



# Baird Global Industrial Conference

November 12, 2024



# Safe Harbor and Basis of Presentation

**Forward-Looking Statement Safe Harbor** — This presentation includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. You can generally identify forward-looking statements by the Company’s use of forward-looking terminology such as “anticipate,” “believe,” “confident,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “potential,” “predict,” “seek,” or “should,” or the negative thereof or other variations thereon or comparable terminology. In particular, statements about the markets in which GMS operates and our products, including potential or expected growth in those markets and products, the economy generally, our ability to continue successfully navigating the evolving operating environment and executing our business, strategic initiatives and priorities and growth potential, closing of acquisitions and integration of such acquisitions, future M&A and greenfields, inflation, capital structure, pricing (including but not limited to, fluctuations in commodity pricing), volumes, net sales, organic sales, gross margins, incremental EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, capital expenditures, free cash flow, future financial performance and liquidity, the Company’s cost reduction initiatives and results thereof, and the ability of the Company to grow stronger contained in this presentation may be considered forward-looking statements. Statements about our expectations, beliefs, plans, strategies, objectives, prospects, assumptions or future events or performance may be considered forward-looking statements. The Company has based forward-looking statements on its current expectations, assumptions, estimates and projections. While the Company believes these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond its control. Forward-looking statements involve risks and uncertainties, including, but not limited to, those described in the “Risk Factors” section in the Company’s most recent Annual Report on Form 10-K, and in its other periodic reports filed with the SEC. In addition, the statements in this presentation are made as of November 12, 2024. The Company undertakes no obligation to update any of the forward-looking statements made herein, whether as a result of new information, future events, changes in expectation or otherwise. These forward-looking statements should not be relied upon as representing the Company’s views as of any date subsequent to November 12, 2024.

**Use of Non-GAAP and Adjusted Financial Information** — To supplement GAAP financial information, we use adjusted measures of operating results which are non-GAAP measures. This non-GAAP adjusted financial information is provided as additional information for investors. These adjusted results exclude certain costs, expenses, gains and losses, and we believe their exclusion can enhance an overall understanding of our past financial performance and also our prospects for the future. These adjustments to our GAAP results are made with the intent of providing both management and investors a more complete understanding of our operating performance by excluding non-recurring, infrequent or other non-cash charges that are not believed to be material to the ongoing performance of our business. The presentation of this additional information is not meant to be considered in isolation or as a substitute for GAAP measures of net income, diluted earnings per share or net cash provided by (used in) operating activities prepared in accordance with generally accepted accounting principles in the United States. Please see the Appendix to this presentation for a further discussion on these non-GAAP measures and a reconciliation of these non-GAAP measures to the most directly comparable GAAP measures.

# GMS at a Glance

**53yrs**

Founded in  
1971

**\$5.5B**

FY24  
Net Sales

**\$276M**

FY24  
Net Income

**\$615M**

FY24  
Adj. EBITDA<sup>1</sup>

**300+**

Distribution yards

**& ~100**

Tool Sales, Rentals  
& Service Centers

**60+**

Leading Brands

**7,600+**

GMS Team Members

**GMS**

NYSE Ticker  
Symbol

1. For a reconciliation of Adjusted EBITDA to the most directly comparable GAAP metrics, see Appendix.



# Diversified and Balanced End Market Exposure

Diversified exposure across commercial and residential new and repair and remodel construction markets continues to be an advantage

**~45%**

## Residential

- Single-Family New
- Multi-Family New
- Repair & Remodel



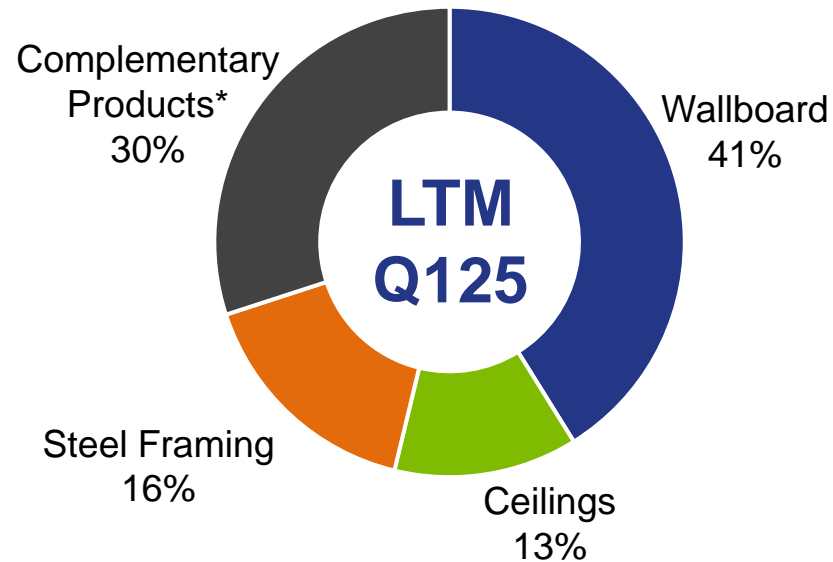
**~55%**

## Commercial

- New Construction
- Repair & Remodel

# Providing Value to Contractors and Builders

GMS provides a complementary and complete product offering with value-added service delivery to the contractors who install wallboard, ceilings, steel framing and ancillary products needed to complete the job



- Expertise across local markets, leveraging scaled North American footprint
- One stop shop for contractors with a broad product offering
- Critical link between suppliers and a highly fragmented customer base



# Strategic Growth Priorities

## Expand Share in Core Products



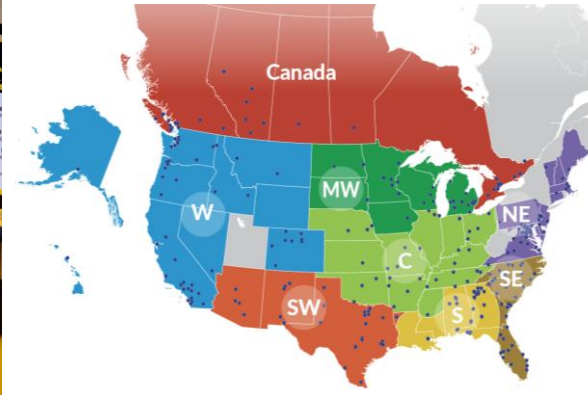
Capitalize on existing fixed investments in locations & equipment where we are underpenetrated or below expected share

## Grow Complementary Products



Grow Complementary Product opportunities to diversify and profitably expand our product offerings

## Platform Expansion



Expand the platform through accretive acquisition and greenfield opportunities, balanced with debt reduction priorities

## Drive Improved Productivity & Profitability



Leverage our scale and employ technology and best practices to deliver a best-in-class customer experience with an aim to further profit improvement

# Consistent Execution in M&A Driven Platform Expansion

## Core Products



✓ **February 1, 2021**, entry into Quebec, Canada whitespace



✓ **December 1, 2021**, scaled core products expansion into southern California and entry into Las Vegas whitespace



✓ **April 3, 2023**, core expansion throughout the greater Chicago area



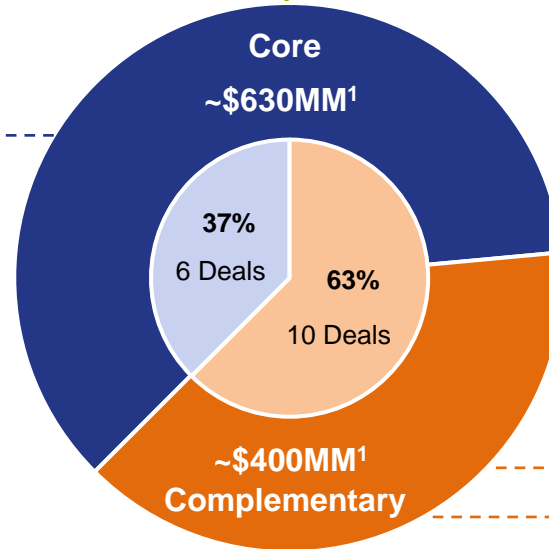
✓ **March 1, 2024**, marquee entry into the #1 MSA - metropolitan NYC market whitespace with a well-scaled platform



✓ **May 1, 2024**, bolt-on expansion within the southern California market



✓ **July 1, 2024**, significant expansion in the Greater Toronto Area and entry into southern Ontario whitespace



## M&A Since CY2020:

16 Transactions<sup>2</sup>

~\$1.3B in Capital Deployed

47 Distribution Locations<sup>3</sup>

~\$1.0B Sales<sup>3</sup>; ~\$140MM EBITDA<sup>4</sup>

## Stucco/EIFS

✓ **June 8, 2021**, gained EIFS focused offering in Ohio

✓ **August 2, 2021**, gained EIFS focused offering in Nebraska

✓ **December 1, 2021**, expanded Stucco/EIFS offering in west Florida market

✓ **June 1, 2022**, expanded Stucco/EIFS offering in west Florida market

✓ **August 26, 2024**, expanded Stucco/EIFS/Siding throughout Florida



## Tools/Fasteners

✓ **December 1, 2021**, entered taping tools market with a nationwide footprint

✓ **December 29, 2022**, entered the T&F market in the metropolitan NYC area

✓ **October 1, 2023**, entered the T&F market in Phoenix, AZ



## Canada "One Stop"

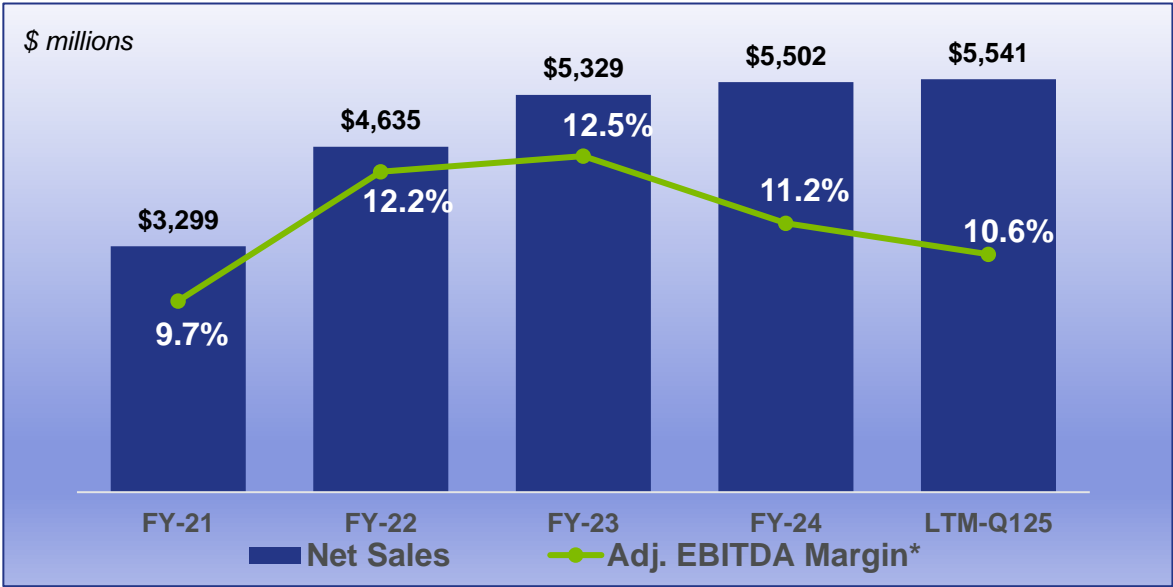
✓ **April 3, 2023**, added Exterior products in the greater Toronto, ON market

✓ **May 1, 2023**, expanded Lumber and Siding offering on Vancouver Island

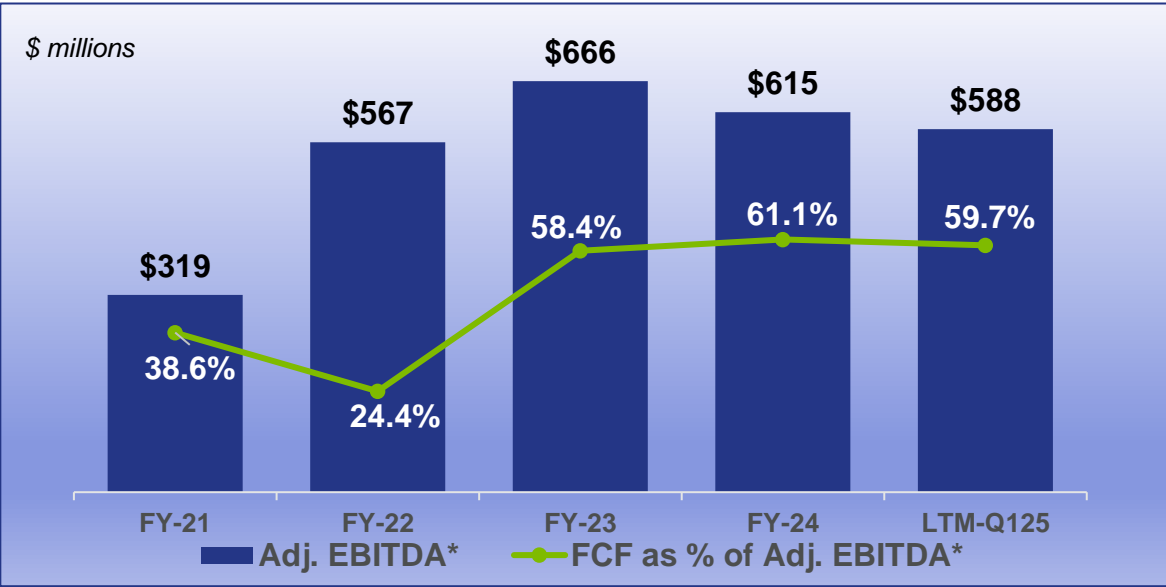


# GMS – Solid Track Record of Profitability and Cash Flow

Net Sales & Adj EBITDA Margin



Adj. EBITDA and Free Cash Flow (as a % of Adj. EBITDA)



\*For a reconciliation of Adjusted EBITDA, Adjusted EBITDA Margin or Free Cash Flow to the most directly comparable GAAP metrics, see Appendix



# Well Positioned to Deliver Long Term Value

**An industry leader with local expertise and broad North American scale**

**Products and expertise to service single-family, multi-family and commercial customers**

**Wide breadth of product offerings with growing Complementary Product opportunities**

**Strong balance sheet, substantial liquidity and expected strong long term cash flow generation to support future growth**

**Successfully executing on strategic priorities to drive long-term value**

**Strong underlying fundamentals support long-term growth**



**Baird Global Industrial Conference**

November 10, 2024

**Q&A**

# Appendix



# Summary Quarterly Financials

(In millions)  
(Unaudited)

	1Q24	2Q24	3Q24	4Q24	FY24	1Q25
Wallboard Volume (MSF)	1,204	1,231	1,101	1,234	4,769	1,233
Wallboard Price (\$ / '000 Sq. Ft.)	\$ 475	\$ 476	\$ 473	\$ 475	\$ 475	\$ 477
Wallboard	\$ 571	\$ 585	\$ 521	\$ 586	\$ 2,263	\$ 588
Ceilings	175	175	156	189	695	207
Steel framing	237	232	203	220	893	210
Complementary products	426	428	379	418	1,651	444
Net sales	1,410	1,421	1,258	1,413	5,502	1,448
Cost of sales	959	962	844	962	3,727	997
Gross profit	451	459	415	451	1,775	452
Gross margin	32.0%	32.3%	33.0%	31.9%	32.3%	31.2%
Operating expenses:						
Selling, general and administrative expenses	287	301	296	316	1,199	315
Depreciation and amortization	32	33	33	36	133	38
Total operating expenses	319	334	328	351	1,332	353
Operating income	132	125	86	100	443	98
Other (expense) income:						
Interest expense	(19)	(19)	(19)	(19)	(75)	(22)
Write-off of discount and deferred financing costs	(1)	-	-	(1)	(2)	-
Other income, net	2	2	2	3	9	2
Total other expense, net	(18)	(17)	(17)	(17)	(69)	(20)
Income before taxes	114	108	69	83	374	78
Income tax expense	27	27	17	27	98	21
Net income	\$ 87	\$ 81	\$ 52	\$ 56	\$ 276	\$ 57
<b>Business Days</b>	<b>64</b>	<b>65</b>	<b>62</b>	<b>64</b>	<b>255</b>	<b>64</b>
Net Sales by Business Day	\$ 22.0	\$ 21.9	\$ 20.3	\$ 22.1	\$ 21.6	\$ 22.6
Beginning Branch Count	304	305	308	311	304	316
Added Branches	1	3	3	5	12	9
<b>Ending Branch Count</b>	<b>305</b>	<b>308</b>	<b>311</b>	<b>316</b>	<b>316</b>	<b>325</b>

# Quarterly Cash Flows

(\$ in millions)

(Unaudited)

	1Q24	2Q24	3Q24	4Q24	FY24	1Q25
Net income	\$ 86.8	\$ 81.0	\$ 51.9	\$ 56.4	\$ 276.1	\$ 57.2
Non-cash changes & other changes	(12.3)	48.2	27.5	81.1	144.5	(12.5)
<i>Changes in primary working capital components:</i>						
Trade accounts and notes receivable	(38.2)	(51.1)	92.1	(29.3)	(26.5)	(36.4)
Inventories	(1.4)	21.6	(20.3)	17.1	17.0	(20.6)
Accounts payable	(28.3)	18.4	(47.0)	79.0	22.2	(10.6)
<b>Cash provided by (used in) operating activities</b>	<b>6.6</b>	<b>118.1</b>	<b>104.3</b>	<b>204.2</b>	<b>433.2</b>	<b>(22.9)</b>
Purchases of property and equipment	(13.5)	(16.0)	(10.2)	(17.5)	(57.2)	(9.0)
Proceeds from sale of assets	1.0	0.7	0.2	0.7	2.7	1.2
Acquisitions of businesses, net of cash acquired	(39.0)	(17.0)	0.6	(320.8)	(376.2)	(118.5)
<b>Cash (used in) investing activities</b>	<b>(51.5)</b>	<b>(32.3)</b>	<b>(9.4)</b>	<b>(337.6)</b>	<b>(430.8)</b>	<b>(126.2)</b>
<b>Cash provided by (used in) financing activities</b>	<b>(39.1)</b>	<b>(89.7)</b>	<b>(83.9)</b>	<b>212.2</b>	<b>(0.4)</b>	<b>35.3</b>
Effect of exchange rates	0.7	(1.1)	0.8	(1.1)	(0.6)	0.9
Increase (decrease) in cash and cash equivalents	(83.3)	(4.9)	11.8	77.8	1.4	(113.0)
Balance, beginning of period	164.7	81.4	76.5	88.3	164.7	166.1
<b>Balance, end of period</b>	<b>\$ 81.4</b>	<b>\$ 76.5</b>	<b>\$ 88.3</b>	<b>\$ 166.1</b>	<b>\$ 166.1</b>	<b>\$ 53.2</b>
<b>Supplemental cash flow disclosures:</b>						
Cash paid for income taxes	\$ 3.2	\$ 66.1	\$ 24.4	\$ 26.7	\$ 120.4	\$ 2.9
Cash paid for interest	\$ 21.9	\$ 13.5	\$ 22.0	\$ 13.5	\$ 70.8	\$ 26.7
Cash provided by (used in) operating activities	\$ 6.6	\$ 118.1	\$ 104.3	\$ 204.2	\$ 433.2	\$ (22.9)
Purchases of property and equipment	(13.5)	(16.0)	(10.2)	(17.5)	(57.2)	(9.0)
<b>Free cash flow <sup>(1)</sup></b>	<b>\$ (6.9)</b>	<b>\$ 102.1</b>	<b>\$ 94.1</b>	<b>\$ 186.7</b>	<b>\$ 376.0</b>	<b>\$ (31.9)</b>

(1) Free cash flow is a non-GAAP financial measure defined as net cash provided by (used in) operations less capital expenditures. Differences may occur due to rounding.

# Q1 2025 Net Sales

(\$ in millions)

(Unaudited)

	Fiscal Q1		Variance	
	FY25	FY24	Reported	Organic <sup>(1)</sup>
Organic (1)	\$ 1,378.0	\$ 1,409.6		
Acquisitions	75.5	-		
Fx Impact	(5.1)	-		
<b>Total Net Sales</b>	<b>\$ 1,448.5</b>	<b>\$ 1,409.6</b>	<b>2.8%</b>	<b>(2.2%)</b>
Wallboard	\$ 587.9	\$ 571.4	2.9%	1.1%
Ceilings	207.2	175.2	18.2%	5.7%
Steel Framing	209.9	236.8	(11.4%)	(15.3%)
Complementary Products	443.5	426.2	4.1%	(2.7%)
<b>Total Net Sales</b>	<b>\$ 1,448.5</b>	<b>\$ 1,409.6</b>	<b>2.8%</b>	<b>(2.2%)</b>

1. Organic net sales growth calculation excludes net sales of acquired businesses until first anniversary of acquisition date and impact of foreign currency translation.

# Quarterly Net Income to Adjusted EBITDA

## Reconciliation

(\$ in 000s) (Unaudited)	1Q24	2Q24	3Q24	4Q24	FY24	1Q25
<b>Net Income</b>	<b>\$ 86,830</b>	<b>\$ 80,957</b>	<b>\$ 51,905</b>	<b>\$ 56,387</b>	<b>\$ 276,079</b>	<b>\$ 57,248</b>
Add: Interest Expense	18,914	18,742	18,784	19,021	75,461	22,213
Add: Write off of debt discount and deferred financing fees	1,401	-	-	674	2,075	-
Less: Interest Income	(474)	(292)	(378)	(610)	(1,754)	(370)
Add: Income Tax Expense	26,734	27,205	17,468	26,680	98,087	20,946
Add: Depreciation Expense	16,327	16,963	17,276	18,640	69,206	19,228
Add: Amortization Expense	15,691	15,974	15,528	16,963	64,156	18,804
<b>EBITDA</b>	<b>\$ 165,423</b>	<b>\$ 159,549</b>	<b>\$ 120,583</b>	<b>\$ 137,755</b>	<b>\$ 583,310</b>	<b>\$ 138,069</b>
<b>Adjustments</b>						
Stock appreciation rights (A)	1,218	401	1,789	1,983	5,391	243
Redeemable noncontrolling interests (B)	480	184	461	302	1,427	422
Equity-based compensation (C)	3,304	5,111	3,559	3,644	15,618	3,678
Severance and other permitted costs (D)	406	882	1,033	307	2,628	956
Transaction costs (acquisition and other) (E)	1,385	1,223	765	1,483	4,856	1,280
(Gain) loss on disposal of assets (F)	(131)	(310)	(222)	(66)	(729)	858
Effects of fair value adjustments to inventory (G)	302	140	8	1,183	1,633	375
Debt transaction costs (H)	911	378	44	(13)	1,320	-
<b>Total Adjustments</b>	<b>\$ 7,875</b>	<b>\$ 8,009</b>	<b>\$ 7,437</b>	<b>\$ 8,823</b>	<b>\$ 32,144</b>	<b>\$ 7,812</b>
<b>Adjusted EBITDA (as reported)</b>	<b>\$ 173,298</b>	<b>\$ 167,558</b>	<b>\$ 128,020</b>	<b>\$ 146,578</b>	<b>\$ 615,454</b>	<b>\$ 145,881</b>
<b>Net Sales</b>	<b>\$1,409,600</b>	<b>\$1,420,930</b>	<b>\$1,258,348</b>	<b>\$1,413,029</b>	<b>\$5,501,907</b>	<b>\$1,448,456</b>
<b>Adjusted EBITDA Margin</b>	<b>12.3%</b>	<b>11.8%</b>	<b>10.2%</b>	<b>10.4%</b>	<b>11.2%</b>	<b>10.1%</b>

## Commentary

- A. Represents changes in the fair value of stock appreciation rights
- B. Represents changes in the fair value of noncontrolling interests
- C. Represents non-cash equity-based compensation expense related to the issuance of share-based awards
- D. Represents severance expenses and certain other cost adjustments as permitted under the ABL Facility and the Term Loan Facility
- E. Represents one-time costs related to acquisitions paid to third parties
- F. Includes gains and losses from the sale and disposal of assets
- G. Represents the non-cash cost of sales impact of purchase accounting adjustments to increase inventory to its estimated fair value
- H. Represents expenses paid to third party advisors related to debt refinancing activities

# Net Income to Pro Forma Adjusted EBITDA

	Reconciliation								
(\$ in 000s) (Unaudited)	LTM FY25 Q1	2024	2023	2022	2021	2020	2019	2018	2017
<b>Net Income</b>	\$ 246,497	\$ 276,079	\$ 332,991	\$ 273,442	\$ 105,560	\$ 23,381	\$ 56,002	\$ 62,971	\$ 48,886
Add: Interest Expense	78,760	75,461	65,843	58,097	53,786	67,718	73,677	31,395	29,360
Add: Write off of debt discount and deferred financing fees	674	2,075	-	-	4,606	1,331	-	74	7,103
Less: Interest Income	(1,650)	(1,754)	(1,287)	(163)	(86)	(88)	(66)	(177)	(152)
Add: Income Tax Expense	92,299	98,087	114,512	91,377	31,534	22,944	14,039	20,883	22,654
Add: Depreciation Expense	72,107	69,206	61,177	55,437	50,480	51,332	46,456	24,075	25,565
Add: Amortization Expense	67,269	64,156	65,730	63,795	57,645	65,201	71,003	41,455	43,675
<b>EBITDA</b>	\$ 555,956	\$ 583,310	\$ 638,966	\$ 541,985	\$ 303,525	\$ 231,819	\$ 261,111	\$ 180,676	\$ 177,091
<b>Adjustments</b>									
Impairment of goodwill				-	-	63,074	-	-	-
Stock appreciation rights	(A) 4,416	5,391	7,703	4,403	3,173	1,572	2,730	2,318	148
Redeemable noncontrolling interests	(B) 1,369	1,427	1,178	1,983	1,288	520	1,188	1,868	3,536
Equity-based compensation	(C) 15,992	15,618	13,217	10,968	8,442	7,060	3,906	1,695	2,534
Severance and other permitted costs	(D) 3,178	2,628	2,788	1,132	2,948	5,733	8,152	581	(157)
Transaction costs (acquisition and other)	(E) 4,751	4,856	1,961	3,545	1,068	2,414	7,858	3,370	2,249
(Gain) loss on disposal of assets	260	(729)	(1,413)	(913)	(1,011)	658	(525)	(509)	(338)
Effects of fair value adjustments to inventory	(F) 1,706	1,633	1,123	3,818	788	575	4,176	324	946
Gain on legal settlement	-	-	-	-	(1,382)	(14,029)	-	-	-
Change in fair value of financial instruments	(G) -	-	-	-	-	-	6,395	6,125	382
Secondary public offerings	(H) -	-	-	-	-	363	-	1,525	1,385
Debt transaction costs	(I) 409	1,320	173	-	532	-	678	1,285	265
<b>Total Adjustments</b>	\$ 32,081	\$ 32,144	\$ 26,730	\$ 24,936	\$ 15,846	\$ 67,940	\$ 34,558	\$ 18,582	\$ 11,138
<b>Adjusted EBITDA (as reported)</b>	\$ 588,037	\$ 615,454	\$ 665,696	\$ 566,921	\$ 319,371	\$ 299,759	\$ 295,669	\$ 199,258	\$ 188,229
Contributions from acquisitions	(J) 35,211	24,213	9,535	21,348	4,948	1,480	6,717	1,280	9,500
<b>Pro Forma Adjusted EBITDA</b>	\$ 623,248	\$ 639,667	\$ 675,231	\$ 588,269	\$ 324,319	\$ 301,239	\$ 302,386	\$ 200,538	\$ 197,729
<b>Net Sales</b>	\$5,540,763	\$5,501,907	\$5,329,252	\$4,634,875	\$3,298,823	\$3,241,307	\$3,116,032	\$2,511,469	\$2,319,146
<b>Adjusted EBITDA margin (as reported)</b>	10.6%	11.2%	12.5%	12.2%	9.7%	9.2%	9.5%	7.9%	8.1%

## Commentary

- A. Represents changes in the fair value of stock appreciation rights
- B. Represents changes in the fair value of noncontrolling interests
- C. Represents non-cash equity-based compensation expense related to the issuance of share-based awards
- D. Represents severance expenses and certain other cost adjustments as permitted under the ABL Facility and the Term Loan Facility
- E. Represents one-time costs related to our initial public offering and acquisitions paid to third party advisors as well as costs related to the retirement of corporate stock appreciation rights
- F. Represents the non-cash cost of sales impact of purchase accounting adjustments to increase inventory to its estimated fair value
- G. Represents mark-to-market adjustments for derivative financial instruments
- H. Represents one-time costs related to our secondary offerings paid to third party advisors
- I. Represents expenses paid to third party advisors related to debt refinancing activities
- J. Pro forma impact of earnings from acquisitions from the beginning of the LTM period to the date of acquisition, including synergies



# Reconciliation of Cash Provided by Operating Activities to Free Cash Flow

	LTM FY25 Q1	2024	2023	2022	2021
	(in thousands)				
Cash provided by operating activities	\$ 403,663	\$ 433,249	\$ 441,737	\$ 179,611	\$ 153,304
Purchases of property and equipment	(52,685)	(57,247)	(52,672)	(41,082)	(29,873)
Free cash flow(a)	\$ 350,978	\$ 376,002	\$ 389,065	\$ 138,529	\$ 123,431

(a) Free cash flow is a non-GAAP financial measure that we define as net cash provided by operations less capital expenditures.