




Second Quarter

August 1, 2019

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TopBuild®

SAFE HARBOR

Statements contained in this presentation that are not historical and reflect our views about future periods and events, including our future performance, the size of our market opportunity, new housing starts and other industry growth and development metrics, 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; new housing starts and growth 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.

In addition to the U.S. GAAP financials, this presentation includes certain non-GAAP financial measures. 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. The non-GAAP measures have limitations as analytical tools and you should not consider them in isolation or as a substitute for an analysis of our results under U.S. GAAP. The Company considers these non-GAAP financial measures to be important because they provide useful measures of the operating performance of the company, exclusive of unusual events or actors that do not directly affect what we consider to be our core operating performance, and are used by the Company's management for that purpose.

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.

U.S. Housing Overview

Second Quarter 2019

- **Remain bullish on residential new construction**
  - Increasing household formations
  - Mortgage rates low
  - Builders focusing more on entry level homes
  - Inventory tight
  - Job and wage growth strong
  - Starts remain well below historical average level of 1.4M to 1.5M

Long-term Supply and Demand Fundamentals Suggest Healthy Construction Environment for Next Several Years

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Financial Highlights

Second Quarter 2019

- 8.9% revenue growth
- 260 bps gross margin expansion
- 14.2% adjusted EBITDA margin, up 260 bps
- 43.3% incremental EBITDA margin
- 98.7% increase in EPS to $1.51, 38.8% increase in adjusted EPS to $1.43

Leveraging Our Unique Diversified Business Model to Produce Outstanding Results

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Capital Allocation

Second Quarter 2019

- **Completed acquisition of Viking Insulation in July**
  - Headquartered in Burbank, CA
  - Founded in 1974
  - Fiberglass insulation installation for residential and light commercial projects

VIKING INSULATION℠
A TruTeam Company

- **Acquisitions number one priority with strong track record**
  - Acquired 11 companies since 2016, generating almost $510M of annual revenue
- **Robust pipeline of acquisition targets**
- **Disciplined and strategic approach to adjacent product categories**
- **Share repurchases number two priority**
  - $200M share repurchase program in place
  - Repurchased ~197,000 shares in Q2 at an average per share price of $75.57

Delivering Strong Returns to Our Shareholders

Financial Overview

Second Quarter 2019

($ in 000s)	THREE MONTHS ENDED JUNE 30, 2019	SIX MONTHS ENDED JUNE 30, 2019
Sales Y-O-Y Change	$660,112 8.9%	$1,279,442 16.6%
Adjusted Operating Profit* Y-O-Y Change	$76,432 32.2%	$135,530 41.2%
Adjusted Operating Margin* Y-O-Y Change	11.6% 210 bps	10.6% 190 bps
Adjusted EBITDA* Y-O-Y Change	$94,007 33.2%	$168,553 44.6%
Adjusted EBITDA Margin* Y-O-Y Change	14.2% 260 bps	13.2% 260 bps

Continuing to Drive Strong Top and Bottom Line Results

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

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Adjusted EPS

Second Quarter 2019 ($ in 000s)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Income before income taxes, as reported	$ 66,934	$ 36,441	$ 114,284	$ 68,043
Rationalization charges	142	4,341	1,969	5,138
Acquisition related costs	251	9,799	903	13,281
Income before income taxes, as adjusted	**67,327**	**50,581**	**117,156**	**86,462**
Tax rate at 26.5% and 27.0% for 2019 and 2018, respectively	(17,842)	(13,657)	(31,046)	(23,345)
Income, as adjusted	**$ 49,485**	**$ 36,924**	**$ 86,110**	**$ 63,117**
Income per common share, as adjusted	**$ 1.43**	**$ 1.03**	**$ 2.49**	**$ 1.76**
Weighted average diluted common shares outstanding	34,557,664	35,837,102	34,630,048	35,828,290

CapEx, Working Capital & Cash Flow

Second Quarter 2019

($ in 000s)	SIX MONTHS ENDED JUNE 30, 2019	SIX MONTHS ENDED JUNE 30, 2018
CAPEX [2]	$21,982	$27,521
Working Capital % to Sales [3]	11.9%	11.1%[1]
Operating Cash Flow	$96,264	$41,393
Cash Balance	$141, 767	$65,737

[1] Proforma LTM EBITDA to account for USI acquisition

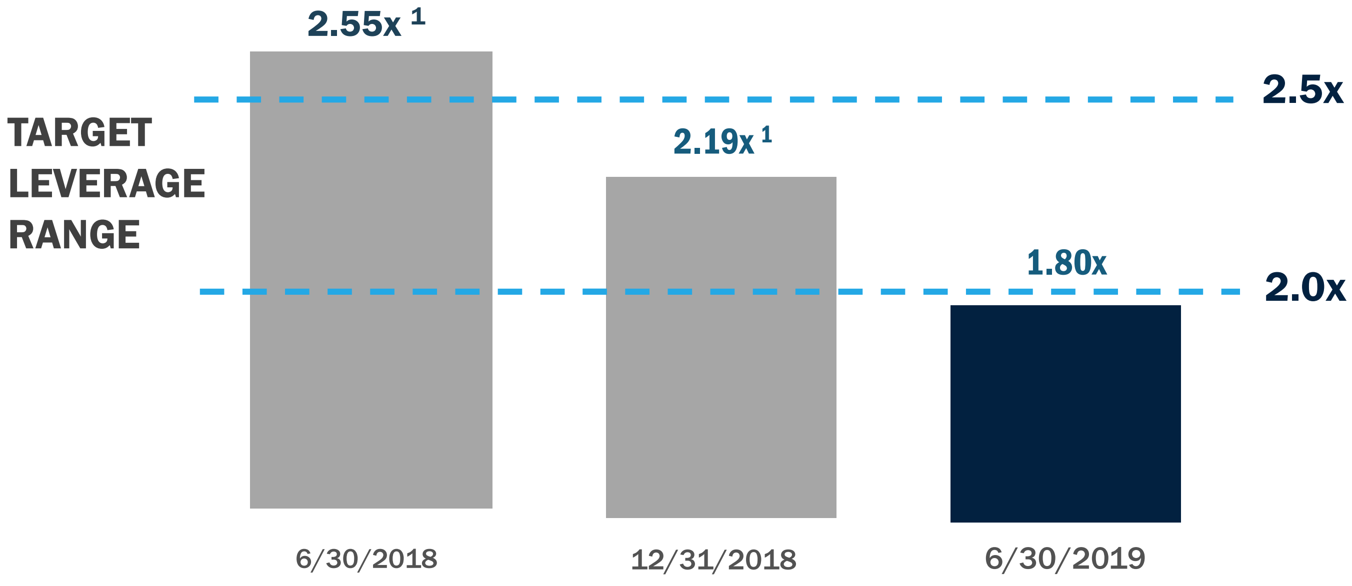
Strong Cash Flow Generation

[2] CapEx is defined as cash purchases of property and equipment [3] Working Capital is defined as receivables, net plus inventories, net less accounts payable

LEVERAGE

Second Quarter 2019

Total Debt	$745.6
Less Cash	141.8
Net Debt	**$603.8**
Adj. EBITDA	$335.3
Leverage	1.80x



[1] *Proforma LTM EBITDA to account for USI acquisition*

QUICKLY DELEVERED AFTER USI ACQUISITION

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2019 Outlook

Second Quarter 2019

($M)

ASSUMES

$2,610 to $2,640 Revenue	$345 to $355 Adjusted EBITDA*	1.23M to 1.27M Housing Starts
• Low end unchanged • High end lowered by $30M	• Low end raised by $15M • High end raised by $5M	




2019 Expected to Be Another Strong Year for TopBuild

* See slides 17 & 19 for adjusted EBITDA reconciliation and Guidance reconciliation

TruTeam®

Second Quarter 2019

($ in 000s)	THREE MONTHS ENDED JUNE 30, 2019	SIX MONTHS ENDED JUNE 30, 2019
Sales Y-O-Y Change	$483,028 12.5%	$932,410 22.9%
Adjusted Operating Profit* Y-O-Y Change	$68,781 37.9%	$120,324 51.5%
Adjusted Operating Margin* Y-O-Y Change	14.2% 260 bps	12.9% 240 bps

- **Market Share Increase**
- **Robust Commercial Growth**
- **Strong Margin Expansion**
- **Great Operational Execution**

* See slide 18 for GAAP to non-GAAP reconciliation

SERVICE partners

Second Quarter 2019

($ in 000s)	THREE MONTHS ENDED JUNE 30, 2019	SIX MONTHS ENDED JUNE 30, 2019
Sales Y-O-Y Change	$213,487 3.8%	$417,951 6.2%
Adjusted Operating Profit* Y-O-Y Change	$21,151 5.7%	$41,857 10.3%
Adjusted Operating Margin* Y-O-Y Change	9.9% 20 bps	10.0% 40 bps

- Margin Expansion
- Rebuilding Volume
- Actively Managing Business Mix
- Excellent Customer Service Key Advantage

* See slide 18 for GAAP to non-GAAP reconciliation

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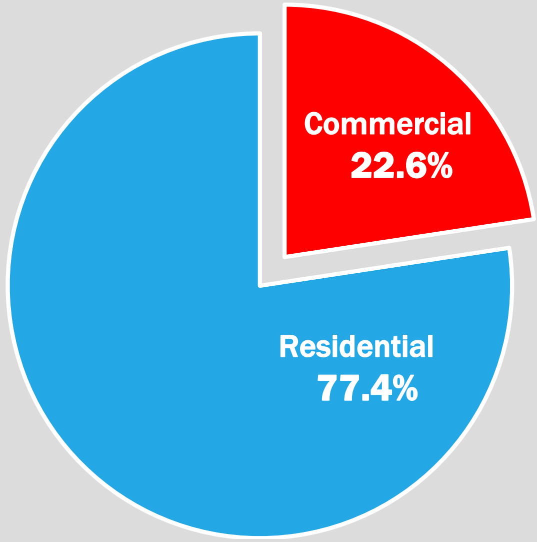
Strong Commercial Growth

Second Quarter 2019

- 22.1% same branch revenue growth
- Most installation branches perform light commercial work
- 18 branches focused solely on heavy commercial
- Working on dozens of projects across the country
- BLD provides unique value proposition for general contractors

% of Revenue 1H 2019



Robust Backlog – Long Runway for Growth

Fiberglass

Second Quarter 2019

- **More supply available vs. a year ago**
  - Excess capacity filling distribution channels
- **New capacity expected late 2020**
  - Testament to long-term confidence in health of US housing market

High Confidence in Strength, Stability and Cost Effectiveness of Our Supply Chain

Competitive Advantages

Second Quarter 2019

- **Uniquely diversified model**
  - Nationwide footprint that gives us scale and efficiency
  - Residential construction balanced with Commercial
  - Two ways to reach fragmented industry…installation and distribution
  - Expertise in all insulation solutions
- **Remain focused on driving improvements and achieving operational excellence**
- **Most talented operators in the field**
- **Focus remains on:**
  - Profitable growth
  - Delivering strong results
  - Creating shareholder value

Uniquely Diversified Business Model A Key Differentiator

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Appendix

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Adjusted EBITDA Reconciliation

Second Quarter 2019 ($ in 000s)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net income, as reported	**$ 52,051**	**$ 27,153**	**$ 90,035**	**$ 53,540**
Adjustments to arrive at EBITDA, as adjusted:				
Interest expense and other, net	9,105	7,240	18,374	9,530
Income tax expense	14,883	9,288	24,249	14,503
Depreciation and amortization	13,062	9,743	25,538	15,185
Share-based compensation	4,513	2,995	7,485	5,397
Rationalization charges	142	4,341	1,969	5,138
Acquisition related costs	251	9,799	903	13,281
EBITDA, as adjusted	**$ 94,007**	**$ 70,559**	**$ 168,553**	**$ 116,574**

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Segment GAAP to Non-GAAP Reconciliation

Second Quarter 2019 ($ in 000s)

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Change	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018	Change
TruTeam						
Sales	$ 483,028	$ 429,423	*12.5 %*	$ 932,410	$ 758,817	*22.9 %*
Operating profit, as reported	$ 68,423	$ 49,635		$ 119,722	$ 78,965	
Operating margin, as reported	*14.2 %*	*11.6 %*		*12.8 %*	*10.4 %*	
Rationalization charges	81	236		199	453	
Acquisition related costs	277	—		403	—	
Operating profit, as adjusted	$ 68,781	$ 49,871		$ 120,324	$ 79,418	
Operating margin, as adjusted	*14.2 %*	*11.6 %*		*12.9 %*	*10.5 %*	
Service Partners						
Sales	$ 213,487	$ 205,621	*3.8 %*	$ 417,951	$ 393,387	*6.2 %*
Operating profit, as reported	$ 21,151	$ 20,009		$ 41,748	$ 37,912	
Operating margin, as reported	*9.9 %*	*9.7 %*		*10.0 %*	*9.6 %*	
Rationalization charges	—	—		109	25	
Operating profit, as adjusted	$ 21,151	$ 20,009		$ 41,857	$ 37,937	
Operating margin, as adjusted	*9.9 %*	*9.7 %*		*10.0 %*	*9.6 %*	

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2019 Guidance Reconciliation Table

Second Quarter 2019 ($ in 000s)

	Twelve Months Ending December 31, 2019			
	Low		High	
Estimated net income	**$**	**170.5**	**$**	**185.6**
Adjustments to arrive at estimated EBITDA, as adjusted:				
Interest expense and other, net		38.9		35.9
Income tax expense		61.5		66.9
Depreciation and amortization		54.0		50.0
Share-based compensation		14.6		12.1
Rationalization charges		4.0		2.5
Acquisition related costs		1.5		2.0
Estimated EBITDA, as adjusted	**$**	**345.0**	**$**	**355.0**