



THIRD QUARTER

Robert Buck, President & CEO
Rob Kuhns, CFO

November 1, 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

\$5.3B

Employees

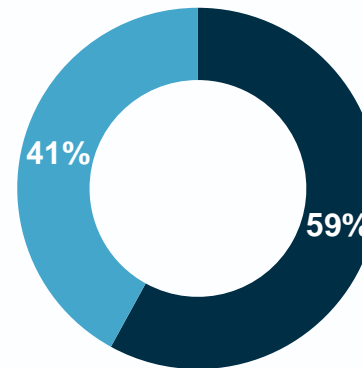
~13,000

Total Branches

410+

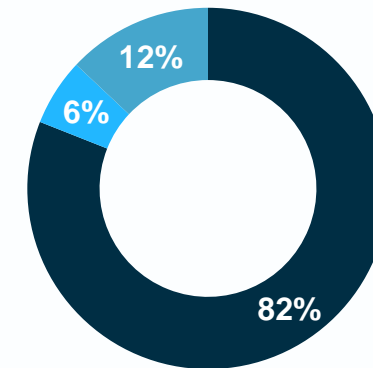
Sales Breakdown

SEGMENT²



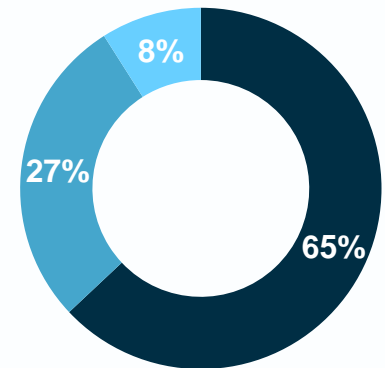
Installation
Specialty Distribution

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 third quarter results
 - Solid volume at both business segments, driven by residential backlog and commercial
 - Adjusted EBITDA margins improved
- Distribution International update
 - Financial performance ahead of expectations
 - On track to meet or exceed \$35M to \$40M of synergies
- Commercial and industrial end-markets continue to show signs of improvement
 - Strong bidding activity, backlog continues to grow
 - Increasing demand for mechanical insulation...new projects and MRO work
- Strong residential volume in 3Q but seeing signs of a slowdown due to higher interest rates and affordability issues driven by continued inflation



EXPECT TO OUTPERFORM IN ANY ENVIRONMENT

THIRD QUARTER FINANCIAL HIGHLIGHTS*

Adjusted

- 53.8% sales increase
- 30.4% gross margin, up 80 bps
- 17.2% operating margin, up 90 bps
- 19.9% EBITDA margin, up 120 bps

Same Branch, Adjusted

- 22.6% sales increase
- 31.3% gross margin, up 170 bps
- 18.5% operating margin, up 220 bps
- 20.6% EBITDA margin, up 190 bps
- 28.8% incremental EBITDA



DIFFERENTIATED BUSINESS MODEL EXECUTING WELL

NINE MONTH FINANCIAL HIGHLIGHTS*

Adjusted

- 54.5% sales increase
- 29.7% gross margin, up 110 bps
- 16.0% operating margin, up 100 bps
- 18.8% EBITDA margin, up 130 bps

Same Branch, Adjusted

- 20.8% sales increase
- 30.8% gross margin, up 220 bps
- 17.6% operating margin, up 260 bps
- 19.8% EBITDA margin, up 230 bps
- 30.8% incremental EBITDA



DRIVING PROFITABLE GROWTH AND CREATING VALUE

INSTALLATION



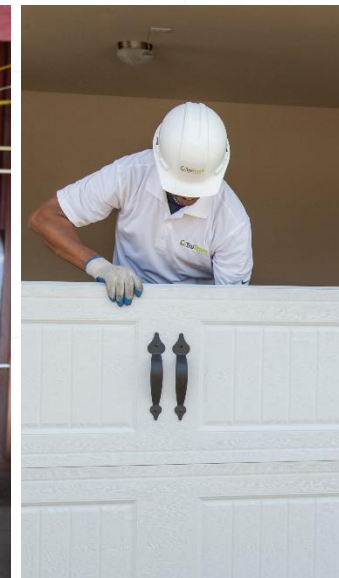
(\$ in 000s)

Comparisons are to the period ended September 30, 2021

**Three Months Ended
September 30, 2022**

**Nine Months Ended
September 30, 2022**

Sales Change	\$783,056 27.8%	\$2,208,717 26.1%
Adjusted Operating Profit* Change	\$153,444 45.8%	\$406,613 45.4%
Adjusted Operating Margin* Change	19.6% 240 bps	18.4% 240 bps
Adjusted EBITDA Margin* Change	21.6% 200 bps	20.6% 220 bps



IMPROVED RESIDENTIAL AND COMMERCIAL VOLUMES

SPECIALTY DISTRIBUTION



(\$ in 000s)

Comparisons are to the period ended September 30, 2021

**Three Months Ended
September 30, 2022**

**Nine Months Ended
September 30, 2022**

Sales Change	\$583,543 111.1%	\$1,715,196 114.0%
Adjusted Operating Profit* Change	\$89,024 88.8%	\$246,769 96.7%
Adjusted Operating Margin* Change	15.3% (180) bps	14.4% (130) bps
Adjusted EBITDA Margin* Change	18.0% 10 bps	17.0% 50 bps



IMPROVED VOLUME AND STRONG OPERATIONAL EXECUTION

CAPITAL ALLOCATION

- Five acquisitions completed in 2022 through 9/30

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

C V Insulation LLC

- Residential insulation
- \$1.6M annual revenue

- Repurchased 1,059,361 shares through September 30, 2022 at an average price of \$188.79 per share

ACQUISITIONS GENERATE STRONGEST RETURNS FOR SHAREHOLDERS

CAPEX, WORKING CAPITAL & CASH FLOW

\$ in 000s

	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
CAPEX	\$56,044	\$42,320
Operating Cash Flow	\$335,630	\$309,505
	September 30, 2022	September 30, 2021
Cash Balance	\$159,384	\$327,906
	September 30, 2022	September 30, 2021
Working Capital % to TTM Sales*	15.5%	10.3%



CAPITAL LIGHT MODEL GENERATING STRONG CASH FLOWS

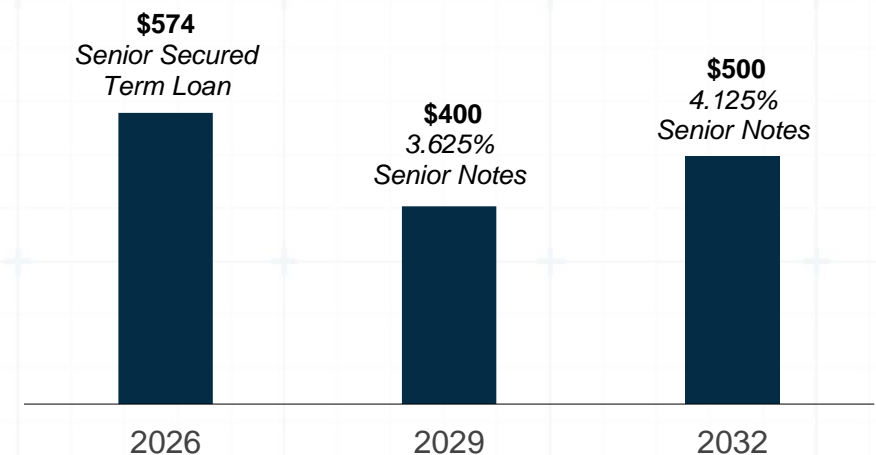
FLEXIBLE CAPITAL STRUCTURE

Capital Summary & Financial Highlights (\$M)

September 30, 2022	
Cash	\$ 159.4
Total Debt	\$ 1,484.4
Net Debt	\$1,325.0
TTM Proforma Adjusted EBITDA*	\$ 889.0
Leverage	1.49x
Available Credit Under Revolving Credit Facility	\$ 432.3
Cash & Cash Equivalents	\$ 159.4
Total Available Liquidity	\$ 591.7

Capital Structure (As of September 30, 2022)

Debt Maturity Schedule (\$M)



Current Credit Ratings

S&P: BB+

Moody's: Ba1

STRONG BALANCE SHEET, NO NEAR-TERM MATURITIES

2022 OUTLOOK

(as of November 1, 2022)

SALES

\$4,950M to \$5,000M

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

ADJUSTED EBITDA*

\$915M to \$935M

- Low end raised by \$55M
- High end raised by \$35M



STRONG SALES AND EBITDA 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 cyclical
- 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

END-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"> • Provide custom fabrication products and services • Driving MRO business for 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

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, diversity and inclusion
- Principles of integrity, respect and accountability embedded in our culture



GOVERNANCE

- Independent Board Chair
- Directors serve one-year terms
- Majority vote director resignation policy
- Equity claw-back policy
- Shareholders can amend bylaws
- Related party transactions are prohibited



STRONG COMMITMENT BY BOARD AND MANAGEMENT

OUR BUSINESS IS INHERENTLY ENVIRONMENTALLY FRIENDLY

- Insulation products we install and distribute significantly enhance energy efficiency
- A typical pound of fiberglass insulation saves 12x as much energy in 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



82% 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 September 30,		Nine Months Ended September 30,		Trailing Twelve Months Ended
	2022	2021	2022	2021	September 30, 2022
Net income, as reported	\$ 153,746	\$ 95,435	\$ 412,156	\$ 245,658	\$ 490,516
Adjustments to arrive at EBITDA, as adjusted:					
Interest expense and other, net	14,864	5,437	39,833	18,000	50,973
Income tax expense	54,264	32,934	142,060	80,457	171,028
Depreciation and amortization	32,430	17,784	93,051	51,005	121,436
Share-based compensation	2,611	2,998	9,673	8,375	12,614
Rationalization charges	(807)	—	(334)	16	(334)
Acquisition related costs	2,107	3,634	6,759	5,844	23,021
Acquisition purchase accounting (inventory step-up)	—	—	—	—	15,853
Refinancing costs and loss on extinguishment of debt	—	—	—	13,862	163
COVID-19 pay	—	—	—	659	—
EBITDA, as adjusted	\$ 259,215	\$ 158,222	\$ 703,198	\$ 423,876	\$ 885,270
Proforma acquisition EBITDA ^(a)					3,698
Proforma TTM EBITDA, as adjusted					\$ 888,968

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

SEGMENT DATA (unaudited)

(\$ in 000s)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022	2021		Change	2022	2021		Change
Installation								
Sales	<u>\$ 783,056</u>	<u>\$ 612,900</u>		27.8 %	<u>\$ 2,208,717</u>	<u>\$ 1,751,278</u>		26.1 %
Operating profit, as reported	\$ 154,236	\$ 105,046			\$ 406,835	\$ 277,748		
Operating margin, as reported	19.7 %	17.1 %			18.4 %	15.9 %		
Rationalization charges	(807)	—			(334)	—		
Acquisition related costs	15	171			112	1,283		
COVID-19 pay	—	—			—	605		
Operating profit, as adjusted	<u>\$ 153,444</u>	<u>\$ 105,217</u>			<u>\$ 406,613</u>	<u>\$ 279,636</u>		
Operating margin, as adjusted	19.6 %	17.2 %			18.4 %	16.0 %		
Share-based compensation	268	272			956	886		
Depreciation and amortization	15,610	14,906			46,615	42,588		
EBITDA, as adjusted	<u>\$ 169,322</u>	<u>\$ 120,395</u>		40.6 %	<u>\$ 454,184</u>	<u>\$ 323,110</u>		40.6 %
EBITDA margin, as adjusted	21.6 %	19.6 %			20.6 %	18.4 %		
Specialty Distribution								
Sales	<u>\$ 583,543</u>	<u>\$ 276,398</u>		111.1 %	<u>\$ 1,715,196</u>	<u>\$ 801,363</u>		114.0 %
Operating profit, as reported	\$ 88,364	\$ 47,162			\$ 245,534	\$ 125,403		
Operating margin, as reported	15.1 %	17.1 %			14.3 %	15.6 %		
Acquisition related costs	660	—			1,235	—		
COVID-19 pay	—	—			—	54		
Operating profit, as adjusted	<u>\$ 89,024</u>	<u>\$ 47,162</u>			<u>\$ 246,769</u>	<u>\$ 125,457</u>		
Operating margin, as adjusted	15.3 %	17.1 %			14.4 %	15.7 %		
Share-based compensation	296	241			938	729		
Depreciation and amortization	15,662	2,138			43,697	6,338		
EBITDA, as adjusted	<u>\$ 104,982</u>	<u>\$ 49,541</u>		111.9 %	<u>\$ 291,404</u>	<u>\$ 132,524</u>		119.9 %
EBITDA margin, as adjusted	18.0 %	17.9 %			17.0 %	16.5 %		
Total net sales								
Sales before eliminations	\$ 1,366,599	\$ 889,298			\$ 3,923,913	\$ 2,552,641		
Intercompany eliminations	<u>(65,601)</u>	<u>(43,541)</u>			<u>(179,712)</u>	<u>(129,831)</u>		
Net sales after eliminations	<u>\$ 1,300,998</u>	<u>\$ 845,757</u>		53.8 %	<u>\$ 3,744,201</u>	<u>\$ 2,422,810</u>		54.5 %

MARGIN RECONCILIATION (unaudited)

(\$ in 000s)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Gross profit, as reported	\$ 395,748	\$ 250,291	\$ 1,111,046	\$ 691,229
<i>Gross margin, as reported</i>	30.4 %	29.6 %	29.7 %	28.5 %
Acquisition related costs	—	—	121	—
COVID-19 pay	—	—	—	592
<i>Gross profit, as adjusted</i>	\$ 395,748	\$ 250,291	\$ 1,111,167	\$ 691,821
<i>Gross margin, as adjusted</i>	30.4 %	29.6 %	29.7 %	28.6 %
Operating profit, as reported - segments	\$ 242,600	\$ 152,208	\$ 652,369	\$ 403,151
General corporate expense, net	(8,920)	(10,812)	(28,371)	(24,124)
Intercompany eliminations	(10,806)	(7,590)	(29,949)	(21,050)
<i>Operating profit, as reported</i>	\$ 222,874	\$ 133,806	\$ 594,049	\$ 357,977
<i>Operating margin, as reported</i>	17.1 %	15.8 %	15.9 %	14.8 %
Rationalization charges	(807)	—	(334)	16
Acquisition related costs ¹	2,107	3,634	6,759	5,844
COVID-19 pay	—	—	—	659
<i>Operating profit, as adjusted</i>	\$ 224,174	\$ 137,440	\$ 600,474	\$ 364,496
<i>Operating margin, as adjusted</i>	17.2 %	16.3 %	16.0 %	15.0 %
Share-based compensation	2,611	2,998	9,673	8,375
Depreciation and amortization	32,430	17,784	93,051	51,005
<i>EBITDA, as adjusted</i>	\$ 259,215	\$ 158,222	\$ 703,198	\$ 423,876
<i>EBITDA margin, as adjusted</i>	19.9 %	18.7 %	18.8 %	17.5 %

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 September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net Sales				
Same branch	\$ 1,037,278	\$ 845,757	\$ 2,926,330	\$ 2,422,810
Acquisitions (a)	263,720	—	817,871	—
Total	\$ 1,300,998	\$ 845,757	\$ 3,744,201	\$ 2,422,810
Gross profit, as adjusted				
Same branch	\$ 324,832	\$ 250,291	\$ 899,959	\$ 691,821
Acquisitions (a)	70,916	—	211,208	—
Total	\$ 395,748	\$ 250,291	\$ 1,111,167	\$ 691,821
Gross margin, as adjusted				
Same branch (b)	31.3 %	29.6 %	30.8 %	28.6 %
Acquisitions (c)	26.9 %		25.8 %	
Operating profit, as adjusted				
Same branch	\$ 192,249	\$ 137,440	\$ 516,374	\$ 364,496
Acquisitions (a)	31,925	—	84,100	—
Total	\$ 224,174	\$ 137,440	\$ 600,474	\$ 364,496
Operating margin, as adjusted				
Same branch (b)	18.5 %	16.3 %	17.6 %	15.0 %
Acquisitions (c)	12.1 %		10.3 %	

(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 September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
EBITDA, as adjusted				
Same branch	\$ 213,412	\$ 158,222	\$ 578,847	\$ 423,876
Acquisitions (a)	45,803	—	124,351	—
Total	\$ 259,215	\$ 158,222	\$ 703,198	\$ 423,876
EBITDA, as adjusted, as a percentage of sales				
Same branch (b)	20.6 %		19.8 %	
Acquisitions (c)	17.4 %		15.2 %	
Total (d)	19.9 %	18.7 %	18.8 %	17.5 %
As Adjusted Incremental EBITDA, as a percentage of change in sales				
Same branch (e)	28.8 %		30.8 %	
Acquisitions (c)	17.4 %		15.2 %	
Total (f)	22.2 %		21.1 %	

(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 September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Income before income taxes, as reported	\$ 208,010	\$ 128,369	\$ 554,216	\$ 326,115
Rationalization charges	(807)	—	(334)	16
Acquisition related costs	2,107	3,634	6,759	5,844
Refinancing costs and loss on extinguishment of debt	—	—	—	13,862
COVID-19 pay	—	—	—	659
Income before income taxes, as adjusted	209,310	132,003	560,641	346,496
Tax rate at 26.0%	(54,421)	(34,321)	(145,767)	(90,089)
Income, as adjusted	\$ 154,889	\$ 97,682	\$ 414,874	\$ 256,407
Income per common share, as adjusted	\$ 4.80	\$ 2.95	\$ 12.71	\$ 7.73
Weighted average diluted common shares outstanding	32,279,820	33,088,680	32,643,161	33,155,995

ACQUISITION ADJUSTED NET SALES (unaudited)

(\$ in 000s)

	2021	2022			Trailing Twelve Months Ended
	Q4	Q1	Q2	Q3	September 30, 2022
Net Sales	\$ 1,063,398	\$ 1,168,918	\$ 1,274,285	\$ 1,300,998	\$ 4,807,599
Acquisitions proforma adjustment †	49,639	2,934	438	-	53,011
Net sales, acquisition adjusted	<u>\$ 1,113,037</u>	<u>\$ 1,171,852</u>	<u>\$ 1,274,723</u>	<u>\$ 1,300,998</u>	<u>\$ 4,860,610</u>
Receivables, net plus inventories, net less accounts payable					\$ 752,570
Receivables, net plus inventories, net less accounts payable as a percent of net sales, acquisition adjusted (TTM) †					15.5 %

† 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	\$ 525.0	545.7
Adjustments to arrive at estimated EBITDA, as adjusted:		
Interest expense and other, net	56.5	54.5
Income tax expense	184.5	191.8
Depreciation and amortization	125.0	123.0
Share-based compensation	13.0	12.0
Rationalization charges	1.0	-
Acquisition related costs	10.0	8.0
Estimated EBITDA, as adjusted	\$ 915.0	\$ 935.0

