | $ 1,425,661 | 10.6 % |
| Operating profit, as reported | $ 172,278 | $ 139,919 | | $ 319,176 | $ 252,598 | |
| *Operating margin, as reported* | *21.3 %* | *18.7 %* | | *20.3 %* | *17.7 %* | |
| Rationalization charges | — | — | | — | 473 | |
| Acquisition related costs | 227 | 16 | | 490 | 96 | |
| Operating profit, as adjusted | $ 172,505 | $ 139,935 | | $ 319,666 | $ 253,167 | |
| *Operating margin, as adjusted* | *21.3 %* | *18.7 %* | | *20.3 %* | *17.8 %* | |
| Share-based compensation | 310 | 282 | | 689 | 689 | |
| Depreciation and amortization | 16,791 | 15,319 | | 33,284 | 31,004 | |
| EBITDA, as adjusted | $ 189,606 | $ 155,536 | 21.9 % | $ 353,639 | $ 284,860 | 24.1 % |
| *EBITDA margin, as adjusted* | *23.4 %* | *20.8 %* | | *22.4 %* | *20.0 %* | |
| **Speciality Distribution** | | | | | | |
| Sales | $ 574,488 | $ 587,791 | -2.3 % | $ 1,132,862 | $ 1,131,653 | 0.1 % |
| Operating profit, as reported | $ 85,980 | $ 86,749 | | $ 159,313 | $ 157,170 | |
| *Operating margin, as reported* | *15.0 %* | *14.8 %* | | *14.1 %* | *13.9 %* | |
| Acquisition related costs | — | 334 | | 340 | 575 | |
| Operating profit, as adjusted | $ 85,980 | $ 87,083 | | $ 159,653 | $ 157,745 | |
| *Operating margin, as adjusted* | *15.0 %* | *14.8 %* | | *14.1 %* | *13.9 %* | |
| Share-based compensation | 316 | 287 | | 554 | 641 | |
| Depreciation and amortization | 14,740 | 14,005 | | 29,312 | 28,034 | |
| EBITDA, as adjusted | $ 101,036 | $ 101,375 | -0.3 % | $ 189,519 | $ 186,420 | 1.7 % |
| *EBITDA margin, as adjusted* | *17.6 %* | *17.2 %* | | *16.7 %* | *16.5 %* | |
| **Total** | | | | | | |
| Sales before eliminations | $ 1,383,543 | $ 1,336,759 | | $ 2,709,007 | $ 2,557,314 | |
| Intercompany eliminations | (66,281) | (62,474) | | (126,507) | (114,111) | |
| Net sales after eliminations | $ 1,317,262 | $ 1,274,285 | 3.4 % | $ 2,582,500 | $ 2,443,203 | 5.7 % |

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# MARGIN RECONCILIATION (unaudited)

## ($ in 000s)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Gross profit, as reported | $ 421,800 | $ 384,097 | $ 792,015 | $ 715,298 |
| *Gross margin, as reported* | *32.0 %* | *30.1 %* | *30.7 %* | *29.3 %* |
| Acquisition related costs | — | — | — | 121 |
| *Gross profit, as adjusted* | $ 421,800 | $ 384,097 | $ 792,015 | $ 715,419 |
| *Gross margin, as adjusted* | *32.0 %* | *30.1 %* | *30.7 %* | *29.3 %* |
| Operating profit, as reported - segments | $ 258,258 | $ 226,668 | $ 478,489 | $ 409,768 |
| General corporate expense, net | (9,957) | (9,012) | (20,786) | (19,449) |
| Intercompany eliminations | (11,198) | (10,435) | (21,169) | (19,144) |
| Operating profit, as reported | $ 237,103 | $ 207,221 | $ 436,534 | $ 371,175 |
| *Operating margin, as reported* | *18.0 %* | *16.3 %* | *16.9 %* | *15.2 %* |
| Rationalization charges | — | — | — | 473 |
| Acquisition related costs [1] | 2,100 | 1,577 | 5,758 | 4,654 |
| Operating profit, as adjusted | $ 239,203 | $ 208,798 | $ 442,292 | $ 376,302 |
| *Operating margin, as adjusted* | *18.2 %* | *16.4 %* | *17.1 %* | *15.4 %* |
| Share-based compensation | 3,751 | 3,334 | 6,886 | 7,061 |
| Depreciation and amortization | 32,551 | 30,122 | 64,652 | 60,621 |
| EBITDA, as adjusted | $ 275,505 | $ 242,254 | $ 513,830 | $ 443,984 |
| *EBITDA margin, as adjusted* | *20.9 %* | *19.0 %* | *19.9 %* | *18.2 %* |

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

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# SAME BRANCH AND ACQUISITION METRICS (unaudited)

## ($ in 000s)

| | Three Months Ended June 30, 2023 | Three Months Ended June 30, 2022 | Six Months Ended June 30, 2023 | Six Months Ended June 30, 2022 |
|---|---|---|---|---|
| **Net Sales** | | | | |
| Same branch | $ 1,300,736 | $ 1,274,285 | $ 2,551,130 | $ 2,443,203 |
| Acquisitions (a) | 16,526 | — | 31,370 | — |
| Total | $ 1,317,262 | $ 1,274,285 | $ 2,582,500 | $ 2,443,203 |
| **EBITDA, as adjusted** | | | | |
| Same branch | $ 272,939 | $ 242,254 | $ 509,715 | $ 443,984 |
| Acquisitions (a) | 2,566 | — | 4,115 | — |
| Total | $ 275,505 | $ 242,254 | $ 513,830 | $ 443,984 |
| **EBITDA, as adjusted, as a percentage of sales** | | | | |
| Same branch (b) | 21.0 % | | 20.0 % | |
| Acquisitions (c) | 15.5 % | | 13.1 % | |
| Total (d) | 20.9 % | 19.0 % | 19.9 % | 18.2 % |
| **As Adjusted Incremental EBITDA, as a percentage of change in sales** | | | | |
| Same branch (e) | 116.0 % | | 60.9 % | |
| Acquisitions (c) | 15.5 % | | 13.1 % | |
| Total (f) | 77.4 % | | 50.1 % | |

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

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

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

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

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

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

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# INCOME PER COMMON SHARE RECONCILIATION (unaudited)

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| **Income before income taxes, as reported** | **$ 223,150** | **$ 193,532** | **$ 406,465** | **$ 346,206** |
| Rationalization charges | — | — | — | 473 |
| Acquisition related costs | 2,100 | 1,577 | 5,758 | 4,654 |
| **Income before income taxes, as adjusted** | **225,250** | **195,109** | **412,223** | **351,333** |
| Tax rate at 26.0% | (58,565) | (50,728) | (107,178) | (91,347) |
| **Income, as adjusted** | **$ 166,685** | **$ 144,381** | **$ 305,045** | **$ 259,986** |
| **Income per common share, as adjusted** | **$ 5.25** | **$ 4.43** | **$ 9.62** | **$ 7.92** |
| Weighted average diluted common shares outstanding | 31,731,807 | 32,614,449 | 31,722,660 | 32,827,549 |

# ACQUISITION ADJUSTED NET SALES (unaudited)

## ($ in 000s)

| | 2022 | | 2023 | | Trailing Twelve Months Ended |
|---|---|---|---|---|---|
| | Q3 | Q4 | Q1 | Q2 | June 30, 2023 |
| Net Sales | $ 1,300,998 | $ 1,264,543 | $ 1,265,238 | $ 1,317,262 | $ 5,148,041 |
| Acquisitions proforma adjustment † | 17,576 | 18,279 | 6,187 | - | 42,042 |
| Net sales, acquisition adjusted | $ 1,318,574 | $ 1,282,822 | $ 1,271,425 | $ 1,317,262 | $ 5,190,083 |
| Receivables, net plus inventories, net less accounts payable | | | | | $ 774,111 |
| *Receivables, net plus inventories, net less accounts payable as a percent of sales (TTM)* † | | | | | *14.9 %* |

† 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, 2023 | |
|---|---|---|
| | Low | High |
| **Estimated net income** | **$ 543.0** | **586.0** |
| Adjustments to arrive at estimated EBITDA, as adjusted: | | |
| Interest expense and other, net | 62.0 | 59.0 |
| Income tax expense | 191.0 | 206.0 |
| Depreciation and amortization | 131.0 | 128.0 |
| Share-based compensation | 15.0 | 14.0 |
| Acquisition related costs | 8.0 | 7.0 |
| **Estimated EBITDA, as adjusted** | **$ 950.0** | **$ 1,000.0** |