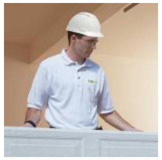
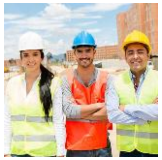
Third Quarter 2015 Earnings Presentation

TopBuild[SM]

NYSE:BLD





Safe Harbor

Statements contained in this presentation 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 “will,” “would,” “anticipate,” “expect,” “believe,” 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 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; our ability to maintain our competitive position; and our ability to realize the expected benefits of the Separation. We discuss many of the risks we face under the caption entitled “Risk Factors” in our Registration Statement on Form 10 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 Securities and Exchange Commission and is available on TopBuild's website at www.topbuild.com.

Presenters

Jerry Volas
Chief Executive Officer
Quarter Review

Robert Buck
President, Chief Operating Officer
Operations Review

John Peterson
Chief Financial Officer
Financial Review

Quarter Review

($ in 000s)	Third Quarter 2015
Sales *Change*	$427,890 7.6%
Adjusted Gross Profit Margin *Sequential Change*	22.2% 100 bps
Adjusted SG&A as % of Sales* *Y-O-Y Change*	14.9% (180 bps)
Adjusted Net Income per Share * *Y-O-Y Change*	$0.50 56.3%

** See slides 15 and 18 for GAAP to non-GAAP reconciliation*

Solid top line growth and improving margins

Quarter Review

TopBuild

Home-Building Environment

- Strengthening but still subdued by historical standards
- Labor shortage extending completion times
- Multi-family bigger part of mix
  - Longer lag than single family
- Barriers to home ownership improving

Pent up demand and shortage of new supply should lead to sustained improvement

Q3 2015 Financial Results

Agenda

Quarter Review	Jerry Volas
Operations Review	Robert Buck
Financial Review	John Peterson
Q&A	

Operations Review

($ in 000s)	TruTeam	Service Partners
Sales *Change*	$279,810 8.7%	$170,880 5.4%
Adjusted Operating Profit * *Y-O-Y Change*	$21,730 68.6%	$16,910 12.7%
Adjusted Operating Margin * *Y-O-Y Change*	7.8% 280 bps	9.9% 60 bps

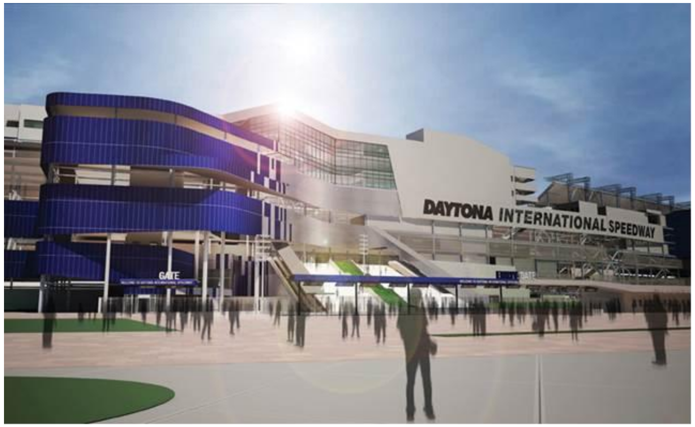
** See slide 18 for GAAP to non-GAAP reconciliation*

Residential and commercial sales volume increased, further alignment of material costs and customer pricing

Heavy Commercial Projects

MGM Casino
National Harbor, D.C.

One Lincoln Tower
Bellevue, Washington



Daytona International Speedway
Daytona Beach, Florida

Key Initiatives

- **Remain employer of choice for labor**
  - Availability and cost of labor remains challenging in certain regions

- **Simplifying the business**
  - Driving efficiencies
  - Aggressively managing costs
  - Leveraging great local relationships
  - Enhancing local customer service

- **Local execution**
  - Steve Raia rejoining Executive Team

Q3 2015 Financial Results

TopBuild

Agenda

Quarter in Review	Jerry Volas
Operations Review	Robert Buck
Financials Review	John Peterson
Q&A	

Income Statement

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($ in 000s)	Third Quarter 2015
Sales *Change*	$427,890 7.6%
Adjusted Operating Profit * *Y-O-Y Change*	$31,250 41.6%
Adjusted Operating Margin * *Y-O-Y Change*	7.3% 170 bps
Adjusted EBITDA * *Y-O-Y Change*	$35,660 20.7%

** See Slides 17 & 18 for adjusted EBITDA reconciliation and GAAP to non-GAAP reconciliation*

Highlights

- Sales up 7.6% driven by volume growth in both segments and improved pricing
- Adjusted operating profit up 41.6% on volume growth and strong cost control
- Adjusted EBITDA up 20.7%

Local Relationships. National Resources.

($ in 000s)	Third Quarter 2015
Sales *Change*	$279,810 8.7%
Adjusted Operating Profit * *Y-O-Y Change*	$21,730 68.6%
Adjusted Operating Margin * *Y-O-Y Change*	7.8% 280 bps

** See slide 18 for GAAP to non-GAAP reconciliation*

Highlights

- Increased sales volume driven by higher level of activity in both residential and commercial and higher selling price
- Margin improvement due to volume leverage, lower depreciation and cost savings initiatives

($ in 000s)	Third Quarter 2015
Sales *Change*	$170,880 5.4%
Adjusted Operating Profit * *Y-O-Y Change*	$16,910 12.7%
Adjusted Operating Margin * *Y-O-Y Change*	9.9% 60 bps

** See slide 18 for GAAP to non-GAAP reconciliation*

Highlights

- Sales up 5.4% on higher Residential/Commercial sales and higher intercompany sales
- Operating margins up 60 basis points on volume leverage and cost improvements

Selling, general and administrative expenses

($ in 000s)	Third Quarter 2015	Third Quarter 2014
SG&A expenses as reported *SG&A % of sales*	$63,810 *14.9%*	$74,600 *18.8%*
SG&A adjusted for non-GAAP items and allocations *Adj. SG&A % of sales*	$63,750 *14.9%*	$66,310 *16.7%*

Highlights

- SG&A down $10.8 million as reported and $2.6 million when excluding impact of non-GAAP reconciling items and replacing Masco's allocation with TopBuild costs (for 3Q 2014 only)
- Adjusted SG&A benefitting from lower depreciation and amortization and strong cost control

Adjusted EPS

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($ in 000s)

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Earnings Per Common Share Reconciliation				
Income from continuing operations before income taxes, as reported	**$ 28,630**	**$ 10,690**	**$ 32,660**	**$ 6,850**
Rationalization/spin-off charges	30	1,000	4,370	1,000
Legal and insurance adjustments, net	1,030	—	2,400	—
Fixed asset disposal (truck mounted device)	—	—	1,690	—
General corporate expense, net	—	6,260	13,630	17,030
Direct corporate expense	—	6,530	5,600	14,530
Expected standalone corporate expense	—	(5,500)	(11,000)	(16,500)
Income from continuing operations before income taxes, as adjusted	**29,690**	**18,980**	**49,350**	**22,910**
Tax at 36% rate	(10,688)	(6,833)	(17,766)	(8,248)
Income from continuing operations, as adjusted	**$ 19,002**	**$ 12,147**	**$ 31,584**	**$ 14,662**
Income per common share, as adjusted	**$ 0.50**	**$ 0.32**	**$ 0.84**	**$ 0.39**
Average diluted common shares outstanding	37,907,784	37,667,947	37,748,756	37,667,947

Cash Flow/Working Capital/CAPEX

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($ in 000s)	Nine Months ended September, 30 2015	Nine Months ended September, 30 2014
CAPEX	$10,590	$8,810
Working Capital % to sales (using LTM sales)	7.0%	8.1%
Operating Cash Flow	$43,150	$39,680
Cash Balance	$108,340	$3,040

Highlights

- CAPEX consistent with historical spending patterns
- Working capital % to sales (LTM) improves 110 basis points on improved Accounts Payable
- Operating cash flow improves 8.7% on improved earnings
- Cash balance improves $45 million from 2Q 2015
- Overall strong liquidity of $176 million between cash and accessible credit facility

Adjusted EBITDA Reconciliation

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$ 000s	Three Months Ended September 30, 2015	2014	Change	Nine Months Ended September 30, 2015	2014	Change
Net Sales	$427,890	$397,650	*7.6%*	$1,190,110	$1,114,020	*6.8%*
Operating profit, as reported	$30,190	$13,780		$40,540	$16,130	
Operating margin, as reported	*7.1%*	*3.5%*		*3.4%*	*1.4%*	
Rationalization/spinoff charges - segment	30	1,000		4,370	1,000	
Legal and insurance adjustments, net	1,030	-		2,400	-	
Fixed asset disposal (truck mounted devices)	-	-		1,690	-	
General corporate expense, net	-	6,260		13,630	17,030	
Direct corporate expense	-	6,530		5,600	14,530	
Expected standalone corporate expenses	-	(5,500)		(11,000)	(16,500)	
Operating profit, as adjusted	$31,250	$22,070		$57,230	$32,190	
Operating margin, as adjusted	*7.3%*	*5.6%*		*4.8%*	*2.9%*	
Share-based compensation	1,490	940		3,150	2,920	
Depreciation and amortization – segment	2,920	6,530		9,160	19,590	
EBITDA, as adjusted	$35,660	$29,540		$69,540	$54,700	
Sales change period over period	*30,240*			*76,090*		
EBITDA, as adjusted change period over period	*6,120*			*14,840*		
EBITDA, as adjusted as percentage of Sales change	*20%*			*20%*		

Segment GAAP to Non-GAAP Reconciliation

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$ 000s	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Change	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014	Change
Installation						
Net Sales	$279,810	$257,310	*8.7%*	$778,470	$711,710	*9.4%*
Operating profit, as reported	$20,670	$11,890		$26,710	$11,990	
Operating margin, as reported	*7.4%*	*4.6%*		*3.4%*	*1.7%*	
Rationalization/spinoff charges - segment	30	1,000		3,860	1,000	
Legal and insurance adjustments, net	1,030	-		2,400	-	
Fixed asset disposal (truck mounted devices)	-	-		1,690	-	
Operating profit, as adjusted	$21,730	$12,890		$34,660	$12,990	
Operating margin, as adjusted	*7.8%*	*5.0%*		*4.5%*	*1.8%*	
Distribution						
Net Sales	$170,880	$162,120	*5.4%*	$476,330	$460,340	*3.5%*
Operating profit, as reported	$16,910	$15,010		$40,180	$36,730	
Operating margin, as reported	*9.9%*	*9.3%*		*8.4%*	*8.0%*	
Rationalization/spinoff charges - segment	-	-		510	-	
Operating profit, as adjusted	$16,910	$15,010		$40,690	$36,730	
Operating margin, as adjusted	*9.9%*	*9.3%*		*8.5%*	*8.0%*	