



THIRD QUARTER 2023

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Rob Kuhns, CFO

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SAFE HARBOR

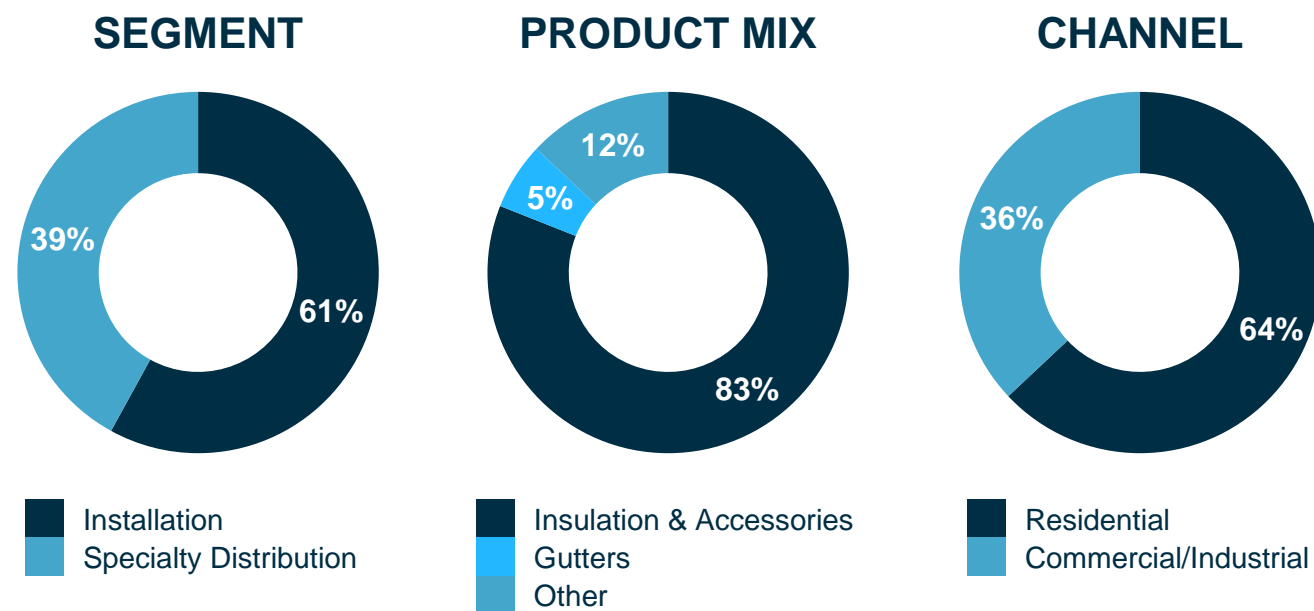
Statements contained herein reflect our views about future periods, including our future plans and performance, constitute “forward-looking statements” under the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as “will,” “would,” “anticipate,” “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 | \$8.0B |
| Employees | ~13,000 |
| Total Branches | ~410 |

Sales Breakdown



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

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 \$17.5B+

| END-MARKET | MARKET SIZE | OUR SHARE | OUR FOCUS |
|---|-------------|-----------|---|
| Residential | ~\$6.0B | ~40% | <ul style="list-style-type: none"> • Superior labor network • Ability to serve builders/contractors of all sizes |
| Commercial Building Insulation | ~\$6.0B | ~11% | <ul style="list-style-type: none"> • Bundled product solutions • Provide services for light and heavy commercial |
| Commercial / Industrial Mechanical Insulation | ~\$5.5B | ~10% | <ul style="list-style-type: none"> • Industry leading service and custom engineered fabrication capabilities • Driving MRO business for recurring revenue |

GROWING ORGANICALLY AND THROUGH TARGETED ACQUISITIONS

OUR PEOPLE MAKE A DIFFERENCE

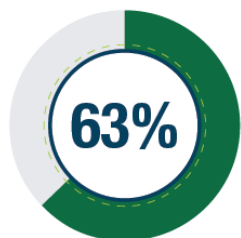
WORKFORCE AT A GLANCE*



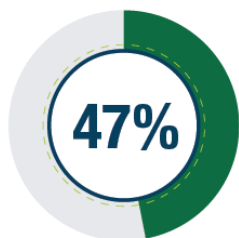
13,119
TOTAL EMPLOYEES



7,832
INSTALLERS



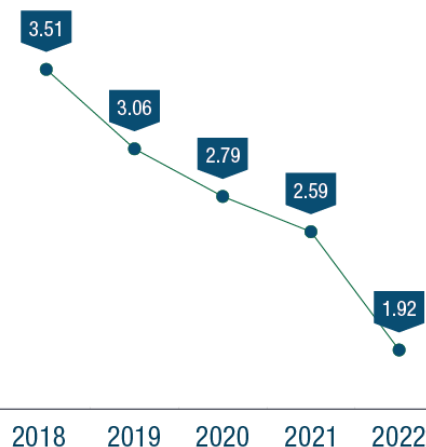
ETHNIC
DIVERSITY



MANAGEMENT
GENDER DIVERSITY**

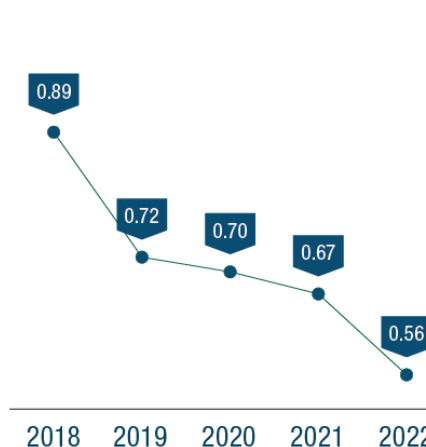
SAFETY PERFORMANCE

TOTAL INCIDENT RATE



45% decrease
in Total Incident
Rate since 2018

LOST TIME CASE RATE



37% decrease
in Lost Time Case
Rate since 2018

5 years
of consecutive
improvements

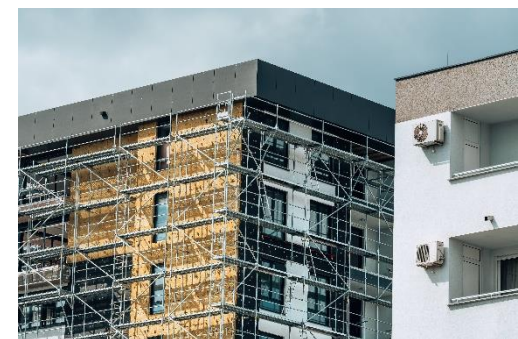
*As of 12/31/22 **Branch Center Support/Corporate Office Only



80% OF OUR EMPLOYEES RATE TOPBUILD AS A 'GREAT PLACE TO WORK'

BUSINESS UPDATE

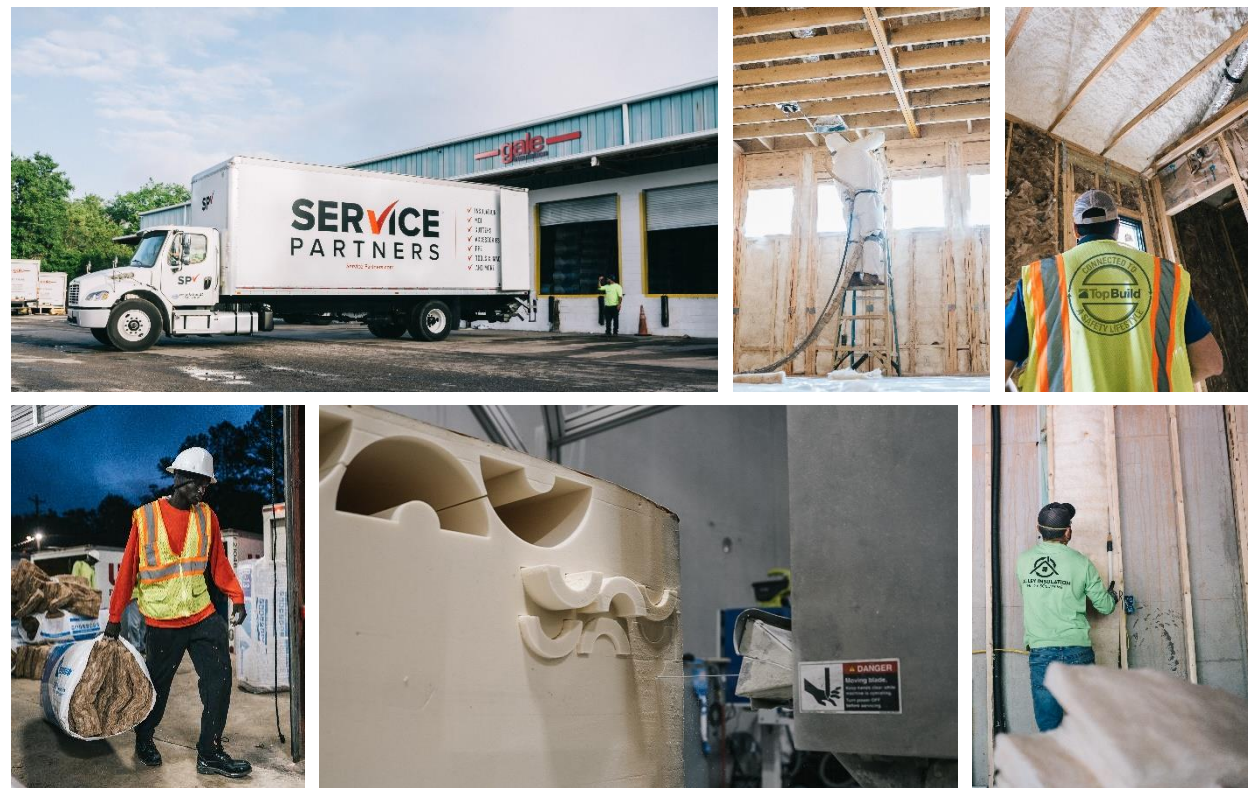
- Solid third quarter results
- Installation sales up 4.9% primarily driven by:
 - On-going focus on light and heavy commercial work
 - Commercial sales increased 9.4% from 3Q 2022, up 13.0% YTD
 - Strong backlog of multi-family homes
 - Contributions from M&A
- Specialty Distribution sales down 2.1% driven by:
 - Lower prices due to greater material availability and
 - Larger percentage of multi-family construction
 - Offset by continued strength of commercial/industrial activity
 - Up 1.7% from 3Q 2022 and up 4.0% YTD
- Material availability tightening heading into fourth quarter
- Labor remains constrained for industry but is a TopBuild strength
- Completed four acquisitions year-to-date



CONTINUED STRONG PERFORMANCE

THIRD QUARTER FINANCIAL HIGHLIGHTS*

- 1.9% sales increase
- 31.7% gross margin, up 130 bps
- 18.5% adjusted operating margin, up 130 bps
- 21.4% adjusted EBITDA margin, up 150 bps



CONSISTENTLY DELIVERING SOLID OPERATING RESULTS

INSTALLATION



Comparisons are to the quarter ended September 30, 2022
(\$ in 000s)

| | Three Months Ended September 30, 2023 | Nine Months Ended September 30, 2023 |
|--------------------------------------|--|---|
| Sales Change | \$821,673 4.9% | \$2,397,818 8.6% |
| Adjusted Operating Profit* Change | \$177,126 15.4% | \$496,792 22.2% |
| Adjusted Operating Margin* Change | 21.6% 200 bps | 20.7% 230 bps |
| Adjusted EBITDA Margin* Change | 23.7% 210 bps | 22.9% 230 bps |



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

DIVERSIFIED END MARKET STRATEGY DRIVING GROWTH

SELECT COMMERCIAL INSTALLATION PROJECTS

Seatac Airport Renovation & Expansion
Seattle, WA



Rendering Credit: Port of Seattle

OSF Cancer Center
Peoria, IL



Rendering Credit: OSF Healthcare

UCI Medical Center
Irvine, CA



Rendering Credit: Kilograph

AGNOSTIC AS TO PROJECT TYPE

SPECIALTY DISTRIBUTION

SERVICE PARTNERS

DI DISTRIBUTION INTERNATIONAL

Comparisons are to the quarter ended September 30, 2022
(\$ in 000s)



- ✓ Revenue decline driven by lower prices and continued market shift to multi-family
- ✓ Projects coming on-line across diverse industries
- ✓ Recurring maintenance and repair work on many commercial and industrial sites
- ✓ Continue to identify opportunities to enhance operational efficiencies

**Three Months Ended
September 30, 2023**

**Nine Months Ended
September 30, 2023**

| | | |
|--|---------------------|-----------------------|
| Sales Change | \$571,009 (2.1%) | \$1,703,871 (0.7%) |
| Adjusted Operating Profit* Change | \$88,279 (0.8%) | \$247,933 0.5% |
| Adjusted Operating Margin* Change | 15.5% 20 bps | 14.6% 20 bps |
| Adjusted EBITDA Margin* Change | 18.2% 20 bps | 17.2% 20 bps |

PLATFORM CONSISTENTLY DELIVERING TOP TIER RESULTS

SELECT SPECIALTY DISTRIBUTION PROJECTS

**Ragon Institute of Mass
General, MIT & Harvard**
Cambridge, MA



Render Credit: Ragon Institute of Mass General, MIT & Harvard

**SLC International Airport
– Construction Updates**
Salt Lake City, UT



Photo Credit: Salt Lake City International Airport

**Intel Ocotillo Campus
– Chip Factories**
Chandler, AZ



Photo Credit: Intel Corporation

WIDE VARIETY OF COMMERCIAL AND INDUSTRIAL MEGA PROJECTS

CAPITAL ALLOCATION

- Four acquisitions completed YTD, ~\$173M annual revenue



- 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

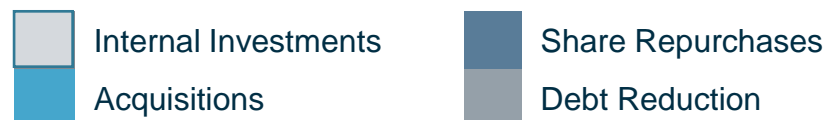
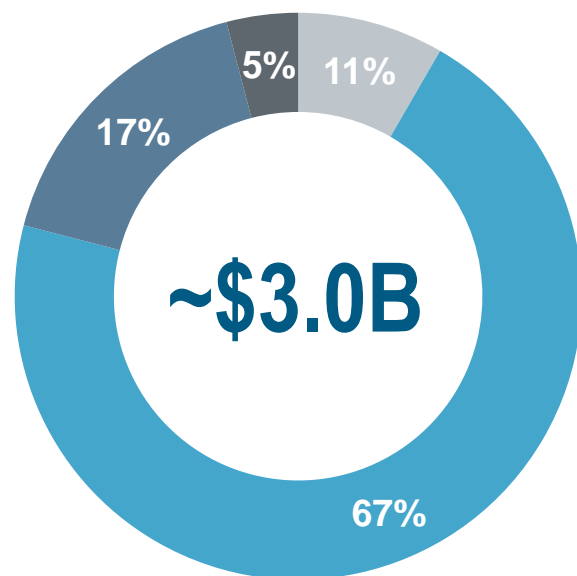
Consistent track record of
successfully executing on plan

CREATING EXCEPTIONAL VALUE FOR SHAREHOLDERS

HISTORICAL CAPITAL ALLOCATION

USE OF CAPITAL

(1/1/18-10/31/23)



Internal Investments

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

Acquisitions

- Completed 27 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

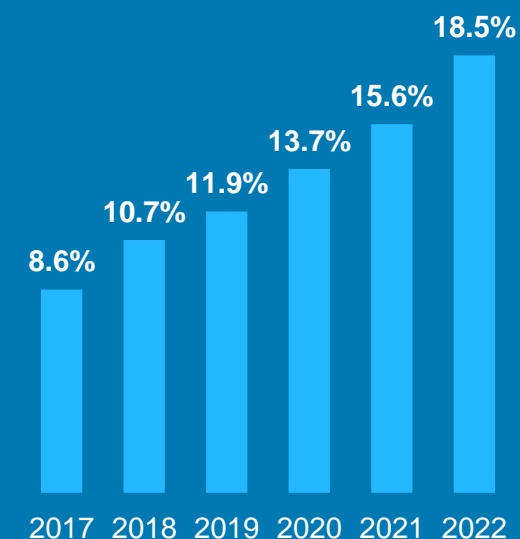
Integration Competency

- Integrated 27 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

ROIC¹



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

| | Nine Months Ended September 30, 2023 | Nine Months Ended September 30, 2022 |
|---------------------|---|---|
| Operating Cash Flow | \$588,478 | \$335,630 |
| CAPEX | \$48,076 | \$56,044 |
| FREE CASH FLOW | \$540,402 | \$279,586 |

| | September 30, 2023 | December 31, 2022 |
|--------------|--------------------|-------------------|
| Cash Balance | \$615,612 | \$240,069 |

| | September 30, 2023 | September 30, 2022 |
|------------------------------------|--------------------|--------------------|
| Working Capital % to TTM Sales* | 14.6% | 15.5% |



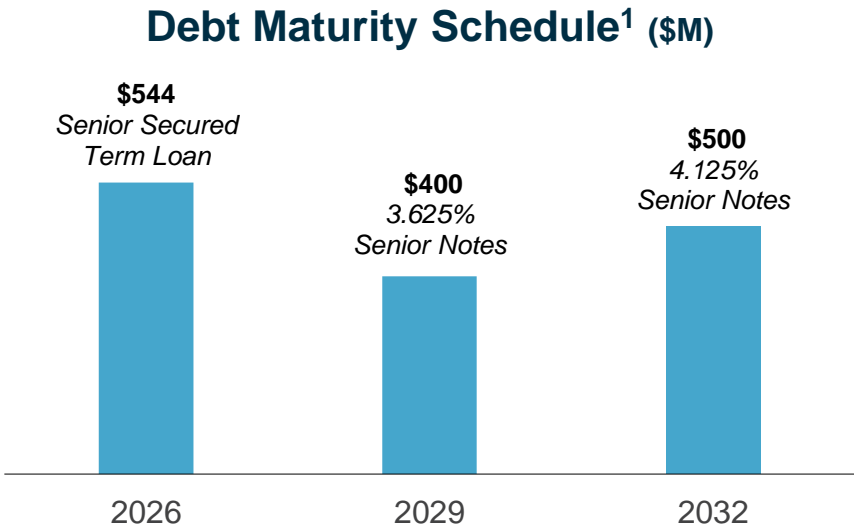
FREE CASH FLOW UP 93% FROM PRIOR YEAR

FLEXIBLE CAPITAL STRUCTURE

Capital Summary & Financial Highlights (\$M)

| September 30, 2023 | |
|--|------------|
| Cash | \$ 615.6 |
| Total Debt | \$ 1,447.0 |
| Net Debt | \$831.4 |
| TTM Proforma Adjusted EBITDA* | \$1,047.9 |
| Net Leverage | 0.79x |
| | |
| Available Credit Under Revolving Credit Facility | \$ 436.2 |
| Cash & Cash Equivalents | \$ 615.6 |
| Total Available Liquidity | \$1,051.8 |

Capital Structure (As of September 30, 2023)



Current Credit Ratings

S&P: BB+

Moody's: Ba1

HEALTHY BALANCE SHEET SUPPORTS CAPITAL ALLOCATION PRIORITIES

*See Appendix for Reconciliation ¹Excludes equipment notes

2023 OUTLOOK

(as of October 31, 2023)

SALES

\$5,130M to \$5,210M

ADJUSTED EBITDA*

\$1,025M to \$1,055M

2023 FULL-YEAR ASSUMPTIONS

RESIDENTIAL

Revenue Flat

COMMERCIAL/ INDUSTRIAL

Mid-Single Digit
Revenue Growth

INCOME TAX RATE

25% to 27%

LONG-TERM ASSUMPTIONS

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%



EXCEEDED EXPECTATIONS THROUGHOUT YEAR



APPENDIX

ADJUSTED EBITDA RECONCILIATION (unaudited)

(\$ in 000s)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | | Trailing Twelve Months Ended |
|---|----------------------------------|-------------------|---------------------------------|-------------------|------------------------------|
| | 2023 | 2022 | 2023 | 2022 | September 30, |
| Net income, as reported | \$ 167,602 | \$ 153,746 | \$ 467,870 | \$ 412,156 | \$ 611,706 |
| Adjustments to arrive at EBITDA, as adjusted: | | | | | |
| Interest expense and other, net | 12,815 | 14,864 | 42,885 | 39,833 | 58,078 |
| Income tax expense | 57,075 | 54,264 | 163,270 | 142,060 | 207,356 |
| Depreciation and amortization | 33,564 | 32,430 | 98,216 | 93,051 | 128,499 |
| Share-based compensation | 4,194 | 2,611 | 11,080 | 9,673 | 13,717 |
| Rationalization charges | 1,882 | (807) | 1,882 | (334) | 2,044 |
| Acquisition related costs | 6,558 | 2,107 | 12,317 | 6,759 | 13,532 |
| EBITDA, as adjusted | \$ 283,690 | \$ 259,215 | \$ 797,520 | \$ 703,198 | \$ 1,034,932 |
| Proforma acquisition EBITDA ^(a) | | | | | 12,959 |
| Proforma TTM EBITDA, as adjusted | | | | | \$ 1,047,891 |

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

SEGMENT DATA (unaudited)

(\$ in 000s)

| | Three Months Ended September 30, | | Change | Nine Months Ended September 30, | | Change |
|--------------------------------|----------------------------------|--------------|--------|---------------------------------|--------------|--------|
| | 2023 | 2022 | | 2023 | 2022 | |
| Installation | | | | | | |
| Sales | \$ 821,673 | \$ 783,056 | 4.9 % | \$ 2,397,818 | \$ 2,208,717 | 8.6 % |
| Operating profit, as reported | \$ 175,218 | \$ 154,236 | | \$ 494,394 | \$ 406,835 | |
| Operating margin, as reported | 21.3 % | 19.7 % | | 20.6 % | 18.4 % | |
| Rationalization charges | 1,882 | (807) | | 1,882 | (334) | |
| Acquisition related costs | 26 | 15 | | 516 | 112 | |
| Operating profit, as adjusted | \$ 177,126 | \$ 153,444 | | \$ 496,792 | \$ 406,613 | |
| Operating margin, as adjusted | 21.6 % | 19.6 % | | 20.7 % | 18.4 % | |
| Share-based compensation | 436 | 268 | | 1,124 | 956 | |
| Depreciation and amortization | 17,417 | 15,610 | | 50,700 | 46,615 | |
| EBITDA, as adjusted | \$ 194,979 | \$ 169,322 | 15.2 % | \$ 548,616 | \$ 454,184 | 20.8 % |
| EBITDA margin, as adjusted | 23.7 % | 21.6 % | | 22.9 % | 20.6 % | |
| Speciality Distribution | | | | | | |
| Sales | \$ 571,009 | \$ 583,543 | -2.1 % | \$ 1,703,871 | \$ 1,715,196 | -0.7 % |
| Operating profit, as reported | \$ 88,269 | \$ 88,364 | | \$ 247,583 | \$ 245,534 | |
| Operating margin, as reported | 15.5 % | 15.1 % | | 14.5 % | 14.3 % | |
| Acquisition related costs | 10 | 660 | | 350 | 1,235 | |
| Operating profit, as adjusted | \$ 88,279 | \$ 89,024 | | \$ 247,933 | \$ 246,769 | |
| Operating margin, as adjusted | 15.5 % | 15.3 % | | 14.6 % | 14.4 % | |
| Share-based compensation | 434 | 296 | | 987 | 938 | |
| Depreciation and amortization | 15,102 | 15,662 | | 44,414 | 43,697 | |
| EBITDA, as adjusted | \$ 103,815 | \$ 104,982 | -1.1 % | \$ 293,334 | \$ 291,404 | 0.7 % |
| EBITDA margin, as adjusted | 18.2 % | 18.0 % | | 17.2 % | 17.0 % | |
| Total | | | | | | |
| Sales before eliminations | \$ 1,392,682 | \$ 1,366,599 | | \$ 4,101,689 | \$ 3,923,913 | |
| Intercompany eliminations | (66,562) | (65,601) | | (193,069) | (179,712) | |
| Net sales after eliminations | \$ 1,326,120 | \$ 1,300,998 | 1.9 % | \$ 3,908,620 | \$ 3,744,201 | 4.4 % |

MARGIN RECONCILIATION (unaudited)

(\$ in 000s)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|------------|---------------------------------|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| Gross profit, as reported | \$ 420,690 | \$ 395,748 | \$ 1,212,704 | \$ 1,111,046 |
| <i>Gross margin, as reported</i> | 31.7 % | 30.4 % | 31.0 % | 29.7 % |
| Acquisition related costs | — | — | — | 121 |
| <i>Gross profit, as adjusted</i> | \$ 420,690 | \$ 395,748 | \$ 1,212,704 | \$ 1,111,167 |
| <i>Gross margin, as adjusted</i> | 31.7 % | 30.4 % | 31.0 % | 29.7 % |
| Operating profit, as reported - segments | \$ 263,487 | \$ 242,600 | \$ 741,977 | \$ 652,369 |
| General corporate expense, net | (14,494) | (8,920) | (35,280) | (28,371) |
| Intercompany eliminations | (11,501) | (10,806) | (32,672) | (29,949) |
| Operating profit, as reported | \$ 237,492 | \$ 222,874 | \$ 674,025 | \$ 594,049 |
| <i>Operating margin, as reported</i> | 17.9 % | 17.1 % | 17.2 % | 15.9 % |
| Rationalization charges | 1,882 | (807) | 1,882 | (334) |
| Acquisition related costs ¹ | 6,558 | 2,107 | 12,317 | 6,759 |
| Operating profit, as adjusted | \$ 245,932 | \$ 224,174 | \$ 688,224 | \$ 600,474 |
| <i>Operating margin, as adjusted</i> | 18.5 % | 17.2 % | 17.6 % | 16.0 % |
| Share-based compensation | 4,194 | 2,611 | 11,080 | 9,673 |
| Depreciation and amortization | 33,564 | 32,430 | 98,216 | 93,051 |
| EBITDA, as adjusted | \$ 283,690 | \$ 259,215 | \$ 797,520 | \$ 703,198 |
| <i>EBITDA margin, as adjusted</i> | 21.4 % | 19.9 % | 20.4 % | 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 September 30, | | Nine Months Ended September 30, | |
|---|----------------------------------|--------------|---------------------------------|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| Net Sales | | | | |
| Same branch | \$ 1,288,472 | \$ 1,300,998 | \$ 3,839,602 | \$ 3,744,201 |
| Acquisitions (a) | 37,648 | — | 69,018 | — |
| Total | \$ 1,326,120 | \$ 1,300,998 | \$ 3,908,620 | \$ 3,744,201 |
| EBITDA, as adjusted | | | | |
| Same branch | \$ 277,497 | \$ 259,215 | \$ 787,212 | \$ 703,198 |
| Acquisitions (a) | 6,193 | — | 10,308 | — |
| Total | \$ 283,690 | \$ 259,215 | \$ 797,520 | \$ 703,198 |
| EBITDA, as adjusted, as a percentage of sales | | | | |
| Same branch (b) | 21.5 % | | 20.5 % | |
| Acquisitions (c) | 16.4 % | | 14.9 % | |
| Total (d) | 21.4 % | 19.9 % | 20.4 % | 18.8 % |
| As Adjusted Incremental EBITDA, as a percentage of change in sales | | | | |
| Same branch (e) | NM | | 88.1 % | |
| Acquisitions (c) | 16.4 % | | 14.9 % | |
| Total (f) | 97.4 % | | 57.4 % | |

(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

NM Not Meaningful

INCOME PER COMMON SHARE RECONCILIATION (unaudited)

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

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|-------------------|---------------------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Income before income taxes, as reported | \$ 224,677 | \$ 208,010 | \$ 631,140 | \$ 554,216 |
| Rationalization charges | 1,882 | (807) | 1,882 | (334) |
| Acquisition related costs | 6,558 | 2,107 | 12,317 | 6,759 |
| Income before income taxes, as adjusted | 233,117 | 209,310 | 645,339 | 560,641 |
| Tax rate at 26.0% | (60,610) | (54,421) | (167,788) | (145,767) |
| Income, as adjusted | <u>\$ 172,507</u> | <u>\$ 154,889</u> | <u>\$ 477,551</u> | <u>\$ 414,874</u> |
| Income per common share, as adjusted | \$ 5.43 | \$ 4.80 | \$ 15.04 | \$ 12.71 |
| Weighted average diluted common shares outstanding | 31,788,812 | 32,279,820 | 31,744,856 | 32,643,161 |

ACQUISITION ADJUSTED NET SALES (unaudited)

(\$ in 000s)

| | 2022 | 2023 | | | Trailing Twelve Months Ended |
|---|---------------------|---------------------|---------------------|---------------------|------------------------------|
| | Q4 | Q1 | Q2 | Q3 | September 30, 2023 |
| Net Sales | \$ 1,264,543 | \$ 1,265,238 | \$ 1,317,262 | \$ 1,326,120 | \$ 5,173,163 |
| Acquisitions proforma adjustment [†] | 45,575 | 30,745 | 25,753 | 4,258 | 106,331 |
| Net sales, acquisition adjusted | <u>\$ 1,310,118</u> | <u>\$ 1,295,983</u> | <u>\$ 1,343,015</u> | <u>\$ 1,330,378</u> | <u>\$ 5,279,494</u> |
| Receivables, net plus inventories, net less accounts payable | | | | | \$ 772,229 |
| Receivables, net plus inventories, net less accounts payable as a percent of sales (TTM) [†] | | | | | 14.6 % |

[†] 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 | \$ 597.0 | 625.0 |
| Adjustments to arrive at estimated EBITDA, as adjusted: | | |
| Interest expense and other, net | 54.0 | 51.0 |
| Income tax expense | 210.0 | 219.0 |
| Depreciation and amortization | 133.0 | 131.0 |
| Share-based compensation | 15.0 | 14.0 |
| Acquisition related costs | 16.0 | 15.0 |
| Estimated EBITDA, as adjusted | \$ 1,025.0 | \$ 1,055.0 |

