

May 1, 2018



TopBuild Completes Acquisition of USI

- Expands geographic footprint and penetration in key growth regions
- Enhances value proposition for customers
- Expected to be accretive to GAAP EPS in the 12-month period after close
- Expected to enhance pro forma EBITDA margin and free cash flow profile
- Anticipate \$15M of run-rate cost synergies

DAYTONA BEACH, Fla., May 01, 2018 (GLOBE NEWSWIRE) -- **TopBuild Corp.** (NYSE:BLD), the leading purchaser, installer and distributor of insulation products to the U.S. construction industry, has successfully completed its previously announced acquisition of United Subcontractors, Inc. ("USI") from an affiliate of Trilantic Capital Partners North America for \$475 million cash.

Jerry Volas, Chief Executive Officer of TopBuild, stated, *"We welcome the USI team to TopBuild and expect that our combined company will better serve our customer base through enhanced product offerings, services and capabilities across our national footprint. Our leadership teams have been working together to ensure a smooth transition as we integrate USI into TopBuild's systems and supply chain. We are confident this combination will benefit all of our stakeholders."*

On a December 31, 2017 pro forma basis, inclusive of expected run rate synergies of \$15 million, the combined company would have had revenue of \$2.3 billion, adjusted EBITDA of \$259 million, almost 10,000 employees and close to 300 installation and distribution locations. The Company funded this transaction through a previously announced 5.625% \$400.0 million Senior Notes offering and a \$100.0 million term loan. At the close of the transaction, the Company's net debt to pro forma adjusted EBITDA implies a multiple of 2.8 times pre-synergies, or 2.6 times post-synergies. (see attached reconciliation table)

Volas noted, *"The transaction is expected to be accretive in the first year and it should produce strong cash flow, enabling us to de-lever quickly."*

J.P. Morgan Securities LLC and SunTrust Robinson Humphrey, Inc. acted as financial advisors to TopBuild and Greenberg Traurig, P.A. served as its legal advisor for both the acquisition and the private offering of senior notes. RBC Capital Markets LLC acted as financial advisor to USI and Gibson, Dunn & Crutcher LLP served as its legal advisor.

About TopBuild

TopBuild Corp., headquartered in Daytona Beach, Florida, is the leading purchaser, installer and distributor of insulation products to the U.S. construction industry. We provide insulation services nationwide through TruTeam[®], which has over 215 branches, and through Service Partners[®] which distributes insulation from over 75 branches. We leverage our national footprint to gain economies of scale while capitalizing on our local market presence to forge strong relationships with our customers. To learn more about TopBuild please visit our website at www.topbuild.com.

Safe Harbor Statement

This press release contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act. These forward-looking statements may address, among other things, our expected financial and operational results and the related assumptions underlying our expected results. These forward-looking statements are distinguished by use of 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. Our forward-looking statements contained herein speak only as of the date of this press release. Factors or events that we cannot predict, including those described in the risk factors contained in our filings with the Securities and Exchange Commission, may cause our actual results to differ from those expressed in forward-looking statements. Although TopBuild believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, the Company can give no assurance that its expectations will be achieved and it undertakes no obligation to update publicly any forward-looking statements as a result of new information, future events, or otherwise, except as required by applicable law.

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Reconciliation of pro forma Adjusted EBITDA to Net Income
(in millions)

	Year ended December 31, 2017
	Unaudited Pro Forma
Net income, as reported	\$ 160.0
Depreciation & amortization	40.6
Provision for income taxes	(46.5)
Interest expense and other, net	34.3
EBITDA	188.4
Share-based compensation	9.3
Significant legal settlement (a)	30.0
Rationalization charges (b)	3.7
Loss on extinguishment of debt (c)	1.1
Other (d)	11.8
Estimated Synergies (e)	15.0
Adjusted EBITDA	\$ 259.3

- (a) A significant legal settlement relating to a breach of contract action due to our termination of an insulation supply agreement with Owens Corning.
- (b) Includes compensation associated with eliminated headcount and other restructuring activities.
- (c) A loss on the extinguishment of debt relating to the Credit Agreement.
- (d) Includes acquisition and integration related costs, other costs not expected to recur in subsequent periods, as well as a full-year estimated EBITDA from an USI acquisition recently completed.
- (e) Represents synergies that we expect to realize over time from the acquisition. We will incur significant cash costs in the next twelve months to realize these synergies, and will not fully realize the synergies for several years. Actual synergies could vary materially from our estimate.



Source: TopBuild Corp.