



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.

Key Growth Initiatives

- Drive top line growth in core residential business
- Increase commercial market share
- Improve operational efficiency
- Utilize dedicated M&A resources
- Return capital to shareholders

Driving
LONG-TERM
Performance

2016 Highlights

Strong financial performance in 2016

- 7.8% revenue growth outpaced lagged housing starts
- 10.5% commercial sales growth
- 160 bps improvement in adjusted operating margin
- 47.4% increase in adjusted income per share
- 29.4% incremental EBITDA margin

Significant scale and reach of Service Partners and TruTeam remains an important differentiator for TopBuild

Results Driven by
OPERATIONAL IMPROVEMENTS

Capital Allocation

Accretive/Strategic Acquisitions...Number One Priority

- Installation and distribution targets
 - Expand market penetration
 - Focus on regions with outsized growth prospects
 - Bring experienced talent onboard
- Commercial installation
 - Fragmented industry
 - Significant growth opportunity
- Pipeline of solid prospects

\$200M Share Repurchase Program

- Two-year authorization
- Improve efficiency of capital structure
- Plan to aggressively execute

Seek Accretive Acquisitions
OPTIMIZE CAPITAL STRUCTURE

Financial Overview

(\$ in 000s)	Fourth Quarter 2016	Full Year 2016
Sales Y-O-Y Change	\$444,135 4.1%	\$1,742,850 7.8%
Adjusted Operating Profit * Y-O-Y Change	\$37,062 10.8%	\$124,867 37.7%
Adjusted Operating Margin * Y-O-Y Change	8.3% 50 bps	7.2% 160 bps
Adjusted EBITDA * Y-O-Y Change	\$42,076 10.8%	\$144,547 34.5%

* See Slides 14 &15 for adjusted EBITDA reconciliation and GAAP to non-GAAP reconciliation

Highlights

- Sales increase driven by volume growth in both segments and TruTeam price increases
- Adjusted operating profit margin positively impacted by higher sales, labor productivity and volume leverage
- Adjusted EBITDA pull-through on sales change was 23.2% for 4Q and 29.4% for full year

(\$ in 000s)	Fourth Quarter 2016	Full Year 2016
Sales <i>Y-O-Y Change</i>	\$289,244 3.6%	\$1,150,168 8.8%
Adjusted Operating Profit * <i>Y-O-Y Change</i>	\$28,843 52.1%	\$98,351 83.3%
Adjusted Operating Margin * <i>Y-O-Y Change</i>	10.0% 320 bps	8.6% 350 bps

* See slide 15 for GAAP to non-GAAP reconciliation

Highlights

- Sales growth driven by higher level activity in both residential and commercial and higher selling prices
- Selling prices up 1.0% and 2.6% for 4Q and 2016, respectively
- Margin improvement due to volume leverage, improved price, reduced material cost and labor productivity

(\$ in 000s)	Fourth Quarter 2016	Full Year 2016
Sales <i>Y-O-Y Change</i>	\$177,404 4.3%	\$676,672 4.7%
Adjusted Operating Profit * <i>Y-O-Y Change</i>	\$16,411 5.8%	\$59,910 6.6%
Adjusted Operating Margin * <i>Y-O-Y Change</i>	9.3% 20 bps	8.9% 20 bps

* See slide 15 for GAAP to non-GAAP reconciliation

Highlights

- Improved residential and commercial volume
- Selling prices down 2.8% and 2.3% for 4Q and 2016, respectively, primarily due to additional fiberglass capacity coming on line late 2015

Adjusted EPS

(\$ in 000s)

	Three Months Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
Income from continuing operations before income taxes, as reported	\$ 34,728	\$ 41,461	\$ 116,273	\$ 74,115
Rationalization charges [†]	1,049	308	3,139	4,672
Acquisition costs	69	—	124	—
Legal adjustments, net	—	—	—	2,430
Fixed asset disposal (truck mounted device)	—	—	—	1,690
Masco general corporate expense, net	—	—	—	13,627
Masco direct corporate expense	—	—	—	5,604
Expected standalone corporate expense	—	—	—	(11,000)
Employee benefit policy change	—	(9,861)	—	(9,861)
Income from continuing operations before income taxes, as adjusted	35,846	31,908	119,536	81,277
Tax rate at 38% rate	(13,621)	(12,125)	(45,424)	(30,885)
Income from continuing operations, as adjusted	\$ 22,225	\$ 19,783	\$ 74,112	\$ 50,392
Income per common share, as adjusted	\$ 0.59	\$ 0.52	\$ 1.96	\$ 1.33
Average diluted common shares outstanding	37,644,065	37,910,642	37,867,212	37,780,875

† 2015 Rationalization charges included spin-off charges.

Cash Flow/Working Capital/CAPEX

(\$ in 000s)	Full Year 2016	Full Year 2015
CAPEX As % of sales	\$14,156 0.8%	\$13,644 0.8%
Working Capital % to sales (using LTM sales)	7.3%	6.2%
Operating Cash Flow	\$76,785	\$56,011
Cash Balance	\$134,375	\$112,848

Highlights

- CAPEX @ 0.8% of sales
- Working capital increase due to growth of commercial business which tends to have greater receivable days and lower accounts payable due to change in supplier and material mix
- Overall liquidity of \$210 million between cash and accessible credit facility

2016 OPERATIONAL ACCOMPLISHMENTS

- Optimized footprint through branch closures, organic growth and acquisitions
- Reduced headcount at Branch Support Center (Daytona)
- Increased labor productivity
- Implemented 24-hour hiring process for installers
- Enhanced management team with industry veterans and built dedicated M&A Team
- Improved safety metrics
- Outpaced lagged housing starts and grew share
- Grew commercial revenue...light and heavy
- Received ENERGY STAR PARTNER –Sustained Excellence Award



Strong Focus on
**SAFETY, LOCAL EMPOWERMENT, OPERATIONAL EFFICIENCY,
SIMPLIFICATION OF BUSINESS PROCESSES**

STRATEGIC, ACCRETIVE ACQUISITIONS ~\$50M REVENUE IN 2017*

MIDWEST — Fireproofing, LLC. —

- Acquired January 2017
- ~\$20M annual revenue
- Expands Midwest presence
- Extensive contractor relationships
- Heavy commercial



- Acquired August 2016
- ~\$4.5M annual revenue
- Residential installation
- Central VA locations



- Acquired February 2017
- ~\$23M annual revenue
- Denver and Colorado Springs locations
- Residential and light commercial

*Mr. Insul*FOAM

- Acquired February 2017
- ~\$2M annual revenue
- Residential installation
- Norwalk, CT location

Strong Customer Relationships
Experienced Management Teams

ENHANCE FOOTPRINT & MARKET SHARE

*Net incremental sales \$41 million to TopBuild due to non-synergistic sales

Appendix

Adjusted EBITDA Reconciliation

	Three Months Ended December 31,			Year Ended December 31,		
	2016	2015	Change	2016	2015	Change
Net sales after eliminations	\$ 444,135	\$ 426,471	4.1 %	\$ 1,742,850	\$ 1,616,580	7.8 %
Operating profit, as reported - segment	\$ 44,879	\$ 44,036		\$ 156,794	\$ 110,932	
General corporate expense, net	(5,084)	(4,583)		(20,802)	(22,605)	
Intercompany eliminations and other adjustments	(3,851)	3,544		(14,388)	(4,796)	
Operating profit, as reported	\$ 35,944	\$ 42,997		\$ 121,604	\$ 83,531	
<i>Operating margin, as reported</i>	8.1 %	10.1 %		7.0 %	5.2 %	
Rationalization charges ^{†‡}	1,049	308		3,139	4,672	
Legal adjustments, net	—	—		—	2,430	
Acquisition costs	69	—		124	—	
Fixed asset disposal (truck mounted devices)	—	—		—	1,690	
Masco general corporate expense, net	—	—		—	13,627	
Masco direct corporate expense	—	—		—	5,604	
Expected standalone corporate expense	—	—		—	(11,000)	
Employee benefit policy change	—	(9,861)		—	(9,861)	
Operating profit, as adjusted	\$ 37,062	\$ 33,444		\$ 124,867	\$ 90,693	
<i>Operating margin, as adjusted</i>	8.3 %	7.8 %		7.2 %	5.6 %	
Share-based compensation	1,926	1,500		7,669	4,651	
Depreciation and amortization	3,088	3,038		12,011	12,108	
EBITDA, as adjusted	\$ 42,076	\$ 37,982		\$ 144,547	\$ 107,452	
Sales change period over period	17,664			126,270		
EBITDA, as adjusted change period over period	4,094			37,095		
EBITDA, as adjusted as percentage of sales change	23.2 %			29.4 %		

† 2015 Rationalization charges included spin-off charges.

‡ 2016 Rationalization charges include corporate level adjustments as well as segment operating adjustments.

Segment GAAP to Non-GAAP Reconciliation

	Three Months Ended December 31,			Year Ended December 31,		
	2016	2015	Change	2016	2015	Change
Installation						
Sales	\$ 289,244	\$ 279,084	3.6 %	\$ 1,150,168	\$ 1,057,553	8.8 %
Operating profit, as reported	\$ 28,641	\$ 28,519		\$ 97,140	\$ 55,232	
<i>Operating margin, as reported</i>	9.9 %	10.2 %		8.4 %	5.2 %	
Rationalization charges [†]	202	308		1,211	4,160	
Legal adjustments, net	—	—		—	2,430	
Fixed asset disposal (truck mounted devices)	—	—		—	1,690	
Employee benefit policy change	—	(9,861)		—	(9,861)	
Operating profit, as adjusted	\$ 28,843	\$ 18,966		\$ 98,351	\$ 53,651	
<i>Operating margin, as adjusted</i>	10.0 %	6.8 %		8.6 %	5.1 %	
Distribution						
Sales	\$ 177,404	\$ 170,109	4.3 %	\$ 676,672	\$ 646,441	4.7 %
Operating profit, as reported	\$ 16,238	\$ 15,517		\$ 59,654	\$ 55,700	
<i>Operating margin, as reported</i>	9.2 %	9.1 %		8.8 %	8.6 %	
Rationalization charges	173	—		256	512	
Operating profit, as adjusted	\$ 16,411	\$ 15,517		\$ 59,910	\$ 56,212	
<i>Operating margin, as adjusted</i>	9.3 %	9.1 %		8.9 %	8.7 %	

† 2015 Rationalization charges included spin-off charges.