Fourth Quarter 2015 Earnings Presentation

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.

2015 – A Year of Significant Change

Began Trading as a Public Company July 1

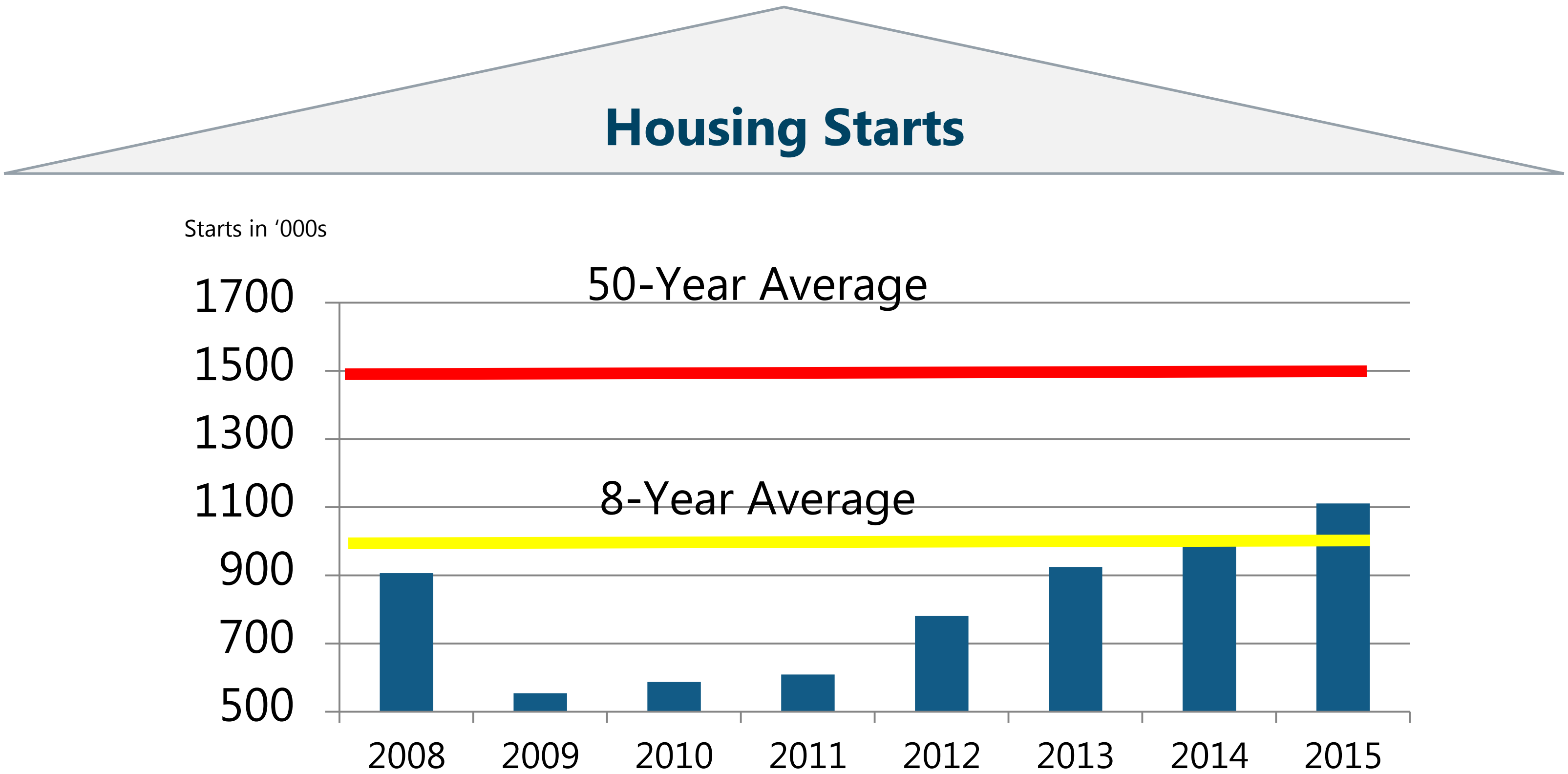
Q4 Overview

($ in 000s)	Fourth Quarter 2015
Sales *Change*	$426,471 7.1%
Adjusted Gross Profit Margin * *Sequential Change* *Y-O-Y Change*	23.1% 90 bps (20) bps
Adjusted Operating Profit Margin * *Y-O-Y Change*	7.8% 70 bps
Adjusted Net Income per Share * *Y-O-Y Change*	$0.52 26.8%

See slide 18 for GAAP to non-GAAP reconciliation

Solid Top Line Growth and Improving Operating Margins

Environment



Pent Up Demand and Shortage of New Supply Should Lead to Sustained Improvement

Capital Allocation

- Accretive/Strategic Acquisitions
  - Installation and distribution targets
    - Expand market penetration
    - Focus on regions with outsize growth prospects
  - Commercial Installation
    - Fragmented industry
    - Growth opportunity
- $50M Share Repurchase Program
  - 12 month timeframe
  - Use cash on hand and expected growing free cash flow
  - At 3/2 close = ~1.8M shares/5% of shares outstanding

Demonstrated Commitment to Enhancing Shareholder Value

Q4 Operations Review

($ in 000s)	TruTeam	Service Partners
Sales *Change*	$279,084 10.9%	$170,109 1.0%
Adjusted Operating Profit * *Y-O-Y Change*	$18,966 37.8%	$15,517 (0.6 %)
Adjusted Operating Margin * *Y-O-Y Change*	6.8% 130 bps	9.1% (20) bps

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

TruTeam: Strong Execution in Both Residential and Commercial Business

Service Partners: Difficult Comps Given Insulation Pre-Buying Q4 '14 and Loss of Some Non-Core Business

Key Areas of Focus

- Employer of choice for labor
- Simplify business
- Operational improvements
- Drive efficiencies
- Aggressively manage costs
- Leverage great local relationships
- Enhance local customer service

Strengthening Competitive Position and Increasing Core Market Share

Driving Efficiencies

- Closing 13 branches
  - TruTeam & Service Partners
  - ~$14M impact on annual revenue
- Overhead reductions at corporate headquarters
- Anticipated one-time charge Q1 2016 of ~$1M
- Payback less than one year

On-Going Rationalization of Footprint and Overhead

Partnership

TopBuild's "Environments for Living Program" selected as Drees Homes primary energy efficiency program across all of their markets

- Strong endorsement of TopBuild's Building Science group
- Reinforces growing emphasis among homebuilders and consumers for more energy efficient homes

Energy Efficiency Focus Strong Tailwind for TopBuild

Income Statement

($ in 000s)	Fourth Quarter 2015	Full-Year 2015
Sales *Change*	$426,471 7.1%	$1,616,580 6.9%
Adjusted Operating Profit * *Y-O-Y Change*	$33,444 18.4%	$90,693 50.0%
Adjusted Operating Margin * *Y-O-Y Change*	7.8% 70 bps	5.6% 160 bps
Adjusted EBITDA * *Y-O-Y Change*	$37,982 6.7%	$107,452 19.0%

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

Highlights

- Sales up 7.1% for fourth quarter and 6.9% for full year driven by growth in residential housing and commercial
- Adjusted operating profit up 18.4% for fourth quarter and 50% for full year on volume leverage, lower depreciation and amortization and strong cost control; partially offset by higher insurance cost

TruTeam

Local Relationships. National Resources.

($ in 000s)	Fourth Quarter 2015	Full-Year 2015
Sales *Change*	$279,084 10.9%	$1,057,553 9.8%
Adjusted Operating Profit * *Y-O-Y Change*	$18,966 37.8%	$53,651 106.6%
Adjusted Operating Margin * *Y-O-Y Change*	6.8% 130 bps	5.1% 240 bps

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

Highlights

- Strong sales growth driven by higher level activity in both residential and commercial and higher selling price
- Margin improvement due to volume leverage, lower depreciation and cost savings initiatives; partially offset by higher insurance cost

SERVICE partners

($ in 000s)	Fourth Quarter 2015	Full-Year 2015
Sales *Change*	$170,109 1.0%	$646,441 2.8%
Adjusted Operating Profit * *Y-O-Y Change*	$15,517 (0.6%)	$56,212 7.4%
Adjusted Operating Margin * *Y-O-Y Change*	9.1% (20) bps	8.7% 40 bps

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

Highlights

- Sales up 1% for fourth quarter on improved residential and commercial volumes and higher selling price; partially offset by lower Q4 '15 pre-buying ahead of announce price increases and lower sales in non-core businesses
- Full-year 2015 adjusted operating margin % improves 40 basis points on volume leverage

Selling, general and administrative expenses

($ in 000s)	Fourth Quarter 2015	Full-Year 2015
SG&A expenses as reported *SG&A % of sales* *SG&A % of sales vs. prior year*	$61,524 *14.4%* *270 bps*	$274,498 *17.0%* *220 bps*
SG&A adjusted for non-GAAP items and allocations *Adj. SG&A % of sales* *Adj. SG&A % of sales vs. prior year*	$65,060 *15.3%* *90 bps*	$261,319 *16.2%* *170 bps*

Highlights

- Full-year SG&A down over $16.5 million as reported and $9.9 million when excluding impact of non-GAAP reconciling items and replacing Masco allocations with TopBuild costs (for all of 2014 and 1st half 2015 only)
- Adjusted SG&A benefitting from lower depreciation and amortization and strong cost control

Adjusted EPS

($ in 000s)	Three Months Ended December 31, 2015	Three Months Ended December 31, 2014	Twelve Months Ended December 31, 2015	Twelve Months Ended December 31, 2014
Income from continuing operations before income taxes, as reported	**$ 41,461**	**$ 21,484**	**$ 74,115**	**$ 28,338**
Rationalization/spin-off charges	308	1,000	4,672	2,000
Legal and insurance adjustments, net	—	—	2,430	—
Fixed asset disposal (truck mounted device)	—	—	1,690	—
Masco general corporate expense, net	—	4,917	13,627	21,948
Masco direct corporate expense	—	3,248	5,604	17,782
Expected standalone corporate expense	—	(5,500)	(11,000)	(22,000)
Employee benefit policy change	(9,861)	—	(9,861)	—
Income from continuing operations before income taxes, as adjusted	**31,908**	**25,149**	**81,277**	**48,068**
Tax at 38% rate	(12,125)	(9,557)	(30,885)	(18,266)
Income from continuing operations, as adjusted	**$ 19,783**	**$ 15,592**	**$ 50,392**	**$ 29,802**
Income per common share, as adjusted	**$ 0.52**	**$ 0.41**	**$ 1.33**	**$ 0.79**
Average diluted common shares outstanding	37,910,642	37,667,947	37,780,875	37,667,947

Cash Flow/Working Capital/CAPEX

($ in 000s)	Twelve Months ended December, 31 2015	Twelve Months ended December, 31 2014
CAPEX	$14,227	$13,141
Working Capital % to sales (using LTM sales)	6.2%	6.5%
Operating Cash Flow	$56,011	$71,861
Cash Balance	$112,848	$2,965

Highlights

- CAPEX finishes 2015 @ 0.88% of sales
- Working capital improves by 30 bps vs. prior year on continued strong management
- Operating cash flow @ $56.0 million on higher earnings
- Overall liquidity of $183 million between cash and accessible credit facility

Adjusted EBITDA Reconciliation

($ in 000s)	Three Months Ended December 31, 2015	2014	Change	Twelve Months Ended December 31, 2015	2014	Change
Net sales after eliminations	$ 426,471	$ 398,057	*7.1 %*	$ 1,616,580	$ 1,512,077	*6.9 %*
Operating profit, as reported	$ 42,997	$ 24,582		$ 83,531	$ 40,717	
Operating margin, as reported	*10.1 %*	*6.2 %*		*5.2 %*	*2.7 %*	
Rationalization/spin-off charges - segment	308	1,000		4,672	2,000	
Legal and insurance adjustments, net	—	—		2,430	—	
Fixed asset disposal (truck mounted devices)	—	—		1,690	—	
Masco general corporate expense, net	—	4,917		13,627	21,948	
Masco direct corporate expense	—	3,248		5,604	17,782	
Expected standalone corporate expense	—	(5,500)		(11,000)	(22,000)	
Employee benefit policy change	(9,861)	—		(9,861)	—	
Operating profit, as adjusted	$ 33,444	$ 28,247		$ 90,693	$ 60,447	
Operating margin, as adjusted	*7.8 %*	*7.1 %*		*5.6 %*	*4.0 %*	
Share-based compensation	1,500	865		4,651	3,762	
Depreciation and amortization	3,038	6,498		12,108	26,079	
EBITDA, as adjusted	$ 37,982	$ 35,610		$ 107,452	$ 90,288	
Sales change period over period	*28,414*			*104,503*		
EBITDA, as adjusted change period over period	*2,372*			*17,164*		
EBITDA, as adjusted as percentage of sales change	*8.3 %*			*16.4 %*		

Segment GAAP to Non-GAAP Reconciliation

($ in 000s)	Three Months Ended December 31, 2015	Three Months Ended December 31, 2014	Change	Twelve Months Ended December 31, 2015	Twelve Months Ended December 31, 2014	Change
Installation						
Net sales	$ 279,084	$ 251,637	*10.9 %*	$ 1,057,553	$ 963,351	*9.8 %*
Operating profit, as reported	$ 28,519	$ 12,763		$ 55,232	$ 23,970	
Operating margin, as reported	*10.2 %*	*5.1 %*		*5.2 %*	*2.5 %*	
Rationalization/spin-off charges	308	1,000		4,160	2,000	
Legal and insurance adjustments, net	—	—		2,430	—	
Fixed asset disposal (truck mounted devices)	—	—		1,690	—	
Employee benefit policy change	(9,861)	—		(9,861)	—	
Operating profit, as adjusted	$ 18,966	$ 13,763		$ 53,651	$ 25,970	
Operating margin, as adjusted	*6.8 %*	*5.5 %*		*5.1 %*	*2.7 %*	
Distribution						
Net sales	$ 170,109	$ 168,471	*1.0 %*	$ 646,441	$ 628,810	*2.8 %*
Operating profit, as reported	$ 15,517	$ 15,612		$ 55,700	$ 52,334	
Operating margin, as reported	*9.1 %*	*9.3 %*		*8.6 %*	*8.3 %*	
Rationalization/spin-off charges	—	—		512	—	
Operating profit, as adjusted	$ 15,517	$ 15,612		$ 56,212	$ 52,334	
Operating margin, as adjusted	*9.1 %*	*9.3 %*		*8.7 %*	*8.3 %*	

Questions?