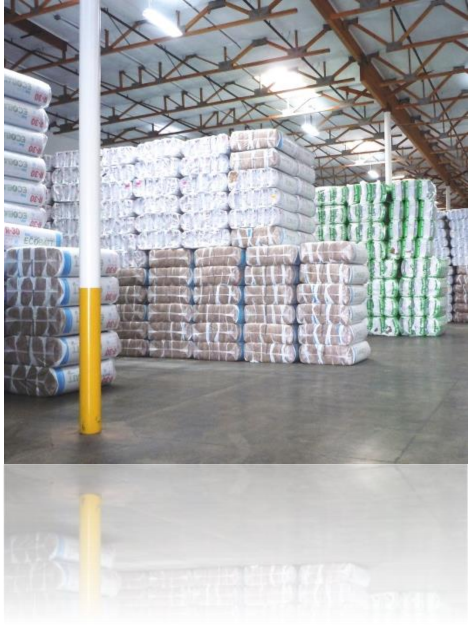
4Q 2017 Presentation

February 27, 2018

SAFE HARBOR

Statements contained in this presentation that are not historical and reflect our views about future periods and events, including our future performance, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as "will," "would," "anticipate," "expect," "believe," "plan," "hope," "estimates," "suggests," "has the potential to," "projects," "assumes," "goal," "targets," "likely," "should," or "intend," and other words and phrases of similar meanings, the negative of these terms, and similar references to anticipated or expected events, activities, trends, future periods or results. Forward-looking statements are based on management's current expectations and are subject to risks and uncertainties that are difficult to predict and, accordingly, our actual results may differ materially from the results discussed or implied in our forward-looking statements. Forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including: 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; our ability to integrate acquisitions; changes in the costs of the products we install and/or distribute; increases in fuel costs; significant competition in our industry; seasonal effects on our business; and the other risks described under the caption entitled "Risk Factors" in our most recent Annual Report on Form 10-K filed with the SEC and under similar headings in our subsequently filed Quarterly Reports on Forms 10-Q and other filings 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, which management uses to manage our business, provide users of this financial information with 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 accounting principles generally accepted in the United States. 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.

A PRODUCTIVE 2017



- Completed six accretive acquisitions
- Upsized term loan and revolving credit facility to $600M
- Announced $200M share repurchase program, including $100M ASR
- Continued to improve labor and sales productivity
- Enhanced transparency through introduction of annual and long-term guidance metrics
- Awarded 2017 ENERGY STAR Partner of the year award

"2017 WAS A YEAR OF SIGNIFICANT ACCOMPLISHMENTS FOR TOPBUILD."

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2017 FINANCIAL HIGHLIGHTS

- 9.4% revenue growth
- 180 bps adjusted operating margin expansion to 9.0%
- 36.7% increase in adjusted EBITDA
- 32.5% incremental EBITDA margin
- Total liquidity of $359.5 million

"WE REMAIN FOCUSED ON GENERATING TOP LINE GROWTH, IDENTIFYING ADDITIONAL OPPORTUNITIES THAT COMPLEMENT OUR CORE RESIDENTIAL INSULATION BUSINESSES AND IMPROVING OPERATIONAL EFFICIENCIES."

TopBuild®

2018 OUTLOOK

- All signs point to another strong year
  - Robust economy
  - Household formations growing
  - Tight inventory
- At TopBuild:
  - Strategic acquisitions remain high priority
  - Continued focus on driving operational efficiencies and improving labor and sales productivity
  - Emphasis on profitable growth and margin expansion

"TOPBUILD IS IDEALLY SITUATED TO TAKE ADVANTAGE OF THE HOUSING RECOVERY THROUGH BOTH OUR TRUTEAM AND SERVICE PARTNERS SEGMENTS WHICH, COMBINED, PROVIDE ACCESS TO 95% OF ALL HOUSING STARTS."

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FINANCIAL OVERVIEW

($ in 000s)	Fourth Quarter 2017	Twelve Months 2017
Sales *Y-O-Y Change*	$501,401 12.9%	$1,906,266 9.4%
Adjusted Operating Profit * *Y-O-Y Change*	$50,834 37.2%	$171,875 37.6%
Adjusted Operating Margin * *Y-O-Y Change*	10.1% 180 bps	9.0% 180 bps
Adjusted EBITDA * *Y-O-Y Change*	$57,949 37.7%	$197,602 36.7%

** See slides 15&16 for adjusted EBITDA reconciliation and GAAP to non-GAAP reconciliation*

Fourth Quarter Highlights

- Gross margin expanded 60 bps to 24.3%
- 11.6% adjusted EBITDA margin, up 210 bps YOY
- 27.7% adjusted EBITDA margin pull through on sales change

ADJUSTED EPS

($ in 000s)

	Three Months Ended December 31,				Year Ended December 31,			
	2017		2016		2017		2016	
Income from continuing operations before income taxes, as reported	$	47,760	$	34,728	$	128,040	$	116,273
Significant legal settlement		—		—		30,000		—
Rationalization charges		356		1,049		3,755		3,139
Acquisition related costs		508		69		1,256		124
Loss on extinguishment of debt		—		—		1,086		—
Income from continuing operations before income taxes, as adjusted		**48,624**		**35,846**		**164,137**		**119,536**
Tax at 38% rate		(18,477)		(13,621)		(62,372)		(45,424)
Income from continuing operations, as adjusted	**$**	**30,147**	**$**	**22,225**	**$**	**101,765**	**$**	**74,112**
Income per common share, as adjusted	**$**	**0.84**	**$**	**0.59**	**$**	**2.78**	**$**	**1.96**
Average diluted common shares outstanding		35,772,124		37,644,065		36,572,146		37,867,212

Fourth Quarter Highlights

- 42.4% increase in adjusted earnings per share
- Average diluted common shares outstanding decreased 5.0%

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CASH FLOW/WORKING CAPITAL & CAPEX

($ in 000s)	Twelve Months ended December 31, 2017	Twelve Months ended December 31, 2016
CAPEX	$25,308	$14,156
Working Capital % to sales (using LTM sales)	9.1%	7.3%
Operating Cash Flow	$113,192	$76,785
Cash Balance	$56,521	$134,375
Net Leverage	0.9x	0.6x

Highlights

- CAPEX @ 1.3% of sales. Implemented vehicle purchasing program in Q4
- Working capital as a % of LTM sales increased by 180 bps vs. prior year due to higher commercial sales mix and inefficiencies from acquired companies' collection processes

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LONG-TERM TARGETS AND ANNUAL GUIDANCE

3-YEAR TARGETS

$60M
of Residential Revenue for Every 50K Increase in Starts

12%+
Commercial Annual Growth

11% to 16%[1]
Incremental EBITDA % (M&A)

8.5% to 9.5%
(Previously 7% to 8%)
Working Capital (% of Sales)

22% to 27%
Incremental EBITDA % (Organic)

2.0% to 2.5%
Capex (% of Sales)

27%
(Lowered from 38%)
Normalized Tax Rate

[1] *Acquisitions in year one*

2018 OUTLOOK* ($M)

$2,050 to $2,115
Revenue

$222 to $242
Adjusted EBITDA

** See Slide 17 for GAAP to non-GAAP reconciliation*

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TruTeam
Local Relationships. National Resources.

($ in 000s)	Fourth Quarter 2017	Twelve Months 2017
Sales *Y-O-Y Change*	$336,188 16.2%	$1,281,296 11.4%
Adjusted Operating Profit * *Y-O-Y Change*	$42,667 47.9%	$140,372 42.7%
Adjusted Operating Margin * *Y-O-Y Change*	12.7% 270 bps	11.0% 240 bps

** See slide 16 for GAAP to non-GAAP reconciliation*

Fourth Quarter Highlights

- Sales growth driven by acquisitions, volume and price improvement
- Strong margin improvement due to volume leverage, improved price, labor and sales productivity and strong cost control

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($ in 000s)	Fourth Quarter 2017	Twelve Months 2017
Sales *Y-O-Y Change*	$193,306 9.0%	$719,759 6.4%
Adjusted Operating Profit * *Y-O-Y Change*	$17,927 9.2%	$68,756 14.8%
Adjusted Operating Margin * *Y-O-Y Change*	9.3% 0 bps	9.6% 70 bps

** See slide 16 for GAAP to non-GAAP reconciliation*

Fourth Quarter Highlights

- Sales up 9.0% driven by volume growth and higher selling prices
- 2% selling price improvement

MANAGER-IN-TRAINING PROGRAM

- Structured leadership development curriculum
- Focused on developing existing talent and attracting new talent to Company
- On-the-Job training for future branch and division leaders
- Exposed to all facets of our operations

"WE ARE INVESTING IN OUR FUTURE BY IDENTIFYING AND BRINGING THE NEXT GENERATION OF LEADERS ON OUR TEAM."

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TWO ACCRETIVE ACQUISITIONS IN 2018

A·D·O

ADO Products enhances the strength of our distribution business segment with its strong and long-standing customer relationships and experienced leadership team while also expanding our geographic presence and market share.

	ANNUAL REVENUE
Distributor	$27.6M

SANTA ROSA INSULATION & FIREPROOFING
A TruTeam Company

Santa Rosa increases our market share in the greater Miami region, an area of the country we believe has outsized growth prospects. The company has strong customer relationships and an experienced labor force with demonstrated foam insulation and fireproofing expertise.

	ANNUAL REVENUE
Residential Insulation	$6M

"WE CONTINUE TO EXPAND OUR GEOGRAPHIC PRESENCE IN KEY MARKETS."

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APPENDIX

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ADJUSTED EBITDA RECONCILIATION

($ in 000s)

	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2016
Net income, as reported	**$ 104,991**	**$ 21,307**	**$ 158,133**	**$ 72,606**
Adjustments to arrive at EBITDA, as adjusted:				
Interest expense and other, net	2,210	1,216	7,738	5,331
Income tax (benefit) expense from continuing operations	(57,231)	13,421	(30,093)	43,667
Depreciation and amortization	4,700	3,088	16,453	12,011
Share-based compensation †	2,415	1,926	9,274	7,669
Significant legal settlement	—	—	30,000	—
Rationalization charges	356	1,049	3,755	3,139
Loss on extinguishment of debt	—	—	1,086	—
Acquisition related costs	508	69	1,256	124
EBITDA, as adjusted	**$ 57,949**	**$ 42,076**	**$ 197,602**	**$ 144,547**

† Amounts for the twelve month period ending December 31, 2017, excludes $0.6 million of share-based compensation included in the line item, rationalization charges.

SEGMENT GAAP TO NON-GAAP RECONCILIATION

($ in 000s)

	Three Months Ended December 31,			Year Ended December 31,		
	2017	2016	Change	2017	2016	Change
Installation						
Sales	$ 336,188	$ 289,244	*16.2 %*	$ 1,281,296	$ 1,150,168	*11.4 %*
Operating profit, as reported	$ 42,331	$ 28,641		$ 109,316	$ 97,140	
Operating margin, as reported	*12.6 %*	*9.9 %*		*8.5 %*	*8.4 %*	
Significant legal settlement	—	—		30,000	—	
Rationalization charges	336	202		1,056	1,211	
Operating profit, as adjusted	$ 42,667	$ 28,843		$ 140,372	$ 98,351	
Operating margin, as adjusted	*12.7 %*	*10.0 %*		*11.0 %*	*8.6 %*	
Distribution						
Sales	$ 193,306	$ 177,404	*9.0 %*	$ 719,759	$ 676,672	*6.4 %*
Operating profit, as reported	$ 17,927	$ 16,238		$ 68,733	$ 59,654	
Operating margin, as reported	*9.3 %*	*9.2 %*		*9.5 %*	*8.8 %*	
Rationalization charges	—	173		23	256	
Operating profit, as adjusted	$ 17,927	$ 16,411		$ 68,756	$ 59,910	
Operating margin, as adjusted	*9.3 %*	*9.3 %*		*9.6 %*	*8.9 %*	

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RECONCILIATION TABLE

($ in 000s)

	Twelve Months Ending December 31, 2018	
	Low	High
Estimated net income	$ 126.0	$ 145.6
Adjustments to arrive at estimated EBITDA, as adjusted:		
Interest expense and other, net	13.6	12.0
Income tax expense from continuing operations	46.6	53.8
Depreciation and amortization	21.7	18.5
Share-based compensation	14.1	12.1
Estimated EBITDA, as adjusted	$ 222.0	$ 242.0