



SECOND QUARTER

Robert Buck, President & CEO
Rob Kuhns, CFO

August 2, 2022

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 Cap¹

\$6.9B

Employees

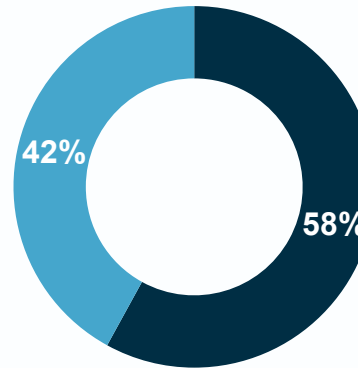
~13,000

Total Branches

410+

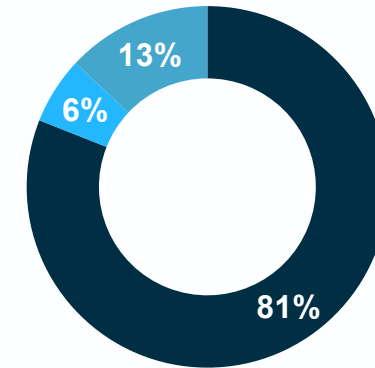
Sales Breakdown

SEGMENT²



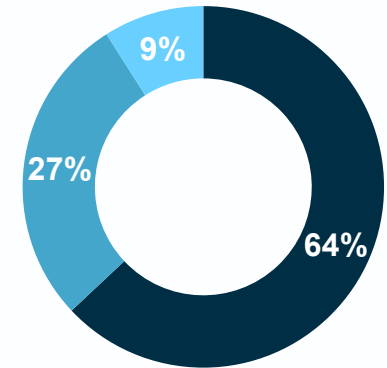
Installation
Specialty Distribution

PRODUCT MIX²



Insulation & Accessories
Gutters
Other

END-MARKET²



Residential
Commercial
Industrial

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

BUSINESS UPDATE

- Strong second quarter results
 - Adjusted EBITDA margins expanded at both business segments
 - Volume at Installation segment outpaces housing completions
- Distribution International update
 - Financial performance ahead of expectations
 - Integration ahead of schedule
 - On track to meet or exceed \$35M to \$40M of synergies
- Building cycle remains elongated for residential and commercial projects
 - Gap continues to widen between housing starts and completions
 - Labor constraints delaying commercial projects
- Growing demand for mechanical insulation...new projects and MRO work
- Teams effectively managing input costs and selling prices; improving operations



SUCCESSFULLY NAVIGATING CURRENT ENVIRONMENT

SECOND QUARTER FINANCIAL HIGHLIGHTS*

Adjusted

- 52.7% sales increase
- 30.1% gross margin, up 90 bps
- 16.4% operating margin, up 80 bps
- 19.0% EBITDA margin, up 100 bps

Same Branch, Adjusted

- 20.7% sales increase
- 31.2% gross margin, up 200 bps
- 17.8% operating margin, up 220 bps
- 19.9% EBITDA margin, up 190 bps
- 29.4% incremental EBITDA



DIFFERENTIATED BUSINESS MODEL EXECUTING WELL

SIX MONTH FINANCIAL HIGHLIGHTS*

Adjusted

- 54.9% sales increase
- 29.3% gross margin, up 130 bps
- 15.4% operating margin, up 100 bps
- 18.2% EBITDA margin, up 140 bps

Same Branch, Adjusted

- 19.8% sales increase
- 30.4% gross margin, up 240 bps
- 17.2% operating margin, up 280 bps
- 19.3% EBITDA margin, up 250 bps
- 32.0% incremental EBITDA

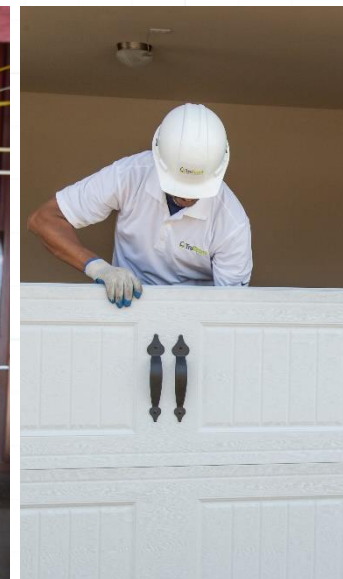


2022 SHAPING UP TO BE ANOTHER STRONG YEAR

INSTALLATION



(\$ in 000s) Comparisons are to the period ended June 30, 2021	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
Sales Change	\$748,968 23.7%	\$1,425,661 25.2%
Adjusted Operating Profit* Change	\$139,935 39.5%	\$253,167 45.1%
Adjusted Operating Margin* Change	18.7% 210 bps	17.8% 250 bps
Adjusted EBITDA Margin* Change	20.8% 170 bps	20.0% 220 bps



SOLID SALES GROWTH...STRONG MARGIN EXPANSION

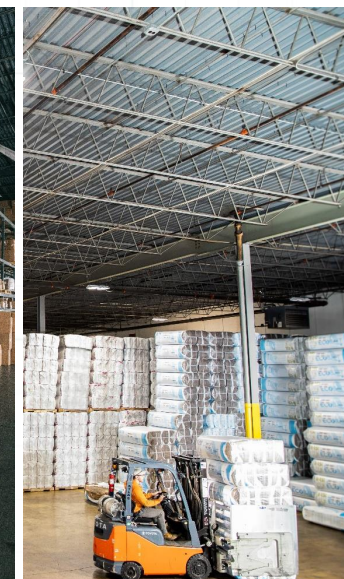
SPECIALTY DISTRIBUTION



(\$ in 000s)

Comparisons are to the period ended June 30, 2021

	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
Sales Change	\$587,791 115.0%	\$1,131,653 115.6%
Adjusted Operating Profit* Change	\$87,083 103.1%	\$157,745 101.5%
Adjusted Operating Margin* Change	14.8% (90) bps	13.9% (100) bps
Adjusted EBITDA Margin* Change	17.2% 70 bps	16.5% 70 bps



IMPROVING OPERATIONS AND EXPANDING EBITDA MARGINS

CAPITAL ALLOCATION

- Four acquisitions completed in 2022 through 6/30

SOUTHWEST INSULATION

- Residential insulation
- \$1.7M annual revenue



- Residential insulation
- \$6.5M annual revenue



Green Energy Solutions, Inc.

- Residential insulation
- \$2.0M annual revenue



- Residential insulation
- \$5.5M annual revenue

- Board approved new \$200M share repurchase program
- Repurchased 647,466 shares through June 30, 2022

GENERATING SOLID RETURNS...SOLID PROSPECT PIPELINE

CAPEX, WORKING CAPITAL & CASH FLOW

\$ in 000s

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
CAPEX	\$36,034	\$28,560
Operating Cash Flow	\$217,697	\$202,203
	June 30, 2022	June 30, 2021
Cash Balance	\$123,869	\$261,739
	June 30, 2022	June 30, 2021
Working Capital % to TTM Sales*	15.0%	9.9%



CAPITAL LIGHT MODEL GENERATING STRONG CASH FLOWS

LEVERAGE

\$ in millions

Total Debt

\$1,494.1

Less Cash

\$123.9

Net Debt

\$1,370.2

TTM Proforma Adj.
EBITDA*

\$815.3

Leverage

1.68x

- \$430.1M available on \$500M Revolver
- Significant room under debt covenants
- Low-cost debt structure



STRONG BALANCE SHEET...AMPLE LIQUIDITY

2022 OUTLOOK

(as of August 2, 2022)

SALES



- Low end raised by \$150M
- High end raised by \$100M

ADJUSTED EBITDA*



- Low end raised by \$50M
- High end raised by \$40M



PROJECTING A STRONG YEAR OF GROWTH

OUR BUSINESS MODEL

Core Strengths

- Unrivalled North American scale
- Operational excellence focused on continuous improvement
- Laser focus on core business, insulation
- Greater end-market diversification to minimize cyclicity
- Exceptional service and reliability
- Focus on safety
- Optimized supply chain relationships
- M&A is a core competency

Our Values



SAFETY

We put the *safety* of our *people* first.



INTEGRITY

We deliver results with *integrity, respect,* and *accountability.*



FOCUS

We are *customer-focused*, grounded in strong relationships.



INNOVATION

We are *continuously improving* and encourage idea sharing.



UNITY

We are united as one *team*, valuing *diversity.*



COMMUNITY

We *make a difference* in the communities we serve.



EMPOWERMENT

We are *empowered* to be our best, individually and as a team.

GROWING PROFITABLY AND MAKING A DIFFERENCE

A LEADER IN ALL THREE END-MARKETS WE SERVE

TOTAL ADDRESSABLE MARKET of ~\$16.0B

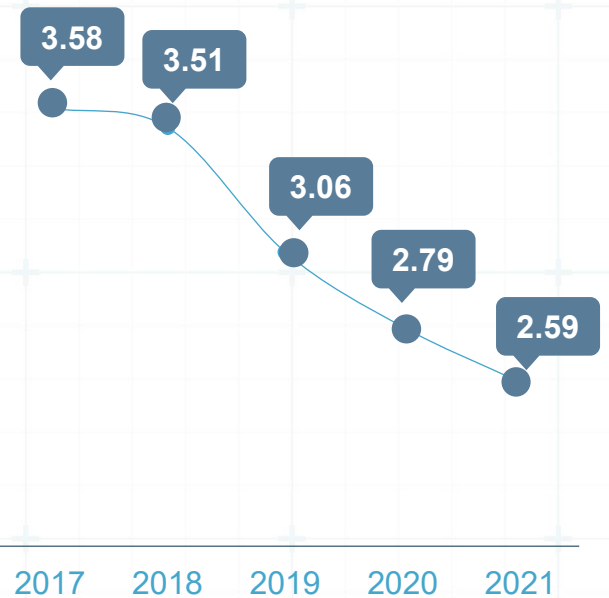
MARKET	MARKET SIZE	OUR SHARE	OUR FOCUS
Residential	~\$5.5B	~40%	<ul style="list-style-type: none"> • Superior labor network • Ability to serve builders/contractors of all sizes
Commercial Building Insulation	~\$5.5B	~11%	<ul style="list-style-type: none"> • Bundled product solutions • Provide services for light and heavy commercial
Commercial / Industrial Mechanical Insulation	~\$5.0B	~10%	<ul style="list-style-type: none"> • Providing custom fabrication products and services • Building MRO business to drive reoccurring revenue

INCREASING SHARE ORGANICALLY AND THROUGH TARGETED ACQUISITIONS

SAFETY IS A CORE VALUE

- Safety is not a choice, it's engrained in our culture and expectations of conduct
- Zero-accident safety goal
- Mandatory monthly safety meetings held at all branches
- Upon hire, installers must complete training to demonstrate competency in these skills
 - Use of Personal Protective Equipment (PPE)
 - Ladder Safety
 - Scaffolding Safety
 - Fall Protection
 - Incident Reporting
- Installed GPS tracking in ~90% of fleet, reports driving habits and safety data

Incident Rate¹



ALWAYS DRIVING FOR CONTINUOUS IMPROVEMENT

¹ Total number of work-related injuries per 100 full-time employees annually

OUR ESG FOCUS



ENVIRONMENTAL

- Utilize materials often made from recycled, re-used and long-lasting materials
- Waste minimization program
- Centralized fleet management
- Fleet refreshment program



SOCIAL

- Safety-first culture
- Workplace fostering equity
- Principles of integrity, respect



GOVERNANCE

- Independent Board Chair
- Directors serve one-year terms
- Majority vote director election
- Equity claw-back policy
- Shareholders can amend the charter
- Related party transactions



STRONG COMMITMENT BY BOARD AND MANAGEMENT

OUR BUSINESS IS INHERENTLY ENVIRONMENTALLY FRIENDLY

- Insulation products we install and distribute enhance energy efficiency
- A typical pound of fiberglass insulation saves its first year in place as the energy used to produce it
- Building insulation benefits
 - Thermal efficiency
 - Reduced GhG emissions
 - Lower energy usage and costs
 - Reduced carbon intensity from heating and cooling



81% OF OUR REVENUES COME FROM PRODUCTS THAT IMPROVE ENERGY EFFICIENCY

OUR GOALS

- Strive for ZERO safety incidents
- Develop a diverse and inclusive workforce
- Embrace change to drive continuous improvement
- Build local relationships and exceed customer expectations
- Create valued long-term partnerships with suppliers
- Make a difference in our communities
- Promote energy efficiency in new building construction
- Grow profitably and create value for all stakeholders

FOCUSED ON DELIVERING RESULTS



APPENDIX

ADJUSTED EBITDA RECONCILIATION (unaudited)

(\$ in 000s)

	Three Months Ended June 30,		Six Months Ended June 30,		Trailing Twelve Months Ended
	2022	2021	2022	2021	June 30, 2022
Net income, as reported	\$ 143,697	\$ 90,380	\$ 258,410	\$ 150,222	\$ 432,205
Adjustments to arrive at EBITDA, as adjusted:					
Interest expense and other, net	13,689	6,039	24,969	12,563	41,546
Income tax expense	49,835	31,867	87,796	47,525	149,698
Depreciation and amortization	30,122	17,703	60,621	33,221	106,790
Share-based compensation	3,334	2,266	7,061	5,377	13,000
Rationalization charges	—	—	473	16	473
Acquisition related costs	1,577	1,457	4,654	2,210	24,550
Acquisition purchase accounting (inventory step-up)	—	—	—	—	15,853
Refinancing costs and loss on extinguishment of debt	—	—	—	13,862	163
COVID-19 pay	—	136	—	659	—
EBITDA, as adjusted	\$ 242,254	\$ 149,848	\$ 443,984	\$ 265,655	\$ 784,278
Proforma acquisition EBITDA ^(a)					31,030
Proforma TTM EBITDA, as adjusted					\$ 815,308

(a) Represents the trailing twelve months proforma impact of acquisitions completed through June 30, 2022.

SEGMENT DATA (unaudited)

(\$ in 000s)

	Three Months Ended June 30,		Change	Six Months Ended June 30,		Change
	2022	2021		2021	2020	
Installation						
Sales	\$ 748,968	\$ 605,625	23.7 %	\$ 1,425,661	\$ 1,138,378	25.2 %
Operating profit, as reported	\$ 139,919	\$ 99,066		\$ 252,598	\$ 172,702	
Operating margin, as reported	18.7 %	16.4 %		17.7 %	15.2 %	
Rationalization charges	—	—		473	—	
Acquisition related costs	16	1,112		96	1,112	
COVID-19 pay	—	116		—	605	
Operating profit, as adjusted	\$ 139,935	\$ 100,294		\$ 253,167	\$ 174,419	
Operating margin, as adjusted	18.7 %	16.6 %		17.8 %	15.3 %	
Share-based compensation	282	274		689	614	
Depreciation and amortization	15,319	14,857		31,004	27,683	
EBITDA, as adjusted	\$ 155,536	\$ 115,425	34.8 %	\$ 284,860	\$ 202,716	40.5 %
EBITDA margin, as adjusted	20.8 %	19.1 %		20.0 %	17.8 %	
Speciality Distribution						
Sales	\$ 587,791	\$ 273,364	115.0 %	\$ 1,131,653	\$ 524,965	115.6 %
Operating profit, as reported	\$ 86,749	\$ 42,856		\$ 157,170	\$ 78,241	
Operating margin, as reported	14.8 %	15.7 %		13.9 %	14.9 %	
Acquisition related costs	334	—		575	—	
COVID-19 pay	—	20		—	54	
Operating profit, as adjusted	\$ 87,083	\$ 42,876		\$ 157,745	\$ 78,295	
Operating margin, as adjusted	14.8 %	15.7 %		13.9 %	14.9 %	
Share-based compensation	287	244		641	488	
Depreciation and amortization	14,005	2,112		28,034	4,200	
EBITDA, as adjusted	\$ 101,375	\$ 45,232	124.1 %	\$ 186,420	\$ 82,983	124.6 %
EBITDA margin, as adjusted	17.2 %	16.5 %		16.5 %	15.8 %	
Total						
Sales before eliminations	\$ 1,336,759	\$ 878,989		\$ 2,557,314	\$ 1,663,343	
Intercompany eliminations	(62,474)	(44,734)		(114,111)	(86,290)	
Net sales after eliminations	\$ 1,274,285	\$ 834,255	52.7 %	\$ 2,443,203	\$ 1,577,053	54.9 %

MARGIN RECONCILIATION (unaudited)

(\$ in 000s)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Gross profit, as reported	\$ 384,097	\$ 243,180	\$ 715,298	\$ 440,939
<i>Gross margin, as reported</i>	30.1 %	29.1 %	29.3 %	28.0 %
Acquisition related costs	—	—	121	—
COVID-19 pay	—	122	—	592
<i>Gross profit, as adjusted</i>	\$ 384,097	\$ 243,302	\$ 715,419	\$ 441,531
<i>Gross margin, as adjusted</i>	30.1 %	29.2 %	29.3 %	28.0 %
Operating profit, as reported - segments	\$ 226,668	\$ 141,922	\$ 409,768	\$ 250,943
General corporate expense, net	(9,012)	(6,704)	(19,449)	(13,311)
Intercompany eliminations	(10,435)	(6,932)	(19,144)	(13,460)
<i>Operating profit, as reported</i>	\$ 207,221	\$ 128,286	\$ 371,175	\$ 224,172
<i>Operating margin, as reported</i>	16.3 %	15.4 %	15.2 %	14.2 %
Rationalization charges	—	—	473	16
Acquisition related costs ¹	1,577	1,457	4,654	2,210
COVID-19 pay	—	136	—	659
<i>Operating profit, as adjusted</i>	\$ 208,798	\$ 129,879	\$ 376,302	\$ 227,057
<i>Operating margin, as adjusted</i>	16.4 %	15.6 %	15.4 %	14.4 %
Share-based compensation	3,334	2,266	7,061	5,377
Depreciation and amortization	30,122	17,703	60,621	33,221
<i>EBITDA, as adjusted</i>	\$ 242,254	\$ 149,848	\$ 443,984	\$ 265,655
<i>EBITDA margin, as adjusted</i>	19.0 %	18.0 %	18.2 %	16.8 %

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 June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net Sales				
Same branch	\$ 1,007,185	\$ 834,255	\$ 1,889,050	\$ 1,577,053
Acquisitions (a)	267,100	—	554,153	—
Total	\$ 1,274,285	\$ 834,255	\$ 2,443,203	\$ 1,577,053
Gross profit, as adjusted				
Same branch	\$ 314,012	\$ 243,302	\$ 575,127	\$ 441,531
Acquisitions (a)	70,085	—	140,292	—
Total	\$ 384,097	\$ 243,302	\$ 715,419	\$ 441,531
Gross margin, as adjusted				
Same branch (b)	31.2 %	29.2 %	30.4 %	28.0 %
Acquisitions (c)	26.2 %		25.3 %	
Operating profit, as adjusted				
Same branch	\$ 179,512	\$ 129,879	\$ 324,127	\$ 227,057
Acquisitions (a)	29,286	—	52,175	—
Total	\$ 208,798	\$ 129,879	\$ 376,302	\$ 227,057
Operating margin, as adjusted				
Same branch (b)	17.8 %	15.6 %	17.2 %	14.4 %
Acquisitions (c)	11.0 %		9.4 %	

(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

SAME BRANCH AND ACQUISITION METRICS (unaudited)

(\$ in 000s)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
EBITDA, as adjusted				
Same branch	\$ 200,667	\$ 149,848	\$ 365,435	\$ 265,655
Acquisitions (a)	41,587	—	78,549	—
Total	\$ 242,254	\$ 149,848	\$ 443,984	\$ 265,655
EBITDA, as adjusted, as a percentage of sales				
Same branch (b)	19.9 %		19.3 %	
Acquisitions (c)	15.6 %		14.2 %	
Total (d)	19.0 %	18.0 %	18.2 %	16.8 %
As Adjusted Incremental EBITDA, as a percentage of change in sales				
Same branch (e)	29.4 %		32.0 %	
Acquisitions (c)	15.6 %		14.2 %	
Total (f)	21.0 %		20.6 %	

(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

INCOME PER COMMON SHARE RECONCILIATION (unaudited)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Income before income taxes, as reported	\$ 193,532	\$ 122,247	\$ 346,206	\$ 197,747
Rationalization charges	—	—	473	16
Acquisition related costs	1,577	1,457	4,654	2,210
Refinancing costs and loss on extinguishment of debt	—	—	—	13,862
COVID-19 pay	—	136	—	659
Income before income taxes, as adjusted	195,109	123,840	351,333	214,494
Tax rate at 26.0%	(50,728)	(32,198)	(91,347)	(55,769)
Income, as adjusted	\$ 144,381	\$ 91,642	\$ 259,986	\$ 158,725
Income per common share, as adjusted	\$ 4.43	\$ 2.76	\$ 7.92	\$ 4.78
Weighted average diluted common shares outstanding	32,614,449	33,177,435	32,827,549	33,190,107

ACQUISITION ADJUSTED NET SALES (unaudited)

(\$ in 000s)

	2021		2022		Trailing Twelve Months Ended
	Q3	Q4	Q1	Q2	June 30, 2022
Net Sales	\$ 845,757	\$ 1,063,398	\$ 1,168,918	\$ 1,274,285	\$ 4,352,358
Acquisitions proforma adjustment [†]	231,146	48,816	2,481	39	282,482
Net sales, acquisition adjusted	<u>\$ 1,076,903</u>	<u>\$ 1,112,214</u>	<u>\$ 1,171,399</u>	<u>\$ 1,274,324</u>	<u>\$ 4,634,840</u>
Receivables, net plus inventories, net less accounts payable					\$ 696,615
Receivables, net plus inventories, net less accounts payable as a percent of net sales, acquisition adjusted (TTM) [†]					15.0 %

[†] 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, 2022	
	Low	High
Estimated net income	\$ 481.5	520.1
Adjustments to arrive at estimated EBITDA, as adjusted:		
Interest expense and other, net	61.0	58.0
Income tax expense	169.2	182.7
Depreciation and amortization	124.9	120.8
Share-based compensation	13.4	11.4
Rationalization charges	2.0	1.0
Acquisition related costs	8.0	6.0
Estimated EBITDA, as adjusted	\$ 860.0	\$ 900.0

